

# Crop Share Leasing Provisions, 2022

Although a farm tenant and landowner are free to customize lease contracts as per their unique requirements and preferences, understanding the common practices in a given region often provides valuable insights, as these customary approaches are typically viewed as fair and balanced for both landowners and tenants. Practices that are widely adopted usually reflect a balance of interests, ensuring equitable treatment of both parties. Nonetheless, unique circumstances or individual objectives might necessitate deviations from common practices. Any lease must be evaluated as a whole, not by its individual parts. The general principle to follow is to divide the crop (and other income) in the same proportion as total costs are shared.

Although leasing practices tend to be stable, changes do occur because of changes in agricultural technology and economic conditions. The [2022 Iowa Farmland Ownership and Tenure Survey](https://go.iastate.edu/IAFARMLANDOWNERSHIP2022), <https://go.iastate.edu/IAFARMLANDOWNERSHIP2022>, by the Department of Economics at Iowa State University

was conducted to find out more about current leasing practices in Iowa. Responses were received from a statistically representative sample of 359 landowners throughout the state via telephone.

Of all acres in Iowa as of July 1, 2022, seven percent were reported to be under a crop share agreement, which represents 12% of all leased land. This also represents the continuous shift from crop share to cash rent in the state given that 9% and 12% of all acres in Iowa were under a crop share lease in 2017 and 2012, respectively. The vast majority of the responses (83%) reported a 50-50 division of both the corn crop and the soybean crop between the landowner and tenant. Table 1 below shows how the various costs were divided. For the most part, the typical 50-50 crop share is still the predominant form of crop share leased acres. In particular, for 80% of all acres under a crop share arrangement, landowners split equally with the tenants on costs such as seed, fertilizer, herbicides and insecticides. The notable exceptions to the rule are for custom applications and harvesting.

**Table 1. Distribution of crop share acres based on the portion of yield received or percent of costs paid by the landowner, 2022**

	0%	1-49%	50%	100%	Not used/ reported
Corn yield	---	---	83%	---	17%
Soybean yield	---	---	83%	---	17%
Inputs - seed, fertilizer, herbicides, insecticides	---	5%	80%	---	15%
Custom work - custom combine, custom fertilizer application, custom pesticide application	6%	6%	37%	3%	50%

The 2022 survey also allows us to present the results in terms of percent of owners as opposed to percent of land. Table 2 replicates the crop share arrangements characteristics as shown in Table 1 but presents them based on percent of landowners who currently have crop share agreements instead of their crop share leased acres. In general, it similarly revealed the dominance and popularity of 50-50 crop share leases among all Iowa landowners.

Additional insight on the characteristics of Iowa farmland leases from the Farmland Ownership and Tenure Survey can be found in the [Survey of Iowa Leasing Practices](https://go.iastate.edu/AGDMC215), <https://go.iastate.edu/AGDMC215>.

**Table 2. Distribution of crop share landowners based on the portion of yield received or percent of costs paid by the landowner, 2022**

	0%	1-49%	50%	100%	Not used/ reported
Corn yield	---	---	84%	---	16%
Soybean yield	---	---	84%	---	16%
Inputs - seed, fertilizer, herbicides, insecticides	---	6%	82%	---	12%
Custom work - custom combine, custom fertilizer application, custom pesticide application	3%	3%	44%	6%	45%

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