Extension
University of Missouri

Verbal Farm Rental Agreements Under Missouri Law

Verbal farm leases have been used in Missouri agriculture for many decades. When two parties — a landowner and a tenant — discuss a rental farm and the method of sharing expenses and income, and then shake hands, they have made a verbal, or oral, rental agreement. About half of all farm leases are verbal agreements. Unfortunately, it is hard for an informal verbal lease to cover all issues and possible conflicts that could arise. Before entering into a lease, it is important for landowners and prospective tenants to know the laws that control verbal and written agreements.

A dispute arises when a disagreement over contract terms cannot be settled. Memories fade, circumstances change or the parties involved can change — all of which can raise questions over the terms of the lease and possibly lead to a costly lawsuit and a loss of valuable farming time. Making a written agreement will not prevent a lawsuit in all situations, but the terms of written agreements are more clear and well defined than the terms of a verbal agreement. A quality written lease will include more details than a verbal agreement. A written lease that is recorded with the county recorder provides the best protection for both parties.

This publication deals with problems of lease duration; notice of termination; invalid verbal agreements; subleases and assignments; death of a landlord or tenant; life estates; security for rent; holdover remedies; sharecropper agreements; and the rights, duties and liabilities each party. With regard to the landlord-tenant relationship, some parts of the law are unclear. Also, landlord-tenant cases are often settled out of court because of the cost and expense involved in a court case. Therefore, there are not answers to every question that might arise. Some answers, given by courts, were expressed many years ago when farming practices were much different. Courts today might give a different answer.

This publication merely shares guidelines to aid in understanding problems and risks created with verbal agricultural leases. It is for informational purposes only and does not constitute a substitute for competent legal advice. Check with an attorney for legal advice regarding specific situations.

Figure 1. Written farm leases are crucial for clearly defining the duties, obligations and liabilities of the landowners and tenants in the agreement.

Lease duration

A verbal agricultural lease for less than one year is the same as *tenancy at will* (Section 441.060, No. 1, Revised Statutes of Missouri [RSMo]). It would be specifically enforceable, or valid, for the stated time period and is not invalidated by the statute of frauds, which generally requires certain agreements to be in writing to be enforceable.

A *periodic tenancy, year-to-year*, is created when the agricultural tenant holds over (i.e., keeps possession of the land) for another year. Common law is applicable to convert a tenancy at will into a periodic tenancy, year-to-year. A periodic tenancy is continuous and of indefinite duration. At each anniversary of the verbal agreement, the lease continues unless notice of termination is given. A verbal lease for longer than one year is generally invalid under the Missouri statute of frauds. Under an invalid verbal lease, farmland is in a year-to-year tenancy.

Revised by
Mary Sobba, Field Specialist in Agricultural Business
Amie Breshears, Field Specialist in Agricultural Business

These rules are generally applicable to verbal agricultural leases. If the property is not being used for agricultural purposes, a verbal lease that is held over will be considered as a month-to-month tenancy.

Termination of the lease

The important distinction between a year-to-year tenancy and a month-to-month tenancy is the notice required to terminate the verbal agreement. To terminate a periodic, year-to-year tenancy, Missouri law (Section 441.050 RSMo) requires that the party wishing to terminate the lease provide written notice to the other party at least 60 days before the end of the lease period. Month-to-month tenancies can be terminated with one month's notice in writing (Section 441.060 RSMo).

The notice to terminate the agreement must be **written**, even though the original agreement was verbal. If proper written notice is not given, the other party can enforce another term of tenancy.

Although one Missouri court decided that when a landlord and tenant agreed verbally on a specific termination date, no notice was necessary, most cases acknowledge that a notice of termination is required.

If no certain time is set for the tenancy to end, the agricultural tenancy will be considered a year-to-year tenancy, which requires 60 days notice. By special agreement, a landlord and tenant can agree that no notice is required to terminate the lease (Section 441.070 RSMo).

In Missouri, tenancy begins on the day of the verbal agreement, not on the day possession is given. So, if the parties entered a verbal agreement on March 1, 2025, the last effective date of the lease would be Feb. 28, 2026, if proper notice were given. If there is no termination, the new lease year would begin on March 1, 2026. This distinction is important in determining when to give notice. Written notice in this situation would need to be given by the last week of December 2025.

Missouri tradition is that landlords rent farmland from and to March 1. There is some indication that southern Missouri landlords rent from and to Dec. 31. These dates are tradition — not law.

The place where notice is served is not important provided it is delivered to the tenant or landlord in person and is received within the specified time. The party serving notice should retain a copy for their protection. If notice is sent by mail, it should be sent by either registered mail or certified mail with return receipt requested. Notice can also be sent by email, but it would be wise to request a delivery receipt or to also mail a hard copy in order to confirm that the notice of termination was received.

Invalid oral agreements

Generally, a verbal agreement to lease land for more than one year is invalid and unenforceable. The one-year period starts when the agreement is made, not at the time of first possession. So, a verbal lease made on Feb. 15 under which the tenant was to take possession on March 1 and continue to the next March 1 would be longer than one year and unenforceable. If the landlord will not deliver possession (i.e., hand over physical control of the property) after Feb. 15 of the next year, the tenant has no recourse.

However, if the tenant has partially performed under the contract — for example, has planted crops — courts will typically enforce a verbal lease for more than a year, regardless of the statute of frauds and will treat such lease as a year-to-year. The court would make this decision so as to prevent the defaulting party from using the written requirement to commit a fraud. When the tenant has taken possession, the full extent of the agreement will be enforced as a tenancy at will if the court recognizes the doctrine of part performance. The best protection for the tenant is a written agreement.

Sublease and assignments

Under a sublease, the original tenant retains some rights or obligations in the leased property. Under an assignment, the entire interest is transferred to the new tenant, and the original tenant has no rights or obligations under the original lease.

Missouri law specifically denies the tenant the right to assign the lease interest without obtaining written consent from the landlord. This law applies to any tenant with a lease for a period of less than two years, so it applies to verbal leases. If the tenant assigns the lease to someone without the permission of the landlord, the landlord, after giving 10 days notice, can re-enter the premises.

This law does not prohibit the tenant from subletting. A tenant can sublease under a verbal lease in the absence of a valid and binding agreement prohibiting such a sublease. When the original lease was for farming purposes only, a sublease without the same restrictions has been held void. A tenant cannot sublease and convey greater rights to the subtenant than what the tenant held under the lease. For example, if the original lease restricted the use of the land by the tenant to the planting of row crops, the sublease must also contain this restriction for the subtenant. It has also been held that a tenant from year-to-year has no authority to sublease the farm so as to tie it up with a crop the following year.

A landlord can prevent assignment and subletting by the tenant by entering such a clause in a **written** lease.

Death of landlord or tenant

Unless otherwise specified, the death of the landlord or the tenant does not terminate a verbal lease, and the estate of the deceased party is obligated to perform the terms of the lease. If the surviving party and a representative of the deceased party want to terminate the lease, they can do so by mutual agreement. There is a case in which the death of the landlord was held to terminate a year-to-year lease and the 60-day notice was not required (Estate of Keifer vs. Gegg, 1981), but that case has some specifics that may not apply in other circumstances.

One of the biggest disadvantages of verbal leases is the difficulty in proving the terms of the agreement after the death of one party. The law generally does not permit one party to testify in court to the terms of an agreement or lease when the other party is deceased. In such a case, survivors could have difficulty proving the contents of the agreement if unable to testify. For this reason, agreements need to be in writing.

When landlord owns life estate

A prospective tenant should determine whether the landlord is the owner of a fee interest or only a life estate in the land by researching title to the property. A *life estate* means the landlord owns and controls the land only for the duration of his or her life. At death, title to the land is automatically transferred to others as specified in the original deed creating the life estate. However, a life estate owner can lease interest held in the land. A *fee interest* is more of an ownership interest than is a life estate. A *fee simple absolute* is the most complete ownership interest possible in land.

A tenant must be careful when making an agreement. If a life estate landlord dies, the tenancy ends because the life estate owner cannot transfer an interest not owned. If the landlord only holds a life estate, the tenant may want the remaindermen (i.e., those who take ownership at the landlord's death) to enter the agreement so that the tenancy will continue at the death of the life estate owner. The tenant must be given the required statutory notice by the subsequent owner, however, to be removed from the land. If the subsequent owner forces the tenant to leave, the tenant retains the right to harvest crops planted even though rights of tenancy have been terminated.

Landlord security for rent

A tenant who leaves the farm prematurely remains liable for any rent due under the agreement. The landlord has a lien on any crops for the year in which the crops were grown as security for the rent due. A lien is a right or claim on property by a creditor to secure payment of a debt from the debtor. The lien continues for eight months after the rent becomes due and payable. A landlord who does not collect on such a lien within the eight months is unlikely to receive the rent money. This lien is by law, thus no Uniform Commercial Code (UCC) agreement needs to be in place. The statutory lien is not only for the protection of the landlord; it also operates to the benefit of the tenant. It enables a tenant to secure land without having to provide a security deposit for rent.

The landlord can recover rent due from a person who bought the crops from the tenant if the purchaser knew the crops were grown on rented land. The landlord can recover from the purchaser only up to the amount of crops the purchaser received from the tenant.

If the tenant endangers the landlord's rent, the landlord may attach, by court order, almost any personal property of the tenant (there are certain exemptions). This attachment means the landlord can seize said personal property to satisfy the tenant's debt. The principal advantage to attachment of personal property over the lien on crops is that attachment may be used whenever the rent is endangered, even if the rent is not yet due. The landlord may have a lien on crops only when the rent is actually due.

Landlord remedies for holdover

If a tenant willfully holds over (i.e., retains possession of the land) after the termination of the tenancy, the landlord has several remedies.

The landlord can hold the tenant as a tenant for another tenancy. This procedure creates a year-to-year tenancy. This alternative is not often used.

The landlord can treat the tenant as a trespasser and have the tenant evicted. The landlord can also take the tenant to court under an unlawful detainer action. In this proceeding, if the landlord proves the right to possession, the possession will be restored, and the tenancy will be terminated.

Under Missouri law, the landlord has the option of holding the tenant liable for double the rental value of the premises during any holdover. This is a scenario in which the tenant was legally terminated yet refuses to vacate the premises. In most situations, the landlord simply wants possession of the land; therefore, the unlawful detainer action would be the proper procedure.

Rights, duties and liabilities of landlords

Entry by landlord

A landlord cannot enter the rental premises for any purpose unless that right is specified in the agreement. Yet many landlords incorrectly assume they can continue to access the rented property for hunting and other recreational purposes. This assumption leads to the question of what property is included in the lease. For example, in a verbal crop lease, does the leased property include the adjacent timber or other nontillable areas? If the landlord is bound to make repairs, the landlord has the right to enter the premises. If the tenant has abandoned the premises before the lease has expired, the landlord may re-enter. If the right to re-enter is desired by the landlord, it should be specifically written in the agreement.

Repairs

Generally, the landlord is not obligated to repair the premises or to pay for repairs that the tenant makes. These repairs include ordinary repairs — those necessary to keep the premises in a safe condition. In Missouri, however, it has been held that a landlord gives an implied warranty that a dwelling will be habitable and fit for living at the beginning of the term and that it will remain so during the entire term. This case involved a dwelling in a municipality, but it might be extended to farmhouses so that the landlord would be responsible for the dwelling being in a habitable condition.

Violation of lease

If the tenant violates the conditions of a lease or commits waste (i.e., an abuse or destructive use of the property) of the leased premises, the landlord, after giving the tenant notice and an opportunity to cure the violation, can re-enter the premises and take possession. These conditions do not include the nonpayment of rent, because other statutory remedies, including unlawful detainer and the statutory lien, can be used to collect rent.

Fences

In local option law counties, traditionally the landlord is responsible for major repair and construction of fences, and the tenant is responsible for ordinary repairs. In general law counties, the livestock owner is legally responsible. Fence maintenance is another matter that should be specifically agreed on and spelled out in writing by the parties. Consult MU Extension publication G810, Missouri Fencing and Boundary Laws,[1] to determine which fence law covers specific counties.

Rights, duties and liabilities of tenants

Crops

The doctrine of emblements gives the tenant the right to enter the premises and harvest crops planted, even after rights of tenancy have expired. Of course, the tenant harvests the crops subject to any lien the landlord may hold against them.

Tenants who have been given legal notice to vacate before planting may not have the benefit of the doctrine. For example, if the landlord gives the tenant notice on Sept. 1 to vacate on Feb. 28 of the following year, the tenant may not be able to recover winter wheat planted on Oct. 15.

This doctrine might not apply when a new owner buys the premises without knowledge of the verbal rental agreement. But if the lease is recorded with the county recorder, the purchaser would automatically be notified that the land is leased to the tenant. In this situation, the tenant would be protected with a recorded written lease.

Condition of premises

In a lease agreement that does not include a covenant for the tenant to repair, the tenant is not liable for ordinary wear and tear of the premises. The tenant's obligation is, in effect, an implied covenant, or promise, to not commit waste and to return the premises to the landlord at the end of the term unimpaired by negligence. However, it is important for the tenant to be mindful that the landlord may expect that the tenant will provide some basic level of maintenance, such as mowing and maintaining waterways and ditches. These expectations should be discussed and agreed upon at the beginning of the lease term.

Another clause in the law prevents the tenant from committing gross negligence on the property, which has been interpreted to mean lessening the value of the landlord's property. Gross negligence can be difficult to prove unless it is obvious (e.g., all trees removed from property).

Insurance

The tenant should carry liability insurance and property insurance for personal and business belongings but is not responsible for property insurance of the premises unless this requirement is specifically included in the lease agreement. Often, however, a requirement to carry property insurance is included. If the landlord wishes to require the tenant to carry insurance, the written agreement should clearly state the kind of insurance and the amount of coverage.

Destruction of improvements

When buildings or improvements on the premises are destroyed, the tenant is still obligated to pay rent unless the lease agreement relieves the rent obligation. So, if a building on the farm is destroyed by fire, the tenant is still responsible for the full amount of the rent. If the lease provides that the landlord is to keep the premises in general repair, and the destruction was not caused by the negligence of the tenant, courts will sometimes excuse the tenant from the payment of rent when the building has been totally destroyed.

Sale of premises

The sale of the landlord's interest in the property does not terminate the lease if the tenant is in possession under a recorded valid lease, or a lease of which the purchaser has actual or constructive knowledge. Sale would simply result in buyer taking title to the property, subject to the lease and in the substitution of a new landlord.

Fixtures

Generally speaking, a tenant may place items of personal property and trade fixtures on the property during the lease term. Those items may be removed before expiration of the lease term so long as the tenant repairs any damage to the property that results from the removal. After the lease term expires, any remaining items are generally considered abandoned. Additionally, the law distinguishes between fixtures and trade fixtures. Trade fixtures are items that are intended for the tenant's specific business. Fixtures are items that benefit the property in a more general sense and are not business-specific. Fixtures cannot be removed by the tenant without the landlord's consent. There can be a great deal of uncertainty — and disagreement — over whether an item is a fixture or a trade fixture. For this reason, all parties would be best served by having a written agreement in place.

Improvements and alterations

In the absence of any express agreement, a landlord does not have to pay for any improvement the tenant may make, including fixtures. Such improvements include anhydrous ammonia applied in the fall. The tenant cannot offset the value of the improvement against the rent. Also, in the absence of any express agreement, a tenant has no right to make material or permanent alterations to the land.

Sharecropper agreements

An agreement in which the tenant can farm the land but does not have exclusive possession is a sharecropping agreement, not a lease. These agreements can be oral or written. The right to exclusive possession is the distinguishing element between landlord-tenant and owner-cropper relationships. When the intention is for the tenant to have exclusive possession of the land, a landlord-tenant relationship is created. In a sharecropper arrangement, the cropper has no right to the land for any period but is allowed only to plant and harvest crops. Sharecropper agreements are uncommon and those in Missouri generally occur in the Missouri Bootheel area.

No notice is necessary to terminate a sharecropper agreement because when the crop is harvested, the cropper's rights to the premises are extinguished.

The cropper must exercise reasonable care and diligence in planting, cultivating and gathering a crop. If the use of the land by the cropper results in injury to the crop or to the land, the landlord may be able to recover damages from the cropper.

The importance of a written lease

Violation of a verbal agreement is difficult to prove and is often reduced to arguments in court. For example, if a dispute arises concerning payment of rent in a year-to-year tenancy, it is the landlord's word against the tenant's. Additional testimonies from witnesses to the verbal agreement might be helpful but do not conclusively prove what was contained in the original agreement.

When making a written agreement, prospective landlords and tenants are forced to think about and agree on the essential considerations of leasing and operating a farm. Differences of opinion can arise unexpectedly. Time tends to make verbal agreements hazy, whereas a written agreement is always available for reference and recall. Also, proving the elements of a verbal agreement after one party dies is difficult because the surviving party cannot testify when the other party is dead.

A written lease has only a few minimum requirements. A basic lease provides the duration of the lease, names and addresses of the parties, the legal description of the property, rental rates, arrangements for payment of rent, and the signatures of each party. In addition, special agreements between parties regarding insurance, repairs, fences, land restrictions, improvements and the landlord's right to re-enter should be included. Hunting rights typically go to the tenant unless the written agreement specifies otherwise. Any changes made after the contract is signed should also be made a part of the written contract.

Farm lease forms are available at county MU Extension centers. Lease forms can also be downloaded from Ag Lease 101.[2]

Web addresses

1. extension.missouri.edu/publications/g810
2. AgLease101.org

The authors are grateful for the legal review of this publication provided by Caleb Colbert, founder and partner at The Law Firm of Haden & Colbert.

Original authors: Stephen F. Matthews and Myron Bennett