

# Cash Farm Lease Form\*

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.

## Section I. Date, Contracting Parties, Description of Property, and Terms of the Lease

1. This lease is made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between \_\_\_\_\_ hereinafter called the Landlord(s), and \_\_\_\_\_ hereinafter called the Tenant(s).
2. The Landlord, hereby leases to the Tenant, to use for agricultural purposes only, the acreage described in Section II, Item 1 (below) on the \_\_\_\_\_ (name of farm) farm, containing \_\_\_\_\_ acres, located in \_\_\_\_\_ Township, \_\_\_\_\_ County, State of \_\_\_\_\_, described as follows: \_\_\_\_\_, with all improvements thereon except \_\_\_\_\_.
3. This lease agreement shall become effective on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_ and shall terminate on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_. The Tenant agrees to contact the Landlord \_\_\_\_\_ days prior to the termination date to consider re-negotiating for the following year the amount of rent and other terms and conditions of this lease.
4. Amendments and alterations to this lease shall be in writing and shall be signed by both the Landlord and the Tenant.
5. This lease shall not be deemed to be, nor is it intended to give rise to, a partnership relation.
6. The provisions of this lease shall be binding upon the heirs, executors, administrators, and successors of both Landlord and Tenant in like manner as upon the original parties, except as provided by mutual written agreement.

## Section II. Land Use and Cropping Program

1. Approximately \_\_\_\_\_ acres of the farm are to be cultivated, \_\_\_\_\_ acres are to remain in permanent pasture, \_\_\_\_\_ acres in woods not to be grazed. The tracts that are to be included in respective classes shall be designated by the Landlord at the beginning of this lease.
2. The combined annual acreage of corn and soybeans shall not exceed \_\_\_\_\_ acres.

3. The extent of participation in government programs will be discussed and decided upon on an annual basis. The course of action agreed upon shall be placed in writing and signed by both parties. A copy of the course of action so agreed upon shall be made available to each party.
4. No permanent pasture shall be plowed without the written consent of the Landlord.

**Section III. Amount of Rent and Time of Payment**

1. The Tenant shall pay to the Landlord the sum of \$\_\_\_\_\_ annual rent for the entire acreage referred to in Section I, calculated as follows:

_____ acres of tillable land @ \$_____ per acre		\$_____
_____ acres of non-tillable land @ \$_____ per acre		\$_____
Building rent for: dwelling		\$_____
grain bins		\$_____
other _____		\$_____
Total annual cash rent		\$_____

The annual cash rent shall be paid as follows:

\$\_\_\_\_\_ on or before \_\_\_\_\_, 20\_\_\_\_\_

\$\_\_\_\_\_ on or before \_\_\_\_\_, 20\_\_\_\_\_

\$\_\_\_\_\_ on or before \_\_\_\_\_, 20\_\_\_\_\_

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.

**Section IV. The Landlord Agrees to:**

1. Furnish the land and the fixed improvements referred to in Section I.
2. Pay all taxes and the assessments against the real estate and all taxes on the Landlord's personal property on the farm.
3. Furnish materials and labor for mutually agreed upon repairs, improvements, and construction of buildings, drains, and fences on the farm. To pay for materials purchased by the Tenant for purposes of repair and maintenance in an amount not to exceed \$\_\_\_\_\_ in any one year, except as otherwise agreed upon. Reimbursement shall be made within \_\_\_\_\_ days after the Tenant submits the bill.
4. Furnish \_\_\_\_\_ % of the limestone used on the farm, together with \_\_\_\_\_ % of hauling and spreading costs. If the Tenant hauls and/or spreads the limestone furnished by the Landlord, the Landlord shall pay the Tenant the customary rate per ton for such work as agreed upon in writing before the work is done.
5. 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 and, until such replacement or repair is made, to compensate the tenant as follows:

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6. Other responsibilities of the Landlord:

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 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.

7. 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.

**Section V. The Tenant Agrees to:**

1. Follow the farming practices that are generally recommended for and that are best adapted to this type of farm and for this locality unless other practices are agreed upon.
2. Furnish all labor, power, machinery, and movable equipment and all related operation and maintenance expenses to operate the farm except as follows:

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3. Furnish all labor for minor repair and the minor improvement of buildings, fences, and drains with the material to be furnished by the Landlord. The buildings, fences, and other improvements on the farm are to be kept in as good condition as they are at the beginning of the lease, or in as good condition as they may be put in by the Landlord during the term of the lease; ordinary wear, depreciation, or unavoidable destruction excepted.
4. Keep livestock out of the fields when the soil is soft, and protect sod crops, especially new seedings, from too close grazing that might impair the following year's crop.
5. Follow NRCS and/or FSA recommendations and fulfill all other requirements necessary to maintain the rights of current and future tenants of this farm to participate in federal farm programs. Planted acreages and yields of crops shall be reported as required by FSA.
6. Store and use pesticides, fertilizers, and other chemicals, and dispose of containers in accordance with state and federal regulations and recommendations. Furnish the Landlord a written field by field record of the amount, kinds, and dates of applications of pesticides and fertilizers.
7. Store no motor vehicles, tractors, fuel, and chemicals on the farm in violation of restrictions in the Landlord's insurance policies.
8. Apply fertilizer as follows:

	<u>Corn</u>	<u>Soybeans</u>	_____
Potash (K2O) no less than	_____lb/a	_____lb/a	_____lb/a
Phosphate (P2O5) no less than	_____lb/a	_____lb/a	_____lb/a
Nitrogen (N) no more than	_____lb/a	_____lb/a	_____lb/a

9. Neither assign this lease to any person or persons nor sublet any part of the real estate for any purpose without the written consent of the Landlord.

10. Not to: a) erect or permit to be erected on the farm any permanent structure, b) incur any expense to the Landlord for such purposes, or c) add electrical wiring, plumbing, or heating to any building without written consent of the Landlord.
11. Control soil erosion according to a conservation plan approved by NRCS; 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.
12. 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 damage outside the control of the Tenant is exempted.
13. Yield peaceable possession of the farm at the termination of this lease.

#### **Section VI. Rights and Privileges**

1. The Landlord or anyone designated by him shall have the right of entry at any mutually convenient time to inspect the property and/or the farming methods being used.
2. The Tenant shall have the right of entry for \_\_\_\_\_ days after the termination of the lease for the purpose of harvesting spring seeded crops. The Landlord or his designated agent shall have the right of entry to plant fall crops following harvest of the current year's crops.
3. If this lease is terminated before the Tenant shall have obtained the benefits from any other labor or expense he may have made in operating the farm, according to contract or agreement with the Landlord during the current lease year, the Landlord shall reimburse the Tenant for such labor and expense. The Tenant shall present, in writing to the Landlord, his claim for such reimbursement at least \_\_\_\_\_ days before the termination of this lease.
4. Transfer of ownership of this farm shall be subject to the provisions of this lease.

#### **Section VII. Enforcement of Agreements and Arbitration**

1. Failure of either the Landlord or the Tenant to comply with the agreement set forth in this lease shall make that person liable for damages to the other party. Any claim by either party for such damages shall be presented, in writing to the other party, at least \_\_\_\_\_ days before the termination of this lease.
2. The provisions of this lease shall be binding on the heirs, executors, administrators, and assigns of the party or parties involved.

3. Any disagreements between the Landlord and the Tenant shall be referred to a board of three disinterested persons, one of whom shall be appointed by the Landlord, one by the Tenant, and the third by the two thus appointed. The decision of these three shall be considered binding by the parties to this lease unless a sum exceeding \$\_\_\_\_\_ is involved. Any cost for such arbitration shall be shared equally between the two parties of this lease.

**Section VIII. Other Agreements and Provisions**

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**Section IX. Signatures**

(Tenant)	(Date)	(Landlord)	(Date)
(Witness of Notary Public)		(Date)	

**Section XR1. Annual Renewal for Crop Year 20\_\_\_\_\_**

1. Annual rent for crop year 20\_\_\_\_\_. shall be \$\_\_\_\_\_. payable on the same dates and in the same proportion as specified in Section II.
2. All other agreements in the attached lease are hereby renewed for crop year 20\_\_\_\_\_.

(Tenant)	(Date)	(Landlord)	(Date)

**Section XR2. Annual Renewal for Crop Year 20\_\_\_\_\_**

1. Annual rent for crop year 20\_\_\_\_\_. shall be \$\_\_\_\_\_. payable on the same dates and in the same proportion as specified in Section II.
2. All other agreements in the attached lease are hereby renewed for crop year 20\_\_\_\_\_.

\_\_\_\_\_  
(Tenant) (Date) (Landlord) (Date)

**Section XR3. Annual Renewal for Crop Year 20\_\_\_\_\_**

1. Annual rent for crop year 20\_\_\_\_\_. shall be \$\_\_\_\_\_. payable on the same dates and in the same proportion as specified in Section II.
2. All other agreements in the attached lease are hereby renewed for crop year 20\_\_\_\_\_.

\_\_\_\_\_  
(Tenant) (Date) (Landlord) (Date)

**Section XR4. Annual Renewal for Crop Year 20\_\_\_\_\_**

1. Annual rent for crop year 20\_\_\_\_\_. shall be \$\_\_\_\_\_. payable on the same dates and in the same proportion as specified in Section II.
2. All other agreements in the attached lease are hereby renewed for crop year 20\_\_\_\_\_.

\_\_\_\_\_  
(Tenant) (Date) (Landlord) (Date)

**Section XR5. Annual Renewal for Crop Year 20\_\_\_\_\_**

1. Annual rent for crop year 20\_\_\_\_\_. shall be \$\_\_\_\_\_. payable on the same dates and in the same proportion as specified in Section II.
2. All other agreements in the attached lease are hereby renewed for crop year 20\_\_\_\_\_.

\_\_\_\_\_  
(Tenant)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Landlord)

\_\_\_\_\_  
(Date)

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\* Prepared by Agricultural Economists Craig L. Dobbins and J.H. Atkinson. This form was developed to provide an example that illustrates the items often included in a written lease. The reader should consult with appropriate legal council before finalizing their lease agreement.