METHODS OF RENTING LAND IN MISSOURI

WITH SOME COMMON FORMS OF LEASE

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by

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METHODS OF RENTING FARM LAND IN MISSOURI.

J. M. Miller.

The rapid growth of tenancy in this country during the past few decades, makes this subject one of the leading agricultural problems of the day.

This growth is a natural one. When a country is new, land can be obtained very cheaply, or even from the government without cost, and it is but natural that most persons wishing to follow farming should become owners of land. As the country becomes more settled, and as free land disappears, the values of land rise so that it becomes increasingly difficult to acquire it. On the other hand, those who have already acquired it have often either retired, gone into other business, or taken up farms in newer sections of the country, but still retain their land as an investment. From the speculative standpoint there are a few land owners who invest in land solely with a view of its rise in value, leasing it in the meantime. This class of landlords is a very minor one, however, as is shown by the returns of the Census of 1900, in which this was the object of a special study.

The rapid increase is shown by the 1910 Census, which reports that during the 30 year period from 1880 to 1910, the number of tenant farms increased 129.8%, while the farms operated by their owners or managers increased only 34.3%

The existing conditions of tenancy in European Coun-

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tries, shows the trend here, but it also gives us an opportunity to study the relation between long time leases and a system of more permanent tenancy, which eventually will come up for consideration here.

This investigation was carried on to study the existing conditions as to:

- I. The division of returns between landlord and tenant under different systems of rental.
- II. The forms of lease in effect at present.
- III. Some suggestions as to a satisfactory readjustment necessary to a successful system of tenancy.

The data for this investigation was obtained from three principal sources:

- A. Farm Management Survey Records.
- B. Circular letters sent out to tenant farmers.
- C. Circular letters to members of the State Bankers' Association, asking for forms of lease used in their community.

The records of 536 farmers renting land were obtained from the survey records taken by the Farm Management Department of the University of Missouri, during the years 1912, 1913, and 1914. Of these, 114 were from Dade County, 326 from Johnson County, and 96 from Saline County.

2000 circular postcards were sent out to the better class of tenants, as given by the replies of the Bankers over the state. From these, the usable records of 312 tenant farms were obtained for the year 1915. The distribution of these farms is shown by map IV.

The results of the cost of renting land under dif-

ferent systems of rental thus are based upon the records of 848 farms, and covering a period of four years.

For the farm lease investigation the contracts were secured by the Farm Management Department, through the Missouri State Bankers Association. Forms of lease most commonly used in each community, and the names and address^{es} of five each of the better type of farm owners and tenants were asked for.

In this manner over 1200 requests were sent out to practically every region in the state. From these, 357 replies were received, with 165 farm leases from 61 counties. The distribution of these lease forms may be seen by referring to Map IV.

Distribution of Farms.

On the basis of geographical distribution, the 848 farms from which records were used were well scattered over the state. Although with the exception of those counties in which surveys were made, there were not enough to make a division according to location within the state, on the whole the results obtained should indicate fairly well the conditions over the state in general.

Map IV shows the location of the 848 farms used in this study.

On the basis of land value, it was found that with cash renters, the distribution was fairly general over the different values of land from \$40 up to \$140 per acre. With share-cash renters it was somewhat different, however, as ~~62%~~^{63.0%} of the 289 share-cash tenants were located on land valued from \$40 to \$80 per acre. With straight share renters the same relation held true, there being 71% of the 383 share rented farms on land valued at \$40 to \$80 per acre. Table 1 shows the distribution on this basis.

Table 1. Distribution of Farms.

Land Value	:	Cash	:	Share-Cash	:	Share:	:	All.
Under \$40	:	7 4.0%	:	12 4.1%	:	24 ^{63.0%}	:	43
\$40-\$59	:	41 23.3	:	87 30.1	:	135 ^{35.3}	:	263
\$60-\$79	:	39 22.2	:	114 39.5	:	140 ^{36.6}	:	293
\$80-\$99	:	18 10.2	:	27 9.4	:	20 ^{5.2}	:	65
\$100-\$119	:	32 18.2	:	15 5.2	:	23 ^{6.0}	:	70
\$120-\$139	:	25 14.2	:	13 4.5	:	22 ^{5.7}	:	60
\$140-\$159	:	9 5.1	:	14 4.9	:	13 ^{3.4%}	:	36
\$160-\$179	:	3 1.7	:	3 1.0	:	4 ^{1.0%}	:	10
\$180-\$199	:	1	:	1	:	2 ^{0.5%}	:	1
\$200-up	:	2 1.1	:	3 1.0	:	2	:	7
All	:	176	:	289	:	383	:	848

MAP OF MISSOURI

SHOWING
THE LOCATION OF THE 848 FARMS USED
IN THE RENTAL COST INVESTIGATION.

Cash Rented
Share Rented
Share-Cash Rented
Partnership

Note:-
St. Louis,
Jackson, and
Buchanan Coun-
ties are
omitted be-
cause of the
influence of
location.

On the basis of system of rental, of the 848 farms from which records were used, there were 20.7% cash renters, 34.1% share-cash renters, and 45.2% share renters. The Census of 1910 shows that for the state of Missouri at that time, 30.7% cash renters, 10.8% share-cash renters, and 58.7% share renters. From this it will be seen that share tenancy is by far the most commonly used system of land rental in Missouri.

Average Rent Per Acre.

It is generally conceded that the tenant renting for cash gets his land cheapest, while the one renting for shares pays most. The factors influencing this divergence have been taken up and discussed under the different systems of renting. These facts are verified and the effect shown conclusively in Table 2. These figures represent the average rent paid per acre on all the land rented as reported by the 848 tenant farms over the state of Missouri. Crop land, pasture, buildings, waste, etc., are all included in the per acre basis.

TABLE 2. Systems of Rental, Land Value, and Average Rent Per Acre.

Land Value	:	Cash	:	Share-Cash	:	Share	:	All
Under 40	:	\$1.35- ⁹⁵ ₄₅	:	\$3.37	:	\$4.67- ¹¹ ₁₅₄	:	\$3.33
40-59	:	1.94- ⁶⁵ ₆₅	:	3.97	:	5.38	:	3.67
60-79	:	3.97	:	4.48	:	6.03	:	4.79
80-99	:	3.33	:	4.69	:	5.16	:	4.31
100-119	:	4.53	:	6.70	:	7.12	:	5.51
120-139	:	4.32	:	6.00	:	9.27	:	5.91
140-159	:	4.56	:	8.35	:	11.26	:	7.87
160-179	:	4.63	:	8.09	:	9.81	:	7.75
180-199	:		:	9.62	:		:	9.62
200 - up	:	4.13	:	9.87	:	9.45	:	7.91
All	:	3.50	:	4.90	:	6.39	:	4.83

The above results show the 176 cash rented farms paid an average of \$3.50 per acre rent. (The relation between rent

paid and interest on investment is taken up later). The 289 share-cash tenants paid an average of \$4.90 per acre on the land handled by them, while the 383 share renters paid an average of \$6.39 for the land rented by them. The total of the tenant farms included shows an average rent of \$4.83 per acre. The rental paid for crop land runs considerably above, while pasture land runs below, this average cost, as is shown in later tables where the different crops are taken up separately. These results indicate that the common belief is fairly accurate so far as the cost of different systems of land rentals are concerned

See on line here.

On the basis of land value, table 2 shows a wide variation between the amounts of rent paid. The average cash rental varied from \$1.35 per acre on land under \$40. in value, up to \$4.63 per acre on land \$160 - \$180 in value, with a somewhat irregular variation between those two extremes. In the case of share-cash renters the difference ran from \$3.37 per acre on land under \$40 in value fairly uniformly up to \$9.87 per acre on land valued at \$200 or over. Share tenants paid from \$4.67 per acre on land under \$40 value up to \$9.45 on land \$200 or over in value. The average rental paid, regardless of system of rental, shows the man on land under \$40 in value paying \$3.33 per acre, with a gradual increase up to the \$200 land where the average rent amounted to \$7.91 per acre.

Table 1, giving the distribution of the 848 farms, shows that the results on all farms located on land over \$160

per acre are not based on enough farms to be thoroughly ~~ac-~~^{dependable} ~~curate~~, although up to that point the results should show up favorably upon comparison.

It is interesting to note by comparison that the share renter on land valued under \$40 per acre pays rent enough to get land valued at \$80-\$99 under a share-cash system of rental, or \$160-\$179 land if rented for cash. Similarly, the share-cash renter on land under \$40 per acre, pays enough to get land valued at \$80-\$99 under a cash system of rental.

By a study of table 2, in conjunction with its graph ^{Fig ?} on page 12, a rather definite ratio between the rental paid under different systems, and the value of the land received in return for this rent is indicated. A comparison of equivalent amounts of rent paid, gives a relation which, when applied to table 2 or its graph, in the majority of cases amounts to about \$50. This means that on the average, a change in the system of rental, while paying an equal amount of rent, means a change of about \$50 in land value. For instance, a share renter paying \$4.67 per acre gets land valued at under \$40 per acre. If he pays \$4.67 per acre under a share cash system of rental, he gets the use of land worth about \$50 per acre more or right around \$90; again, if he pays \$4.67 per acre under a straight cash system of rental, he gets the use of land worth about \$50 per acre more, or around \$160. By applying this comparison to table 1 it will be seen that while of course the results are not always exact, a relationship something like the above does exist, and is a very impor-

\$40 \$40-59 \$60-79 \$80-99 \$100-119 \$120-139 \$140-159 \$160-179 \$180-199 \$200-up
 FIGURE 1. Land Value, System of Rental, and Average Rent per Acre.

tant consideration in contemplating a system of rental.

From the standpoint of risk of crop failure or drop in prices, a comparison of the average rent paid under the different systems of rental indicates that the insurance or rent paid under a share renting system is much greater than the returns received. Using the average amount of rent paid under the different systems of rental as representing that system, and taking the share rent rate of \$6.39 per acre as a base or 100%, it is found that the share-cash tenant in paying \$4.90 per acre, gets a reduction of \$1.49 or 23.3% for carrying himself the risk of loss by the crops not being able to pay the stipulated rent. Similarly the cash renter in paying \$3.50 per acre, gets a reduction of \$2.89 or 45.2% for carrying the risk himself. Placing these differences upon a five year basis, it is readily seen that when compared to the share renter, who always makes his rent, the share-cash tenant could afford to completely lose over one crop every five years and still not pay as much as the share renter for the same period. Likewise the cash renter could afford to completely lose over two crops out of every five, and still not pay as much as the share renter.

If the above amounts could be compared on the basis of live stock insurance, it is readily seen that the share renter in paying \$1.49 more per acre, gives enough to carry \$18.63 per acre per year, over what the share-cash tenant pays. As compared to the cash renter, in paying \$2.89 more, he gives

a sum which would carry \$36.12 of insurance per acre per year. Either of these amounts is sufficient to pay for the cost of production and leave considerable profit, the latter being nearly three times enough to cover cost of production.

It is indeed a very poor season that the cash renter does not get something of a crop. Upon the basis of 1/2 crops therefore, the cash renter could afford to take 1/2 of a crop each year and practically come out even with the share renter on the basis of amount of rent paid.

Whether any given region can be counted on to make a total of three crops out of five, depends upon a number of factors which should be considered along with systems of rental, and which are taken up in other lines of investigation.

The variation in amount of rent paid on land of equal value but under different systems of rental, is shown in table 2. Without exception, on land of equal value, the relation between cash, share-cash and share renters remained the same, the cash renters paying least, share-cash next, and the share-renters most.

Owners Interest on Investment.

As an investment, land yields a low rate of interest, but from the standpoint of safety, low cost of upkeep, ease of looking after, and recent rise in land values, it makes a most excellent investment, and has always been looked upon as such.

The landlord receives returns on his investment in land,

directly proportional to the amount of risk he takes. As previously outlined, different systems of rental have their advantages and disadvantages to the landlord as well as to the tenant.

The landlord who does not desire to give much personal attention to the farm had best rent for cash. That the landlord giving more attention to the farm receives more rent is quite evident, since the results on the 848 farms here used, show the landlord letting his land out on shares received an average of 8.09% returns on his investment, as contrasted with 6.46% in the case of share-cash, and 4.17% with cash landlords.

The average of all the landlords, regardless of system of rental shows 6.16% as the average return received on his investment. Table 3 shows the returns on investments received by the owner under different methods of rental.

TABLE 3. System of Rental, Land Value, and Owners Interest on Investment.

Land Value	Cash	Share-Cash	Share	All
Under 40	5.07%	10.71%	16.98% ^{net}	11.59%
40-59	4.03	8.23	10.67	7.49
60-79	5.64	6.65	9.04	7.07
80-99	3.83	5.27	6.06	4.93
100-119	4.36	6.41	6.71	5.23
120-139	3.58	4.78	7.29	4.81
140-159	3.04	5.56	7.71	5.28
160-179	2.69	4.68	5.91	4.56
180-199		5.34		5.34
200- 2 up	2.02	4.77	4.72	3.95
All	4.17%	6.46%	8.09%	6.16%
<i>less 1/3 for net</i>	<i>1.39</i> <i>-0</i>	<i>2.15</i> <i>-1</i>	<i>2.69</i> <i>-1.1</i>

FIGURE II. Land Value per Acre, System of Rental, and Owners Interest on Investment.

As in the case of amount of rent paid, without exception up to the \$200 land, on land of equal value, the share rent landlord gets the highest returns on his capital, the share cash next, while the cash rent landlord receives ^{the} least return on his investment. Figure II shows the relation between system of rental and the landlord's return digramatically.

On the basis of land value, the returns in percentage vary considerably, and in a very interesting manner. The results from the 848 farms studied, show conclusively that the landlords investing in cheap land received a much higher return on their investment. This is especially true of the land under \$80 per acre in value. The average return of 11.59% found on the 43 farms under \$40 per acre in value, show the cheapest land to be the best investment from the standpoint of interest returned through rent.

However, a study of the United States Census report shows the land under \$40 per acre in 1910, had increased ^{less rapidly} slower in value during the preceding ten years period than on land over \$80 per acre during the same period. This would indicate that while the landlord owning cheap land gets more from rent, his returns from increase in land values is less.

This indicates that in the rapid rise of land values during the past decade, the relative rent rates have not kept pace. This increase in value has been carried much further on the highly fertile land than on medium to poor land, and the ratio between value and rental rate has widened as the value went up. This is shown by the fact that on land under \$40, the landlords return range from 5% to 17% with an average of 11.6%, as compared to 2% to 5% with an average

of 3.9% on land \$200 and over in value.

As land value becomes more closely related to its average productive value, rent rates will gradually rise until there is a closer adjustment between the two. This lack of correlation between the two at present is very probably due to the fact that the larger majority of rented farms today are owned by men who were formerly farmers, and in most cases have come into a considerable amount of capital through the rapid increase in farm land values. Upon retiring from active life, entering other vocations, or locating in new regions, they like to retain their farm as an investment. Thus they do not appreciate the producing capacity of the capital tied up in the farm. True, in returning 3 or 4% on its present face value, it may be returning 15 to 20% on the original cost price when they purchased it.

On the other hand a good many people buy land not for the actual returns on their investment in the form of rent, but rather to reap the profits due to the rise in land values. This class of landlords rent their land for whatever they happen to get for it, expecting their profits to come through increase in value.

No doubt there are a good many landlords who keep their investment in land, figuring that with the actual rent received and the steady rise in land values, they are reaping a fair return on their investment. This is the landlord's main problem when sale is contemplated.

The returns look rather high on the cheaper lands, but the smaller investment in conjunction with the relative pro-

ductivity of the land makes a wide variation possible. Production has a much narrower range of variation than land value. For instance, a change of from 25 to 50 bushels in the average yield of corn is quite a noticeable one, yet a change of from \$50 to \$100 per acre in land value is not unusual, while from \$50 to \$200 is possible, but from 25 to 100 bushels in yield of corn is improbable.

It is due to this ratio between production and land value, that $1/3$ of the crop on cheap land means a higher return on the investment than $1/2$ of the crop on high priced lands.

In all of the above discussion it should be borne in mind that the returns of the landlord here used are from the standpoint of the amount paid by the tenant, and do not represent a net return to the landlord, since taxes, depreciation of improvements, etc., should be allowed for before a net return is obtained. Figuring the average investment in improvements at 16% of the total investment in land and buildings (taken from the United States Census, average for Missouri), and depreciation on improvements at an average of 3%, taxes on real estate at 0.6%, this represents an amount practically 1% of the total investment. This means the actual net returns to the landlord would on the average amount to about 1% less than the returns as given in table 3.

According to the 1910 Census, during the period from 1900 to 1910, the average value of farm lands in Missouri, advanced from \$20.46 to \$41.80 per acre, a net gain of \$21.34 or 104%. This would mean that the landlord holding average

land for the ten year period from 1900-1910, received in addition to the income from his rents, an average of over 10% per year through the increase in value of farm lands during that period. This is the main reason why farm land has proven such an attractive investment the past years.

Whether the land values of the state will advance an equal amount the next decade is the most important point to consider in investing in land, or, if it does not keep up this rapid advance, just what will the increase plus rent amount to as returns on an investment.

Rent Paid for Crops Land.

In this comparison, the relation between system of tenancy, land value, and amount of rent paid was the object.

The different crops are taken up individually, and the difference in amount of rent noticed. Corn, wheat, oats, and hay being the chief crops grown in this state, they are the only ones arranged in tabular form for this comparison. There were returns on some alfalfa, and cotton lands which were given separately, but there was not acreage enough to make an accurate result as compared to the other four main crops.

Corn: Corn is the most profitable crop grown on an extensive scale over the entire state. Missouri, being a corn belt state and with this such a profitable crop it is but natural that there should be over three times the acreage of corn than of any other one crop.

From the tenant's standpoint, corn is, generally speaking, the essential crop. On account of its profitableness,

the majority of tenants like to plant as large an acreage of corn as their labor and equipment supply is able to handle.

From the standpoint of the landlord, and fertility, corn is an exhaustive crop, and it is not desirable to have the land cropped too extensively with this crop. This has frequently led to the insertion of a clause in the lease limiting the acreage of corn that is to be grown on a place any one year.

In general, corn yields the highest rent of any of our main crops. Likewise the corn acreage is usually planted on the most productive land, hence it can safely be said that corn is grown on the most valuable land.

Table 4 indicates that out of the total corn grown on 848 farms, the cash tenant gets his corn land cheaper than any other class of tenants, at \$4.09 per acre, this being the average of 8712 acres of corn on 176 cash rented farms. Corn being the chief crop, and the one that fails about as often as any, this reduction for the cash renter is but natural. When he takes the risk of getting a crop of corn, regardless of what the weather may be, and considering that this crop is the basis of his farming system, and profits, he runs a very great risk indeed, hence the much lower rate of rent.

\$7.13 per acre as an average rent on 13,051 acres of corn, on 383 share rented farms, shows what the average share renter pays. This is a considerable increase over the cash renters' rate for corn land.

The share cash tenants show an average of \$7.36 per acre, from 13,588 acres of corn grown on 289 farms.

The tenant renting under a straight share rental system, usually gives a share of all the crops sufficient to give the landlord a total income to be a sufficient return on the investment. This share generally is a uniform one to cover all crops. When land is rented to a share-cash tenant, usually he pays cash for the poorer land used for pasture, and then only rents the highest producing land possible on shares to grow the grain crops on. Under this arrangement, he naturally has to pay a higher rent on the crop land than if he rented the entire farm on straight cash or shares. This is what has happened in the case of corn land with the share-cash tenant. On the poorer land the share and share-cash rents run about the same, but as soon as the land values rise, the share-cash rent cost rises more rapidly than the straight share rent cost, on land of equal value. On the poorer land, he takes but small risk, while on the heaviest cropping land, his risk runs highest, and rent is high accordingly.

TABLE 4. ⁽¹²⁾ System of Rental, Land Value, & Rent Paid for Corn Land.

Land Value	:	Cash	:	Share-Cash	:	Share	:	All
Under \$40	:	\$2.00	:	\$4.28	:	\$5.44	:	\$4.90
40-59	:	2.49	:	5.46	:	5.40	:	4.76
60-79	:	4.14	:	6.35	:	6.06	:	5.89
80-99	:	3.37	:	6.46	:	5.83	:	5.49
100-119	:	4.85	:	10.36	:	8.45	:	6.99
120-139	:	4.62	:	10.05	:	10.81	:	8.19
140-159	:	4.89	:	13.18	:	12.49	:	9.94
160-179	:	5.52	:	17.86	:	12.77	:	12.22
180-199	:	:	:	17.50	:	:	:	17.50
200 -up	:	4.23	:	13.88	:	16.35	:	11.37
All	:	\$4.09	:	\$7.36	:	\$7.13	:	\$6.41

FIGURE III. Land Value, System of Rental, and Rent Paid for Corn Land.

On the basis of land value, Table 4 shows that there is a distinct relation between the productive capacity of farm land and its market value.

On the basis of cash rent there is a gradual change of from \$2.00 up to \$5.52 per acre, as related to a corresponding change of from under \$40 to \$180 in land value. The corresponding ratio between the cost of cash, share-cash, and share renting runs rather uniformly, regardless of land value. For instance, on land around \$40 per acre in value, the ratio between cash and the other systems of rental is about 1 to 2. On land \$160 - \$180, per acre in value, the ratio still runs about the same, or 1 to 2. This means that the share renter pays \$2 where the cash renter pays \$1 in renting corn land.

The corn rented by share cash tenants shows a range of from \$4.28 per acre on land around \$40 in value, up to \$17.86 per acre on land \$160 - \$179 in value. It should be borne in mind, however, that while these rents appear very high, the increased value of land requires a high return in order to yield a fair interest on the investment. Corn being the most profitable crop, the returns are higher for it than for the other crops.

The share renter shows a range of from \$5.40 per acre on land around \$40, up to \$16.35 on land \$200 and over.

Irrespective of system of tenancy, table 4 shows the average rent on corn land valued under \$40 per acre was \$4.90, with a gradual increase to an average of \$12.22 on land \$160-\$179 per acre, while an average of all, irrespective of system of rental or land value was \$6.41 per acre.

The relation between share of crop given and cost of rental on corn ground, shows the tenant giving $1/2$ the crop was found on 8578 acres to be paying an average of \$11.17 per acre. 33% of the share rented corn was on this basis.

The tenant giving $2/5$ of the crop paid on the average \$6.27 per acre. There were 6371 acres, or 24% of the share rented corn rented upon this share.

The tenants giving $1/3$ of the crop were the most numerous, there being 11,146 acres, or 42% of the share rented corn reported under this share, with an average rental of \$4.77.

¹³
TABLE 5. Land Value and Cost of Renting Corn under Different Shares.

Land Value	: $1/3$ of Crop	: $2/5$ of crop	: $1/2$ of Crop
Under \$40	: \$4.00	: \$5.11	: \$8.76
40-59	: 4.65	: 5.47	: 10.16
60-79	: 4.84	: 6.12	: 10.10
80-99	: 4.91	: 5.56	: 9.11
100-119	: 5.19	: 10.14	: 9.80
120-139	: 7.42	: 8.11	: 11.20
140-159	: 12.00	: 13.00	: 13.66
160-179	:	:	: 14.13
180-199	:	:	: 17.50
200-up	:	:	: 14.53
All	: \$4.77	: \$6.27	: 11.17

Without exception, the above results show those giving $2/5$ of the crop paid more than those giving $1/3$ and those giving $1/2$ more than either of the other two mentioned, with different values of land.

On the basis of land value, it was found that 90.4% of the corn land rented for 1/3 was valued under \$80 per acre in value; of those giving 2/5, 73.3% was on land under \$80 in value; and 26.7% on land over \$80, while of those giving 1/2, only 36% was on land under \$80 in value, while 64% was on land over \$80 per acre in value.

This shows that in the relation between land value and share of crop given as rent, the poorer the producing power, the less rent paid, while on land more productive, the tenant can well afford to give a larger share of the crop. The following table shows the share of the crop given as related to crop yield:

Table 14.

<u>Share of Crop</u>	<u>Acres</u>	<u>Yield Per Acre.</u>	<u>%</u>	<u>Range</u>
1/3	11,146	27.8	92.7	20 to 30 bu
2/5	6,371	30.9	79.5	25 to 35
1/2	8,578	35.1	90.1	30 or above
	26,095			

Wheat Land. The years which are covered by the material used as the basis of this investigation have been years in which wheat has proven a very attractive cash crop. While not as profitable as corn, perhaps, the smaller amount of labor required, in conjunction with \$1.00 wheat practically assured by war prices, has caused a very larger acreage to be planted each year in Missouri.

Wheat is the most extensive crop grown in Missouri for a strictly cash crop. Because of the fact that tenants as a class do not handle as much live stock as other systems of farming, hence have need for less feed, wheat as a tenants crop

is second only to corn. The fact that wheat is naturally adapted to a clay soil has caused its extensive growth in regions having this type of soil, where corn is not so popular.

The data collected on rented wheat ground covers a total of 23,016 acres, being all the wheat reported on the 848 farms. The average cost of rent on wheat land as shown by table IV was \$5.58 per acre.

On the basis of system of tenancy, the results of Table 6 show the cash renter getting his wheat land at an average of \$4.19 per acre, as compared to \$5.69 and \$6.31 per acre for the share-cash and share renters respectively.

Owing to wheat being a less profitable, and secondary crop, hence a lower risk, the ratio between cash and share renters is not so wide as with corn, the average being about 1 to 1 1/2. This is as might be expected since the ratio is directly proportional to the risk undertaken. Corn, being a more important crop, a failure there means a larger loss than a failure of wheat, and since season is the governing factor in both, corn is the larger risk. The Hessian fly apparently is to become a determining factor with wheat in the near future, however, in which case it could be expected the ratio will widen and thus approach corn as a risk.

Table 6. System of Rental, Land Value, and Rent Paid for
Wheat Land.

Land Value	Cash	Share-Cash	Share	All
Under \$40	: \$2.00 :	\$5.69	: \$3.26 :	\$4.26
40-59	: 2.78 :	5.30	: 5.79 :	5.03
60-79	: 4.73 :	5.52	: 6.91 :	5.91
80-99	: 3.31 :	4.94	: 4.43 :	4.63
100-119	: 4.67 :	7.01	: 6.60 :	5.50
120-139	: 4.20 :	6.22	: 7.79 :	5.71
140-159	: 4.41 :	8.34	: 7.94 :	5.39
160-179	: :	5.64	: 5.27 :	5.41
180-199				
200 - up	: 4.00 :	5.31	: 4.13 :	4.83
All	: 4.19 :	5.69	: 6.31 :	5.58

Wheat, being grown a good deal on clay soils, is naturally found on lower priced lands than corn. The above table shows that the highest returns on wheat land, was on land under \$80 per acre in value. Table 6 indicates that the yield of wheat is not so closely related to soil fertility as corn. This is shown by the fact that \$140-\$159 land rented on shares returned only \$7.94 per acre crop rent, while corn on land equally valued returned \$12.49 per acre crop rent.

The range of rental with wheat as related to land value was not so wide as with corn, being from \$2.00 to \$4.73 with cash tenants, and \$3.26 to \$7.94 with share tenants.

FIGURE IV. Land Value, System of Rental, and Rent Paid for Wheat Land.

while regardless of system of tenancy it ranged from \$4.26 on land under \$40 up to \$5.91 on land \$160-\$179 in value, a much narrower range than corn.

Table 7. Land Value and Rent of Wheat Ground under Different Shares.

Land Value		1/3 of Crop		2/5 of Crop		1/2 of Crop.
Under \$40	:	\$3.91	:	\$6.40	:	\$5.44
40-59	:	5.42	:	4.20	:	6.45
60-79	:	5.92	:	2.67	:	8.14
80-99	:	4.25	:	5.39	:	6.08
100-119	:	5.45	:	7.20	:	6.98
120-139	:	6.49	:	11.44	:	6.76
140-159	:	6.58	:	9.93	:	7.72
160-179	:		:	6.16	:	5.77
180-199	:		:		:	
200 - up	:		:		:	
All	:	5.50	:	6.97	:	7.00

The relation between share of crop given and cost of rental, found the tenant giving 1/2 on 4973 acres, or 28% of the share rented wheat land, with an average cost of \$7.00 per acre.

The tenant giving 2/5 of the crop paid an average of \$6.97 per acre, but only 869 acres or 5% of the share rented wheat land was rented for this share.

The tenants giving 1/3 of the crop show this to be the most widely used share of the crop, there being 11,886

acres or 67% of the share rented wheat land rented for this share. The average price paid on wheat lands rented for 1/3 was found to be \$5.50 per acre.

The relation between crop yield and share rate of renting is shown in the following:

Table 17.

<u>Share of Crop</u>	<u>Acres</u>	<u>Yield Per Acre.</u>
1/3	11,886	16.6
2/5	869	17.3
1/2	4,973	15.8
	17,728	

Oats: Oats are not an especially profitable crop in Missouri owing to the climatic conditions. Oats require a cool, moist season for best growth. Central Missouri does not have this essential condition. Northern Missouri conditions fit to some extent the growing of oats, and they are grown there over a considerable area. Likewise, the extreme southern portion of the state has climatic conditions such that by seeding in the fall, the growing is done during the winter season.

From the standpoint of yield, oats are not a profitable crop as compared to corn, wheat, or hay. However, because of the fact that the labor of producing a crop of oats is small, and comes mostly at a time of year when there is not much else to do, it has been a popular crop with Missouri farmers.

Oats are primarily a feeding crop. Because of the above reasons, the majority of tenants do not care about raising oats, as they prefer a better paying crop, and one that

27.6
27.4
28.9
25.8
1034
6087
1/2
1/3
1/5

makes a good cash crop. These facts are borne out by the fact that out of 848 farms over the state, there were only 8350 acres of oats reported, about 1/5 the acreage of corn, or 1/3 the acreage of wheat.

Table 8. System of Rental, Land Value, and Rent Paid for Oat Land.

Land Value	:	Cash	:	Share-Cash	:	Share	:	All
Under \$40	:	\$2.28	:	\$3.53	:	\$3.92	:	\$3.78
40-59	:	3.86	:	3.41	:	4.06	:	3.29
60-79	:	3.24	:	3.95	:	4.53	:	4.18
80-99	:	4.41	:	3.08	:	4.50	:	3.44
100-119	:	4.21	:	5.68	:	4.06	:	4.33
120-139	:	4.37	:	5.17	:	5.83	:	5.19
140-159	:	4.00	:	5.92	:	6.96	:	5.48
160-179	:		:		:		:	
180-199	:		:		:		:	
200 - Up	:		:		:		:	
All	:	3.47	:	3.90	:	4.51	:	4.00

The average rent paid for oats was lower than for any other crop, \$4.00 being the average. The cash renter paid the least for his oat land with \$3.47 per acre, while the share renter paid most with \$4.51, with the share-cash renter between, with an average of \$3.90.

Here again we see the effect of a less profitable crop as affecting the ratio between rents paid under different systems of rental. Oats being of minor importance in the

FIGURE.V. Land Value, System of Rental, and Rent Paid for Oats Land.

cropping system, a failure does not mean as much as when the whole type of farming is based upon it. Oats mean a smaller profit as well as a smaller risk, therefore the ratio between the cash, share-cash, and share tenant is a much narrower one. Table 8 shows this by the fact that the ratio between cash and share renters is about 1 to 1 1/4, as compared to 1 to 2 in corn.

On the basis of land value, oats show less range of variation than either corn, wheat, or hay. This is quite natural, since oats are less responsive to good soil than any other crop. Indeed, it has been said that on highly fertile soils, oats make such a rank growth that the grain is frequently inclined to lodge. Climate is the all important factor in oat production. Table 8 shows there is but a small increase in amount of rent paid with increased land value, from \$3.29 on land \$40-\$59, up to \$5.48 on land valued at \$140-\$159.

Table 9. Land Value, Share of Crop Given, Rent Paid for Oats Ground.

Land Value	1/3 of Crop	2/5 of Crop	1/2 of Crop
Under \$40	\$3.69		
40-59	3.73		\$4.68
60-79	4.10	4.92	5.53
80-99	2.77	5.32	5.51
100-119	3.39		4.62
120-139	3.76		6.51
140-159			7.35
160-179			
180-199			
200 - up			
All	3.84	5.07	5.28

The relation between share of oats crop given and cost of rental, shows the tenant giving $1/2$, represented 19% or 1134 acres of the share rented oats, with an average rent of \$5.28 per acre. The tenants giving $1/3$ of the crop were most numerous, there being 78% or 4765 acres rented under this share, paying an average rent of \$3.84 per acre. Only 211 acres or 3% of the share rented oats were rented for $2/5$, paying an average of \$5.07 per acre.

Hay: Hay is a crop having a distribution over the state second only to corn. All general farming systems in Missouri require hay as the principal source of roughage. Hay fits into the tenant farming system, in that while a roughage crop, there is generally a ready market for it, and usually it makes rather a profitable crop handled in this way. The fact that the annual labor requirement of hay is low is another factor in its favor. On the whole, the tenant prefers grain crops as his main enterprises, and only those which can readily be turned into cash even then. Roughage for work stock is an essential, and after that is produced, usually the balance of a tenant's labor goes to the production of a salable crop. This is why corn and wheat especially suit the tenant farmer.

There were 10,853 acres of hay reported from the 848 farms included, with an average rental of \$4.62 per acre.

20

Table 10. System of Rental, Land Values, and Rent Paid
for Hay Land.

Land Value	:	Cash	:	Share-Cash	:	Share	:	All
Under \$40	:	\$2.00	:	\$2.64	:	\$4.57	:	\$3.80
40-59	:	2.92	:	4.71	:	5.46	:	4.61
60-79	:	3.55	:	4.29	:	5.48	:	4.48
80-99	:	3.33	:	4.83	:	4.59	:	4.26
100-119	:	4.20	:	4.48	:	5.31	:	4.42
120-139	:	4.19	:	5.81	:	5.95	:	5.08
140-159	:	3.68	:	7.59	:	11.14	:	6.67
160-179	:		:		:		:	
180-199	:		:		:		:	
200 - up	:	4.00	:	8.00	:	9.40	:	7.42
All	:	\$3.66	:	\$4.50	:	\$5.62	:	\$4.62

The ratio between systems of rental and amount of rent paid was somewhat wider than oats, but not so wide as wheat or corn. This is as might be expected since in importance and profitableness, hay standsⁱⁿ about this position, and a failure would mean more to the tenant than a failure of the oats crop, but not so much as a failure in wheat or corn.

On the basis of land value, there was a fairly uniform range in the rental cost per acre, extending from \$2.00 to \$4.20 in the case of cash renters, \$2.64 to \$8.00 with share cash renters, and \$4.57 to \$11.14 with share renters. These results indicate that the relation between land value and hay production is somewhat stronger than with oats, but not so strong as with corn or wheat.

FIGURE.VI. Land Value, System of Rental, and Rent Paid for Hay Land.

7.
Table 11. Land Value, Share of Crop Given, and Rent Paid
 for Hay Land.

Land Value	:	1/3 Crop	:	2/5 Crop	:	1/2 Crop.
Under \$40	:	\$3.02	:	\$6.00	:	\$3.77
40-59	:	3.84	:	6.00	:	5.34
60-79	:	4.13	:	4.80	:	4.97
80-99	:	3.01	:	3.82	:	5.15
100--119	:	3.94	:		:	5.28
120-139	:		:		:	6.43
140-159	:		:	5.20	:	11.33
160-179	:		:		:	
180-199	:		:		:	
200-up	:		:		:	9.12
All	:	\$3.79	:	\$4.86	:	\$5.34

The relation between share of crop given and cost of rental show the tenant giving 1/2 the crop paying an average of \$5.34 per acre rent. ⁷⁴~~62~~% of the share rented hay land was on this basis, there being 5629 acres.

The tenant giving 2/5 of the crop was second in area, there being ⁷¹~~1181~~ acres or ¹⁶~~15~~% of the share rented hay land on this basis, with an average rental of \$4.86.

Table 11 shows the tenant giving 1/3 the hay crop only occupying 765 acres or ¹⁰~~11~~% of the share rented hay land, and paying an average rental of \$3.79 per acre. This is not a popular share for hay land rental.

Pasture.

In partnership agreements, it is practically im-

FIGURE VII. Land Value, System of Rental, and Rent Paid for Pasture Land.

possible to get an accurate record of the rental charge on pasture land, since it usually is obtained in a division of the live stock produced. However, with cash rent, pasture land is placed upon the same basis as the principal crops, and it is on this system of rental that the results on pasture rental is based.

✓
Table 12. System of Renting, Land Value and Rent paid for Pasture Land.

Land Value	:	Cash	:	Share-Cash	:	Average
Under \$40	:	\$1.00	:	\$2.50	:	\$1.67
40-59	:	1.59	:	2.50	:	1.67
60-79	:	3.22	:	2.21	:	2.63
80-99	:	3.33	:	3.20	:	3.28
100-119	:	3.82	:	3.65	:	3.76
120-139	:	4.15	:	4.33	:	4.21
140-159	:	4.85	:	6.77	:	5.78
160-179	:		:		:	
180-199	:		:		:	
200 - up	:		:		:	
All	:	\$2.88	:	\$3.01	:	\$2.92

The results shown above represent a total of 16,473 acres on which data was obtained. In the large majority of cases pasture land is land which it is not considered practical to place under cultivation, yet which will produce good returns as pasture.

Pasture land is usually land which is being used

because of one or a combination of the following reasons:

1. Naturally of low soil fertility.
2. Reduced soil fertility because of exhaustive cropping.
3. Topography such that grass crop advisable to prevent soil washing.
4. Ditches, waste lands, or swamps so can't cultivate.
5. Trees so it is not profitable to cultivate.

Pasture has a place in every cropping system used on the farm, since it offers a resting period for the building up of humus and nitrogen supply of the soil.

The variation on the basis of land values indicates a medium range of variation, extending from \$1.67 on land of lowest value to \$5.78 on \$140-\$160 land.

Summary of Rents on All Crops.

Corn, wheat, oats, and hay constitute the chief crops grown in Missouri. Of these, corn is naturally looked upon as the crop requiring the most fertile soil and hence has to pay the highest rent. Wheat is another profitable crop on rented land, and in amount of rent paid would run next to corn. Oats being a feed crop and not very profitable, naturally should command the lowest rental price of any of the principal crops. Table 13 shows the relative standing of different crops and pasture, on the basis of land value and amount of rent paid.

Table 13. Land Value and Average Rents paid for Different Crops.

Land Value	:	Corn	:	Wheat	:	Oats	:	Hay	:	Pasture.
Under \$40	:	\$4.90	:	\$4.26	:	\$3.78	:	\$3.80	:	\$1.67
40-59	:	4.76	:	5.03	:	3.29	:	4.61	:	1.67
60-79	:	5.89	:	5.91	:	4.18	:	4.48	:	2.63
80-99	:	5.49	:	4.63	:	3.44	:	4.26	:	3.28
100-119	:	6.99	:	5.50	:	4.33	:	4.42	:	3.76
120-139	:	8.19	:	5.71	:	5.19	:	5.08	:	4.21
140-159	:	9.94	:	5.39	:	5.48	:	6.67	:	5.78
160-179	:	12.22	:	5.41	:		:		:	
180-199	:	17.50	:		:		:		:	
200 - up	:	11.37	:	4.83	:		:	7.42	:	
All	:	\$6.41	:	\$5.58	:	\$4.00	:	\$4.62	:	\$2.92
Acres	:	35,351	:	23,017	:	8350	:	10853	:	16473

The above results give an interesting comparison of corn and wheat lands. On land up to \$80 in value, table 13 indicates there is but little difference in amount of rent paid whether for corn or for wheat; but on land of higher value, the corn returns a higher rent than wheat. Bearing in mind that wheat does exceedingly well on clay soils, this result is a natural one, since clay soils do not run as high in value as what is commonly considered good corn land.

Oat land did not seem to command as much of a premium as other crop lands, the land under \$40 in value renting for within about \$1.50 of what the best land rents for oats.

With the pasture land, cash rental was the only type for which data was available. In partnerships and share

\$40. \$40-59 \$60-79 \$80-99 \$100-139 \$120-139 \$140-159 \$160-179 \$180-199 \$200+
FIGURE.VIII. Land Value per Acre, System of Rental, and Rent Paid for Different Crops.

rental systems it is impossible to get the amount of rent paid for pasture, as this is generally computed through the gains on live stock, for which there was no data at hand.

Figure No.VIII based upon Table 13, diagrammatically shows the relative difference in rent paid for the above crops on different land values.

System of Tenancy and Size of Farm.

Share tenants usually farm only that land which will give them a crop return for the labor put in. Share-cash tenants usually plan to get their crop land on shares, and to pay cash for the pasture. Cash renters pay a flat sum per acre or per farm, and usually get more acres, but the increase in area usually includes some inferior land, which would not be considered under a share rental system because of its inferiority.

The crop renters very naturally look at the proposition from the standpoint of returns for the labor put in. As a result they desire to farm only the best of the land, and that with crops bringing highest returns. This frequently means neglected corners or thin spots, since the time put in on such areas does not yield as large returns as when put in elsewhere, a simple application of the theory of diminishing returns. Soil fertility is another thing to be watched under share cropping systems. These two factors are the main items which the landlords supervision must handle, proper utilization of farm land, and a cropping system which is not too exhaustive of soil fertility.

The Cash tenants are more interested in making every foot of ground pay; since he pays rent on all the land, it is to his advantage to utilize all the space he can profitably handle. The system of management and cropping being left in the tenant's hands under cash rental systems, soil fertility frequently suffers. The larger cash rented farms usually come at a lower rate per acre owing to the fact that in most cases the proportion of pasture and untillable land runs higher on the larger farm, and this type of land does not bring as large returns as the lands used for growing crops.

Table 14 shows the cash renter on the largest average farm with 139.2 acres, while share-cash tenants with 136.6 were second, and share renters were smallest with 119.6 acres per farm. These results were obtained from a total of 179 tenant farms located in Johnson County, Missouri, on which survey records were obtained for the year 1912.

Capital.

Real Estate, or Landlord's Capital.

The value of real estate shows the cash renters to have the use of a larger investment in real estate than either the share-cash or share renter. The percent of total investment in real estate and buildings show the share renters first with 86.1%, share-cash renters second, with 83.8%, while the cash renters were last with 82.6%.

The above would probably be changed somewhat if it were possible to separate the buildings from the land itself.

The improvements run considerably better on the share and share-cash rented farms than on cash rented farms, which no doubt accounts for the higher percentage of capital in land and buildings with the share renters.

As a rule the buildings and improvements on farms rented for cash run decidedly lower than where other systems of rental are in effect. This is due to the lack of direct supervision by the landlord himself. When land is rented for cash, it generally means the owner does not have the time to give to the place that is necessary when a place is share rented.

Total Capital: A study of the total capital as related to system of rental shows that as a whole, the cash renters have the use of a larger capital. This is due to two factors. First, the cash tenants were on larger farms, than either of the other two groups, with the share-cash and share tenants following respectively. Second, the cash renters as a group have more capital of their own, than either of the other two groups.

The tenants capital practically means operating capital, and this is a very important consideration, discussed later.

Table 14 shows the total capital as found on 174 tenant farms in Johnson County, on which complete survey records were obtained.

Table 14: System of Tenancy, Size of Farm, and Total**Capital.**

Size :	Share :	Share-Cash :	Cash.
Under \$40:	\$1,819	\$1,573	\$2,079
41-80 :	4,400	4,602	4,681
81-120 :	7,449	7,644	6,334
121-200 :	12,258	11,726	11,348
201-400 :	20,989	19,765	23,051
401 -up :	39,375	39,148	39,625
All :	9,330	9,961	10,162

Average Size

Capital in Live Stock. Table 15 shows the cash renters to have a larger amount of capital in live stock, the average being \$1378, as compared to \$1148 for share-cash, and \$915 for share renters. This would indicate cash renters handled more live stock, and followed a more diversified system of farming than did the share renters. In other words the cash renters followed a more improved type of farming than the others. This larger investment meant a larger investment in live stock other than work stock. This is verified by the animal units except work stock, given in a later table.

Live stock represents the largest investment of the tenant's capital. Share renters usually have sufficient work stock to carry on the various operations necessary in caring for their crops, a cow or two for milk, hogs and chickens for their own use with a little to sell, but as a rule do not have sufficient capital to invest in the latter class^{es} of stock on a large scale.

Share renters are as a rule young men just starting out for themselves. After they have been at it longer, gather more experience, and get more capital, they then turn to cash renting.

Table 15. System of Tenancy, Size of Farm and Capital in Live Stock.

Size	: Share	: Share-Cash	: Cash.
Under 40	: \$314	: \$333	: \$417
41-80	: 588	: 682	: 886
81-120	: 752	: 885	: 824
121-200	: 1179	: 1403	: 1569
201-400	: 1807	: 2028	: 3036
401 - up	: 2295	: 3899	: 2172
All &	: \$915	: \$1148	: \$1378.

The amount of live stock, except work stock, increases with the size of farm, showing that as a man farms more land, he usually has more stock besides the work stock to take care of the additional feed available. The small farmer is limited chiefly to work stock.

Capital in Machinery. The investment in machinery runs uniformly up with the land area, due to the fact that the more area farmed, the more machinery is necessary to handle same. In the region covered by the Johnson County survey, the share-cash tenants had a decided advantage in the value of machinery, as shown in Table. 16.

Table 16. System of Tenancy, Size of Farm, and Capital in Machinery.

Size	:	Share	:	Share-Cash	:	Cash.
Under 40	:	\$42	:	\$55	:	\$84
41-80	:	117	:	132	:	114
81-120	:	91	:	179	:	99
121-200	:	202	:	269	:	196
201-400	:	329	:	319	:	286
401- Up	:	294	:	687	:	187
All	:	151	:	209	:	162

Table 16 shows the total amount of capital in machinery as found on different sized farms, and on the same sized farms with respect to the system of tenancy followed.

The average amounts given appear rather small for the essential machinery for farming under any conditions, yet it is quite noticeable that a farmer's estimate of machinery runs very low. The 1910 census gave the average for the state only \$185 per farm. The tenants as a class have a smaller amount invested in machinery than do owners or part owners. Because of this they limit to a certain extent their earning capacity due to this smaller amount of machinery. However, when moving is frequent, it is an advantage to have only the most essential machinery on hand, as used machinery brings a very low price when sold.

System of Tenancy and Live Stock.

A comparison of the live stock on tenant farms

show the cash renters handling more stock with 16.9 total animal units, 5.1 of which were work stock, and 11.8 stock other than work stock. Share renters had a total of 12.2 A. U., 4.3 being work stock and 7.9 stock other than work stock.

Table. 17: System of Tenancy, Size of Farm, and Total Animal Units per Farm.

Size	:	Share	:	Share-Cash	:	Cash.
Under 40	:	5.4 A.U.	:	4.3 A.U.	:	6.3 A.U.
41-80	:	6.2	:	8.9	:	10.4
81-120	:	10.4	:	9.2	:	12.8
121-200	:	16.5	:	18.2	:	19.9
201-400	:	24.2	:	25.0	:	44.0
401 - up	:	45.5	:	39.1	:	29.5
All	:	12.2 A.U.	:	14.5 A.U.	:	16.9 A.U.

The above indicates conclusively that the cash renters handle more stock than do those following other systems of rental. As before stated in connection with a discussion of capital, diversified farming is an improved type of farming, saving of fertility, offering better distribution of labor, and in the long run a more profitable type than nearly any other system of farming.

Table 18: System of Tenancy, Size of Farm, and Animal Units except Work Stock.

Size	:	Share	:	Share-Cash	:	Cash
Under 40	:	2.9 A.U.	:	1.9 A.U.	:	3.6 A.U.
41-80	:	3.1	:	4.1	:	5.5
81-120	:	7.0	:	5.9	:	8.4
121-200	:	11.0	:	12.6	:	15.6
201-400	:	15.1	:	12.3	:	25.5
401 - up	:	39.5	:	21.1	:	15.5
All	:	7.9 A.U.	:	9.5 A.U.	:	11.8 A.U.

From the standpoint of size, it is interesting to note the relative change in the amount of live stock kept. Up to 120 acres, the work stock constitutes the main class of farm stock. On the farms larger than 120 acres, the A.U. except work stock increases more rapidly as the size of farm increases. In Table 18 it should be borne in mind that these figures represent the average for the region covered. Individual farms vary considerably, while an average eliminates this variation.

Labor Income.

Cash renting has a larger number of advantages in its favor as a system of land rental. Of these, the fact that under like conditions, cash renting is the more profitable, is the most important, and the deciding factor. The cash tenant is more independent, and truly feels that all increase in production due to more efficient management is returned

directly to him, and not shared with the landlord. However, the mere fact that the cash tenant is usually free to farm as he pleases, frequently reverts in time to the source by yielding a smaller labor income because of the land being farmed for all there was in it, until soil fertility suffered.

The improvements on cash rented farms are also inferior to those upon share rented farms, which has much to do with the amount of stock handled, as well as limiting the period over which it can be handled. These factors indicate that after a farm has been leased upon a cash basis for a number of years, the actual earning capacity of that farm is decreased, with the result that the labor income is smaller than where the other systems of rental with their owners' supervision is dominant. The Johnson County region shows the effects of such a system.

The cash tenants were found to be actually making a smaller income than either of the other two groups. In this region it is due to the fact that the farms rented for cash are farms which have been cash rented for so long a period as to have reduced their productiveness.

Upon land of equal fertility, improvements, etc., the advantages are decidedly in favor of the cash tenant making a larger income.

Table 19. System of Tenancy, Size of Farm, and Tenants'**Labor Income.**

Size	:	Share	:	Share-Cash	:	Cash
Under 40	:	\$264	:	\$136	:	\$20
41-80	:	327	:	259	:	229
81-120	:	285	:	362	:	205
121-200	:	788	:	697	:	597
201-400	:	1117	:	900	:	531
401- up	:	915	:	301	:	-863
All	:	\$529	:	\$507	:	\$445.

The share renters of the Johnson County region received an average labor income of \$529. This would indicate the landlords' supervision has been a paying one, as conservation of soil fertility and general productivity has resulted. A very decided advantage of share renting is the fact that the landlord is in closer touch with the system of handling the farm as a unit, and frequently is in a position to dictate the crops grown so as to prevent the "skinning" of the land as frequently happens in cash renting. This supervision has resulted in a larger labor income not only for the landlord, but for the tenant as well.

Table 19 also shows the effect of size of farm as related to labor income. As the size of farm increases, the labor income increases uniformly, until the point is reached where farms are so large as to become quite a risk. In general the man on the comparatively larger farm has a better chance to make a larger labor income until the 400 acre farm is reached, after which the farming runs to extremes either

exceedingly profitable, or a decided failure.

Tenant's Capital and Labor Income.

The records of the 179 tenant farms in Johnson County were used in this tabulation to see the relation if any between a tenant's capital and labor income.

That the tenant makes a larger labor income than the owner with equal capital has been demonstrated in practically all the surveys made in the United States. It should be borne in mind that while the tenant receives a larger labor income, all family expenses must come out of this sum, while in the case of a land owner, he has the interest received on investment in addition to his labor income to defray his family expenses.

The relation between amount of capital and labor income is shown in table 20.

Table 20. Relation between Tenant's Capital and Labor Income.

Capital	:	Number of Farms	:	Labor Income.
Under \$500	:	23	:	\$183
501-1000	:	41	:	295
1001-1500	:	41	:	335
1501-2000	:	25	:	707
2001-2500	:	20	:	694
2501-3500	:	14	:	802
3501-4500	:	9	:	1194
4501-over	:	6	:	950

The distribution of the farms show the tenant with \$500-\$1500 is most numerous.

FIGURE IX. Tenants Capital and Labor Income.

The increase of labor income with increase of capital runs rather uniformly until the tenant with \$4500 capital is reached. When this larger capital is reached, the relative change in labor income is less rapid, and over \$4500, it drops. This is because of the fact that while larger capital offers the chance for greater gain, it also offers the chance for greater loss, and with a capital of over \$4500 this factor of loss has reduced the total to such an extent that the average gain is less than with smaller amounts of capital. This would indicate that the most efficient amount of capital, so far as labor income is concerned, on the average lay between \$3500 and \$4500. Figure No. IX shows this variation diagrammatically.

Table 21. Capital, Size of Farm, and Labor Income.

Size	: \$500	: \$501-1500	: \$1501-3500	: \$3501-up	: All
Under \$80	: \$166	: \$240	: \$640	:	: \$245
81-120	: 243	: 228	: 579	:	: 305
121-200	:	: 555	: 763	: 369	: 684
201-400	:	: 496	: 782	: 1290	: 962
401-up	:	:	: 26	: 301	: 118
All	: \$183	: \$316	: \$713	: \$962	: \$497

On farms of equal size, the effect of capital is shown in Table 21. This shows that of the tenants with a capital of less than \$1500, 74.1% were located on farms less than 121 acres in size, while practically all of the tenants with a capital of over \$1500 were located on farms over 121 acres in size, and those having over \$3500 capital, with one exception, were all located on farms over 200 acres in size.

Table 22 shows the tenant's labor income as related to system of tenancy, as found in different localities over the United States where survey investigations have been carried on.

Table 22. System of Tenancy and Labor Income.

<u>Method of Renting</u>	<u>:</u>	<u>Cash:</u>	<u>Share-Cash:</u>	<u>Share:Partnership</u>
This investigation	:	445 :	507	: 529 : 624
Missouri Experiment Station Bul. 121	:	410 :	507	: 548 :
Tomkins Co. N. Y. Cornell Bul. 195	:	604 :		: 467 : 342
Livingston Co. N.Y. Warrens	:	870 :		: 372 : 502
Yazoo-Mississippi Delta, U.S.D.A. Bul 337	:	478 :		: 398 : 333
Indiana U.S.D.A. Bul 41	:	864 :		: 733 :
Illinois " "	:	1440 :		: 1044 :
Iowa " "	:	689 :		: 727 :
Iowa Bul. 159	:	1729 :	1121	: : 1291
Total Number Farms	:	470 :	229	: 422 : 615

The above are extracts from the various bulletins mentioned. This table was used simply to show the labor income as influenced by system of tenancy, as found in different localities.

Cash Rental.

In renting for cash, the tenant furnishes all work and other stock machinery, seeds, fertilizer (if any), all labor, and assumes the management and risk of the manipulation of the farm as a whole. For the use of the farm, he agrees to pay a stipulated sum. This amount varies, depending upon the productiveness of the soil, crop area, land value, location, etc., ranging from \$2 up to \$7 per acre.

The advantages which have been given favoring cash rental are numerous, among which the following are the most important.

1. Cash rental is cheapest.
2. Requires less attention from the landlord than any other system of rental.
3. The landlord knows in advance what his return will be, and does not have to share the variation in yields or prices.
4. The tenant furnishes the operating capital, assumes all the risk, and is independent.
5. As soon as a tenant acquires enough capital to farm right, he rarely will rent land on shares.
6. Some landlords are afraid of being cheated if renting their farm on shares.
7. The tenant gets all the advantage of his own superior cultivation and management.
8. Cash leases being simpler, offer less chance for controversy.

MAP OF MISSOURI

SHOWING

THE LOCATION OF CASH TENANTS,
AS GIVEN BY THE 1910 CENSUS.

Each Dot Represents 10 Cash
Tenants.

The results found, indicate the cash tenant has the advantages from an economic side. It was found in every instance to be cheaper, whether for individual crops or for the whole farm. From the standpoint of efficiency it excels share rental in having larger area per farm, more capital, more live stock, hence greater amount of labor. The diversity is greater, having more sources of income and run less risk from the failure of any one enterprise.

Labor income shows ^{the} economic importance of these advantages.

For the tenant who has the money, and is a good farmer, cash rental is by far the best system. It leads to more thorough farming, since every dollar the tenant makes above the rent, goes to himself, and is not shared by the landlord. It is for this reason that soil fertility depletion is the chief objection to a cash system of rental.

If it were possible to maintain soil fertility, cash tenancy would be superior to share tenancy as a general economic system.

Share-Cash Rental.

Share cash rental is a combination of the cash and share systems. Usually the crop lands are rented for shares, while the pasture, and frequently hay land, is rented for cash. The discussion regarding share rental sets forth the principles of a share-cash rental system.

Share Rental.

In renting for shares, the tenant furnishes his own

THE LOCATION OF SHARE TENANTS,
AS GIVEN BY THE 1910 CENSUS.

SHOWING
THE LOCATION OF SHARE TENANTS,
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Tenants.

work and other stock, machinery, seeds and all labor, while the landlord furnishes land, buildings, and fuel if there is a supply on the farm. Frequently the landlord furnishes seed, which is taken out of the crop before the division is made. When fertilizer is used, usually each pays in proportion to his share of the crop. The share of the crop given varies from $1/3$ to $1/2$, according to the productive powers of the land, and the crops grown.

While share rental costs more than cash rental, it usually includes the supervision of the owner, which is quite important to young men just taking the step from hired hand to renter. As they accumulate more experience and more capital, they then turn to cash rental.

A number of factors have been given for share rent being higher than cash rent, among which the following are the most important:-

1. The landlord takes more interest in the management of his farm when let for shares.

2. Tenants are not willing to pay a cash rental equal to the full annual productive powers of the land for fear the crop will not be up to average.

3. In case of a larger crop the tenant feels he can afford to give a share of the crop equal to more than a cash rent, while in case of low yields, the rent paid does not amount to as much as a cash rent, hence his risk is less. The thought of paying a fixed rent regardless of whether the crop is large or small, and prices high or low, is not attractive

to the majority of renters.

4. A good many tenants just starting out for themselves do not have enough capital to pay cash rent.

5. Rent is directly proportional to the crop yield.

6. Share rented farms as a rule have better improvements.

The share rental system is more profitable to the landlords, largely because of the close supervision they give to farms let on shares. The landlord shares the benefit of extra large crops, and gets something out of the smaller ones, while with cash rent the tenant gets all the benefit of large crops, and often is unable to pay the stipulated rent in case of crop failure. Where a tenant has considerable capital, the latter does not hold true. The increased returns under a share rental system show rather plainly the reason landlords prefer a share of the crop as rent.

Partnership Rental.

At present, partnership rental offers one of the best fields for the development of a more successful system of tenancy. The particular feature about partnership rental, is in turning the type of tenant farming from grain to stock raising. The advantages of stock farming are quite numerous and have been discussed in all treatises on Farm Management. The most important advantage is that it conserves soil fertility. This is the most vital point in the tenancy systems of today.

The most natural place for a tenant to look for ad-

ditional capital is to the landlord. In furnishing capital to the tenant, the landlord not only gets a good return on his investment, but also gains in the saving of soil fertility. From the tenant's standpoint, additional capital means more working capital. The importance of working capital is demonstrated quite clearly in Table 20, showing the relation between operating capital and tenant's labor income.

There are a number of different partnership systems of rental in effect over the state of Missouri, but the vast majority of these systems are based upon the "Land against Labor", as modified to meet different conditions. 5/8
3/4

In practically every case, a lease is drawn up to meet the conditions on the individual farm. If this system were more widely practiced, a special form of lease could be worked out making a more satisfactory division of returns, and this system a very popular one.

The common practice is for the landlord to furnish the land and ^{half or} all the capital for purchase of live stock, the tenant agreeing to pay interest on half the amount invested in live stock. The tenant furnishes the machinery, man and horse labor necessary. The receipts and increase or decrease are shared equally. This is essentially the "Land against Labor" system.

There are a number of details to be considered in an agreement of this type, the more important of which are given as follows:

Appraisement at Start. A very careful appraisement

of the live stock, feed, etc., should be made at the start of the agreement. If the landlord and tenant can not agree on the values to be used, a good way is for each to choose a disinterested party, and if these two cannot come to an agreement, they in turn shall select a third, and the decision of the three shall be final.

Work Stock: The work stock is generally furnished by the tenant. When colts are raised, the common practice is for the landlord to pay the service fee to offset the risk to the mare, and the colts shared half and half, the same as increase of other live stock.

The feed for the work stock is generally taken from the undivided grain and hay raised on the place, while in case feed is purchased each party pays half.

Other Live Stock: The live stock kept for meat production is owned jointly, usually half and half. The feed raised on the farm is fed to the stock, and the proceeds divided equally at the time of sale. Exceptions are sometimes made, so that the tenant receives meat for his own table while on the place, while in other cases, each party takes his meat from his share of the increase.

Feed and Seed: Where raised on the farm, all feed and seed comes out of the undivided supply. When purchase is necessary, each party pays one half. In case of grass seed, the landlord usually pays for all, while the tenant does the work.

Poultry Dairy Products and Garden: The tenant is

usually allowed the poultry, eggs, cream, and butter used for home consumption, while the sales are shared equally.

The tenant gets his garden free of charge, and all the products used, while the sales are divided. In case of orchard fruits, usually the tenant gets 1/2, providing he prunes, cares for trees, and delivers 1/2 to the landlord.

Machinery and Tools: The tenant furnishes the machinery and tools necessary to farm the land in a satisfactory manner, and in case implements have to be rented, the tenant pays this rent.

Labor: The tenant agrees to furnish all the labor necessary to the operation of the farm, and in case extra help is hired, he pays for same.

Fertilizer, Threshing and Twine : These items are shared equally by both parties.

Management: Owing to the fact that the landlord furnishes capital for everything except operating the farm, he ^P supervises the management. His experience is generally quite an asset to a young man just starting out under a partnership agreement. This arrangement would be quite agreeable to the majority of retiring farm owners, since it keeps them in close touch with their farm, gives them something to occupy their time and attention, and makes their retirement more gradual and much more pleasant.

However, both tenant and landlord should know each other exceedingly well, and be willing to stand by their agree-

ment, before entering into a lease of this type. Harmony is essential and trouble costly.

Sharing Proceeds: Under all circumstances the most satisfactory time for sharing proceeds is at the time of making a sale. This is simplest, most satisfactory arrangement possible, and offers less chance for controversy.

Termination of Agreement: This is one of the most important factors in a partnership agreement. Increase of live stock is one of the principal sources of profit. If anything but a fair division is made, one or the other, and frequently both lose in closing the business. There is always a cause for bringing the agreement to an end, but this does not justify haste nor recklessness. It is easy to entirely wipe out the profits of the year in settling the agreement. Some of the most satisfactory arrangements for a fair division at the termination of a lease are given as follows:

1. Either party offering his half of the live stock, grain, etc., at a fixed price, give or take.

2. By trying a separation of the partnership live stock into two equally valued groups satisfactory to both parties, any small difference being made up in cash.

3. By each party calling in a disinterested party, and if these two do not agree, they are to call in a third party, and the decision of all three accepted.

4. As a last resort, a public sale.

The above are the principal features for consideration in a partnership rental agreement. Many variations from the above are used in partnership agreements in force

over the state of Missouri today.

SOME COMMON FORMS OF LEASE.

The object of this work was to review the forms of farm lease in effect over the state of Missouri, from them select the ones best suited to different methods of renting land, and note the essential points to consider in leasing land.

There is no doubt but there are forms of lease in effect which are not only unsatisfactory, but unfair to either or both parties concerned.

In leasing land it is essential that all matters be agreed upon and included in the lease before it is signed. A thorough understanding of the interpretation of the various conditions gives an opportunity for the settling of any difference of opinion before the lease goes into effect. Friction between land owner and tenant is a costly occurrence.

It is sometimes thought that printed contracts should be avoided. This is true so far as the actual terms of the agreement are concerned. Where the agreement is already written up from the owner's standpoint, the tenant expected to sign it without modification, a printed agreement is decidedly unsatisfactory. However, there are certain forms of blank leases which contain a very concise statement of the legal essentials and in correct form. Where these printed forms leave sufficient space for the numerous articles of agreement to be outlined in full, they are much to be preferred to a rather im-

MAP OF MISSOURI

SHOWING
COUNTIES FROM WHICH LEASE FORMS
WERE OBTAINED. *62 counties*

*Fig 4
p. 27.*

perfect form hastily drawn at the time of making the agreement.

While there were a large number of points found in all the leases, there were certain essential points, more or less common to all farms. The following outline shows all the essential points found in the majority of the leases received:

Most Essential Points Found in Farm Leases.

1. Date.
2. Parties.
3. Object of Agreement (Land Lease)
4. Description of Land.
5. Length of time Lease Shall Run.
6. Reservations.
7. Rent. (Stipulated in Detail).
8. Articles of Agreement.
 - a. Printed.
 - b. Additional.
9. Signature of Both Parties.
10. Acknowledgement (Before Notary)
11. Permission to Sub-let (Optional)
12. Recorders Blank.

Date. The time of making the farm lease is very essential because of the fact that the lease takes effect on that day and renewals are usually based upon the original date of making the agreement. As a rule the date is recorded at the outset of the agreement. Any reference to the time there-

after is usually included by the statement, the day and year first above written.

Parties. The full names of the parties making the agreement with the county and state in which each is domiciled are essential. Usually the landlord, or owner of the property leased is termed the party of the first part, while the party renting the land is termed the party of the second party.

Object of Contract: In all cases of land rental, for farming purposes the object of the agreement is purpose of lease.

Description: The lease should contain a detailed description of the land as found in the deed to same. It should include the county, state, and description of the land as to range, township, section and location within the section. If a whole farm is rented, following the legal description it is a good plan to mention the name by which the farm is commonly known in that region.

If all the buildings, fences and other accessories are to be included with the land in the lease it is best to state in the lease that the lessee has the right to all the privileges and appurtenances belonging to same (with the exception of those reservations detailed later.)

Length of Time Lease Shall Run: Short term leases are very undesirable and more than any one feature tend to hold back the development of a system of farming leading towards a condition of improved tenancy. A tenant who is kept in an unsettled frame of mind as to the length of his tenure can-

not and will not do his best towards developing a system of management to best suit a particular farm. Not only from his own standpoint, but from the standpoint of the farm as a unit, he does not develop a system leading towards the most efficient returns. He plans to get as much possible out of the land each year and gives no attention to the saving of soil fertility or the working out of an efficient system of farm management. One year is required for a tenant to become acquainted with a farm.

While the leasing of land for one year with the understanding that, if the agreement works out satisfactorily to both parties it may be renewed, is better than a straight one year lease, it is in no way the equivalent of letting the land out for a period of years at the start. The three and five year leases with the sublet permission are the ones which should prove most satisfactory.

By far the great majority of farm leases made out in Missouri are for one year's duration; of the ones on hand, 93.1% were for one year, 5.5% for three years, and only 1.4% for five years.

Reservations: There are certain reservations as a rule, which the owner wants to make regarding his property, and it is obvious that the proper time to make such is at the time of making the lease. The most commonly found reservations are given below:

- (a) The owner reserves the right to enter upon the

premises and every part thereof in person or by agent for the purpose of inspection, or making such repairs and improvements as he may choose.

(b) The tenant shall have, not to exceed 2 acres, for garden and truck patch, and all present feed lots free and clear of any charge.

(c) The owner reserves any particular portion of the premises, or room in buildings for any stock he may want to leave on premises, or goods stored there.

Terms of Rental: The rent of a farm has been defined as "the price paid for its annual use either in the form of money or products". The amount of rent to be paid depends upon a number of factors as productiveness of the soil, size of farm, improvements on farm, location as to markets, social advantages, type of farming to be followed, the desirability of the owner as a landlord, and many others.

Of these factors, soil fertility itself is the most important consideration for the tenant. He should look around the region before making his choice and avoid those farms which have been run down by previous leasing, or which are naturally low in soil fertility.

The landlord is one of the largest factors to consider for the successful and smooth working out of any farm lease. Good, fair dealing land owners are as a rule well known in a community, usually being located nearby where they can be in closer touch with the manner in which their land is being handled.

A prospective tenant should study a farm pretty

thoroughly before coming to any agreement as to what he can afford to pay as rent. Crop yields should be considered carefully and the probable income he can make should be clearly seen before he agrees to the amount of rent he shall give. In the lease itself the amount of rent, as well as the manner and time of payment should be stipulated in detail.

The following are some of the more common agreements found in the leases on hand:

(a) Share-Cash Leases: Grain and share crops are treated under the head of Share Rent, while pasture or cash crops are treated under the head of cash rent.

(b) Cash Rent. While there is quite a difference in the time at which cash rent is paid, in the majority of cases the payment is apt to have the money on hand from a recent sale of products. In the leases on hand the following were the most common time and conditions of making payment:

1. The full amount of the stipulated rent in cash upon the signing of the lease.

2. The full amount of the stipulated rent, as evidenced by a promissory note of even date of lease; due on or before the following January 1st, with annual interest of 6% after maturity, payable at a designated bank and town agreed upon.

3. (River Bottom) The tenant gives his promissory notes to the owner, one for one-half the rent, no interest, to be paid under all circumstances, crop or no crop, and the other note for one-half the rent being non-negotiable in the event of an overflow of all the land which would destroy the crops,

but if there is no overflow then the tenant agrees to pay the non-negotiable note. In case overflow destroys only a portion of the crops, then a reasonable deduction in proportion to the damage or loss of the crops is agreed to by the owner.

4. The tenant agrees to pay a stipulated rental as follows: 1/2 when wheat is sold, the remaining half January 1st of the year following.

5. The tenant agrees to pay the rental agreed upon as follows: \$200 on September 1st each year, \$1000 January 1st each year, and the remainder March 1st, each year, any being due at that time and not paid bearing 8% interest until paid.

6. It is agreed that a certain amount of the rent as \$50, \$100, etc., is to be paid by labor of the tenant in improving the farm, to be mutually agreed upon, the tenant receiving pay for his labor at the rate of \$1.50 per 10 hr.day.

(b) Grain Rent: The conditions governing the manner of paying the rent in the case of a share of the products being given were numerous. Some of the more common agreements are:

(a) Owners share of grain and products to be paid in cash upon disposal of same by tenant.

(b) Owner's share of corn delivered to crib on farm or at market elevator at owner's option.

(c) Owner's share of the wheat delivered to elevator or car at owner's option.

(d) Owner's share of hay delivered to stock on farm or at market at owner's option.

(e) Owner's share of baled hay delivered to shed on the farm.

(f) Owner's share of oats delivered to market.

(g) Owner's share of fruit delivered to market or car, landlord to pay 1/2 crating expense.

(h) Tenant to have all crops for two years raised upon any new land just put into cultivation by him.

The landlord furnishes his own sacks, for grain from the thresher, or bins when grain is delivered on the farm while the tenant gets the straw, providing same is not to leave the farm.

(C) Partnership: In a number of cases where stock farming was practiced, the landlord furnished the money to purchase the stock, the tenant paying interest at current rates on his share in same, and all net gains or losses shared according to the proportion each had in the live stock. This is a very desirable arrangement. The comparatively large amount of operating capital required for the handling of live stock is thus furnished by the landlord, the tenant pays interest on a portion of this capital and receives a like portion of the increased returns, while the landlord gets interest upon the money loaned to the tenant, a share of the increased returns, and the farm gains in the conservation of soil fertility due to the practice of stock farming instead of grain farming.

A common form used in partnership leases is for the parties to agree upon the amount of operating capital to be furnished by each, while the owner puts his land against the labor of the tenant. The business frequently is conducted

under a firm name and all money taken in is deposited to the credit of the firm. All interest charges and all expenses for labor are first paid, and a division of the net profits made.

A division of proceeds at the time of a sale is generally less bother and more satisfactory than the firm method.

8. Articles of Agreement: The common practice with printed lease forms is to print those articles of agreement common to all systems of rental, and to leave a blank space for filling many additional conditions at the time of making the lease. The printed conditions in the majority of cases run about as follows:

(a) Tenant shall cultivate in a good and proper manner all the tillable land on the premises, to take good care of the growing trees and protect them from livestock, to carefully protect the premises from danger by fire by plowing and burning when necessary, to not remove nor allow anyone else to enter upon and remove from the premises during the time of the lease any portion of the fences, buildings, fruit or other trees, machinery, implements or any improvements of any kind which were upon the premises at the beginning of the lease or which were placed thereon, during the term of the lease by the landlord or his agents.

(b) It is agreed that neither the tenant nor his legal representatives will underlet said premises, or any parts thereof, or assign the lease to another party, without the written assent of the landlord.

(c) Tenant agrees that he will at all times,

during the term of the lease, at his own expense (except so far as is agreed to the contrary) maintain and repair all the buildings and fences belonging to the premises or which are erected thereon, and to peacefully deliver up to the owner the premises at the termination of the lease in as good repair as they were at the commencement of the term of the lease, loss by fire, storm, and unavoidable accident, and ordinary wear and tear excepted.

Written Conditions: In addition to the printed conditions, all arbitrary conditions should be written in the lease at the time of making. This is one of the most important points in bringing about a thorough understanding of the conditions of the lease.

The following are the most common of the numerous additional written conditions found in the leases on hand. These conditions are gathered from all the leases on hand and for different systems of rental, hence usually only a very few of them are found in the lease of any one farm.

1. Repairs. Owner furnishes all materials while tenant does the hauling of same to premises and the work necessary to keep the premises in repair.

2. Weeds. All weeds on the premises along the fences and public highways are to be cut during the month of August. Also tenant is to prevent from seeding all cockle burrs thistles, Burdock, Jimson, or other obnoxious weeds. Tenant also agrees to mow all dykes with a mower, that can be mowed in this manner.

3. Sod Lands: In seeding down grass crops, the landlord furnishes all the seed while the tenant does the work of seeding. No grass land on premises is to be broken or plowed without the full consent of the owner.

4. Manure: Landlord is to pay tenant for hauling out any manure about the barns, sheds, and lots that is there when the tenant moves on to the farm, but after that the tenant is to haul out any manure that accumulates afterwards and scatter at his own expense and time.

5. Water Supply: Where there is no natural supply of water for live stock, the landlord furnishes the necessary pumps, windmills, etc., while the tenant usually is held responsible for the care, oiling, and maintaining of same in good running order at all times.

6. Fertilizer: In share renting, each party pays 1/2 of the fertilizer, cost, in seeding, same to be settled at time landlords share of rent is delivered.

7. Fire Wood: Where there is timber on the farm, the tenant is usually given all the down timber he needs for firewood, but is not to cut any other timber without owner's consent.

8. Road Tax: It is commonly agreed that the tenant is to work out the district road tax levied against the land each year during the term of the lease and obtain and deliver to the landlord a receipt for same. This is practically always the agreement when the tenant gets fire wood free for the cutting.

9. Pasturing: (a) Tenant agrees not to pasture any

stalk fields, wheat fields, nor pasture land when the condition of the ground is muddy, or such that it will be detrimental to the crops or condition of the soil itself.

(b) Tenant agrees to keep all hogs "rung" to prevent rooting up grass in permanent pasture lands.

(c) Tenant agrees that he will not keep more stock on the pasture than is good for the pasture, and not pasture the grass in the fall to such an extent that it is left too short for winter.

(d) In case tenant kills out the grass in a pasture, he is to reseed same at his own expense.

(e) Usually it is designated in the lease what fields may be used for pasturing purposes and the recompense agreed upon.

10. Straw: No part of the straw grown on the premises is to be burned, or removed from the premises without the written consent of the landlord, but same shall either be fed, or allowed to rot on the premises.

11. Stalk Fields: All stalk fields on place are to be fed, pastured, or turned back to the land, and no stalk field is to be sold without the consent of the landlord.

12. Ditches: (a) No furrows are to run so as to cause ditches to wash without written consent of landlord.

(b) All ditches occurring during the occupancy of the tenant shall be filled with straw, stalks, rails, or brush in such a manner as to hold back the washing of same.

13. Tile Drain Outlets: The tenant looks after the drain outlets, sill basins, etc, and when same are not in good

condition, he is to fix them, landlord furnishing the material for such improvements or repairs.

14. Moving Fences: No fences are to be moved on the premises except with the consent of the landlord.

15. Tenant Improvements: At the end of his term as lessee, the tenant may remove any temporary fences, or other improvements put on the premises for his own use and by his own labor.

16. Trimming Orchards, etc. (a) Tenant agrees to trim the orchard once per year at landlord's direction. (b) Tenant agrees to keep the hedge trimmed on the place where it has been trimmed the preceding year.

17. Default in Payment of Rent: (a) Nothing in the lease is to be construed as waving the statutory landlords lien for rent. (b) It is agreed by the tenant that if default be made in the payment of rent when it becomes due by the terms of the lease, the landlord or his representatives are entitled to the peaceable possession of the premises.

18. Sale of Property: Nearly all leases are made subject to the sale of the farm, and a sale of the farm immediately terminates the lease, but the tenant is allowed a reasonable pay for all crops and labor that he is not allowed to retain and complete by the terms of the sale.

19. Occupancy of Premises: It is sometimes stipulated that the tenant keep someone living in a house on the farm all the time the lease is in effect.

20. Renewal: It is frequently agreed that in

case the lease works out satisfactorily, the tenant has the privilege of renewing upon the same terms for a period of years from the expiration of the original lease.

21. Termination of the Lease: Either party is given the right to terminate the lease at the end of a seasonal year, as January 1st, February 1st, or March 1st, by giving the other party a written notice to this effect at least sixty days before expiration of the time agreed upon.

Signatures: After all the agreements are satisfactorily stated, and the lease gone over by both parties and clearly understood, it is then ready for the signature of the parties making the lease or their legal representatives. The signatures should in all cases be attached to two forms, one a duplicate of the other so that each party may have a copy of the exact agreement.

Acknowledgement: All leases should have the proper blank for acknowledgement before a notary public.

Permission to Sublet: It is the common practice to have a sub-let permission blank attached to the form of farm lease, which may be filled out at the time of making the agreement. In all cases it holds the original lessee responsible for the faithful performance and fulfilment of all the covenants and agreements in the lease as originally made.

Recorder's Blank: Besides the acknowledgement before a notary, most leases have a blank record to be filled out in the recorder's office when the lease is recorded.

Mutual Good Will: Mutual good will is by far the

most important feature in a satisfactory agreement between owner and tenant. The terms of agreement as to rental must be fair to both parties to make the tenure successful.

Lease Forms.

On the pages following are given lease forms for a cash rent, a share rent, and a partnership agreement. These were constructed by combining the features found in the numerous different lease forms on hand, into what was thought would make a more satisfactory lease for both parties. In all cases it is intended merely to suggest points which are quite common in the different leases on hand. Additional points may be added for use under different conditions.

CASH RENT FARM LEASE.

This Indenture, made on the _____ day of _____ 19____
 by and between _____
 of _____
 part _____ of the first part, and _____
 of the county of _____ in the state of _____, part _____
 of the second part.

WITNESSETH. That the said party of the first part, in consideration of the rents and covenants herein specified, does hereby let and lease to the said party of the second party, the following described property:

Section _____, Township _____ Range _____ in _____
 County, Missouri, with appurtenances thereunto (Except as herein-
 after mentioned as reserved for the use and benefit of the said
 party of the first part), for a term of _____ commencing
 the _____ day of _____ 19____ and ending the _____ day
 of _____ 19____

AND The said party of the first part makes the fol-
 lowing reservations to-wit: Reserving the right to enter upon
 said premises and every part thereof in person or by agent at any
 and all times for the purpose of inspection or repairs: _____

*Additional Reservations may be written here.

Said second party does hereby hire said premises for the term
 aforesaid, and agrees with the said party of the first party _____
 heirs and assigns, in consideration therefor, that
 _____ will and do _____ hereby bind and obligate
 _____ heirs and assigns, as follows, to-wit:

Cultivation: To cultivate in good and proper manner
 all of the tillable land on said premises and to allow no waste
 of fencing or timber:

Weeds: To mow all weeds along the fence rows and pub-
 lic highways adjoining premises at least once per year, to be
 done during the month of August, to prevent from going to seed
 all obnoxious weeds such as thistles, cockle-burrs, Jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields
 when the condition of the ground is muddy, to keep all pigs
 "rung" before running them upon any permanent pasture; not to
 overload said pastures to such an extent that it is detrimental
 to same, and in case of killing out any permanent pasture, said
 party of the second part is to reseed at his own expense.

Improvements: To keep in good repair all fences and
 buildings upon said premises, or which may be placed thereon
 during the term of this lease, at his own expense, providing
 all the materials for such repairs be furnished by the said party
 of the first part, natural wear and tear or damage by the ele-
 ments excepted; to take good care of the growing trees thereon,
 and protect them from live stock; to protect said premises from

fire by plowing and burning when necessary; not to remove, nor allow anyone else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees, shrubbery, machinery, or any improvements of any kind or nature whatever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the first part, or _____ authorized agent: and in case of such waste or removal of such improvements, to give at once on demand of said party of the first part full and peaceable possession of said premises, and to pay said first party the full value of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the second party has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm, all manure accumulating on the premises around the barns, sheds, and stock bottoms, during the time of this lease; to plow in all small ditches in the spring of the year to prevent washes.

Sub-letting: Not to underlet said premises nor any part thereof, or assign this lease, without the written consent of the said party of the first part had and obtained thereto.

Default in Rent Payments: To surrender said premises peacefully before the expiration of this lease, on demand of party of the first part, should default be made in payment of any rent when due, a lien on the crops to be retained by said party as security for the fulfillment of this contract, and such crops not to be removed from the land until the rents are paid, according to the terms hereof, and to pay to the said party of the first part all reasonable damages sustained by any such default.

Termination of Lease: To yield and deliver up said premises, at the expiration of this lease, in like condition as when received, together with all improvements that may be added thereto, during said lease, by said party of the first party, or _____ authorized agent, reasonable use and wear thereof, or damage by the elements excepted.

(Additional Agreements may be inserted here.)

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Payment of Rent: Said second party hereby agrees to pay to the party of the first part, or _____ authorized agent, the following rental fees, in amount and manner to-wit:
 BY:-Labor on the farm in improving, to be mutually agreed upon, party of the second part receiving pay for his labor at the rate of _____ per day, for such time as he may work, counting hours as a days labor, to the extent of _____ dollars.
 BY:- Cash in amount and manner as follows: _____

BY:- PROMISSORY NOTES of even date herewith as follows: _____

_____ to be paid at the _____ Bank _____ of _____
_____ No. _____

IN WITNESS WHEREOF, the said parties have hereunto,
and to a duplicate copy hereof, set their hands and seals, this
the _____ day _____ of _____ 19 _____

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

SHARE RENT FARM LEASE

This Indenture, Made this _____ day of _____ A.D. 19____
by and between _____

of the _____ of _____, and State of _____
part _____ of the First Part, and _____

of the _____ of _____, and State of _____
part _____ of the Second Part:

WITNESSETH, That the said part _____ of the First Part,
for and in consideration of the covenants and agreements here-
inafter mentioned, to be kept and performed by the said part _____
of the Second Part _____ Executors, Administrators and assigns,
h _____ demised and leased to the said part _____ of the Second part,
all those premises, situate, lying and being in the _____ of
State of _____, known and des-
cribed as follows, to wit:

Above described premises being commonly known as
Farm.

TO HAVE AND TO HOLD the said above described premises,
with all the privileges and appurtenances belonging to the
same, (except such as hereinafter mentioned as reserved for the
use and benefit of the said part _____ of the First Part), unto
the said part _____ of the Second Part, a _____ Executors, Administra-
tors and Assigns, for a term of _____ commencing
on the _____ day of _____ A.D. 19____, and ending on
the _____ day of _____ A.D. 19____

And the said part _____ of the First Part makes the fol-
lowing reservation, to-wit: Reserving the right to enter upon
said premises and every part thereof in person or by agent for
the purpose of inspection or making such repairs and improve-
ments as he may choose: a reasonable amount of space or room
in barns, sheds, and cribs for the storing of his share of the
products and crops received as rent: other rooms or space
on said premises as follows: _____

Any additional agreements may be written here.

And the said part _____ of the Second Part, in considera-
tion of the leasing of the premises aforesaid by the said
part _____ of the First Part, to the said part _____ of the Second Part,
does covenant and agree with the said part _____ of the First Part,
Heirs, Executors, Administrators and Assigns, to pay
the said part _____ of the First Part, as rent for the said pre-
mises, in amount and manner, as follows, to-wit:

_____ of all the corn raised on the premises, delivered
to the elevator or car at _____, or to cribs on farm, at
owner's option. _____ of all the wheat, and _____ of all the
oats raised on the premises, delivered to elevator mill, or

ear at _____, or to bins on farm, at option of party of the First Part, party of the First Part to furnish sacks for same at thrasher.

_____ of all the hay delivered to market at _____ or to stack or sheds on premises at the option of the said party of the First Part.

Other rents as follows to-wit: _____

And it is further agreed by said part _____ of the Second part:

Cultivation: To cultivate in good and proper manner all of the tillable land on said premises; not to plow nor break up any sod land on said premises without the written consent of said part _____ of the First Part.

Weeds: To mow all weeds along the fence rows and public highways adjoining premises at least once per year, to be done during the month of August; to prevent from going to seed all obnoxious weeds, such as thistles, cockle-burrs, jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields when the condition of the ground is muddy; to keep all pigs "rung" before running them upon any permanent pasture; to not overload said pastures to such an extent that it is detrimental to same, and in case of killing out any permanent pasture, said part _____ of the Second Part is to reseed at his own expense.

Improvements: To keep in good repair all fences and buildings upon said premises, or which may be placed thereon during the term of this lease, at his own expense, providing all the materials for such repairs be furnished by the said party of the First Part, natural wear and tear or damage by the elements excepted; to take good care of the growing trees thereon, to trim orchard and any fruit trees upon the place in proper season, and protect them from live stock; to protect said premises from fire by plowing and burning when necessary; to not remove, nor allow anyone else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees, shrubbery, machinery, or any improvements of any kind or nature whatever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the First Part, or _____ authorized agent, and in case of such removal to at once give on demand of said party of the First Part full and peaceable possession of said premises, and to pay said party of the First Part full value

of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the Second Part has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm, all manure accumulating on the premises around the barns, sheds, and stack bottoms, during the time of this lease; to plow in all small ditches in the spring of the

PARTNERSHIP AGREEMENT FARM LEASE

THIS CONTRACT, Made this _____ day of _____ A.D. 19____
 by and between _____
 of the _____ of _____, and State of _____
 part _____ of the First Part, and _____
 of the _____ of _____, and State of _____
 part _____ of the Second Part:

WITNESSETH, That the said part _____ of the First Part, for
 and in consideration of the covenants and agreements hereinaf-
 ter mentioned, to be kept and performed by the said part _____ of
 the Second Part _____ Executors, Administrators and assigns, he
 demised and leased to the said part _____ of the Second Part, all
 those premises, situate, lying, and being in the _____
 of _____ State of _____,
 known and described as follows, to-wit: _____

THE ABOVE described premises being commonly known as the _____
 Farm.

TO HAVE AND TO HOLD the said above described premises,
 with all the privileges and appurtenances belonging to same,
 (except such as hereinafter mentioned as reserved for the use
 and benefit of the said part _____ of the First Part), unto the said
 part _____ of the Second Part _____, Executors, Administrators, and
 Assigns, for a term of _____ commencing on the _____ day
 of _____ A.D. 19____, and ending on the _____ day of A.D. 19____.

And the said part _____ of the First Part makes the fol-
 lowing reservation, to-wit: Reserving the right to enter upon
 said premises and every part thereof in person or by agent at
 any and all times for the purpose of inspection or repairs; to
 have the right to specify what sod land, if any, upon said pre-
 mises is to be broken for the growing of tillable crops; and
 further reserves Rooms, Building Space, or Portions of the pre-
 mises as follows, _____

(Any additional reservations may be inserted here)

AND the said parties of the First Part and of the
 Second Part, in consideration of the leasing of the premises
 aforesaid by the said part _____ of the First Part to the said part _____
 of the Second Part, do hereby covenant and agree to the terms
 and conditions hereinafter specified, to-wit:

Type of Farming: FIRST, it is mutually agreed by all
 parties hereto, that the entire farm shall be devoted to Grain
 and Stockfarming, and that the principal occupation shall be
 the raising of _____

Land: The part _____ of the First Part agrees to furnish
 all the above farm, in its present condition, together with all
 the appurtenances thereto belonging, and further agrees to fur-
 nish all necessary wire and posts for fencing, and all necessary

lumber and material, of every kind for permanent improvements whenever agreed upon by all parties.

Work Stock and Equipment: The said part of the Second Part agrees to furnish all the Work Stock, Harness, Implements, and Tools necessary to run the farm in a good and proper manner, and to pay any and all necessary repair bills on said Harness, Implements, etc.

Labor: The said part of the Second Part agrees to devote all his personal attention and time to the management of the farm, crops, and live stock, and is to hire and furnish all extra labor necessary for the proper management of the farm.

Duties of Second Party: The said part of the Second Part agrees:

Weeds: To mow all weeds along the fence rows and public highways adjoining premises at least once per year, to be done during the month of August; to prevent from going to seed all obnoxious weeds such as thistles, cockle-burrs, jimson, etc.

Pasture: Not to pasture stalk fields nor wheat fields when the condition of the ground is muddy; to keep all pigs "rung" before running them upon any permanent pasture; not to overload said pastures to such an extent that it is detrimental to same, and in case of killing out any permanent pasture, said part of the Second Part is to reseed at his own expense:

Improvements: To keep in good repair all fences and buildings upon said premises, or which may be placed thereon during the term of this lease, at his own expense, providing all the materials, for such repairs be furnished by the said party of the First Part, (said party of the Second Part to do the hauling of such materials), natural wear and tear or damage by the elements excepted; to take good care of the growing trees thereon, to trim orchard and any fruit trees upon the place in proper season, and protect them from live stock; to protect said premises from fire by plowing and burning when necessary; not to remove, nor allow anyone else to enter upon and remove from said premises during the term of this lease, any part or portion of the fences, buildings, fruit or other trees shrubbery, machinery, or any improvements of any kind or nature whatsoever, which were upon the premises at the beginning of this lease, or which may be placed thereon during said term by said party of the First Part, or _____ authorized agent, and in case of such removal to at once give on demand of said party of the First Part full and peaceable possession of said premises, and to pay said party of the First Part the full value of all improvements thus taken from or damaged upon said premises, excepting that at the termination of this lease, said party of the Second Part has the right to remove any and all temporary improvements placed upon said premises by and for his own use and at his own time and expense.

Soil Fertility: To haul out and scatter on the thin places of the farm all manure accumulating on the premises around the barns, sheds, and stack bottoms, during the time of this lease; to plow in all small ditches in the spring of the year to prevent washes.

Products Used in Home: The said part of the Second Part is to have the privilege of using all the poultry, eggs, butter, and milk he may want for his own table use, and is to

be allowed to reserve enough hogs for his meat for whatever time he may be on the farm. Should he leave the farm for any cause whatever before the rental year expires, he shall divide any meat he has on hand equally with the said part___ of the First Part.

Garden: The said part___ of the Second Part has the right to not exceeding two (2) acres for a garden spot.

Live Stock: The parties of the First Part agree to purchase a one-half interest in all the Cattle, Hogs, Sheep, and Poultry which are brought upon the farm by said parties of the Second Part at the beginning of this lease. Should parties of the First and Second parts not agree as to the value of such property, they shall settle same by each selecting a man to inventory same, and if these two should not agree, then these two are to select a third, and the decision of a majority of the three shall be final.

It is mutually agreed by the parties hereto that in the purchase of live stock during the term of this lease, such expense shall be divided equally, but if the said party of the Second Part so desires, the said party of the First Part agrees to furnish all the money for such purchase, party of the Second Part agreeing to pay interest at the current rate, on one-half the money so advanced.

Machine Bills: The parties of the First Part agree to pay one-half of the machine bills for the filling of Silos or the threshing of Small Grains grown on the farm, but part___ of the Second part___ to furnish board for same.

Feed: It is mutually agreed by the parties hereto that the work stock and other stock are to be fed out of the undivided grain and hay raised on the farm, and if it is necessary to purchase feed or pasture at any time, such expense shall be divided equally, while said part___ of the Second Part is to do all hauling of same.

Seed: It is mutually agreed by the parties hereto that the expense of grain for seeding shall be equally divided, except for grass seed which is to be furnished by said part___ of the First Part.

Division of Receipts: It is mutually agreed that all money from the sale of crops, stock, and products is to be divided equally at the time of sale and each party is to share equally on all the increase and profits or loss from whatever stock handled on the farm.

Termination of Lease: It is agreed and understood that this contract is to extend from year to year or so long as the partnership arrangement is agreeable to each of the parties concerned, but if at any time either party or both should become dissatisfied with the management of the farm and the live stock so owned, by giving a sixty (60) days notice in writing, the interests therein shall be separated by said dissatisfied party offering at a fixed price his half of the said stock, hay, and grain to the other party, and if they cannot agree upon such price and sale, then they are to agree upon some just division, and in case no decision is reached, then they are to make a public sale and sell the same and divide the proceeds equally.

It is mutually agreed and understood that in case

of the death of either party concerned, this contract is thereby terminated, and the interests shall be divided by the executors, administrators, or assigns of the deceased and the said party of the other part, as provided for in case of voluntary termination.

Sale of Property: The said part ___ of the First Part reserves the right to terminate this contract in case of sale of the premises, or for other unforeseen causes, at which time sixty (60) days written notice will be given, and also a reasonable time for the disposition and termination of the interests of the parties hereto, but at no time shall such time extend beyond the first day of March following the notice of such dissolution of this partnership agreement, at which time the party of the Second Part is to give immediate and peaceable possession of the premises and appurtenances belonging thereto, but the said part ___ of the Second Part is to be allowed a reasonable pay for the labor and his share of the crops that he is not allowed to retain and complete by the terms of sale.

(Additional agreements may be written here.)

IN WITNESS WHEREOF, We have hereunto, and to a duplicate copy hereof, set our hands and seals the day and year first above written.

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Conclusions.

The present system of tenancy is not attractive to a progressive and far sighted farmer. Short time leases give the tenant little control or opportunity for working out a system of management, while the landlord is so poorly protected by our laws and customs that it is hazardous to lease for a long time. The result is that soil fertility suffers severely.

The short time lease can well be pointed out as the chief obstacle in the development of a more stable system of agricultural tenancy. Some of the most efficient general farming systems of the world are found where long time tenancy prevails. The long lease systems of England and France are cited in this respect.

From the standpoint of the development of rural conditions, the present system of tenancy is very detrimental.

The tenant as a class represents a shifting population, interested in making the most money possible in order to become owners, and as soon as possible. With this as their main thought, it is quite natural that schools, churches, roads, and other improvements should receive very little attention from them. The tenant does not feel justified in going to the expense of time and money necessary for making permanent improvements when the next season he may be located in an entirely different community, while his successor reaps the benefits of his labor.

Ownership gives a sense of responsibility and interest

in the farm and community. From the economic standpoint, it is better to rent a good farm than to own and work a poor one. A combination of the advantages of these factors would result in an improved condition where tenancy prevails.

The solution to the tenancy problem as it now stands, lies in the working out of a system embodying the following essential points in a satisfactorily working plan:

I. A division of the returns in such a manner that:

1. The landlord receives first a fair return on his investment.

2. The tenant receives first a fair and just return on the labor he puts in.

3. After the landlord's returns on investment, and tenant's returns on labor are taken out, the remainder is shared about evenly between landlord and tenant.

II. A long time system of leasing so that:

1. The tenant can work out and use an improved system of farm management.

2. The tenant can derive the benefits of a better system of roads, schools, and community social conditions in general.

3. The soil will yield the maximum production that is possible without exploiting soil fertility.