Cash Farm Lease (with Flexible Provisions)



North Central Regional Extension Publication No. 76 (Revised 1997)

be signed by both the landlord and tenant.

This CASH FARM LEASE form can provide the landlord and tenant with a guide for developing an agreement to fit their individual situation. This form is not intended to take the place of legal advice pertaining to contractual relationships between the two parties. Because of the possibility that a farm operating agreement may be legally considered a partnership under certain conditions, seeking proper legal advice is recommended when developing such an agreement.

This lease entered into this	day of		19	, between
	, landlord, of _			
		•		
			(address)	
	$_{}$, spouse, of $_{-}$			
			(address)	
hereafter known as "the landlord," and	I			
	, tenant, of _			
			(address)	
	, spouse, of _			
		State . Accompany		1
			(address)	
hereafter known as "the tenant."				
		- N		
I. PROPERTY DESCRIPTION The landlord hereby leases to the t	enant to occupy			s particularly understood shall not be deemed to
and use for agricultural and related	d nurnoses, the			to, a partnership relation
following described property:	a parpooo,o			landlord should sell o
		otherwise transfe	er title to th	e farm, such action wil
				isions of this lease.
				, as well as agents and
consisting of approximately	acres situated			eserve the right to ente
in Co	unty (Counties),			me to: a) consult with the vements, and inspections
thereon except as follows:				ition of the lease is given
thereon except as lonews.				and any other customan
				ch is to interfere with the
		tenant in carrying		
				indlord does not convey
II. GENERAL TERMS OF LEAS	E	the farm or to a	ssion the	ise or sublet any part o lease to any person o
A. Time period covered. The pro		persons whomso		leade to any person o
agreement shall be in effect for	year(s),			ons of this lease shall be
commencing on the, 19 7	day of	binding upon the l	heirs, execu	ıtors, administrators, and
continue in effect from year to year				and tenant in like manne
written notice of termination is give	n by either party			, except as provided by
to the other at least days	orior to expiration	I. Additional provis	ione:	
of this lease or the end of any year	of continuation.	i. Additional provis	1011 3 .	
B. Review of lease. A written request	is required for a			
general review of the lease or for				
proposed changes by either party, a	t least days			
prior to the final date for giving no the lease as specified in II-A.	uce to terminate			
C. Amendments and alterations. Ar	nendments and		*	
alterations to this lease shall be in				

¹ For cash and flexible rental information see *Fixed and Flexible Arrangements for Your Farm*, NCR publication number 75.

PASTURE IDENTIF. ANIMAL UNITS/ACRE	A. General provisions. The land described in Section I will be used in approximately the following manner. If it is impractical in any year to follow such a landuse plan, appropriate adjustments will be made by mutual written agreement between the parties. 1. Cropland a) Row crops b) Small grains c) Legumes d) Rotation pasture 2. Permanent pasture 3. Other: Acres Acres Acres TOTAL ACRES B. Restrictions. The maximum acres harvested as silage shall be acres unless it is mutually decided	B. Rental payment. The annual cash rent shall be paid as follows: \$ on or before day of (month) If rent is not paid when due, the tenant agrees to pay interest on the amount of unpaid rent at the rate of percent per annum from the due date until paid. C. Rental adjustment. Additional agreements in regard to rental payment: V. OPERATION AND MAINTENANCE OF FARM In order to operate this farm efficiently and to maintain it in a high state of productivity, the parties agree as follows: A. The tenant agrees:
b) cut live trees for sale or personal use, or c) pasture we seedings of legumes and grasses in the ye they are seeded without consent of the landlord. 3. Insurance. Not to house automobiles, trucks, tractors in barns, or otherwise violate restriction in the landlord sincurse of action agreed upon should be placed in writing and be signed by both parties. A copy of the course of action so agreed upon shall be made available to each party. IV. AMOUNT AND PAYMENT OF RENT (If a flexible cash rental arrangement is desired, use material on the last page of this form and omit section A below.) A. Cash rental rates. The tenant agrees to pay as cash rent the amount as calculated below for each kind of land; or, one total may be entered for ENTIRE FARM UNIT. Amount of Cash Rent Kind of land Rate per or improvements Acres Acre Amount Row crops \$	otherwise. The pasture stocking rate shall not exceed: PASTURE IDENTIF. ANIMAL UNITS/ACRE	 General maintenance. To provide the labor necessary to maintain the farm and its improvements during the rental period in as good condition as it was at the beginning. Normal wear and depreciation and damage from causes beyond the tenant's control are excepted.
C. Government programs. The extent of participation in government programs will be discussed and decided on an annual basis. The course of action agreed upon should be placed in writing and be signed by both parties. A copy of the course of action so agreed upon shall be made available to each party. IV. AMOUNT AND PAYMENT OF RENT (If a flexible cash rental arrangement is desired, use material on the last page of this form and omit section A below.) A. Cash rental rates. The tenant agrees to pay as cash rent the amount as calculated below for each kind of land; or, one total may be entered for ENTIRE FARM UNIT. Amount of Cash Rent Kind of land Or improvements Row crops Small grains Amount of Cash Rest Small grains Treatment of the noxious weeds. To use diligence to preve noxious weeds from going to seed on the farm are cost thereof shall be handled as follows:	Other restrictions are:	 Land use. Not to: a) plow pasture or meadowland, b) cut live trees for sale or personal use, or c) pasture new seedings of legumes and grasses in the year they are seeded without consent of the landlord.
(If a flexible cash rental arrangement is desired, use material on the last page of this form and omit section A below.) A. Cash rental rates. The tenant agrees to pay as cash rent the amount as calculated below for each kind of land; or, one total may be entered for ENTIRE FARM UNIT. Amount of Cash Rent Kind of land Or improvements Kind of land Rate per or improvements Row crops Small grains Anount of Cash Rent Small grains Noxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arnoxious weeds from going to seed on the farm arcoxi thereof shall be handled as follows: Treatment of the noxious weeds from going to seed on the farm arcoxi thereof shall be handled as follows: To substitute of the noxious weeds from going to seed on the farm arcoxi thereof shall be handled as follows: To substitute of the noxious weeds from going to seed on the farm arcoxi thereof shall be handled as follows: To substitute of the noxious weeds from going to seed on the farm arcoxi thereof shall be handled as follows: To substitute of the noxious weeds from going to substitute of the noxious weeds from going to substitute of the noxious weeds from solution arcoxi thereof shall be handled as follows:	participation in government programs will be discussed and decided on an annual basis. The course of action agreed upon should be placed in writing and be signed by both parties. A copy of the course of action so agreed upon shall be made	Insurance. Not to house automobiles, trucks, or tractors in barns, or otherwise violate restrictions in the landlord's insurance policies without written consent from the landlord. Restrictions to be observed are as follows:
rent the amount as calculated below for each kind of land; or, one total may be entered for ENTIRE FARM UNIT. Amount of Cash Rent Kind of land Or improvements Acres Acre Acre Amount Row crops Small grains Small grains Acalculated below for each kind of each kind of each kind of each kind of entered for ENTIRE 5. Addition of improvements. Not to: a) erect permit to be erected on the farm ar nonremovable structure or building, b) incur are expense to the landlord for such purposes, or add electrical wiring, plumbing, or heating to are building without written consent of the landlord 6. Conservation. Control soil erosion according	(If a flexible cash rental arrangement is desired, use material on the last page of this form and omit	4. Noxious weeds. To use diligence to prevent noxious weeds from going to seed on the farm. Treatment of the noxious weed infestation and cost thereof shall be handled as follows:
Kind of land or improvements Acres Acre Amount Row crops \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	rent the amount as calculated below for each kind of land; or, one total may be entered for ENTIRE FARM UNIT.	5. Addition of improvements. Not to: a) erect or permit to be erected on the farm any
Small grains \$ \$ 6. Conservation. Control soil erosion according	Kind of land Rate per or improvements Acres Acre Amount	expense to the landlord for such purposes, or c) add electrical wiring, plumbing, or heating to any
Permanent pasture \$	Small grains \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	 6. Conservation. Control soil erosion according to an approved conservation plan; keep in good repair all terraces, open ditches, inlets and outlets of tile drains; preserve all established watercourses or ditches including grassed waterways; and refrain from any operation or practice that will injure such structures. 7. Damages. When leaving the farm, to pay the landlord reasonable compensation for any damages to the farm for which the tenant is responsible. Any decrease in value due to ordinary wear and depreciation or damages outside the control of the

- Costs of operation. To pay all costs of operation except those specifically referred to in Sections V-A-4 and V-B.
- Repairs. Not to buy materials for maintenance and repairs in an amount in excess of \$______ within a single year without written consent of the landlord.

B. The landlord agrees:

within

the bill.

- Loss replacement. To replace or repair as promptly
 as possible the dwelling or any other building or
 equipment regularly used by the tenant that may
 be destroyed or damaged by fire, flood, or other
 cause beyond the control of the tenant or to make
 rental adjustments in lieu of replacements.
- 2. Materials for repairs. To furnish all material needed for normal maintenance and repairs.

3.	Skilled labor. To furnish any skilled labor tasks that the tenant is unable to perform satisfactorily. Additional agreements regarding materials and labor are:
4.	Reimbursement. To pay for materials purchased by the tenant for purposes of repair and
	maintenance in an amount not to exceed

_____ days after the tenant submits

5. Removable improvements. Let the tenant make minor improvements of a temporary or removable nature, which do not mar the condition or appearance of the farm, at the tenant's expense. The landlord further agrees to let the tenant remove such improvements even though they are legally fixtures at any time this lease is in effect or within ______ days thereafter, provided the tenant leaves in good condition that part of the farm from which such improvements are removed. The tenant shall have no right to compensation for improvements that are not removed except as mutually agreed.

6. Compensation for crop expenses. To reimburse the tenant at the termination of this lease for field work done and for other crop costs incurred for crops to be harvested during the following year. Unless otherwise agreed, current custom rates for the operations involved will be used as a basis of settlement.

C. Both agree:

- Not to obligate other party. Neither party hereto shall pledge the credit of the other party hereto for any purpose whatsoever without the consent of the other party. Neither party shall be responsible for debts or liabilities incurred, or for damages caused by the other party.
- 2. Capital improvements. Costs of establishing hay or pasture seedings, new conservation structures, improvements (except as provided in Section V-B-5), or of applying lime and other long-lived fertilizers shall be divided between landlord and tenant as set forth in the following table. The tenant will be reimbursed by the landlord either when the improvement is completed, or the tenant will be compensated for the share of the depreciated cost of the tenant's contribution when the lease ends based on the value of the tenant's contribution and depreciation rate shown in the "Compensation for Improvements" table. (Cross out the portion of the preceding sentence which does not apply.) Rates for labor, power and machinery contributed by the tenant shall be agreed upon before construction is started.

VI. ARBITRATION OF DIFFERENCES

Any differences between the parties as to their several rights or obligations under this lease that are not settled by mutual agreement after thorough discussion, shall be submitted for arbitration to a committee of three disinterested persons, one selected by each party hereto and the third by the two thus selected. The committee's decision shall be accepted by both parties.

	Table 1— Co	mpensatior	n for Improv	ements		
	•	% cont	ributed by te	nant	Total value of tenant's contrib. (\$)*	Rate of annual depreciation (%)
Type of improvement	Estimated total cost (\$)	Material	Unskilled labor	Mach.		
**************************************	AND AND THE STATE OF THE STATE					***************************************

^{*} To be recorded when improvement is completed.

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	re								
	nd								
c. Other	inflexible cro	pland		\$					
	r, wasteland								
	stead						•		
	TAL INFLEX								
	cropland rent								
C. TOTAL R	ENT FOR YE	EAR		••••••			•••••	\$	
D. Flexible of	ropland rent	(use me	thod I, II,	or III))				
	CINFORMAT					SIA	ND II		
	Base cash		Base yie		Base			Min. cash rent	Max. cash rent
Crop(s)	(per acre)		(bu or to	n/acre			r per ton)	VI /	(per acre)
	. \$				\$			\$	\$
<u> </u>	\$ \$				\$ <u></u>			\$ \$	\$ \$
O TUE (Ψ <u> </u> -NT-VEA				CLOSE OF DAY
	D ON THE F								CLUSE OF DAT
Crop(s)					(-,			,	Price source
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							Day		at
				Month	n throu		Day		at
ADJUSTED	YEAR OF TH AT THE CLC — FLEXING	SE OF	THE CRC	PPIN	ACRE BA IG SEAS(SE (DN E	CASH RENT BY ONE OF	FOR EACH CRO	PP SHALL BE G METHODS:
Crop(s)	Base rent	x (Cur	rent price	÷ Ba	se price)	=	Rent/acre 1	x Acres grown	= Adj. rent for yea
	\$	x \$ _				=	\$	x	= \$
	\$						\$	x	= \$
	\$						\$	x	= \$
-		. –						Total all crops	= \$
METHOD II	— FLEXING	FOR PF	RICE AND	YIFI	D			•	
Crop(s)	Base rent	x (Curi	rent price	x (= Rent/acre 1	x Acres grown	= Adj. rent for year
	\$	x \$ _		x \$			= \$	X	= \$
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			RECORI) PR	OCEDUR	E T(D BE USED.	Total all Crops	- Ψ
			RECORI	PR(OCEDUR	ETO	O BE USED.	Total all Crops	_ ψ

¹ If calculated figure is less than "Min. cash rent" in D-1, use the set minimum. If calculated figure is more than "Max. cash rent" in D-1, use the set maximum.

 $^{^{\}rm 2}$ The current yield shall be the "farm" yield for the current lease year.

	(tenant)	(landlord)				
(te	nant's spouse)	(landlord's spouse)				
STATE OF	\ ss:					
	day of					
	y Public in said State, personally app					
	ical persons named in and who exec					
hey executed the sar	me as their voluntary act and deed.					
			Public			

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