

**CHARACTERISTICS OF SHARE RENT LEASES IN SOUTHEAST ILLINOIS**

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This document describes characteristics of share rent leases in southeast Illinois based on a survey conducted by University of Illinois—Extension during 1998. Southeast Illinois includes the following counties: Edwards, Franklin, Gallatin, Hamilton, Hardin, Jefferson, Massac, Pope, Saline, Wabash, Wayne, and White.

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

**Tenant’s Share of Crops and Yields**

In southeast Illinois, we had 35 share rent leases included in the survey. Of those leases, 51 percent of the leases were 2/3 – 1/3 leases in which the tenant received two-thirds of the crop and the landlord received one-third of the crop. Eight percent of the leases were 50 percent share leases in which the tenant receives 50 percent of the crop. Most of the other leases were 60 percent leases in which the tenant gets 60 percent of the crop.

Splits of costs for the 2/3-1/3 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, 21 percent of share leases had the tenant pay two-thirds of the seed costs while 79 percent paid all seed costs

**Table 1. Cost Shares for 2/3 - 1/3 Share Leases, Southeast Illinois, 1998**

Item	Percent Tenant’s Share of Costs:	
	2/3	All
---Percent of Leases---		
Inputs:		
Seed	21	79
Nitrogen	79	21
Bulk Fertilizer	83	16
Lime	83	16
Burndown Herbicide	71	29
Pre-emergence Herbicide	71	29
Post-emergence Herbicide	75	25
Insecticide	70	30
Applications:		
Nitrogen	50	50
Bulk Fertilizer	54	45
Lime	30	70
Burndown Herbicide	60	41
Pre-emergence Herbicide	50	50
Post-emergence Herbicide	55	45
Insecticide	58	42

Most of the leases had the tenant pay all the seed costs. Most leases had the tenant pay two-thirds of the costs for inputs other than seed. Those not having the tenant paying two-thirds of the costs had the tenant pay all the costs.

Share of application costs varied more across the leases. Between 30 and 58 percent of the leases had the tenant pay two-thirds 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 \$933. On average, yields were

105 bu. for corn, 37 bu. for soybeans, and 46 bu. for wheat. Only 12 percent of the share leases were written.

#### Summary

Most share leases have the tenant receive two-thirds of the crop.

**Table 2. Characteristics of Crop Share Leases, Southeast Illinois, 1998**

Best estimate of fair market value of land	\$933 per acre
Percent of farms using no-tillage	82
Percent of farms using conventional tillage	49
Percent of lease agreements with relatives	30
Average normal yields for:	
Corn	105
Soybeans	37
Wheat	46
Percent of leases in writing	12
Percent of tenants paying additional cash rent for tillable land	0
Percent of tenants paying additional cash rent for buildings	0
Percent of tenants charging for combining on:	
Corn	0
Soybeans	0
Small Grain	0
Percent of tenants charging for on-farm grain drying	3
Percent of tenants hauling grain to local market at no cost	94
Percent of tenants hauling grain to distant market at no cost	21