

CHARACTERISTICS OF SHARE RENT LEASES IN EASTERN ILLINOIS

Gary Bullen
 Extension Educator

This document describes characteristics of share rent leases in eastern Illinois based on a survey conducted by University of Illinois—Extension during 1998.

Eastern Illinois includes the following counties: Champaign, Ford, Iroquois, Kankakee, Livingston, Piatt and Vermilion.

This information is useful for landlords and tenants when designing share rent leases.

Tenant’s Share of Crops and Yields

In eastern Illinois, we had 50 share rent leases included in the survey. Of those leases, 90 percent of the leases were 50 percent share leases where the tenant and landlord received an equal share of the crop.

Splits of costs for the 50 percent share leases are shown in Table 1. The first column of Table 1 lists inputs and application costs that are shared. The remaining columns list tenant’s share of costs. The body of the table lists the percent of share leases that have the tenant split listed in the columns. For example, 100 percent of share leases had the tenant pay one-half of the seed costs.

All of the leases had the tenant and landlord equally split seed, nitrogen, bulk fertilizer and insecticide costs. Eight percent of the leases had the landlord pay all lime costs. A small portion of the leases had the tenant pay all burndown herbicide costs.

Table 1. Cost Shares for 50% Share Leases, Eastern Illinois, 1998

Item	Percent Tenant’s Share of Costs:	
	½	All
---Percent of Leases---		
Inputs:		
Seed	100	
Nitrogen	100	
Bulk Fertilizer	100	
Lime	92	
Burndown Herbicide	88	12
Pre-emergence Herbicide	100	
Post-emergence Herbicide	100	
Insecticide	100	
Applications:		
Nitrogen	75	25
Bulk Fertilizer	85	15
Lime	91	9
Burndown Herbicide	70	30
Pre-emergence Herbicide	70	30
Post-emergence Herbicide	66	35
Insecticide	75	25

Share of application costs varied more across the leases. Between 65 and 91 percent of the leases had the tenant pay one-half of the application costs. Most of the other leases had the tenant pay all the costs.

Summary

Most share leases are 50% share leases, with the tenant getting 50% of the crop and sharing 50% of the costs. Approximately 80% of the leases have the tenant's pay one-half of the application costs.

Other Lease Characteristics

Table 2 shows other characteristics of share leases. In 1998, the best estimate of the fair market value of an acre of land was \$2,572. On average, yields were 141 bu. for corn, 46 bu. for soybeans, and 75 bu. for wheat. Only 35 percent of the share leases were written.

Table 2. Characteristics of Crop Share Leases, Eastern Illinois, 1998

Best estimate of fair market value of land	\$2572 per acre
Percent of farms using no-tillage	56
Percent of farms using conventional tillage	65
Percent of lease agreements with relatives	46
Average normal yields for:	
Corn	141
Soybeans	46
Wheat	75
Percent of leases in writing	35
Percent of tenants paying additional cash rent for tillable land	2
Percent of tenants paying additional cash rent for buildings	10
Percent of tenants charging for combining on:	
Corn	4
Soybeans	7
Small Grain	2
Percent of tenants charging for on-farm grain drying	17
Percent of tenants hauling grain to local market at no cost	100
Percent of tenants hauling grain to distant market at no cost	15
