

University of Nebraska - Lincoln

**DigitalCommons@University of Nebraska - Lincoln**

---

Historical Materials from University of Nebraska-  
Lincoln Extension

Extension

---

4-1953

## EC887 Contributions of Landlord and Tenant in a Farm Lease Arrangement

Follow this and additional works at: <http://digitalcommons.unl.edu/extensionhist>

---

"EC887 Contributions of Landlord and Tenant in a Farm Lease Arrangement" (1953). *Historical Materials from University of Nebraska-Lincoln Extension*. 2329.

<http://digitalcommons.unl.edu/extensionhist/2329>

This Article is brought to you for free and open access by the Extension at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Historical Materials from University of Nebraska-Lincoln Extension by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

AGRI

April 1953

E.C. 887

## CONTRIBUTIONS OF LANDLORD AND TENANT IN A FARM LEASE ARRANGEMENT

The form on the other side of this sheet has been prepared to help answer inquiries from Nebraska tenants and landlord. If the tenant and landlord will get together and enter items in the form according to the suggestions below, they may be able to arrive at a satisfactory lease arrangement.

## Suggestions For Use Of Form On Reverse Of This Sheet

Interest on Capital. The capital used in the operation of a farm business has an earning value, since it could have been invested elsewhere at interest. This can be thought of as its contribution to the business by its owner. It may be computed by assuming an interest earning on the capital value. The interest earnings should be in accordance with current interest rates in the community on similar investments. The values of the different capital investments used in the business should be entered in Column (1), the assumed earning rates in Column (2), and the amount of the earnings in Column (3). The earnings will be entered again in Column (4) or Column (5), or divided between Columns (4) and (5) depending upon the ownership of the capital.

Non-Cash Expenses. Depreciation costs are contributed to the business by the owner of such property. Enter in Column (1) the values of the different properties that depreciate such as buildings and fences, power and machinery, and livestock retained for breeding purposes. Enter in Column (2) the depreciation rates. Compute the depreciation and enter in Column (3) and again in Column (4) or Column (5) as explained above for interest earnings. If depreciation is computed on livestock it will be handled as for buildings and machinery after the value of the stock has been determined and the depreciation rate estimated.

Estimate a value for the labor of the operator and for members of the family who do field work. This should be based on going farm wages. Show number of months in Column (1), the monthly wage in Column (2), and the total in Column (3). Enter again in Column (4) or (5).

Cash Expenses. The items of expenses listed, or others that may apply to your operations, can be estimated for the year and entered first in Column (3) and again in Column (4) or (5).

Determination of Contributions. Columns (3), (4), and (5) should be totaled. The percentages that the totals of Columns (4), and (5) are of Column (3) should be computed and entered in Columns (4) and (5). These percentages indicate about how the income from the business should be divided. If the contributions of the landlord (Column 5) are about 40 per cent or two-fifths of the total shown in Column (3), then it would appear that he should receive 40 per cent or two-fifths of the farm income for the year. Contributions as listed may be adjusted if necessary to fit the shares to be received by the landlord and tenant.

Risk and management are difficult to evaluate. Risk may be partially accounted for by allowing different interest rates for different kinds of capital used. Management may have a different value on each farm. To provide for it, some adjustments in inputs could be made by mutual agreement between the parties concerned.

\* \* \*

Nebraska  
COOPERATIVE EXTENSION WORK  
IN AGRICULTURE AND HOME ECONOMICS  
U. of N. Agr. College & U. S. Dept. of Agr. Cooperating  
W. V. Lambert, Director, Lincoln



## CONTRIBUTIONS OF LANDLORD AND TENANT IN A FARM LEASE ARRANGEMENT

195\_\_\_\_\_

Item	Value	Rate	Contributions		
			Total	Tenant	Landlord
	(1)	(2)	(3)	(4)	(5)
Interest On Capital					
Land. . . . .	\$	%	\$	\$	\$
Buildings and fences. . .					
Power and machinery . .					
Livestock . . . . .					
Other . . . . .					
Non-cash Expenses					
Depreciation	Value	Rate			
Buildings and fences	\$	%			
Power and machinery					
Livestock . . . . .					
Other . . . . .					
Unpaid labor	No. months	Rate			
Operator. . . . .		\$			
Family. . . . .					
Cash Expenses					
Repairs, buildings and fences . . . . .					
Repairs, fuel, oil, machinery and power					
Taxes: Real estate . . . . .					
Personal . . . . .					
Insurance: Buildings . . . . .					
Personal property . . . . .					
Crop expense: seed, fertilizer, other.					
Water costs . . . . .					
Labor hired . . . . .					
Feed bought . . . . .					
Livestock expense: Vet., Med.. . . .					
Other . . . . .					
. . . . .					
. . . . .					
. . . . .					
. . . . .					
TOTAL. . . . .					
Per Cent Contributed by each . . . . .			100%	%	%