



Farmland Rental Contract Checklist

Parties to Lease and Description

- Date the lease is entered into.
- Names and addresses of the landlord and tenant.
- Legal description of the leased property.
- Signatures of the landlord and tenant.

General Terms

- Time period of the lease, including beginning and ending dates.
- Renewal option available after initial term.
- Rental amount for cash lease; respective shares and contributions if a crop-share lease.
- When and how rent will be paid and penalties for late payments.
- Who will carry property and liability insurance, and who will insure the crop.
- Who is responsible for paying property taxes.
- Who is responsible for special assessments.
- Which party owns equipment on the property that is used by tenant in his farming operation.
- Statement that the landlord and tenant do not intend to create a partnership by entering into the agreement.
- Hold harmless/Indemnity provision.
- Conditions under which the tenant may or may not sub-lease the property or assign his rights under the lease.
- If the land is enrolled in an agricultural district, providing protection against nuisance suits over farm operations and additional review if land is taken by eminent domain.

Termination

- When and how the lease may be terminated and requirements for notice of termination.
- Reimbursement provisions for crop nutrients, lime and/or completed fieldwork upon termination of the lease.
- Acts of the tenant that would constitute default of the lease and remedies for default.
- Time allowed to cure default and amount of notice required in case of default.
- Tenant's rights if the property is transferred or condemned during the lease period.
- Reimbursement provisions for a crop still in the ground when the lease is terminated.

Operation and Maintenance

- Desired or prohibited farming practices, including types of chemicals that may not be used on the property.
- Process of measuring and maintaining soil fertility and pH levels.
- Which party is responsible for controlling noxious weeds.
- Which party is responsible for maintaining fences.
- Whether the tenant has the right to make improvements and be compensated for improvements.
- Whether the tenant has the right to utilize improvements made by the landlord.
- Provisions for soil-conservation practices.
- Statement regarding the existing environmental status of the property and responsibility to minimize activities that may cause contamination.
- Use of non-cropland, garden plots, trees, buildings, grain bins, pasture or other areas not rented for cropland.

Landlord Rights and Government Payment

- Landlord's right to enter the property for specific purposes.
- Landlord's right to a security interest in the crops or other provisions for ensuring payment.
- Statement of which party will participate in federal farm programs, including responsibility for eligibility and receipt of payments.
- Nature of landlord participation in management. This may relate to issues regarding income and self-employment, taxes, social security payments, and estate planning.

Arbitration of Differences

- Provision that any amendments must be in writing and signed by both parties.
- Procedure for resolving disputes, including the applicable state statutes.

Crop-Share Provisions

- General agreement, sharing of crops and tenant's contribution of machinery and labor. Each party should share returns in the same proportion as resources are contributed.
- Sharing of operating expenses, generally variable expenses are shared in the same percentage as the crop share; if there are adjustments for no-till, custom application, liming or any new technologies adopted.
- Storage and/or delivery of landlords share of crops.
- Compensation upon termination of the lease.
- What records are to be kept by whom and how will this information be shared.

Summary

If the term of the lease is for more than one year, it must be written to be legally enforceable. It also should be reviewed each year to ensure the terms are still desirable. Multiple year agreements require the following:

Term	Legal Requirements
Up to 1 year	Verbal can be enforceable
1+ years	Must be in writing and signed by the parties.

NOTE: although not necessary to create a binding agreement between the parties to the lease, the tenant should promptly record the lease in the county where the property is located to establish priority over subsequent transferees/creditors of the property owner.

This fact sheet is not intended to take the place of sound legal advice required by any party entering into a contractual relationship.