

**CHARACTERISTICS OF SHARE RENT LEASES IN WEST SOUTHWEST ILLINOIS**

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This document describes characteristics of share rent leases in west southwest Illinois based on a survey conducted by University of Illinois—Extension during 1998. West southwest Illinois includes the following counties: Bond, Calhoun, Cass, Christian, Greene, Jersey, Macoupin, Madison, Montgomery, Morgan, Pike, Sangamon, and Scott.

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

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

In west southwest Illinois, we had 41 share rent leases included in the survey. Of those leases, 61 percent of the leases were 50 percent share leases where the tenant and landlord received an equal share of the crop yield. Thirty-one percent 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.

**50% Share Leases**

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, 96 percent of share leases had the tenant pay one-half of the seed costs.

**Table 1. Cost Shares for 50% Share Leases, West Southwest Illinois, 1998**

Item	Percent Tenant’s Share of Costs:	
	1/2	All
---Percent of Leases---		
Inputs:		
Seed	96	
Nitrogen	100	
Bulk Fertilizer	100	
Lime	92	
Burndown Herbicide	96	4
Pre-emergence Herbicide	96	4
Post-emergence Herbicide	96	4
Insecticide	96	4
Applications:		
Nitrogen	64	36
Bulk Fertilizer	80	20
Lime	92	8
Burndown Herbicide	76	25
Pre-emergence Herbicide	72	28
Post-emergence Herbicide	72	28
Insecticide	72	28

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

Share of application costs varied more across the leases. Between 64 and 92 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.

### 2/3 – 1/3 Share Leases

Splits of costs for the 2/3 – 1/3 share leases are shown in Table 2. All leases had the tenant either pay two-thirds or all of the various cost categories. Splits varied across input and application items.

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

Item	Percent Tenant's Share of Costs:	
	2/3	All
Inputs:	---Percent of Leases---	
Seed	12	88
Nitrogen	56	43
Bulk Fertilizer	56	43
Lime	69	31
Burndown Herbicide	44	56
Pre-emergence Herbicide	44	56
Post-emergence Herbicide	44	56
Insecticide	50	50
Applications:		
Nitrogen	56	43
Bulk Fertilizer	56	43
Lime	62	38
Burndown Herbicide	50	50
Pre-emergence Herbicide	43	56
Post-emergence Herbicide	43	56
Insecticide	43	56

### Other Lease Characteristics

Table 3 shows other characteristics of share leases. In 1998, the best estimate of the fair market value of an acre of land was \$2,285. On average, yields were 144 bu. for corn, 44 bu. for soybeans, and 63 bu. for wheat. Only 20 percent of the share leases were written.

**Table 3. Characteristics of Crop Share Leases, West Southwest Illinois, 1998**

Best estimate of fair market value of land	\$2285 per acre	
Percent of farms using no-tillage		71
Percent of farms using conventional tillage		49
Percent of lease agreements with relatives		34
Average normal yields for:	Corn	144
	Soybeans	44
	Wheat	63
Percent of leases in writing		20
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	2
	Soybeans	2
	Small Grain	0
Percent of tenants charging for on-farm grain drying	2	
Percent of tenants hauling grain to local market at no cost	81	
Percent of tenants hauling grain to distant market at no cost	22	