

**PUBLIC WORKS COMMITTEE  
CITY HALL CONFERENCE ROOM  
NOVEMBER 14, 2016  
5:00 P.M.**

**AGENDA**

- I. CALL TO ORDER
- II. CONSENT AGENDA
  - A. Minutes (page 1)
- III. NEW BUSINESS
- IV. OLD BUSINESS
  - A. Irrigation Land Rent Contracts (page 3)
    - 1. Mages
    - 2. Gottwald
    - 3. Hennen – Grazing
    - 4. Gottwald - Grazing
  - B. Irrigation Cost Per Acre (page 16)
- V. INFORMATIONAL
- VI. ADJOURN

**\*\*\* Please call or email Ron at 320-243-3714 ext. 230 or at [ron@paynesvillemn.com](mailto:ron@paynesvillemn.com) if you are not able to attend the meeting.\*\*\***

**Members: Dave Peschong, Neil Herzberg, Melvin Schaefer, Keith Hemmesch, and Matt Quade – or his proxy.**

**Advisory Members: Chuck DeWolf, Ron Mergen, and Renee Eckerly**

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Public Works Committee. This document does not claim to be complete and is subject to change.

**BARRIER FREE:** All Paynesville Public Works Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early so necessary arrangements can be made.

**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME:** Public Works Committee

Committee/Council Meeting Date: November 14, 2016

Agenda Section: Consent

Originating Department: Public Works

Item Number: II - A

**ITEM DESCRIPTION:** Minutes

Prepared by: Staff

**COMMENTS:**

Please review the minutes from the October 10, 2016 Public Works Committee meeting.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to approve the minutes of the October 10, 2016 Public Works Committee meeting.

**MINUTES  
PUBLIC WORKS COMMITTEE**

**OCTOBER 10, 2016**

The meeting was called to order by Chairperson Mel Schaefer at 5:00 p.m. Members present were Matt Quade, Dave Peschong, Neil Herzberg, and Keith Hemmesch. Advisory members present were Ron Mergen, Public Works Director and Chuck DeWolf, Bolton & Menk, Inc.

**Motion was made by Peschong to approve the minutes from the September 12, 2016 Public Works Committee meeting. Seconded by Herzberg and unanimously carried.**

**VOC TREATMENT PLANT**

DeWolf reported that construction has started with the footings and the tying into the raw water line. The item of most concern is the stripping tower that has been ordered and scheduled to be here in early January. Also noted was the 55 feet of county right of way that the City is proposing to purchase from Stearns County. Staff has requested the cost be covered by the grant.

**2016 PROJECT**

DeWolf reported that the paving is complete; although several areas on Minnie St. have failed due to the heavy rains. These areas will be patched this fall. The area by the bridge was questioned as to why there is no curb and gutter all the way to the bridge. The slopes are too steep on the back side; there would be no support to hold the curb section.

**2017 PROJECT**

The City Council held the public hearing and Main St. from Business 23 to Hwy. 23 was removed from the project due to concerns about growth, needing to widen the road, and additional utility work (for example: sprinkler system for a building).

On Oak Park Ave. a resident did ask that the curb and gutter not be installed and other residents questioned why the City is overlaying the proposed streets when they look like they are in good condition. It was noted that curb and gutter serves the purpose of drainage and protecting the road from deterioration.

**IRRIGATION AGREEMENTS**

The necessary information will be presented at the December meeting.

**INFORMATIONAL**

The bridge inspection report from Stearns County was reviewed noting no deficiencies.

There being no further business, the meeting was adjourned at 5:31 p.m.

**Mages, James**

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**From:** Herbst, Megan - NRCS-CD, Waite Park, MN <megan.herbst@mn.nacdnet.net>  
**Sent:** Wednesday, October 05, 2016 2:08 PM  
**To:** Mages, James  
**Subject:** EQIP 2017  
**Attachments:** SKM\_C454e16100513540.pdf; Control of Land Documentation 8\_10\_16.doc

Hi Jim,

Hope all is well, and that you are enjoying the beautiful fall weather.

A couple of items regarding your 2017 EQIP application:

First, we need a completed AGI form, and a Beginning Farmer form completed by Zach (forms are attached). You completed these forms the last time you were in.

*Ron* Second, how soon can you obtain a "control of land" form from the City of Paynesville? We will need some sort of agreement by November 30 in order for your application to remain eligible for 2017. A copy is attached for your reference, although the agreement or lease does not need to be on this exact form.

Third, have you decided which fields will be seeded to cover crops in 2017? We will need to assemble a plan by November 30, that includes seeding rates, species, establishment method, and termination method. I know you had tossed around the idea of broadcasting cereal rye and oats following soybeans next fall, and then working it in with a chisel plow-this is acceptable. If scavenging N, building soil, preventing erosion, and weed control are all goals that you would like this cover crop to achieve, I think going with cereal rye is a safe bet. I am planning three years of nutrient management on all acres that were included in your nutrient management plan that was submitted by Ed this summer, unless I hear otherwise from you.

As far as I can tell, we are only proceeding with nutrient management and cover crops, correct? I believe the last time you were in, you did NOT want to move forward with an application for pest management. Let me know your thoughts on all this!

**Megan Herbst**  
Stearns County SWCD  
110 2<sup>nd</sup> St. South, Suite 128  
Waite Park, MN 56387  
320-251-7800 x3  
Fax 1-855-205-6907

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IRRIGATED CROP LAND LEASE AGREEMENT

By this Lease Agreement made and entered into this 24<sup>th</sup> day of February, 2014, the undersigned, City of Paynesville, a Municipal Corporation, hereinafter referred to as Lessor, and Mages-Welle, LLC, a Minnesota limited liability company, hereinafter referred to as Lessee, agree to terms for the lease of the parcel of real estate legally described as follows, to-wit:

*The Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.*

RECITALS

1. The Lessor is the owner of real estate located in the State of Minnesota, County of Stearns, legally described as follows:

*The Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.*

## IRRIGATED CROP LAND LEASE AGREEMENT

By this Lease Agreement made and entered into this 24<sup>th</sup> day of February, 2014, the undersigned, City of Paynesville, a Municipal Corporation, hereinafter referred to as Lessor and Stephen Gottwald and Judy Gottwald, husband and wife, hereinafter referred to as Lessees, agree to terms for the lease of the parcel of real estate legally described as follows, to-wit:

The West Half of the Southeast Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.

### RECITALS

1. The Lessor is the owner of real estate located in the State of Minnesota, County of Stearns, legally described as follows:

The West Half of the Southeast Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.

This parcel of land consists of 80 acres, more or less. Approximately 70 acres of the above-described premises is tillable. It is the Lessor's intent to

## GRAZING AGREEMENT

By this Agreement made and entered into this 24<sup>th</sup> day of February, 2014, the undersigned, City of Paynesville, a Municipal Corporation, hereinafter referred to as Lessor and Stephen Gottwald and Judy Gottwald, husband and wife, hereinafter referred to as Lessees, agree to terms for the leases of the parcels of real estate legally described as follows, to-wit:

The West Half of the Northeast Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.

### RECITALS

1. The Lessor is the owner of real estate located in the State of Minnesota, County of Stearns, legally described as follows:

The West Half of the Northeast Quarter, Section 33, Township 123 North, Range 32 West, Stearns County, Minnesota.

This parcel of land consists of 80 acres, more or less. This land has been planted in grasses that are suitable for grazing of livestock.

### GRAZING AGREEMENT

By this agreement made and entered into this 24<sup>th</sup> day of February, 2014, the undersigned, City of Paynesville, a municipal corporation, hereinafter referred to as "Lessor", and John D. Hennen, a/k/a Jack D. Hennen, hereinafter referred to as "Lessee", agree to terms for the lease of a portion of the parcel of real estate legally described as follows, to-wit:

The South One Half (S ½) of the Southwest One Quarter (SW ¼), Section 33, Township 123, Range 32 and the North One Half (N ½) of the Northwest One Quarter (NW ¼) and the Southeast One Quarter (SE ¼) of Northwest One Quarter (NW ¼), Section 4, Township 122, Range 32, Stearns County, Minnesota.

### RECITALS

1. The Lessor is the owner of real estate located in the State of Minnesota, County of Stearns, legally described as follows:

The South One Half (S ½) of the Southwest One Quarter (SW ¼), Section 33, Township 123, Range 32 and the North One Half (N ½) of the Northwest One Quarter (NW ¼) and the Southeast One Quarter (SE ¼) of Northwest One Quarter (NW ¼), Section 4, Township 122, Range 32, Stearns County, Minnesota.

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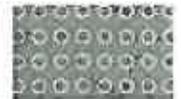
**Average Rents Paid by Minnesota County - West Central**

| County     | 2004 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | '13 | '14 | '15<br>Est. | '16<br>Est. |
|------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------|-------------|
| Otter Tail | 42   | 41  | 44  | 65  | 60  | 68  | 82  | 80  | 98  | 95  | 101 | 96          | 86          |
| Pope       | NA   | NA  | NA  | NA  | NA  | NA  | 94  | 103 | 116 | 134 | 128 | 122         | 109         |
| Stevens    | 75   | 79  | 80  | 85  | 90  | 98  | 104 | 121 | 135 | 157 | 161 | 153         | 137         |
| Swift      | 75   | 76  | 81  | 84  | 98  | 106 | 105 | 118 | 135 | 157 | 161 | 153         | 137         |
| Traverse   | NA   | NA  | NA  | NA  | NA  | NA  | 100 | NA  | 171 | 157 | 161 | 153         | 137         |
| Wilkin     | 67   | 67  | 71  | 77  | 87  | 87  | 94  | 100 | 123 | 131 | 137 | 130         | 117         |

**Average Rents Paid by Minnesota County - Central**

| County    | 2004 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | '13 | '14 | '15<br>Est. | '16<br>Est. |
|-----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------|-------------|
| Benton    | 43   | 44  | 46  | 47  | 39  | 44  | 49  | 51  | 58  | 68  | 87  | 83          | 74          |
| Carver    | NA   | NA  | NA  | NA  | NA  | NA  | 161 | 179 | 206 | 226 | 214 | 203         | 183         |
| Kanabec   | 30   | 33  | 32  | 34  | 38  | 42  | 37  | 37  | 44  | 52  | 59  | 56          | 50          |
| Kandiyohi | 96   | 102 | 106 | 110 | 126 | 142 | 149 | 175 | 206 | 211 | 227 | 216         | 194         |
| McLeod    | 96   | 104 | 106 | 124 | 135 | 152 | 155 | 185 | 196 | 238 | 233 | 221         | 199         |
| Meeker    | 80   | 83  | 86  | 89  | 100 | 111 | 128 | 150 | 159 | 190 | 191 | 181         | 163         |
| Morrison  | 31   | 38  | 38  | 44  | 43  | 35  | 52  | 63  | 68  | 78  | 107 | 102         | 91          |
| Renville  | 104  | 106 | 122 | 121 | 152 | 164 | 157 | 191 | 209 | 236 | 237 | 225         | 203         |
| Scott     | 112  | 119 | 120 | 109 | 131 | 148 | 140 | 160 | 198 | 238 | 229 | 218         | 196         |
| Sibley    | 115  | 122 | 125 | 130 | 149 | 172 | 192 | 203 | 245 | 262 | 263 | 250         | 225         |
| Stearns   | 67   | 70  | 77  | 79  | 89  | 105 | 93  | 126 | 157 | 184 | 188 | 179         | 161         |
| Todd      | NA   | NA  | NA  | NA  | NA  | NA  | 49  | 52  | 54  | 64  | 80  | 76          | 68          |
| Wright    | 72   | 81  | 84  | 91  | 107 | 119 | 123 | 137 | 155 | 165 | 149 | 142         | 127         |

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## Cropland Rental Rates for Minnesota Counties

Prepared by:

Gary Hachfeld, Extension Educator, Extension Regional Office Mankato  
William Lazarus, University of Minnesota Extension Economist, Farm Management  
Dale Nordquist and Rann Loppnow - Center for Farm Financial Management

Updated 9/2016 (Update)

### Introduction

This publication provides a historical perspective on rental rates paid by a group of Minnesota farmers and trends in those rental rates over the past five years. This information is meant as a guide and starting point. **The information and data is not meant to establish, determine, set, fix, or even hint at what actual rents should be.** It is simply a reporting of historical land rental rates in Minnesota.

Historical rental data is included for years 2011 through 2015. Weighted average rental rates are listed by county for each year. The 2015 data also includes the median cash rent and the 10<sup>th</sup> and 90<sup>th</sup> percentile range, explained under "data results".

There is really no way to statistically project future rental rates. Keep in mind the numbers listed are weighted averages. That means there are rents both above and below the numbers listed. Again, these numbers are merely a starting point.

Also included is the 2016 county rental data gathered by the USDA National Ag Statistical Service (NASS) in cooperation with the Minnesota Department of Agriculture. **The USDA/NASS data is collected by mail-out survey every other year and will be next updated in 2018.** Keep in mind that the FINBIN county data is for the 2015 year while the USDA/NASS data is for 2016.

The 2017 column in the document is included so you can list your anticipated 2017 land rent.

### Data Source

The land rental data shown in the data tables is extracted from FINBIN, a database of farm record summaries of over 2,000 Minnesota farms. The farmers participate in the Minnesota State Colleges and Universities (MnSCU) Farm Business Management program as well the Southwestern Minnesota Farm Business Management Association.

The rental rates are based on analysis of the financial records of participating farmers and represent the actual rents paid for the years listed.

### Analysis Method

The FINBIN database includes enterprise level income and expenses for thousands of acres of Minnesota farmland. To compile this report, rental rates are extracted for cash rented land. All row crop acres, small grain acres, canning crop acres, etc. are included in the data analysis. Not included in the analysis are acres allocated to pasture, aftermath grazing, hay and haylage acres, CRP acres, fallow, and prevented planted acres. All normal farming practices for the regions were included in the analysis. The USDA/NASS numbers are for row crops on non-irrigated land only.

Data is organized by county. Counties with a minimum of 10 farms with cash rented acreage are included. If a given county does not have rent data listed for 2011-2015, there were not enough farms reporting data. Counties with only partial FINBIN data for 2011-15 and a USDA/NASS number have been included because they now meet the 10 farm minimum criteria. Counties with only a USDA/NASS number have less than 10 farmers reporting FINBIN data.

**Note:** several counties in East & West Central Minnesota have no FINBIN rental rates reported this year. That is due to staff reductions in Farm Business Management programs and resulting loss of participating farms in those counties. USDA/NASS data for those regions are listed.

### Data Results

The following two pages show the county and USDA/NASS land rental data arranged by region consistent with the Minnesota Department of Agriculture, Agricultural Statistics Service districts.

Minnesota Cropland Rental Rates Per Acre

|                      | Average |      |      |      | 2015 |        |                         |                         | 2016      | 2017  |
|----------------------|---------|------|------|------|------|--------|-------------------------|-------------------------|-----------|-------|
|                      | 2011    | 2012 | 2013 | 2014 | Avg  | Median | 10 <sup>th</sup> Pctile | 90 <sup>th</sup> Pctile | NASS Data | Est.  |
| <b>Northwest</b>     |         |      |      |      |      |        |                         |                         |           |       |
| Becker               | 62      | 82   | 96   | n/a  | n/a  | n/a    | n/a                     | n/a                     | 105       | _____ |
| Clay                 | 108     | 120  | 136  | 138  | 134  | 136    | 82                      | 168                     | 131       | _____ |
| Clearwater           | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 30        | _____ |
| Kittson              | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 82.50     | _____ |
| Mahnomen             | 75      | 83   | 99   | 111  | 105  | 78     | 20                      | 132                     | 100       | _____ |
| Marshall             | 48      | 58   | 59   | 63   | 56   | 50     | 30                      | 91                      | 79        | _____ |
| Norman               | 93      | 97   | 120  | 129  | 128  | 114    | 70                      | 164                     | 121       | _____ |
| Pennington           | n/a     | n/a  | 54   | 62   | 62   | 60     | 40                      | 77                      | 64.50     | _____ |
| Polk                 | 70      | 81   | 86   | 96   | 96   | 90     | 55                      | 145                     | 118       | _____ |
| Red Lake             | n/a     | n/a  | n/a  | 64   | n/a  | n/a    | n/a                     | n/a                     | 68.50     | _____ |
| Roseau               | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 50.50     | _____ |
| <b>North Central</b> |         |      |      |      |      |        |                         |                         |           |       |
| Beltrami             | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 24        | _____ |
| Cass                 | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 24.50     | _____ |
| Hubbard              | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 21.5      | _____ |
| Itasca               | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 22        | _____ |
| Koochiching          | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 25        | _____ |
| Lk of the Woods      | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 31.50     | _____ |
| Remaining Co.        | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 18        | _____ |
| <b>West Central</b>  |         |      |      |      |      |        |                         |                         |           |       |
| Big Stone            | 102     | 130  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 165       | _____ |
| Chippewa             | 159     | 188  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 188       | _____ |
| Douglas              | 85      | 112  | 112  | 112  | 102  | 74     | 44                      | 151                     | 118       | _____ |
| Grant                | 132     | 146  | 192  | 192  | 188  | 136    | 85                      | 216                     | 171       | _____ |
| Lac qui Parle        | 127     | 150  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 181       | _____ |
| Otter Tail           | 80      | 98   | 95   | 101  | 108  | 83     | 33                      | 175                     | 100       | _____ |
| Pope                 | 103     | 116  | n/a  | 128  | 131  | 126    | 64                      | 169                     | 125       | _____ |
| Stevens              | 121     | 135  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 158       | _____ |
| Swift                | 118     | 135  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 177       | _____ |
| Traverse             | n/a     | 171  | 157  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 167       | _____ |
| Wilkin               | 100     | 123  | 131  | 137  | 135  | 130    | 85                      | 179                     | 150       | _____ |
| Yellow Med.          | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 182       | _____ |
| <b>Central</b>       |         |      |      |      |      |        |                         |                         |           |       |
| Benton               | n/a     | n/a  | 68   | 87   | 100  | 65     | 28                      | 122                     | 83.50     | _____ |
| Carver               | 179     | 206  | 226  | 214  | 173  | 215    | 87                      | 270                     | 195       | _____ |
| Kandiyohi            | 175     | 206  | 211  | 227  | 212  | 193    | 148                     | 250                     | 206       | _____ |
| McLeod               | 185     | 196  | 238  | 233  | 205  | 210    | 104                     | 290                     | 248       | _____ |
| Meeker               | 150     | 159  | 190  | 191  | 183  | 153    | 75                      | 249                     | 178       | _____ |
| Morrison             | 63      | 68   | 78   | 107  | 74   | 70     | 26                      | 96                      | 64.50     | _____ |
| Renville             | 191     | 209  | 236  | 237  | 241  | 243    | 178                     | 325                     | 228       | _____ |
| Scott                | 160     | 198  | 238  | 229  | 208  | 183    | 81                      | 225                     | 207       | _____ |
| Sherburne            | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 58        | _____ |
| Sibley               | 203     | 245  | 262  | 263  | 250  | 247    | 159                     | 327                     | 247       | _____ |
| Stearns              | 126     | 157  | 184  | 188  | 192  | 124    | 50                      | 256                     | 145       | _____ |
| Todd                 | 52      | 54   | 64   | 80   | 77   | 62     | 25                      | 101                     | 63.50     | _____ |
| Wadena               | n/a     | n/a  | n/a  | n/a  | n/a  | n/a    | n/a                     | n/a                     | 32        | _____ |
| Wright               | n/a     | n/a  | n/a  | 149  | 144  | 133    | 84                      | 217                     | 149       | _____ |

The 2011-2014 "Average" data columns list historical rent data for those years. The land rental data listed is a weighted average of all the farms reporting land rent for a specific county and year.

The 2015 crop year columns list the weighted average rental rate as well as the median or 50<sup>th</sup> percentile. Half of the rental rates for the county were less than this median amount and half were greater than this amount. In addition, the 10<sup>th</sup> and 90<sup>th</sup> percentile are included to reflect the range of cash rents. Ten percent of the farmers paid less than the rent number listed in the 10<sup>th</sup> percentile column. Similarly, ten percent of the farmers paid more than the rent listed in the 90<sup>th</sup> percentile column. Note, this may reflect rates paid by a very small number of farmers.

The 2016 USDA/NASS data for each county is included for purposes of comparison. Every Minnesota County has a 2016 USDA/NASS average rent number listed. The numbers are for non-irrigated farm land only.

#### Average Annual Change in Rent 2011-2015

Following is a table showing average annual changes in land rental rates for the years 2011 through and including 2015 and the one-year change from 2014 to 2015. The annual change is based on weighted averages to compensate for differences in acres and rental rates from the various counties in each region. The land rental numbers used to calculate the percent change values are also from the FINBIN database. Also included is a state-wide average change.

The 2014-2015 annual change data shows a mixed change in rental rates compared to past years in the regions. There is no definitive way of determining the cause for this. However, there were more acres reported in the East Central region in 2015 which could account for the difference in change for the region. Because of these anomalies, the land rental rates listed are again merely a starting point or guide and not an absolute rental rate. The percentage figures are not meant to predict future increases but are merely to document how regional and state rental rates have changed over the years.

| Average Annual Change in Land Rental Rate | 2011-2015 | 2014-2015 |
|---|-----------|-----------|
| Northwest                                 | 5.8%      | -3.7%     |
| West Central                              | 5.2%      | 0.7%      |
| Central                                   | 4.9%      | -5.6%     |
| East Central                              | 12.7%     | 15.4%     |
| Southwest                                 | 5.7%      | -5.9%     |
| South Central                             | 5.8%      | -5.8%     |
| Southeast                                 | 4.9%      | -5.9%     |
| State                                     | 6.8%      | -5.3%     |

#### Summary

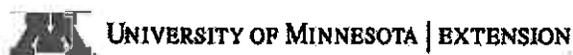
The land rental rates listed in the data tables are not meant to predict future land rental rates. They are simply a historical listing of land rental data from years 2011-2015 as reported in FINBIN.

Keep in mind that these rental rates include both family and un-related party land rental contracts as well as long-term rental contracts. Rental rates between family members can be lower than those between un-related parties. Long-term rental contracts generally do not change dramatically during the length of the contract and therefore may affect the weighted average numbers used in the data calculations. Please note that the land rental rates shown here may not align with rents being paid for new land coming on the market.

Those who wish to search FINBIN for land rental data specific to a county or region (assuming there are enough farmers reporting rent values) as well as other farm data can do so by going to the following website: [www.finbin.umn.edu](http://www.finbin.umn.edu). Once there, click on the green bar on the left side of the page titled "Crop". A page will appear giving you choices. Select the crop you want under Crop Enterprise. Next, select county or region under Location. Under Sort By you can search by selecting different years. Make sure "crop tenure type" under Filters shows "cash rent". Click Generate Report and your data will appear if there are a sufficient number of farms reporting data.



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University of Minnesota Extension  
 www.extension.umn.edu  
 612-624-1222

# Agricultural Business Management

## 2016 Minnesota statewide irrigated corn & navy bean budgets

Pauline Van Nurden

### Minnesota irrigated corn 2016 budget

| Irrigated corn budget MN statewide FINBIN data | Range in value 2005-2014 |          | Average 05-2014 | Actual 2014 | 10 year trend | Trend 2015 | Trend 2016 | Forecast 2016 |
|--|--------------------------|----------|-----------------|-------------|---------------|------------|------------|---------------|
| Yield per acre (bu.)                           | 161.68                   | 191.32   | 175.45          | 167.51      | -0.30         | 167.21     | 166.90     | <b>176.00</b> |
| Value per bushel (\$)                          | 1.98                     | 6.47     | 4.12            | 3.72        | 0.27          | 3.99       | 4.27       | <b>3.25</b>   |
| Total production return/acre (\$)              | 348.46                   | 1,234.15 | 724.64          | 623.14      | 47.48         | 670.62     | 718.10     | <b>572.00</b> |
| Other crop income (\$)                         | 9.88                     | 121.94   | 40.63           | 121.94      | 8.47          | 130.41     | 138.89     | <b>5.00</b>   |
| Gross return/acre (\$)                         | 386.77                   | 1,247.69 | 765.28          | 745.08      | 55.96         | 801.03     | 856.99     | <b>577.00</b> |
| <b>Direct Expenses</b>                         |                          |          |                 |             |               |            |            |               |
| Seed (\$)                                      | 45.40                    | 117.93   | 82.26           | 117.93      | 7.96          | 125.89     | 133.85     | <b>110.00</b> |
| Fertilizer                                     | 72.73                    | 186.01   | 131.29          | 171.22      | 12.90         | 184.12     | 197.02     | <b>135.00</b> |
| Chemicals                                      | 23.16                    | 35.77    | 27.65           | 35.77       | 1.05          | 36.82      | 37.86      | <b>38.00</b>  |
| Crop insurance                                 | 8.72                     | 27.16    | 19.39           | 20.52       | 1.32          | 21.84      | 23.15      | <b>18.00</b>  |
|  | 6.12                     | 45.04    | 19.88           | 26.65       | 0.03          | 26.68      | 26.71      | <b>15</b>     |

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**Minnesota irrigated corn 2016 budget**

| <b>Irrigated corn budget MN statewide FINBIN data</b> | <b>Range in value 2005-2014</b> |        | <b>Average 05-2014</b> | <b>Actual 2014</b> | <b>10 year trend</b> | <b>Trend 2015</b> | <b>Trend 2016</b> | <b>Forecast 2016</b> |
|---|---------------------------------|--------|------------------------|--------------------|----------------------|-------------------|-------------------|----------------------|
| Drying & storage expense                              |                                 |        |                        |                    |                      |                   |                   |                      |
| Fuel & oil  | 20.62                           | 48.83  | 33.49                  | 42.80              | 3.03                 | 45.83             | 48.86             | <b>27.00</b>         |
| Repairs   | 29.77                           | 57.36  | 45.73                  | 57.36              | 3.40                 | 60.76             | 64.15             | <b>50.00</b>         |
| Custom hire   | 4.23                            | 13.75  | 8.48                   | 8.09               | 0.56                 | 8.65              | 9.21              | <b>8.00</b>          |
| Land rent   | 93.96                           | 193.11 | 132.19                 | 179.58             | 11.33                | 190.91            | 202.24            | <b>165.00</b>        |
| Operating interest                                    | 6.47                            | 19.35  | 10.24                  | 10.79              | -0.20                | 10.59             | 10.39             | <b>10.00</b>         |
| Miscellaneous   | 5.04                            | 21.16  | 13.41                  | 16.83              | 1.69                 | 18.52             | 20.20             | <b>15.00</b>         |
| <i>Total direct expenses (\$)</i>                     | 348.04                          | 742.50 | 543.44                 | 710.08             | 44.09                | 754.17            | 798.25            | <b>616.00</b>        |
| <i>Return over direct expenses(\$)</i>                | 35.00                           | 574.02 | 221.83                 | 35.00              | 11.87                | 46.87             | 58.74             | <b>-39.00</b>        |
| <b>Overhead Expenses</b>                              |                                 |        |                        |                    |                      |                   |                   |                      |
| Hired labor (\$)                                      | 10.65                           | 24.37  | 18.61                  | 24.37              | 0.91                 | 25.28             | 26.19             | <b>20.00</b>         |
| Machinery & bldg. leases                              | 2.49                            | 7.84   | 5.11                   | 6.39               | 0.15                 | 6.54              | 6.69              | <b>6.00</b>          |
| Farm insurance  | 5.00                            | 10.59  | 7.34                   | 10.59              | 0.41                 | 11.00             | 11.40             | <b>10.00</b>         |
| Utilities   | 2.74                            | 4.94   | 3.99                   | 4.67               | 0.21                 | 4.88              | 5.09              | <b>5.00</b>          |
| Dues & professional fees                              | 1.09                            | 4.75   | 2.81                   | 4.75               | 0.28                 | 5.03              | 5.32              | <b>3.00</b>          |
| Interest  | 6.14                            | 9.87   | 7.83                   | 8.39               | 0.16                 | 8.55              | 8.71              | <b>8.00</b>          |
| Mach & bldg depreciation                              | 26.50                           | 74.44  | 45.69                  | 74.44              | 5.75                 | 80.19             | 85.95             | <b>65.00</b>         |

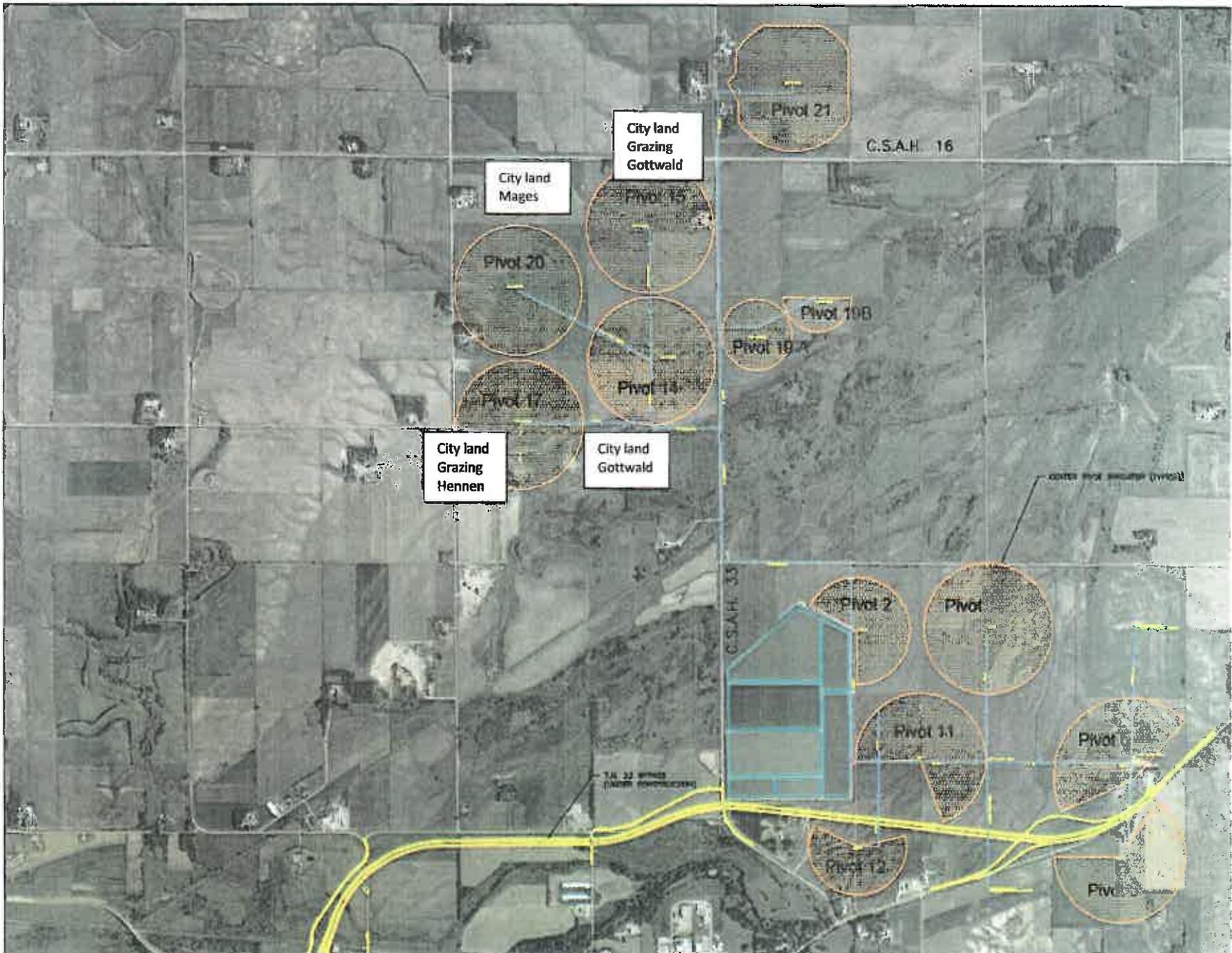
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**Minnesota irrigated corn 2016 budget**

| <b>Irrigated<br/>corn budget<br/>MN statewide<br/>FINBIN data</b> | <b>Range in value 2005-2014</b> |        | <b>Average<br/>05-2014</b> | <b>Actual<br/>2014</b> | <b>10<br/>year<br/>trend</b> | <b>Trend<br/>2015</b> | <b>Trend<br/>2016</b> | <b>Forecast<br/>2016</b> |
|---|---------------------------------|--------|----------------------------|------------------------|------------------------------|-----------------------|-----------------------|--------------------------|
| Miscellaneous   | 5.49                            | 9.63   | 7.01                       | 7.77                   | 0.11                         | 7.88                  | 8.00                  | 5.00                     |
| <i>Total indirect<br/>expenses (\$)</i>                           | 65.27                           | 141.37 | 98.37                      | 141.37                 | 7.99                         | 149.36                | 157.34                | 122.00                   |
| <i>Total<br/>expenses (\$)</i>                                    | 413.31                          | 869.37 | 641.81                     | 851.45                 | 52.07                        | 903.52                | 955.60                | 738.00                   |
| <b>Net return<br/>per acre (\$)</b>                               | -106.37                         | 455.50 | 123.47                     | -106.37                | 3.88                         | -102.49               | -98.60                | <b>-161.00</b>           |
| Government<br>payments  | 1.01                            | 43.00  | 20.60                      | 1.01                   | -3.15                        | -2.14                 | -5.29                 | <b>56.00</b>             |
| <b>Net return w/<br/>Gov't pymts<br/>(\$)</b>                     | -105.36                         | 473.12 | 144.07                     | -105.36                | 0.73                         | -104.63               | -103.89               | <b>-105.00</b>           |
| Labor &<br>mgmt. charge   | 20.77                           | 68.48  | 40.85                      | 44.08                  | 4.05                         | 48.13                 | 52.19                 | <b>45.00</b>             |
| <b>Net return<br/>over lbr &amp;<br/>mgt. (\$)</b>                | -149.44                         | 427.28 | 103.21                     | -149.44                | -3.32                        | -152.76               | -156.08               | <b>-150.00</b>           |
| <b>Cost of<br/>Production</b>                                     |                                 |        |                            |                        |                              |                       |                       |                          |
| Total direct<br>expense per<br>bu. (\$)                           | 1.98                            | 4.50   | 3.11                       | 4.24                   | 0.26                         | 4.50                  | 4.77                  | <b>3.50</b>              |
| Total direct &<br>ovhd exp./bu<br>(\$)                            | 2.35                            | 5.27   | 3.68                       | 5.08                   | 0.31                         | 5.39                  | 5.71                  | <b>4.19</b>              |
| Less Gov't<br>pymt & other<br>inc. (\$)                           | 1.89                            | 4.50   | 3.32                       | 4.35                   | 0.28                         | 4.63                  | 4.91                  | <b>3.85</b>              |
| With labor &<br>management<br>(\$)                                | 2.02                            | 4.91   | 3.55                       | 4.61                   | 0.30                         | 4.91                  | 5.22                  | <b>4.10</b>              |

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**IRRIGATION AGREEMENT EXHIBIT C**

The User, in exchange for the City's conditional guarantee to provide 6 inches of water per year for each acre of land under irrigation in a given year promises to pay to the City of Paynesville on or before January 1 of each year for the years commencing January 1, 2012 and ending December 31, 2016, the following sums:

January 1, 2012, \$31.00 per acre under irrigation

January 1, 2013, \$32.00 per acre under irrigation

January 1, 2014, \$33.00 per acre under irrigation

January 1, 2015, \$34.00 per acre under irrigation

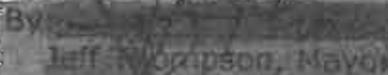
January 1, 2016, \$35.00 per acre under irrigation

The Users acknowledge that its remedy against the City for failure to meet the City's conditional guarantee to provide 6 inches of water per year for each acre of land under irrigation is the right to avoid its obligation for payment to the City. The User further acknowledges and agrees that the City shall have no liability for consequential damages such as crop loss resulting from the City's failure to supply the guaranteed quantity of water.

DATED: 5.18.12

DATED: 5/9/12

CITY OF PAYNESVILLE

By:   
Jeff Thompson, Mayor

By:   
Renee Eckert, City Administrator

### Irrigation Cost Per acre Analysis

| Year | Elect cost  | Wages        | M & R       | Insurance    | Other       | Total        | cost per Acre | Elec & M&R per ac |
|------|-------------|--------------|-------------|--------------|-------------|--------------|---------------|-------------------|
| 2009 | \$29,098.00 | \$ 44,113.00 | \$ 5,678.00 | \$ 11,514.00 | \$ 1,703.00 | \$ 92,106.00 | \$ 80.09      | \$ 30.24          |
| 2010 | \$27,597.00 | \$ 42,426.00 | \$12,814.00 | \$ 10,816.00 | \$ 3,338.00 | \$ 96,991.00 | \$ 84.34      | \$ 35.14          |
| 2011 | \$32,911.00 | \$ 43,418.00 | \$10,619.00 | \$ 9,507.00  | \$ 1,456.00 | \$ 97,911.00 | \$ 85.14      | \$ 37.85          |
| 2012 | \$24,628.00 | \$ 41,690.00 | \$ 5,096.00 | \$ 11,051.00 | \$ 3,834.00 | \$ 86,299.00 | \$ 75.04      | \$ 25.85          |
| 2013 | \$32,333.00 | \$ 39,520.00 | \$ 6,527.00 | \$ 12,583.00 | \$ 2,897.00 | \$ 93,860.00 | \$ 81.62      | \$ 33.79          |
| 2014 | \$38,457.00 | \$ 37,562.00 | \$11,098.00 | \$ 12,973.00 | \$ 4,560.00 | \$104,650.00 | \$ 91.00      | \$ 43.09          |
| 2015 | \$28,814.00 | \$ 37,523.00 | \$ 6,925.00 | \$ 9,742.00  | \$ 4,527.00 | \$ 87,531.00 | \$ 76.11      | \$ 31.08          |

This does **NOT** include depreciation.

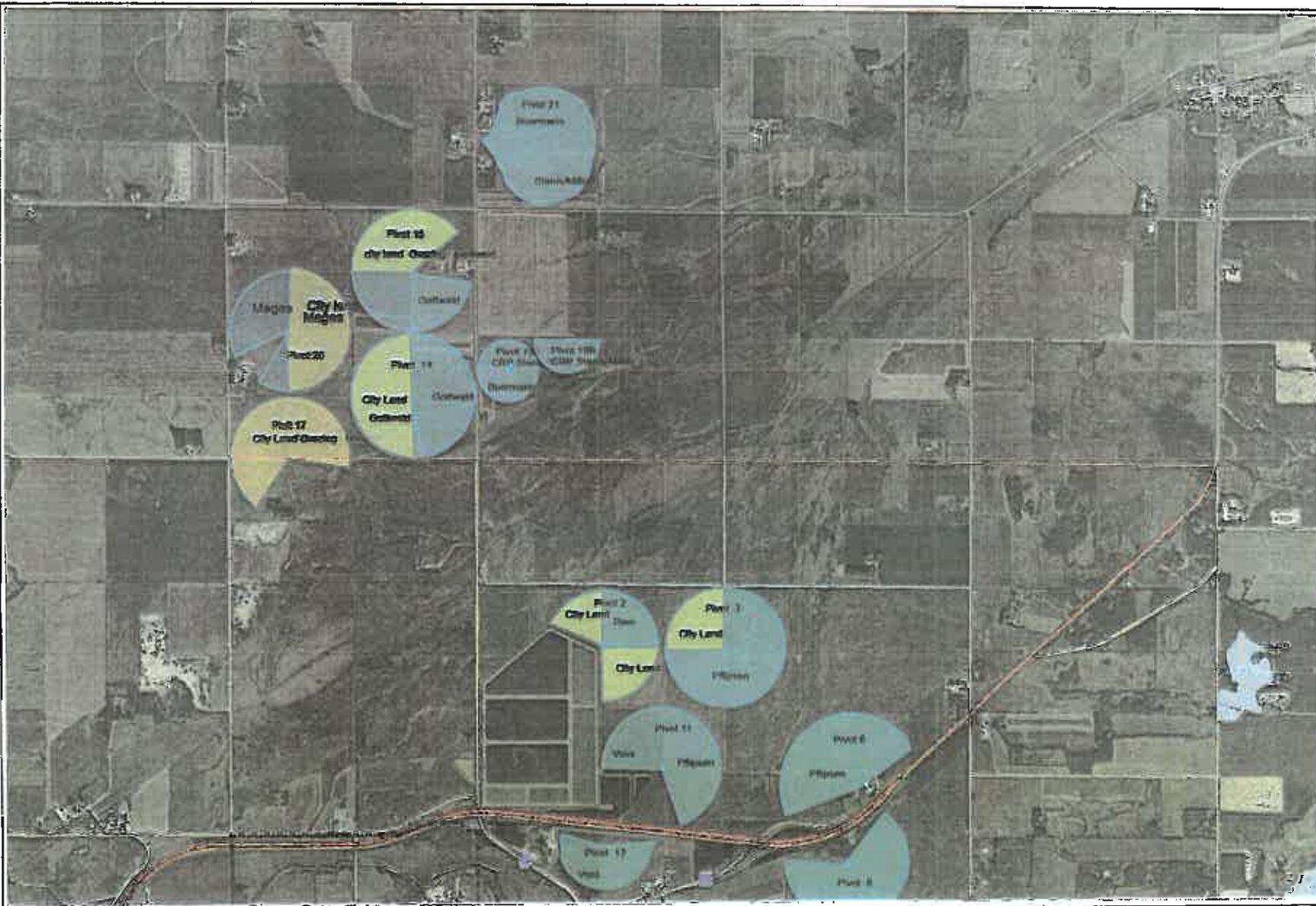
**TOTAL IRRIGATION PER YEAR  
AT DESIGN FLOW OF 377 - 323.76 PER YEAR**

**ACTUAL INCHES**

| PIVOT # | ACTUAL INCHES |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      | FOUR YEAR RUNNING |       |      |       |       |       |       |       |       |      |         |                 |  |  |
|---------|---------------|------|------|------|-------|-------|-------|------|------|-------|-------|------|-------|------|-------|-------|------|------|------|------|-------------------|-------|------|-------|-------|-------|-------|-------|-------|------|---------|-----------------|--|--|
|         | 1987          | 1988 | 1989 | 1990 | 1991  | 1992  | 1993  | 1994 | 1995 | 1996  | 1997  | 1998 | 1999  | 2000 | 2001  | 2002  | 2003 | 2004 | 2005 | 2006 | 2007              | 2008  | 2009 | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016 | AVERAGE | RUNNING AVERAGE |  |  |
| 2       | 5.66          | 5.07 | 5.56 | 4.80 | 14.50 | 7.10  | 7.90  | 2.73 | 3.82 | 7.27  | 4.90  | 5.21 | 5.44  | 5.78 | 9.11  | 1.79  | 7.38 | 2.84 | 8.52 | 1.91 | 7.21              | 8.31  | 7.87 | 7.28  | 5.60  | 9.53  | 8.95  | 7.91  | 9.64  | 4.42 | 7.83    | 8.39            |  |  |
| 3       | 5.19          | 5.19 | 4.89 | 5.20 | 5.70  | 5.80  | 2.04  | 2.89 | 2.76 | 4.73  | 1.97  | 1.82 | 3.01  | 4.59 | 8.82  | 1.89  | 4.39 | 2.01 | 5.06 | 2.35 | 5.38              | 7.01  | 5.04 | 2.83  | 0.82  | 8.02  | 4.41  | 4.47  | 1.37  | 2.41 | 3.18    | 3.88            |  |  |
| 6       | 8.12          | 8.30 | 8.38 | 8.78 | 14.90 | 11.10 | 6.98  | 8.05 | 4.19 | 7.83  | 6.08  | 5.38 | 9.27  | 8.78 | 9.63  | 4.01  | 4.71 | 8.19 | 8.78 | 3.97 | 10.99             | 10.30 | 8.49 | 11.87 | 7.18  | 13.01 | 13.28 | 14.11 | 11.81 | 4.74 | 10.83   | 8.01            |  |  |
| 8       | 7.80          | 8.82 | 8.34 | 8.43 | 18.30 | 16.30 | 14.31 | 9.18 | 8.12 | 11.07 | 10.81 | 7.22 | 10.83 | 6.59 | 10.14 | 10.93 | 5.33 | 7.08 | 7.56 | 3.66 | 10.51             | 7.18  | 8.38 | 18.75 | 13.49 | 8.81  | 12.80 | 10.27 | 9.22  | 7.91 | 10.03   | 9.81            |  |  |
| 11      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 12      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 14      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 15      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 15C     |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 17C     |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 18A     |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 18B     |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 20      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 20      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |
| 21      |               |      |      |      |       |       |       |      |      |       |       |      |       |      |       |       |      |      |      |      |                   |       |      |       |       |       |       |       |       |      |         |                 |  |  |

| YEAR | TOTAL GALLONS IRRIGATED | YEARLY RAINFALL             |
|------|-------------------------|-----------------------------|
| 1987 | 153.80                  | 12.13                       |
| 1988 | 185.00                  | 11.31                       |
| 1989 | 180.10                  | 16.25                       |
| 1990 | 188.50                  | 27.20                       |
| 1991 | 287.30                  | 38.12                       |
| 1992 | 204.10                  | 18.94                       |
| 1993 | 307.50 *                | 36.86 *PLUS 40 MG DISCHARGE |
| 1994 | 252.90                  | 23.51                       |
| 1995 | 287.11                  | 33.27                       |
| 1996 | 225.38                  | 14.28                       |
| 1997 | 251.05                  | 25.81                       |
| 1998 | 202.29                  | 24.87                       |
| 1999 | 225.18                  | 21.85                       |
| 2000 | 181.84                  | 17.02                       |
| 2001 | 288.94                  | 21.01                       |
| 2002 | 288.12                  | 34.22                       |
| 2003 | 223.22                  | 21.96                       |
| 2004 | 215.88                  | 27.62                       |
| 2005 | 275.57                  | 31.98                       |
| 2006 | 79.87                   | 17.62                       |
| 2007 | 250.86                  | 11.84                       |
| 2008 | 272.35                  | 20.57                       |
| 2009 | 296.40                  | 23.35                       |
| 2010 | 283.49                  | 24.30                       |
| 2011 | 321.85                  | 28.21                       |
| 2012 | 222.58                  | 15.30                       |
| 2013 | 283.38                  | 22.14                       |
| 2014 | 316.1                   | 28.34                       |
| 2015 | 228.18                  | 28.89                       |
| 2016 | 248.08                  | 28.89 as of Sept 2016       |

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**Legend**

-  City Limits
- Roads**
-  Trunk Highways
-  County Roads
-  Local Roads
- Railroads**
-  Airport
-  Protected Waters - Basin
-  Protected Waters - Watercourse
-  Township Boundary



**Disclaimer:**  
 This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Paysonville is not responsible for any inaccuracies herein contained.

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