FSA-1940-51
(06-06-02)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

CROP-SHARE-CASH FARM LEASE

(See Page 7 for Privacy Act and Public Burden Statements.)

THIS LEASE is entered into this *(1)* _____ day of *(2)* _____, *(3)* 20_____

between *(4)* _____, landlord, of *(5)* _____
(Address of Landlord)

_____ and *(6)* _____,

tenant, of *(7)* _____ _____.
(Address of Tenant)

A. **PROPERTY RIGHTS**. The landlord hereby leases to the tenant, to occupy and use for agricultural and related purposes, the following described property, hereinafter referred to as the "farm," located in *(8)* _____ County, State of *(9)* _____, and commonly known as the *(10)* _____ farm.
Supplementary information: *(11)* _____
_____
_____

and consisting of *(12)* _____ acres, more or less, together with all buildings and improvements thereon, and all rights thereto except as specified below:

1. **Reservation of land and buildings.** The landlord reserves, the right to use the following land and buildings for the following purposes:
(13) _____
_____
_____

2. **Right of entry.** The landlord reserves the right to enter the farm at any reasonable time for purposes (a) of consultation with the tenant; (b) of making repairs, improvements, and inspections; (c) of developing mineral resources; and (d) after notice of termination of the lease is given, of plowing, seeding, fertilizing and such customary seasonal work, none of which is to interfere with the tenant in carrying out regular farm operations. This right is also reserved to the landlord's agents, employees, and assigns.

3. **No right to sublease.** The landlord does not convey to the tenant the right to lease or sublet any part of the farm or to assign the lease to any person or persons whomsoever.

4. **Transfer of farm.** If the landlord should sell or otherwise transfer title to the farm, such sale or transfer will be subject to the provisions of this lease.

5. **Heirs and successors.** The terms 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. However, in event the lease is for more than one year, the heirs or successors of the tenant shall have the option to give written notice of termination effective at the end of the lease year in which death occurs.

6. **Right to lease.** The landlord has the right to lease the farm, and so warrants to the tenant. Further the landlord will defend the tenant's possession against any and all persons whomsoever.

7. **Rent additional land.** The tenant will not, unless written consent of the landlord is obtained first, farm more than *(14)* _____ acres of additional land and will not enter into any other business, occupation, or sideline.

8. **Additional agreements regarding property rights:**
(15) _____
_____
_____

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

B. **LAND USE AND LIVESTOCK PRODUCTION**

1. **Land use.** The agreed-upon use of the land is outlined in the following table:

(16) USE OF LAND	(17) ACRES	(18) FIELDS	(19) SEED VARIETY	(20) KIND OF SEED	(21) AMOUNT OF FERTILIZER PER ACRE
FOR FAMILY LIVING					
WOODLAND					
FARMSTEAD AND LOTS					
TOTALS *(22)*					

2. **Livestock production.** The tenant may engage in the following production of livestock:

(23) KIND OF LIVESTOCK	(24) MAXIMUM NUMBERS	(25) SPECIAL HEALTH, SANITATION, OR FEEDING PRACTICES

3. **Acres and numbers.** The acres of crops and the fields on which grown and numbers of livestock shown above are those planned for the first year of this lease. They may be adjusted within the year or from year to year by mutual agreement.

4. **Crop and livestock adjustments.** If it is impracticable in any year, from causes beyond the tenant's control, to grow the crops and to keep within the number of livestock according to the plan shown, appropriate adjustments will be made by mutual agreement between the parties.

5. **Restriction on livestock.** Neither the owner nor the tenant shall bring livestock that is not covered by this agreement on the farm during the period of the lease without express permission of the other party.

6. **Home use.** The tenant and landlord may take for home use the following kinds and quantities of jointly owned crops:

(26) _____

_____

_____

_____

_____

7. **Buying and selling.** The two parties will buy and sell jointly owned property according to the following agreement:

(27) _____

_____

_____

_____

8. **Division of property.** At the termination of this lease, all jointly owned property will be divided or disposed of as follows:

(28) _____

_____

_____

C. IMPROVING, CONSERVING, AND MAINTAINING THE FARM. To improve the farm, conserve its resources, and maintain it in a high state of cultivation, the two parties agree as follows:

1. **General maintenance.** The tenant will maintain the farm during the tenancy in as good condition as at the beginning, normal wear and depreciation and damages from causes beyond the tenant's control excepted.

2. **Good husbandry.** The tenant will operate the farm in an efficient and husbandlike way, will do the plowing, seeding, cultivating, and harvesting in a manner that will conserve the landlord's property.

3. **Cropping practices.** The tenant will not, without oral consent of the landlord, (a) plow permanent pasture or meadowland, (b) cut live trees for sale or personal uses, but will take for fuel or use on the farm only dead or unmarketable timber designated by the landlord, (c) allow livestock other than the tenants own on stalkfields or stubblefields, (d) burn or remove cornstalks, corncobs, straw, or other crop residues grown on the farm, (e) pasture new seedings of legumes or grasses in the year they are seeded, and (f) plan legumes on land not known to be thoroughly inoculated without first inoculating the seed.

4. **Livestock practices.** In caring for livestock, the tenant will follow health and sanitation measures and guard against disease.

5. **Manure and crop residue.** The tenant will spread the manure, straw, or other crop residues on the farm as soon as practicable on fields agreed upon by the two parties, except as follows:

(29) _____

_____

_____

6. **Pasturing.** The tenant will prevent tramping of fields by stock and rooting by hogs when injury to the farm will be done.

7. **Waste.** The tenant will not commit waste on or damage to the farm and will use due care to prevent others from so doing.

8. **Fire protection.** The tenant will not, without written consent of the landlord, house automobiles, motortrucks, or tractors in barns, or otherwise violate restrictions in the landlord's insurance policy, which restrictions the landlord shall make known to the tenant.

9. **Replace losses.** The landlord will replace or repair as promptly as possible the dwelling or any other building that may be destroyed or damaged by fire, flood, or other cause beyond the control of the tenant or make rental adjustments in lieu of replacements.

10. **Noxious weeds.** The tenant will use diligence to prevent noxious weeds from going to seed on the farm and will destroy the same, and will keep the weeds and grass cut or destroyed on the fields, farmstead, roadside, and fence rows. Treatment of weed infestation and cost thereof, shall be handled as follows:

(30) _____

_____

_____

11. **Maintenance of improvements.** The tenant will keep the building, fences, and other improvements on the farm in as good repair and condition as they are when the tenant takes possession, and in as good repair and condition as they may be put during the term of the lease ordinary wear and tear, loss by fire, or unavoidable depreciation or destruction excepted.

12. **Materials and labor.** The landlord will furnish materials and the tenant will perform labor for normal maintenance and repairs, except that skilled labor which the tenant is unable to perform satisfactorily will be furnished by the landlord. Additional agreements regarding materials and labor:

(31) _____

_____

_____

13. **Purchase of materials.** The tenant may buy, without further authorization, materials for normal maintenance and repairs in a total amount not to exceed *(32)* $_____ within each year, and the landlord will credit or reimburse the tenant for such expenditures, as follows:
(33) _____

14. **Add improvements.** The tenant will *not*, without written consent of the landlord, (a) erect or permit to be erected on the farm any nonremovable structure or building, or (b) incur any expense to the landlord for such purpose, or (c) add electrical wiring, plumbing or heating to any buildings, and, if consent is given, the tenant will make such additions meet standards and requirements of power and insurance companies.

15. **Conservation practices.** The tenant will control soil erosion as completely as practicable by stripcropping and contouring, and by filling in or otherwise controlling small washes or ditches that may form.

16. **Conservation structures.** The tenant will keep in good repair all terraces, open ditches, and inlets and outlets of tile drains, preserve all established watercourses or ditches including grass waterways when seed and fertilizer are furnished by the landlord, and refrain from any operation or practice that will injure them.

17. **Compensation for improvements.** The two parties will carry out new conservation practices and measures and make other improvements, and share contributions and costs necessary for completion of such practices and improvements as set forth below. The tenant will be reimbursed by the landlord when the practice, measure, or improvement is completed, or the tenant will be compensated for its unexhausted value when the tenant leaves the farm, according to the table below:

(34) CONSERVATION PRACTICE MEASURE, OR OTHER IMPROVEMENT	(35) DATE TO BE COMPLETED	(36) ESTIMATED COST $	(37) PERCENT TO BE FURNISHED BY LANDLORD (L) AND BY TENANT (T)						(38) VALUE PLACED ON TENANT'S CONTRIBUTION $	(39) RATE OF ANNUAL DEPRECIATION %
			MATERIALS %		LABOR %		MACHINERY %			
			L	T	L	T	L	T		

18. **Additional agreements relative to conservation and improvements:**
(40) _____

19. **Review of conservation program.** A new schedule covering conservation practices and improvements will be prepared each year on an appropriate form which will become a part of this lease when signed by the two parties.

20. **Preparing or seeding land.** When the tenant leaves the farm, if the total acreages of prepared or seeded land are greater than at the beginning of the tenancy, the tenant will be compensated by the landlord on the basis of the value of such excess acreages. If such total acreages are less than at the beginning of the tenancy, the tenant will compensate the landlord on the basis of the value of such deficiency, provided that the deficiency is not due to drought, flood, or other causes beyond the control of the tenant. The acreages at the beginning of this tenancy and the basis of payments are as shown in the table below:

(41) Prepared or Seeded	(42) Acres At Beginning	(43 Rate Per Acre

21. **Removable Improvements.** Minor improvements of a temporary or removable nature, not provided for in item 17 of this section, which do not mar the condition or appearance of the farm may be made by the tenant at the tenant's own expense. The tenant may at any time this lease is in effect, or within a reasonable time thereafter, remove such improvements, provided the tenant leaves in good condition that part of the farm from which they are removed.

22. **Compensation for damages.** When the tenant leaves the farm the tenant will pay the landlord reasonable compensation for any damage to the farm for which the tenant is responsible, except ordinary wear and depreciation and damages beyond the tenant's control.

D. SHARING COSTS AND RETURNS. All costs and returns shall be divided between landlord and tenant as provided below, unless otherwise specifically stated elsewhere in this lease.

1. **Rental rates.** The tenant agrees to pay as rent the shares or quantities of crops and cash as indicated below:

(44) CROPS OR IMPROVEMENTS	(45) ACRES	(46) SHARE RENT %	(47) CASH RENT $	(48) PLACE OF SALE OR DELIVERY	(49) DATE OF SALE, DELIVERY, OR PAYMENT
FARM BUILDING					
DWELLING					

2. **Additional agreements in regard to rental rates:**

(50) _____

_____

3. **Expenses.** Expenses, including investments in personal property, shall be supplied by the tenant, except as indicated in Paragraph C and except as follows:

(51) INVESTMENTS IN PERSONAL PROPERTY	(52) FURNISHED BY LANDLORD $	(53) EXPENSES	(54) FURNISHED BY LANDLORD $	(55) EXPENSES	(56) FURNISHED BY LANDLORD $
TRACTOR		Labor		Liming Material	
MACHINERY & EQUIPMENT		Maintenance - Buildings		Fertilizer	
		Maintenance - Fences			
		Machine Repairs		Seed	
		Fuel - Tractor			
		Fuel - Truck			
		Fuel - Other		Electricity	
		Custom Work and Hauling		Telephone	
		Weed Control Material		Insurance-Buildings	
		Insecticides		Insurance-Crops	
		Feed Purchased or Supplied		Taxes-Real Estate	
LIVESTOCK		Livestock Expenses		Taxes-Personal	

4. **Additional agreements relative to expenses:**

(57) _____

_____

_____

E. TERM OF LEASE

1. **Term. -** The term of this lease shall be *(58)* _____ year(s) from *(59)* _____, *(60)* 20_____ to *(61)*_____, *(62)* 20_____ and this lease shall continue in effect from year to year thereafter until written notice of termination is given by either party to the other at least *(63)* _____ months before expiration of this lease or any renewal.

2. **Continuous occupancy. -** The farm will be possessed and occupied continuously during the term of the lease by the tenant of the tenant's agent.

3. **Surrender of possession. -** The tenant agrees to surrender possession and occupancy of the premises peaceably at the termination of the lease.

4. **Review of lease. -** A request for general review of the lease may be made at least *(64)* _____ days prior to the final date for giving notice to terminate this lease. Amendments and alterations to this lease shall be made in writing.

F. **MISCELLANEOUS PROVISIONS**

1. **No partnership created. -** This lease shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other without written consent, except as specifically provided in this lease.

2. **Government programs. -** The farm will be operated in compliance with Government programs as follows:

(65) _____

_____

_____

_____

3. **Debts and accidents. -** Each party agrees that the other party shall in no way be responsible for the debts of, or liabilities for accidents or damages caused by, the other party.

4. **Willful neglect. -** Willful neglect, failure, or refusal by either party to carry out any substantial provision of this lease shall give the other party the benefits of any proceedings provided by law.

5. **Farm records. -** The tenant shall keep a complete financial and production record of the entire farm business, which shall include a complete inventory of all property used in the farm business and a complete record of all purchases and sales related to the farm business. Such records are to be kept on mutually acceptable forms and shall be of such nature as to be usable by landlord and tenant in studying the farm business, in making financial and property settlements, and for purposes related to social security and income tax. Such records shall include appropriate sales statements, receipts, checks, and similar evidence and shall be accessible to the landlord at all times. Accounts between the two parties shall be settled on or about *(66)* _____.

6. **Arbitration of differences. -** Any differences between the parties as to their several rights and obligations under this lease that are not settled by mutual agreement after thorough discussion, shall be submitted for arbitration to a committee of three disinterested persons, one selected by each party hereto and the third by the two thus selected; and the committee's decision shall be accepted by both parties.

7. **Landlord subordination**. - In consideration of loan(s) to be made by the Farm Service Agency (FSA) the landlord hereby subordinates in favor of the FSA any lien the landlord now has or may acquire in or on: (a) the livestock and farm equipment purchased or refinanced by the tenant with FSA loan(s); (b) the crops, livestock increase and livestock products of the tenant (except a lien on such property produced in any year for that year's rent); (c) any other livestock and farm equipment owned by the tenant to the extent such lien is to secure advances to be made or supplies to be furnished by the landlord.

8. **Additional agreements:**

(67) _____

_____

_____

F. IN WITNESS WHEREOF, the parties have signed this lease on the date first above written.

(69) _____[SEAL]
(Landlord)

Witness:

*(68)*_____ _____[SEAL]

_____ *(70)* _____[SEAL]
(Tenant)

(Acknowledgment in appropriate form to be attached).

NOTE: *The following statements are made in accordance with Privacy Act of 1974 (5 USC 552a): the Farm Service Agency (FSA) is authorized by the Consolidation Farm and Rural Development Act, (7 U.S.C. 1921 et seq.), and the regulations promulgated thereunder, to solicit the information requested on this form. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Department of the Treasury, Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act (FOIA), to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose information requested, including your Social Security Number of Federal Tax Identification Number, may result in a delay in the processing of an application or its rejection.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0162. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

FARM LEASE
Between

_____
(Landlord)

_____
(Tenant)

USE OF THE FARM LEASE FORM

This form contains suggested provisions for a livestock-share farm lease. Whether particular provisions should be included or modified in your lease depends on the agreements between the parties and whether the provisions are appropriate under the laws of your State. Spaces are provided for writing in particular details or special arrangements that a landlord or a tenant may want. By using the Annual Supplement to Farm Lease (Form FSA 1940-56). Details of the lease can be changed from year to year without preparing a new lease.

_____
Prepared and Issued by

U.S. DEPARTMENT OF AGRICULTURE