

RENTING LAND IN MISSOURI

SHARE, SHARE-CASH, AND CASH SYSTEMS

WITH MODEL FORMS

OF LEASE

	RENT	RENT
200-140	\$791 Per Acre	795% on Investment.
180-199	962	534
160-179	775	456
140-159	787	528
120-139	591	481
100-119	551	523
80-99	431	493
60-79	479	707
40-59	367	749
UNDER \$40 LAND VALUE	332	7159

AS THE TENANT SEES IT

AS THE OWNER SEES IT

COLUMBIA, MISSOURI
 FEBRUARY, 1920.

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COLLEGE OF AGRICULTURE

Agricultural Experiment Station

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Renting Land In Missouri

O. R. JOHNSON, R. M. GREEN*

Renting of land is a practice followed to some extent in all established agricultural communities. From the time of the Egyptians down to the present large land owners have employed others to till their farms, giving them for their services usually a portion of the crop. The result has always been the same, a class of tenants working the land. Today in some of our most highly developed communities the renting of land is the rule rather than the exception. England for the last one hundred fifty years has been attempting to work out satisfactory systems for renting land. In such a country where the land is very high priced and where ownership is desirable because of social advantages as well as the actual money return, laws and customs governing the renting of land are developed to a much greater degree than in any other part of the world. The English perfected in 1883 what is known as the Agricultural Holdings Act. This Act allowed tenants under certain conditions to collect from the owner for improvements made on the land. These improvements included permanent pastures, drains, fences, buildings, and increase in soil fertility thru the application of manure or fertilizers or the feeding of live stock on the land. It also prohibited the tenant from selling root, forage or hay crops from the farm. The provisions of this Act solved to a very great degree some of the more serious problems connected with the renting of land which the English faced and which we face today.

A brief comparison of owned and tenant farms will serve to emphasize some of these problems. This particular phase of the subject has been discussed at considerable length in Bulletin 121 of this Station, which is no longer available for distribution. For this reason a brief review of some of the things set forth is worth while. Table 1 compares 272 owner farms and 179 tenant farms which were studied by means of the agricultural survey reported

*ACKNOWLEDGEMENT.—The authors hereby acknowledge the very valuable assistance of Joseph Marshall Miller, a graduate student in farm management in 1916, who for his graduate work collected and compiled, under the direction of the Department, most of the data concerning farm leases presented here. He also worked out the tables concerning rent rates for various crops. Figures 1, 2, and 3 are taken directly from the thesis he presented for the degree of Master of Arts in 1916. It was largely his effort that made possible the publishing at the present time of a considerable portion of the data contained in this bulletin.

in Bulletin 121. These farms are located in western Johnson County and the data are for the year 1912. Owners and tenants farmed about the same number of acres. The owners had invested \$12,555, while the tenants' capital was \$1,547. Of course, the latter did not include value of the land the tenant farmed. The farm income of the owner, meaning excess of receipts over expenses, was almost twice that of the tenant. In crop yields he produced five bushels more corn to the acre than did the tenant. He also kept one-third more live stock. The percentage of his total income realized from the sale of crops was only one-half that which the

TABLE 1.—TENANTS AS FARMERS AND CITIZENS

	272 Owners	179 Tenants
Capital	\$12,555.00	\$1,547.00
Acres farmed	135.9	133.5
Farm income	\$942.00	\$578.00
Corn, yield per acre, bu.	38.3	32.9
Total animal units*	20.5	15.0
Receipts from crops, per cent	26.2	51.2
Crops sold, returned in feed bought, per cent	49.0	18.7
Children completing district school, per cent	32.7	12.7
Church contributions, per farm	\$11.62	\$4.47

*An animal unit is one work horse or its equivalent in other live stock, based on the amount of feed consumed in one year.

tenant received from a similar source. He depended less on the sale of fertility for a living. As a matter of interest, the owner returned to the farm in crops bought and fed, one-half of what he sold, while the tenant returned not quite one-fifth in the same manner. Another point of community interest, particularly, is that one-third the number of farm owners' children completed the district-school work, while one-eighth of the tenants' children enjoyed the same privilege. The owners also contributed to their community church two and one-half times as much a year as did the tenants.

These facts can lead to but one conclusion—that our system of land tenure should be improved. The questions naturally arise, how serious is our tenant problem; how important is this class in our agricultural population? Looking at the problem from the standpoint of the country as a whole, it is found that since 1880

the percentage of farms in the United States operated by owners has fallen from 74.5 to 62.1 per cent, while the number of tenant farmers has increased accordingly. The percentage of farms operated by tenants in Missouri has remained about constant for the last twenty years; about one farm in three being a tenant farm (Fig. 1). Just what influence the recent (1919) active speculation in farm lands will have on the number of tenant farms remains to be seen.

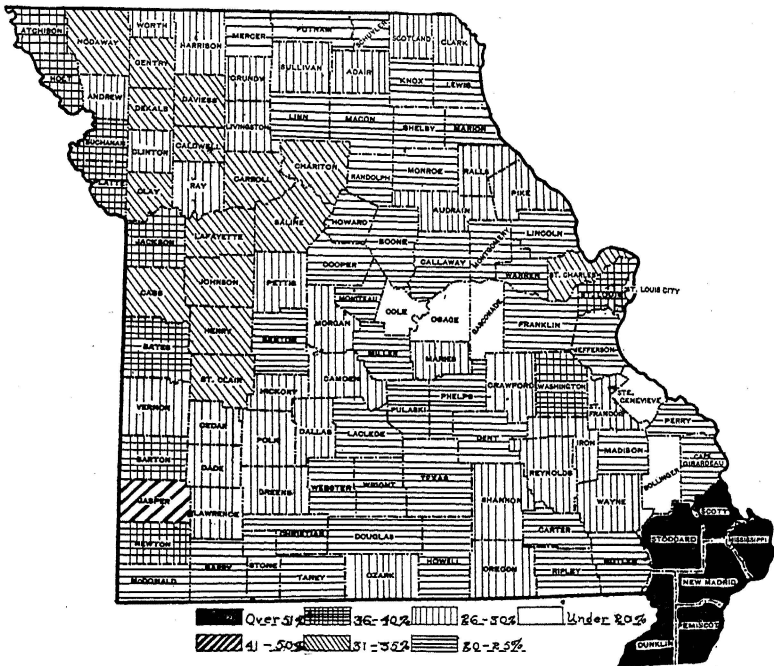


FIG. 1.—Distribution of tenant farms in Missouri. (U. S. Census, 1910)

WHAT CAUSES FARM TENANCY?

With approximately one-third of our agricultural population living on rented farms, inquiry into the reasons for men being tenant farmers is certainly justified. Few farmers will deliberately choose to be tenants if in a position to own land. The owning of land is becoming more and more difficult. When there was an abundance of good farm land which could be homesteaded or bought cheaply, it was not difficult for a man to accumulate enough money to buy a farm. Many men purchased farms out of their

savings while working by the month for other farmers. This was not unusual when land could be bought for from five to twenty-five dollars an acre. Today, with land valued at ten to twenty times this amount, the absolute futility of trying to buy land out of savings from daily wages is apparent. Men have naturally adopted the custom of renting land as soon as they could save money enough to buy the implements and work stock necessary for tilling it, so that rather than renting as a matter of choice, they are renting because of necessity and as a means to an end. Most businesses today are conducted on credit and the man renting ground is simply taking advantage of this business principle. It is significant in this connection that the increase in tenancy noted during the last two decades was mostly among farmers twenty-five years old or less.

CASH TENANCY DEVELOPED BY SPECULATORS

Until 1890, most of the farms for rent in Missouri were owned by farmers or retired farmers. Since that date there has been developed a large group of land owners who have bought the land as an investment and expect to get their return by renting the ground and by the increase in value of that ground. This has changed somewhat the character of the problem facing the tenant farmer and the tenant problem facing the community. Originally the owner rented his land for share rent, usually to a neighbor's boy. The owner knew the tenant and the tenant knew the owner of the land. The owner retained management or control of the ground, the tenant growing the crops the owner wished. This made the problem a simple one and permitted both tenant and owner to assume a minimum risk. The owner was usually an experienced farmer and advised his tenant intelligently. As speculation in farm lands became a more important factor, this condition was found less frequently. Farms were bought by men who knew nothing about farming and often by men who cared nothing about it. They wished to rent the land outright and did not care to assume any responsibility as managers. This helped materially to develop a class of cash tenants, and has had more to do with bringing to attention some of the problems already mentioned than any other one factor. This lack of personal interest in the welfare of the farm has caused soils to be robbed of fertility, has caused tenants to adopt a less permanent system of farming and

to move about from farm to farm, and has fostered many other undesirable conditions. It has caused so much fluctuation in rent rates and so much trouble in agreements between landlord and tenant that the problem is growing in importance, economically and socially.

In this particular study, the tenants have been grouped into three classes—those who rent on a straight share basis, those who rent some ground for a share of the crop and some for cash, and those who rent farms on a straight cash basis. Nine farms run on a partnership basis are discussed but are not included in the

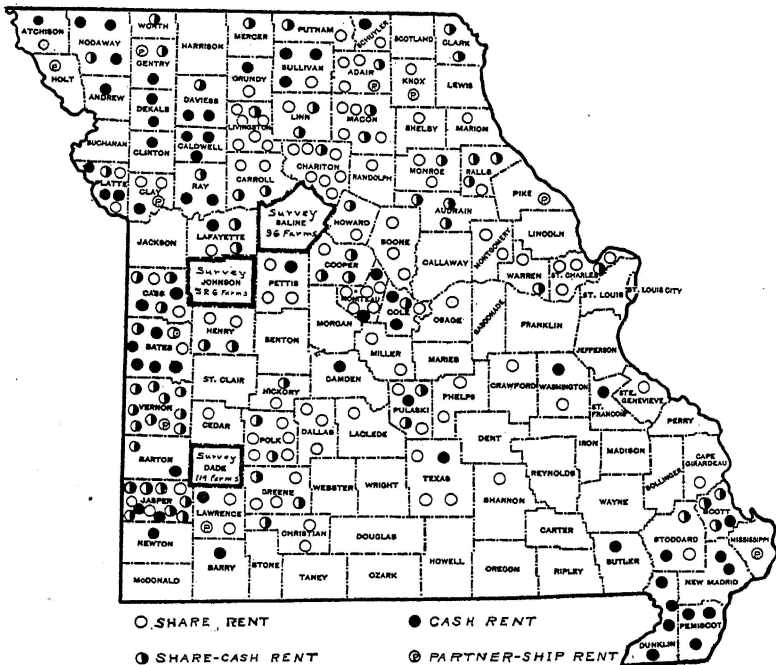


FIG. 2.—Distribution of 848 tenant farms studies

tables. A total of 848 farms have been used in this study, representing all parts of the state (Fig. 2). A large portion of these data, however, came from Dade, Johnson, and Saline counties. The study is for the years 1912 to 1915, before the present high prices became effective, so that the figures given must not be considered as representing present prices.

THE TENANT'S BUSINESS

His capital.—The amount of capital possessed by the tenant is generally recognized as having some influence on the way he will choose to rent land. Tenants with the smallest amount of capital usually prefer to rent for a share of the crop, because they take no risk in the matter of crop failures. They do not have to pay down any specified amount as rent, altho they expect to pay a larger rate of rent than would otherwise be necessary. On the particular farms studied the amount of capital possessed by the

TABLE 2.—THE TENANT'S CAPITAL

	Share	Share-Cash	Cash
Live stock	\$982.00	\$1,146.00	\$1,362.00
Machinery	147.00	207.00	161.00
Supplies	126.00	163.00	171.00
Cash	58.00	66.00	87.00
Total	\$1,313.00	\$1,582.00	\$1,781.00

different classes of tenants did not vary a great deal. The tenant renting for cash had a little more capital represented in live stock, supplies, and cash. (Table 2.) The share-cash tenant falls about midway between the share and the cash tenant. The total difference is about \$200 between the different classes, most of this difference being in the live-stock investment.

Crop yield.—General observation has indicated that the best land in a community will usually be rented on shares. Just how

TABLE 3.—YIELDS AND METHODS OF RENTING

	Share	Share-Cash	Cash	All Tenants
Corn, bushels	34.3	33.9	27.3	32.9
Wheat, bushels	18.0	17.3	17.0	17.4
Oats, bushels	27.6	23.4	16.5	23.4
Hay, tons	1.13	1.25	1.04	1.16
Crop Index*	93%	91.6%	90.6%	91.8%

*Crop index is a figure which indicates how the yields of all crops on a farm or groups of farms, compare with the average yield of the region. Thus an index of 93 per cent means the yield on those farms runs 7 per cent below the average of the region.

true this is, is indicated by Table 3, showing the yields of the more

important crops under the different systems of rentals. The share-rented farms produced seven bushels more corn to the acre, one bushel more wheat, eleven bushels more oats, and practically the the same yield of hay. Owners of land know that when renting their ground for a share of the crop they get much larger returns, in addition to retaining more control over the use of the land. As the farms become less fertile the owners realize no advantage in share renting, so they demand cash rent, which is the system used in renting the poorer farms in many communities.

Live stock and crops of tenants.—It has been noted that the cash renter has about \$400 more capital than does the share tenant. Table 4 will show where a portion of this additional capital is invested. The cash tenant has a little less work stock than

TABLE 4.—LIVE STOCK ON THE TENANT FARM

Class	Share	Share-Cash	Cash
Horses, average number	4.6	4.6	4.3
Cows, average number	2.8	3.0	3.8
Sows, average number	2.3	2.4	4.7
Sheep, average number	1.6	1.4	2.2
Total hog units	2.0	2.0	5.3
Total cattle units	5.5	5.0	5.3
Total animal units	14.3	14.7	17.0

has the share tenant, but averages one more cow per farm, and two and one-half more brood sows. This gives him nearly three animal units more than the share tenant. All of this increase is in the producing classes of live stock, making the cash tenant more of a live-stock farmer. The fact that he usually gets the thinner land in a community necessitates this type of farming.

No great difference will be found in the acreage of the various crops grown except that of wheat (Table 5). The share tenant grows considerably more wheat than does the cash tenant. This should have the effect on his income of providing one more source from which to realize a cash income. The amount of corn, oats, and hay grown is practically the same. The cash renter farms about ten acres more than does the share tenant, but this is more than taken up in pasture land on the cash-rented farm.

TABLE 5.—CROPS GROWN

Crop	Share	Share-Cash	Cash
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Corn	39.2	45.0	40.1
Wheat	20.0	20.6	6.2
Oats	3.5	4.6	2.8
Timothy	2.9	4.0	1.4
Clover	4.5	1.8	1.6
Mixed hay	7.2	7.3	14.3
Miscellaneous crops	4.2	2.7	5.2
Total crop acres	81.5	86.0	71.6
Pasture	42.7	43.3	60.9
Waste	4.4	5.1	6.3
Total farm area	128.6	134.4	138.7
Per cent in crops	63.4	64	51.7

Efficiency of tenants.—As to the efficiency with which men, horses, and machinery are utilized, it will be noted first (Table 6) that the share tenant grows more acres of crops for each man employed than does the cash tenant. He also keeps less work stock for the crop acreage he has each year and grows this crop with a smaller investment in equipment than that required by the cash tenant.

TABLE 6.—USE OF LABOR EQUIPMENT

	Share	Share-Cash	Cash
Total crop acres	81.5	86.0	71.6
Crop acres per man	63.2	61.0	57.3
Crop acres per horse	17.7	18.7	16.7
Crop acres per \$100 in tools	55.4	41.6	44.5
Total productive labor per man, hours	1,990	1,943	2,103
Total productive labor per horse, hours	539	587	501

However, the cash tenant makes up in live-stock labor what he loses in crop labor, which results in getting his man labor a little cheaper than the share or share-cash tenant. He realizes 2,103 hours of productive labor against 1,990 for the share tenant. Increasing the live stock kept and decreasing the crops always has the effect of increasing the work for the men and decreasing the horse labor.

The efficiency with which live stock is handled is shown in Table 7. The amount of feed fed to live stock other than work stock is about in proportion to the net receipts from the sale of this live stock. However, it should be noted that the share tenant feeds less than does the cash tenant for each animal unit kept. He

TABLE 7.—RETURNS FROM LIVE STOCK

	Share	Share-Cash	Cash	Average
Net stock receipts	\$532.00	\$552.00	\$644.00	\$560.00
Total feed fed, except to work stock	367.00	416.00	512.00	415.00
Feed per animal unit	41.80	42.80	43.40	42.80
Receipts per \$100 worth of feed used	145.00	132.50	126.00	135.00

also realizes considerably more in receipts for each hundred dollars worth of feed fed. This shows, of course, that he does a smaller business with live stock but is more efficient in the business he does. All of the tenants, however, received enough for each hundred dollars worth of feed fed to live stock to pay them good wages for the feeding of their crop.

Source of income.—What the tenants sell is shown in Table 8. The cash tenant sells a little more live stock than does either other tenant, but he sells relatively little of crops. He sells about the

TABLE 8.—SOURCE OF INCOME

Source	Share	Share-Cash	Cash
Cattle	\$144	\$150	\$182
Hogs	238	192	290
Poultry	75	92	84
Corn	81	132	129
Wheat	261	256	86
Net crop receipts	686	718	275
Net stock receipts	532	552	644
Per cent receipts from crops	56.4	56.6	30.0

same amount of corn but few other crops. The share tenant sells \$400 more crops than the cash tenant does, and the share-cash tenant even a greater amount. Only one-third of the cash ten-

ant's income is from the sale of crops, while both share and share-cash tenants receive more than half their income from the sale of crops. Thus, it would seem that while the share renter has more fertile soil, he is also spending this fertility much more rapidly.

LABOR INCOME*

The foregoing tables have shown among other things that the tenant renting his ground for a share of the crop occupies a little better land, gets a better yield, uses his horses and machinery a little more efficiently, and is a slightly better feeder of live stock. This would lead one to conclude that he receives a better wage for his time. This is shown in Table 9 to be true, the share tenant making a labor income of \$548, the share-cash tenant nearly \$50

TABLE 9.—INCOME OF TENANTS

	Share	Share-Cash	Cash
His own capital	\$1,313	\$1,582	\$1,781
Farm income	614	586	499
Labor income	548	507	410
His landlord's capital	8,702	8,229	8,368
Interest rate landlord receives*	4.9%	5.9%	3.6%

*Interest here is net; taxes, upkeep, insurance, etc., having been deducted from landlord's receipts before interest is figured.

less, and the cash tenant nearly \$150 less. At the same time, the owner who rents for cash receives a smaller percentage on his investment than does the owner renting for shares or for part share and part cash. But when it is recalled that on the share-rented farm the owner's share of all crops is removed from the farm, and in addition the tenant realizes more than half his income from the sale of a portion of his share, it is readily seen that the interest on investment received by the owner does not tell the whole story. The cash tenant pays more than just the interest on investment thru his more conservative method of selling fertility by realizing less of his income from the sale of crops. There are, then, some things to recommend cash renting, if the tenant does not handicap himself with too poor land.

*Labor income is what an operator has left at the end of the year for his labor and management after all operating expenses plus 5 % on investment are paid. What the farm furnishes toward the family living is not counted in receipts, nor is household expense counted as a farm expense.

RENT RATES PAID FOR LAND

Land values and rent.—The brief survey of the comparative success of the three ways of renting land leads to further investigation of the rent actually paid for these different farms. In this study of rent rates 20.7 per cent of the farms were rented for cash, 34.1 per cent were rented for a part share and part cash, and 45.2 per cent were share rented. The 848 farms studied were grouped first by land values to determine the average rent to the acre paid under the different systems on land of the same value. Table 10 gives the result of this study. In each case, total farm area was included in determining the rate. The 176 cash-rented farms rented on the average for \$3.50 an acre, the 289 share-cash tenants paid an

TABLE 10.—RATE PER ACRE (IN DOLLARS) PAID BY TENANT FOR LAND OF SAME VALUE UNDER DIFFERENT SYSTEMS OF RENTING

Land Value	Share	Share-Cash	Cash	Average
Under \$40	\$ 4.67	\$3.37	\$1.35	\$3.33
\$40 to \$59	5.38	3.97	1.94	3.67
\$60 to \$79	6.03	4.48	3.97	4.79
\$80 to \$99	5.16	4.69	3.33	4.31
\$100 to \$119	7.12	6.70	4.53	5.51
\$120 to \$139	9.27	6.00	4.32	5.91
\$140 to \$159	11.26	8.35	4.56	7.87
\$160 to \$179	9.81	8.09	4.63	7.75
\$180 to \$199	—	9.62	—	9.62
\$200 and over	9.45	9.87	4.13	7.91
Average	\$ 6.39	\$4.90	\$3.50	\$4.83

average of \$4.90 for the land they occupied, while the men renting land for a share of the crop paid \$6.39 an acre for the land so rented; the average rent for all farms being \$4.83 an acre. The rates paid for land for different crops will be discussed later. It should be noted in Table 10 that the share tenant pays on the average about twice what the cash tenant pays for land of the same value. This was not the case with all farms but is the average result. For instance, the cash tenant pays \$1.35 an acre for land worth less than \$40, while the share tenant pays \$4.67 for the same value land. The share-cash tenant falls about midway between. The share tenant pays enough for \$40 to \$60 land to rent on a cash basis the highest priced land rented for cash. The change in the

system of rental means a change of approximately \$50 in land value. The share renter paying \$4.67 an acre gets land worth less than \$40. If he pays the same price on a share-cash basis, he gets land worth approximately \$90, and if he pays the same price on a cash basis, he gets land worth \$160 an acre.

Consider the advantages which the share renter obtains over the cash renter. Renting the land on shares in addition to enabling a man many times to get a better farm, reduces the risk he runs to a minimum. Consider the difference in rent paid as used to purchase insurance against loss. The average rent paid by the share tenant is \$6.39, and in paying this amount he assumes no responsibility for the rent. The cash renter pays \$3.50 an acre or a reduction of \$2.89 and carries the risk himself; that is, he must pay the rent whether he grows a crop or not. This difference amounts to about 45 per cent. In other words, the cash tenant could lose two crops in five years and still pay less in rent than the share tenant. Or, suppose he used the difference of \$2.89 an acre to buy insurance against loss. Figured on the basis of live-stock insurance this difference would pay the premium on more than \$35 insurance to the acre. This amount would cover his cost of production three times, figuring costs on the scale that applied at the time these data were collected. The share-cash tenant, of course, would come about midway between the share and the cash tenant. He could buy nearly \$20 worth of insurance an acre with the money he saves over the share tenant on each acre of ground. Figuring it from the standpoint of straight risk, he could lose more than one crop in five years and still pay no more than the share tenant is paying.

Interest on investment for landlord.—Consider now the interest on investment which the owner receives in rent. As an investment land usually yields a relatively low rate of interest. It is a desirable investment largely because it is safe and the cost of up-keep is usually not very heavy. When the probable increase in value of land is considered, it makes a very attractive investment. Table 11 shows the percentage on investment received by the landlord as rent. From this of course he must pay the up-keep of the farm, taxes, etc., so that this amount does not represent actual interest on his investment, but is a little higher. It will be noted first that the owner renting his land for a share of the crop receives on an average twice as much interest as does the man renting for cash. The man renting his farm for part share and part

cash again falls about midway between the other two classes. The average interest on investment received by all owners, which was 6.16 per cent, means that they received actually a little less than 5

TABLE 11.—PER CENT OF LAND VALUE RECEIVED AS RENT BY OWNERS ON LAND OF SAME VALUE UNDER DIFFERENT SYSTEMS OF RENTING

Land value	Share	Share-Cash	Cash	Average
	Per cent	Per cent	Per cent	Per cent
Under \$40	16.98	10.71	5.07	11.59
\$40 to \$59	10.67	8.23	4.03	7.49
\$60 to \$79	9.04	6.65	5.64	7.07
\$80 to \$99	6.06	5.27	3.83	4.93
\$100 to \$119	6.71	6.41	4.36	5.23
\$120 to \$139	7.29	4.78	3.58	4.81
\$140 to \$159	7.71	5.56	3.04	5.28
\$160 to \$179	5.91	4.68	2.69	4.56
\$180 to \$199	—	5.34	—	5.34
\$200 and over	4.72	4.77	2.02	3.95
Average*	8.09%	6.46%	4.17%	6.16%

*Interest as used in this table is gross. Out of this the owner must pay taxes, insurance, and upkeep before the figure would be comparable to that in Table 9.

per cent net on investment, as the overhead charges for taxes, insurance and up-keep will approximate 1.5 per cent. Figure 3 shows the relation between the interests received under the different methods of renting land.

One of the most interesting points brought out in Table 11 is the fairly uniform decrease in interest received by owners as the land increases in value. The cheaper land yields more than double the rate of interest realized from the higher priced land. Land worth less than \$40 an acre gave a return for all landlords of more than 11 per cent interest, while the most expensive land gave a return of between 4 and 6 per cent. One should not be misled, however, by this result. The United States census report for 1910, and several other sources of information, show that the cheaper land increases in value from year to year much less rapidly than does the better land. This increase in land value is often equal to the rent received for the use of the land; so that from the standpoint of investment, there is another important factor to be considered in addition to the rent. The very fact that values for the better land have advanced more rapidly than for the poorer land, while with rent rates the result has been the

opposite, indicates that rent rates have not kept pace with land values.

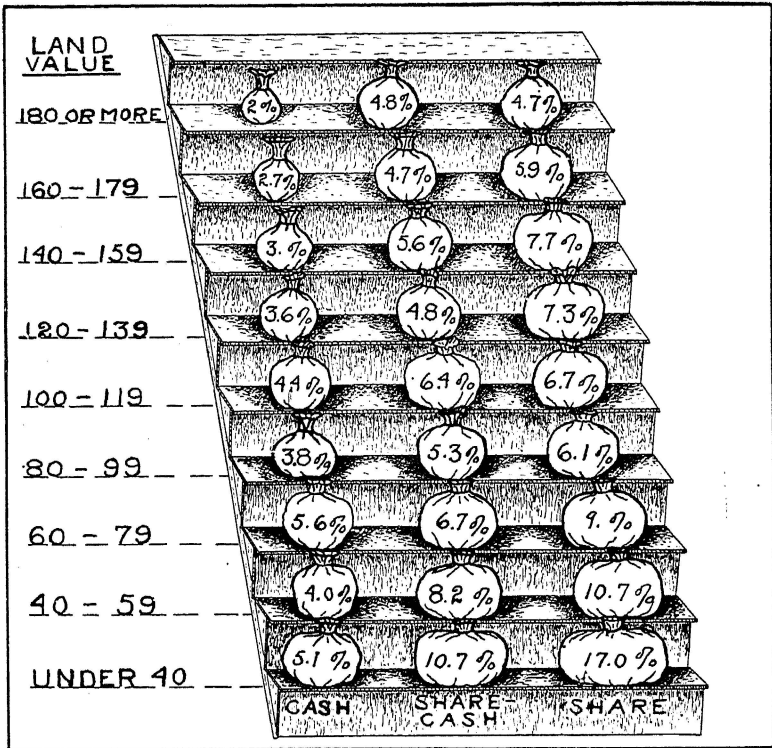


FIG. 3.—Relation between land values and gross per cent on investment received by landlord under three systems of lease

Land values normally tend to adjust themselves to the productive value of the ground. Theoretically, the value of the land should be represented by the difference between cost of production and the value of the product produced capitalized at a normal interest rate. Cost of production in this case includes maintenance of fertility, up-keep charges, labor, seed, etc. Because of the fact that there has always been a wider margin between cost of production and value of the product on the better yielding land areas, land values are increasing more rapidly in these areas to take care of this condition. Rent rates, as has been seen, do not bear any clear relation at present to the value of the land. Less than three dollars rent for the poorer ground would seldom be asked. Suppose this ground is worth \$50 an acre. Asking three

times that for land worth \$150 an acre would also seem to be a little unreasonable when one considered just the rate to the acre. However, if the \$50 land and the \$150 land were both valued at these figures on the basis of production, \$9 to \$12 an acre for the better land would be just as reasonable as the lower rate for the cheaper land. This is a point, however, at which men have hesitated in the renting of land. Another thing often influential in determining rent rates is the fact that a change of from 25 to 50 bushels in corn yield is very noticeable, yet a change of from \$50 to \$100 an acre in the price of land is very ordinary, and variations of from \$50 to \$250 have often been noted in areas lying very near each other. Men too seldom consider that the cost of production does not vary directly as the yield varies. In fact \$50 land may be so near the margin in making a profit that \$200 land would be cheaper at ten times the rate. A considerable number of farms are known to be renting for \$6 or \$7 an acre when their producing ability would make them more profitable to the tenant at twice that figure than the \$50 or \$60 land in neighborhoods not very far away. It is due to this relation between production and land values that one-third of the crop on cheaper land means a higher rate to the landlord than one-half on high-priced land.

According to the 1910 census, land values in Missouri advanced in the ten-year period from \$20.46 to \$41.80 an acre, making an increase of 104 per cent for the period. This means that the land owner with average land received in addition to his rent an actual increase in his capital, thru increase in land value, of 10.4 per cent each year. This is the main reason for even the land which provides a smaller income on investment still being an attractive investment.

RENT RATES ON VARIOUS CROPS

Land is usually rented at different rates for the various crops grown. The owner is often able to increase his returns by renting only his pastures and poorer crop-land for cash, rather than renting the whole farm on a straight share or cash basis. In order to find out just what the condition is, the farms have been studied from the standpoint of crops grown on land and the particular rate of rent charged for that crop. The four crops—corn, wheat, oats, and hay—are the only ones studied in this connection. Lack of authentic data for other crops has prevented a similar study.

RENT ON CORN LAND

Corn has been for many years the most profitable crop grown on an extensive scale in the state. From the tenant's standpoint, corn is the most convenient crop of all to grow. It requires very little expensive machinery. One man can care for a large acreage without hiring extra help. Corn also furnishes a product which can be utilized in many ways and is not readily damaged. It can be harvested over a long period of time, does not require expensive storage space, and has other features to make it popular with tenant farmers.

For the landlord corn is a good crop because the return is fairly certain; collecting rent, especially share rent, is a simple matter, and the cultivation of the fields will help to keep his farm from being infested with noxious weeds of various sorts. On the other hand, corn removes a great deal of fertility from his fields and if the land is inclined to wash, a corn crop will not hold the soil very well.

In general corn yields the highest return of any of the crops grown, is usually grown on the best land on the farm and is, consequently, more dependable for both tenant and owner. Table 12

TABLE 12.—RENT PAID FOR CORN LAND OF SAME VALUE UNDER DIFFERENT RENT SYSTEMS

Land value	Share	Share-Cash	Cash	Average
Under \$40	\$ 5.44	\$ 4.28	\$2.00	\$ 4.90
\$40 to \$59	5.40	5.46	2.49	4.76
\$60 to \$79	6.06	6.35	4.14	5.89
\$80 to \$99	5.83	6.46	3.37	5.49
\$100 to \$119	8.45	10.36	4.85	6.99
\$120 to \$139	10.81	10.05	4.62	8.19
\$140 to \$159	12.49	13.18	4.89	9.94
\$160 to \$179	12.77	17.86	5.52	12.22
\$180 to \$199	—	17.50	—	17.50
\$200 and up	16.35	13.88	4.23	11.37
Average	\$ 7.13	\$ 7.36	\$4.09	\$ 6.41
Total acres	13,051	13,588	8,712	35,351
Number farms	383	289	176	848

shows the rent received by the landlord for corn ground. The tenant renting for cash pays a lower rate than either share or share-cash tenants. Both share and share-cash tenants pay 75 per cent

more for their corn ground than does the cash tenant. In this, as in the case of all land, it will be noticed that the share tenant and the share-cash tenant pay enough for the low-priced land to rent some of the best ground if they could rent it on a cash basis. The data for renting of corn ground is for a total of 35,351 acres. The share-cash tenant is paying a little more for his corn ground than is the share tenant. This is because he ordinarily pays a share of the crop for the grain land, especially for corn ground, and only the very best soil on the farm is put in corn. His higher rate of rent on corn ground will usually be made up by a little cheaper rent charged for small grain or pasture land. It will also be noted that the ratio between the rent paid for cash-rented ground and that rented for a share of the crop is about the same regardless of the price of land. The land renting for a share of the crop is paying about twice what the cash-rented ground is paying. Land owners naturally expect to make the corn ground pay the way of a great deal of the less profitable land. It is interesting to note that the average of all rent rates on corn land gives the landlord from ten per cent on the cheaper grounds to seven per cent on the more expensive ground. It is also interesting to note that tenants will pay \$10 to \$16 an acre rent for corn land when they give a share of the crop while they would seldom consider paying so high a rate if they were asked this amount in cash.

The share of crop paid for rent forms an interesting study. A third of the corn ground rented on shares was rented for one-half

TABLE 13.—LAND VALUE AND COST OF CORN GROUND AT DIFFERENT SHARE RENT RATES

Land Value	One-Third	Two-Fifths	One-Half
	Crop	Crop	Crop
Under \$40	\$ 4.00	\$ 5.11	\$ 8.76
\$40 to \$59	4.65	5.47	10.16
\$60 to \$79	4.84	6.12	10.10
\$80 to \$99	4.91	5.56	9.11
\$100 to \$119	5.19	10.14	9.80
\$120 to \$139	7.42	8.11	11.20
\$140 to \$159	12.00	13.00	13.66
\$160 to \$179	_____	_____	14.13
\$180 to \$199	_____	_____	17.50
\$200 and up	_____	_____	14.53
Average	4.77	6.27	11.17

the crop. These tenants were paying an average of \$11.17 an acre for ground so rented. The tenant renting for two-fifths the crop paid \$5.27 an acre. One-fourth of the corn ground was rented on this basis. Forty-two per cent of the corn ground was rented for one-third of the crop and the average rent paid was \$4.77. Table 13 shows the rate paid for land of different values under the three systems of renting on shares.

On a basis of land value, 90 per cent of the land renting for one-third of the crop was valued at less than \$80 an acre; 73 per cent of the land renting at two-fifths was valued at less than \$80 an acre; while only 36 per cent of the land renting for one-half the crop was valued at less than \$80. The relation between the share of crop given and the yield will explain the foregoing figures. Table 14 shows that the average yield of the corn ground rented

TABLE 14.—YIELDS OF CORN LAND RENTING AT DIFFERENT RATES

Rate	Per cent valued at less than \$80	Average yield per acre
One-third	90.4	27.8 bu.
Two-fifths	73.3	30.9 bu.
One-half	36.0	35.1 bu.

for one-third of the crop was 27.8 bushels; that rented for two-fifths was 30.9 bushels; and the yield of the one-half share land was 35.1 bushels. Considering it in another way, 92 per cent of the one-third share land yielded less than 30 bushels an acre; 80 per cent of the two-fifths share land yielded between 25 and 35 bushels; and 90 per cent of the one-half share land yielded 30 bushels or more an acre. It requires approximately 22 hours of man labor and 41 hours of horse labor to grow an acre of the crop. This would mean a production cost for the tenant of \$9 an acre, or a cost to the bushel for the tenant's share under the three systems of renting of \$0.49 in the case of the one-third share, \$0.48 for the two-fifths share, and \$0.51 for the man who pays one-half of the crop.

The direct relation between land values and share of crop given as rent is clearly shown in Table 15 and Figure 4. All corn land on share-rented farms is included in the table. Note the definite way in which yields agree with land values. The bushels

of corn, or percentage of total yield given as rent, increases more rapidly than does the rate of yield. From the farms worth less than \$40 to those worth \$100 to \$119, the yield increases one-fourth

TABLE 15.—RELATION BETWEEN LAND VALUES, YIELDS, AND RENT PAID IN BUSHELS FOR ALL SHARE RENTED CORN LAND

Land Value	Yield per acre	Average bushels given for rent	Tenants return in bushels
Under \$40	25.8	10.0	15.8
\$40 to \$59	28.9	10.9	18.0
\$60 to \$79	28.0	11.1	16.9
\$80 to \$99	28.7	11.3	17.4
\$100 to \$119	32.3	14.2	18.1
\$120 to \$139	33.5	16.4	17.1
\$140 to \$159	37.1	18.4	18.7
\$160 to \$179	37.7	18.8	18.9
\$180 and over	49.5	24.7	24.8

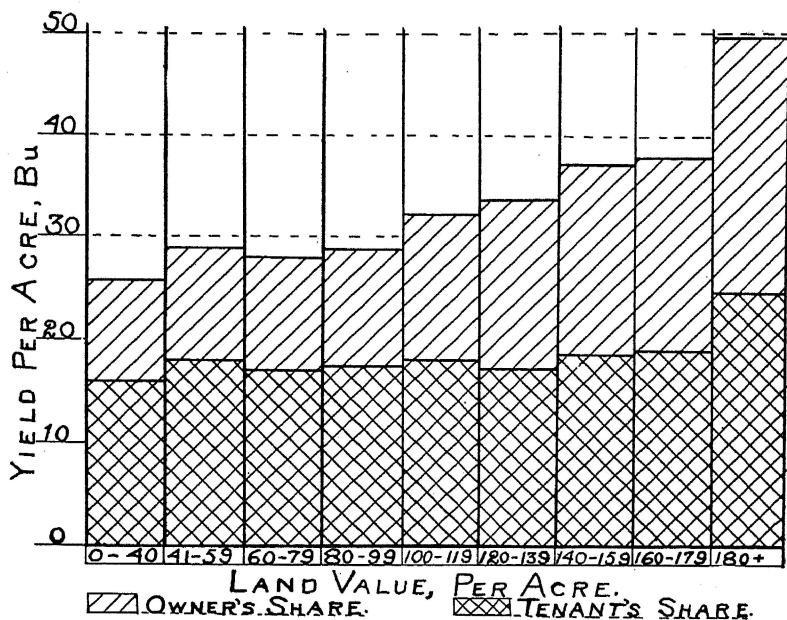


FIG. 4.—The division of the average corn crop on all share rented farms, between owner and tenant, grouping the farms by land value.

while the rent paid increases 42 per cent. A study of the last column, showing the tenant's return in bushels, will help to ex-

plain the difference. The cost to the tenant of growing the crop is relatively the same on low-priced and high-priced land, but the cost to the owner furnishing the ground goes up as land values go up. Therefore, for an economic division the tenant's share should remain about the same, and the owner's share should increase with land values. While they individually may not have figured it out this way, yet that is exactly what happens. The owner's return does not go up as fast as land values rise. He doubles his return in bushels while his land increases over four times the value of the low yielding land. This means a decrease of interest on investment of one-half. The table indicates that there may be an exception to this relation in the classes of exceptionally poor and exceptionally good land; the tenant who rents the former is very unfortunate and the one who gets the latter is to be congratulated.

RENT ON WHEAT LAND

Wheat has always been the main cash crop in this state. There are regions where corn is used as a cash crop but it is not so generally used as wheat. There is only one extensive use to which wheat can be put on the farm and that is as a cash crop. Wheat fits well into most farming systems. The ground can be prepared for wheat at a time of the year when other work is not pressing and the grain is usually sown when other field work is of little importance. The harvesting of wheat conflicts a little with some other farm operations, but no more seriously than does the harvesting of most of the other summer crops. It furnishes a cash income at a time when a cash income is often much needed. It is a good nurse crop for grass. It keeps the ground occupied during a time of year when ground is not normally growing a crop. It also prevents land lying bare thruout the winter. It is a crop which does not require the deepest soils or soils of highest fertility. This means that wheat will do fairly well on a large variety of soils, and that from the standpoint of the farming system it is an excellent crop to use. It does not usually bring quite as high returns for the labor expended as does the corn crop, but the farming system does not depend so completely on wheat as it does on corn, particularly where any live stock is raised.

Because the crop is not so hard on ground and because of the lower returns per acre with nearly the same operating cost, tenants have been able to rent wheat land at a lower rate than they

have paid for corn land. While more than half of the corn ground rented for two-fifths or more, approximately three-fourths of the wheat ground rented for one-third. There are about two acres of wheat to every three acres of corn grown in the area studied. The data for wheat rent included that from a little more than 23,000 acres. The average rent rate is \$5.58 an acre. This, it will be recalled, is considerably less than the rent paid for corn land. As was the case with corn, the cash tenant gets his wheat land at a lower rate than does the share tenant. However, the difference in rent paid by the cash and the share tenant is not so great as was the case with corn. The share tenant with corn paid twice as much as the cash tenant. The share tenant renting wheat ground pays only about one and a half times as much as does the cash tenant. This may be due to the two reasons mentioned above, namely, the amount of fertility taken from the ground by the crop and the smaller margin between cost of production and value of the product as compared to corn. With practically all crops the difference between cash and share rent becomes smaller as this margin decreases. This is an economic factor considered by both tenant and owner in the renting of crop land. Table 16 shows the rent rates paid under the three systems of renting on lands of

TABLE 16.—RENT PAID FOR WHEAT GROUND UNDER DIFFERENT SYSTEMS OF RENTING ON LAND OF SAME VALUE

Land value	Share	Share-Cash	Cash	Average
Under \$40	\$3.26	\$5.69	\$2.00	\$4.26
\$40 to \$59	5.79	5.30	2.78	5.03
\$60 to \$79	6.91	5.52	4.73	5.91
\$80 to \$99	4.43	4.94	3.31	4.63
\$100 to \$119	6.60	7.01	4.67	5.50
\$120 to \$139	7.79	6.22	4.20	5.71
\$140 to \$159	7.94	8.34	4.41	5.39
\$160 to \$179	5.27	5.64	0	5.41
\$180 to \$199	—	—	—	—
\$200 and over	4.13	5.31	4.00	4.83
Average	6.31	5.69	4.19	5.58

equal value and the average rent paid for all wheat land. The figures do not run uniformly because of insufficient acreage in most classes to give a reliable average. However, the indication that cash-rented ground runs from a little less than \$3 on the

cheapest land to between \$4 and \$5 on the higher priced land, is dependable. For the share tenant rent runs from between \$3 and \$4 on the cheapest land to \$7 or more on the higher priced land. Practically no wheat is reported on the highest priced land.

As was said before, wheat is well adapted to shallower and less fertile soils, consequently one would expect more of the wheat acreage to be reported on cheaper ground.

Table 17 shows the average rent paid on lands of equal value when a different portion of the crop is given as rent. The tenants renting ground at one-third rate paid from \$4 to \$6.50, while

TABLE 17.—RENT PAID FOR WHEAT LAND OF SAME VALUE UNDER DIFFERENT SHARE RATES OF RENTING

Land Value	One-third	Two-fifths	One-half
	crop	crop	crop
Under \$40	\$3.91	\$ 6.40	\$5.44
\$40 to \$59	5.42	4.20	6.45
\$60 to \$79	5.92	2.67	8.14
\$80 to \$99	4.25	5.39	6.08
\$100 to \$119	5.45	7.20	6.98
\$120 to \$139	6.49	11.44	6.76
\$140 to \$159	6.58	9.93	7.72
\$160 to \$179	—	6.16	5.77
\$180 to \$199	—	—	—
\$200 and over	—	—	—
Average	5.50	6.97	7.00

the tenants renting for two-fifths and one-half the crop paid anywhere from \$5 to \$8 for their ground. Nearly 12,000 of the 17,000 acres rented for a portion of the crop was rented for one-third. It should also be noted that the value of the land does not run higher than \$160 an acre. A very small acreage was rented for two-fifths—less than 1,000 acres, and about 5,000 acres was rented for one-half the crop.

Because of the very small acreage rented for two-fifths the rent rates shown under the two-fifths rate are very irregular and cannot be depended upon to any great extent.

Table 18 shows the acreage rented at the different rates and the average acre yield of this ground. No distinct relation between rent rate and yield is evident because in the case of wheat, whether on thin or good land, the share given for rent depends to quite an

extent on who furnishes the seed, how threshing expenses are divided, and whether the landlord's share is delivered by the tenant, and other agreements.

TABLE 18.—YIELDS OF WHEAT ON LANDS RENTED AT DIFFERENT RATES

Share of crop	Acres	Yield per acre
One-third	11886	16.6
Two-fifths	869	17.3
One-half	4973	15.8

RENT ON OATS LAND

The oats crop in Missouri as a whole is of considerably less importance than either corn or wheat. In the first place low yields make oats a relatively unprofitable crop to grow. Oats require a cool moist growing season. The weather gets warm a little too early and often gets dry too early for oats to do their best in most of the Missouri area. In the northern part of the state there are sections where oats do pretty well; also in the southern part of the state there are sections where winter oats have proved fairly satisfactory. It is not the actual money returned from the crop which makes oats popular as a part of the farming system. In many sections oats is a popular nurse crop for clover. The labor of producing oats is small and at the time of year when most of this labor is used, seeding time, there is little else to keep labor employed. Also, oats form a valuable portion of the feed supply for live stock on many farms. From these very reasons, however, one would at once conclude that oats are not particularly popular with tenant farmers. They are not very profitable and are primarily a feed crop. A crop that does not return a good wage per hour for the work put in will never be found popular with tenant farmers since that is their principal source of income. For a small grain crop the tenant farmer will usually choose wheat in preference to oats.

In the area studied there were only 8,350 acres of oats; about one-fifth the corn area reported, and about one-third the wheat area. Oats are not heavy feeders on soil fertility. They require considerable water, but of the plant-food elements their requirement is relatively less than for wheat or corn. Considering all this, we may expect rent rates for oats ground to be less than for

either wheat or corn. This is found to be the case as shown by Table 19. The average rent paid for oats ground was \$4 an acre, the cash tenant paying \$3.50 approximately, the share-cash tenant \$4, and the share tenant \$4.50. As is the case with the other crops, the cash tenant gets his land cheapest, his rate running from \$2.28 to nearly \$4.50 on the higher priced land. The lowest

TABLE 19.—RENT PAID FOR OATS LAND UNDER VARIOUS RENT SYSTEMS ON LAND OF SAME VALUE

Land value	Share	Share-Cash	Cash	Average
Under \$40	3.92	3.53	2.28	3.78
\$40 to \$59	4.06	3.41	3.86	3.29
\$60 to \$79	4.53	3.95	3.24	4.18
\$80 to \$99	4.50	3.08	4.41	3.44
\$100 to \$119	4.06	5.68	4.21	4.33
\$120 to \$139	5.83	5.17	4.37	5.19
\$140 to \$159	6.96	5.92	4.00	5.48
\$160 to \$179	—	—	—	—
\$180 to \$199	—	—	—	—
\$200 and over	—	—	—	—
Average	4.51	3.90	3.47	4.00

rent paid by the share tenant was a little less than \$4 and the highest nearly \$7. A little less difference is noted in the rate paid by cash and share tenants than is the case with wheat. The cash tenant paid about one-fourth less than did the share tenant. The reason for this is given in discussing this point in regard to wheat.

From the standpoint of land values the variation in rent rate as the land increases in value is considerably less with oats than with the other crops. This is due mainly to the fact that oats respond less readily under Missouri conditions to increases in soil fertility. In fact some of our best oats yields are obtained on the poorer soil types of the state. Land high in readily available plant food will often cause a very rank growth of straw in oats, but a light grain yield. The influence of these factors is shown in the value of the crop given for share rent under the different renting systems (Table 20). Only a few cents difference is noted under the one-third rate as the land varies in value from \$40 to \$140. The same is true where two-fifths or a half of the crop are given as rent. Seventy-eight per cent of the land rented for

oats was rented at a one-third rate, three per cent was rented for two-fifths, and 19 per cent was rented for one-half the crop.

TABLE 20.—RENT PAID FOR OAT LAND UNDER DIFFERENT SHARE RATES ON LAND OF SAME VALUE

Land Value	One-third	Two-fifths	One-half
	crop	crop	crop
Under \$40	3.69	—	—
\$40 to \$59	3.73	—	4.68
\$60 to \$79	4.10	4.92	5.53
\$80 to \$99	2.77	5.32	5.51
\$100 to \$119	3.39	—	4.62
\$120 to \$139	3.76	—	6.51
\$140 to \$159	—	—	7.35
\$160 to \$179	—	—	—
\$180 to \$199	—	—	—
\$200 and over	—	—	—
Average	3.84	5.07	5.28

RENT ON HAY LAND

Hay, while a very important crop in the state as a whole, does not fit into tenant farming systems so well as grain crops. There is a wide distribution of hay as a crop in the state, it ranking second only to corn. Tenants, however, being more largely grain farmers than are land owners, have not up to the present engaged so extensively in the growing of hay. There is generally a ready market for the hay crop, and it usually pays good wages for the time involved in harvesting it. However, the labor per acre is low and consequently the tenant does not have a good opportunity, in growing hay, to sell the product with which he is most generously provided—labor. It does not require a great deal of hay to carry thru what live stock he has, so he prefers to put his time on a crop which will use a little more labor and still pay him a fair return for his work.

There were nearly 11,000 acres of hay reported on the farms studied. The cash tenant paid from \$2 to \$4.20 an acre for his hay ground. The share tenant paid from \$4.50 to more than \$6 for the hay ground he used. The average rent paid by the cash tenant was \$3.66 an acre, while the share tenant paid \$5.62. The average rent for hay ground was \$4.62 (Table 21). This is a slightly higher rate than was paid for oats ground, but lower than

for either wheat or corn. Rent on hay ground unlike oats, has a more direct relation to land values. The main product of hay ground, of course, is the vegetation grown on that ground, and

TABLE 21.—RENT PAID FOR HAY LAND UNDER DIFFERENT SYSTEMS ON LANDS OF EQUAL VALUE

Land value	Share	Share-Cash	Cash	Average
Under \$40	\$ 4.57	\$2.64	\$2.00	\$3.80
\$40 to \$59	5.46	4.71	2.92	4.61
\$60 to \$79	5.48	4.29	3.55	4.48
\$80 to \$99	4.59	4.83	3.33	4.26
\$100 to \$119	5.31	4.48	4.20	4.42
\$120 to \$139	5.95	5.81	4.19	5.08
\$140 to \$159	11.14	7.59	3.68	6.67
\$160 to \$179	—	—	—	—
\$180 to \$199	—	—	—	—
\$200 and over	9.40	8.00	4.00	7.42
Average	5.62	4.50	3.66	4.62

everyone recognizes that the amount of vegetation any ground will produce is usually directly proportional to the fertility of that ground. Consequently, we would expect to find a relationship between hay yields and consequent rent rates on hay ground and the value of that ground. Most hay ground is rented for either cash or one-half the crop. The tenant is put to no consid-

TABLE 22.—RENT PAID FOR HAY LAND UNDER DIFFERENT SHARE RATES ON LANDS OF EQUAL VALUE

Land Value	One-third	Two-fifths	One-half
	crop	crop	crop
Under \$40	\$3.02	\$6.00	\$ 3.77
\$40 to \$59	3.84	6.00	5.34
\$60 to \$79	4.13	4.80	4.97
\$80 to \$99	3.01	3.82	5.15
\$100 to \$119	3.94	—	5.28
\$120 to \$139	—	—	6.43
\$140 to \$159	—	5.20	11.33
\$160 to \$179	—	—	—
\$180 to \$199	—	—	—
\$200 and over	—	—	9.12
Average	3.79	4.86	5.34

erable expense in connection with growing hay except the harvesting of the crop. Consequently, in figuring rent rates he has only his labor of harvesting to offset the landlord's rent on the ground and cost of seed. His costs, therefore, vary with yields. Also, the owner's costs vary with yields because yields for this crop vary with land values. The result is that 75 per cent of the hay ground studied was rented for a constant rate, one-half of the crop. Table 22 shows the variation of rent paid under the various systems. However, only about one thousand acres of hay ground were rented for two-fifths the crop and less than one thousand were rented for one-third the crop. The figures for these rent rates are not constant since too small an area rented in this way was available for study.

RENT ON PASTURE LAND

Some data were collected on the rent of pasture land. Pasture land is not generally rented except on a cash basis. Table 22 gives a comparison of the rent paid for pasture land where the whole farm was rented for cash and where the grain land was rented for shares and the pasture land for cash. About the same rent was paid in both cases, but the tenant renting the pasture land for cash in connection with share-rented crop land paid a little higher rent rate on his pasture land.

The rate paid for pasture land should bear a direct relationship to the value of the land. This is shown to be the case in Table 23. A fairly uniform increase in rent rate from the \$40 land

TABLE 23.—RENT PAID FOR PASTURE LAND ON CASH AND SHARE-CASH RENTED FARMS OF SAME VALUE PER ACRE

Land value	Cash	Share-Cash	Average
Under \$40	\$1.00	\$2.50	\$1.67
\$40 to \$59	1.59	2.50	1.67
\$60 to \$79	3.22	2.21	2.63
\$80 to \$99	3.33	3.20	3.28
\$100 to \$119	3.82	3.65	3.76
\$120 to \$139	4.15	4.33	4.21
\$140 to \$159	4.85	6.77	5.78
\$160 to \$179	—	—	—
\$180 to \$199	—	—	—
\$200 and over	—	—	—
Average	\$2.88	\$3.01	\$2.92

to the \$160 land is noted. The average rent for all pasture land was \$2.92. This included a total of more than 16,000 acres. The data in this table should not be misinterpreted. The rent rates shown indicate a relatively low interest rate on the land value. Attention is directed to the conditions that exist on most farms; namely, that pasture land is usually not readily tillable. It may be rough or covered with woods, or land that is pastured because it has been cropped too severely and needs rest. Any of these reasons will make the value of this pasture land considerably less than that of the tillable crop land on the farm. Yet the pasture land has been included in the same value-per-acre class as was the crop land on the same farm, so that the rent rate shown in Table 22 is probably a fair rate of interest on investment when the foregoing fact is considered together with the consideration of fertility fairly well maintained by pasturing the ground.

Table 24 brings together the average rent rates paid for the different crops and pasture on lands of equal value. Corn and

TABLE 24.—AVERAGE RENT PAID FOR VARIOUS CROPS ON FARMS OF SAME ACRE VALUE

Land value	Corn	Wheat	Oats	Hay	Pasture
Under \$40	\$ 4.90	\$4.26	\$3.78	\$3.80	\$1.67
\$40 to 59	4.76	5.03	3.29	4.61	1.67
\$60 to \$79	5.89	5.91	4.18	4.48	2.63
\$80 to \$99	5.49	4.63	3.44	4.26	3.28
\$100 to \$119	6.99	5.50	4.33	4.42	3.76
\$120 to \$139	8.19	5.71	5.19	5.08	4.21
\$140 to \$159	9.94	5.39	5.48	6.67	5.78
\$160 to \$179	12.22	5.41	—	—	—
\$180 to \$199	17.50	—	—	—	—
\$200 and over	11.37	4.83	—	7.42	—
Average	\$ 6.41	\$5.58	\$4.00	\$4.62	\$2.92

wheat land have about the same rate until the \$100 land is reached. From this point on the rate on corn land mounts very rapidly, while wheat remains fairly stationary. This is due to the fact that corn responds much more readily than wheat to the more fertile land in the higher priced groups, and rent rates being many times on a share basis, will react accordingly. Oats land shows less variation as values change than land for any other

crop. The reason for this has already been given. This table will serve, however, to emphasize these two particular points.

Table 25 shows the variation in the amount of crop given for rent with the various crops grown. With corn the one-third rate and one-half rate seem to be more popular, while one-fourth

TABLE 25.—VARIATION IN AMOUNT GIVEN FOR RENT ON SHARES OF VARIOUS CROPS

Crop	Per cent renting for one-third of crop	Per cent renting for two-fifths of crop	Per cent renting for one-half of crop
Corn	42.7	24.4	32.9
Wheat	67.0	5.0	28.0
Oats	78.0	3.0	19.0
Hay	10.0	16.0	74.0

of the land rented at the two-fifths rate. With wheat and oats most of the ground rented for one-third of the crop, two-thirds of the total area of wheat ground renting for one-third, and about four-fifths of the oats ground renting on this basis. On the other hand, the hay crop was rented three-fourths of the time for one-half of the crop.

Land Leases

In the foregoing pages a comparison has been made of the economic factors concerned in the renting of land, and a comparison of these factors under different systems of renting has been made. The study has also included the machinery under which these agreements are carried out—namely, the form of lease. Leases have been collected from all available sources in practically every region of the state (Fig. 5) and all variations of leases have been studied carefully and their merits from an agricultural

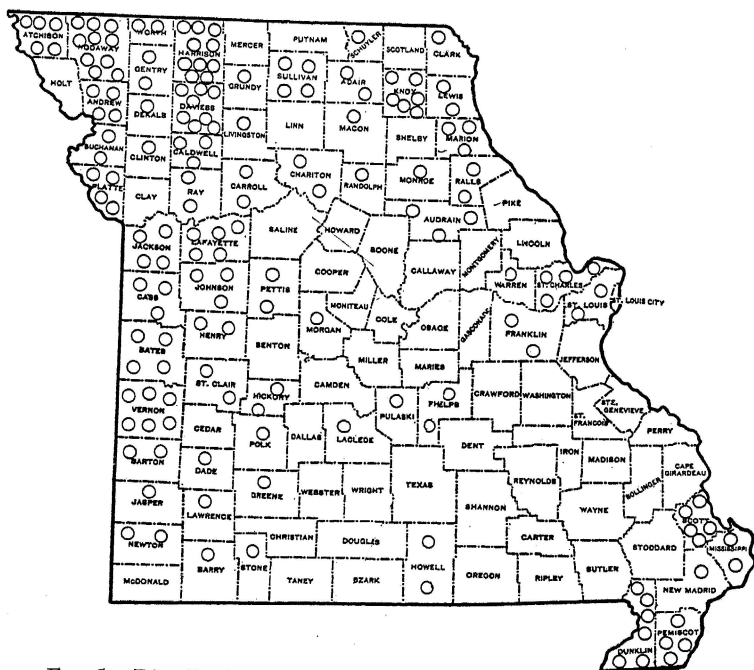


FIG. 5.—Distribution of lease forms used in this study

standpoint have been considered. Attention was called in the beginning of this discussion to some of the problems with which the English land owners and tenants had to deal. Thru legislation they have been enabled to handle their tenant problem very successfully so far as good husbandry goes. The laws of Missouri are not broad enough to require agreements such as those made by the English landlord and his tenant. For instance, tenants are al-

lowed to sell from the farm a great deal of forage and hay crops, while in England these would have to be fed on the land if the owner so desired. Also, the tenant here is uncertain of getting credit for any improvements which he may make to the land in the way of fertility, fences, drains, clearing, etc. In England he is fully protected in this regard. The laws here do not encourage feeding on the land all crops the farm produces while in England this is encouraged. Consequently, landlords and tenants here have made efforts to embody some of these principles in a legal contract. They have accomplished some good results altho they are greatly handicapped thru insufficient laws to afford mutual protection.

Some of the principles which should be embodied in a contract will be reviewed here from the standpoint of good agriculture rather than from the standpoint of what the law will permit a man to do.

The only need for having a lease written and signed by both landlord and tenant is that their ideas may be recorded in a permanent form which they cannot overlook. If all men were absolutely fair with one another, if they understood each other thoroly and did not forget points once agreed upon, a written contract would not be necessary. This is a condition, however, which is seldom realized. Consequently, the best thing undoubtedly is to have terms of agreement in writing so that they comply with all legal requirements and serve to remind both parties of terms originally agreed upon. There is certainly a number of forms of lease now in use which are not only unsatisfactory, but which are unfair to one or both parties concerned.

A thoro understanding by both parties concerned of all conditions set forth in a lease before it is signed is very essential. It is sometimes thought that printed contracts should be avoided. This is true in so far as the special terms of agreement applying to a particular farm are concerned. Where an agreement is already written up from the owner's standpoint and where the tenant is expected to sign this without modification, a printed agreement is usually unsatisfactory. However, there are certain forms of lease which contain a very concise statement of the legal essentials and yet leave sufficient space for the numerous articles of agreement between landlord and tenant. These are much to be preferred to the majority of hastily drawn contracts under which tenants are working. This discussion of the various articles of agree-

ment is from the standpoint of good agriculture and fairness to both owner and tenant.

POINTS A LEASE SHOULD CONTAIN

The various points in the lease are date, parties to agreement, object of agreement, description of land, length of time lease shall run, reservations, rent to be paid; articles of agreement, both printed and written; signatures of parties, acknowledgment before notary, permission to sublet, and recorder's blank. Most of these points will be passed over hurriedly because they are common to all leases and only those where agricultural principles are concerned will be discussed at length.

Time of lease.—The first point in which a principle is involved is the length of time a lease shall run. Leases are usually made for one year. Ninety-three per cent of those studied in this investigation were one-year leases; $5\frac{1}{2}$ per cent were for three years and $1\frac{1}{2}$ per cent for five years. Some of the reasons for the one-year lease are: the uncertainty on the part of the owner, of the tenant's ability and honesty, and a possibility of selling the land before the expiration of the lease. The first point is a matter of the tenant's character and his ability as a farmer, the second is a matter of speculation and concerns only the owner. There is no doubt but that leases for a period of time longer than one year would do a good deal to improve the agriculture of a community. The principal reason for tenants being grain farmers is that they are so uncertain of being on a farm for more than a year that it does not pay them to begin stocking a farm. One of the profits of the live-stock farmer is in maintaining or improving soil fertility. The law does not allow a tenant any benefit from this other than the increased crop yields for succeeding years. If he is uncertain of being able to remain on the farm for a number of years, because of having his rent contract terminated, he does not have much incentive to handle live stock. Also, the live-stock business as an investment is a long-time proposition. Stock he acquired for one farm might be decidedly out of place on another farm, so he cannot take chances. If he had any certainty of remaining on that farm for a period of years, he would take more interest in farm improvement, roads, schools, churches, and community welfare of all kinds than if he must consider himself a transient. The very nature of the business causes him to strive to get as much

as possible out of the farm for the time the lease runs, consequently there is little permanency to his system of farming. It requires a year of hard experience for him to get acquainted with a farm.

On the other hand, the landlord may be uncertain as to the tenant's ability to handle the farm when the lease is made. If he were to make the lease for more than a year he might thus be saddled with a poor tenant for a considerable period. Also, he might lose a good opportunity to get a good tenant. Certainly the landlord would need protection in a long time lease. The contract might specify that it could be terminated at the end of a year or on notice given sixty days in advance. If this were the case, both tenant and owner should be allowed credit for any expenses for special improvements made on the farm while operating under that contract. The tenant should be reimbursed for any incomplete crop work, etc. If both were fully protected in this way, long-term leases would be more common. Leasing the land for one year with the understanding that the same agreement is to be renewed if both parties are satisfied at the close of the year is much better than a straight year lease. This form is the one under which practically all tenants have been operating where they have been on the same farm for a number of years. It has worked pretty satisfactorily except that it does not have the permanence of a contract covering a period of years.

Reservations.—There are certain reservations which an owner should make regarding his property. He should reserve the right to inspect his farm or any part thereof and the privilege of making any repairs or improvements he considers necessary on the farm. These reservations certainly should be stated clearly in the contract. The tenant should reserve his garden, truck patch, orchard, and any feed lots that both parties agree should be exempt from rent charges. The owner should reserve any portion of the foregoing items or rooms in buildings or sheds for the keeping of stock or storing of goods which he may wish to leave on the farm. Any other reservation desired by either party should be in writing under the heading "reservations."

The rent to be paid.—The rent of a farm has been defined as "the price paid for its annual use either in the form of money or products." The amount of rent to be paid is determined, of course, by several factors such as productivity of the soil, size of farm, amount of tillable ground, improvements, nearness to market,

social conditions of the neighborhood, type of farming to be followed, personality of the landlord and tenant, and many other items. It is to the interest of both landlord and tenant that the tenant be able to pay his rent. This is dependent very largely on productiveness of the soil and on the farm being large enough for an economic unit. Improvements are important to a tenant who wishes to keep live stock. Nearness to market usually determines the character of the products which a tenant can sell. A tenant with a family can usually afford to pay a little higher rent for the privilege of living in a community where social conditions are desirable. The agreeableness of both landlord and tenant are certainly important factors in determining the rate the landlord can ask and the tenant can pay.

Manner of paying cash rent.—The manner in which rent shall be paid is determined, of course, by the system of renting. With cash rent, the amount of rent is paid at different times depending on the wishes of the owner and the circumstances of the tenant. The following variations are common:

1. The full amount of stipulated rent is paid in cash on signing the lease.
2. The full amount of stipulated rent as evidenced by a promissory note given at the time the lease is made, and due on or before the following January 1 with interest at 6 per cent annually after maturity.
3. (River bottom.) The tenant gives promissory notes, one for one-half the rent without interest, to be paid under all circumstances; the other for one-half the rent, being non-negotiable in the event of an overflow which would destroy the crops on the ground. In the event of no overflow, the non-negotiable note becomes payable. In case of overflow where only a portion of the crops are destroyed then a proportionate deduction is made in the second note.
4. The tenant agrees to pay the stipulated rent at certain times, usually at the time of marketing some of the important cash crops or live stock as, for instance, one-half the rent when wheat is sold, and the remaining half January 1 of the year following.
5. The owner agrees to allow the tenant daily wages up to a certain amount for labor expended in improving the farm, such improvements to be mutually agreed upon by owner and tenant. This item agrees to some extent with the provision the English have made in their renting of land.

Share rent—There are a great many variations in the manner of paying rent when a share of the crop is given. There is no doubt but that a great deal of investigation could be profitably

done to determine what is reasonable in the renting of land on shares as a great deal of unreasonableness has been found on the part of both owners and tenants. Some of the ways of settling share rent are as follows: Owner's share to be paid in cash upon disposal of product by tenant; owner's share delivered at crib, bin, or elevator at owner's option; owner's share of hay baled or un-baled, as per agreement, delivered to shed on farm or market at owner's option; owner's share of fruit delivered to market or at car, landlord paying one-half crating expenses, tenant to have all crops for two years on new land just put into cultivation by tenant. This last item approaches some of the ideas which should be embodied in a rent agreement. Many miscellaneous items such as furnishing sacks for grain at threshing machine, and disposal of straw from small grain are handled in terms of rent.

Partnership—One of the most interesting studies is the rent agreement under a partnership plan. Partnerships are usually formed for live-stock farming. The landlord furnishes the money or credit to buy the stock, the tenant paying interest at current rates on a share of this investment and all losses or gains are shared in proportion to the original interest each has in the stock. This is a very desirable arrangement. A relatively large amount of operating capital is thus furnished by the landlord either as stock or as a loan to the tenant. He receives interest on his loan and his portion of the income from the investment. On the other hand it enables the tenant to carry on a desirable and usually a profitable type of farming where without such backing he would hardly be able to do so. The partners commonly agree on the amount of operating capital to be furnished by each, while the owner puts his land against the labor of the tenant. The business is often conducted under a firm name and any money taken in is deposited to the credit of the firm. However, a division of the receipts from sales, at the time a sale is made is generally a little easier for both parties.

Articles of agreement.—The most important part of a rent agreement from an agricultural standpoint is found under the articles of agreement. There are two or three items usually printed under articles of agreement, namely, cultivation in accordance with the principles of good husbandry; protecting fruit trees, and all improvements, and preventing the removal of any portions of improvements or equipment belonging to the owner; assigning of lease to a third party only with the written consent of the landlord;

maintenance and repair of buildings and fences in the condition in which they were at the beginning of the lease except for ordinary wear and tear, loss by fire, storm, or unavoidable accident; and peaceable turning over of the property to the owner at the termination of the lease.

The written conditions are of primary interest and should cover all points about which most disputes arise, so that great pains should be taken to have them clear, concise, and complete. The following conditions are the ones most commonly found written:

1. *Repairs.* The owner to purchase necessary materials for repairs, the tenant to haul materials to farm and perform the necessary labor to keep premises in repair.

2. *Weeds.* All weeds on the premises along fences and public highways to be cut in certain months. Also prevention of seeding of noxious weeds such as cockle-burrs, thistle, burdock, jimson, etc.

3. *Sod Land.* Landlord furnishes seed and tenant does work of seeding grass and hay crops. No grass land to be broken without consent of owner.

4. *Manure.* The disposal of manure, when it shall be hauled, to what crops it shall be applied, purchases and reimbursing of either party for expenses for manure or fertilizers purchased. Also, reimbursing tenant for fertilizer or manure used just before the termination of the lease and for labor of hauling manure accumulated on premises before signing of lease.

5. *Water Supply.* Labor for the repair and maintenance of water supply equipment to be performed by the tenant at all times, the owner to furnish the necessary pumps, windmills, etc., and repairs for same.

6. *Fuel.* Where there is timber on the farm the tenant to be allowed the use of down or dead timber for firewood. He is not to use other timber without owner's consent.

7. *Road Tax.* Where the tenant is given firewood, he usually agrees to work out the owner's road tax for him.

8. *Pasturing Fields.* Provision to avoid the pasturing of land, either stalk fields, wheat or rye fields, meadow or pasture lands, when ground is so muddy that damage to crops or the condition of the soil would result; keeping hogs "rung" to prevent rooting up grass; preventing excessive pasturing of pasture land in dry weather or just before winter. Winter killing of grass due to carelessness on the part of the tenant requires the tenant to reseed the pasture at his own

expense. Usually a stipulation is made as to what fields shall be pastured.

9. *Straw.* How straw is to be disposed of. It is usually required that it be fed or used for live stock on the premises and the resulting manure returned to the fields.

10. *Stalk Fields.* Stalk fields to be pastured by the live stock of the farm and not to be sold without the consent of the owner.

11. *Prevention of Washing.* Preventing furrows being plowed so as to form ditches and providing for the filling of all ditches in such a manner as to hold back the washing of the ground.

12. *Tile Drains.* Maintenance of all tile drain outlets and silt basins by the tenant, the landlord furnishing any material needed for these repairs.

13. *Fences.* Fences not to be moved except as agreed upon.

14. *Improvements.* All permanent improvements determined on by the owner to be made at his expense. Tenant will usually agree to haul materials, except in case of large improvements such as the build-of house or barn. And for small improvements he will usually do the work, unless skilled labor is required. He will usually agree to board labor so employed at a specified rate per day. Improvements made by tenant: Tenant should be allowed to remove temporary fences or other improvements put on the farm during his occupation for his own use and by his own labor.

15. *Trimming Orchards, etc.* The pruning and keeping in good condition of orchards and the trimming of hedges that had been trimmed the preceding year.

16. *Default in Payment of Rent.* Nothing in the lease to be considered as waiving the landlord's lien for rent, the tenant agreeing that if default be made in payment when rent is due the landlord or his representatives are entitled to peaceable possession of the premises.

17. *Sale of Property.* Practically all leases are made subject to sale of the farm and such sale immediately terminates the lease, the tenant being allowed reasonable pay for all crops and labor that he is not allowed by the terms of the sale to retain and complete.

18. *Occupancy of Premises.* It is sometimes agreed that the tenant shall keep someone living in a house on the farm at all times during the period of the lease. This is primarily because of insurance and insurance rates.

19. *Renewal.* Agreement that in case the lease works satisfac-

torily, it shall be renewed on the same terms for the following year or for a period of years.

20. *Termination of Lease.* Either party given the right to terminate the lease at the end of a farming year by giving the other party written notice at least sixty days before the expiration of the time agreed upon.

If the articles of agreement are complete there remain only the signatures of both parties, acknowledgment before a notary public, with the sub-let permission blank filled out if desired, and the lease is completed.

Mutual good-will is the all-important factor after everything is done that can be done to draw up a reasonable lease. Both parties must know that the terms are fair and each must feel that the other will meet him half way should any uncertainty arise in regard to the terms of the lease. Since no lease can be written that will cover all emergencies, the necessity for mutual belief and confidence is obvious.

Summary

A study of tenant farms in Missouri has revealed the following facts:

There are three common systems of renting land: (a) For a share of all crops; (b) a share of the crop on the main crop-land, and cash for the rest of the farm; (c) a straight cash charge for the whole farm.

Some of the main features of the three systems are:

THE SHARE TENANT

The share tenant has least capital, and the cash tenant most. In one group studied the cash tenant had \$468 more.

The share tenant as a rule gets the more fertile land. His crop index was 93.0 per cent while that of the cash tenant was 90.6 per cent.

The share tenant is a better feeder of live stock, getting \$145 for each \$100 worth of feed fed compared to \$126 for the cash tenant. The latter, however, was doing the bigger live-stock business.

The share tenant makes \$138 more labor income than does the cash tenant. He pays 82 per cent more rent to the acre than does the cash tenant, and pays the landlord nearly twice the interest on investment that the cash tenant pays.

He pay \$3.04 an acre more for corn land; \$2.12 more for wheat land; \$1.04 more for oats land, and \$1.96 more for hay land than does the cash tenant.

On the same grade of land cash rent in Missouri is in general cheaper than share rent, where crop failures are not more frequent than two years in five.

The share renter in general gets the better yielding land.

THE CASH TENANT

Because cash renting usually gets the thinner land and more pasture land, it necessitates more of a live-stock type of farming, and consequently is relatively more conservative of fertility than the average share renting arrangement. This difference in type of farming must affect the theoretical tendency of the cash tenant to deplete the fertility of the land because he gets all the increase above a fixed rent, whereas the share tenant's rent would increase with his increased production.

ALL TENANTS

Land prices have kept pace with or outstripped productive value of the land. Rent rates have not kept pace with the productive value of the land. These two conditions are made possible by the prospective profit to be realized from the increase in land prices.

The tenant, under our present system of tenancy, while often more efficient from the standpoint of what he earns for his own labor, is less efficient than the owner from the standpoint of economic and social contributions to the maintenance of the community in which he lives.

Rent arrangements have been determined to such a large degree by what is customary on the bulk of our land that many times the tenants on poorer ground are paying exorbitant rates, comparing this rent and the productive value of the land with that of average land. On the other hand on exceptionally good land tenants are getting cheap rent, comparing their production and rent to the production and rent of average land.

The foregoing cost figures together with a study of the general problems of securing good tenants by the owner and a good farm by the tenant bring out the following advantages and disadvantages of the three systems:

SHARE RENTING

Advantages: The owner realizes on the average a higher return and has fairly close supervision over his farm. He does not take chances on collecting on notes that the tenant can, with difficulty, pay. His own close supervision of the farm if he is a good farmer will usually result in better than average yields. He will profit in higher rent returns.

The tenant usually gets a better farm, consequently his risk of crop failure is less. He can take advantage of the owner's judgment and experience on the farm, especially if he lacks in experience himself. He does not take the chance of having to pay a fixed rent even if crops fail.

There are two main disadvantages: The owner is saddled with the responsibility of deciding what land shall be cropped, etc. A few owners not having been farmers themselves may wish to be free from this responsibility. The tenant will be paying very high rent if he is a good farmer, also he will not be so free in his management as a cash tenant.

CASH RENTING

The advantages and disadvantages of cash renting are really those stated under the opposite headings for share renting, so need not be repeated.

SHARE-CASH RENTING

Share-cash renting serves merely as a middle ground between the other two systems. Rent is not quite so high and ground as a whole not quite so good as on the share rented farm, but better than for the cash rented one. Otherwise the conditions are about the same as for the share tenant.

The present methods of leasing land leave much to be desired on the part of both the owner and the tenant. Uncertainty as to the length of time he can remain on the land, and insufficient legal protection of any improvements he might care to make on his own initiative, cause the tenant to follow a farming system which does not tend to build up or even to maintain the original good condition of the farm. On the other hand, they discourage initiative and cause him to do those things which will bring the largest immediate returns without any thought of the future. Also, the owner is so poorly protected against worthless tenants that it is hazardous for him to lease his land for a period longer than one year.

The tenant seems to occupy a position logically between the day laborer and the land owner. Every effort should be bent toward working out a system of leasing which will allow a fair return on his investment to the landlord and a fair return on his labor to the tenant, with full protection to both from any unreasonableness on the part of the other. This will permit the use of better systems of farm management on tenant farms. It will tend to halt the steady year-by-year shifting of population in tenant farming communities, will insure a greater community interest on the part of all farmers, will make for better schools, better roads, better social conditions all around, and better citizens. It will hasten the tenant's realization of his ambition—the owning of a farm. It will make him better fit to own a farm because he will have mastered to a considerable degree the art of farming where farms are built up and improved at the same time that the operator makes a profit for his labor and management.

Some check on speculation in land is needed to maintain a more steady relation between land prices and the productive value of land, if more stable rural communities are to be maintained. Trading the farm home has been too profitable for the maintenance of rural community interest in many sections.

Lease Forms

On these pages are given typical lease forms covering the methods of leasing land mentioned in this bulletin. They may serve as guides in drawing up leases.

CASH-RENT FARM LEASE

This Indenture, made on the.....day of.....19.... by and betweenof.....party of the First Part, and.....of the county of.....in the state of....., party of the Second Part:

WITNESSETH, That the said party of the First Part, in consideration of the rents and covenants herein specified, does hereby let and lease to the said party of the Second Part, the following described property:

.....
.....
.....
Section....., Township....., Range.....in.....County, Missouri, with appurtenances thereunto (except as hereinafter mentioned as reserved for the use and benefit of the said party of the first part), for a term of.....commencing the.....day of.....19.... and ending the.....day of.....19....

And the said party of the first part makes the following reservations to-wit: Reserving the right to enter upon said premises and every part thereof in person or by agent at any and all times for the purpose of inspection or repairs:

(Additional reservations may be written here)

.....
.....
Said second party does hereby hire said premises for the term aforesaid, and agrees with the said party of the first part, his heirs and assigns, in consideration therefor, that he will and does hereby bind and obligate himself, his heirs and assigns, as follows, to-wit:

Cultivation: To cultivate in good and proper manner all of the tillable land on said premises and to allow no waste of fencing or timber.

Weeds: To mow all weeds along the fence rows and public highways adjoining premises at least once per year, to be done during the month of August, to prevent from going to seed all obnoxious weeds such as thistles, cockle-burrs, jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields when the condition of the ground is muddy, to keep all pigs "rung" before running them upon any permanent pasture; not to overload said pastures to such an extent that it is detrimental to same, and in case of killing out any permanent pasture, said party of the second part is to reseed at his own expense.

Improvements: To keep in good repair all fences and buildings upon

said premises, or which may be placed thereon during the term of this lease, at his own expense, providing all the materials for such repairs be furnished by the said party of the first part, natural wear and tear or damage by the elements excepted; to take good care of the growing trees thereon, and protect them from live stock; to protect said premises from fire by plowing and burning when necessary; not to remove, nor allow anyone else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees, shrubbery, machinery, or any improvements of any kind or nature whatever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the first part, or his authorized agent: and in case of such waste or removal of such improvements, to give at once on demand of said party of the first part full and peaceable possession of said premises, and to pay said first party the full value of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the second part has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm, all manure accumulating on the premises around the barns, sheds, and stack bottoms, during the time of this lease; to plow in all small ditches in the spring of the year to prevent washes.

Sub-letting: Not to underlet said premises nor any part thereof, or assign this lease, without the written consent of the said party of the first part had and obtained thereto.

Default in Rent Payments: To surrender said premises peacefully before the expiration of this lease, on demand of party of the first part, should default be made in payment of any rent when due, a lien on the crops to be retained by said party as security for the fulfillment of this contract, and such crops not to be removed from the land until the rents are paid, according to the terms hereof, and to pay to the said party of the first part all reasonable damages sustained by any such default.

Termination of Lease: To yield and deliver up said premises, at the expiration of this lease, in like condition as when received, together with all improvements that may be added thereto, during said lease, by said party of the first part, or his authorized agent, reasonable use and wear thereof or damage by the elements excepted.

.....

 (Additional agreements may be inserted here)

Payment of Rent: Said second party hereby agrees to pay to the party of the first part, or his authorized agent, the following rental fees, in amount and manner to-wit:

BY: Labor on the farm in improving, to be mutually agreed upon, party of the second part receiving pay for his labor at the rate of.....per day, for such time as he may work, counting ten hours as a day's labor, to the extent of.....dollars.

BY: Cash in amount and manner as follows:.....

BY: PROMISSORY NOTES of even date herewith as follows:.....

.....to be paid at the.....Bank of....., Mo.....

IN WITNESS WHEREOF, the said parties have hereunto, and to a duplicate copy hereof, set their hands and seals, this the.....day of.....19....

.....(SEAL)
.....(SEAL)
.....(SEAL)
.....(SEAL)

SHARE-RENT FARM LEASE

This Indenture, made this.....day of.....19... by and betweenof the.....of....., and State of.....party of the First Part, and.....

of the.....of....., and State of.....party of the Second Part:

WITNESSETH, That the said party of the First Part, for and in consideration of the covenants and agreements hereinafter mentioned, to be kept and performed by the said party of the Second Part, his executors, administrators and assigns demised and leased to the said party of the Second Part all those premises, situate, lying and being in the.....of..... State of....., known and described as follows, to-wit:

.....
.....
.....

Above described premises being commonly known as.....Farm.

TO HAVE AND TO HOLD the said above described premises, with all the privileges and appurtenances belonging to the same, (except such as hereinafter mentioned as reserved for the use and benefit of the said party of the First Part), unto the said party of the Second Part, his Executors, Administrators and Assigns, for a term of.....commencing on the.....day of.....19..., and ending on the.....day of.....19....

And the said party of the First Part makes the following reservation, to-wit: Reserving the right to enter upon said premises and every part thereof in person or by agent for the purpose of inspection or making such repairs and improvements as he may choose; a reasonable amount of space or room in barns, sheds, and cribs for the storing of his share of the products and crops received as rent; other rooms or space on said premises as follows:

.....

 (Additional agreements may be written here)

And the said party of the Second Part, in consideration of the leasing of the premises aforesaid by the said party of the First Part, to the said party of the Second Part, does covenant and agree with the said party of the First Part, his heirs, executors, administrators, and assigns, to pay the said party of the First Part, as rent for the said premises, in amount and manner, as follows, to-wit:.....of all the corn raised on the premises, delivered to the elevator or car at....., or to cribs on farm, at owner's option.of all wheat, and.....of all the oats raised on the premises, delivered to elevator, mill, or car at....., or to bins on farm, at option of party of the First Part, party of the First Part to furnish sacks for same at thresher.

.....of all the hay delivered to market at.....or to stack or sheds on premises at the option of the said party of the First Part.

Other rents as follows to-wit:

And it is further agreed by said party of the Second Part:

Cultivation: To cultivate in good and proper manner all of the tillable land on said premises; not to plow nor break up any sod land on said premises without the written consent of said party of the First Part.

Weeds: To mow all weeds along the fence rows and public highways adjoining premises at least once per year, to be done during the month of August: to prevent from going to seed all obnoxious weeds, such as thistles, cockle-burrs, jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields when the condition of the ground is muddy; to keep all pigs "rung" before running them upon any permanent pasture; not to overload said pastures to such an extent that it is detrimental to same, and in case of killing out any permanent pasture, said party of the Second Part is to reseed at his own expense.

Improvements: To keep in good repair all fences and buildings upon said premises, or which may be placed thereon during the term of this lease, at his own expense, providing all materials for such repairs be furnished by the said party of the First Part, natural wear and tear or damage by the elements excepted; to take good care of the growing trees thereon, to trim orchard and any fruit trees upon the place in proper season, and protect them from live stock; to protect said premises from fire by plowing and burning when necessary; not to remove, nor allow any one else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees, shrubbery, machinery, or any improvements of any kind or nature whatever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the First Part, or his authorized agent, and in case of such removal to give at once on demand

of said party of the First Part full and peaceable possession of said premises, and to pay said party of the First Part full value of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the Second Part has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm, all manure accumulating on the premises around the barns, sheds, and stack bottoms, during the time of this lease; to plow in all small ditches in the spring of the year to prevent washes.

Sub-letting: Not to underlet said premises nor any part thereof, nor assign this lease, without the written consent of said party of the First Part had and obtained thereto.

Default in Rent Payments: To surrender peacefully said premises before the expiration of this lease, on demand of said party of the First Part, should default be made in payment of any rent when due, a lien on the crops to be retained by said First Party as security for the fulfillment of this contract, such crops not to be removed from the land until the rents are paid, according to the terms hereof, and to pay the said party of the First Part all reasonable damages sustained by any such default.

Termination of Lease: To yield and deliver up said premises, at the expiration of this lease, in like condition as when received, together with all improvements that may be added thereto, during said lease, by said party of the First Part or his authorized agent, reasonable use and wear thereof or damage by the elements excepted.

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(Additional agreements may be inserted here)

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IN WITNESS WHEREOF, The said parties have hereunto, and to a duplicate copy hereof, set their hands the day and year first above written.

.....(SEAL)
.....(SEAL)
.....(SEAL)
.....(SEAL)

PARTNERSHIP-AGREEMENT FARM LEASE

THIS CONTRACT, Made this.....day of.....19... by and between.....of the.....of....., and State of.....party of the First Part, and.....of the.....of....., and State of.....party of the Second Part:

WITNESSETH, That the said party of the First Part, for and in consideration of the covenants and agreements hereinafter mentioned, to be kept and performed by the said party of the Second Part, his executors,

administrators, and assigns, he demised and leased to the said party of the Second Part, all those premises, situate, lying, and being in the..... of.....State of.....known and described as follows, to-wit:.....

THE ABOVE described premises being commonly known as the.....
Farm.

TO HAVE AND TO HOLD the said above described premises, with all the privileges and appurtenances belonging to same, (except such as hereinafter mentioned as reserved for the use and benefit of the said party of the First Part), unto the said party of the Second Part, his executors, administrators, and assigns, for a term of.....commencing on theday of.....19...., and ending on the.....day of.....19....

And the said party of the First Part makes the following reservation, to-wit: Reserving the right to enter upon said premises and every part thereof in person or by agent at any and all times for the purpose of inspection or repair; to have the right to specify what sod land, if any, upon said premises is to be broken for the growing of tillable crops; and further reserves Rooms, Building Space, or Portion of the premises as follows:

(Any additional reservations may be inserted here)

AND the said parties of the First Part and of the Second Part, in consideration of the leasing of the premises aforesaid by the said party of the First Part to the said party of the Second Part, do hereby covenant and agree to the terms and conditions hereinafter specified, to-wit:

Type of Farming: FIRST, it is mutually agreed by all parties hereto, that the entire farm shall be devoted to Grain and Stock farming, and that the principal occupation shall be the raising of.....

Land: The party of the First Part agrees to furnish all the above farm, in its present condition, together with all the appurtenances thereto belonging, and further agrees to furnish all necessary wire and posts for fencing, and all necessary lumber and material, of every kind for permanent improvements whenever agreed upon by all parties.

Work Stock and Equipment: The said party of the Second Part agrees to furnish*.....Work Stock, Harness, Implements, and Tools necessary to run the farm in a good and proper manner, and to pay*..... necessary repair bills on said Harness, Implements, etc.

*The portion of work stock and equipment furnished by the second party depends on the quality of the land rented. On land considerably above average the second party should furnish all work stock and equipment. On about average land this should be divided equally between first and second parties. On land much below average the first party should furnish all work stock and equipment.

Labor: The said party of the Second Part agrees to devote all his personal attention and time to the management of the farm, crops, and live stock, and is to hire and furnish all extra labor, necessary for the proper management of the farm.

Duties of Second Party: The said party of the Second Part agrees:

Weeds: To mow all weeds along the fence rows and public highways adjoining premises at least once per year, to be done during the month of August; to prevent from going to seed all obnoxious weeds such as thistles, cockle-burrs, jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields when the condition of the ground is muddy; to keep all pigs "rung" before running them upon any permanent pasture; not to overload said pastures to such an extent that it is detrimental to same, and in case of killing out any permanent pasture, said party of the Second Part is to reseed at his own expense.

Improvements: To keep in good repair all fences and buildings upon said premises, or which may be placed thereon during the term of this lease, at his own expense, providing all the materials, for such repairs be furnished by the said party of the First Part, (said party of the second Part to do the hauling of such materials), natural wear and tear or damage by the elements excepted; to take good care of the growing trees thereon, to trim orchard and any fruit trees upon the place in proper season, and protect them from live stock; to protect said premises from fire by plowing and burning when necessary; not to remove, nor allow anyone else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees, shrubbery, machinery, or any improvements of any kind or nature whatsoever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the First Part, or his authorized agent, and in case of such removal to give at once on demand of said party of the First Part full and peaceable possession of said premises, and to pay said party of the First Part the full value of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the Second Part has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm all manure accumulating on the premises around the barns, sheds, and stack bottoms, during the time of this lease; to plow in all small ditches in the spring of the year to prevent washes.

Products Used in Home: The said party of the Second Part is to have the privilege of using all the poultry, eggs, butter, and milk he may want for his own table use, and is to be allowed to reserve enough hogs for his meat for whatever time he may be on the farm. Should he leave the farm for any cause whatever before the rental year expires, he shall divide any meat he has on hand equally with the said party of the First Part.

Garden: The said party of the Second Part has the right to not exceeding two (2) acres for a garden spot.

Live Stock: The party of the First Part agrees to purchase a one-half interest in all the Cattle, Hogs, Sheep, and Poultry which are brought upon the farm by said party of the Second Part at the beginning of this

lease. Should parties of the First and Second Parts not agree as to the value of such property, they shall settle same by each selecting a man to inventory same, and if these two should not agree, then these two are to select a third, and the decision of the majority of the three shall be final.

It is mutually agreed by the parties hereto that in the purchase of live stock during the term of this lease, such expense shall be divided equally, but if the said party of the Second Part so desires, the said party of the First Part agrees to furnish all the money for such purchase, party of the Second Part agreeing to pay interest at the current rate, on one-half the money so advanced.

Machine Bills: The party of the First Part agrees to pay one-half of the machine bills for the filling of Silos or the threshing of Small Grains grown on the farm, but party of the Second Part to furnish board for all labor for same.

Feed: It is mutually agreed by the parties hereto that the work stock and other stock are to be fed out of the undivided grain and hay raised on the farm, and if it is necessary to purchase feed or pasture at any time, such expense shall be divided equally, while said Party of the Second Part is to do all hauling of same.

Seed: It is mutually agreed by the parties hereto that the expense of grain for seeding shall be equally divided, except for grass seed which is to be furnished by said party of the First Part.

Division of Receipts: It is mutually agreed that all money from the sale of crops, stock, and products is to be divided equally at the time of sale and each party is to share equally on all the increase and profits or loss from whatever stock handled on the farm.

Termination of Lease: It is agreed and understood that this contract is to extend from year to year or so long as the partnership arrangement is agreeable to each of the parties concerned, but if at any time either party or both should become dissatisfied with the management of the farm and the live stock so owned, by giving a sixty (60) days notice in writing, the interests therein shall be separated by said dissatisfied party offering at a fixed price his half of the said stock, hay, and grain to the other party, and if they cannot agree upon such price and sale, then they are to agree upon some just division, and in case no decision is reached, then they are to make a public sale and sell the same and divide the proceeds equally.

It is mutually agreed and understood that in case of the death of either party concerned, this contract is thereby terminated, and the interests shall be divided by the executors, administrators, or assigns of the deceased and the said party of the other part, as provided for in case of voluntary termination.

Sale of Property: The said party of the First Part reserves the right to terminate this contract in case of sale of the premises, or for other unforeseen causes, at which time sixty (60) days written notice will be given, and also a reasonable time for the disposition and termination of the interests of the parties hereto, but at no time shall such time extend beyond the first day of March following the notice of such dissolution of this partnership agreement, at which time the party of the Second Part is to give immediate and peaceable possession of the premises and appurtenances belonging thereto, but the said party of the Second Part is to be allowed

a reasonable pay for the labor and his share of the crops that he is not allowed to retain and complete by the terms of sale.

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(Additional agreements may be written here)
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IN WITNESS WHEREOF, We have hereunto, and to a duplicate copy hereof, set our hands and seals the day and year first above written.

.....(SEAL)
.....(SEAL)
.....(SEAL)
.....(SEAL)