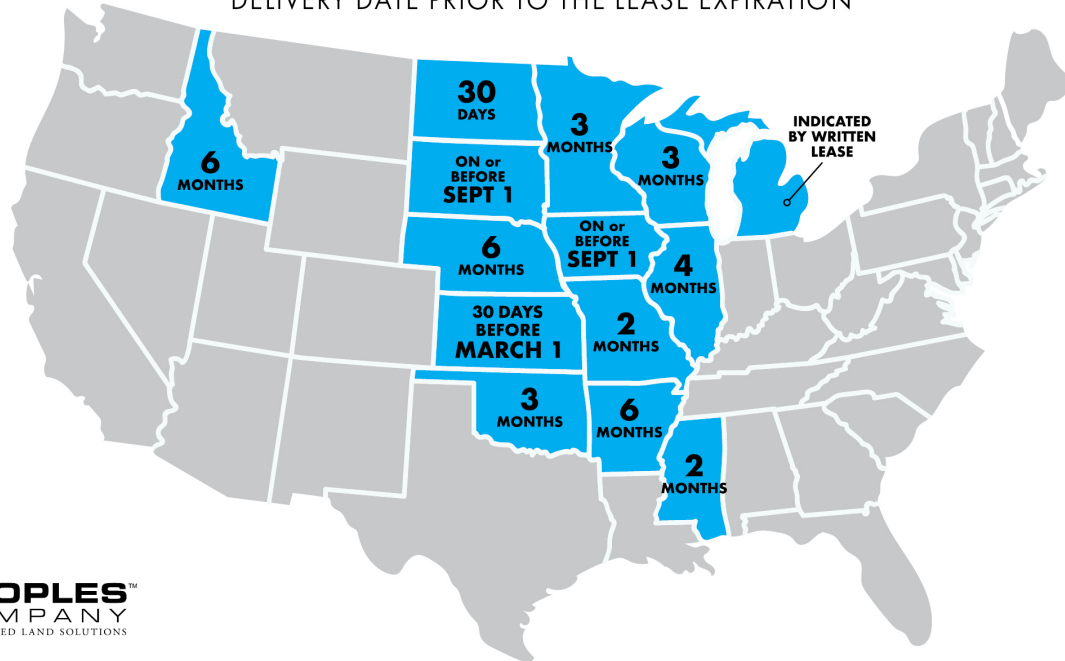


# Farmland Lease Termination Notices

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## Lease Termination Deadlines by State

DELIVERY DATE PRIOR TO THE LEASE EXPIRATION



The deadline to complete farm lease termination notices is approaching for several states. How does a landowner or tenant know when to terminate a farm lease or when to let it automatically renew? The following information offers general farm lease information, considerations for termination/renewal, and specific state deadlines.

### What's in a farm lease?

Farm leases serve as a contract in their most basic form but can also serve as a roadmap to direct landowner and tenant actions over the term of the agreement. The basic language contained in a lease includes property location, start and end dates, lessee/lessor names (they could be a person or an entity such as a trust or LLC), number of acres, rent amount with a due date, and a place for both parties to sign.

Since each state may have its own minimum requirements for a lease, be sure to confirm for your specific state. A share crop lease, for instance, may need more detailed information where shared responsibilities between parties must be clearly stated.

In the event either party is physically unable to carry out their duties, a lease provides guidelines for successor interests to ensure a seamless transition until the lease expires, or is terminated, by either party. Daily operations can run smoothly without having to contact someone in an urgent situation when operations are clearly stated.

## Why terminate a farm lease?

Below are possible lease terminations scenarios, which can apply to a lessee or lessor.

- *A change in ownership has occurred or will occur within the next 12 months.* Has a trust or LLC been formed, an occurrence of death, divorce, estate planning, or additional person(s) being added?
- *Change in leasing terms.* This may be the rental rates, term length, farming practices, or an outside force such as government interaction or program(s).
- *Conversion from a verbal lease to a written lease.* This is highly recommended in establishing clear expectations between the tenant and the landowner. Written leases clearly define the duties each party has agreed to carry out.
- *Unencumbered land for improved marketability.* If you are considering selling a property, it may be beneficial to be free of a lease, as it can provide a more marketable property.

Either party can terminate a farm lease and deadlines for giving notice may vary depending on farm location. It is recommended to check with your state's requirements in drafting termination notices, as well as consult an attorney to ensure everything is covered.

## How do you terminate a farm lease?

The proper delivery of a termination notice is important. Each state may have its own recommendation, and the best practice is the clearer the notice the better. Written notices delivered by certified mail with return notice of delivery prove both parties know the notice was delivered and received. If delivered in person, signatures on the notice by both parties also provide a paper trail.

Listed below are due dates for several states, and it's recommended to research the exact language for the state your land is located. Trusted sources for this information included university extension services, local/state policy online resources, or contact an attorney for clarification.

Arkansas: Notice by June 30, also if there are no provisions regarding unharvested crops, they may revert to the landlord.

Iowa: Written notice before September 1st for both verbal and written leases, including leases with end dates.

Kansas: 30 days before March 1st

Minnesota: Minimum of 3 months or more before the end of the lease

Missouri: Up to 60 days' notice or any time before the desired end date, earlier the better

Nebraska: September 1st on all verbal leases and written leases that may not have an end date in them. No notice is required if it is written with an end date. Legislative Bill 591 is proposing to change the date of notice to Jan 1st of such year on verbal leases.

South Dakota: September 1st for all leases

Tennessee: July 1st

Peoples Company Land Managers are well-versed in executing and terminating farm leases across the country. Landowners interested in learning more about Peoples Company's proprietary farm lease are encouraged to contact the land management team at [LandManagement@PeoplesCompany.com](mailto:LandManagement@PeoplesCompany.com).