



## Finding the Right Farm Leasing Option

Are you aware of the full range of farm leasing options available to you and which option will be best for you?

There are several kinds of leasing arrangements. The exact terms of a lease will vary depending upon market conditions and your individual situations, and the return and risk of each kind of lease are important considerations.

### Lease options include:

**50/50 Crop Share Lease.** This option involves equal contributions from you and the operator. The operator provides labor and machinery; you provide the land. Crop income and expenses are divided equally between you and the farm operator.

**Modified Crop Share Lease.** Besides the land, you provide all the seed, chemicals and fertilizer. The operator provides the machinery, fuel and labor. You and the operator are responsible for drying and storing equal shares of the crop. You receive from 65 to 80 percent of the crop, depending on the quality of the land. This arrangement normally will bring you a higher return than the 50/50 crop share lease.

**Cash Rent.** The operator pays a set amount of cash, and you do not participate in crop production. It is important to evaluate the credit-worthiness of the proposed operator and to evaluate the herbicides, fertilizer, and method of farming to protect your

land investment. It is equally important to execute a UCC-1 financing statement to ensure rent collection.

**Custom Operation.** You receive the entire crop and government payments and pay for all the cropping expenses. A farmer in the local community is paid to till, plant, spray, and harvest the crops. Most progressive and timely operators have a more than adequate line of equipment to farm their current operation, and are interested in custom farming to have a guaranteed cash flow. As they already have their equipment and labor, their only cost is fuel and repairs. For the landowner, the custom operation will generate a higher net income on above-average land, particularly with favorable yields and commodity prices.

Hertz Farm Management and your Hertz Farmland Professional understand that your farmland holds not only financial but also emotional and relational value. Because we recognize all aspects of land ownership, we are in a unique position to offer the objective guidance you need to make the best decisions for you and your family.

Our Farmland Professionals combine a personal approach with exceptional expertise and have become trusted advisors to our clients since 1946. We invite you to become another satisfied Hertz client. Visit our website or call us today to learn how we can assist you.

### Lease Termination Deadlines

<b>Iowa</b>	August 31st
<b>Illinois</b>	<b>Oral lease:</b> 4 months prior to end of lease, or generally October 31st <b>Written lease:</b> 4 months prior to end of lease or as specified in the lease
<b>Indiana</b>	<b>Oral lease:</b> 3 months prior to end of lease, or generally November 30th <b>Written lease:</b> 3 months prior to end of lease or as specified in the lease
<b>Minnesota</b>	<b>Oral lease:</b> 3 months prior to end of lease, or generally November 30th <b>Written lease:</b> 3 months prior to end of lease or as specified in the lease
<b>Missouri</b>	60 days prior to end of Lease
<b>Nebraska</b>	<b>Oral lease:</b> August 31st <b>Written lease:</b> August 31 or as specified in the lease
<b>Wisconsin</b>	September 30th