

Farm Tenure in Iowa

VI. Landlord-Tenant Relationships in Southern Iowa

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- I. Tenancy problems and their relation to agricultural conservation. Rainer Schickele and Charles A. Norman. Bul. 354. January, 1937.
- II. Facts on the farm tenure situation. Rainer Schickele. Bul. 356. February, 1937.
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- IV. Farm tenure conditions in Palo Alto County. Rainer Schickele. Bul. 364. August, 1937.
- V. Some legal aspects of landlord-tenant relationships. Marshall Harris, Albert H. Cotton and Rainer Schickele. Bul. 371. April, 1938.
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SUMMARY

1. Crop share leases are most extensively used in southern Iowa, followed in order by cash leases and stock share leases.

2. The majority of cash and crop share leases are for 1 year only. Stock share leases are usually for a longer period of time.

3. Cash leases are generally used on the smaller farms, and crop share and stock share leases are used more as the farms increase in size.

4. Farms leased under stock share and crop share arrangements are generally located on the better types of soil, cash rent farms on the poorer types.

5. Almost one-half of the land on rented farms is in pasture. The cultivated land is cropped heavily, with a high percentage in intertilled crops.

6. The most conservative land use is found on the stock share farms. The most exploitive land use is found on the cash rent farms, largely because they usually are small in size, are located on poor and rolling land and are leased from year to year to frequently shifting tenants.

7. The divisions of costs and proceeds in the case of share rent farms are rather uniform regardless of the size of the farm or the relative productivity of the soil.

8. Compensation for unexhausted improvements is made only in exceptional cases.

9. Tenants' length of occupancy averages 4 years. Almost one-fourth of all tenants have been on their present farm 1 year or less.

10. Tenants remain longer on stock share than on cash rent farms and longer on cash rent than on crop share farms.

11. The best land use from a conservation standpoint occurred on farms of owners to whom the tenants were related, the poorest on those of private non-related landlords and the intermediate use on corporate-owned farms.

12. Tenants have been tenant farmers an average of 11 years; but the years ranged from 1 to 40.

13. The younger tenants are looking forward to ownership; the older ones are not.

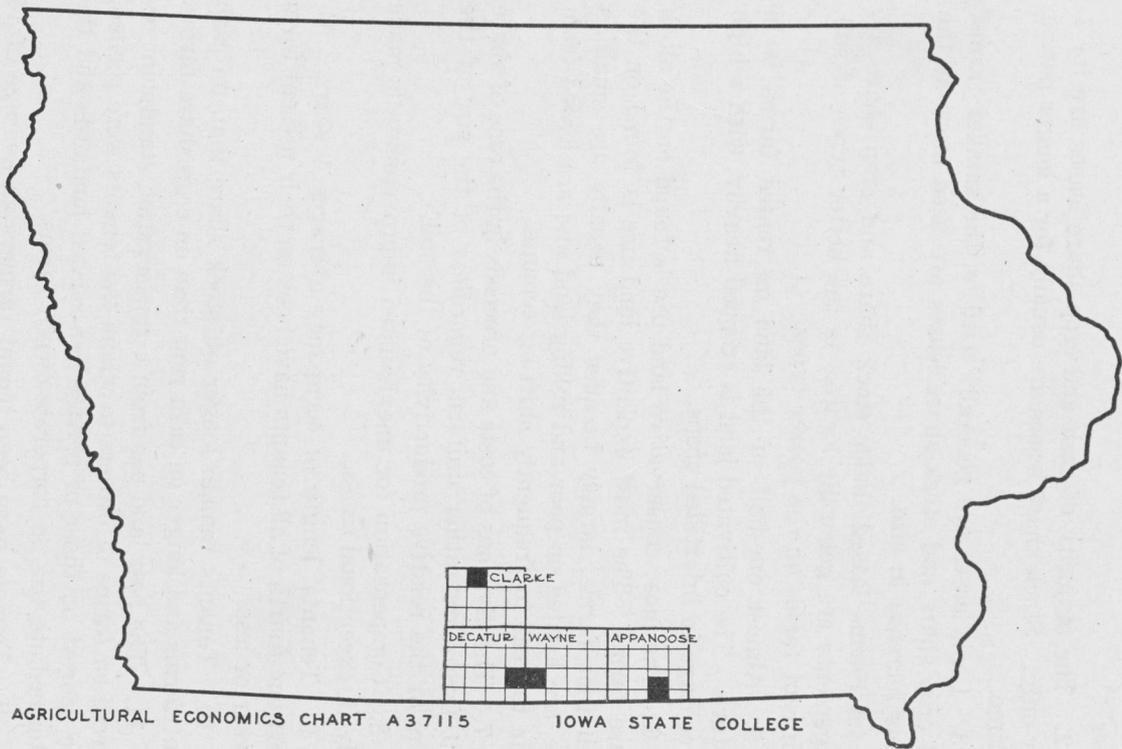


Fig. 1. Location of area surveyed.

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Tenancy in Iowa has increased steadily during the past 50 years and has, no doubt, been a contributing factor responsible for some of the major misuses of land and some of the impoverishment found in rural community life and institutions.² Previous studies show that tenants have a higher percentage of their total farm land in crops and more of their crop land in corn and soybeans than do owner operators.³ A lower yield of corn and oats accompanies these crop systems on tenant farms.

A part of the exploitive farming practices and the lower grain yields on tenant farms are probably the result of the customary arrangements between landlords and tenants and arise from undesirable types of leases and short and insecure tenure. To test this assumption a survey was made in four

¹ Project 375 of the Iowa Agricultural Experiment Station. The five preceding bulletins published in this series are: I. Tenancy Problems and Their Relation to Agricultural Conservation (Bul. 354); II. Facts on the Farm Tenure Situation (Bul. 356); III. The National Farm Institute Symposium on Land Tenure (Bul. 357); IV. Farm Tenure Conditions in Palo Alto County (Bul. 364) and V. Some Legal Aspects of Landlord-Tenant Relationships (Bul. 371).

This study was initiated when the author was consultant for the National Resources Board. Credit is due the State Planning Board for an allotment of funds to carry on the study and to Ralph Henderson and Robert Buck for assistance in the field work.

² According to the U. S. Census, 24 percent of Iowa farms were operated by tenants in 1880. This number increased to 50 percent in 1935 or almost 5 percent every 10 years. In 1900 less than one-third of the farms were tenant operated in 35 of the 99 counties of the state, and in no county were more than half of the farms operated by tenants; by 1935 in only two counties were less than one-third of the farms operated by tenants, and in 56 of the counties one-half or more of the farms were tenant operated.

³ Holmes, C. L. Relation of Types of Tenancy to Types of Farming. Iowa Agr. Exp. Sta., Bul. 214, 1923.

Schickele, Rainer; Himmel, J. P.; Hurd, R. M. Economic Phases of Erosion Control in Southern Iowa and Northern Missouri, Iowa Agr. Exp. Sta., Bul. 333, 1935.

southern Iowa townships to collect information regarding the types, lengths and customary provisions of leases, the lengths of tenure of tenants, the practices of landlords and the kind and degree of mutual cooperation between landlords and tenants.⁴ Data were obtained on the distribution of the proceeds between landlord and tenant and on the reimbursements made to tenants for the labor they perform and the improvements they make.

The primary aim of this bulletin is to show how the various types of leases and types of ownership influence land use in southern Iowa.

TYPES AND LENGTHS OF LEASES

Seventy percent of the 233 leases in the four townships studied were crop share, 10 percent stock share and 20 percent cash (see table 1). In Caldwell Township, cash leases were more extensively used. This was because of a larger number of smaller farms on which division of crop shares is difficult and also because of a predominance of farms with a high acreage of permanent pasture, for which a cash rent charge is customary. One would expect a larger proportion of cash leases in an area such as southern Iowa with a higher percentage of farm land in pasture. The custom, however, is to rent with a crop share lease and to pay cash for the pasture.

LENGTH OF LEASES

One-year leases were customary although tenants generally preferred longer terms. More than two-thirds of the tenants interviewed expressed a preference for long-term leases of 5 years or more. A few tenants preferred a 3 to 5-year lease, 17 percent a 1-year lease and 12 percent indicated no preference. Those tenants who favored long-term leases generally qualified their preference by stating that the long-

⁴The townships surveyed were Washington of Clarke County, Woodland of Decatur, Caldwell of Appanoose and Jefferson of Wayne. These townships were selected to be representative of the major land use problems of southern Iowa; soil erosion in them is severe, many farms are small in size, many are owned by corporations and the tenure problem is acute. Every tenant farmer in each of these four townships was interviewed. Two hundred and thirty-three usable schedules, all representing individual operating units, were obtained.

TABLE 1. NUMBER OF LEASES ACCORDING TO TYPE BY TOWNSHIPS, 1935.

Type of lease	All townships		Township							
			Washington		Woodland		Caldwell		Jefferson	
	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent
Crop share	163	70	48	84	52	87	15	29	48	74
Stock share	23	10	6	11	2	3	10	20	5	8
Cash	47	20	3	5	6	10	26	51	12	18
Total	233	100	57	100	60	100	51	100	65	100

term should be on a good farm, often a better farm than their present one. Twenty-six percent of those tenants who preferred a short-term lease stated that the length of the lease was immaterial as they knew they could remain on their present farm as long as they desired.

Seventy-seven percent of the leases were for only 1 year, 16 percent for 1 year and continuing and the remainder for various lengths of time (table 2).

A definite relationship between length of lease and type of lease may be noted in table 3. A much higher percentage of the stock share than crop share or cash leases were for more than 1 year. Less than one-third of the stock share leases, as compared with four-fifths of the crop share and cash leases, were for 1 year only.

TYPE OF LEASE AND SIZE OF FARM

Table 4 shows that almost one-half of the farms less than 100 acres in size were rented for cash, and three-fifths of all cash leases were on farms less than 100 acres in size. Crop share and stock share leases are used more as the farms increase in size. More than one-half of the stock share and two-fifths of the crop share leases were on farms 181 acres or

TABLE 2. LENGTH OF LEASES BY TOWNSHIPS, 1935.

Length of lease	All townships		Township							
			Washington		Woodland		Caldwell		Jefferson	
	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent
1 year	180	77	40	70	54	90	46	90	40	61
1 year and continuing	38	16	10	17	3	5	3	6	22	33
2 years	2	1	0	0	1	2	0	0	1	2
3 years	4	2	2	4	0	0	1	2	1	2
5 years	1	1	0	0	0	0	1	2	0	0
Oral, no time limit	8	3	5	9	2	3	0	0	1	2
Total	233	100	57	100	60	100	51	100	65	100

TABLE 3. LEASES ACCORDING TO TYPE AND LENGTH, FOUR SELECTED TOWNSHIPS, 1935.

Length of lease	Type of lease					
	Crop share		Stock share		Cash	
	No.	Percent	No.	Percent	No.	Percent
1 year	134	82	7	31	39	83
1 year and continuing	23	14	8	35	7	15
2 years	1	1	0	0	1	2
3 years	1	1	3	13	0	0
5 years	0	0	1	4	0	0
Oral, no time limit	4	2	4	17	0	0
Total	163	100	23	100	47	100

more in size. The use of the cash lease on the smaller farm is probably due to the fact that a diversified type of agriculture is the rule on these farms, and it is more convenient to make cash payments than to divide small crops. Often a high percentage of the land may be in grass or special crops may be grown.

TABLE 4. LEASES CLASSIFIED ACCORDING TO TYPE OF LEASE AND SIZE OF FARM, FOUR SELECTED TOWNSHIPS, 1935.

Type of lease	Size groups								All sizes	
	Under 100 A		101-140 A		141-180 A		181 & over		No.	Percent
	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent		
Crop share	26	44	33	80	39	78	65	78	163	70
Stock share	5	8	2	5	3	6	13	16	23	10
Cash	28	48	6	15	8	16	5	6	47	20
Total	59	100	41	100	50	100	83	100	233	100

TYPE OF LEASE AND SIZE OF FARM IN RELATION TO SOIL TYPE

The predominant soil type on each farm was reported by the enumerator when the schedules were taken (see table 5). According to this information 81 percent of the farms with cash leases were on Shelby and Lindley soils, while only 56 percent of the crop share and 52 percent of the stock share farms were on these soil types. This would indicate that the stock share and crop share farms predominated on the better soil types and the cash rent on the poorer types.

LAND USE

In southern Iowa the soils which should be used largely for pasture are of the Shelby and Lindley series, particularly the Lindley types. In the four townships surveyed more than

TABLE 5. LEASES CLASSIFIED BY TYPE OF LEASE AND SOIL TYPE, FOUR SELECTED TOWNSHIPS, 1935.

Type of lease	Percent of farms on				Total no. of farms
	Lindley	Shelby	Grundy, Tama and other upland soils	Wabash	
Crop share	12	44	28	16	163
Stock share	13	39	35	13	23
Cash rent	26	55	19	0	47
Average, all types	15	46	27	12	233

one-fourth of the cash lease farms were on Lindley and more than four-fifths of them were on Lindley and Shelby. This explains the low percentage of crop land on these farms. It will be noted later that 38 percent of the farm land was in crops on these cash rent farms. This undoubtedly is too much considering that the County Agricultural Planning Committee recommended that not more than 15 percent of the Lindley and 33 percent of Shelby soils should be used for cultivation. Moreover, only 36 percent of the crop land was in hay, and one-fifth of the total farm land was in intertilled crops, whereas, according to the county planning recommendations not more than 5 percent of the Lindley and 9 percent of the Shelby soils should be used for intertilled crops (see table 8).

Farms leased on a stock share basis were not as seriously overcropped. Forty-six percent of the farm land on the stock share farms was in crops, and 47 percent of this was in hay. This again results in about one-fifth of the total farm land in intertilled crops, which is not so undesirable in this case, since these farms were on the better soils. Approximately 48 percent of the stock share farms were on upland and rich bottomland soils.

The crop share farms were intermediate between the other two lease types in regard to kind of soil. Forty-four percent of these farms were on the better soil types. On these farms one-fourth of the total farm land was in intertilled crops, however, with a comparatively low acreage in oats and hay.

Considering the desirable limitations in cropping the poorer and more erosive soils, it seems that better systems are followed on the farms under stock share rather than under crop share or cash leases.

TABLE 6. LEASES CLASSIFIED BY FARM SIZE AND SOIL TYPE, FOUR SELECTED TOWNSHIPS, 1935.

Size group	Percent of farms on			
	Shelby	Lindley	Grundy	Other types
Below 100 acres	50	24	10	16
101-140 "	48	17	10	25
141-180 "	46	2	31	21
Above 181 "	41	16	19	24
All farms	45	15	18	22

SOIL TYPE AND SIZE OF FARM

When these farms were further classified according to size and related to the predominating soil, additional maladjustments became evident (see table 6). Three-fourths of the small farms, those less than 100 acres, were on the more erosive soils, Shelby and Lindley, while less than one-half of the 141 to 180-acre farms were on these soils. The other two size groups fell between these two extremes in the proportion of farm land made up of Shelby and Lindley. From this sample it appears that relatively more of the small farms are on the least productive and most erosive soils, which suggests that a considerable number of them may constitute economically undersized units leading to exploitive use of the land.

HOW DO TENANTS USE THE LAND?

The use to which land is put influences the amount of erosion and soil depletion and consequently the stability and long run productivity of the agriculture of an area. A number of institutional factors have a definite effect on land use among which land tenure is of primary importance.

Table 7 shows that although nearly one-half of all the tenant-operated land in these four townships was in pasture, the remaining land in cultivation was cropped rather heavily. More than 46 percent of the farm land in cultivation was used for the main intertilled crops, corn and soybeans. That is a rather high percentage of these crops in an area where erosion is a problem. Further, the fact that only about 9 percent of the crop land was in oats and about 40 percent in hay indicates that land is allowed to remain in grass for a considerable period of years and that other parts of the farm are cropped to corn a longer succession of years than is desirable from a soil conservation standpoint.

TABLE 7. USE OF TENANT OPERATED LAND, BY TOWNSHIPS, 1935.

Township	Av. size farm	Percent farm land in		Percent crop land in				
		Pasture	Cultivation	Corn	Soybeans	Hay	Oats *	Other crops
Washington	191	40	60	35	17	31	11	6
Woodland	180	53	47	38	11	39	8	4
Caldwell	130	62	38	30	18	43	4	5
Jefferson	186	48	52	29	9	48	9	5
Average, all farms	176	49	51	33	13	40	9	5

* Oats were grown on 77 percent of the farms in Washington Township, on 48 percent in Jefferson, 38 percent in Woodland and on only 14 percent of the farms in Caldwell Township.

TYPE OF LEASE AND LAND USE

A distinct relationship may be noted between the type of lease and the use of the land (see table 8). The farms rented for cash were the roughest in topography and had the highest percentage of the farm land in pasture and the lowest in cultivation; those rented on a crop share basis were the least rough and had the lowest percentage of the farm land in pasture and the highest in cultivation, while the farms rented on a stock share basis were intermediate.

From the soil conservation standpoint, however, the stock share lease appeared to be the most desirable. Although there was a higher amount of the farm land in pasture on the cash rented farms there was, nevertheless, a slightly lower amount of crop land in corn and soybeans and a higher percentage in hay on the stock share farms. Furthermore, the latter farms were much larger than those in the other two groups, almost twice as large as the cash rent farms. In addition, stock share tenants keep more livestock per acre and should, therefore, return more manure to the soil.

TABLE 8. USE OF TENANT OPERATED LAND ACCORDING TO TYPE OF LEASE, FOUR SELECTED TOWNSHIPS, 1935.

Type of lease	Topography	Av. size of farm	% farm land in crops *	% crop land in corn	% crop land in		% farms growing		Percent crop land in	
					Soybeans	Oats	Hay	Other crops		
Crop share	2.79	186	54	34	13	72	9	53	39	5
Stock share	2.87	226	46	29	13	74	8	35	47	3
Cash rent	3.19	114	38	33	17	63	7	21	36	7
Av., all farms	2.85	176	51	33	13	70	9	45	40	5

* The residual acreage represents pasture, boundaries and lots.

The highest percentage of the farm land in cultivation, with a large amount of it in corn and soybeans (47 percent), would be expected on the crop share farms, as both tenant and landlord depend on these cash crops for their incomes. If it were not for the fact that the crop share farms are the least rough in topography this high amount of land in cultivation would indicate a serious misuse of land.

When cash leases were used half of the crop land was in corn and soybeans. This undoubtedly represents a serious misuse of land in many cases, since these farms were generally rather rough, and these crops are conducive to erosion, particularly when grown on the steeper slopes. Although the pasture is on the roughest land of these farms, much of the crop land is far too steep to be cultivated, especially if planted repeatedly to such erosive intertilled crops as corn and soybeans.

LEASE PROVISIONS AND GENERAL PRACTICES

DIVISION OF CORN

The division of shares under the crop share lease was rather uniform regardless of the size of the farm or the relative productivity of the soil. In all but a few cases the landlord received one-half of the corn crop, and on the remaining farms his share was two-fifths or one-third. No adjustments in other provisions were made in those cases where the landlord's share of the corn crop was less than one-half. These farms, however, were somewhat below average in soil productivity. The tendency for leasing practices to be uniform for all farms is apparent, since many other farms covered in this survey were poorer than average, and yet the corn crop was equally divided.

It is noteworthy that virtually all of the tenants with crop share leases furnished their own seed corn. In the remaining cases, the landlord furnished half of the seed corn, probably in order to assure the use of good seed rather than to equalize somewhat the high rent charged.

DIVISION OF OTHER CROPS

In the case of oats, which were grown on 87 of the 163 crop share farms, 58 percent of the landlords received two-

fifths of the crop as their share, 28 percent received one-half and 14 percent one-third. In all cases, when the landlord received two-fifths or one-third of the oats the tenant furnished all of the seed oats for this crop, regardless of the productivity of the farm. On those 24 farms where the oat crop was divided equally the seed oats were furnished by the landlord in 16 cases and by the tenant in six. On the two remaining farms the landlord furnished only half the seed oats but equalized this distribution by paying for one-half of the threshing bill. In those six cases where the tenant furnished all of the seed oats and the division of the crop was equal there were no very apparent reasons why this division was made. Two of the farms were better than average, the others were slightly below. The landlords were apparently in a stronger bargaining position than were the tenants.

Soybeans were grown on 112 of the 163 crop share farms. Fifty-nine percent of the landlords received two-fifths of the soybean crop; 33 percent, one-half; and 8 percent, one-third. The burden of furnishing the soybean seed was similar to that in the case of the oat crop. When the landlord received two-fifths or one-third of the soybean crop the tenant almost without exception furnished all of the seed, but when the crop was divided equally the landlord usually furnished either all or a part of the seed. Forty-nine percent of the landlords furnished one-half of the seed and 32 percent all of it when the soybean crop was divided equally. There was no apparent reason why tenants furnished all of the seed in some cases and why landlords part or all of it in others except that custom and bargaining power were strong influential factors.

Hay was always divided equally unless cash rent was paid for the hay land. Grass seed was almost without exception furnished by the landlord whenever grass was sown.

PASTURE RENT

Pasture generally was rented for cash or its equivalent. If the tenant did not pay cash, he worked on permanent improvements such as constructing new fences, repairing buildings, cutting brush, and the wages thus earned were deducted from the rent. Nearly half of the tenants in these four townships were allowed to work out some of their cash rent, vary-

ing from a few dollars to the entire amount. This was the only kind of reimbursement made to the tenant for improvements or repairs he made.

DISPOSITION OF GRAIN RENT

Although 91 percent of the tenants had first right to purchase the landlord's share of the grain, only about 6 percent of them exercised their option. When this option was not granted, the landlord generally operated a farm of his own and retained his share of the grain for his own use. Although several landlords specified in the lease that the tenant must deliver their share to market they seldom required that he do so. The landlord's share was generally put into a crib or bin on the farm. Granting the tenant first option to purchase the landlord's share of the grain, thus permitting him to keep a larger amount of livestock, should encourage a more stable system of tenure. The fact that so few tenants bought the landlord's share of the grain indicates that other factors, such as short lease terms and the lack of adequate capital or credit facilities, operated to discourage the purchase of feed grains grown on the farm and a consequent increase in the livestock enterprise.

JOINT OWNERSHIP OF PROPERTY

Except for 2 of the 23 stock share farms the livestock was owned equally by landlord and tenant, and they shared equally in the division of proceeds. In both of the cases where the livestock was not owned equally the division of proceeds was according to the relative equity landlord and tenant had in the livestock. The standard division of responsibilities under a stock share lease generally is for the tenant to furnish working equipment and labor; for the landlord to furnish land and buildings and permanent improvements and such current expense items as repairs, lime, fertilizer and grass seed; for the livestock, other than horses, to be owned jointly and for the operating expenses to be shared equally and the proceeds to be divided equally. This arrangement was the exception rather than the rule. Six of the twenty-three farms operated under a stock share lease followed these arrangements strictly. The machinery was owned jointly in half of the cases and when not jointly owned, generally be-

longed to the tenant. Horses were owned jointly on 16 of these farms; on the remainder they were owned by the tenant. As a rule there was no adjustment made in the proceeds or in other responsibilities to offset the differences due to this division of working equipment. In one case the tenant furnished the pasture land; in another he paid for all repairs, upkeep and insurance and in a third case part of the grass seed. In still another case where horses were jointly owned colts were raised and sold, the proceeds being divided equally.

Except as was noted above the landlord furnished the grass seed, fencing material, lime and commercial fertilizers on all the stock share farms covered by the survey. All expenses on the farms, other than repair and upkeep on permanent improvements, were shared jointly. There were no partnership accounts, the receipts being divided in all cases. The tenant took complete charge of the management, sold all the products, kept account of all income and expenses and paid the landlord his share. This type of management would be expected since many of the stock share contracts were drawn up between persons related to each other (43 percent). Farms operated under a stock share lease demonstrate a desirable stability of tenure.

CASH LEASE PROVISIONS

A large majority of the cash leases were for a 1-year term, with no provision for adjustment in case of fluctuating prices or crop failures. In years of crop failure, for example in the drouth years of 1934 or 1936, the cash tenant was at the mercy of the landlord. In 57 percent of the cases no adjustment was made in the cash rent. In 17 percent of the cases reductions were made ranging in amount from 25 to 50 percent of the total cash rent. On the other hand, there were 14 percent of the tenants who paid their rent whenever they could, and 12 percent still had last year's rent to pay in April of the following year. The tenants' legal right to exemption from the landlord's lien on a certain amount of his personal property was apparently waived in most of these leases, and accordingly there was some criticism by the tenants of the right of the landlord to attach all the tenant's property for non-payment of rent.

There was considerable variation in the time when rent was paid on the cash rent farms. A third of the tenants paid their rent in two installments, generally about Sept. 1 and March 1; somewhat more than a fourth paid it in the fall; a fifth of them had no time set but generally paid when the crop was sold; about a tenth paid in advance and another tenth of the tenants paid their cash rent quarterly or monthly.

In 1935 the cash rent ranged from \$1.29 per acre in Woodland Township to \$2.18 in Washington Township,⁵ compared with an average of \$5.21 per acre for the state. Cash rent for the four townships averaged \$1.60 per acre in 1935, which is only slightly higher than pasture rents which averaged \$1.33 per acre on the crop share farms. It was pointed out above that the cash lease is used mostly on rougher farms on which the average topography rating was 3.19 as compared with 2.79 and 2.87 for crop share and stock share farms respectively.⁶

TENANT-LANDLORD COOPERATION

The agreement between tenant and landlord as to cropping systems to be used and practices to be followed varied somewhat. The tenant determined the crop program he would follow on more than half of the farms; the landlord specified it in a fifth of the cases, and it was determined mutually on a fourth of the tenant operated farms. More than a fifth of the tenants stated that they would follow different programs were it not for the landlord. A few of these tenants would grow more corn, but a large majority would grow more grass, particularly legumes and would follow better rotations.

In general, however, except in the case of the stock share lease where the farming program is usually determined mutually, it would seem that tenants have a rather free hand in managing their farms.

A common criticism which tenants leveled at their landlords was that they did not visit their farms often enough and did not contribute sufficiently to management. Should more farm land be purchased for investment by persons unacquainted with the technical and economic aspects of farm-

⁵ In Washington Township there were, however, only three farms which were rented on a cash basis.

⁶ In making up this topography rating, 1 was "level," grading up to 4 which was "steep and rough."

ing, the undesirable lack of attention on the part of landlords to the long-time management programs for their farms will probably be intensified.

TENANT COMPENSATION

Compensation for unexhausted improvements to encourage tenants to improve the farm they operate has received little or no attention. Only two landlords in the four townships reimbursed their tenants for unexhausted improvements, and in both cases this was for limestone only. No definite schedule for reimbursement was specified, but the landlord agreed to pay the tenant should he move off before he had received directly all the benefit from the limestone. Both of these tenants expected to stay on the farm for a long period of time, however, and receive the benefit directly. In one of these cases, it was assumed that the limestone would be depleted in 5 years, no reimbursement to be made after that length of time.

Compensation for unexhausted improvements would encourage the use of beneficial practices requiring a longer period of occupancy than is now common in order to derive full benefit from them. For example, the prevention of erosion cannot go forward to the best advantage in southern Iowa until the growth of legumes can be facilitated by the application of agricultural limestone. Tenants would probably be more inclined to apply limestone on their own initiative could they be certain that they would derive the full benefit of its use, or, in case they moved be reimbursed for the value of the unused part.

TENANT SUGGESTIONS

All tenants were asked to make an appraisal of the shortcomings and advantages of their present leases and suggest improvements. They held that the cash rent for pasture was too high to permit enough grass acreage on tenant farms and that the landlord did not furnish materials for improvements. One common complaint about corporate landlords was that the farm manager did not come to the farm often enough and when he did come failed to look the farm over carefully and did not assist the tenant sufficiently in planning the program for the farm.

Tenants deplored the risk involved when the cash lease was used. Some suggested that a means of rent adjustment for fluctuating prices and yields would be desirable in order to reduce this risk. The landlord's lien, as it now operates, was criticized. It was felt that the right of the landlord to attach property should be limited to that part of his equity which was produced on the farm and should not include property brought to the farm by the tenant.

TENANT'S LENGTH OF OCCUPANCY

One of the most important factors which give rise to the problems associated with tenancy is the rate of turnover—the frequency with which tenants move. If the lengths of tenure were not so short, and particularly if tenure could be more secure, tenants would be able to follow better farm practices; they could grow more legumes, particularly alfalfa, spread more lime and better balance their farming systems by keeping more livestock. Tenants generally recognize the limitations resulting from short lengths of tenure and desire longer lease terms.

TABLE 9. LENGTH OF TENANT OCCUPANCY, BY TOWNSHIPS, 1935.

Township	Number of leases	Average number years on this farm
Washington	57	3.2
Woodland	60	4.0
Caldwell	51	4.3
Jefferson	65	5.4
Average, all farms		4.2

The tenants interviewed had been on their present farms an average of only 4.2 years (table 9). A substantial majority of the tenants, however, remain a period of years shorter than the average. Seventy-one percent of all the tenants had been on their present farms less than 5 years and 22 percent less than 1 year. Only 17 percent of the tenants had been on their present farms between 5 and 10 years and only 12 percent more than 10 years.

LENGTH OF OCCUPANCY AND TYPE OF LEASE

The type of lease bears a close relation to the length of tenure. Tenants remained longer on farms with stock share leases than on those with either crop share or cash rent leases (table 10). There are more and closer business connections

TABLE 10. LENGTH OF TENANT OCCUPANCY ACCORDING TO TYPE OF LEASE, FOUR SELECTED TOWNSHIPS, 1935.

Type of lease	Average number of years as a tenant on this farm
Crop share	3.9
Stock share	6.2
Cash	4.7
Average all farms	4.2

between a tenant and landlord in stock share arrangements, and this type of lease is used only when both parties expect to work together for a long period of years.

The comparative instability of tenure when crop share or cash leases were used should be noted. There was not as much difference in the length of tenure between the crop share and cash leases, however, as there was between these types and the stock share leases, tenants remaining somewhat longer when renting for cash than when on a crop share basis. This may be due to the fact that many of the cash rent tenants are on farms with a high grass acreage and keep considerable livestock, which results in a certain amount of resistance to movement from one farm to another.

LENGTH OF OCCUPANCY AND CONDITION OF FARM

On the severely eroded farms 62 percent of the tenants expected to move the next year or as soon as possible⁷ (table 11). On the farms with little erosion 42 percent of the tenants expected to stay a long time, and another 25 percent hoped to stay at least several years, while on the eroded farms only 19 percent of the tenants expected a long occupancy. Since the expectation of future occupancy has a definite influence on the tenant's farming methods and his attitude toward the land and buildings, it is easy to see why erosion is accelerated and buildings are neglected on the farms with heavy erosion. If run-down farms are to be built up and good farms are to be prevented from becoming run-down, tenants must be offered sufficient security of occupancy and inducements to spend their own labor and capital.

Most tenants do not follow cropping systems that will maintain fertility and prevent erosion. It needs to be em-

⁷ The term "uncertain" in table 11 means that the tenant does not know exactly when he will move but will do so at the next opportunity.

TABLE 11. EXPECTED LENGTH OF TENANT OCCUPANCY ON FARMS WITH VARIOUS DEGREES OF EROSION, FOUR SELECTED TOWNSHIPS, 1935.

Expected length of future occupancy	Percentage distribution of tenants in following erosion classes:		
	1 (little)	2 (moderate)	3 (severe)
Long time	42	28	19
Several years	25	34	19
Uncertain	27	32	39
1 year	6	6	23
Total	100	100	100
Number of tenants reporting	78	124	31

phasized that the short periods of tenure prevalent on tenant operated farms defeats the conservation objective. Many tenants do not feel that they can afford to invest in land improvements or even take a genuine interest in the farm they operate since they have no assurance that they will be on that particular farm the coming year. Then, too, many landlords are prone not to improve their farms because they are not certain that even a good tenant will remain long enough to repay them for their efforts. The result all too frequently is that the land is farmed year after year without much regard to the maintenance of soil productivity and adequate improvements.

TENANCY IN RELATION TO CLASSES OF LANDLORDS

The type of lease and the relative security of tenure are not the only factors of tenancy influencing the use of land. The class of landlord and his attitude no doubt have a bearing on maladjustments in farm tenancy and land use. It was found that corporate landlords held 42 percent of the leases and owned 48 percent of the rented land. The unrelated private landlords had 44 percent of the leases comprising 40 percent of the tenant-operated land, while the related private landlords controlled only 14 percent of the leases and 12 percent of the rented land (table 12).

Insurance companies owned 72 percent of all the corporate owned farms. Land banks owned 15 percent, loan and investment companies, 5 percent, benevolent orders, 6 percent and banks, 2 percent of these farms. The very marked predominance of insurance company owned farms is characteristic for this part of the state. The fact that most of the

TABLE 12. LEASES ACCORDING TO CLASS OF LANDLORD, FOUR SELECTED TOWNSHIPS, 1935.

Class of landlord	Leases	
	Number	Percent
Corporate	98	42
Private, not related	103	44
Private, related	32	14
Total	233	100

corporate owned land is for sale introduces a large element of instability into the farm tenure of this section.

TYPE OF LANDLORD AND LENGTH OF LEASE

Every corporate lease except one was strictly a 1-year arrangement (table 13). The tenant on most corporate-owned farms is given to understand that if he is satisfactory the farm will be leased to him the following year, provided it is not sold. Furthermore, notice of lease renewal often is not given until late in the year. The consequences all too frequently are that the tenant in view of these uncertainties moves onto the place intending to get all he can out of it regardless of the soil losses and deterioration of the real estate assets that this operation may bring about. Some institutional landlords are attempting, however, to work out good soil conservation practices with their tenants.

Somewhat different leasing practices were common with private landlords. Two-fifths of the tenants who were related to their landlords also rented on a 1-year basis, but nearly half had a 1-year and continuing lease, and one-eighth had an oral lease with no time limit set. The length of the lease term between family related landlord, and tenants, however, is not important since the tenant in most cases is assured

TABLE 13. LEASES ACCORDING TO CLASS OF LANDLORD AND LENGTH OF LEASE, FOUR SELECTED TOWNSHIPS, 1935.

Length of lease	Class of landlord						All landlords	
	Corporate		Private, not related		Private, related		No.	Percent
	No.	Percent	No.	Percent	No.	Percent		
1 year	97	99	70	68	13	41	180	77
1 year and continuing	0	0	23	22	15	47	38	16
2 years	1	1	1	1	0	0	2	1
3 years	0	0	4	4	0	0	4	2
5 years	0	0	1	1	0	0	1	1
Oral, no time set	0	0	4	4	4	12	8	3
Total	98	100	103	100	32	100	233	100

of a secure occupancy regardless of the length of the lease. Almost seven-tenths of the tenants of non-related private landlords operated under a strictly 1-year lease, a fifth had 1-year and continuing leases, and a few had oral or long term leases.

It is safe to generalize that landlords owning stock share leases and landlords related to their tenants have a lower turnover of tenants on their farms and employ long-term leases more frequently than other classes of landlords.

TYPE OF LANDLORD AND SIZE OF FARM

As is shown in table 14 virtually half of the farms owned by corporations were 180 acres or more in size, while only 15 percent were less than 100 acres in size.

TABLE 14. LEASES ACCORDING TO CLASS OF LANDLORD AND SIZE OF FARM, FOUR SELECTED TOWNSHIPS, 1935.

Size of farm	Class of landlord						Total	
	Corporate		Private, not related		Private, related			
	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent
Under 100 acres	15	15	34	33	10	31	59	25
101-140 "	14	14	20	19	7	22	41	18
141-180 "	22	23	20	19	7	22	49	21
181 acres and over	47	48	29	29	8	25	84	36
Total	98	100	103	100	32	100	233	100

There was no significant difference in size of farm as between those owned by private individuals related to their tenants and those not related. Farms owned by private individuals tended to be smaller, however, than those owned by corporations. Somewhat less than one-third of the farms owned by private landlords were less than 100 acres, and slightly more than one-fourth were more than 180 acres in size.

TYPE OF LANDLORD AND LENGTH OF OCCUPANCY

The length of occupancy was lowest on those farms owned by corporations and highest on those owned by persons related to their tenants (table 15). The length of occupancy on farms owned by individuals not related to their tenants was somewhat lower than intermediate between these two. It

TABLE 15. LENGTH OF OCCUPANCY OF TENANTS IN RELATION TO CLASS OF LANDLORD, FOUR SELECTED TOWNSHIPS, 1935.

Class of landlord	Number of years as a tenant on this farm
Corporate	3.9
Private, not related	4.1
Private, related	6.3
Average, all farms	4.2

should be noted, however, that the tenants on 15 of the 98 corporate-owned farms were former owners who had occupied these farms an average of 19 years as owners previous to foreclosure, which terms, if included, would increase materially the average length of farm occupancy for the corporate group.

In general, the survey indicated that tenants prefer private landlords and do not remain on corporate-owned farms very long. Tenants complain because corporate landlords do not contribute sufficiently to management and often wait until late in winter before issuing the lease for the next year. During drouth years private landlords were apparently more willing to make concessions than were corporations. It is true, however, that some corporations, particularly insurance companies, have changed their leasing policies materially in recent years, recognizing that the security of their equity in a farm depended upon the preservation of the soil resources, which could be insured by inducing tenants to remain a longer period of years.

TYPE OF LANDLORD AND TYPE OF LEASE

Corporations decidedly prefer crop share leases (see table 16), 91 percent of their leases being of that type. Other landlords also preferred crop share leases but not to as great an extent. It has been pointed out that the shortest length of occupancy occurred when crop share leases were used (see table 10). This is probably due to the fact that more than one-half of these leases were used on corporate-owned farms. A high rate of turn-over takes place on the corporation crop share farms and a low rate on the few cash rent farms they own. A comparatively low rate of turnover of tenants occurred on the farms of owners who were related to their tenants, regardless of the type of lease used, although there was a tendency toward longer occupancy on their stock share

TABLE 16. LENGTH OF TENANT OCCUPANCY AND TYPE OF LEASE RELATED TO CLASS OF LANDLORD, FOUR SELECTED TOWNSHIPS, 1935.

Type of lease	Corporate			Private, not related			Private, related		
	Leases		No. years on farm	Leases		No. years on farm	Leases		No. years on farm
	No.	Per-cent		No.	Per-cent		No.	Per-cent	
Crop share	89	91	3.7	59	57	3.8	15	47	5.8
Stock share	0	0	0	13	13	5.8	10	31	6.7
Cash rent	9	9	6.2	31	30	3.7	7	22	7.0
All lease types	98	100	3.9	103	100	4.1	32	100	6.3

and cash rent farms as compared with those they rented on a crop share basis.

The rate of turnover of tenants on farms owned by private non-related landlords was not materially different than that on those owned by corporations, except that there was an apparent higher rate on their cash rent farms and a low rate on the few they rented on a stock share basis.

It should be pointed out, however, that many corporations did not take possession of their farms prior to about 1930 to 1932, or even later. Consequently the present length of occupancy may not present a true picture of the rate of turnover on corporate-owned farms. It may be expected that as the length of the corporations term of ownership increases the length of their tenants occupancy may also increase.

TYPE OF LANDLORD AND LAND USE

The relationship of leasing practices to class of landlord and land use should be noted (table 17). The percent of farm land in pasture was always the lowest when crop share leases were used and highest with cash leases, regardless of the class of landlord. Farms are apparently rented for cash if there is a large acreage of permanent pasture on them. The desire for immediate income may be noted in the amount of the crop land in the intertilled crops, corn and soybeans, under the various systems. The percent of crop land in these crops was highest on the corporate-owned farms when crop share leases were used. On the other hand, there was no apparent difference in the amount of land in corn and soybeans as between crop share and cash rent leases on the privately owned farms. A much lower percentage of these crops was grown

when these farms were rented on a stock share basis. According to data obtained in this study it seems that tenants on corporate-owned farms follow a better system of farming from the standpoint of soil conservation under cash leases than under crop share leases. Further, the indication is that tenants on farms owned by private landlords follow the best crop system under stock share leases and the poorest system under cash leases.

TABLE 17. USE OF TENANT OPERATED LAND IN RELATION TO TYPE OF LEASE AND CLASS OF LANDLORD, FOUR SELECTED TOWNSHIPS, 1935.

Class of landlord and type of lease	Number of leases	Average size of farm	Percent farm land in crops	Percent crop land in			
				Corn	Soy-beans	Grasse and legume	Small grain
Corporate landlord							
Crop share	89	206	55	33	12	40	15
Stock share	0						
Cash rent	9	136	42	17	10	59	14
Av. all corp. farms	98	199	54	32	12	41	15
Private, not related							
Crop share	59	162	51	35	15	37	13
Stock share	13	270	42	30	14	42	14
Cash rent	31	103	37	38	23	25	14
Av. all not rel. farms	103	158	47	35	16	36	14
Private, related							
Crop share	15	165	54	38	11	41	10
Stock share	10	168	52	27	12	54	7
Cash rent	7	135	38	37	10	39	14
Av. all rel. farms	32	159	50	34	11	45	10
All landlords							
Crop share	163	186	54	34	13	39	14
Stock share	23	226	46	29	13	47	11
Cash rent	47	114	38	33	17	36	14
Av. all farms	233	176	51	33	13	40	13

EXPERIENCES AND ATTITUDES OF TENANTS

Tenants interviewed in this survey had been tenant farmers an average of 11 years. The number of years ranged, however, from 1 to 40, with 53 percent of the farmers having been tenants 8 years or less and 30 percent, 4 years or less. A majority of those who had been tenants a considerable number of years had always been tenants. Many of those who had been tenants for only a short period of years were young men who were beginning to farm. Forty-six percent of the farmers who had been tenants 4 years or less were 30 years of age or under; 58 percent were not over 35 years of age. It might be expected that many of these

younger tenants may some day become owners should conditions be favorable. Eighty percent of those tenants who were 30 years of age or less stated that they expected to own a farm of their own at some future time. Only 47 percent of all tenants 31 years of age or more anticipated ownership, indicating that with increasing age fewer tenants plan to be owners. Fifty-four percent of all the tenants interviewed in this survey stated that they hoped to be able to own their own farms at some future time. Very few, however, had any definite plans in regard to purchasing a farm. The only ones who were planning ownership specifically were those living on farms owned by someone to whom they were related.

A large number of the tenants interviewed had been previous owner-operators. Thirty-eight percent had owned farms at one time or another but had lost them or had sold out and had started renting. The large majority of these had probably lost their farms through foreclosure. Fifty-six percent of the tenants who had at one time owned a farm were now renting from a corporation, and 16 percent of those who were renting a farm they once owned were renting from a corporate landlord. Of all the tenants who at one time had owned a farm, 30 percent were, at the time of this survey, renting the farm they originally owned.

Tenants admittedly had given little or no thought to the type of lease other than the one they were already using. Most of them used the crop share lease because it was the customary type. There were a few, however, who had previously rented on a cash basis but preferred to take less risk and use the crop share during periods when prices were uncertain. Most of the tenants seemed satisfied with their present lease types. This depended somewhat, however, upon their present lease. Of the 23 tenants who were using stock share leases only one preferred another type, while 15 percent of those using crop share leases preferred to rent either for cash or on a stock share basis, and 51 percent of those renting for cash preferred one of the other two types of leases.

It seems that the general attitude of the tenants is to get what they can under existing conditions and not try to change the base provision under which they operate. If they feel

that they are not getting a square deal they move to another farm the following year. This attitude is probably a reflection of the very small influence a tenant has in determining the provision of his lease. Since he feels that, for all practical purposes, the lease is dictated by the landlord, his only escape from undesirable arrangements is moving and taking a new chance with another landlord and another farm. The desire to be able to change to another farm readily is one of the reasons why tenants are not overly anxious for long term leases. The desire to be able to change easily is, of course, a corollary to unsatisfactory experiences in past and present leasing arrangements.