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## Flexible Cash Rents

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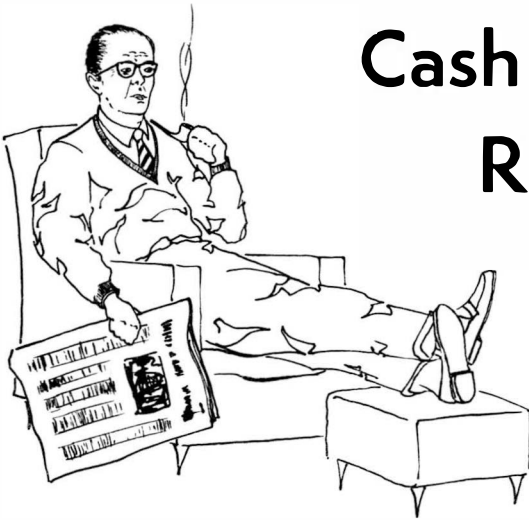
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FOR  
MORE  
FREEDOM  
TRY

# FLEXIBLE



Cash  
Rents



**For Landlords:**

More freedom from worry about yields and shares

**For Tenants:**

More freedom of operation and improvement

**For Both:**

Fair rents and better farming

AGRICULTURAL EXPERIMENT STATION — SOUTH DAKOTA STATE UNIVERSITY

ECONOMICS DEPARTMENT

## SUGGESTED

### ORDER FORM FOR YIELDS AND PRICES NEEDED FOR FLEXIBLE CASH RENTS

To: Statistician in Charge  
S. D. Crop and Livestock Reporting Service  
312 South Minnesota Avenue  
Sioux Falls, South Dakota 57102

We are planning to use the new flexible cash lease. Please put us on the mailing list to receive:

..... Preliminary county average yield of corn for .....  
(Name of County)

County, South Dakota

..... Preliminary county average yield of winter wheat for .....  
(Name of

..... County, South Dakota.  
County)

..... Preliminary county average yield of winter wheat for .....  
(Name of

..... County, South Dakota.  
County)

..... **South Dakota Crop and Livestock Reporter** (Issued twice monthly). Contains average crop price by months and crop conditions.

..... **South Dakota Agriculture** (Issued annually in April or May.) Contains final county average yields for all crops grown and their prices.

Please send the yield and price information to us at these addresses:

**Landlord's name and address**

**Tenant's name and address**

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**ORDERED BY** .....

**DATE** .....

# Flexible Cash Rents

Russell L. Berry  
*Associate Professor of Economics*

As a landlord, would you like more freedom from worry about the farming practices of your tenant? about the division of crops? about upkeep of land and buildings? Flexible cash rent may be the answer. Under this method the rent does not vary with the way the tenant farms nor is there the division of grain and hay to worry about.

As a tenant do you want more freedom to farm? to improve? and do you want more security of tenure? Again, flexible cash rent may be the answer.

Under this system the way you farm does not affect the amount of rent. Hence the landlord is less concerned about what you grow and how you grow it. Thus your freedom to farm is increased. Because there is less about which to disagree, under flexible cash rent your chances of keeping the farm year after year are improved. Then, too, because you expect to keep the farm longer, your freedom to improve the buildings and the land is increased. You are less likely to lose the benefits of your improvements.

Flexible cash rent has the main advantages of both fixed cash rents and crop share rents. It's like fixed cash rent in that neither party can affect the amount of rent to be paid after the lease is signed. But it's also like the crop share rent in that the rent varies with the *county average yields* of the most important or "king crop"—either corn or wheat (Figure 1). Thus flexible cash rent varies with all factors affecting county average yields of the "king crop" except the tenant's management.

## THE ADVANTAGES ARE THE FREEDOMS

This is the key to its advantages. Because the landlord's rent is not affected by the tenant's management the tenant has more freedom to farm as he pleases. His chances of keeping the farm also are increased. Hence his freedom to conserve and improve land and buildings is increased—a freedom that benefits not only the landlord and tenant but future generations as well.

Since flexible cash rents have these advantages why are they not used by more landlords and tenants? Until recently, county average yields have not been available until April or May of the following year.

A partial solution has been to require a preliminary settlement when the crop is harvested. But the final settlement still could not be made until spring of the next year.

Now, however, there has been a “breakthrough” on this difficulty. Four months of waiting has been eliminated. The South Dakota Crop and Livestock Reporting Service now provides county average yields of corn and wheat in late December instead of April or May of the following year. As a result, flexible cash leases may become more popular.

### HOW FLEXIBLE CASH RENT WORKS (IN CORN AREAS)

There are several ways that a flexible cash rent can be calculated. Perhaps the simplest way is as follows:

$$\begin{array}{l} \text{COUNTY} \\ \text{AVERAGE ANNUAL} \\ \text{YIELD} \end{array} \times \begin{array}{l} \text{PERCENT} \\ \text{FOR FLEXIBLE} \\ \text{CASH RENT} \end{array} \times \begin{array}{l} \text{PRICE OF} \\ \text{GRAIN AT} \\ \text{HARVEST} \end{array} = \begin{array}{l} \text{FLEXIBLE} \\ \text{CASH} \\ \text{RENT} \end{array}$$

Here’s how it works. Suppose that the county average yields are 30, 45 and 60 bushels of corn for three successive years. Suppose also that a two-fifths share or 40 per cent is agreed to be a fair rent and the price at harvest is \$1 per bushel each year. Then flexible cash rent would be:

Example A.

Bushels county average per acre		Per Cent ( $\frac{2}{5}$ share)		Price per bushel		Flexible Rent per acre
30	X	40	X	\$1.00	=	\$12.00
45	X	40	X	\$1.00	=	\$18.00
60	X	40	X	\$1.00	=	\$24.00
Average 45	X	40	X	\$1.00	=	\$18.00

Now, if instead of \$1 each year, the prices were 80 cents, 90 cents, and 70 cents per bushel the flexible rents would be:

Example B.

Bushels county average per acre		Per Cent ( $\frac{2}{5}$ share)		Price per bushel		Flexible Rent per acre
30	X	40	X	\$ .80	=	\$ 9.60
45	X	40	X	\$ .90	=	\$16.20
60	X	40	X	\$ .70	=	\$16.80
Average 45	X	40	X	\$ .80	=	\$14.20

Usually both the county average yield and the average price would vary as is shown in Table 1. In this case, the county average yields varied from 24 bushels in 1959 to 57 bushels in 1963. Prices varied from

76 cents in 1960 to \$1.18 in 1966. As a result, the flexible cash rent would have varied from \$9.63 an acre in 1958 to \$20.98 in 1963. The average would have been \$14 an acre for this cropland (close to the typical \$12-15 cash rent being paid in Brookings County).

That the flexible cash rent varies much like the actual share rent on the highly productive "Sterling Farm" can be seen by comparing the last two columns of Table 1. Only in 1963 is there a major difference. Apparently local hail, frost or perhaps a major mistake in management accounted for the low share rent in that year.

Whatever the cause, the landlord would be sure to be unhappy and the tenant likely to lose the farm. The use of the flexible cash rent and crop insurance would greatly reduce such problems.

The tendency for the flexible cash rent to vary with actual share rents of the "Sterling Farm" is shown for 16 years in Figure 1. The average flexible rent would have been \$13.90 an acre while the actual share rent averaged \$14.50 for this 16-year period.

If a one-third share of the county average yields of corn had been agreed upon, the average flexible cash rent for 1957-1966 would have been \$11.41 (calculations not shown). The rate that should be used depends upon the productivity of the land being leased. About two-fifths of the land leased in Brookings County is still rented for a one-third share.

#### HOW FLEXIBLE CASH RENT WORKS (IN WHEAT AREAS)

Where wheat is the "king crop," county average yields of wheat are used in the formula to calculate the

Table 1. Corn: Comparison of a Flexible Cash Rent and Actual Share Rents in Brookings County, 1957-1966

Years	Corn yields county ave. Bu. per acre*	Flexible rent 40% share bu. per acre	November corn price per bu.*	Flexible cash rent per acre	Actual 33% share rent per acre†
1957	35	14.0	\$ .77	\$10.78	\$11.43
1958	29	11.6	.83	9.63	14.82
1959	24	9.6	1.06	10.18	11.61
1960	39	15.6	.76	11.86	12.92
1961	45	18.0	.83	14.94	15.83
1962	38	15.2	.85	12.92	14.61
1963	57	22.8	.92	20.98‡	11.97‡
1964	45	18.0	1.00	18.00	20.98
1965	36	14.4	.98	14.11	14.98
1966	35	14.0	1.18	16.52	14.86
Average	38.3	15.3	.92	14.00§	14.40§

\*South Dakota Crop and Livestock Reporting Service Annual Reports, 1957-1966.

†On this highly productive farm a 40% share of average county corn yield closely approximates a 33% share of corn, barley, flax and alfalfa.

‡In 1963 some local conditions such as poor management or hail sharply reduced the landlord's actual rent by \$9 an acre as compared to flexible cash rent.

§The share rent should be higher than flexible rent because the share landlord stands more risk than flexible cash landlord. Also if the share landlord furnishes fertilizers or seeds his rent should cover these costs.

flexible cash rent. What the flexible cash rent would have been in Brown County from 1957-66 is shown in Table 2. Wheat yields ranged from 6 to 22 bushels; prices from \$1.40 to \$2.13 per bushel. Therefore flexible

rents would have varied from \$3.60 to \$15.55 per acre or averaged \$9.90 per acre. Typical cash rents in Brown County are reported to range from \$8 to \$10 an acre.

Figure 1. Comparison of flexible cash rents with actual crop share rents 1951-1966.

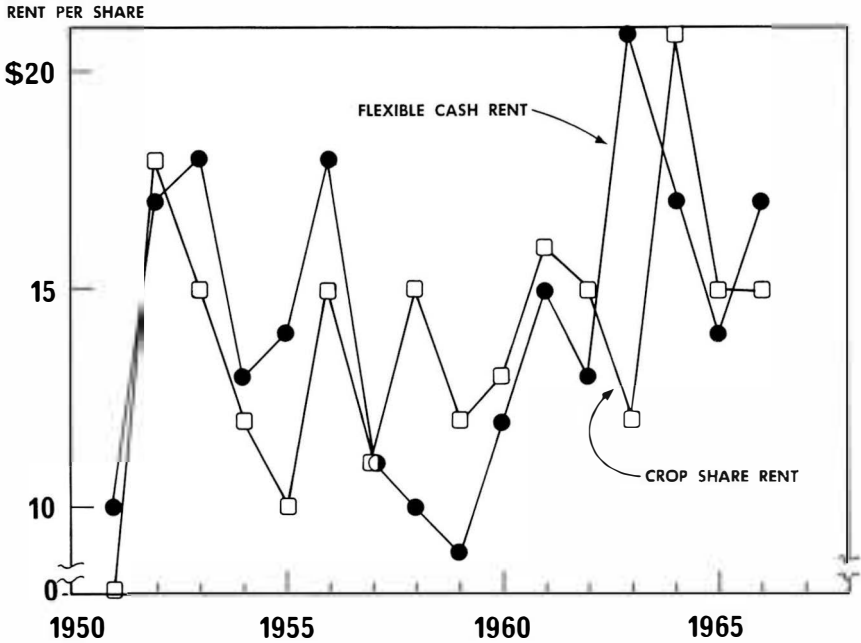


Table 2. Spring Wheat: How a Flexible Cash Rent Would Have Varied with County Average Wheat Yields in Brown County, 1957-1966

Years	Spring Wheat County Ave. Bu. Per Acre*	Flexible Rent 33% Share Bu. Per Acre	July Price Per Bu.*	Flexible Cash Rent Per Acre
1957 .....	20	6.6	\$1.98	\$13.07
1958 .....	22	7.3	1.85	13.50
1959 .....	6	2.0	1.80	3.60
1960 .....	18	6.0	1.80	10.80
1961 .....	15	5.0	1.95	9.75
1962 .....	22	7.3	2.13	15.55
1963 .....	11	3.6	1.90	6.84
1964 .....	16	5.3	1.40	7.42
1965 .....	19	6.3	1.44	9.07
1966 .....	18	6.0	1.77	10.62
Average .....	16.7	5.5	1.80	9.90

\*South Dakota Crop and Livestock Reporting Service Annual Reports, 1957-66.

**Table 3. How a Flexible Cash Rent Based on Corn Can be Used for Various Kinds of Land, Brookings County, South Dakota**

Kind of Land (1)	Acres (2)	Annual Ave- age Yield Per Acre (3)	Rental Share Per Acre (4)	Rental Bushels Per Acre (5)	Total Bushels Corn (6)
Cropland .....	200	40	.40	16	3200
Native hay .....	50	40	.20	8	400
Pasture .....	100	40	.20	8	800
Lots, etc. ....	10	40	.30	12	120
Wasteland .....	10	40			
Totals .....	370				4520

If a one-fourth share (25 per cent) is agreed upon as fair for the flexible cash rent, then the flexible cash rent for the same 10-year period would average \$7.58 per acre (calculations not shown).

#### **HOW TO DETERMINE A FAIR RENT**

What is the fair share of the county average yield of the "king crop?" The answer depends upon the productivity of the land. High yields make high priced land and high rents. Poor yields make low priced land and rents.

How then can a fair rent be established?

One way is to ask the tenants how much they would be willing to pay under this kind of a lease. In considering these offers the landlord should consider costs for depreciation, insurance, repairs, taxes, interest on his investment and the trend in land prices.

Another way is to divide a fair cash rent or a net share rent by the price expected for the "king crop." This will give the total bushels of grain needed. Then the shares needed can be estimated as shown in Table 3.

For the landlord the flexible cash rent has less risk and has much less

management problems and expenses than share rents but more risk and problems than fixed cash rents. Hence the flexible cash rent should be higher than straight cash rents but lower than share rents.

#### **SETTING FLEXIBLE CASH RENTS FOR VARIOUS KINDS OF LAND**

Because the entire farm may be affected by a drought, it may be desirable to have the rent vary with the yield of the "king crop" not only on cropland, but also on permanent pasture and native hayland. This can be done if the rent for the various kinds of land is expressed as a percentage or part of the annual county yields of the "king crop." An example of this for a 370-acre farm is shown in Table 3.

#### **EXPLANATION OF TABLE 3**

**Column 1:** Not only land for corn but all other crops such as small grain, tame hay and rotation pasture are included under "cropland." Native hay is separated because it is usually produced on cheaper land not suited to cultivated crops. The same is true of permanent pasture.

**Column 2:** The acres of land used for each major purpose are listed in this column. "Lots, etc." should in-



clude not only land required for barnyards but also fences and lanes. "Wasteland" should include public roads, swamps, old gravel pits and other non-productive land. The figures used in this column should be those of the farm being leased.

**Column 3:** The long-time average or normal yield of corn is used here to estimate the normal rent under the flexible cash rent. The actual rent for any given year will vary with the annual county average yield of corn. Merely substitute the annual county average yield for the normal yield of 40 bushels in Table 3 to determine the rent for any given year.

**Column 4:** Here, the cropland rent is set at a two-fifths share or 40 per cent of the expected corn yield. Because soybeans, oats, barley, flax and other less profitable crops may be grown on some of the land, a 40 per cent share in corn may be too high. Note that the native hay and permanent pasture is set at only 20 per cent of the corn yield. At \$1 per bushel this would be \$8 per acre.

The rent for "lots, etc." is set at 30 per cent of the corn yield. This gives 12 bushels per acre or 120 bushels total. At \$1 per bushel this is \$120. Hence the landlord needs to charge an additional fixed cash rent for buildings to cover his costs for depreciation, insurance, repairs, taxes and interest on his investment.

**Column 5:** This is important in that it indicates the amount of corn to be paid per acre as rent. By multiplying these figures by the expected price of the crop, a rough idea of the rent per acre can be formed. Thus, if the price of corn is

expected to be \$1 per bushel, the cropland rent is \$16 per acre; pasture and hay \$8; and lot rent \$12.

**Column 6:** This column shows the total crop rent for each of the classes of land. Thus the 200 acres of cropland at 16 bushels of corn per acre would total 3200 bushels. When added, the rent for the various kinds of land totals 4,520 bushels of corn. This is an average of 12.2 bushels per acre or at \$1 per bushel \$12.40 an acre (typical cash rent for cropland in Brookings County ranges from \$12 to \$15 an acre).

A fixed cash rental rate should be set for each major farm building. Only when the landlord and tenant knows specifically what each kind of building costs, can economic decisions be made about their repair, replacement or enlargement.

#### **HOW TO GET COUNTY AVERAGE YIELDS AND PRICES**

As mentioned, county average yields for corn and wheat are estimated by the South Dakota Crop and Livestock Reporting Service, 312 South Minnesota Ave., Sioux Falls, S. D. These yields will be made available in late December *only to landlords and tenants who request them*. It should be noted that these yields are for harvested grain only and do not include that used for silage or pasture or not harvested.

Crop prices can be secured from the *South Dakota Crop and Livestock Reporter* also published by the South Dakota Crop and Livestock Reporting Service. There is no charge for this information (see order form on page two). The *Reporter* presents the prices which

South Dakota farmers received regardless of grade or quality.

Prices for corn and wheat may be secured from other sources if desired, but this is not recommended. Quite frequently other sources report by grades and these grades may not be the same as those produced on the farm. Thus prices reported by farmers for all grain sold are likely to be more satisfactory.

#### **USE HARVEST SEASON PRICES**

The harvest price of the "king crop" should be used in calculating rent. Harvest time is when the landlord normally receives a share rent. Because of the heavy marketings, prices are usually at their lowest level at this time. While the seasonal fluctuations of grain prices have not been great, it takes only a few cents to make considerable difference in the rent.

If the share landlord wishes to hold the grain for a rise in price, he may do so at his own expense. The flexible cash landlord may also invest his rent in grain if he wants to speculate on a price rise. But like the share landlord, he should do so at his own expense.

Therefore it is recommended that the price used for wheat be that reported for July and the price used for corn be that reported for November. In some cases it may be desirable to use an average of a two-

month period such as June and July or October and November. A longer period than this should not be used because it merely makes the rent more difficult to compare with share rents.

#### **CROP INSURANCE MAY BE DESIRED**

The tenant may want to take out crop insurance because the flexible rent does not vary with local conditions such as a flood, wind or hail, except as they affect average county yields. Also the rent does not vary with his management. Still, his risks are less than those of either a fixed cash tenant or an owner-operator, who have greater freedom because they bear all these risks. These risks are the price that the tenant has to pay for his greater freedom of farming under flexible cash rents as compared to share rents. But this price should be largely offset by a lower flexible cash rent because the landlord has less risk than under crop share rents. Local conditions and the tenant's management cannot affect his rent.

#### **HOW TO WRITE THE FARM RENTAL AGREEMENT**

The flexible cash rental agreement form which follows can be inserted in any otherwise satisfactory lease. The "Cash Farm Lease" form prepared by the U. S. Department of Agriculture, is available from county extension agents.

**Appendix Table A. Corn: Yields per Harvested Acre by Counties of South Dakota, 1961-1966.\***

District and County	1961 Bu.	1962 Bu.	1963 Bu.	1964 Bu.	1965 Bu.	1966 Bu.	Ave. Bu.
Butte	44.0	50.0	64.0	49.5	64.0	59.5	55.1
Corson	9.0	33.0	27.0	18.5	32.0	33.5	25.5
Dewey	12.0	33.0	28.0	18.5	24.5	33.5	24.9
Harding	10.0	26.0	21.0	17.0	18.0	20.0	19.0
Perkins	10.0	22.0	20.0	26.0	25.0	25.0	21.5
Ziebach	12.0	21.0	23.0	20.0	13.5	25.0	19.0
Northwest	17.1	31.7	36.1	32.2	42.4	38.2	32.9
Brown	24.0	33.5	44.5	26.5	29.0	50.5	34.5
Campbell	13.0	39.0	35.0	20.5	28.0	36.0	28.5
Edmunds	12.5	29.5	39.0	23.5	25.5	41.5	28.5
Faulk	16.5	29.0	38.5	19.5	17.5	45.0	27.5
McPherson	19.0	30.0	36.5	24.5	25.5	42.0	29.5
Potter	19.5	36.0	35.5	20.0	23.5	39.0	29.0
Spink	27.5	32.5	40.5	20.0	21.5	47.5	31.5
Walworth	18.0	40.0	39.0	25.0	30.0	42.5	32.5
North Central	22.9	33.6	40.5	23.1	25.8	45.9	31.8
Clark	31.0	33.5	44.0	17.5	26.5	45.5	33.0
Codington	32.0	28.0	49.0	21.0	38.5	43.5	35.5
Day	31.0	33.5	46.0	21.0	27.5	46.5	34.0
Deuel	44.0	37.5	60.0	34.0	36.5	51.0	44.0
Grant	30.5	37.5	60.0	25.0	40.0	45.5	40.0
Hamlin	39.5	37.0	52.5	27.0	35.0	47.5	40.0
Marshall	33.5	34.5	46.0	26.0	44.5	47.0	38.5
Roberts	32.0	33.5	53.0	28.5	34.0	48.5	38.5
Northeast	34.6	34.9	52.0	26.3	35.0	47.2	38.3
Haakon	16.0	28.0	32.5	20.0	25.0	31.0	25.5
Jackson	20.0	26.0	34.0	20.0	15.5	30.0	24.0
Lawrence	54.0	36.0	70.0	39.0	54.0	47.0	50.0
Meade	26.0	22.0	24.5	25.0	28.0	25.5	25.0
Pennington	10.0	22.0	23.5	10.0	22.0	30.0	19.5
Stanley	43.5	40.0	48.0	26.0	29.0	31.0	36.0
West Central	27.1	28.4	33.2	23.0	27.9	30.1	28.3
Aurora	30.0	32.0	43.5	23.0	32.0	29.0	31.5
Beadle	26.0	34.5	40.0	16.5	20.0	40.0	29.5
Brule	23.5	32.0	38.5	19.5	22.5	22.5	26.5
Buffalo	21.0	36.0	28.0	17.5	15.5	20.5	23.0
Hand	27.0	31.0	35.5	19.5	15.5	38.0	28.0
Hughes	24.0	35.0	25.0	20.5	24.0	27.0	26.0
Hyde	25.0	35.0	33.0	19.0	12.0	34.5	26.5
Jerauld	25.0	39.0	45.0	18.5	14.5	28.5	28.5
Sully	23.0	33.5	31.0	19.5	13.5	31.0	25.0
Central	25.6	33.4	38.2	19.6	21.5	32.2	28.4
Brookings	45.0	37.5	57.0	43.5	35.5	35.0	42.0
Davison	28.0	36.0	48.0	18.5	44.0	33.0	34.5
Hanson	33.5	46.0	49.5	24.0	37.0	33.0	37.0
Kingsbury	35.5	39.0	53.0	35.0	29.5	38.5	38.5
Lake	45.5	40.5	61.0	41.5	33.5	33.0	42.5
McCook	40.0	43.5	52.5	26.5	40.0	44.5	41.0
Miner	34.0	37.0	50.5	20.5	24.0	33.5	33.0
Minnehaha	46.5	51.0	60.0	41.5	48.5	48.5	50.0
Moody	51.5	46.0	66.0	46.0	50.0	45.0	50.0
Sanborn	33.0	40.0	48.5	19.5	25.0	35.0	33.5
East Central	41.5	43.0	55.9	35.8	39.0	39.8	42.5
Bennett	20.0	22.5	28.0	16.0	15.5	34.5	23.0
Custer	20.0	33.5	68.0	34.0	45.5	71.5	45.5
Fall River	28.5	59.5	60.0	52.0	69.0	65.5	56.0
Shannon	15.0	24.0	25.0	16.0	19.5	34.5	22.5
Washabaugh	19.0	24.0	26.0	15.0	14.0	31.0	21.5
Southwest	20.9	41.3	47.1	38.7	55.0	60.0	43.8
Gregory	26.5	40.5	39.5	28.0	22.5	30.0	31.0
Jones	19.5	26.0	28.0	15.0	10.0	25.0	20.5
Lyman	18.0	35.0	34.0	22.5	19.5	25.0	25.5
Nellette	23.0	23.5	24.0	17.5	9.5	28.0	21.0
Todd	22.0	24.0	29.5	17.5	12.0	28.0	22.0
Tripp	23.5	37.0	41.0	25.0	20.5	31.0	30.0
South Central	24.2	37.3	38.5	25.4	21.1	29.8	29.4
Bon Homme	45.0	48.0	42.0	38.5	48.0	39.5	43.5
Charles Mix	33.5	44.0	39.0	26.0	21.5	30.5	32.5
Clay	46.5	57.5	48.5	44.5	62.5	68.0	54.5
Douglas	29.0	39.5	47.5	24.0	31.5	34.0	34.0
Hutchinson	36.0	46.5	48.0	22.5	42.5	42.0	39.5
Lincoln	48.0	56.0	51.0	44.5	56.0	55.0	51.5
Turner	42.5	52.0	50.5	26.5	59.0	59.0	48.0
Union	48.0	60.0	50.0	52.5	61.0	73.5	57.5
Yankton	44.5	59.5	46.0	37.0	59.5	63.0	51.5
Southeast	41.6	51.5	46.9	35.3	50.5	52.6	46.4
State Ave.	36.5	42.5	48.0	31.0	39.0	44.5	40.2

\*Source: *South Dakota Agriculture*, 1966, S. D. Crop and Livestock Reporting Service, 312 South Minnesota Ave., Sioux Falls.

**Appendix Table B. Winter Wheat: Yields per Harvested Acre by Counties of South Dakota, 1961-1966\***

District and County	1961 Bu.	1962 Bu.	1963 Bu.	1964 Bu.	1965 Bu.	1966 Bu.	Ave. Bu.
Butte	11.0	9.5	31.0	22.5	12.0	31.5	19.5
Corson	10.0	6.5	17.0	20.0	13.0	19.0	14.0
Dewey	11.5	6.5	13.0	21.0	8.5	19.0	13.0
Harding	13.5	7.5	22.0	20.0	10.0	20.0	15.5
Perkins	10.0	8.5	21.0	18.0	14.5	22.0	15.5
Ziebach	8.5	7.0	15.5	20.5	11.0	19.0	13.5
Northwest	10.6	7.9	19.6	19.8	12.2	21.2	15.2
Brown	18.5	13.5	13.5	20.0	20.0	27.0	18.5
Campbell	12.5	5.5	15.5	16.0	18.0	25.0	15.5
Edmunds	13.0	13.5	14.0	21.0	19.0	20.0	16.5
Faulk	14.5	11.5	13.0	22.5	17.0	20.0	16.5
McPherson	15.0	9.5	12.0	21.5	18.0	27.0	17.0
Potter	13.5	10.5	16.5	22.5	15.0	22.0	16.5
Spink	17.5	11.0	13.0	20.5	15.0	22.0	16.5
Walworth	12.5	8.0	16.0	21.5	18.0	23.0	16.5
North Central	14.4	11.4	14.6	21.8	16.4	21.8	16.7
Clark	20.0	10.5	13.5	18.5	14.0	24.0	16.5
Codington	19.0	15.5	13.0	16.5	17.0	27.0	18.0
Day	18.0	18.5	13.0	25.0	16.0	30.0	20.0
Deuel	23.0	13.5	15.0	18.0	17.0	27.5	19.0
Grant	20.0	8.5	13.0	18.0	17.0	27.5	17.5
Hamlin	22.5	12.5	14.0	16.0	17.0	28.0	18.5
Marshall	18.5	15.5	14.0	20.0	17.5	27.0	18.5
Roberts	18.0	9.5	12.0	19.0	15.0	28.0	17.0
Northeast	19.4	13.0	13.5	20.0	15.5	26.8	18.0
Haakon	18.5	15.5	19.0	29.5	17.0	26.0	21.0
Jackson	16.0	16.5	19.0	25.0	15.5	28.0	20.0
Lawrence	8.5	21.5	27.0	24.0	21.0	27.0	21.5
Meade	15.0	13.5	28.5	24.0	21.0	27.0	21.5
Pennington	13.0	13.0	26.0	28.0	19.0	27.5	21.0
Stanley	19.5	12.5	17.5	27.5	17.5	27.0	20.0
West Central	16.1	14.2	23.0	27.0	18.7	27.0	21.0
Aurora	16.0	12.0	18.0	26.5	16.0	29.0	19.5
Beadle	18.5	12.5	14.0	17.5	17.0	27.0	17.5
Brule	15.0	10.5	21.0	30.5	15.5	31.0	20.5
Buffalo	15.0	9.0	15.0	22.0	13.5	25.0	16.5
Hand	22.5	13.5	18.5	20.0	20.0	24.5	19.5
Hughes	15.0	7.0	13.5	25.5	15.5	20.0	16.0
Hyde	15.5	12.5	14.0	22.5	16.0	20.0	16.5
Jerauld	16.0	11.0	16.0	26.5	21.0	28.0	19.5
Sully	20.5	9.5	17.5	22.5	15.0	21.0	17.5
Central	18.8	10.6	16.8	22.8	16.2	23.6	18.1
Brookings	24.0	12.0	17.0	17.0	18.0	25.0	19.0
Davison	17.0	12.5	17.0	16.0	14.0	27.0	17.5
Hanson	17.0	13.5	15.5	16.0	13.5	27.0	17.0
Kingsbury	20.0	14.5	14.0	16.0	19.0	25.0	18.0
Lake	20.0	12.5	15.0	15.0	--	--	15.5
McCook	18.0	13.0	15.0	20.0	--	--	16.5
Miner	15.5	12.5	15.0	15.5	--	--	14.5
Minnehaha	20.0	15.5	--	19.5	--	--	18.5
Moody	33.5	13.0	16.0	19.0	18.0	25.0	20.5
Sanborn	12.5	14.0	15.0	16.5	19.0	27.5	17.5
East Central	19.9	13.7	14.6	16.9	18.5	25.4	18.1
Bennett	24.5	13.0	20.5	27.5	15.5	32.0	22.0
Custer	12.0	10.0	14.5	20.0	9.5	24.0	15.0
Fall River	10.5	11.5	24.0	28.0	11.5	22.0	18.0
Shannon	21.5	11.0	17.5	23.0	19.5	30.0	20.0
Washabaugh	24.0	20.5	20.5	30.5	19.5	30.0	24.0
Southwest	22.0	13.8	20.3	27.1	16.5	29.6	21.5
Gregory	26.0	6.5	19.0	32.5	17.5	35.0	22.5
Jones	18.0	11.0	18.5	29.0	15.5	24.5	20.0
Lyman	17.5	9.5	17.5	32.0	17.0	31.5	21.0
Mellette	24.0	15.0	20.0	28.0	17.0	20.0	20.5
Todd	23.0	11.5	16.0	26.0	17.0	19.5	19.0
Tripp	22.5	11.0	17.5	33.5	21.5	31.5	23.0
South Central	20.3	10.7	17.9	31.3	18.3	28.8	21.2
Bon Homme	17.0	9.5	15.5	23.5	15.0	28.0	18.0
Charles Mix	17.0	7.5	19.5	25.5	18.0	29.5	20.0
Clay	21.0	14.5	20.0	18.5	20.0	26.0	20.0
Douglas	17.0	12.5	15.0	23.5	15.0	28.0	18.5
Hutchinson	20.0	13.5	14.0	16.0	13.5	28.0	17.5
Lincoln	20.0	18.5	13.0	20.0	--	--	17.5
Turner	20.0	18.5	14.0	15.0	15.0	27.0	18.0
Union	17.0	14.5	14.0	21.0	21.0	26.0	19.0
Yankton	18.0	10.5	17.0	24.5	13.0	26.0	18.0
Southeast	17.4	9.9	18.4	24.1	18.2	29.0	19.5
State Ave.	18.0	11.5	19.0	27.0	17.5	27.5	16.1

\*Source: *South Dakota Agriculture*, 1966, S. D. Crop and Livestock Reporting Service, 312 South Minnesota Ave., Sioux Falls.

Appendix Table C. Other Spring Wheat: Yields per Harvested Acre by Counties of South Dakota, 1961-1966\*

District and County	1961 Bu.	1962 Bu.	1963 Bu.	1964 Bu.	1965 Bu.	1966 Bu.	Ave. Bu.
Butte	22.0	25.0	23.0	15.0	17.5	15.5	19.5
Corson	5.0	23.0	15.5	13.5	20.0	17.0	15.5
Dewey	10.5	23.0	14.5	13.0	17.5	12.0	15.0
Harding	5.5	23.0	17.0	13.5	15.0	12.5	14.5
Perkins	5.0	22.0	17.5	13.0	17.5	16.0	15.0
Ziebach	9.0	22.0	16.0	16.0	18.0	11.0	14.5
Northwest	6.3	22.6	16.4	13.5	18.1	15.0	15.3
Brown	15.0	21.5	11.0	15.5	19.0	18.0	16.5
Campbell	8.0	24.0	13.0	15.0	19.0	15.0	15.6
Edmunds	11.0	19.5	12.0	13.0	15.5	14.0	14.0
Faulk	11.5	18.5	13.5	14.5	16.5	14.0	14.5
McPherson	10.0	21.0	12.0	13.5	15.0	13.0	14.0
Potter	11.5	22.5	15.5	15.5	18.5	14.5	16.5
Spink	15.0	16.5	10.5	13.5	16.0	15.0	14.5
Walworth	11.0	22.5	17.0	16.5	19.5	15.0	17.0
North Central	12.4	20.2	12.4	14.5	17.3	15.2	15.3
Clark	15.0	17.0	11.0	10.0	17.0	14.5	14.0
Codington	18.5	17.5	9.5	14.0	17.5	16.5	15.5
Day	18.0	20.0	10.0	13.0	19.0	21.0	17.0
Deuel	22.0	15.5	13.5	15.0	15.0	19.0	16.5
Grant	18.5	17.0	13.5	14.5	17.5	18.5	15.8
Hamlin	18.5	17.0	9.0	13.5	17.5	19.5	15.5
Marshall	16.0	22.0	10.0	15.5	21.0	21.0	17.5
Roberts	18.0	16.0	13.5	15.0	18.0	18.0	16.5
Northeast	17.3	18.3	11.1	13.5	18.4	18.4	19.2
Haakon	10.0	20.0	17.0	15.5	18.5	11.0	15.5
Jackson	11.0	16.5	14.5	16.0	16.0	10.0	16.0
Lawrence	13.0	25.0	14.0	21.0	15.0	14.0	17.0
Meade	6.0	20.0	19.0	16.0	18.5	13.0	15.5
Pennington	6.0	19.5	15.0	16.0	12.5	11.5	13.5
Stanley	13.5	17.5	11.0	13.5	16.0	11.5	14.0
West Central	9.2	19.7	16.3	15.7	16.8	12.0	14.9
Aurora	16.5	13.0	13.5	14.0	16.5	16.0	15.0
Beadle	13.0	15.0	12.5	10.0	17.5	12.5	13.5
Brule	13.5	14.0	13.5	15.0	17.5	14.5	14.5
Buffalo	12.0	18.0	13.0	14.0	16.5	13.5	14.5
Hand	15.0	16.5	12.0	13.0	16.0	12.5	14.0
Hughes	13.5	19.0	12.5	13.0	17.0	10.0	14.0
Hyde	14.5	18.5	12.0	12.5	17.5	12.5	14.5
Jerauld	19.5	14.0	13.5	12.5	14.0	14.0	14.5
Sully	15.0	21.5	14.0	15.5	18.0	10.5	15.5
Central	14.6	17.2	12.9	13.1	17.1	11.8	14.5
Brookings	19.0	15.0	10.0	16.5	15.0	21.0	16.0
Davison	16.0	13.0	16.0	14.5	22.0	16.0	16.0
Hanson	18.0	14.0	14.0	17.5	22.0	16.0	17.0
Kingsbury	18.0	17.0	11.5	12.0	19.5	14.5	13.8
Lake	18.0	11.0	10.0	17.0	17.5	17.5	15.0
McCook	17.0	12.0	12.0	14.0	21.5	16.0	15.5
Miner	19.0	13.5	10.0	13.5	16.0	17.0	15.0
Minnehaha	18.0	13.5	12.0	20.0	20.0	21.0	17.5
Moody	19.0	14.0	13.0	22.0	21.0	22.0	18.5
Sanborn	15.0	12.5	12.0	10.0	18.5	14.0	13.7
East Central	17.9	15.0	11.5	13.2	19.0	15.3	15.3
Bennett	18.0	13.0	15.0	11.0	15.0	8.0	13.5
Custer	8.0	21.0	16.0	9.5	15.5	9.5	13.5
Fall River	8.0	15.0	18.0	14.0	15.5	9.0	13.5
Shannon	10.0	14.0	13.0	13.0	14.0	9.0	12.0
Washabaugh	10.0	14.5	14.0	16.0	14.5	14.0	14.0
Southwest	10.9	15.5	16.7	12.4	15.1	9.9	13.4
Gregory	18.5	12.5	14.0	15.5	17.5	16.0	15.5
Jones	11.5	15.0	12.0	17.0	12.0	11.0	13.0
Lyman	13.0	13.5	12.5	13.0	13.0	16.0	13.5
Mellette	13.0	14.0	12.5	13.5	11.0	10.0	12.5
Todd	15.5	13.0	12.0	12.5	12.5	9.0	12.5
Tripp	14.0	14.0	12.0	13.0	17.0	15.0	13.0
South Central	14.1	13.6	12.6	14.2	14.0	14.1	13.8
Bon Homme	15.0	11.5	13.5	14.0	17.5	15.5	14.5
Charles Mix	15.5	12.0	11.0	12.0	17.5	13.5	13.5
Clay	19.0	16.0	13.0	14.5	16.0	21.0	16.5
Douglas	14.0	12.5	11.0	13.5	22.0	13.0	14.5
Hutchinson	15.0	14.5	12.5	13.5	19.5	16.5	15.0
Lincoln	19.0	16.5	13.0	20.0	17.0	20.0	17.5
Turner	17.5	13.0	13.5	14.0	17.0	17.0	15.5
Union	18.0	12.0	12.0	19.0	18.5	20.0	16.5
Yankton	14.5	12.0	12.0	16.0	13.0	17.5	14.0
Southeast	15.9	12.8	11.8	13.5	18.1	15.0	14.5
State Ave.	13.0	19.5	13.0	14.0	17.5	15.0	15.6

\*Source: *South Dakota Agriculture*, 1966, S. D. Crop and Livestock Reporting Service, 312 South Minnesota Ave., Sioux Falls.

# **FLEXIBLE CASH RENT FORM**

(Insert in any otherwise satisfactory lease form)

I. The tenant agrees to pay an annual cash rent for all of the land and buildings described above which shall consist of flexible cash rent and a fixed cash rent.

A. Flexible Cash Rent. The flexible cash rent shall be calculated as follows:

1. The formula for the flexible cash rent shall be:

$$\begin{array}{ccccccc} \text{County} & & & \text{Per Cent for} & & \text{Price of} & \\ \text{Ave. Annual} & \times & \text{Flexible} & \times & \text{Grain at} & = & \text{Flexible} \\ \text{Yield of Crop} & & \text{Cash Rent} & & \text{Harvest} & & \text{Cash} \\ & & & & & & \text{Rent} \end{array}$$

(Example)

$$40 \times 40\% \times \$1 = \$16$$

2. The crop referred to in the formula shall be ..... (write in one).  
(corn, winter wheat, or other spring wheat)

3. The county average yield shall be the preliminary yield of said crop as reported in late December or early January by the South Dakota Crop and Livestock Reporting Service, 312 South Minnesota Ave., Sioux Falls, South Dakota (free but furnished only upon request by landlord or tenant).

4. The acres of each kind of land and the per cent or share of the annual county average yield of said crop per acre to be paid as rent shall be as follows:

KIND OF LAND	ACRES	PER CENT OR SHARE
Cropland		
Native hayland		
Native pasture		
Lots, etc.		
Wasteland		
Total acres		

5. The price of the grain specified shall be that reported in the South Dakota Crop Reporter for the normal harvest month of ..... each year of this lease.  
(month)

B. Fixed Building Rent. An annual fixed cash rent shall be paid for each of the buildings on this farm as follows:

BUILDING	ANNUAL FIXED CASH RENT
House	
Barn	
Silo	
Cribs	

Therefore the total cash rent for all buildings on the land leased shall be ..... dollars per year.

II. The payment of the rent shall be as follows:

A. Preliminary rent. Because the preliminary county average annual harvested yields are not available until late December or early January of the following year, it is mutually agreed that a preliminary rent shall be determined and paid as follows:

1. Wheat rent: At the close of the normal harvest month for wheat, as specified above, the landlord shall estimate the county average harvested yields of the kind of wheat specified above and use this estimated yield to calculate the preliminary rent. The landlord shall then notify the tenant by certified mail (return receipt requested) that the preliminary rent is due and the tenant shall pay this portion within ..... days after the date of notification.

2. Corn rent: At the close of the normal harvest month for corn, as specified above, the landlord shall estimate the county annual average harvested yield to calculate this portion of the preliminary rent. The landlord shall notify the tenant by certified mail (return receipt requested) that the preliminary rent is due and the tenant shall pay this portion within ..... days after date of notification.

B. Payment of final rent. When the preliminary average annual county yields are calculated and made available in late December or early January by the South Dakota Crop and Livestock Reporting Service, the landlord shall use said yields to calculate the final flexible cash rent including rent for buildings.

1. If the final rent exceeds the preliminary rent then the landlord shall notify the tenant of the additional rent due and the tenant shall pay the additional rent, without interest within ..... days of the date that the notice is given.

2. If the preliminary rent paid exceeds the final rent, then the landlord shall pay the tenant the difference with interest at ..... per cent per annum from the time of payment of the preliminary rent until paid. Should the tenant fail to pay either the preliminary or the final rents in the time specified, he shall pay interest at ..... per cent per annum on the unpaid balance until paid.