

## What Makes a Good Farm Lease – Fact Sheet 2024

This list includes many of the essential elements of a good farm lease. Your property may have areas of concern not listed, so please consider this information only a guide when developing a farm lease agreement.

### Who is involved in the farmland lease:

Be clear in describing who are the parties to the lease, their full and proper names (company names), and contact addresses. In our modern world, names, emails, and phone numbers are all important for contacting people.

### Description of the property:

The description of the farm property should include the rural address, the size of the acreage, and specifics about the property or properties to be leased. A map or print from Google Maps is always helpful. Does the lease include all the property, including buildings? If not, the breakdown of what is being leased should be apparent and how access should be maintained to buildings. If buildings or structures are on the property, a description of their condition and photos should be part of the package.

### Duration of the Lease:

Specify start and end dates for the lease and options for extension or renewal. If the lease is meant to be ongoing, state that in the intention with some description of notice periods to bring the lease to an end.

### Rent or payments:

Specify when and how much the payment will be for cash rents, the terms of crop sharing or flexible rental agreements, and what triggers payments, e.g., calendar dates or the sale of the crop to the elevator or other party.

### Utilities and Taxes:

Specify who pays utilities or property taxes and who should be named on accounts.

### Maintenance and repairs:

Specify who is responsible for maintaining and repairing driveways, field laneways and erosion control structures. Special consideration must be given to this section if buildings or fencing are on the property. Along with expectations like snow clearing in winter if required. If there are buildings, some description of significant vs regular repair might help define the role of each party. Some mention of housekeeping expectations can help alleviate many potential problems. Specifying there will be no storage of machinery or equipment or when it might be allowed can help keep a farm clean and reduce problems.

### Permitted and prohibited uses:

Define what kinds of farming activities are permitted and expected on the land. What counts as agriculture and what might be more commercial? Is the land just to be used for row crop production, or will there be farm processing, storage, or other activities on the land? For example, an owner may not appreciate the headlands being used as an off-season boat storage, or this could be perfectly acceptable.

### Right of Entry:

The lease should mention whether the landlord has permission to enter the property and what limits or notices there should be. This is particularly important if there are buildings included in the lease.

### Alterations or improvements:

Specify who is responsible for improvements, who pays for them, and how compensation could flow if the improvements cannot be moved at the end of the lease.

### Conservation and stewardship:

Often, the exact practices used on the farm, such as tillage and crop rotations, are referenced in a plan as an attachment to the lease. (See Farmland Agreements Checklist.) Here, practices like tillage, intended crop rotations, soil tests, and sensitive landscapes on the farm can be highlighted for care.

### Termination and Default:

The lease should include how the lease comes to and ends, when and how notice should be given to end the lease by either party and penalties for serious violation of the lease provisions. Including warning and remedy periods to address concerns can allow parties time to address concerns without necessarily ending the lease.

### Insurance:

The tenant should carry liability insurance, typically indemnifying the landlord. This can be one of the most challenging aspects of lease agreements, as this step is rarely completed properly. The land owner should carry insurance on any structures on the farm and specify what will happen if they are destroyed by fire or weather.