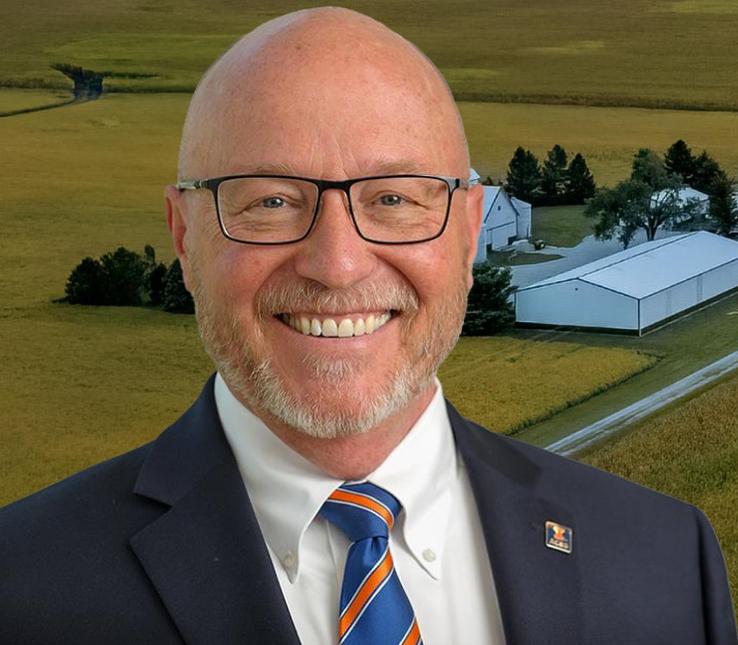


# Illinois Farmland Leases

## What You Need to Know for 2024



**Paul Stoddard**

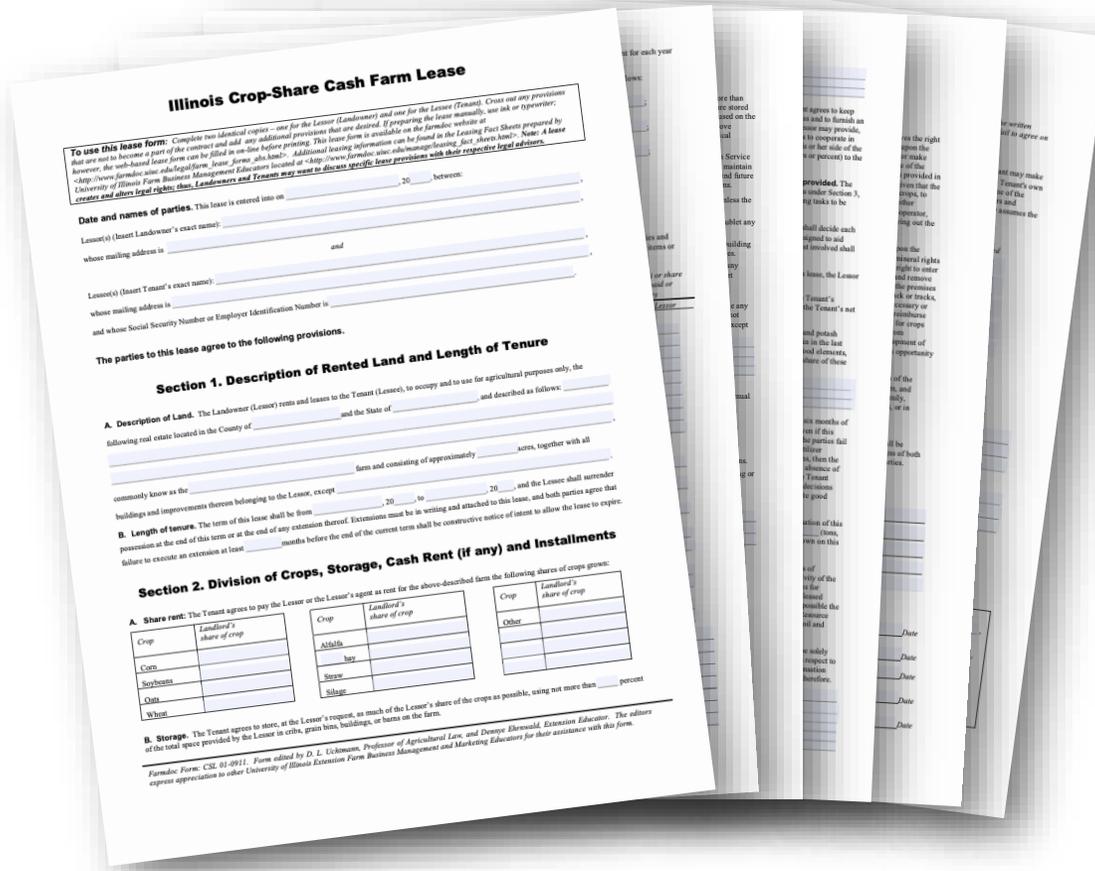


**Megan Dwyer, CCA**



**Nick Paulson**

# Outline



## Part 1

Overview and trends in Illinois farmland leases



## Part 2

Conservation addendums

# Part 1: Overview and Trends in Illinois Farmland Leases

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[Read more](#)

**Amendments and Extensions to the Lease**  
(Must be completed manually/cannot be completed on-line)

Amendments, alterations, and extensions to this lease may be made in writing in the space below at any time by mutual agreement. The written amendments should be noted on both the Landlord's and Tenant's copies of the lease (complete and sign two identical copies). If the parties fail to agree on a proposed alteration, the existing provisions of the lease shall control operations.

**A. Improvements made by the Tenant at the Tenant's own expense.** When the Lessor and Tenant agree that the Tenant may make improvements on the leased premises, the Lessor and Tenant shall agree in writing on the nature and extent of such improvements, the time for completion, and the method of payment therefor.

**Section 6. Default, Possession, Landlord's Lien, Right of Entry, Mineral Rights, Liability, Extent of Agreement**

The Lessor and Tenant agree to the following provisions. (Strike out any not desired.)

**A. Termination upon default.** If either party fails to carry out substantially the terms of this lease in due and proper time, the lease may be terminated by the other party by serving a written notice citing the instance(s) of default and specifying a termination date of \_\_\_\_\_.

**D. Landowner's right of entry.** The Lessor reserves the right personally or by agents, employees, or assigns to enter upon the premises at any reasonable time to view them, to work or make repairs or improvements thereon, to care for and dispose of the same, and to do any other thing necessary or proper to the management of the premises.

**C. Management participation.** Within the general framework of the cost-sharing agreed to in Section 3, and the limits on land-use in Clause A above, Lessor and Tenant elect to share the general management and operating decisions as specified in Option \_\_\_\_\_ below. All unspecified decision-making, including the day-to-day implementation and execution of mutually agreed upon operating and maintenance plans, shall be the Tenant's responsibility.

**E. Financial and production records.** The Tenant agrees to keep financial and production records of the farm business and to furnish an annual report to the Lessor, on such forms as the Lessor may provide, on or before \_\_\_\_\_. The Lessor agrees to cooperate in such record-keeping by providing information on his or her side of the farm business and by contributing \_\_\_\_\_ (dollars or percent) to the cost of such record-keeping.

Option J. The Lessor is hereby authorized to materially \_\_\_\_\_

**Section 4. Tenant's Duties in Operating Farm**

The Tenant further agrees to perform and carry out the stipulations below. (Strike out any not desired.)

**A. Activities required:**

- To cultivate the farm faithfully and in a timely, thorough, and businesslike manner.
- To prevent noxious weeds from going to seed on said premises and to destroy the same and keep the weeds and grass cut.
- To haul and spread all manure on appropriate fields at times \_\_\_\_\_
- No chemicals will be stored on the property for more than one year. When chemicals or petroleum products are stored on the farm, they will be only those planned to be used on the farm and they will be in closed, tight containers above ground and clearly marked. No chemicals or chemical containers will be disposed of on the property.
- To generally follow Natural Resource Conservation Service and Farm Service Agency recommendations and to maintain \_\_\_\_\_

**C. Cash Rent and Installments:** The Tenant agrees to pay to the Landlord's Agent, in addition to the share of crops in Clause A, cash rent for each year of this lease in the amount determined by the following.

	Cash Rent	
	Per acre	Total
Rotation hay and pasture	_____	XXXXXX
Permanent pasture	_____	_____
Farmstead	XXXXXX	_____
Buildings	XXXXXX	_____
Crop for silage	_____	_____
Supplemental cash rent (if any)	_____	_____
<b>Total Cash Rent</b>	_____	_____

The Tenant agrees to pay any cash rent in installments as follows:

Amount	On or before
_____	_____
_____	_____
_____	_____

**Illinois Crop-Share Cash Farm Lease**

**To use this lease form:** Complete two identical copies – one for the Lessor (Landowner) and one for the Lessee (Tenant). Cross out any provisions that are not to become a part of the contract and add any additional provisions that are desired. If preparing the lease manually, use ink or typewriter; however, the web-based lease form can be filled in on-line before printing. This lease form is available on the farmdoc website at <http://www.farmdoc.illinois.edu/legal/farm\_lease\_form\_ahs.html>. Additional leasing information can be found in the Leasing Fact Sheets prepared by the University of Illinois Farm Business Management Educators located at <http://www.farmdoc.illinois.edu/management/leasing\_fact\_sheets.html>. Note: A lease creates and alters legal rights; thus, Landowners and Tenants may want to discuss specific lease provisions with their respective legal advisors.

**Date and names of parties.** This lease is entered into on \_\_\_\_\_, 20\_\_\_\_, between:

Lessor(s) (Insert Landowner's exact name): \_\_\_\_\_  
whose mailing address is \_\_\_\_\_ and \_\_\_\_\_

Lessee(s) (Insert Tenant's exact name): \_\_\_\_\_  
whose mailing address is \_\_\_\_\_  
and whose Social Security Number or Employer Identification Number is \_\_\_\_\_

**The parties to this lease agree to the following provisions.**

**Section 1. Description of Rented Land and Length of Tenure**

**A. Description of Land.** The Landowner (Lessor) rents and leases to the Tenant (Lessee), to occupy and to use for agricultural purposes only, the following real estate located in the County of \_\_\_\_\_ and the State of \_\_\_\_\_ and described as follows: \_\_\_\_\_

# Farmland Leased in Illinois

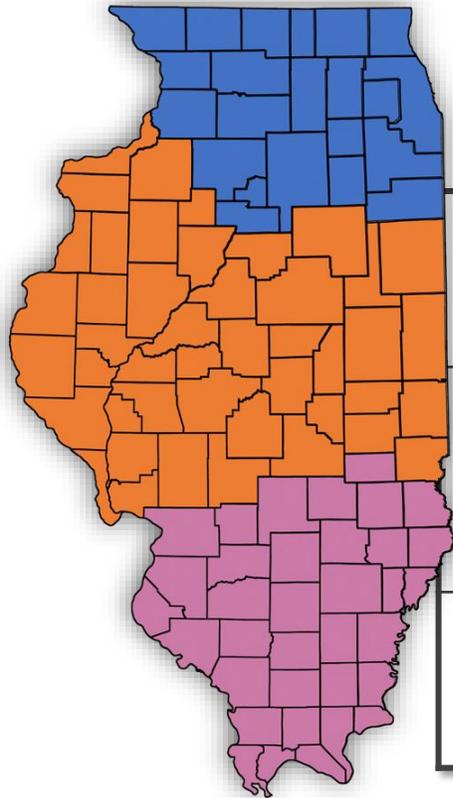
In Illinois,  
**50% of farmland  
 is rented**

ERS, 2016

Illinois has  
 largest rented  
 percent in U.S.

- Indiana, 45%
- Iowa, 41%
- Ohio, 37%

Larger grain farms tend to rent more  
 Tenure on grain farms in FBFM, 2022



	Northern	Central Low	Central High	Southern
Owned	18%	19%	15%	26%
Share-rent	18%	33%	39%	34%
Cash-rent	64%	48%	46%	40%

# Leasing Basics

Written lease is **best** (although many leases are not)

If not a written lease and landowner wants to terminate lease, must provide notice by **October 31**, specification in written lease will supersede the October 31 deadline

Most leases are one-year leases, or year-to-year leases

Rare to have a lease over 2 or 3 years

# Lease types

## Cash rent

Farmer pays landowner for right to farmland, **farmer receives all revenue and pays all expenses**, except land costs (property tax)

## Share rent

**Share in revenue** (crop revenue and government programs) **and direct costs** (seed, fertilizer, pesticides, drying, storage, crop insurance)

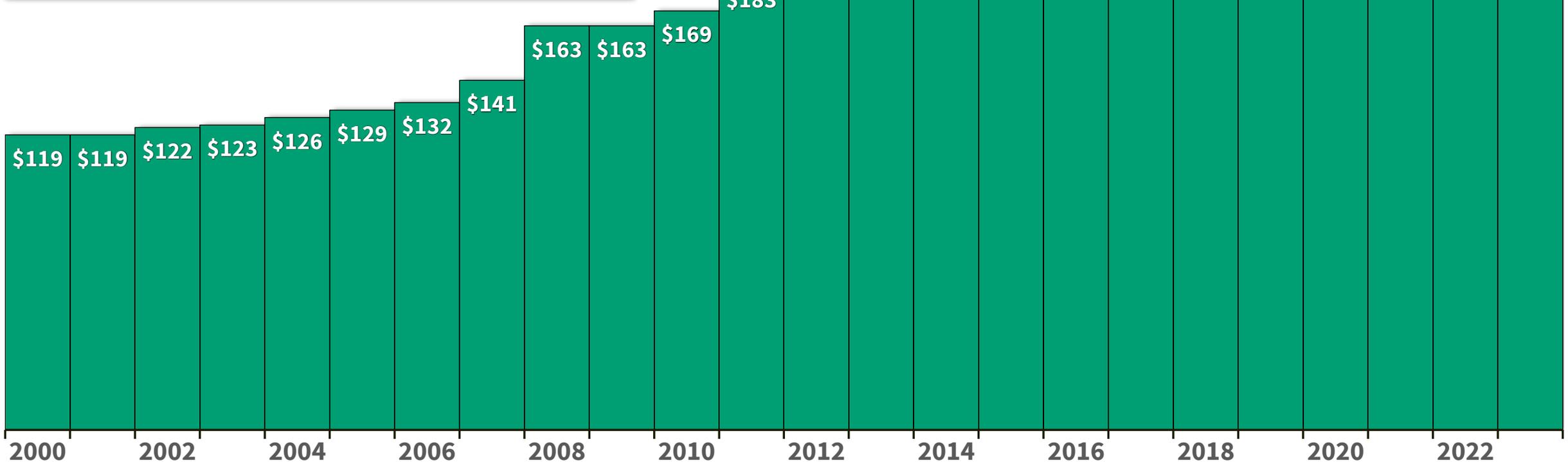
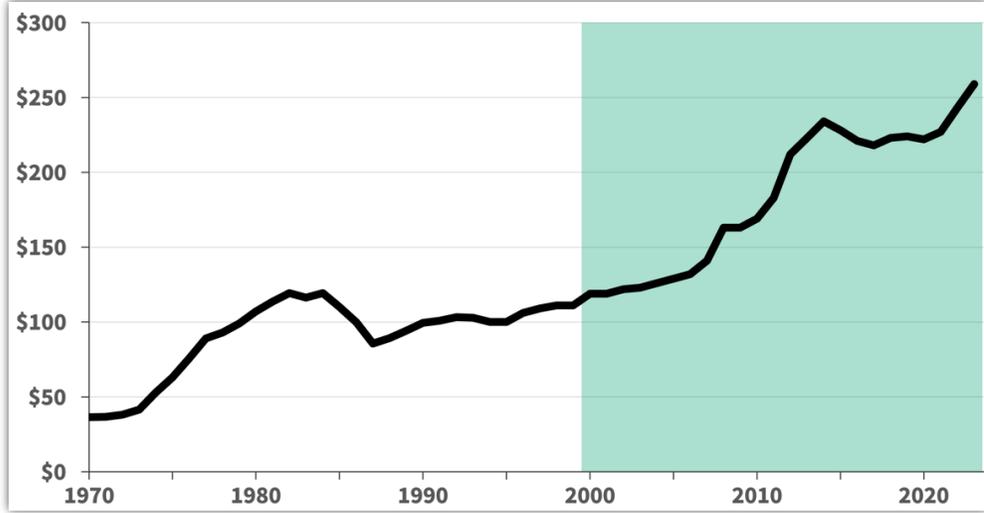
## Variable cash rent

Cash rent **varies with crop revenue**

## Custom farming

Landowner pays for field operations, bears all costs, receives all revenue

# Average Cash Rent in Illinois, 1970 to 2023 (USDA-NASS)



2000

2002

2004

2006

2008

2010

2012

2014

2016

2018

2020

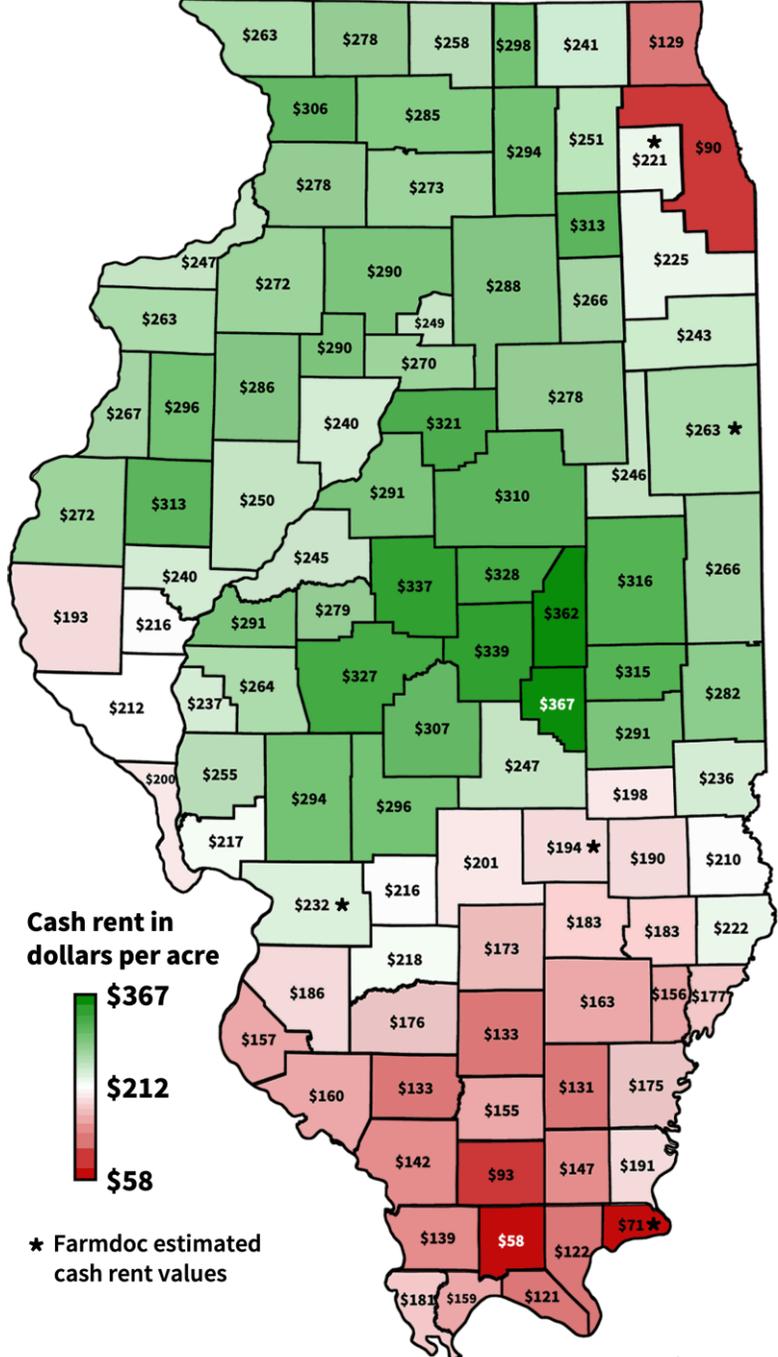
2022

# County Cash Rents

## 2023 Average County Cash Rents USDA-NASS

Most rents **increased moderately**  
compared with 2022

**\$360+** in Piatt and Moultrie  
**\$58** in Johnson



# Corn and Soybeans

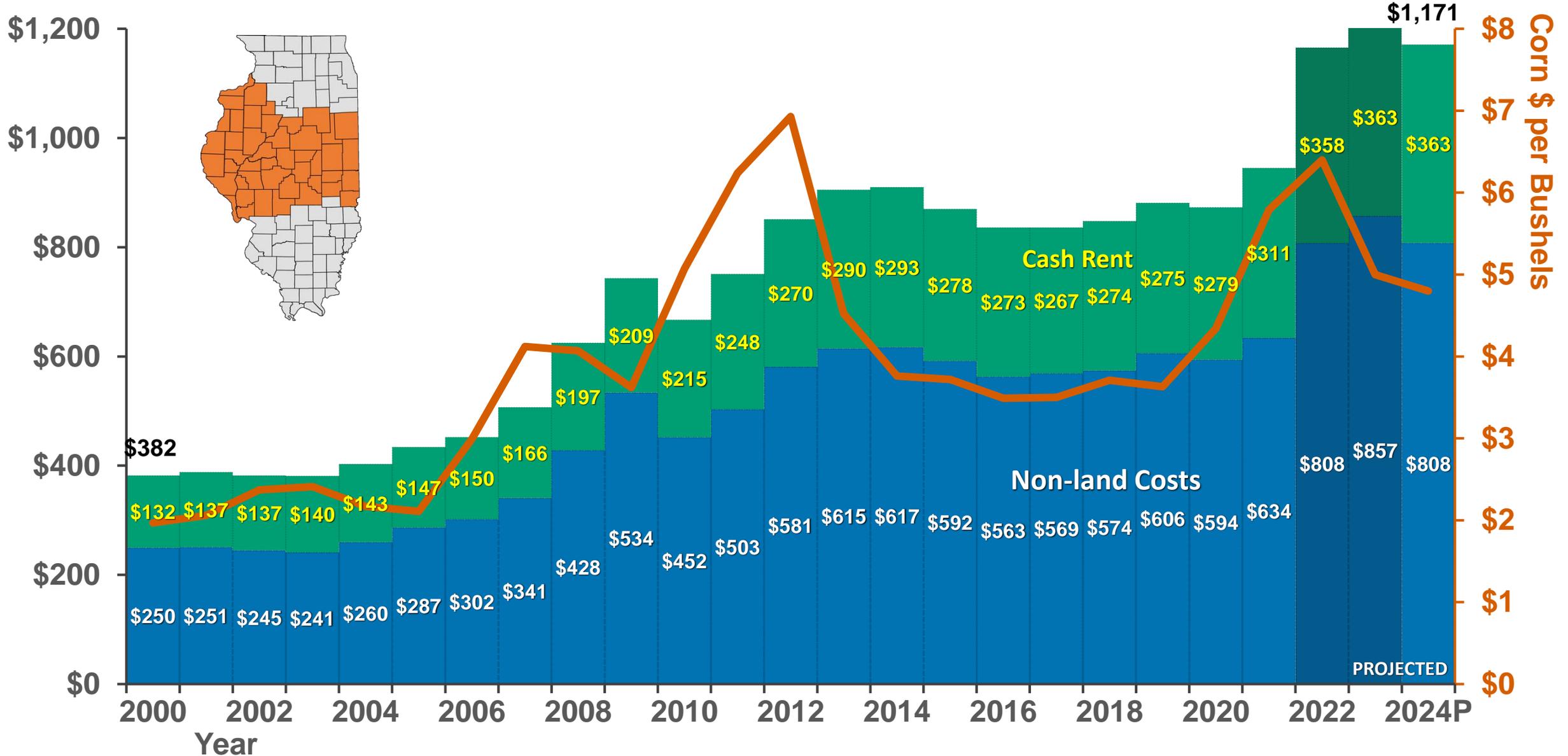
## Central Illinois, High-Productivity

- Excellent returns and farm incomes from 2020-2022
- Rising production costs
- Some moderating of costs expected for 2024
- But lower prices also expected for 2024
- Potential return to lower, 2014-2019 return levels
- Cost adjustments needed

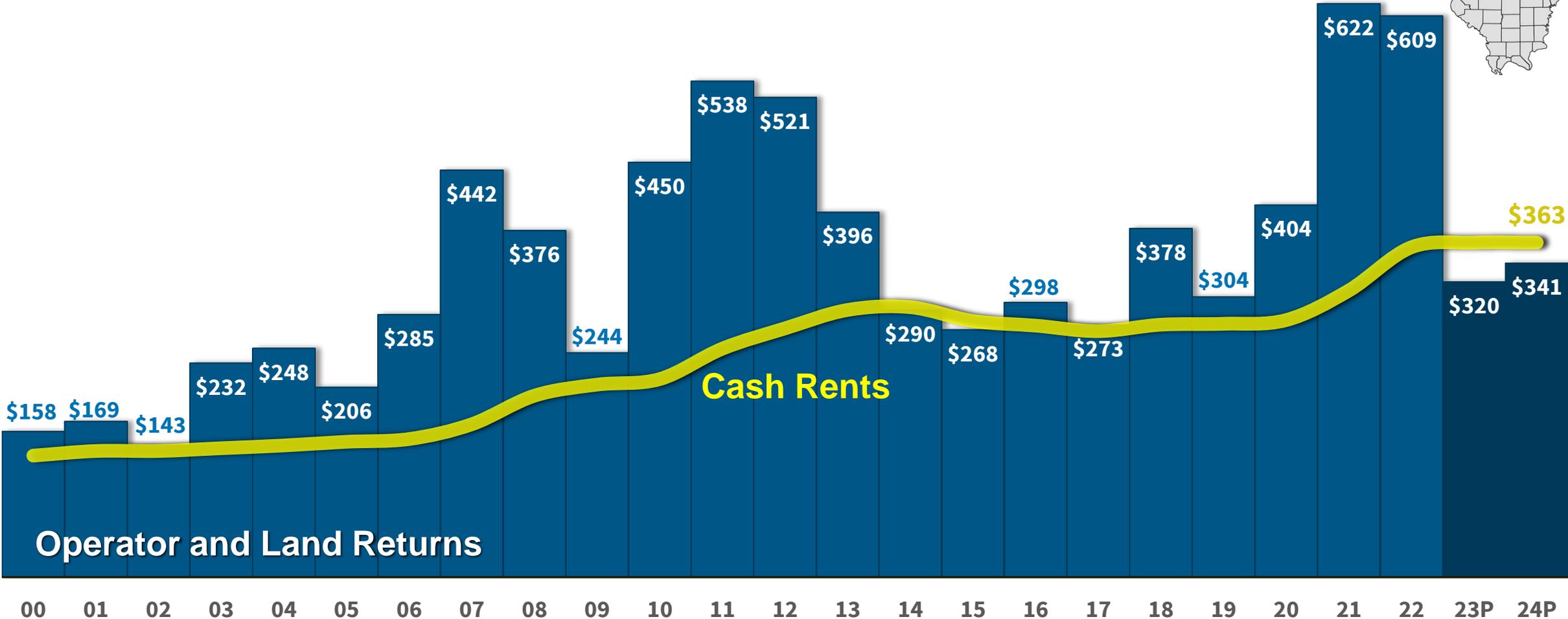


	Corn			Soybeans		
	2022	2023P	2024P	2022	2023P	2024P
Yield per acre	235	222	227	71	69	72
Price per bu	\$6.40	\$5.00	\$4.80	\$14.00	\$13.30	\$12.80
LDP per bu						
	\$/acre	\$/acre	\$/acre	\$/acre	\$/acre	\$/acre
Crop revenue	\$1,504	\$1,110	\$1,090	\$994	\$918	\$922
ARC/PLC	0	0	0	0	0	0
Ad hoc Federal payments	0	0	0	0	0	0
Crop insurance proceeds	2	10	0	4	0	0
<b>Gross revenue</b>	<b>\$1,506</b>	<b>\$1,120</b>	<b>\$1,090</b>	<b>\$998</b>	<b>\$918</b>	<b>\$922</b>
Fertilizers	240	250	180	71	95	73
Pesticides	128	136	140	77	88	74
Seed	117	126	126	74	80	80
Drying	26	20	34	0	2	4
Storage	8	8	8	4	4	4
Crop insurance	39	39	39	26	26	26
<b>Total direct costs</b>	<b>\$558</b>	<b>\$579</b>	<b>\$527</b>	<b>\$252</b>	<b>\$295</b>	<b>\$261</b>
Machine hire/lease	20	22	24	17	19	19
Utilities	7	8	9	6	7	8
Machine repair	39	42	45	34	37	40
Fuel and oil	28	34	20	24	26	26
Light vehicle	2	2	2	2	2	2
Mach. depreciation	71	79	79	66	70	70
<b>Total power costs</b>	<b>\$167</b>	<b>\$187</b>	<b>\$179</b>	<b>\$149</b>	<b>\$161</b>	<b>\$165</b>
Hired labor	22	24	26	21	22	23
Building repair and rent	6	7	8	5	6	7
Building depreciation	14	15	17	12	13	14
Insurance	12	13	14	12	13	14
Misc	11	12	13	11	12	13
Interest (non-land)	18	20	24	16	18	20
<b>Total overhead costs</b>	<b>\$83</b>	<b>\$91</b>	<b>\$102</b>	<b>\$77</b>	<b>\$84</b>	<b>\$91</b>
<b>Total non-land costs</b>	<b>\$808</b>	<b>\$857</b>	<b>\$808</b>	<b>\$478</b>	<b>\$540</b>	<b>\$517</b>
<b>Operator and land return</b>	<b>\$698</b>	<b>\$263</b>	<b>\$282</b>	<b>\$520</b>	<b>\$378</b>	<b>\$405</b>
Land costs (cash rent)	358	363	363	358	363	363
<b>Farmer return</b>	<b>\$340</b>	<b>-\$100</b>	<b>-\$81</b>	<b>\$162</b>	<b>\$15</b>	<b>\$42</b>

# Total Costs of Producing Corn for Central Illinois in \$ per acre

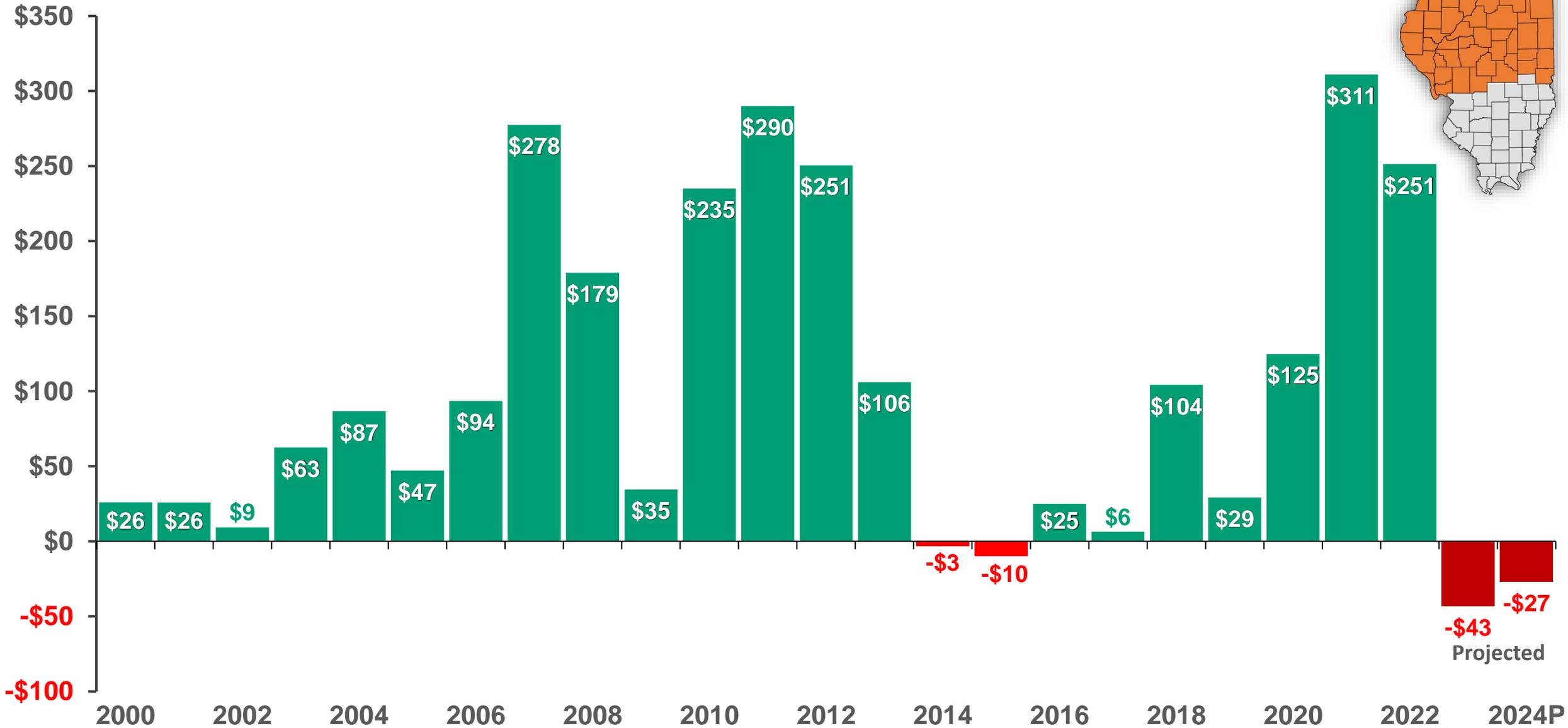


# Operator and Land Returns and Cash Rents, High-Productivity Farmland in Central Illinois, 2000 to 2024P



# Farm Returns in Dollars per Acre, 2000 to 2024P

## for Central Illinois on High-Productivity Farmland



Projected

# Cash Rents and Soil Productivity Index (SPI) in Illinois

Land Class	SPI	Average Corn Yield	Average Rent		ISPFMRA Rents		
			2022	2023	2022	2023	2024P
Excellent	133-147	213	\$314	\$332	\$369	\$402	\$395
Good	117-132	206	\$263	\$285	\$322	\$335	\$330
Average	100-116	192	\$211	\$225	\$275	\$268	\$263
Fair	<100	174	\$146	\$153	\$240	\$213	\$210

## ISPFMRA Rents tend to:

- Be higher than USDA and FBFM Averages
- Represent recently negotiated rents
- Adjust more quickly to changing returns



**Illinois Society**

of Professional Farm Managers & Rural Appraisers

# Share Rent Lease

Landowner and tenant share in input costs and revenue

Landowner pays property tax, maintenance/improvements

Farmer provides labor, machinery



# Share Rent Lease

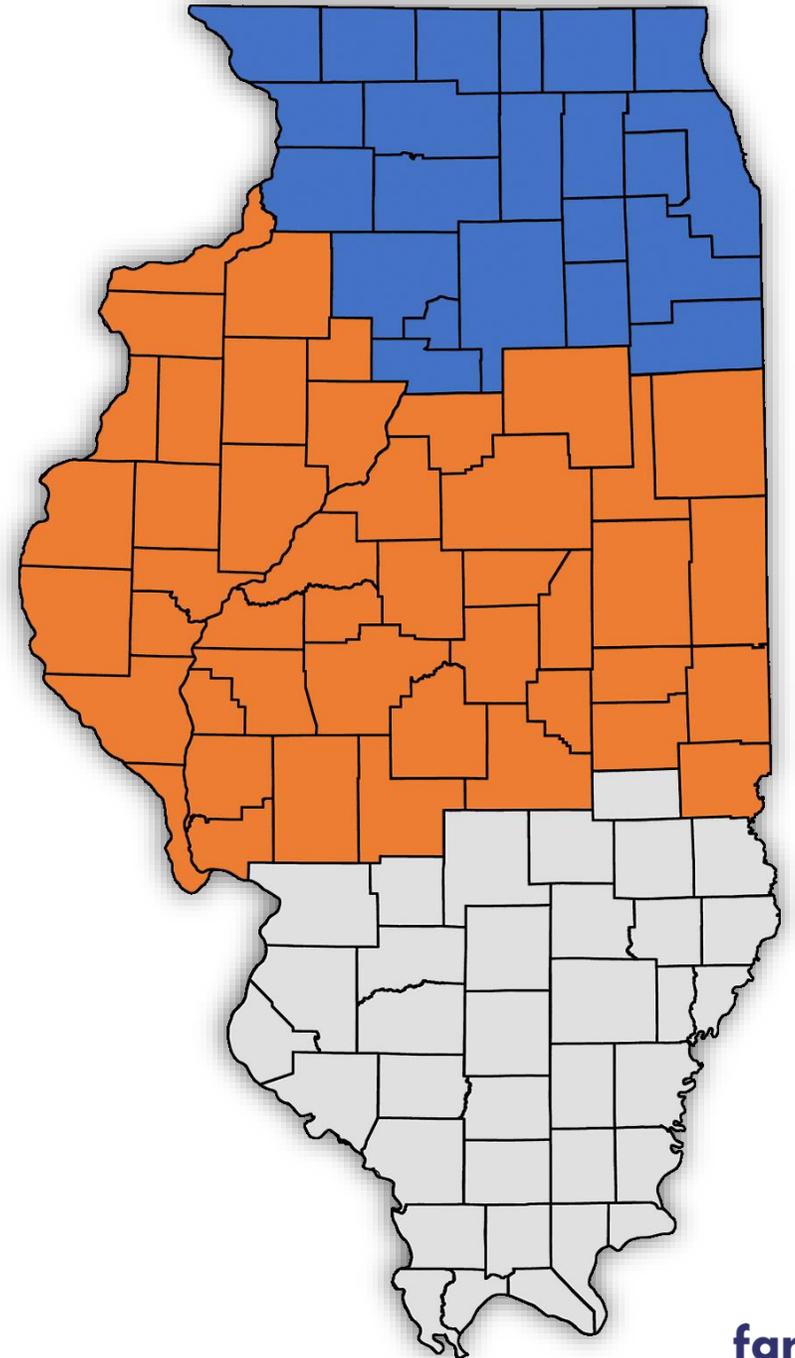
## Northern/central Illinois

50/50 common,  
landowner gets

50% of the grain

and

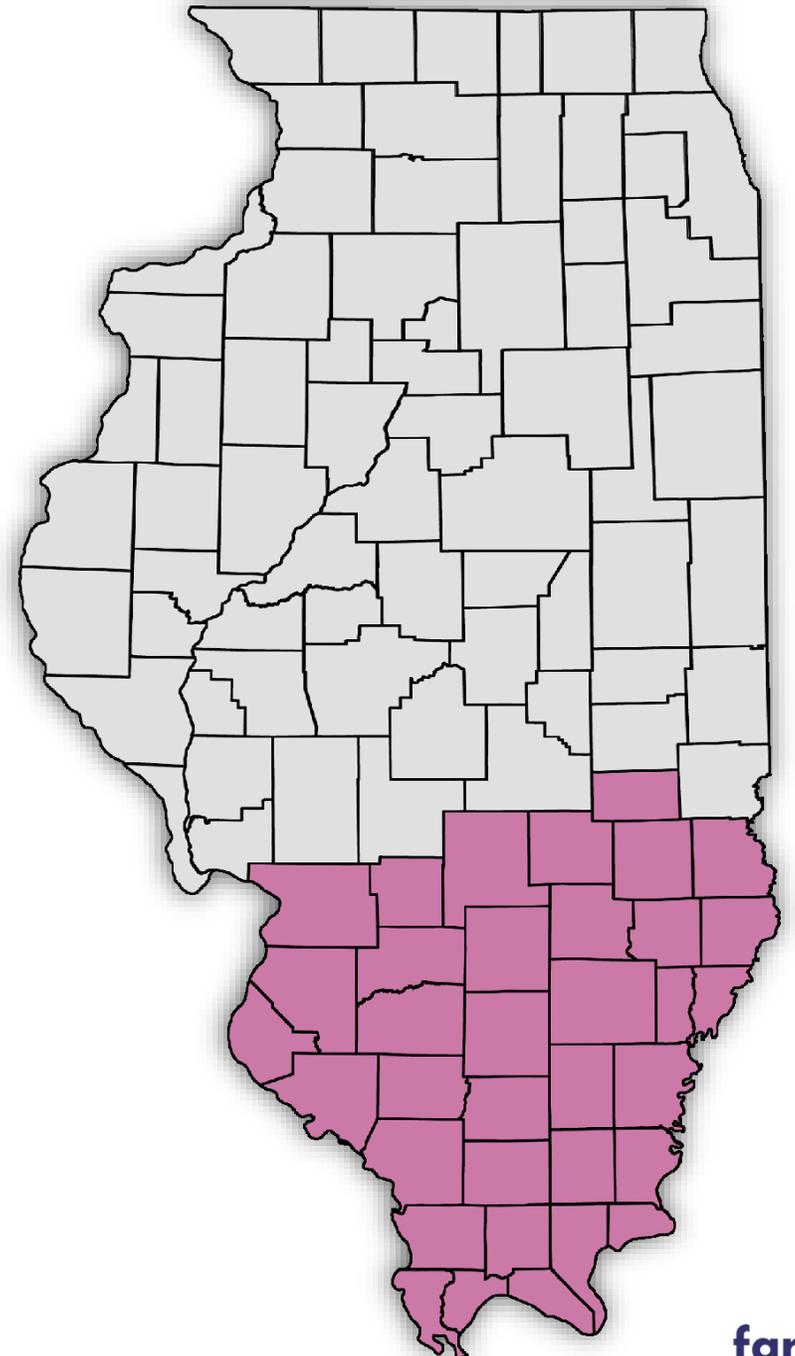
pays 50% of crop costs



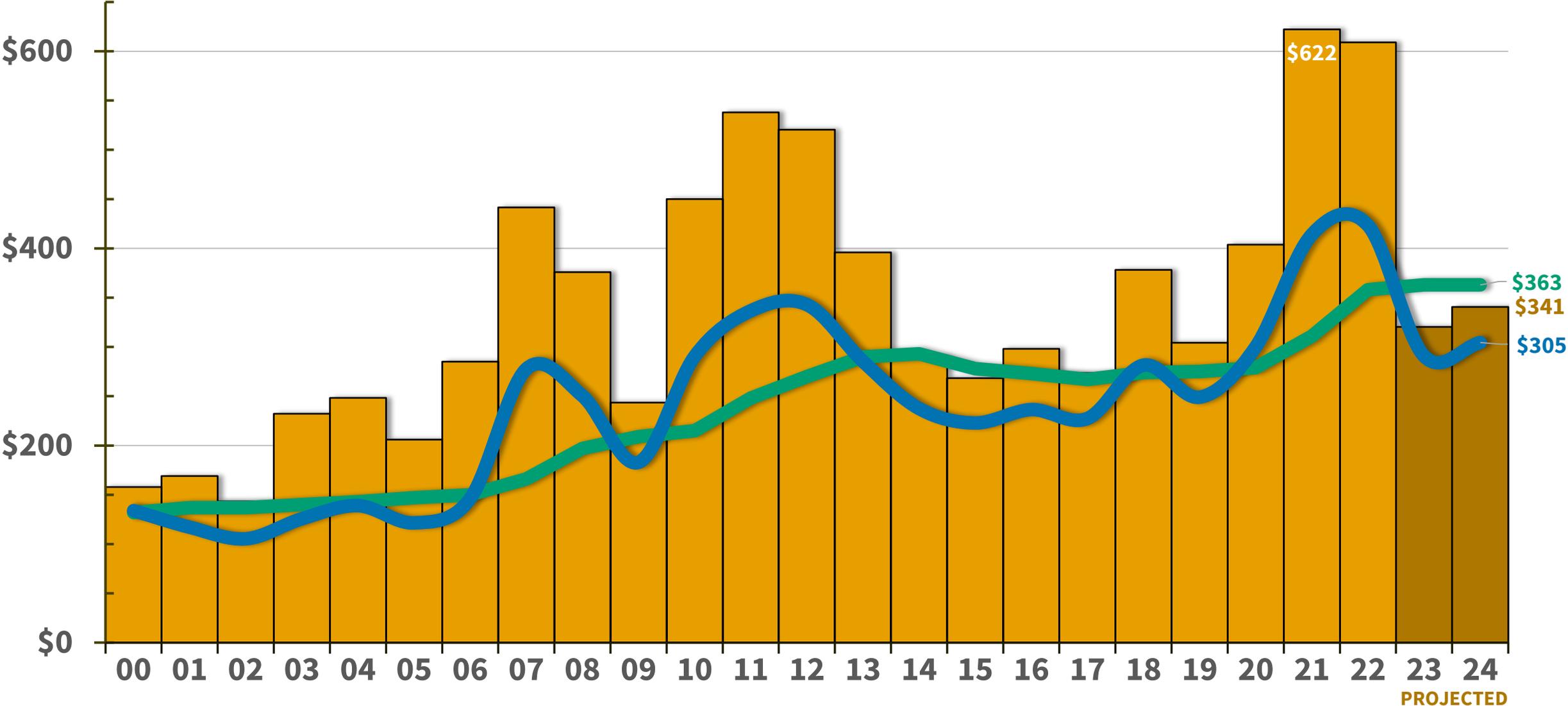
# Share Rent Lease

## Southern Illinois (more variable terms)

- 2/3 to farmer,  
1/3 to landowner,  
farmer pays all seed costs
- 50/50
- 60 farmer / 40 landowner

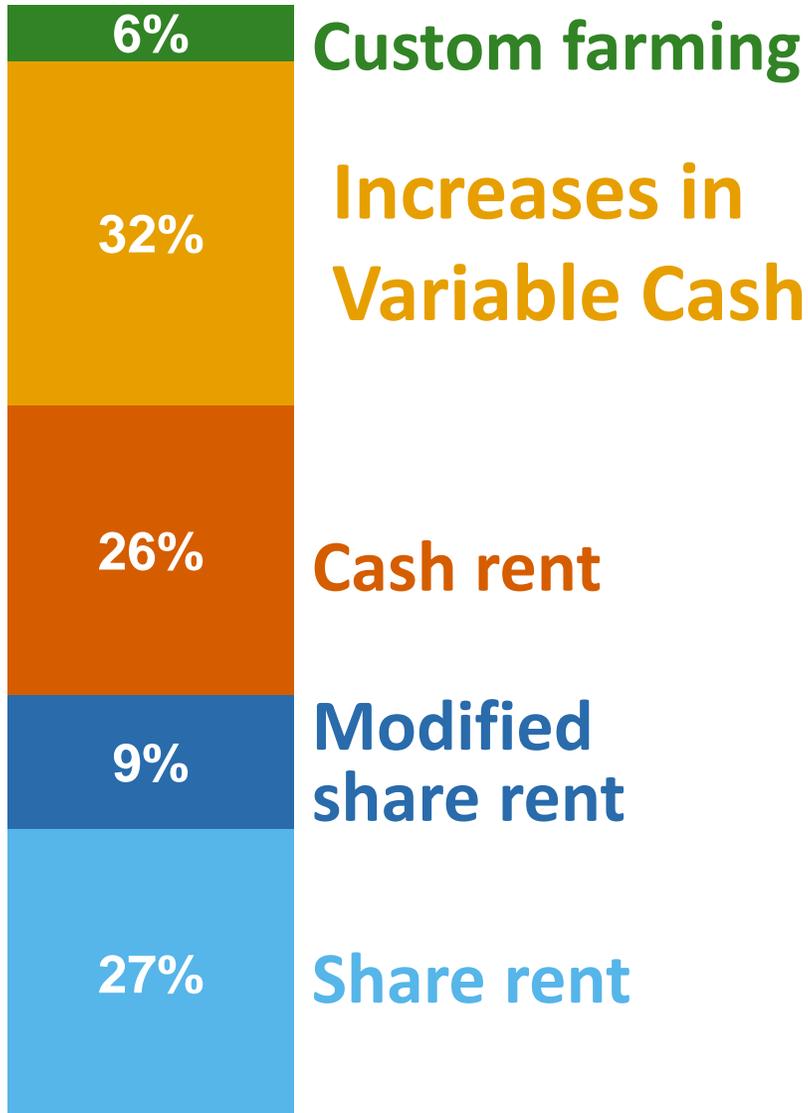


# Operator and Land Returns, Share Rent, and Cash Rent High-Productivity Farmland in Central Illinois, 2000 to 2024P



PROJECTED

# Lease types used by professional farm managers



Custom farming

Increases in  
Variable Cash Rent

Cash rent

Modified  
share rent

Share rent



Shifts away  
from **share rents**  
to **cash rents**

# Variable Cash Rental Arrangements

**Table 1. Expected 2023 Yields, Average 2021 Cash Rents, and Equivalent Rent Factors by Region of Illinois**

Region	Expected 2023 Yields		2021 Average Cash Rent	Equivalent Rent Factors <sup>1</sup>	
	Corn	Soybeans		Corn	Soybeans
North	217	65	298	31%	42%
Central - High	227	72	336	32%	43%
Central - Low	211	64	277	34%	46%
South	187	58	226	24%	31%

<sup>1</sup> Application of this rent factor to crop revenue causes a variable cash rent to equal the average cash rent from 2000 to 2021.

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**ILLINOIS**

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## Weekly Farm Economics

### A Straight-Forward Variable Cash Lease with Revised Parameters

Gary Schnitkey, Nick Paulson, Krista Swanson, Jonathan Coppess, and Jim Baltz

Department of Agricultural and Consumer Economics

University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics

Ohio State University

September 20, 2022

farmdoc daily (12):145

[farmdocdaily.illinois.edu/2022/09/a-straight-forward-variable-cash-lease-with-revised-parameters.html](https://farmdocdaily.illinois.edu/2022/09/a-straight-forward-variable-cash-lease-with-revised-parameters.html)

**Table 2. Calculation of a Rent from a Variable Cash Rent Based on Crop Revenue**

#### Panel A. Factors Agreed on in Rental Arrangement<sup>1</sup>

Minimum Rent	<u>\$240</u>
Maximum Rent	<u>\$430</u>
Rent Factor - Corn	<u>32%</u>
Rent Factor - Soybeans	<u>43%</u>
Percent Acres in Corn	<u>50%</u>
Percent Acres in Soybeans	<u>50%</u>

#### Panel B. Calculation of Rent After Yields and Prices are Known<sup>2</sup>

	Farm Yield		Market Price	=	Crop Revenue	x	Rent Factor	x	Percent of Acres	=	Rent
Corn	<u>227</u>	x	<u>\$5.50</u>	=	<u>\$1,249</u>	x	<u>32%</u>	x	<u>50%</u>	=	<u>\$200</u>
Soybeans	<u>72</u>	x	<u>\$13.00</u>	=	<u>\$936</u>	x	<u>43%</u>	x	<u>50%</u>	=	<u>\$201</u>
											Rent Calculation (sum of corn and soybeans) <u>\$401</u>
											<b>Cash Rent<sup>3</sup></b> <u>\$401</u>

<sup>1</sup> These factors need to be agreed upon when a variable cash rent is entered.

<sup>2</sup> Farm yields and market prices allow the calculation of the cash rent.

<sup>3</sup> The cash rent equals the rent calculation when the rent calculation results in a value between the minimum and maximum rent. The Cash rent equals the minimum cash rent when the rent calculation is less than the minimum. The cash rent equals the maximum cash rent when the rent calculation is above the maximum rent.

**farmdocDAILY**

# Negotiated Items of a Variable Lease

Minimum and Maximum cash rent

Rent is a percent of crop revenue:  
rent factor times crop revenue

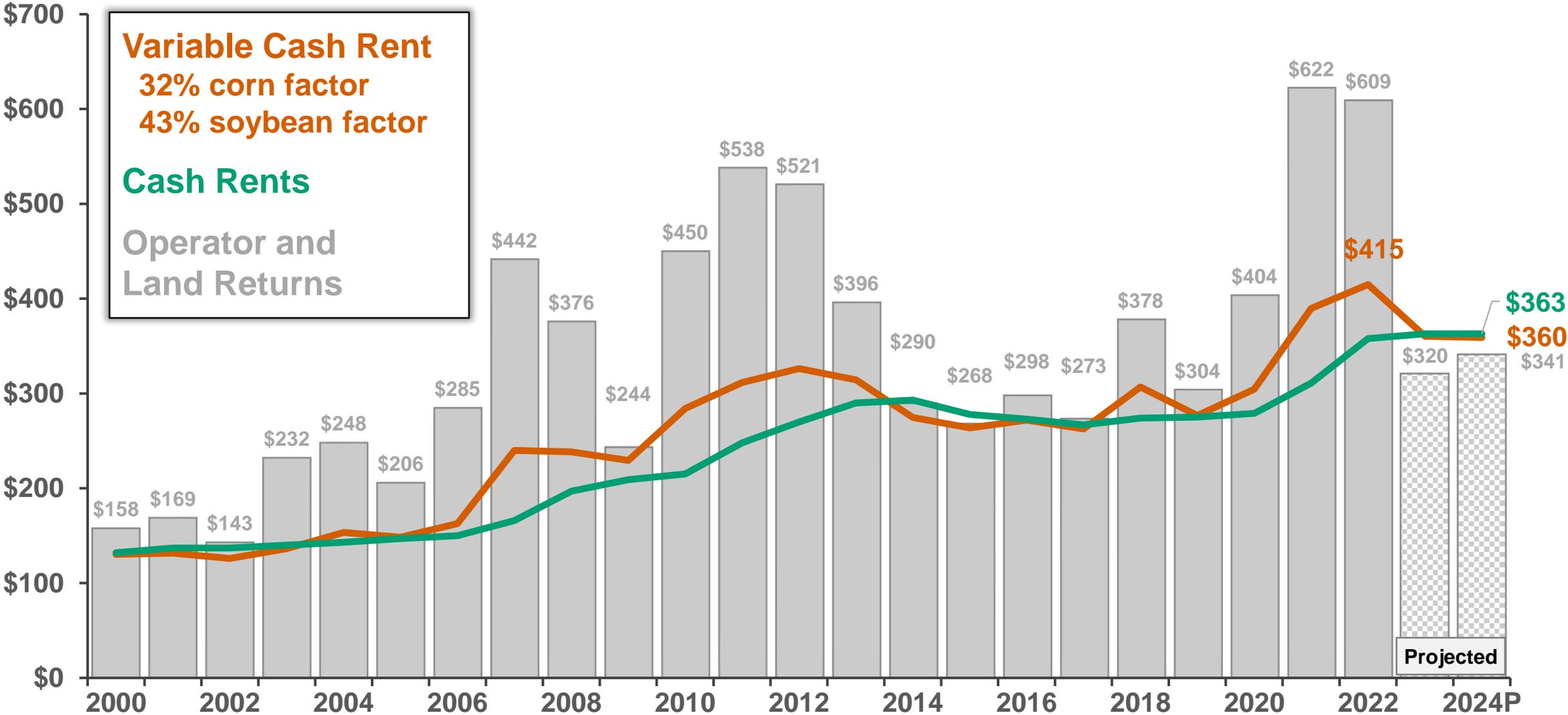
Crop revenue = farm yield X market price

Market price is an average of quotes of an agreed upon delivery point

Example: Quote every Wednesday from XYZ elevator from March to October



# Operator and Land Returns, **Cash Rents**, **Variable Cash Rent** **50-50 Corn-Soy Rotation, High-Productivity Farmland, Central Illinois**



# Custom farming

- Landowner pays a flat fee for all field operations
- Landowner buys all inputs and markets all grain
- High management/High risk for landowner
- Smallest share of lease arrangements in practice



# Farm Lease: Contract

ILLINOIS

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Agricultural Law

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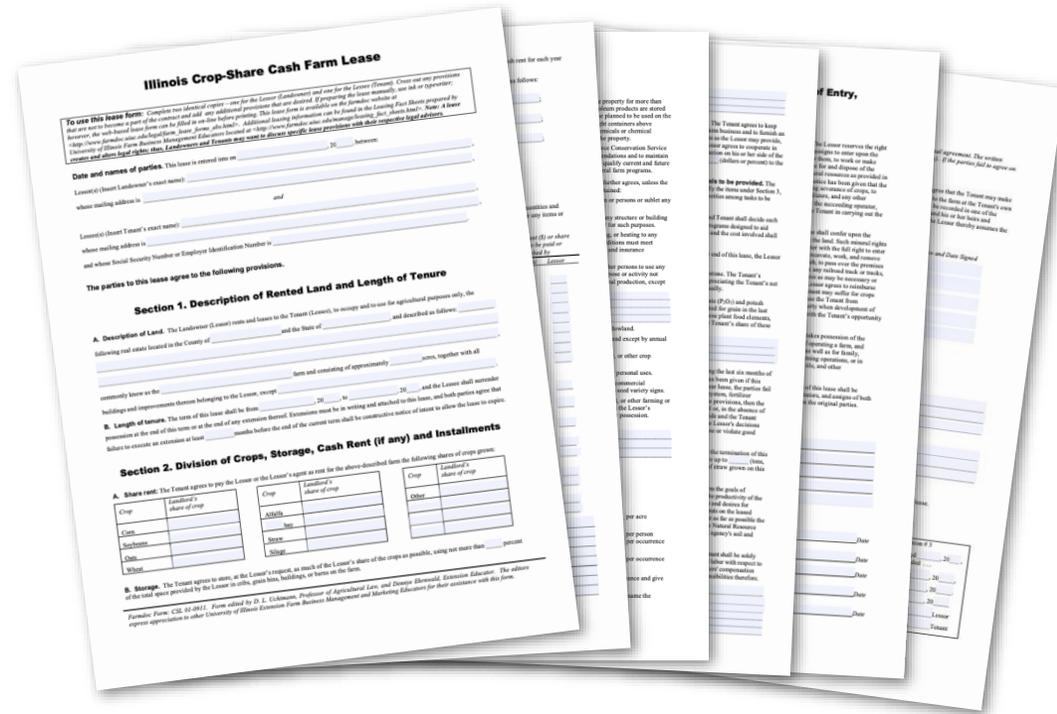
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[farmdoc.illinois.edu/agricultural-law](http://farmdoc.illinois.edu/agricultural-law)

October 31 is "Notice" Deadline for Many Farm Leases

June 1, 2006



**General fillable pdf; also template for discussion and negotiation between landlord and tenant.**

If an addendum is to be added, suggest adding to lease (section 7): "Incorporation by Reference: All exhibits and addenda attached hereto are hereby incorporated into this Lease and a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control."

**farmdoc**

An aerial photograph of a vast, calm body of water, possibly a reservoir or a large pond, under a heavy, overcast sky with dark, brooding clouds. A narrow dirt road or path runs along the right side of the water, leading towards a small cluster of white buildings in the distance. The water's surface is slightly rippled, and the overall tone is somewhat somber due to the weather.

# Part 2: Conservation Addendums

## Options for Leasing



**ILCORN**  
[WWW.ILCORN.ORG](http://WWW.ILCORN.ORG)



**Megan Dwyer, CCA**

Director of Conservation & Nutrient Stewardship

# OUR PRIORITIES



**Ethanol**



**Waterways/Locks and Dams**



**Water Quality, Soil Health, Changing Climate**



**Legislation**



**Exports**



**Education & Communication**

# Note on Conservation Policy: Compliance



Highly Erodible Lands  
(plan for control).

1985 Farm Bill creates;  
crop insurance eligibility included.



Wetlands  
(drain or plant).

Compliance for crop insurance eligibility removed  
in 1996 Farm Bill; 2014 Farm Bill reattaches to  
premium subsidy on forward-looking basis.

## Agricultural Law

[farmdoc.illinois.edu/agricultural-law](http://farmdoc.illinois.edu/agricultural-law)

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[read more](#)**Soil Health and Conservation Addendum – PDF**

September 26, 2019

This addendum can be used for either the Illinois Fixed Cash Lease Form or Illinois Crop-Share Farm Lease, or any other lease.

[read more](#)

**Addendum  
to normal  
leases**

# Nutrient Management Addendum

Addresses issues with how the farmer/tenant applies fertilizer to the leased farm fields and manages soil fertility.

## NUTRIENT MANAGEMENT ADDENDUM: ILLINOIS FARM LEASE

**To use this addendum for your lease form:** Complete two identical copies of this form (one for owner/lessor and one for tenant/lessee). Fill in the items below as applicable. This addendum can be used for either the Illinois Fixed Cash Lease Form [<https://farmdoc.illinois.edu/publications/fixed-cash-rent-lease-form-short-form-pdf>] or Illinois Crop-Share Farm Lease [<https://farmdoc.illinois.edu/publications/crop-share-lease-form-pdf>], or any other lease; it can be attached directly to the lease or sent separately from the lease. In section 7 of the Illinois Cash Lease Form, write in the following:

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THIS ADDENDUM FOR NUTRIENT MANAGEMENT ("Addendum") is entered into on this date, \_\_\_\_\_, by and between \_\_\_\_\_ ("Lessee-Tenant") and \_\_\_\_\_ ("Lessor-Owner") to be incorporated by reference to the lease for farmland dated \_\_\_\_\_ by and between the same parties.

### A. Recitals:

1. Lessee-Tenant and Lessor-Owner have entered into a certain lease for farmland;
2. The parties hereby agree to the additional terms contained in this Addendum for the purposes of nutrient management on the farmland; and
3. For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.

### B. Lessee-Tenant agrees:

1. That nutrient management is critical to conserving water quality and reducing nutrient losses from farmland;
2. That Lessee-Tenant is responsible for compliance with all laws, regulations, and policies related to the application of fertilizers and nutrients;
3. To adopt the following nutrient management practices for the term of the lease:

### Specific Nutrient Management Practices (optional, select only those agreed-to):

*NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.*

- All nutrient application on the farmland subject to the lease will not exceed [ ]% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: <http://cnrc.agron.iastate.edu/>.

# Nutrient Management Addendum

## Maximum Return To Nitrogen

Scientific tool recommendations

for corn nitrogen application;

application rate,

timing and method can impact

crop uptake and nutrient loss

(especially tile-drained fields).

### NUTRIENT MANAGEMENT ADDENDUM: ILLINOIS FARM LEASE

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1. That nutrient management is critical to conserving water quality and reducing nutrient losses from farmland;
2. That Lessee-Tenant is responsible for compliance with all laws, regulations, and policies related to the application of fertilizers and nutrients;
3. To adopt the following nutrient management practices for the term of the lease:

#### Specific Nutrient Management Practices (optional, select only those agreed-to):

*NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.*

All nutrient application on the farmland subject to the lease will not exceed [ ]% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: <http://cnrc.agron.iastate.edu/>.

# Nutrient Management Addendum

Efforts to reduce or avoid fall application; push for split application and timing closer to planting (post or pre); crop growth; reduce losses and better timed for plant needs.

## NUTRIENT MANAGEMENT ADDENDUM: ILLINOIS FARM LEASE

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### B. Lessee-Tenant agrees:

1. That nutrient management is critical to conserving water quality and reducing nutrient losses from farmland;
2. That Lessee-Tenant is responsible for compliance with all laws, regulations, and policies related to the application of fertilizers and nutrients;
3. To adopt the following nutrient management practices for the term of the lease:

### Specific Nutrient Management Practices (optional, select only those agreed-to):

*NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.*

All nutrient application on the farmland subject to the lease will not exceed [ ]% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: <http://cnrc.agron.iastate.edu/>.

**Specific Nutrient Management Practices (optional, select only those agreed-to):**

*NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.*

All nutrient application on the farmland subject to the lease will not exceed [\_\_]% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: <http://cnrc.agron.iastate.edu/>.

At least [\_\_\_\_]% of nitrogen fertilizer will be applied after planting.

Adopt split nitrogen application, such that not more than [\_\_\_\_]% will be applied in the fall, [\_\_\_\_]% applied before planting and [\_\_\_\_]% applied after planting.

Include the amount of nitrogen applied in the application of diammonium phosphate (DAP) or monoammonium phosphate (MAP) as part of the nitrogen plan, as follows [\_\_\_\_\_].

# How will cover crop use change in the next 5 years in Illinois?

- Increase substantially
- Increase somewhat
- Stay the same
- Decrease



# Cover Crops & Leased Acres

- **Cover crops**
  - **Environmental benefit:**  
Reduce nitrogen in drainage tiles
  - **Build up of organic matter, over time,**  
with potential yield advantages in the future
  - **Farmers need to build experience**
- **Payoffs are long-run or not accruing to farm,**  
leasing contracts are short-term

# Soil Health Addendum

Farm practices such as tillage (reduced, conservation or no-till) and cover cropping can build soil health.

## SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

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THIS ADDENDUM FOR SOIL HEALTH CONSERVATION ("Addendum") is entered into on this date, \_\_\_\_\_, by and between \_\_\_\_\_ ("Lessor-Owner") and \_\_\_\_\_ ("Lessee-Tenant") and \_\_\_\_\_ ("Lessor-Owner") to be incorporated by reference to the lease for farmland dated \_\_\_\_\_ by and between the same parties.

### A. Recitals:

1. Lessee-Tenant and Lessor-Owner have entered into a certain lease for farmland;
2. The parties hereby agree to the additional terms contained in this Addendum for the purposes of conservation and soil health on the farmland; and
3. For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.

### B. Lessee-Tenant agrees:

1. That the Lessor-Owner has communicated an interest in conserving and/or improving the soil health on the farmland subject to the lease;
2. To generally farm in a manner that is expected to conserve or improve the soil health of the farmland subject to the lease, including

### Soil Health and Conservation Generally (select the provisions agreed-to):

- |                          |                                                                                                                                                |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Compliance with pollution control and environmental requirements as required by local, state and federal agencies.                             |
| <input type="checkbox"/> | Implement water conservation and soil erosion practices to comply with the soil loss standards mandated by local, state, and federal agencies. |

# Soil Health Addendum

No-till and cover crops can add carbon, prevent erosion, improve water holding capacity, and increase soil organic matter; cover crops scavenge nitrogen, reduce losses.

## SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

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3. For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.

### B. Lessee-Tenant agrees:

1. That the Lessor-Owner has communicated an interest in conserving and/or improving the soil health on the farmland subject to the lease;
2. To generally farm in a manner that is expected to conserve or improve the soil health of the farmland subject to the lease, including

### Soil Health and Conservation Generally (select the provisions agreed-to):

- |                          |                                                                                                                                                |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Compliance with pollution control and environmental requirements as required by local, state and federal agencies.                             |
| <input type="checkbox"/> | Implement water conservation and soil erosion practices to comply with the soil loss standards mandated by local, state, and federal agencies. |

# Soil Health Addendum

Addendum provides numerous options to discuss and potentially include in the lease:

- tillage systems
- cover crops  
(winter kill or over-winter;  
termination)
- how to adjust rent or deal with  
assistance payments

## SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

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1. That the Lessor-Owner has communicated an interest in conserving and/or improving the soil health on the farmland subject to the lease;
2. To generally farm in a manner that is expected to conserve or improve the soil health of the farmland subject to the lease, including

### Soil Health and Conservation Generally (select the provisions agreed-to):

<input type="checkbox"/>	Compliance with pollution control and environmental requirements as required by local, state and federal agencies.
<input type="checkbox"/>	Implement water conservation and soil erosion practices to comply with the soil loss standards mandated by local, state, and federal agencies.

# SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

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# SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

To use this addendum, the owner/lessor and one tenant/lessee should sign for either the Illinois Farm Lease [form-short-form-pdf] or the Illinois Farm Lease [share-lease-form-pdf]. In section 7 of the lease.

*Incorporation of this addendum should be incorporated in the lease exhibits or addendum.*

*NOTE: A lease and addendum should be signed by the owner/lessor and tenant/lessee.*

## 1. General Soil Health

## 2. Tillage

## 3. Cover Crop

## 4. Other

- Maintain waterways
- Maintain terraces
- Maintain vegetative buffers
- Maintain bioreactors
- Maintain conservation structures

(one for the addendum can be used for either the Illinois Farm Lease [form-short-form-pdf] or the Illinois Farm Lease [share-lease-form-pdf], separately from the

by the owner/lessor and tenant/lessee.

owner/lessor and tenant/lessee should consult their legal advisors.

THIS ADDENDUM FOR THE ILLINOIS FARM LEASE, by and between

farmland dated

into on this date, ( ) and ( "Lessor-Owner" ) to be incorporated by reference to the lease for by and between the same parties.

**Soil Health and Conservation Generally (select the provisions agreed-to):**

Compliance with pollution control and environmental requirements as required by local, state and federal agencies.

Implement water conservation and soil erosion practices to comply with the soil loss standards mandated by local, state, and federal agencies.

To generally follow Natural Resource Conservation Service (NRCS) recommendations and guidelines for soil health, erosion control and water conservation.

To adhere to the requirements contained in any conservation plan for the farmland subject to the lease that has been approved by the Natural Resource Conservation Service (NRCS). The conservation plan is incorporated by reference herein.

**Specific Soil Health Conservation Practices (optional, select only those agreed-to):**

*NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.*

<input type="checkbox"/>	Adopt practices expected to result in [_____] % of [or sufficient] crop residue remaining on the farmland subject to the lease at the time of planting.
<input type="checkbox"/>	Adopt a one tillage pass system for the farmland subject to the lease.
<input type="checkbox"/>	Adopt no-tillage practice system for the farmland subject to the lease.
<input type="checkbox"/>	That there will be no fall tillage after harvesting soybeans from the farmland subject to the lease, except for in cases of damage due to harvest where a minimum level of tillage may be used to address such damage at the discretion of the Lessee-Tenant.
<input type="checkbox"/>	Attempt in good faith to establish and manage cover crops on the farmland subject to the lease in such manner as the Lessee-Tenant reasonably expects to benefit soil health on the farmland subject to the lease.

**Cover Crop Practices (select only those agreed-to):**

Attempt in good faith to establish one or more cover crop species in the fall that is expected to survive the winter and continue growing in the spring until terminated.

Attempt in good faith to establish one or more cover crop species in the fall that is not expected to survive winter.

Attempt in good faith to participate in a local, state, or federal program for cover crop practices and if the Lessee-Tenant receives funding, s/he is entitled to all funding received.

If payments from a local, state or federal source, or combination thereof, do not cover the full cost of the cover crop practice, the Lessee-Tenant is responsible for all costs in excess of such assistance.

# Do you think wildlife habitat such as pollinator plots will increase on Illinois farms?

- Many farms will build over the next 5-years
- Some farms will build habitat
- No change



# Conservation Habitat Addendum

- If the leased farm includes (or adds) wildlife or other habitat areas.
- Issues for discussion and inclusion: establishment, maintenance, Integrated Pest Management, etc.
- Adjustments to rent; addressing repairs or replacement issues.

**CONSERVATION HABITAT ADDENDUM: ILLINOIS FARM LEASE**

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**A. Recitals:**

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3. For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.

**B. Lessee-Tenant agrees:**

1. That the farmland subject to the lease contains one or more areas critical for wildlife habitat ("Critical Area") established by the Lessor-Owner or their representative;
2. That the following generally describes the Critical Area sufficient for the purposes of this Addendum

*General description of the Critical Area:*

1

**Optional (check all that apply):**

Mowing and related maintenance for ditches and field edges in accordance with NRCS standards for nesting season or other critical times for habitat conservation purposes.

Seeding and other maintenance measures for pollinator habitats and pursuant to NRCS standards or guidelines.

Implementation of and adherence to Integrated Pest Management Practices in accordance with NRCS standards or guidelines.

Other:

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# Thank You for joining us!

## Please submit your questions

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