

Renting Farm Land – Farm Lease Agreements

Agriculture producers all rely more extensively on rented farm ground. With the dynamic fluctuations in agricultural markets, it is necessary for both the agricultural producer and the landowner to have clear and concise terms regarding the lease of farm land. This article provides an introduction to general components of an agricultural farm land lease, and the steps for a landlord to obtain a first priority lien for crops produced on the leased farm land.



and determine the property that is subject to the lease. The land description section also provides the opportunity to specify whether the rest is going for all the acres or only the tillable acres.

- **Term/Renewal.** Upon expiration of the lease period, does the lease automatically renew on a year-to-year basis; does notice need to be given if one party doesn't want to renew the lease and, if so, when is the notice required?

- **Purpose.** Is the purpose of the lease for crop production only, or does the tenant have the ability to utilize the property for other purposes (e.g., crop storage.)

- **Rent – Method and Amount.** Is the rent calculated on “cash rent,” a “crop share” basis, or some other type of flexible cash rent? Establishing and clarifying the method of determining the cash rent is essential to eliminate potential disputes. Due dates for rent payments should be clearly stated.

- **Allowed/Prohibited Uses.** Clarify is there is a limitation on certain item of tillage based on the soil type, a limitation of certain uses of herbicides and pesticides to eliminate carry-

over residues, etc.

- **Fertility Maintenance.** The lease could specifically identify testing requirements and “adjustments” for any shortfall by the tenant in maintaining agreed-upon soil fertility levels. Additionally, provisions can be included to address crop residue (e.g., harvesting corn stalks) and the like.

- **Transfer of Interest.** Farm leases typically contain restrictions on the ability of a party to transfer their interest in the lease. This is an important provision for landowners to ensure that a reliable tenant is operating the farm land.

- **Remedies for Default.** A lease can also contain provisions where the parties agree to their own remedies in case of default (e.g., nonpayment of rent). These possible remedies include the landlord's right to re-enter the property without causing forfeiture of tenant's obligation to pay rent; the landlord's right to re-enter the property to care for and harvest the crops, etc.

Leased Property

An agricultural farm lease, as with any other contract, must meet certain requirements to be legally enforceable. Basic components that should be included in a farm lease are:

- **Identify the Proper Parties.** The names and contact information of both parties should be included in the lease. Both parties should sign the lease to ensure its enforceability.

- **Land Description.** The lease should be specific enough to identify the land involved so a stranger could review the lease

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