



1



2

# Why Lease Out Your Farm



- Lack of farming knowledge
- Farm lifestyle without the work
- Income generator
- Support farmers in the community
- Retiring from farming but have land available
- Land Use Taxation Benefits

**Virginia Cooperative Extension**  
Virginia Tech • Virginia State University

3

# Things to Consider



- Farmer versus Farm Manager
- Length of Lease
- Maintenance
- Pasture management
- Farm and Land Access
- Rental Prices

**Virginia Cooperative Extension**  
Virginia Tech • Virginia State University

4



# Farmer versus Farm Manager



- Farmer:
  - Often at multiple farms per day
  - Trying to keep up with many different things and needs at multiple locations
  - May not be able to give your property the attention you think it deserves at the time you want it done
- Farm Manager
  - You pay them
  - They do what you want when you want
    - Mow grass, keep everything immaculate, maintain fields, manage livestock, general farm maintenance

5

# Length of Lease



- Short (Year to Year)
  - Easy to get rid of if you don't like the renter
  - Farmer may not invest in your land (the underlying caution of the lease not extending)
  - Can use it as a trial period
- Long (3 years and up)
  - Farmer may be more willing to put investments into your property
  - Harder to get rid of if you don't get along
  - Price adjustments

6

# Maintenance



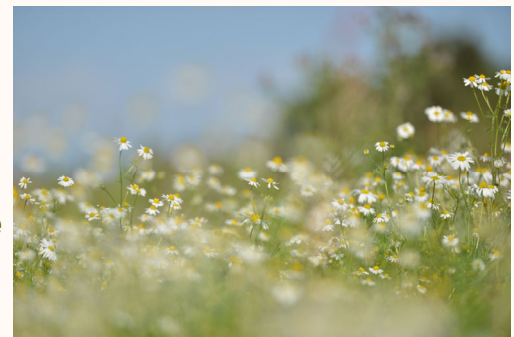
- Fences
  - Repairs, upkeep, spraying fence lines
- Trees!
  - Who is responsible if a tree falls on the fence?
- Driveways
  - Gravel, pushing snow
- Who will be responsible for labor for all of this? Who will pay for labor and/or supplies?

7

# Pasture/Hayfield Management



- Bush Hog/Mow
- Making Hay
- Weed Control
- Fertilizer and Lime



8

# A Note about Fertility



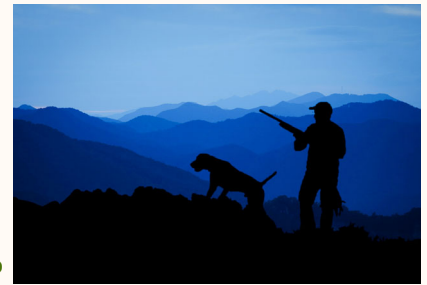
- Current Row Crop Practices
- Baseline Soil Fertility
- Agreement on when fertilizer and lime will be applied
  - Soil test!
- Who will pay for fertilizer and lime?
  - Remember, short term vs long term lease
- Return fields to base fertility at the end of the lease

9

# Land Access



- Hunting Rights
  - What type of hunting?
- Fishing Rights
- Your Land Access
- Who can be on your property?
- Tenant, friends, family
- Parties
- Insurance policy!



10



# Rental Rates



- We (VCE) use NASS for our data
- Farmers are notoriously private on rental rates that they pay

	Non-Irrigated Cropland	Pasture
Culpeper	\$49/Acre	\$20.50/Acre
Greene	\$30/Acre	\$24.50/Acre
Madison	\$44/Acre	\$23.50/Acre
Orange	\$69.50/Acre	\$28.50/Acre
Rappahannock	\$21/Acre	\$17/Acre

11

# How to Get Higher Rental Rates



- Good fences
- Good watering systems (well, water lines, waterers)
- Good, fertilized pastures
- Equipment usage
- Proximity to other farms
- Your demands/asks of the farmer
  - See: Farm Manager vs Farmer
- Longer contracts

12

# Land Use Taxation Benefits



- Work with your commissioner of revenue
- Most counties you need to be able to show at least \$1,000 in gross revenue
- Minimum acreage amounts
- If it comes out of land use you may be responsible for back taxes

13

# Why Have a Written Lease



- **Very clearly states expectations of both parties**
- A handshake agreement just isn't good enough anymore
  - Ends ugly too many times
- Helps reduce the "they said/they said" controversies and disagreements
- If the lease is more than 1 year, it must be in writing
- Should have maps attached, ideally with drawings or details
- Should be very specific
- Ideally, a lawyer will craft this for you

14

# What Should Be Included









- Should have maps attached, ideally with drawings or details
- Should be very specific and beneficial to both parties
- The beginning and end dates
- Process for renewal
- Process for termination
- All the things we have covered
- Ideally, a lawyer will craft this for you







15

# Sources of Example Leases

## 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**

## Lease Forms

-  **Cash Farm Lease**  
(NCFMEC-01A)
-  **Crop Share 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**

**[www.aglease101.org](http://www.aglease101.org)**

16



**Reminder, I am not a lawyer, but I'm happy  
to chat with you and try to answer any  
questions or talk through scenarios!**

**Sarah Sharpe  
seweaver@vt.edu  
434-985-5236**

