



# WHAT EVERY FARMLAND RENTAL AGREEMENT SHOULD INCLUDE

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*Learn what farmers and landowners should each contribute to reach a farm rental agreement that works for everyone.*

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When it's time to sign a new farmland rental agreement, both parties can bring a lot to the table to make sure the cash rental agreement meets everyone's needs. A few of the pieces of information that should be included also serve to demonstrate that you're committed to fairness, sustainable farming, and the stewardship of the land.

Sustainable farming practices aren't just another trending phrase: your farmland rental agreement is that document where you get to outline your shared expectations for soil health and tillage practices. Here's how both sides of this negotiation can approach this conversation:

## **What Should Landowners Bring to the Table?**

**Terms and conditions.** Farmland owners should make sure their lease includes language that explicitly describes the farmer and landowner relationship. Is your farmer agreeing to expand or maintain tillable acres? Are they also be contracted to maintain restricted grass waterways or mow alleys? Make sure these expectations are captured in the agreement.

**Data delivery requirements.** Your written agreement should include requirements for sharing information on yields and fertilization. This is a normal condition that helps ensure that everyone is educated about the land's health and use.

**Commitment to sustainable farming practices.** This is an easy way to put your money where your mouth is. For example, Landlords should be ready to reimburse their farmer for applications of lime that support the land over multiple years when the nutrient hasn't been entirely utilized by the end of the lease. They should receive a reimbursement for the estimated remainder of that application's value.

**Soil health.** Especially if your farm is no-till, be sure you outline your expectations for tillage practices and soil health. This ties into more about data delivery above, but it can't be overstated; make sure you get receipts for fertilizer application.

**Proof of insurance.** Finally, be sure to include insurance requirements. You should be prepared to demonstrate that you have an appropriate amount of general liability insurance on the land you're renting. Your tenant should also be prepared to provide proof of adequate crop insurance to make sure no one loses their shirt in the season ahead.

## **What Should Farmers Bring to the Negotiation Table?**

Farmers must be willing to show landowners how the asset is performing. Enter this negotiation with the understanding that you are asking to be the steward of what's likely one of the landowner's greatest assets. The farmland rental agreement is an opportunity to demonstrate that you'll be attentive to the soil's health and a reliable tenant.

You should list out your expectations of the landowner, especially communication-wise. Your farmland rental agreement should include ...

- That you'll notify your landlord when the crops are planted and when the harvest has been completed.
- Your preferred method of communication – if snail mail doesn't work for you, or you'd rather hear from someone in an email than on the phone, be sure to say so.

**Bring a plan for the year ahead.** When negotiating a one-year lease, be ready to present your plan for the year ahead. It may be helpful to frame this task for yourself as a question: How do I set the expectations for that season so that this landowner will want to renew with me?

Make sure that expectations are aligned so that when lease renewal comes up, you find yourself meeting or exceeding the benchmarks you've laid out.

## Have a Written Farmland Rental Agreement

Your farmland negotiation doesn't need to happen in person – a call or email is no problem, especially if you're not living in the same town. But all leases need to be in writing.

In 2019, there's no good reason not to have your farmland rental agreement in writing to support the value of your land. Put your expectations for the land's performance in ink and create a record of your agreements to strengthen everyone's understanding of the land's health.

Demonstrate to future farmers and landlords that you're committed to sustainable farming practices, and protect all parties by communicating as much information as possible around your cash rent agreement.

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