



# ADJUSTABLE LEASE RATES ON FARMLAND LEASES

## Adjustable lease rates encourage conservation on working lands

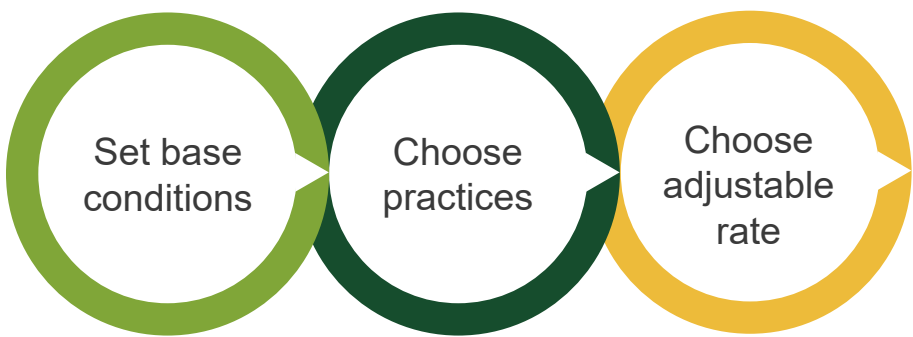
A conservation-focused approach to farmland leasing can support thriving landscapes by generating lease revenue, supporting local food production, rebuilding soils, and improving habitat and water quality in agricultural communities.

Lease agreements are valuable tools that land managers and owners can use to ensure that conservation practices are included in farmland management. Specifically, these outcomes can be incentivized by using the adjustable lease rate structures described below.

## Getting started is simple

Use this fact sheet to decide which adjustable lease rate structures would work best for your agricultural system. Below, we’ve identified the information you’ll need to estimate annual costs and benefits as well as net revenue during a lease term.

Enter your information into the Adjustable Lease Rate Tool to determine revenue estimates that reflect the key financial and management decisions outlined below.



### Set base conditions

The base lease rate establishes baseline revenue generated through the lease. Also, enter the length of the lease term and crop rotation in the Adjustable Lease Rate Tool to accurately calculate costs and benefits.

**base rate** | **lease term** | **crop rotation**

### Choose practices

The practice(s) inform how costs and benefits are calculated in the revenue estimate. The following options are included in the Adjustable Lease Rate Tool:

**cover crops** | **no till** | **nutrient management** | **buffers**

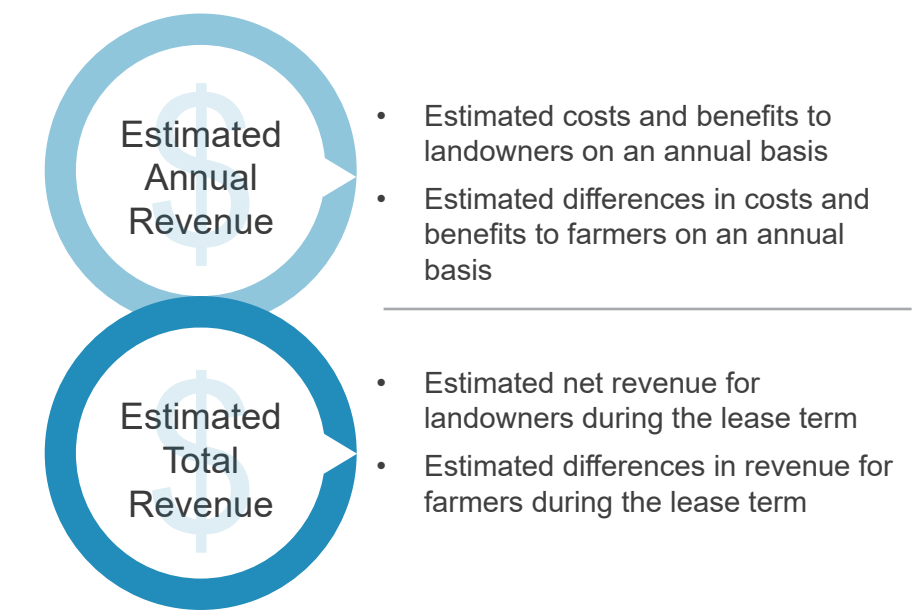
### Choose an adjustable rate approach

The adjustable rate selection incurs specific costs and benefits to landowners and farmers. Adjustable rates can be set in a variety of ways, as described below:

<b>Rebate</b> A fixed \$ amount is discounted from the monthly rate per acre.	<b>Discount</b> A discount of 5% to 30% on the monthly rate per acre.	<b>Graduated rate discount</b> A discount on monthly rate per acre that decreases over the lease term.
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## Get your revenue estimates

After entering the information described in steps 1-3, the Adjustable Lease Rate Tool will provide the following information:

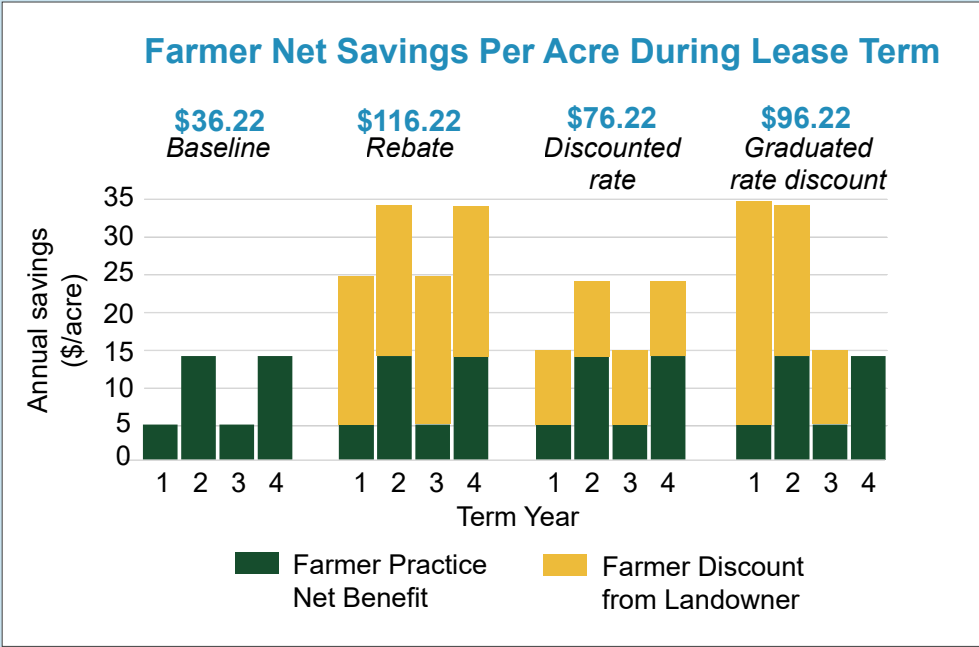
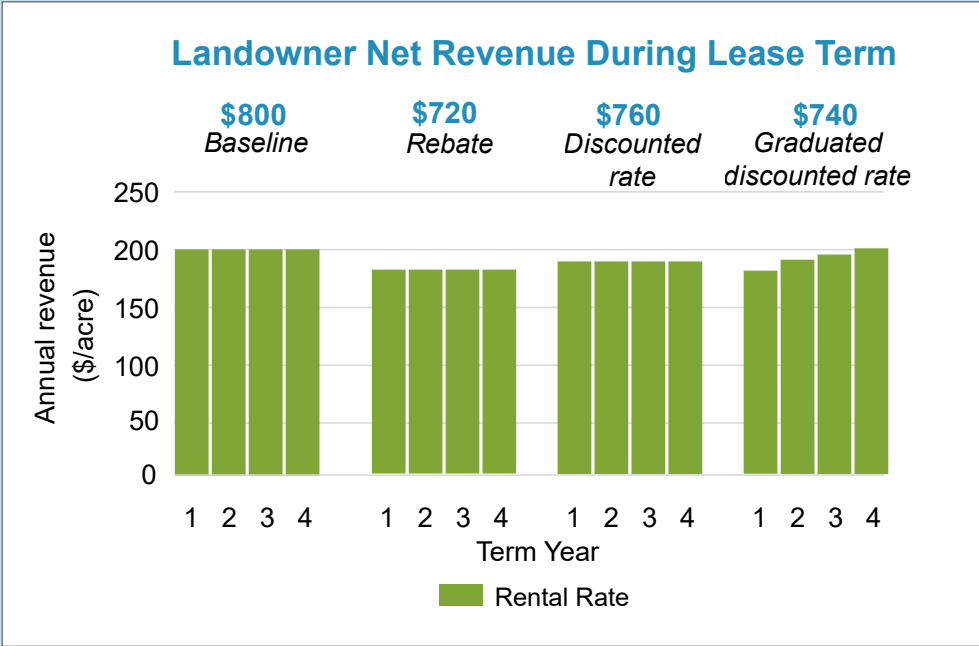


## Example scenario

Base Lease Rate: \$200  
Lease Term: 4 years  
Crop Rotation: Corn — Soy — Corn — Soy  
Conservation Practice: Cover crops

### Adjustable rate options

<b>Rebate</b> \$10 per acre
<b>Discount rate</b> 10% per acre
<b>Graduated rate discount</b> <ul style="list-style-type: none"><li>15% in year 1</li><li>10% in year 2</li><li>5% in year 3</li><li>No discount in year 4</li></ul>



## Download now

[Adjustable Lease Rate Tool](#)

[Farmland Leasing Toolkit for Land Managers](#)