

January 2, 2013

**A LITTLE BIT COUNTRY
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Commodity Groups Part of 2013 Wheat Show

Some of 16 experts scheduled to speak during this year's National Hard Spring Wheat Show will include representatives of four commodity groups who work hard to make sure there is profitability in providing the crops they represent. All are scheduled to report to area producers on Tuesday afternoon, February 5.

Doug Opland and Deanna Weise, President and Executive Director respectively, of the U.S. Durum Growers Association will share efforts of that organization to maintain the dominance of that crop in North Dakota. North Dakota ranks as the number one durum producing state of the nation. Although durum is grown in about every corner of the state, the bulk of the crop is produced in North Dakota.

Dan Wogsland, Executive Director of the North Dakota Grain Growers Association, will spend time discussing growing concerns of transporting all agriculture commodities to the major market terminals.

Representing the North Dakota Wheat Commission will be Jim Peterson, Marketing Director of that organization. The primary wheat crops grown in North Dakota are hard red spring and durum. Profitability of both are highly dependent on export sales. Approximately one-half of the hard red spring wheat must find an export market each year. Durum also is highly dependent on export sales. There have been years when two-thirds of North Dakota's production has reached foreign shores. Peterson will share how our wheat is stacking-up in today's wheat market. Based on recent quality reports on the 2012 crop I expect he will have a positive message.

Three members, lead by Karen Hertsgaard, from the Institute of Barley and Malt Sciences Department at NDSU, will discuss the importance of malt barley quality factors and explain how

gust malts and especially beers are made. With the help of other staff of the institute, including Jimenez Diaz and Jaidev Sehrawat, those of us attending will be treated to a sampling of several beers.

Rental Agreements Often on Cash Basis

At this time of year many land lease agreements are negotiated. Judging from the many calls received throughout the year I think most agreements are made on a cash basis. Like many other things in life there are pros and cons.

For the landowners, cash renting requires little to perhaps no managerial input thus reducing the possibility of friction between the landowner and operator concerning management decisions. It also eliminates the concern over accurate division of crops and expenses or the need to be involved in marketing. Cash rent also reduces the amount of paperwork from the fact the landowner no longer is required to fulfill crop insurance and Farm Service Agency obligations.

On the negative side for the landowner there may be tax management and Social Security issues, loss of income if there is a surge in crop prices and the possibility of contracting with a poor farm manager.

As with the owner, cash renting does offer advantages. Cash renting allows the renter a relatively free hand in making management decisions. There should be more incentive to strive for higher yields and increased net profits. The renter should be the sole beneficiary of unusually high yields and/or crop prices.

The obvious negative to cash renting is the increased risk of assuming all costs of production and the gamble with mother nature and the market.

To establish a greater balance of all the pros and cons of cash renting, university economists have been encouraging the concept of establishing cash rents that can be flexed on the basis of yield or price or both. The concept requires a greater dialogue between landowner and renter, thus it did not gain much traction until recently when wheat suddenly quadrupled in

price. Although I think a majority of rental agreements remain at a single value per acre, I am having more landowners and renters reference the use of some form of a flexible agreement.

Just recently the North Central Farm Management Extension Committee released a new publication which offers several ideas which are intended to assist the landowner and renter in striking a better balance of opportunities and risks. In addition to some good reading, the publication includes a generic cash farm lease. A copy of this publication is available from our office – NDSU Extension – Williams County, 701-577-4595 or can be found on our website - www.ag.ndsu.edu/williamscountyextension/.