

CHARACTERISTICS OF SHARE RENT LEASES IN WESTERN ILLINOIS

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This document describes characteristics of share rent leases in western Illinois based on a survey conducted by University of Illinois—Extension during 1998. Western Illinois includes the following counties: Adams, Brown, Fulton, Hancock, Henderson, Knox, McDonough, Schuyler and Warren.

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

Tenant’s Share of Crops and Yields

In western Illinois, we had 45 share rent leases included in the survey. All these leases were 50 percent share leases in which the tenant and landlord equally shared 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.

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

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

Item	Percent Tenant’s Share of Costs:	
	½	All
---Percent of Leases---		
Inputs:		
Seed	98	
Nitrogen	95	2
Bulk Fertilizer	98	
Lime	90	2
Burndown Herbicide	95	2
Pre-emergence Herbicide	98	
Post-emergence herbicide	98	
Insecticide	98	
Applications:		
Nitrogen	68	30
Bulk Fertilizer	80	18
Lime	82	16
Burndown Herbicide	73	25
Pre-emergence Herbicide	70	27
Post-emergence Herbicide	70	25
Insecticide	81	18

Share of application costs varied more across the leases. Between 68 and 82 percent of the leases had the tenant pay one-half of the application costs. The other leases had the tenant pay all the 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 \$2,103. On average, yields were 137 bu. for corn, 45 bu. for soybeans, and 54 bu. for wheat. Only 32 percent of the share leases were written.

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. The rest have the tenant pay 100% of the application costs.

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

Best estimate of fair market value of land	\$2103 per acre
Percent of farms using no-tillage	77
Percent of farms using conventional tillage	40
Percent of lease agreements with relatives	45
Average normal yields for:	
Corn	137
Soybeans	45
Wheat	54
Percent of leases in writing	32
Percent of tenants paying additional cash rent for tillable land	2
Percent of tenants paying additional cash rent for buildings	4
Percent of tenants charging for combining on:	
Corn	9
Soybeans	11
Small Grain	6
Percent of tenants charging for on-farm grain drying	8
Percent of tenants hauling grain to local market at no cost	87
Percent of tenants hauling grain to distant market at no cost	23
