



Terminating Handshake Farmland Leases



CENTER FOR AGRICULTURAL PROFITABILITY

Institute of Agriculture and Natural Resources

Jessica Groskopf
jgroskopf2@unl.edu
308-632-1230

Anastasia Meyer
ameyer71@unl.edu
402-230-7975

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A large, cylindrical haystack made of straw is the central focus in the foreground. The background shows a vast field of harvested crops, with several smaller haystacks scattered across it. The sky is filled with soft, orange and yellow clouds, suggesting a sunset or sunrise. The overall scene is rural and peaceful.

This webinar is intended to provide general information only. It is not, and must not be used as, a substitute for legal counsel.

What does Nebraska statute say?

- Lease year begins March 1
- “Notice to quit” must be given six months in advance of the end of the lease, or no later than September 1
- Rule applies regardless of the type of crop planted
 - Issues for fall-planted crops and multi-year crops

How does the termination work?

- Notice must be received by the tenant no later than September 1
- Lease terminates on the last day of February
- New tenant takes over March 1

X = Notice of Termination or Provision Changes

	24										25										26				
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
2024 TENANT	X																								
2025 TENANT													X												

Recommendations

- Either lease termination **or changing lease provisions**
- The six-month prior notice deadline for verbal leases applies to the date the **notice is received by the tenant**, not the date the notice is sent by the landowner.
- A verbal termination notice might be adequate but could be difficult to prove in court
- In writing, via Registered Mail™
 - Proof of delivery, that does not depend of the recipient actually receiving the letter
 - If you need guidance, consult your attorney
 - A copy of the written notice should also be kept

Terminating Verbal SUMMER PASTURE Lease Agreements

- The six-month notice of termination required for unwritten cropland leases is **not required for unwritten pasture leases** where the pasture lease is only for the normal pasture season, May 1 to October 1. Barnes v Davitt, 160 Neb 595 (1955).
- IF the pasture were leased a year at a time under an unwritten lease, however, the tenant would likely be entitled to six-months notice of termination.



What to include in lease termination letter

- Date Termination was Written
- Addresses for Tenant and Landowner
- Legal Description of Leased Property
- Date the of Termination

A close-up photograph of a red and gold fountain pen resting on a document. The document is titled "LEASE AGREEMENT" in bold, underlined capital letters. Below the title, the text reads "LEASE AGREEMENT made and entered into this day by and between" followed by two blank lines for names, and then " ("Owner") and" followed by another blank line, and finally " ("Tenant") whose". The pen is positioned diagonally across the top of the page, with its nib pointing towards the bottom right. The background is a light gray, and the overall image has a professional, legal feel.

Get it in writing!

LEASE AGREEMENT

LEASE AGREEMENT made and entered into this day by and between _____
 ("Owner") and _____
 ("Tenant") whose _____

What to include in a written agreement

- Names and addresses of landlord and tenant
- Legal description
- Date the lease is entered into
- Beginning and ending dates of the lease
- Rental rate or crop-share details
- Signed



More than 1-year?

- In Nebraska leases longer than one year **must be filed with the county** recorder of deeds. Otherwise, the lease is legally enforceable for only one year. The lease must be signed by the landlord and notarized.



Common Provisions...

- When & how the rent will be paid, penalties for late payments
- Who will carry insurance for property and crop
- No partnership intended
- Subleasing provisions (hunting, crop residue)
- Termination, requirements for notice
- Use of non-cropland
- Landowner rights to enter the property
- When will rate be negotiated

Other considerations

- Holdover/Carry-over clause: If the written lease does not have specific termination date, it automatically reverts back to verbal lease.
 - e.g. terminated by [date]
- Death of Tenant or Landowner
- If the tenant is helping with these landlord expenses – the rent (especially cash rent) should be adjusted
 - Controlling noxious weeds
 - Maintaining fences
 - Maintaining the irrigation system








Fillable PDF Leases – AgLease101.org

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

Ag Lease 101

Click Document Library

Lease Publications

-  [Fixed and Flexible Cash Rental Arrangements for Your Farm](#)
(NCFMEC-01)
-  [Crop Share Rental Arrangements For Your Farm](#)
(NCFMEC-02)
-  [Pasture Rental Arrangements For Your Farm](#)
(NCFMEC-03)
-  [Rental Agreements For Farm Buildings and Livestock Facilities](#)
(NCFMEC-04)
-  [Purchasing and Leasing Farm Equipment](#)
(NCFMEC-05)
-  [Beef Cow Rental Arrangements For Your Farm](#)
(NCFMEC-06)
-  [Farm Building Rental Rate Survey](#)
(NCFMEC-07)

Lease Forms

-  [Cash Farm Lease](#)
(NCFMEC-01A)
-  [Crop Share Farm Lease Cash Farm Lease Cash Farm Lease](#)
(NCFMEC-02A)
-  [Pasture Lease](#)
(NCFMEC-03A)
-  [Farm Building or Livestock Facility Lease](#)
(NCFMEC-04A)
-  [Farm Machinery Lease for Non-commercial Transactions](#)
(NCFMEC-05A)
-  [Livestock Rental Lease](#)
(NCFMEC-06A)

Lease Publications

Fillable PDF Forms

Communication is KEY



Lease Communications

- For Ag Land Leasing to be successful, communications is key!
 - This applies to the landlord and to the tenant
 - The vast majority of failed leases do so because of the lack of communications
 - Communication is key, even for written leases
- What is our attitude towards making this work?
 - Attitude will change the negotiations and dialog
- Communications should happen more often than at lease negotiation time (both landlords and tenants)!!!

Rural Response Hotline



- 800-464-0258
- Monthly clinics offer a free one-on-one confidential opportunity to meet with an experienced attorney and financial counselor who specializes in agricultural legal and financial issues.



2024 LANDLORD/TENANT CASH RENT WORKSHOP



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<https://cap.unl.edu/land25>

FINANCIAL STRATEGIES FOR EFFECTIVE AG LAND LEASING AND MANAGEMENT

Aug. 13 in Grand Island, Aug. 15 in Fremont, Aug. 20 in Nebraska City, Aug. 22 in Lincoln,
Aug. 27 in Columbus, Aug. 28 in Fairbury, Sept. 4 in Omaha

Ag Land Management Quarterly Webinar: Aug. 19 Noon CT



- <https://cap.unl.edu/webinars>
- The August webinar will cover 2024 Nebraska Farm Real Estate Survey and Report Estimates, including land values and cash rental rates, as well as a special feature report on cover crops and farmland leases. A segment on landlord and tenant communication will discuss reporting crop progress on leased land as well as terminating verbal leases ahead of the approaching deadline in Nebraska. The webinar will conclude with "Ask an Expert" section that offers viewers the change to have their questions answered directly.

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- 402-471-4876
- The **NextGen** program encourages owners of agriculture assets to rent to an eligible beginning farmer to help them get started. The owner receives the rent from the beginning farmer plus a Nebraska income tax credit. The beginning farmer benefits by securing a three-year lease and may apply for a personal property tax exemption (Beginning Farmer Tax Credit Act).





Questions