

What Makes A Good Pasture Lease Agreement?

SPRINGFIELD, MO.

Creating a good pasture lease is not easy and requires some careful thought by both parties according to Wesley Tucker, an agriculture business specialist with University of Missouri Extension.

"In general, a good lease is one in which both parties agree it is fair and both completely understand each other's expectations," said Tucker.

Most problems with a pasture lease occur when one or more parties do not fully understand what the other one expected. Tucker says whether a lease is verbal or in writing, taking the time to discuss these issues ahead of time will prevent 99 percent of the problems that will arise later.

"Writing out a lease forces you to consider what may seem like minor details now, but can become explosive issues later. Things such as who is responsible for fence repair, will the pastures be mowed, who has the right to enter the property, or can the tenant sublease the property," said Tucker.

VERBAL LEASE

Verbal leases for more than one year are usually considered invalid and unenforceable. Although verbal leases are binding on heirs, enforcing them can create many other problems.

"Having the lease written out is probably the best thing to do in most all cases," said Tucker.

If after one year the landlord and tenant agree to extend a verbal lease for a second year, then the lease becomes what is known as a year-to-year tenancy. The lease will now automatically be extended for another year at the anniversary date of the lease, unless one of the parties provides a termination notice ahead of time.

"The notice must be in writing and provided 60 days prior to the anniversary date of the lease, which is when a landlord and tenant actually made the agreement, no matter when the tenant actually took possession. The termination notice must be in writing, even though the lease may be verbal," said Tucker.

WRITTEN LEASE

The minimum requirements of a written lease are the names of both parties, a legal descrip-

tion of the property, the duration of the lease, the rental rate and payment arrangements, and signatures of both parties. However, there are several other items that should be considered.

The first is landowner entry rights. Unless agreed upon in the lease, the landowner does not have the right to enter the property.

Another item that Tucker says should be addressed in the lease is subleasing. If the lease does not state that the tenant is not allowed to sublease the property, then the tenant can sublease without the landlord's permission as long as it is for the same original purpose.

Other special agreements include fence repair and soil fertility. Agreeing on who is responsible for fences and who pays for materials ahead of time will ensure that fences are maintained and kept in working order.

"Soil fertility and lime is one of the most critical agreements in the lease. If pastures are not maintained, the productivity will decrease which hurts both the landlord and tenant. This may be a reason to establish a multi-year lease because it provides more incentive for the tenant to invest in the soil fertility," said Tucker.

Other special agreements include the use of buildings, how often pastures should be clipped, noxious weed control, and any special restrictions either party desires.

"It is in both the landlord and tenant's best interest to carefully consider all details of a lease ahead of time to prevent future disagreements. A written lease is a good way to force everyone to consider the details. Plus it creates an incentive for both parties to structure the lease so it is beneficial to both," said Tucker.

A comprehensive fill-in-the-blank pasture lease that can be a guide for a developing a lease can be obtained from the nearest University of Missouri Extension office or by going online to http://www.mwps.org/stores/mwps/files/Free/ncr_109.pdf.

For more information, contact Wesley Tucker at the MU Extension Center in Polk County, (417) 326-4916, or Dr. Gordon Carriker at the MU Extension Center in Christian County, (417) 581-3558. Δ