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Environmental programs and regulations that identify many farms as "highly-erodible" often require that special conservation tillage practices be adopted. The increased use of these practices on these farms and others is leading to some concerns and questions among owners and operators regarding crop-share leasing arrangements.

The argument is advanced that the use of reduced-tillage systems benefits the owner through protection of his/her investment (erosion reduction, build-up of organic matter, etc.) enough to off-set any increased chemical costs. This is causing some contention between owners and operators. Some owners feel that because the operator is doing fewer field operations that the operator is getting a financial break. General machinery costs for a conservation-tillage cropping system are usually lower than for a full-tillage system.

Some operators will counter that in order to maximize yields from no-till/low-till systems, they have to be more skilled, make better decisions, and know more about growing crops than the full-tillage operator. It is generally perceived that no-till does in fact take a higher level of management than a conventional farming system. Yet, typically, a no-till/low-till operator can farm more acres than a conventional till operator.

One way to look at this potential conflict is that any cost savings an operator receives is the reward for being a better manager and handling the no-till system well. There is no correct answer as to how this question should be resolved. One leasing expert has suggested that if the no-tillage system is being adopted because of governmental rules, then no changes in herbicide cost-sharing should take place. Likewise, if no-till is being adopted for the convenience of the operator, then the owner should not be penalized by having to pay higher chemical expenses. The competitiveness of demand and for rental land and lease negotiations will be the ultimate determinants of this dilemma.

Practice is beginning to develop a system under which the operator will pay more of the herbicide cost. This may be paying for the "burn-down" portion of the herbicide cost while sharing the other herbicide costs, or simply paying more than one-half of the herbicide cost. The reasoning is that a "burn down" herbicide is substituted for a tillage operation that would be an operator cost and making the "burn down" treatment an operator cost allows the operator to make a decision about which practice to use without impacting the owner's costs.

This is an important area to discuss before the crop year begins so that both parties fully understand that which they are going to do.

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