



LAND MANAGEMENT THROUGH LEASING



This document provides a snapshot of public farmland in Illinois and how it is currently managed. The information sheds light on the existing challenges and informs strategies for working with public institutional landowners to improve farmland management through their leasing programs.

For landowners who don't farm the land themselves (private individuals, investors, institutions, etc.), an important lever that can be used to incentivize conservation is the lease agreement between landowner and farmer tenant. The lease agreement can be used to spell out management practices and responsibilities landowners and operators have to implement them (1, 2, 9, 10). Many lease agreements between individuals are handshake deals with little room for negotiation.

In addition to legal protections, what these "handshake deals" lack is the latest information and tools that integrate innovations in conservation, risk sharing, and other market and non-market dynamics.

Furthermore, the majority of the agreements are only one year in length, making land tenure security a key barrier to long term investment. Institutions that own land and lease it for farming, however, have an opportunity to use their written legal agreements to advance conservation and soil health. Within the public sector in particular, land that is managed for the public good can be a catalyst for a regenerative agriculture transition. The conservation leasing infrastructure and practices discussed here can be applied to many institutional and private landowners with minor adjustments.





PUBLIC LAND

In Illinois, over 80,000 acres of publicly held land is leased for agricultural use by state agencies, such as the Illinois Department of Natural Resources and county Forest Preserve Districts. However, for such agencies and their staff members charged with managing the working lands programs, they are typically not a priority due to lack of agricultural expertise, staff capacity, or other barriers. Yet, these agencies have a unique opportunity to take a leadership role in transforming farmland management through an approach that considers the land's value as a natural resource and supports regenerative food systems.

While publicly owned land accounts for only a small fraction of the total farm land in Illinois, local, state, and federal government agencies can work together to develop policies and programs that treat farmland as an investment and set the tone for the rest of the

state to transform agriculture resulting in positive environmental, economic, and social outcomes. This approach to farmland management can support restoration and protection of natural resources through generated lease revenue, support local food production, rebuild soils, and improve habitat and water quality. Furthermore, a transition to regenerative agriculture led by the public agencies can catalyze wider adoption of conservation practices on private land by showcasing their benefits.

Delta Institute inventoried public land and associated agricultural lease programs across the state of Illinois. The inventory identified challenges and opportunities currently facing public managers. This understanding informed the design of tools and resources for land managers as well as statewide policies to support long-term investment on working lands owned by public agencies outlined in the tools section of this report.



FARMING ON PUBLIC LAND IN ILLINOIS

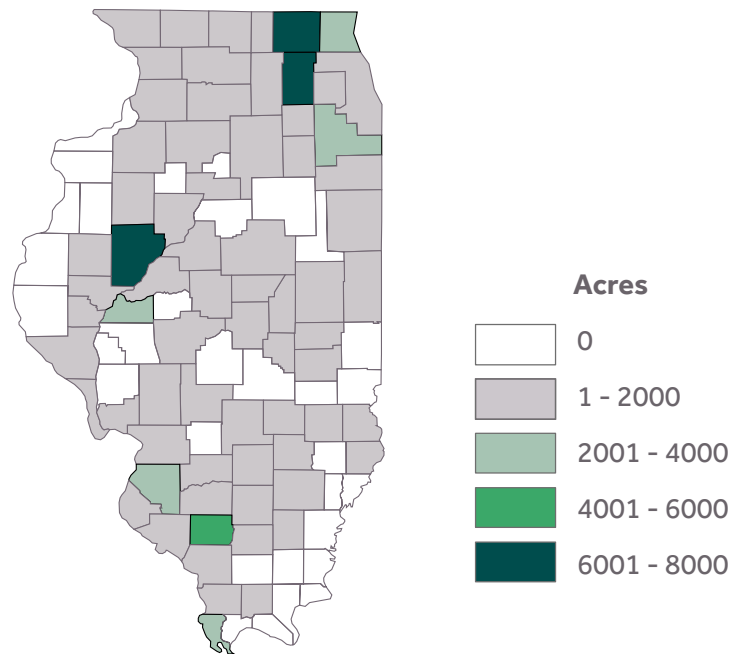
While publicly-owned land accounts for only a small fraction of the total farmland in Illinois, government agencies can work together to develop policies and programs that treat farmland as an investment. This would encourage transformation of agriculture across the state, resulting in positive environmental, economic, and social outcomes. A conservation focused approach to farmland management can support restoration and protection of natural resources through generated lease revenue, support local food production, rebuild soils, and improve habitat and water quality. Additionally, a transition model led by public agencies can lead to wider adoption of conservation practices on private land as well.

Understanding current farmland leasing programs allows us to consider relevant changes to the program and how to structure a lease agreement to improve land management. The process of utilizing public contracts has influenced private sector adoption in other environmental areas such as recycled paper requirements.

Acres of Public Lands Leased for Agriculture

Public Agency	Acres
Township Leased Lands	452
DOA Leased Lands	1,574
Utility Leased Lands	5,375
County Leased Lands	24,574
DNR Leased Lands	32,485
University of Illinois	16,000
TOTAL	80,460

Note: University of Illinois acres not shown on map;
DOA: Department of Agriculture;
DNR: Department of Natural Resources



Lease Term

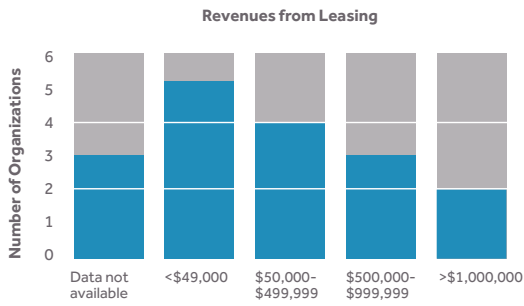
Land tenure security through longer lease terms is critical in enabling long term investment into conservation.

1-2 Year Lease Term:
7 Organizations



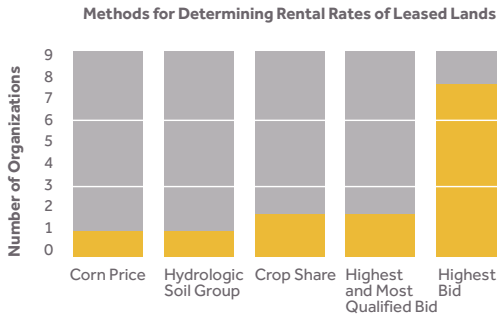
3-6 Year Lease Term:
10 Organizations





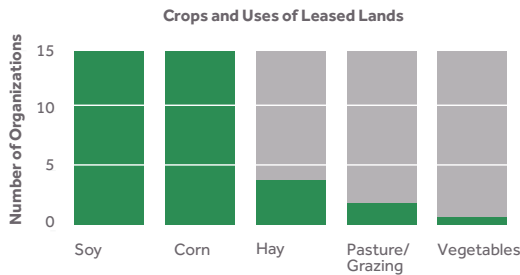
Revenue

Revenue generated through the organization's agricultural holdings and how it is used is an important factor that impacts the organization's ability to change lease rates.



Lease Rental Rate

The lease rental rate and how it is determined has an impact on program revenue and can be used to incentivize conservation practices.



Crop rotations

Diverse crop rotations and land cover are key principles of regenerative agriculture and are imperative components in building soil health.

Best Management Practices

The most direct way to ensure conservation on the land is to include conservation practice requirements in the lease agreement.



KEY FINDINGS

- There are weak governance frameworks for farmland management across organizations surveyed due to perceived misalignment with agency mission and limited capacity. Some agencies have an ordinance or a written policy that guides agricultural land management.
- The financial and lease rate structures are not aligned with conservation. The generated revenue from leases often supports general operating expenses rather than natural resource programs.
- Bidding procurement process reduces the ability to negotiate rates that reflect conservation implementation.
- Farmers are considered non-traditional partners. Working effectively with them requires long term investment into additional capacity to establish and maintain such relationships.

County level acreage and additional details about public farmland management can be viewed through an interactive infographic [available here.](#)



RECOMMENDATIONS FOR ACTION

- Enhance program governance, build capacity, and provide educational resources for agencies by developing shared principles and policies to guide land management; improve transparency by establishing data tracking methods and evaluation.
- Mitigate risk associated with adopting new practices by reforming farm leases, developing strong technical assistance offerings for farmers, and leveraging partnerships with local agriculture focused organizations.
- Advocate for policy changes that enable public-sector land managers to change their farmland leasing programs to ones that internalize the costs and benefits of different farming systems, innovate management, and enhance public benefits.

The full report about public farmland in Illinois is available [here](#). Based on the inventory findings and feedback from stakeholders used to compile the information for the inventory, we developed a suite of tools and resources for ensuring the leased farmland is managed in a conservation focused manner. The tools are outlined in the next chapter.



The **tools** section of this report will provide details on how land managed for public good can be a catalyst for regeneration.



The **advocacy** section of this report will provide an overview of policy priorities.