

FARM LEASE AGREEMENTS WHAT IS IMPORTANT AND WHY?

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I continue to get as many questions on farm leases as I do on almost any other subject (except for fences I think). Due to that trend, I will try to cover some things you need to think about on leases in detail whether you have an oral or written farm lease.

1) Farm name or legal description of land.

A written lease will ask for this and you can either decide on the farm name (Smith place, North 40 acres, etc.) that you know it by or the actual legal description of the land. My recommendation would be both actually for a couple of reasons. One, some people (spouse, heirs) may not be familiar with the farm name and two, 20 years down the road that farm name may not still be remembered. Also, if a physical address (9-1-1 if possible) exists then you should put it down also.

2) How often and method of changing the rent.

There are more and more multiple year leases being done and rental rate changes never seem to be thought about. Do we re-discuss the amount paid every year or every couple of years? When do we discuss that, the 1st of the year or some other time and what will we base that on? I suggest anywhere from January to March and base it on rates around the area if you can discover what those are. You can contact one of us (Darla or me) too. Remember rent can go down as well as up!

3) Who gets to hunt on the leased farm?

This is another issue that has become a much more critical one the last few years. Unless the landlord keeps the hunting rights for himself/herself, the renter automatically gets them. Assuming the landlord keeps them, then please use some sense in who can hunt and how they should act when on the leased property (shut gates, don't litter, ask to use things beforehand, etc.).

4) How many cows can he put on my acreage?

Stocking rates are a very difficult thing to determine since they depend on type of forage, size of livestock and time of year involved. However, a landowner can expect to limit the number of animals on their pasture and what time of the year

they should be off of it. Keep in mind that some pastures are better at times than others so being flexible on rest dates is very important too.

5) The fence and liability for the animals are the renter's responsibility.

All of these 4 counties (Linn, Putnam, Schuyler and Sullivan) are local option fence law counties which means legally the landowner is responsible for the boundary fences (Chapter 272 of Missouri statutes). You can require the renter to do the repairs but you still need to be certain they are doing it. Because of our law, you as a landowner can be liable for damages done by livestock if someone decides to sue you and can prove the fence was not in a condition to maintain livestock.

6) A landlord can come onto their property whenever they want.

If you have a written agreement, that can be included so you can check your property on a regular basis. However, in Missouri you do not legally have the right to do that unless you have it written in. Most renters will let you come on the land but if they don't you may not be able to at least in the law's eyes.

7) My landlord should pay for the lime.

Traditionally landlords did pay for lime and renters then paid for the annual fertilizer. Fewer landlords want to do that these days for cost and income tax reasons. I suggest that if a renter does pay for the lime then an agreement should be reached to reimburse them for the cost if the landlord terminates the lease before the full benefit of the lime (3 to 5 years).

8) how do I terminate a farm lease for whatever reason?

This also depends on whether it's a written or oral farm lease. If you have an oral lease, you must give a 60-day written notice prior to the original date you both agreed to the lease. Confusing I know but that's the law. If written, you go by the date on the contract or whatever the contract says. If there's no date on a written contract, I would follow the oral lease rules. Another good reason to have it in writing, isn't it.

9) How or where can I find out more on farm leases?

You can get written lease forms at your county Extension Office for a small charge. These are legally binding contracts that cover these issues I have discussed as well as many others. There are also leases that can be downloaded from the Internet at

<http://www.farmdoc.illinois.edu/pubs/Legal.asp?Subsect=Acquiring&Subclass=Lease>.

They are Illinois forms so download the Word.