

## New Year Means New Agriculture Leases

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2020 brought us into an unknown time of our lives and many worried about their financial budgets for the end of the year. This left many to reassess how this pandemic may affect their plans for 2021. It is important when looking at 2021 farmland leases that the landowners and the renters discuss their leases and utilize a land contract as they prepare for the growing season, creating and continuing a successful working relationship between the landowners and renters for years to come.

This time of year brings many conversations with landowners on what the rental rate prices are for the area, but this is just the tip of the iceberg when it comes to the conversation on creating a land lease. As each property will probably have its' own lease agreement created depending on the situation for that property. Let us breakdown what sections should go into a lease agreement.

1. The first section to consider helps lay down a foundation for the contract by making it clear on whom is involved by stating parties included on the lease and for what length of a time period is this contract is in effect.
2. The second section is to offer a description of the property in the contract. This can be detailed or just a general description of the land including the number of acres being rented and where the acres are located. You can also include maps from your local Farm Service Agency (FSA) office if you work with them on farm programs.
3. The third section would outline the terms of the lease for what the renter is allowed or not-allowed to do on the property. Also, what the landowner reserves for rights on the property as well. Additional items can be added to this section such as hunting rights, recreational activities (snowmobiling, horseback riding, ATV/UTV), grazing livestock, removing crop residue, water source, buildings, and insurance coverage are all potential points that can be included. Note that Wisconsin Statutes 704.05(2), states that renter has sole possession of the property with some limited exclusions, unless otherwise stated in the contract.
4. The fourth section to include in the contract is depicting the land use by the renter. Reaching out to your local Natural Resources Conservation Services (NRCS) or Land Conservation departments can be wonderful resources to help create and review conservation plans for farms. Some of the considerations for land use include tillage practices, cover crops, rotation, conservation structures, fertilizer and manure application, pesticide application, and physical changes to property.
5. The fifth section is to confirm how much the payment(s) will be and when the payment(s) are due. Additional details can be included as needed. Some modifications may be included in this section depending on the type of lease that is taking place between landowner and renter. Some examples include crop share vs. flexible lease. Also, detailing what each party is responsible for on the lease and property or factors that could arise to change the price of the lease. Also note if a deposit is necessary for potential damage repair. Pricing may vary between properties in relation to number of acres, grazing vs. cropland, and potential production are a few items both parties involved should discuss.

6. The sixth section outlines the procedures and reasons for a potential early termination or amending the contract. Also, include details on renewal or nonrenewal of the contract, date of notice, and review of the next year's contract.
7. The seventh section should "seal the deal" with signatures from all parties listed in section one to stay consistent throughout the contract agreement.

As you work on creating your lease agreement or contract, be sure to utilize resources available to you such as UW-Madison Division of Extension, local NRCS, FSA, and Land Conservation Departments, and <https://aglease101.org/doclib/>, which offers more in depth documents and examples of leases you can use during this discussion between all parties involved. If you would like to learn more, please feel free to reach out your local Extension Agriculture Educator. For Juneau and Sauk Counties, please reach out to Alana Voss at 608-477-3945 or [alana.voss@wisc.edu](mailto:alana.voss@wisc.edu) for additional questions, concerns, or upcoming programming on this topic. In addition to this, you can head over to our County websites at <https://sauk.extension.wisc.edu/> or <https://juneau.extension.wisc.edu/> to learn more about our upcoming programming.