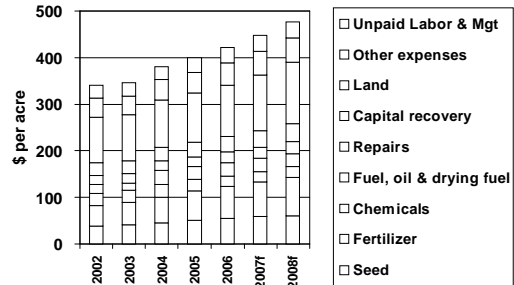


2008 cost & revenue estimates, crop choices, rent changes, lease considerations

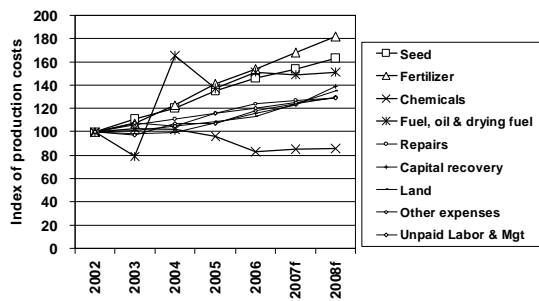
Corn Economics Group
Kent Olson, Applied Economics
Mankato, December 12, 2007



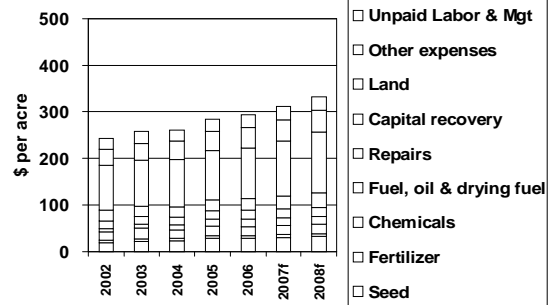
Corn Production Costs, SW MN



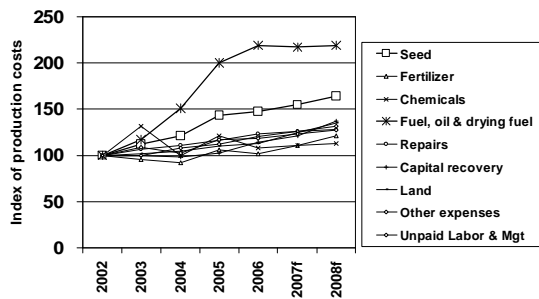
Corn Production Cost Indexes, SW MN



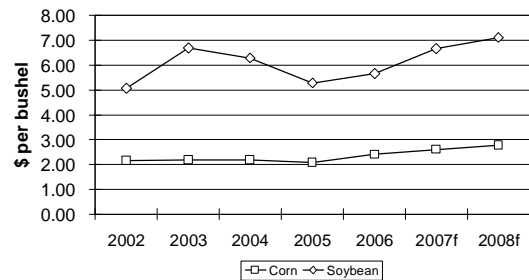
Soybean Production Costs, SW MN




Soybean Production Cost Indexes, SW MN





Corn and Soybean Costs per bushel, SW MN



 **FSA:**


"If the landlord is in any way sharing in the risk of producing the crop, the landlord must be listed on the DCP contract for a share."




 **FSA:**

"If rent is based on the amount of crop produced or the income derived from that crop, or any combination of the two, The lease is considered a share lease."

"The landlord must receive a share of the DCP contract payment"





 **FSA:**

IMPORTANT!!


"If rent is based on the amount of crop produced or the income derived from that crop, or any combination of the two, The lease is considered a share lease."


"The landlord must receive a share of the DCP contract payment"




 **Exceptions**


- n Based on average county yield
- n Proceeds based on average price to be determined in future
- n Rent based on county average exceeding X bushels or the average price at Y elevator on certain date, this is a cash lease



 **Bonus rent?**

- n OK: not included in lease and voluntary
- n Included in lease: same rules as for all leases



 **Questions? Comments?**

