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News Release

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September 5, 2008

University of Illinois Announces Farm Lease Plan for 2009

Ten farm properties to be competitively bid this fall

URBANA — The University of Illinois has started the process to competitively bid leases for 10 of its farm properties for the 2009 crop season.

The University's objective is to maximize income from all farm properties to support student scholarships, student loan funds, agricultural research and other vital programs in 2009, as it did for the 2008 crop year.

The competitive process for cash-rent bids on the 10 farms will be announced through classified advertisements in newspapers that are local to each farm, which are located in Champaign, Douglas, Kankakee and Piatt counties. The successful bidders will be offered three-year leases. Incumbent farmers will be allowed to match the highest responsible bid through a right of first refusal.

The cash-rent bid will be only one criterion used in the bid scoring and selection process. Other factors, such as a farmer's experience, reputation and financial viability will be important in determining the operator selected for each farm property.

The plan for 2009 does not reflect dissatisfaction with the current farm operators on the 10 farms but fulfills a policy of the University to provide a fair and open process for awarding cash leases for its farms. The 2008 bidding process resulted in 12 out of 16 incumbent operators remaining as the operator for the next leasing cycle.

Farms that were bid in 2008 will have leases renewed for 2009 and 2010 at the same cash rent amount paid in 2008. Farms that were bid in 2005 and 2006 will have rents adjusted according to an index set by the University based on market factors.

Farms where tenants choose not to accept the University's indexed rent adjustments will be competitively bid. The University intends to bid approximately one-third of its farms each year and to offer three-year leases to the successful bidder.

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