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RECENT TRENDS IN LAND TENURE  
IN TEXAS

JOE MOTHERAL

Division of Farm and Ranch Economics



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Public interest in the subject of land tenure has been heightened by the swift changes in the tenure pattern of the Southwest during the last decade. In Texas, Common methods of renting farm land such as the "third-and-fourth" system, which is adapted to the growing of annual cash crops, proved to be inadequate in numerous instances where cotton acreage was reduced and a livestock program was instituted. Long term cash leases presented problems during this period of fluctuating commodity prices. One-year farm rental agreements, on the other hand, failed to provide the necessary inducements for the long-time maintenance of soil resources. On many rented farms lack of flexibility in the rental agreement handicapped adjustments in enterprises and techniques and prevented the sharing by landlords and tenants of the benefits of new profit opportunities.

Between 1930 and 1940 the operation of economic forces served to complicate not merely landlord-tenant relations but the entire broad sphere of land tenure. Whereas the normal trend of population is toward a progressively greater absorption of workers into industrial employment, the process was reversed during the early 30's and agriculture shouldered the burden of excess manpower for which industry had no need. Simultaneously, farm prices slumped. In terms of parity the dollar received by the farm shrank to 65c while the dollar paid stretched to \$1.07. Seeking relief from this difficult situation, farmers pursued three principal lines of action: expansion in the size of production units, increased mechanization, and the securing of government subsidies to offset the agricultural-industrial income disparity.

These measures reduced man labor requirements in many farming areas of the State which were already overpopulated and intensified the effects of a surplus of farm operators and laborers. Farm rental rates tended to rise, while wage rates declined. Migratory farm workers increased in number, reaching a peak in 1939 estimated at 300,000 persons. Farm population declined for the first time in the history of the State. Many rural community institutions, particularly churches and schools, were hard put to survive the loss of patronage. An altered pattern of land tenure emerged.

It is the purpose of this report to provide factual data that will be useful in interpreting these changes. Most of the data are presented in tabular and graphic form with a minimum of interpretation. A final section is devoted to a discussion of some of the impacts of the war upon the land tenure situation in Texas.

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## RECENT TRENDS IN LAND TENURE IN TEXAS

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This bulletin is a summary of some of the facts about the land tenure situation in Texas prior to and since the start of World War II. It represents a step in the accumulation of essential background data leading to an analysis of the efficiency of the various tenure groups. Conditions of tenure in agriculture are of general concern because tenure involves a broad range of relationships between the people and the land and because the effectiveness with which systems of tenure operate has a profound effect upon the well-being of farm people.

Between 1930 and 1940 the number of farm operators in Texas decreased by 83,000, marking the first downward trend since 1880. Croppers and other marginal farm workers having the weakest attachments to the land were affected to a greater extent than other tenure groups. The decline in the rate and number of tenants did not occur uniformly throughout the State. Decreases in the rate of tenancy of 20 percent and more were common in counties located in the lower Panhandle, the Black Prairie, and along the Gulf Coast where multiple row farm machinery was first introduced on a large scale.

Some of the factors influencing pre-war trends in land tenure were long-time adjustments in urban-rural population, agricultural-industrial price relationships, government subsidies, and mechanization. Urban population rose from 3.6 per cent to 41.0 per cent of the total State population between 1850 and 1930. The gain in urban population has been continuous, except for minor cyclical fluctuations. During depressions, industry has succeeded in shifting the burden of excess workers back to agriculture, recalling them during years of peak production when manpower is most urgently needed on the farm. By 1940 urban population comprised 45.4 per cent of the total, which represented in part a continuation of a long time trend of considerable consequence in the tenure picture.

A serious lack of balance between agricultural and industrial prices prevailed from 1930 until 1935, making it necessary for farmers to seek relief through adjustments in the size of operating units, methods of operation, and various types of government aids. During the 1930's Texas farms increased from an average size of 252 acres to 329 acres. Labor-saving devices were introduced on a vast scale, the number of farm tractors rising from 37,000 in 1930 to 99,000 in 1940. In 1939 cotton acreage had been cut from 17 million acres to 8 million acres and nearly 50 million dollars was being paid Texas farmers annually for their participation in the AAA program.

As these adjustments occurred, the net effect was the creation of a discrepancy between labor requirements and the available tenant and labor force. During the 1930's competition among farm laborers for employment and among tenants for rent land became intense. Farm wage rates went

<sup>1</sup>The author is indebted to L. P. Gabbard, Chief of the Division of Farm and Ranch Economics and John H. Southern, Agricultural Economist, U. S. Bureau of Agricultural Economics, U. S. D. A., for their criticism and assistance in the preparation of this bulletin.

down and farm rental rates went up, while rural community institutions suffered from a loss of patronage due to the accelerated rate of farm-to-town migration.

Since the war the loss of manpower and the stimulus of high farm prices has produced a changed situation. It is estimated that, on January 1, 1943, Texas had a farm population of 1,888,000 persons, the smallest number of people on farms in over 50 years. Farm wage rates rose 40 per cent between April 1942 and April 1943. Farm rental rates, relative to total farm income, were falling by virtue of the disappearance of "bonus" payments and other requirements.

In April 1943, farm commodity prices stood at 114 per cent of parity. Inflated commodity prices were beginning to influence the land market, which usually lags behind the commodity price level by 12 to 18 months. Land prices in the West South Central States rose nearly 7 per cent in the four months from November 1, 1942, to March 1, 1943. Voluntary land transfers involved an estimated 41.7 farms per 1,000 farms in 1942, as compared with a rate of 30.2 farms per 1,000 in 1940. A rearrangement of equities in which many tenants will become landowners during the war appears likely. On the less optimistic side, it is also evident that heavy mortgages acquired during the war will bring foreclosures and disaster to many landowners when deflation comes, unless control measures are instituted in the meantime.

#### What is Land Tenure?

Land tenure in the narrow sense is the act of holding land. In a broader sense land tenure is the institutional framework that governs the control and use of agricultural wealth. An integral part of land tenure is the relationship between landlord and tenant, or the manner in which the rights, privileges, and responsibilities in a farm are allocated between the two parties. Included also is the influence of the creditor upon the farm and upon the performance of the indebted farmer. Tenure likewise involves the status of farm laborers who possess in actual practice a fractional interest in farm property rights. Land tenure is a legal concept by origin, but its implications extend through the entire structure of human relationships associated with farming and ranching.

The institutions that go to make up a system of land tenure should have, in the main, two chief functions: to provide for economical, efficient production, and to insure an equitable division of returns to the participants in the productive processes. Such institutions should be flexible enough to keep pace with advances in technology. They should permit profitable adjustments in enterprises in response to changes in demand for farm commodities. They should provide opportunity to farm people of all classes to improve their status commensurate with their industry and their management capacity. Tenure institutions should encourage the conservation of human and natural resources. They should facilitate the development of a stable and satisfying farm life.

#### Significance of Land Tenure

Changes in the pattern of land tenure directly affect the welfare of farm people. A decrease in the rate of farm tenancy may be a healthy indication of farm tenants moving into the land ownership class. On the other

hand, it has represented in many instances the conversion of large numbers of tenants into the status of wage laborers, or into the ranks of the unemployed. Similarly, trends in the control of land resources through ownership are of vital public consequence. Methods and terms of farm rental agreements change with the tide of economic forces and this information is valuable. All phases of land tenure carry with them far-reaching social implications.

Public interest in this subject has been heightened by the swift changes in the land tenure pattern of the Southwest during the last decade. In Texas, each decennial census for 50 years had shown an increase in the number and proportion of farms operated by tenants until 1930, after which there was a decided drop. Farm units, on the average, had grown smaller as more grazing land came under the plow, but this trend was reversed in 1930 as thousands of small tracts were combined into a relatively few large farms. Improved mechanical devices were introduced on a vast scale, with a subsequent reduction in man labor requirements. Farm population declined for the first time in Texas history.

These trends had a significant effect upon the agricultural economy of the State. An older and less mobile class of farm operators remained on farms. Migratory laborers moving northward with the seasons, supplanted in a large measure the depleted resident labor force. Rural community institutions—churches, schools, social organizations—were adversely affected. The public relief rolls became a huge item of government expense during the middle thirties.

Basic causes back of these adjustments were deep-rooted and often obscure. It is not the purpose of this report to dwell upon an analysis of cause and effect. Rather it is to present and interpret some of the essential facts and thereby provide a sounder basis for understanding recent trends in land tenure. In order to furnish a ready reference for the average reader, the bulk of the information has been presented in graphic form and the narrative portions have been reduced to a minimum.

Census data are employed to a considerable extent throughout this report. It should be noted that the census definition of a *farm* and *farm operator* differ from the popular conception of the terms. A farm is generally considered to be a complete production unit, the operator of which exercises a comparatively high degree of independence in management. The census, on the other hand, includes croppers in the operator group, although croppers frequently work simply as laborers paid in kind. Similarly, the portion of the production unit worked by the cropper is recorded in the census as a separate farm. In this report a farm will be considered as a production unit and a farm operator as one who actually operates a unit except where the data are identified as originating from the census.

### Problems of Land Tenure

Problems arising out of systems of tenure appear in many forms and they tend to become intensified by conditions of economic stress. Some are the result of certain uniform weaknesses in the tenure system, while others are peculiar to particular areas, types of farming, or other circumstances and periods of time. The field of land tenure may be better understood if

some of its associated problems are understood. A few concrete examples of problems which are primarily tenure in character may be cited for the purpose of illustration.

1. In projecting programs of soil conservation, government agencies have encountered much more difficulty in initiating conservation practices on rented farms than on farms operated by the owner. The reason is obvious. Most of the tenant-operated farms in Texas are rented under one-year agreements. Benefits from the application of conservation measures are often not realized for several years. The landlord has a long-time stake in the maintenance of his soil resources, while the tenant, by virtue of the limits of his contract, is primarily concerned with the current year's returns. Thus, a conflict of interests frequently retards desirable conservation programs.

2. For many years the so-called "third-and-fourth" system has been a common method of renting farm land in Texas. This system is adapted to the growing of annual cash crops. Due to reductions in cotton acreage under the AAA program since 1933, approximately nine million acres of land have been diverted to other uses, such as pastures and feed crops. More feed and more pasture, combined with relatively steady livestock prices, have made livestock production a profitable addition to cotton and general crop farming.

In such cases, a livestock program might be started by the tenant alone, by the landlord alone, or by the two sharing the livestock as they do crops. If the tenant adds his own livestock, the landlord is placed in a position of furnishing pasture and other facilities without receiving any returns. If the landlord undertakes a livestock enterprise of his own, the tenant is naturally reluctant to expend his labor in caring for stock in which he has no interest. Each of the parties feels tied to the growing of certain crops because his experience in rental arrangements has not included the sharing of livestock and livestock products. There are few precedents for livestock partnership arrangements, and often much valuable time is lost while the division of expenses and income, credit, replacements, marketing, and other details are being settled. Another tenure obstacle is encountered when an attempt is made to reconcile the customary one-year rental agreement with a long-time livestock plan. This situation contrasts sharply with that of most owner operators, who are usually free to adjust their farm organization immediately and to capitalize on the new income opportunity.

3. Long-term cash leases are common in the grazing areas of West Texas. Rent is paid in cash on a per acre basis and terms often extend over a ten-year period. Usually the amount to be paid the owner of the land is governed to a large extent by prospective market prices for livestock and livestock products, as these prices determine the producer's ability to meet fixed costs. If livestock prices fall to a low level and remain there over a considerable period of time, the fixed rental payment becomes a burden upon the producer. In an effort to compensate for the loss of income, numbers of stock are often increased beyond the capacity of the range. Such over grazing may result in permanent impairment of the land. On the other hand, if livestock prices rise, the landowner does not



receive any portion of the increase under a fixed rental payment. Whether the solution lies in a contractual provision limiting the number of head of stock to be grazed, or a flexible rental rate based on price levels, or some other device, is another problem of land tenure.

4. Lack of flexibility in farm rental agreements handicaps the introduction of economical farm practices in numerous ways. It may be the practice of poisoning cotton insects or of growing hybrid corn, but if it calls for new or unusual expenditures of money and labor, a question almost invariably arises: How is the expense to be divided between landlord and tenant? Delays growing out of such questions are costly to both parties.

5. The creditor figures in many land tenure problems. It is not uncommon for a mortgage-holder to exert a strong influence on the way a farm is to be operated, regardless of the capabilities of the operator. Foreclosure of land by a creditor materially influences the tenure under which a farm may be operated. In such instances the owner operator may be forced into tenancy or out of agriculture altogether.

6. Absenteeism is a type of tenure that reduces the effectiveness of local institutions. Absentee landowners, particularly of the speculative variety, generally have scant interest in such developments as schools and roads if it means higher taxes. Absentee operators, a class that has been increasing in recent years, are perhaps even less likely to concern themselves with the welfare of the community. Non-farmer buyers are sometimes able to outbid actual farmers in the land market, tending to maintain artificially higher land values and retarding the progress of bonafide farmers who are striving to achieve ownership.

#### TREND IN DISTRIBUTION OF TYPES OF OPERATORS

In 1940 there were 418,002 farm operators, including sharecroppers, in Texas (Table 1). This represented a decrease of 83,015 operators since 1935. It also represented for the first time since 1880 a decrease in the number of farm operators, which, it should be remembered, corresponds to the number of farms.

Owner operators were not materially affected during the 5-year period from 1935 to 1940, although there was a slight decrease in full owners and a slight increase in part owners. The number of managers remained practically unchanged. Among tenants the picture was quite different. Tenants decreased in number by 81,000. As in any period of adjustment, those first affected were the groups who were in the least stable position. In this case it was sharecroppers, 37,000 of whom were either reduced to the status of cash wage workers or left agriculture entirely.

The proportion of farm operators who owned all or part of their land increased from 38 per cent to 50 per cent between 1930 and 1940. (Table 2). Tenancy on the other hand, decreased from 61 per cent to 49 per cent during the same period. Croppers always have constituted a substantial portion of the colored farm operators. This *marginal class* was reduced, however, from 42 per cent of the total colored operators in 1930 to 28 per cent in 1940. A similar reduction occurred among white farm operators. This proportion of other types of operators for both races was not materially altered between 1930 and 1940.

Table 1. Number of farm operators in Texas by color and tenure status  
1880, 1890, 1900, 1910, 1920, 1925, 1930, 1935, and 1940

Color and tenure status	Census year								
	1880	1890	1900	1910	1920	1925	1930	1935	1940
All farm operators	174,184	228,126	352,190	417,770	436,033	465,646	495,489	501,017	418,002
All owners	108,716	132,616	174,639	195,863	101,210	182,976	190,515	211,440	210,182
Full-owners	*	*	153,634	167,515	171,427	156,090	152,852	172,709	166,659
Part-owners	*	*	21,005	28,348	29,783	26,886	37,663	38,731	43,523
Managers	†	†	2,560	2,332	2,514	1,445	3,314	3,474	3,358
All tenants	65,468	95,510	174,991	219,575	232,309	281,225	301,660	285,103	204,462
Croppers	*	*	*	*	68,381	91,317	105,122	76,468	39,821
Other tenants	*	*	*	*	133,928	189,908	196,538	209,635	164,641
White farm operators	*	*	286,654	347,852	357,249	383,920	409,426	429,232	365,249
All owners			154,500	174,631	177,671	163,125	169,879	190,640	190,067
Full-owners			136,393	150,837	152,034	139,909	136,884	155,677	150,515
Part-owners			18,107	23,794	25,637	23,226	32,995	34,963	39,552
Managers			2,469	2,251	2,380	1,400	3,226	3,430	3,330
All tenants			129,685	170,970	177,198	219,385	236,321	235,162	171,852
Croppers			*	*	40,382	58,152	68,874	50,793	24,949
Other tenants			*	*	136,816	161,233	167,447	184,369	146,903
Colored farm operators			65,536	69,918	78,784	81,726	86,063	71,785	52,753
All owners			20,139	21,232	23,559	19,841	20,636	20,800	20,115
Full-owners			17,241	16,678	19,393	16,181	15,968	17,032	16,144
Part-owners			2,898	4,554	4,146	3,660	4,668	3,768	3,971
Managers			91	81	134	45	88	44	28
All tenants			45,306	48,605	55,111	61,850	65,339	50,941	32,610
Croppers			*	*	27,999	33,165	36,248	25,675	14,872
Other tenants			*	*	27,112	28,685	29,091	25,266	17,738

\*No data available.

†Managers included with owners in 1880 and 1890.

Source: U. S. Census of Agriculture.

Table 2. Percentage of farm operators in Texas by color and tenure status 1880 to 1940

Color and tenure status	Census year								
	1880	1890	1900	1910	1920	1925	1930	1935	1940
All farm operators	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All owners	62.4	58.1	49.6	46.9	46.1	39.3	38.4	42.2	50.3
Full-owners	*	*	43.6	40.1	39.3	33.5	30.8	34.5	39.9
Part-owners	*	*	6.0	6.8	6.8	5.8	7.6	7.7	10.4
Managers	†	†	0.7	0.6	0.6	0.3	0.7	0.7	0.8
All tenants	37.6	41.9	49.7	52.6	53.3	60.4	60.9	57.1	48.9
Croppers	*	*	*	*	15.7	19.6	21.2	15.3	9.5
Other tenants	*	*	*	*	37.6	40.8	39.7	41.8	39.4
White farm operators	*	*	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All owners			53.9	50.2	59.8	41.4	41.5	44.4	52.4
Full-owners			47.6	43.4	42.6	36.4	33.4	36.3	41.2
Part-owners			6.3	6.8	7.2	5.0	8.1	8.1	10.8
Managers			0.9	0.6	0.7	0.3	0.8	0.8	0.9
All tenants			45.2	49.2	49.6	57.1	57.7	54.8	47.1
Croppers			*	*	11.3	15.1	16.8	11.8	6.8
Other tenants			*	*	38.3	42.0	40.9	43.0	40.2
Colored farm operators	*	*	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All owners			30.7	30.5	39.9	24.3	24.0	28.9	38.1
Full-owners			26.3	24.0	24.6	19.8	18.6	23.7	30.6
Part-owners			4.4	6.5	5.3	4.5	5.4	5.2	7.5
Managers			0.1	0.1	0.2	0.1	0.1	0.1	0.1
All tenants			69.1	69.5	69.9	75.7	75.9	71.0	61.8
Croppers			*	*	35.5	40.6	42.1	35.8	28.2
Other tenants			*	*	34.4	35.1	33.8	35.2	33.6

\*No data available.

†Managers included with owners in 1880 and 1890.

Source: U. S. Census of Agriculture.

### Decline in Farm Tenancy

Between 1930 and 1940 the number of farm tenants, including sharecroppers, declined from 301,660 to 204,462, representing a loss of 97,198 operators, or nearly one-third of the 1930 State total. (Figure 1). This was a striking reversal of the trend of the previous 50 years.

Losses were recorded in 210 of the 254 Texas counties, in some instances ranging up to two-thirds of the 1930 figure. Decreases of 20 per cent or more occurred in 153 counties.

While the decline of farm tenancy during the 1930-40 decade was so pronounced that it affected almost every part of the State, some areas felt the impact to a greater extent than others. In the group of counties located in the lower Panhandle and the western reaches of the Red River, many small farms, each requiring the services of an individual operator, were combined into larger, more highly mechanized units with fewer operators. In the same manner decreases in tenancy occurred in the southern High Plains, the Black Prairie, and in parts of the Coast Prairie. In the Northeast Sandy Lands, the rate of tenancy moved sharply downward without a corresponding increase in mechanization chiefly because of a considerable shift of croppers into a strictly wage-labor status.

Material gains in tenancy were registered in only two large sections of the State, the southwestern areas and along the tier of counties adjacent to New Mexico, where additional farm and ranch land was being developed during this period. The expansion of acreage in rice in the southeastern corner of the State resulted in a sizeable increase in the number of farms in that area, with a subsequent rise in the proportion of tenant operators. In

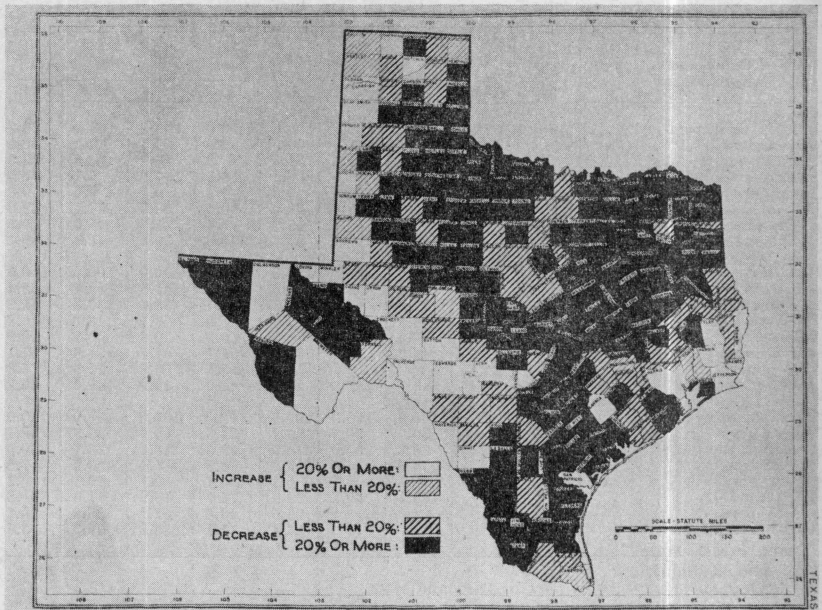


Figure 1. Changes in percentage of farm operators that were tenants, 1930-1940.

Source: U. S. Census of Agriculture, Texas, First Series, County Table II. pp. 33-35.

that same area tenants gained in number in Harris County due to the five-fold increase in small farms in the Houston vicinity; these were of less than 10 acre in size and included truck patches, dairies, and even greenhouses, hatcheries, and mushroom cellars.

### SOME FACTORS INFLUENCING RECENT CHANGES

The forces that have influenced recent changes in land tenure cannot properly be measured and evaluated without a thoroughgoing analysis of the many variables involved. Some of these factors and the time element associated with each, however, may be pointed out.

#### Population Trends

Population trends are a significant measure of long-time adjustments between agriculture and industry. Normally, as the "industrial education" of a nation develops, the proportion of population required to produce agricultural commodities becomes smaller. In 1850, 96 per cent of the people in Texas resided in rural territories (Table 3). Each decade has witnessed a decline in the ratio of rural-to-urban population until by 1940 they were almost equal. The decrease in this ratio between 1930 and 1940 was not significantly greater than for previous decades. One striking difference was that the portion of the population classed as rural farm decreased absolutely as well as relatively during the 10 year period. An 8 per cent decrease in rural farm population was registered between 1930 and 1940, as compared

with a 23.4 per cent increase in rural non-farm population and a 21.8 per cent increase in urban population.

The tendency has been for industrial employment to absorb a progressively larger share of workers over the long run. This movement of population from agricultural land and its concentration in urban centers proceeds at times at a slow pace and is greatly accelerated at other times. A sizeable portion of the nation's manpower shifts back and forth from agri-

Table 3.—Population of Texas, urban and rural: 1850 to 1940.

Census year	The State			Urban places		Rural territory	
	Population	Increase over preceding census		Population	Per cent of total	Population	Per cent of total
		Number	Per cent				
1940	6,414,824	590,109	10.1	2,911,389	45.4	3,503,435	54.6
1930	5,824,715	1,161,487	24.9	2,389,348	41.0	3,435,367	59.0
1920	4,663,228	766,686	19.7	1,512,689	32.4	3,150,539	67.6
1910	3,896,542	847,832	27.8	938,104	24.1	2,958,438	75.9
1900	3,048,710	813,183	36.4	520,759	17.1	2,527,951	82.9
1890	2,235,527	643,778	40.4	349,511	15.6	1,886,016	84.4
1880	1,591,749	773,170	94.5	146,795	9.2	1,444,954	90.8
1870	818,579	214,364	35.5	54,521	6.7	764,058	93.3
1860	604,215	391,623	184.2	26,615	4.4	577,600	95.6
1850	212,592	—	—	7,665	3.6	204,927	96.4

Source: 16th Census of the U. S., Reports on Population, Vol. 1, p. 1.

culture to industry and is never attached firmly to either. Employment opportunities which, in turn, are related to agricultural prices and the use of labor-saving devices on the farm are an important factor in this process. A still more important factor is the strategic position which industry holds in the apportionment of manpower and which reveals defects in the national policy that permit organized industry to acquire undue advantage at the expense of unorganized farm enterprises. Industry is relatively well-organized and capable of adjusting or curtailing production to fit the exigencies of the moment. During depressions, the unwanted labor reserve is thrust out of idle factories and back on the land to become the burden of agriculture. During years of peak production when labor is sorely needed on the farm, the labor reserve is attracted back into industry by temporary terms of employment that agriculture cannot match. Until steps are taken to stabilize these shifting tenure groups either on or off the farm, agriculture will continue to be the loser and problems of land tenure will be so aggravated as to be insoluble.

### Price Relationships

The background for recent changes in terms of agricultural-industrial price relations and the almost revolutionary adjustments in land tenure in the last decade, is illustrated in Figure 2. In this graph the dotted line is an index of prices received by farmers. Into each series of figures is combined a large number of common commodities, the whole of which comprises a rough measure of farm income as compared with industrial income. As the base years are 1910 to 1914, prices received by farmers paralleled very closely prices paid during those years. During World War I, agricultural prices advanced more rapidly than did industrial prices. The ensuing slump in 1920 is apparent in this chart.

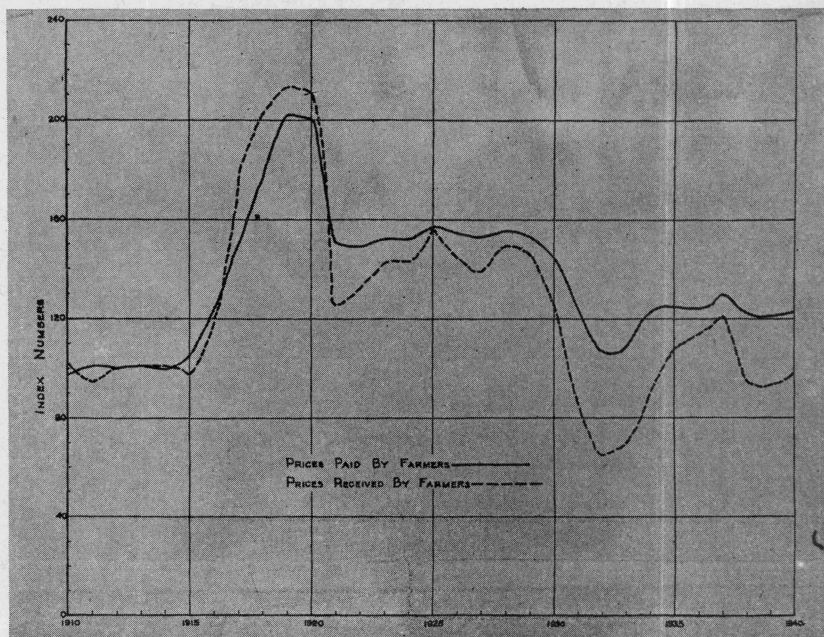


Figure 2. Index of prices paid and index of prices received by farmers 1910-1940.

Source: Agricultural Statistics, 1941 U. S. Dept. of Agriculture, pp. 55-56.

In only one year since 1920 have farm prices approached the industrial price level. That was in 1925 and lasted only a short while. A sharp break occurred in 1929 and by 1932 there existed the widest spread between the two price levels on record. In 1932 the index of prices received stood at 65, while the index of prices paid remained seven points above the base years. Such a disparity meant that the 1910-1914 dollar received by the farmer had shrunk to 65c and that the dollar paid had stretched to \$1.07.

This meant a serious decline in farm living standards. Responding, as all groups do, to the protection of their living standards regardless of their level, the farmer sought a way out. There were, for the individual farmer, at least three lines of action: (1) he could expand the size of his operating unit, (2) he could reduce his cost of production, or his expenses, or (3) he could combine forces with other farmers and seek relief through political action; more specifically, through a government subsidy.

The farmer did all three things. He increased the size of his operating unit: in 1930 farms in Texas averaged 252 acres in size; in 1940 they averaged 329 acres. He cut his costs of production through the use of labor-saving devices: in 1930 there were 37,348 farm tractors in the state; in 1940 there were 98,973 farm tractors (Figure 3). He demanded and received a subsidy; in 1939 nearly 50 million dollars was paid to Texas farmers for their participation in the AAA program. By July 1, 1942, 16

million dollars in tenant-purchase loans had been made in Texas by the Farm Security Administration. Numerous other government aids in the form of credit, marketing, and conservation measures were provided.

The results of these moves are clearly shown in Figure 2. By 1937 the index of prices received by farmers had moved up to 121 while the index of prices paid by farmers stood at 130. To put it another way, the farmer was only nine cents away from parity, according to those indexes. Per capita farm income was even higher, because greater efficiency had been achieved and there were fewer people to share the increased income. With the threat of war, a temporary decline came in 1938, but the farm income line was regaining its position by 1940.

These changes were not without their repercussions upon systems of land tenure. Greater efficiency through the use of labor-saving machinery meant that fewer people were required to produce a bale of cotton, a bushel of wheat, or a sack of rice. There was less land planted in crops. In 1929 there were, in round numbers, 31 million acres of cropland harvested in Texas; in 1939 there were only 26 million acres. Cotton, the biggest labor-consuming crop, was reduced from 17 million acres in 1929 to 8 million acres in 1939.

Displacement of tenants and croppers who were no longer needed inevitably followed. Many thousands were unable to increase their units, but were actually eliminated as farm operators due to the absorption of their farms into larger units. These operators became farm wage workers or found jobs in non-farm pursuits. Perhaps more often, they could find neither type of work and swelled the ranks of the WPA or other public works. Increased farm income stimulated displacements for another reason. The agricultural subsidy differed from income created through production. It was a *directional income*, a sum of money largely pre-determined which removed in part the risk-bearing function associated with agricultural production. It was no longer necessary for the landowner to rent his land in order to share the risk of uncertain yields and uncertain market prices. Fixed expenses were largely prepaid and an artificially supported market price relieved to some extent the uncertainties of cash income. In other words, a minimum return was guaranteed, and many farmers and non-farmers, who could, took advantage of this opportunity.

Through a combination of these circumstances, displacement of tenants was greatly expedited during the 1930's. While the basic economic forces at work might have produced the same results over a long period of years, significant adjustments were compressed into a comparatively short period of time. With the decrease in available rent land competition among tenants increased, especially in areas of high quality soils. There followed a rise in rental rates, characterized by "bonus rents" in various forms. Farm wage workers, especially of the migratory class, greatly increased. Wage rates fell from \$1.95 per day without board in July 1929, to \$1.30 in July 1939.<sup>2</sup> In 1932 the farm labor supply was 132 per cent of normal and the farm labor demand was only 52 per cent of normal, according to reports submitted by farmers to the Agricultural Statistician's Office. Land values, though slow to respond, moved upward.

<sup>2</sup>Agricultural Statistics Division, Bureau of Agricultural Economics, U. S. Department of Agriculture, report of July 1, 1942.

### Mechanization

Mechanization is a factor, in combination with those already cited, that has greatly influenced recent trends in land tenure. In almost every line of agricultural production new and improved mechanical devices have been introduced on a wide scale since 1930. Simply stated, the effect has been substitution of machinepower for manpower. Efficiency in production has increased markedly. Fewer people are now required than before to do the same job. Tractors are a good, single measure of this process because their use usually is accompanied by a faster all-round rate of operation on the farm.

In 1940 the agricultural census recorded 98,973 farm tractors in Texas. Their location with respect to areas is shown in Figure 3. Tractors are concentrated in six of the larger agricultural areas of the State, namely, the Lower Rio Grande Valley, Corpus Christi Area, Coast Prairie Area, Black Prairie, the Low Rolling Plains, and the High Plains Area.<sup>3</sup> It is in these areas that physical conditions permit the effective use of tractor power. Also, it should be noted that there is a very high relationship between adjustments in land tenure and the employment of such labor-saving devices as the tractor. The greatest shifts in the rate of farm tenancy have occurred in these six areas. Those operators in less favorable circumstances, usually the tenants, have had to seek other opportunities.

It should be stated that these trends in efficiency are highly desirable. But it is significant also to realize that many tenure problems become extremely aggravated when no conscious tenure effort is expended in connection with programs of guaranteed minimum prices which at the same time promote mechanization and subsequent displacement of certain tenure groups.

### THE SITUATION IN 1940

#### Distribution of Farm Tenants

In 1940, 48.9 per cent of all the farms in the State were operated by tenants. Of these, 39.4 per cent were under the operation of "other tenants," and 9.5 per cent were under the operation of croppers.

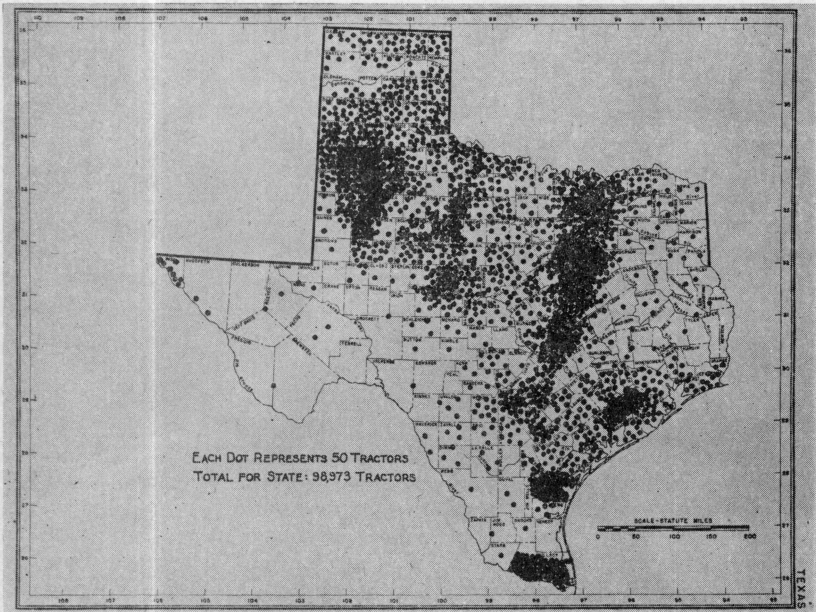
Farm tenants were not distributed evenly over the state (Figure 4). The heaviest concentration of tenants was in the Black Prairie Area which extends through the middle eastern section of the State. In 19 Blackland counties, 55 per cent or more of the farms were tenant operated. Along the Gulf coast a high rate of tenancy prevailed. The other areas where tenancy was common were the High Plains Cotton Area and the Low Rolling Plains.

The highest rate of tenancy in any county existed in Wharton County, where 66 per cent of the farms were tenant operated. Kennedy County had the lowest rate—12.5 per cent—representing one lone tenant on the eight farms in that ranching county.

In general, tenancy is most prevalent in the areas of high quality cultivated land, or in other words on probable rent-bearing lands. A number

<sup>3</sup>For further description of these areas, see Bulletin 544, "A Description of the Agricultural and Type-of-Farming Areas in Texas" by C. A. Bonnen, and B. H. Thibodeaux, Texas Agricultural Experiment Station, June, 1937.





**Figure 3. Farm tractors in Texas, April 1, 1940.**

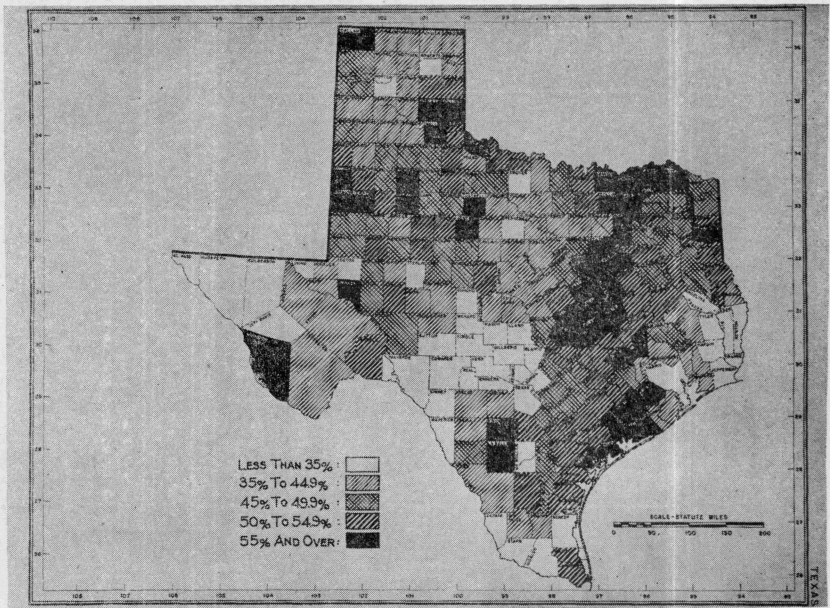
Source: U. S. Census of Agriculture, 1940, Texas Second Series, County Table X, pp. 50-68

of exceptions may be observed in Figure 4, however. Several of the West Texas grazing counties show a high rate of tenancy, but this is due chiefly to a statistical prank. Grazing units are exceptionally large in most cases and where a few small irrigated farms under tenant operation appear, a deceptively high rate of tenancy results. However, very little of the total land area is operated by tenants.

### Part-Ownership

Part-owners are farm operators who own a part and rent from others the rest of the land they operate. During a period when changes in the tenure pattern are being made on a large scale, part-ownership is a significant measure of changes in the type of land control that prevails.

At one extreme a part-owner may be essentially a tenant who owns a small acreage of farm land in addition to his rented unit. At the other extreme, a part-owner may be primarily an owner-operator who has rented his neighbor's pasture or a few acres of cropland. Between the two there are many variations in type. What is important is that part-owners as a whole are a transition group between full-tenancy and full-ownership. Any appreciable alteration in the pattern of tenure is usually accompanied by a change in the volume of part-ownership, either because owners may be stepping down to a "lower" tenure status or because tenants may be rising to a status of full ownership.



**Figure 4. Percentage of farms operated by tenants, 1940.**

Source: U. S. Census of Agriculture, Texas, First Series, County Table II, pp. 33-55.

In 1930, 7.6 per cent of Texas farms were operated by part-owners as compared with 7.7 per cent in 1935. In 1940, this figure had risen to 9.5 per cent. There were 39,552 operators classified as part-owners in 1940.

Generally, part ownership was less common in East Texas and more common in the western half of the State in 1940 (Figure 5). In the Panhandle, the expansion of operating units has progressed at a faster pace than the consolidation of ownership units. This is particularly true in the wheat belt where mechanization has made large scale operations more feasible. More than one-fourth of the farmers in many Panhandle counties operate as part-owners.

Part-ownership is also a common type of tenure in the grazing areas of West Texas. Investment costs associated with large ranching units frequently are high. Part-ownership in this part of the State is indicative of an effort on the part of many ranchers to share their investment risks with other landowners. Cash renting is the predominant method of paying for grazing leases, which assures the owner of such land a given rate of return on his investment.

Approximately one-fifth of the farm operators in the Winter Garden Area and neighboring counties are part-owners. This includes Medina, Zavalla, Dimmitt, La Salle, and McMullen counties. Irrigated truck farms and ranching are mixed in the Winter Garden Area and both types of operation call for a relatively high fixed cost. Both systems of farming lend

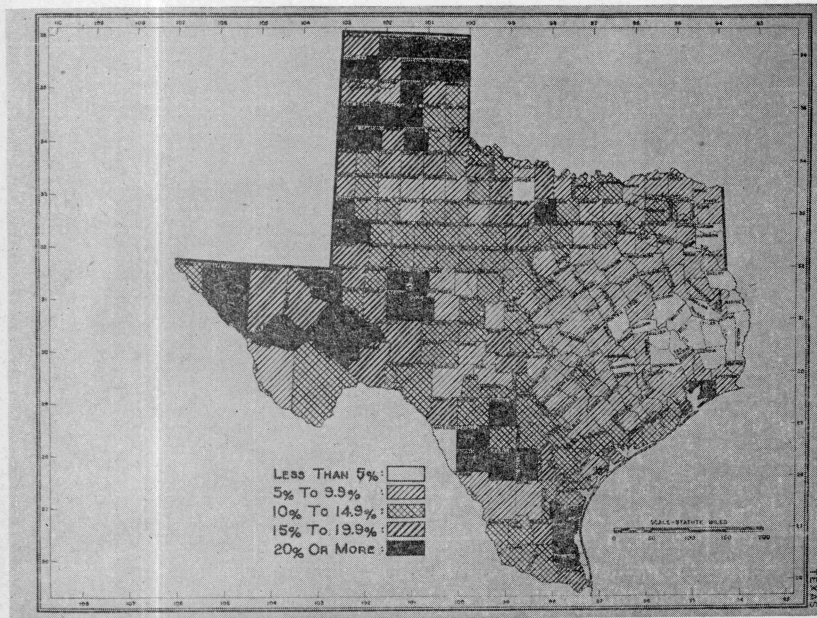


Figure 5. Percentage of farms operated by part owners, 1940.

Source: U. S. Census of Agriculture, Texas, First Series, County Table II. pp. 33-55.

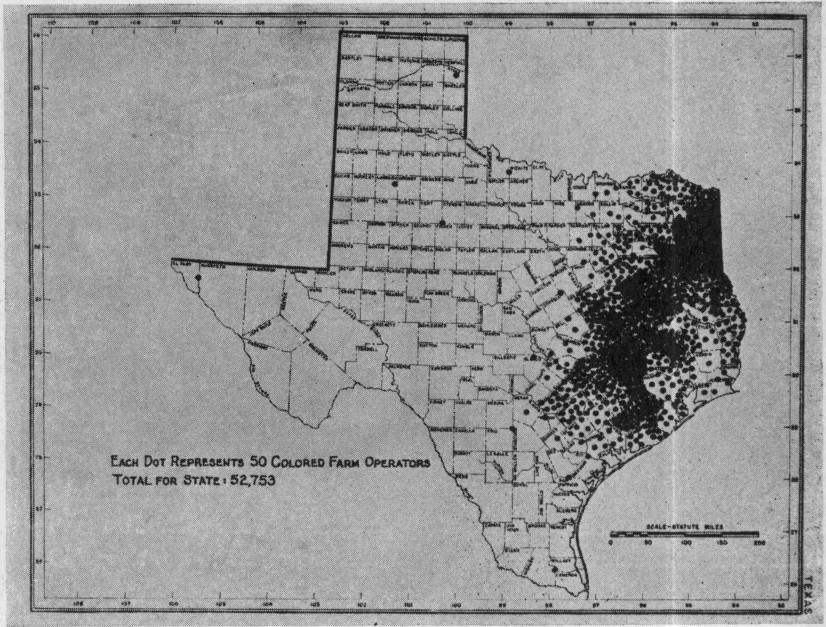
themselves to a combination of ownership and tenancy. By the same token the southern Gulf Coast Area also ranks high with respect to the proportion of part-ownership.

### Colored Farm Operators

In 1940 there were 52,735 colored farm operators, or one out of every eight. These colored operators were concentrated, for the most part, in Northeast Texas and the southern portions of the Black Prairie (Figure 6). Nearly 60 per cent of the colored farmers were tenants and almost one-half of these tenants were croppers. Many of the latter were attached to plantations and were found in greatest numbers along the river bottoms.

Colored operators were in the majority in some of the East Texas counties. In Marion County, for instance, 72 per cent of the farm operators were colored; in Harrison County, 70 per cent; in Gregg County, 60 per cent; in San Jacinto County, 57 per cent; and in Walker County, 51 per cent. Almost one-third of the farm operators in counties along the lower reaches of the Colorado and Brazos rivers were colored.

Only a small number of colored farm operators were to be found in the western part of the State. There were almost no Negroes along the Rio Grande River and only an insignificant number in the northwestern areas. As a general rule, colored operators are confined to that portion of the state where large amounts of hand labor are required, or where it has been difficult to substitute mechanical power for manpower.



**Figure 6. Colored farm operators in Texas, 1940.**

Source: U. S. Census of Agriculture, Texas, First Series, County Table II. pp. 33-35.

## CHANGES IN THE FARM RESOURCES OF THE DIFFERENT TENURE GROUPS

### Size of Farms

Farms have consistently increased in size since 1925 (Figure 7). In 1925 the average sized farm contained 236 acres; in 1930, 252 acres; in 1935, 275 acres; and in 1940, 329 acres. These increases in size of operations were not shared equally by the different tenure groups. The average cropper operated 57 acres in 1925, 64 acres in 1930, 65 acres in 1935, and 75 acres in 1940. In general, all tenants operated larger farms in 1940, when the average size of rented farms was 197 acres, as compared with only 119 acres 15 years earlier. Farms under full-owner operation, meanwhile, were declining in size, dropping from 293 acres in 1925 to 255 acres in 1940.

A marked change in size of farms occurred among the part-owner group. Part-owner operating units always have been much larger on the average than the units of other tenure groups with the exception of managers. In 1925, part-owner farms averaged 773 acres in size. Included in this figure were a number of large ranches having little or no cultivated acreage. As more land went under cultivation, part-owner units decreased in size. In 1930, they averaged 465 acres. By 1935 these units had been expanded on the average to 674 acres, and by 1940 they had reached an average of 816 acres.

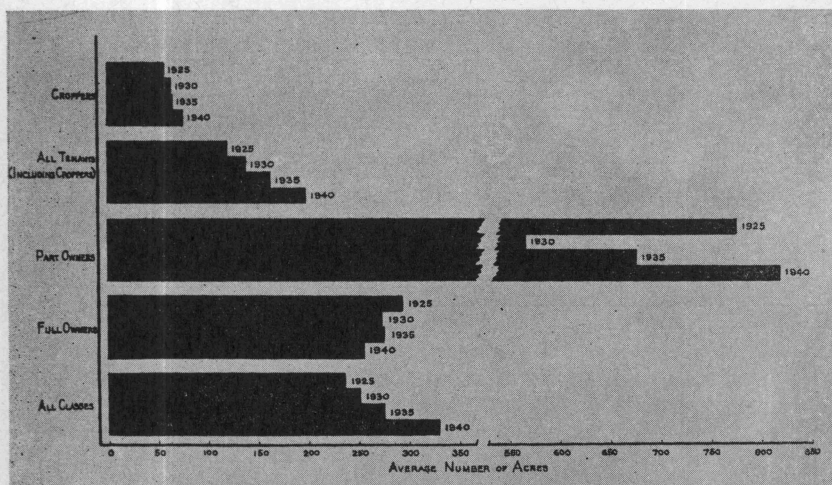


Figure 7. Average size of farms, by tenure of operators 1925, 1930, 1935, and 1940.

Source: U. S. Census of Agriculture, Texas, First Series, State Table I. p. 7.

This chart indicates that those tenants who were not displaced were in a favorable position to expand their operations, while many owner operators were moving to smaller units. Most significant, perhaps, is the trend in the part ownership groups, as this represents the transition stage between tenancy and full ownership. Greater per-man efficiency is reflected by the data on croppers, although the conversion of croppers to wage hands in many cases also influenced these changes.

#### Value of Farms

Another measure of the changing pattern of land control is the data on value of farm land and building by tenure groups in specified years (Figure 8). The total value of farm real estate was at the highest point during the last 20 years in 1920, at which time it amounted to \$3,700,000,000. Values had declined by 1925 to \$3,045,000,000. They rose again in 1930 to \$3,597,000,000, fell in 1935 to \$2,574,000,000, and recovered slightly by 1940, to \$2,590,000,000.

Among the significant aspects of changing shares in farm real estate values is the virtual "squeeze" that has been placed on croppers since 1930. Cropper-operated farms were valued at \$348,000,000 in 1930, but were reduced to only \$94,000,000 in 1940. While croppers included 9.5 per cent of all operators the value of their farms was only 3.6 per cent of the total value of all farms. Other tenants were reduced in numbers and had apparently shifted somewhat to lower quality land also. In 1930 the total value of other tenant-operated farms was \$1,240,000,000 as compared with \$794,000,000 in 1940. The value of farm resources under part-owner operation increased \$50,000,000 during these 10 years.

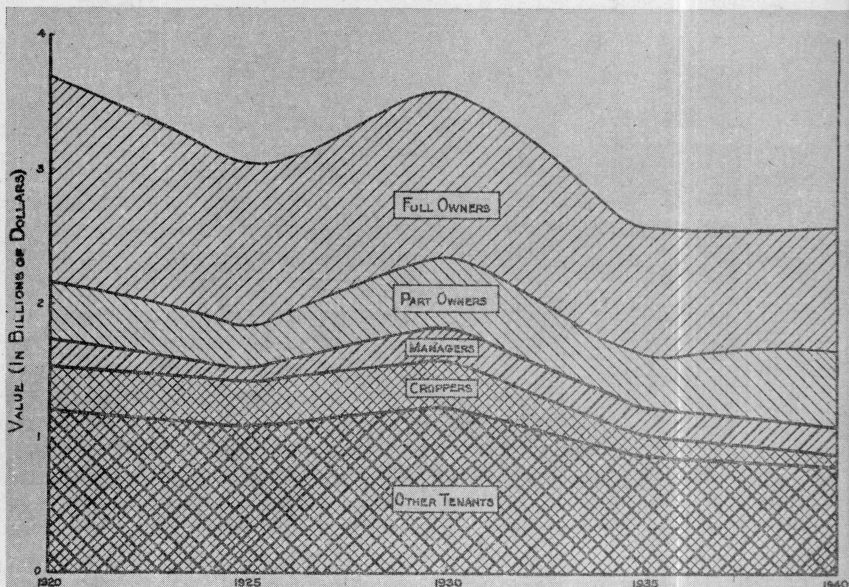


Figure 8. Average value of farms, by tenure of operator 1920, 1925, 1930, 1935, and 1940.

Source: U. S. Census of Agriculture, Texas, First Series, State Table II, p. 8.

## OTHER FACTORS REFLECTING TRENDS IN LAND TENURE

### Age of Farm Operator

In studies of the movement of farmers from one tenure status to another, the term "agricultural ladder" is often used. It generally is supposed that many young men begin farming as wage laborers, gradually improving their status until the ultimate goal of full, unencumbered ownership is reached. This generalization is true to the extent that the preponderance of full owners fall in the older age groups, and tenants in the younger age groups. This situation is affected by displacement when it occurs on a scale as great as between 1930 and 1940 (Table 3).

Farm operators, as a whole, were an older group in 1940 than in 1930. In 1940, 31 per cent of the operators were 55 years of age or over, as compared with only 22 per cent of similar age in 1930. Young farm operators were greatly reduced in number, those under 25 years of age declining from 51,000 to 17,000 between 1930 and 1940, or from 11 per cent to 4 per cent of the total number. As croppers consist for the most part of young men, it was the cropper class that bore a large share of this decrease. There remained only 4,000 croppers under 25 years of age on Texas farms in 1940, a decrease of almost 20,000. Other tenants in the youngest age group also were reduced in number, falling from 24,000 to 10,000 in the same period of years. From the standpoint of production, it is a significant fact that a large proportion of the farmers leaving agriculture between 1930 and 1940 were in the younger, more productive age groups.

Table 4. Age distribution of farm operators, by tenure of operator, 1930 and 1940.

Tenure and year	Operators reporting		Under 25 year		25 - 34 years		35 - 44 years		45 - 54 years		55 - 64 years		65 years and over	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
All operators														
1930	497,723	100.0	51,018	10.6	102,234	21.3	115,011	24.0	104,791	21.8	67,883	14.2	38,786	8.1
1940	400,261	100.0	17,129	4.3	71,486	17.8	91,733	22.9	96,460	24.1	73,967	18.5	49,486	12.4
Full owners														
1930	147,974	100.0	2,817	1.9	14,559	9.8	30,826	20.8	39,213	26.5	34,680	23.4	25,879	17.5
1940	159,452	100.0	2,000	1.3	13,473	8.4	28,199	17.7	40,777	25.6	39,778	24.9	35,225	22.1
Part owners														
1930	36,590	100.0	726	2.0	5,421	14.8	11,182	30.6	11,059	30.2	6,061	16.6	2,141	5.8
1940	41,877	100.0	517	1.2	4,681	11.2	10,707	25.6	13,537	32.3	8,737	20.9	3,698	8.8
Managers														
1930	3,096	100.0	249	8.1	852	27.5	857	27.7	657	21.2	344	11.1	137	4.4
1940	2,847	100.0	144	5.1	773	27.2	804	28.2	607	21.3	388	13.6	131	4.6
Croppers														
1930	101,214	100.0	23,109	22.8	29,056	28.7	22,152	21.9	16,463	16.3	7,553	7.5	2,881	2.8
1940	37,726	100.0	4,429	11.7	11,331	30.0	9,525	25.3	6,937	18.4	3,906	10.4	1,598	4.2
Other tenants														
1930	190,849	100.0	24,117	12.6	52,346	27.4	49,994	26.2	37,399	19.6	19,245	10.1	7,748	4.1
1940	158,359	100.0	10,039	6.3	41,228	26.0	42,498	26.8	34,602	21.9	21,158	13.4	8,834	5.6

Source: U. S. Census of Agriculture.

No marked variation occurred among part owners and managers although the average age of both was higher at the end of the decade.

### Mobility of Farm Operators

One of the most persistent problems growing out of existing systems of tenure is the high rate of mobility among some of the tenure groups. Instability of tenure is believed to be a fundamental cause of many shortcomings in the economic performance of farm tenants. There are numerous factors in any rental arrangement that may influence the length of time a tenant occupies the same farm. One that may be observed readily is the term of the contract. A tenant with a one-year rental agreement and no assurance of renewal is not likely to take a lively interest in making and maintaining permanent improvements on the farm. The result often is an emphasis on cash crops and neglect of the soil resources and improvements.

On the other hand, a highly immobile farm population is considered undesirable, because such a condition does not permit sufficient flexibility and tends to curb individual opportunity for advancement. It would be very difficult to specify a balance between excessive mobility and excessive immobility. However, it is safe to assume that when 51 per cent of the farm tenants occupy their farm for less than two years a situation

Table 5. Years on farm under operation, by tenure of operator April 1, 1930 and April 1, 1940

Tenure and year	Total		Less than 2 years <sup>1</sup>		Less than 5 years <sup>2</sup>		Less than 10 years <sup>3</sup>		10 years or more <sup>4</sup>	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
All operators reporting										
1930	477,913	100.0	190,892	39.9	90,692	19.0	70,028	14.7	126,301	26.4
1940	397,777	100.0	83,517	21.0	91,654	23.0	68,259	17.2	154,347	38.8
Full-owners										
1930	145,762	100.0	19,253	13.2	18,206	12.5	25,203	17.3	83,100	57.0
1940	156,751	100.0	14,395	9.2	22,923	14.6	24,002	15.3	95,431	60.9
Part-owners										
1930	36,086	100.0	5,799	16.1	5,942	16.5	7,882	21.8	16,463	45.6
1940	41,658	100.0	3,830	9.2	6,599	15.8	7,252	17.4	23,977	57.6
Managers										
1930	3,156	100.0	1,672	53.0	703	22.3	423	13.4	358	11.3
1940	3,137	100.0	814	25.9	1,125	35.9	661	21.1	537	17.1
Croppers										
1930	102,107	100.0	67,667	66.3	20,768	20.3	8,529	8.4	5,143	5.0
1940	38,291	100.0	14,575	38.1	12,118	31.6	6,533	17.1	5,065	13.2
Other tenants										
1930	190,802	100.0	96,501	50.6	45,073	23.6	27,991	14.7	21,237	11.1
1940	157,940	100.0	49,903	31.6	48,889	31.0	29,811	18.9	29,337	18.6

<sup>1</sup>The censuses of 1930 and 1940 were not strictly comparable on years of occupancy by the operator. For the 1930 census this item represents all operators occupying this farm for 1 year or less; for the 1940 census it represents those reporting year of occupancy as 1939 and 1940.

<sup>2</sup>For the 1930 census, 4 years and less; for the 1940 census, year of occupancy 1936 and later.

<sup>3</sup>For the 1930 census, 9 years and less; for the 1940 census, year of occupancy 1931 and later.

<sup>4</sup>For the 1930 census, 10 years and over; for the 1940 census, year of occupancy 1930 and earlier.



exists that greatly complicates the establishment of a stable program of farm production. This was the situation in 1930 (Table 5).

In 1930, 66 per cent of the croppers had occupied their farms for less than 2 years. The figure for managers for a similar period of tenure was 53 per cent. By contrast, only 13 per cent of the full-owners and 16 per cent of the part-owners had occupied their farms for less than two years. Fifty-seven per cent of the full owners had not moved in 10 years or more, according to the 1930 census. At the other extreme, only 5 per cent of the croppers had remained on the same farm 10 years or more. Managers and other tenants corresponded closely with respect to degree of mobility, 11 per cent of each group having occupied the same farm for 10 years or more.

Paralleling the drop in the average age of various types of farm operators between 1930 and 1940 was an equally impressive change in the rate of mobility characterizing each tenure group. For instance, by 1940 the proportion of all types of operators occupying the same farm for less than two years had dropped from 40 per cent to 21 per cent. Likewise, 39 per cent of all farm operators were listed in 1940 as having occupied their farm for 10 years or more, as compared with only 26 per cent in the same category in 1930.

Most of this change was traceable to the displacement process that had eliminated a large number of tenants and croppers who moved every year or two. There was less than one-fourth as many croppers in the "less than two years" classification in 1940 as in 1930 and only about one-half as many tenants. Those with relatively long periods of tenure—10 years or more—had increased from 5 per cent to 13 per cent for croppers and from 11 per cent to 18 per cent for other tenants. The increased income from larger units available to those able to remain on farms tends to stabilize the operators and materially reduces the year-to-year seeking of new opportunities.

#### **Effect of Changes in Land Tenure on Community Institutions**

With a sizable loss in farm population and a reduction in the tenure status of many farm families between 1930 and 1940, numerous community institutions have been either reduced in importance or abandoned. Membership in rural churches has declined. Fraternal and social organizations have decreased in number and influence. Country schools have in many instances been consolidated with city schools or have sustained severe losses in enrollments.

As an example of the impact of trends in tenure, Figure 9 shows the changes in scholastic population, exclusive of cities of 5,000 population and suburbs of larger cities, by counties. For the State this rural and small town segment of the scholastic population was greatly depleted during the 10 years. There were 8 per cent fewer children of school age in rural areas during the 1941-42 school year than during the 1931-32 school year.

It may be noted that a high correlation prevailed between areas affected by mechanization, displacement, and the manifold tenure changes of this decade, and the decline in school population. The High Plains Cotton and Wheat Areas, the Low Rolling Plains, and the Black Prairie were

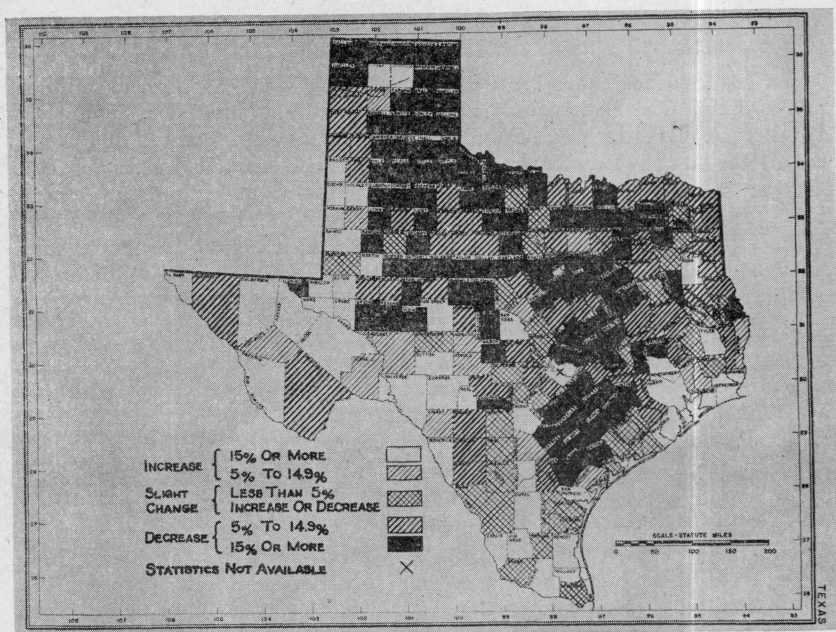


Figure 9. Changes in scholastic population 1931-32 to 1941-42 exclusive of cities of more than 5,000 general population and suburbs of major cities.

Source: Public School Directories for 1931-32, State Department of Education Bulletins No. 296 and 414.

marked by large losses in the number of children of school age living in rural communities. There were 101 counties in which the scholastic population decreased by 15 per cent or more. In some of these, losses amounted to more than one-third of the 1931-32 number.

Counties showing an increase in scholastics, for the most part, were outside of the major agricultural areas. The exceptions were such counties as Tarrant, Bexar, and Harris which have metropolitan centers that figure in maintaining enrollment in surrounding schools due to industrial development.

## LANDLORD-TENANT RELATIONS

### Farm Rental Agreements

Whenever a tract of farm land is rented, a contract is made between the lessee and lessor, or the landlord and tenant. The contract may be written or oral. It may result from nothing more than a neighborly chat at the end of the turning row, but from the moment two minds meet in agreement a contract is created. It may be desirable, but it is not absolutely necessary, for all of the terms to be specified, because many of the rights and duties of each party already have been prescribed by statutory law, court decisions and customs.

If it is a "third-and-fourth" arrangement, rent will be paid in the form of one-fourth of the cotton and cottonseed and one-third of the grain and feed crops. The tenant will furnish his own workstock, equipment, and labor. He will have possession of the place for one year and hold title to the crop. The landlord will hold a lien on the crop as a protection against non-payment of the rent by the tenant. Costs of new improvements must be borne by the landlord. Repairs must be made by the tenant, who is required to maintain the farm real estate in substantially the same condition as when he takes it over, acts of God excepted. The contract may be terminated at the close of the year by either party without delivery of advance notice.

These and other standard clauses are an accepted part of every third-and-fourth contract unless provision is expressly made for exceptions. It is these exceptions that prevent rental systems from becoming static. Despite popular opinion to the contrary, rental rates do rise and fall in response to supply and demand conditions, to the supply of rent land offered on the market and the demand by bidding tenants.

#### Trends in Farm Rental Rates

The changed pattern of land tenure after 1930 was accompanied by sharp adjustments in farm rental rates. While the skeleton of the third-and-fourth system remained, in numerous instances variations in payments were added, which had as their purpose a raising of the rental rate. Such "bonuses" were not new in Texas agricultural history.

Between 1900 and the beginning of World War I, land values rose steadily while the cost of equipment and labor declined.<sup>4</sup> A continued rise in farm population, accompanied by increased pressure on the demand side of the market for rent land, rendered obsolete the rigid terms of the traditional share-rent system. It soon became evident that a landowner could demand and get an extra payment in addition to the usual crop share because of the competition among tenants for land. There ensued a period of so-called bonus rents that culminated in the passage of an unconstitutional antibonus law in 1915. Later, during the war and post-war period, the former relationship between land and labor was restored and little was heard of excessive rental charges over and above the usual shares.

Following the economic collapse of 1929 the demand for rent land strengthened. As previously noted, mechanization and the reduction in acreage of certain crops were greatly lowering man labor requirements on farms. Many displaced tenants were seeking farms to operate. In other words, labor again was plentiful and land again was "scarce." Bonus rents once more became prevalent in many areas.

The unpopularity of bonuses makes it practically impossible to secure reliable information about the practice. According to Dr. Sanders, it was the same during the last bonus era:

The extent to which the bonus system was practiced is not known, because the bonus provision of the rent contract was usually kept a secret and was very unpopular with renters in general.<sup>5</sup>

<sup>4</sup>Sanders, J. T., "Farm Ownership and Tenancy in the Black Prairie of Texas," U. S. Dept. of Agriculture, Bulletin No. 1068, May 12, 1922, pp. 12-15.

<sup>5</sup>Ibid.

In addition to the natural reluctance of landlords and tenants to discuss rental terms, the task of measuring changes in rental rates is made more difficult by a provision in crop control legislation which, in effect, prohibits landowners who are cooperating in the program from charging bonus rents. Information on the subject therefore, ranges from unconfirmed rumors to indisputable evidence in the form of written agreements. Nevertheless, unpublished material from a land tenure study in Texas<sup>6</sup> yields certain facts about the increase in rental rates between 1930 and 1940. Bonus rents appeared in many forms, the most common of which were:

1. A flat cash bonus of so much for each acre in crops or in the total farm.
2. Cash rent for pasture land in addition to the usual share of the crops.
3. Cash rent for the farm residence or garden, which customarily had been provided rent-free.
4. A stated share of the tenant's portion of AAA benefits, such as his parity payment.
5. Exceptional services that must be performed or unusual expenses that must be paid by the tenant. For example, the tenant may be required to build a fence around his landlord's pasture, or to contribute the use of his equipment and labor on other cropland without compensation.
6. An understanding whereby the tenant bought certain farm equipment from the landlord at an inflated price. The difference between the actual value of the equipment and the price which the tenant paid for it frequently represented a subtle boost in the rental rate.

This increase in rental rates did not occur uniformly throughout the State. Some farming areas scarcely were affected. It was from those areas where adjustments in man and machine power proceeded at a fast rate that the largest number of complaints about bonuses originated.<sup>7</sup> The movement of workers out of agricultural occupations invariably lags behind such adjustments and results in increased pressure on the demand side of the rent land market, causing rents to rise. Thus, in areas like the Low Rolling Plains and the Southern High Plains where many tenants were displaced by mechanization and the consolidation of small farm operating units, cash rents for pasture became an accepted part of the third-and-fourth system. As more persons move into war industries and the armed forces, competitive pressure for land diminishes in intensity and bonuses are disappearing. In other words, farm rental rates are going down.

#### Terms of the Agreement<sup>8</sup>

Farm rental agreements in Texas still are influenced by the informal contractual practices of the frontier era. They are characteristically more

<sup>6</sup>The Economic Significance of Land Tenure, a project of the Texas Agricultural Experiment Station.

<sup>7</sup>See Figure 3, page 26.

<sup>8</sup>Much of the discussion in this section is based upon a farm tenancy study made in 1940. The results of this study are contained in "Type of Farm Tenancy Areas in Texas," by Joe R. Motheral, Bureau of Agricultural Economics in cooperation with the Texas Agricultural Experiment Station, 1941.

personal than commercial. On land owned by resident individuals in particular, the terms of the contract usually are settled by word of mouth and performance depends more upon the good character of the parties than upon the force of law. Methods of renting land are less business-like than methods of farming.

The period of time covered by the rental agreement largely determines the stability of tenure and has an important bearing upon the performance of a farm tenant. In Texas most agreements cover only one year's operation. Less than 5 per cent of the agreements in use in 1939 were drawn up for a specific period of more than a year, although 15 per cent of the understandings called for an indefinite period of tenure. (Table 6). In such cases the "indefinite period" was usually in fact an annual arrangement which might be terminated by either party without advance notice. As renewal clauses are almost unknown in this State, this meant that, in 1939, about 95 per cent of farm rental agreements ran from year to year and provided for very little security of tenure. Since 1939 the Farm Security Administration has been instrumental in lowering this high proportion of inadequate farm rental agreements. Most FSA tenant-borrowers have written agreements with termination and annual renewal provisions and many have five and ten year contracts

Table 6. Beginning and ending dates of farm rental agreements

Month	Agreements beginning on specified dates		Agreements ending on specified dates	
	Number	Per cent	Number	Per cent
October	211	9.2	54	2.4
November	203	8.8	75	3.3
December	47	2.0	1903	83.6
January	694	30.1	23	1.0
February	24	1.0	4	0.2
June	112	4.9	54	2.4
July	427	18.6	50	2.2
August	332	14.4	46	2.0
September	170	7.4	47	2.0
Other	83	3.6	20	0.9
TOTAL	2303	100.0	2276	100.0

Arrangements between landlord and tenant customarily are made several month in advance of the end of the calendar year. Final details often are not settled however, until January. Table 7. is a summary of replies from over 2,000 landlords and tenants in answer to two questions dealing with the beginning and ending dates of farm agreements.

About one-third of all agreements are settled at the beginning of the year, while another one-third are made as early as five months ahead of time. Most of the remainder are arranged between September 1 and December 31.

While specific data on trends in the length of the period and dates of notice are lacking, all evidence points to an increase in contracts of two years or longer duration and a tendency to settle the terms of the agreement earlier in the year. The threat of manpower shortages has given impetus to efforts on the part of many landowners to hold their tenant and labor force intact for the duration. Many tenants, on the other hand,

Table 7. Duration of agreement

Number of years agreement runs	Number reporting	Per cent reporting
1	1103	80.1
2	21	1.5
3	19	1.4
4	1	.1
5	24	1.5
6	0	.. .
7	1	.1
8	0	.. .
9 or more	2	.1
Indefinite	206	15.0
TOTAL	1377	100.0

are anxious to build up livestock enterprises while the prices are favorable and they are willing to bind themselves to longer contracts to insure continuous access to suitable livestock facilities.

Most of the details of farm rental agreements have legal as well as economic implications. A consideration of the operation of these agreements from the legal standpoint involves a technical analysis which is beyond the scope of this report. Written lease provisions can serve many purposes. The usual purposes are twofold: to insure collection of rent by the landlord; and to obtain possession of the farm at the end of a rental period or in case of sale of the farm. However, they can serve the purpose of aiding in maintaining stability, building up and conserving farmland and placing farming operations on a mutually profitable basis.

A typical written rental agreement actually in use is included in Table 10. This form is used by a large life insurance company which has extensive farm holdings in Texas. Its contents are similar to farm rental agreements generally used by institutional and corporate land owners in the State.

A written agreement used by many tenant borrowers of the Farm Security Administration is shown in Table 12.

### WAR IMPACTS ON LAND TENURE

War has an immediate and powerful influence on all phases of the national economy, and the pattern of land tenure is no exception. In some respects war acts as a stabilizing force, serving to reestablish relationships between the land and the people that, in a peacetime economy, have fallen out of equilibrium. In most respects it is a disrupting force that destroys and weakens the foundations upon which a postwar agriculture must rebuild. In the pre-war economy lack of opportunity for employment had backed up a large population on Texas farms. Thousands of these people were not needed in agricultural production and were only partially employed. War industries have relieved this situation and have served to establish a better balance between the land and the people. At the same time high prices for farm products and farmland can lead to unwarranted speculation with its disastrous aftermath.

Attention already has been called to some of the factors that influenced trends in land tenure in the years preceding World War II. Like-

wise, some of the significant effects of these trends were noted. Without attempting to label each factor specifically as either a cause of change or a symptom of change, it is well to enumerate them once more: (1) rate and types of farm tenancy, (2) composition of the population with respect to residence, (3) farm prices as related to industrial prices, (4) farm wage rates, (5) farm rental rates, (6) size of farm operating units, (7) land values, (8) mobility of farm operators, (9) changes in community institutions, (10) machine substitution for man labor.

In the present situation some of these factors are of secondary importance, while certain credit factors, from the standpoint of possible effects upon wartime production and the ominous threat of runaway inflation, should be added to the list. They are: trends in mortgage debt, volume of voluntary land transfers, and short-term loans to farmers. A brief summary of wartime trends with emphasis on the above points follows.

### Rate and Types of Farm Tenancy

Due to the increasing demands of industry and the armed forces, manpower available for farm work is being sharply reduced. The impact is felt in the reduced demand for rent land, there being fewer tenants to bid for operating rights. All tenure groups have not been equally affected. Among the first to respond to industrial employment opportunities or their country's call have been:

(a) Young farm workers, regardless of tenure, whose attachments to the land were not especially binding or who were clearly eligible for enlistment into the armed forces.

(b) Farm workers of all ages whose income and resources were limited.

(c) Farm workers with only marginal tenure rights, essentially non-owners with little or no prospect of achieving landownership.

All three groups tend to fall in the primary categories of tenure—laborers, croppers, and other tenants operating on a small scale—although small farm owners were involved to some extent. These workers represented an immense labor potential and their absence is being felt in the market for rent land.

The sharecropper system has regained a place of importance in farming, because of a tendency on the part of farm operators to encourage stability in their labor force by granting perquisites of various kinds to their wage laborers, notably by allotting them small acreages in commercial crops, free pasture and garden space, and gifts in the form of livestock products. Assuming the net reduction in the proportion of tenants has continued at about the 1935-40 rate, approximately 45 per cent of Texas farm operators were tenants at the beginning of 1943, as compared with a tenancy rate of 49 per cent in 1940.

### Farm-to-Town Migration

On January 1, 1943, Texas' farm population was estimated at 1,888,000 persons.<sup>9</sup> This represented a net migration loss from farms of 153,000

<sup>9</sup>Based upon data appearing in Progress Report No. 795, "Texas Farm Population Changes During 1941" (Texas Agricultural Experiment Station, August 14, 1942) and "Farm Population Estimates," a report released by the Bureau of Agricultural Economics in March, 1943.

persons for 1942, almost doubling the previous year's high figure of 82,000. It meant, insofar as census data will permit of decennial comparisons, that the farm population of Texas was the smallest in over 50 years.

Information on age, sex, and other characteristics of the population that left the farms is not available, but the implications are plain. In many instances, the very young, the very old, and those burdened with dependency were left behind, while a large percentage of the most efficient segment of the farm population moved into urban centers and the army.

As already indicated, each tenure group is characterized by certain age levels, degrees of mobility, marital status, and other social factors. In general, youth, a high degree of mobility, and a lack of family encumbrances are associated with the groups on the lower rungs of the agricultural ladder. Thus, the farm workers and families with the less advanced tenure status were among the first to migrate to town.

### Farm Wage Rates and Rental Rates

Farm wage rates and farm rental rates are inversely correlated. When wages for farm work rise, there is a tendency for rentals on farm land to decrease relatively, because rent is the increment left to the landlord after the tenant has been paid for his management and labor. The same conditions that lead to higher farm wages are also conducive to larger returns to the tenant for his managerial skill and labor, leaving proportionally a smaller return to the landlord as rent.

Farm wage rates have risen precipitately since 1940. In the 12 months between July 1941 and July 1942, the average daily rate for labor without board on Texas farms rose from \$1.60 to \$2.05, an increase of 28 per cent.<sup>10</sup> Wage rates for skilled dairy hands in urban areas increased by 50 per cent during the same period, according to reports from County USDA War Boards and local farm labor advisory committees. From the same source came reports of a sharp rise in the rate of pay for picking and snapping cotton. In 1941 the prevailing wage for snapping cotton in the important production area around Lubbock was 75 cents per hundred pounds. In 1941 the starting rate was \$1.00 per hundred and some growers paid as high as \$1.50 per hundred before the season ended.

According to a report issued by the Bureau of Agricultural Economics on April 14, 1943, the average farm wage rate in Texas on April 1, 1943, was \$2.60 per day without board, a 40 per cent increase since April 1, 1942. This wage rate was 208 per cent of the average annual rate paid in the West South Central States during 1910-14, approximately the same period on which parity prices are based.

Trends in farm rental rates are less easy to detect, because the prevailing share system of paying rent affords a wide variety of means for adjusting net rental rates. One large life insurance company recently instituted a practice of donating tractor fuel to new tenants occupying weed-infested farms as an incentive to the tenant to clean out the weeds. In 1942 a provision requiring the tenant to flatbreak land retired from cultivation under the AAA program was deleted from the rental agreement used by

<sup>10</sup>Bureau of Agricultural Economics, Agricultural Statistics Division, Austin, Texas, reports of July 23, and July 31, 1942.



another insurance company. Cash bonus payments have been dropped in many instances. Adjustments have been made in the division of some expense items; for example, many landlords now pay for all the peanut sacks instead of dividing the cost as the crop is divided, while others no longer require the tenant to haul the rental share of grain to market. Various other concessions in rental terms are being offered to "good tenants" by their landlords. All such adjustments have the effect of lowering farm rental rates. A continuation of this trend is likely for the duration of the war, or as long as manpower is being shifted out of agriculture.

### Size of Farms and Mechanization

An increase of 20 per cent in the average size of Texas farms occurred between 1935 and 1940. As previously indicated, this prewar adjustment was associated with reduced man labor requirements growing out of mechanization and changes in land use. The gain in size of farms was accomplished largely through the consolidation of small units by multiple-operating tenants and part-owners. Consolidation by purchase was a less significant factor in the process.

Since 1940 the upward trend in size of farms has continued, being activated both by multiple-tenant and part-owner combinations and an increased rate of land purchases. The Texas Black Prairie is a case in point. In Bell County a 31 per cent increase in part-owners operating 120 acres in crops and over occurred between 1941 and 1942.<sup>11</sup> At the same time the number of share tenants working between 15 and 60 acres of crops decreased by 31 per cent. Fairly consistent gains averaging 10 per cent, were recorded for all tenure groups operating medium sized farms of 60-119 acres in cropland while the small farm group declined in all categories except that of owner-operators.

It may be concluded from these preliminary data that the war is having the effect of expediting the absorption of small farms into larger units. There appears, however, to be no appreciable gain in the number of very large units. This may be attributed to the restraining influence of threatening shortages of labor, machinery, and other materials, all of which become increasingly important as the farm size reaches and passes the point where most of the normal operations may be handled by the operator and his family. Such barriers may be removed if farmers are assured that adequate supplies of labor, machinery, and other materials will be available. In the meantime, most of the expansion in farm size centers around those farms where the ratio of labor and machinery to land is already relatively high. This adjustment to larger units has been highly desirable in those areas where the farm labor force is only partially employed due to small units. Enlargements of units up to an economic size will mean more efficient production and will cause little hardship as long as employment opportunities are available outside of agriculture.

### Farm Prices and Industrial Prices

Agricultural prices have set the pace in the general price rise since 1940. According to the U. S. Bureau of Labor Statistics, the wholesale

<sup>11</sup>Southwestern Regional Land Tenure Project, unpublished data.

commodity price level on April 10, 1943, stood at 103.5 per cent of the 1926 average for all commodities. On the same date prices for farm products had risen to 124.3 per cent of the 1926 level, which was the highest of any major commodity group. A 20 per cent gain in farm prices was registered in the one-year period between May 9, 1942, and May 8, 1943, almost doubling the price increase for the commodity group showing the next highest gain.

"Agricultural Prices," a report released by the Bureau of Agricultural Economics on April 29, 1943, indicated that in the middle of April 1943, the index of prices received by farmers had reached 185 per cent of the August 1909-July 1914 average. The index of prices paid, interest and taxes was quoted at 162 per cent of the 1910-14 average. In other words, farm prices averaged about 114 per cent of parity.

The movement of farm prices in relation to industrial prices in the present war period closely resembles that of World War I, with certain exceptions. Not the least of these exceptions is the much greater control of selected commodity prices through a price ceiling and support mechanism. Considerably greater emphasis is placed upon the specific types of production most seriously needed to fill war demands.

In terms of Texas' major agricultural products, price regulations mean relatively lower prices for wheat, corn, oats, and hay and relatively higher prices for livestock, livestock products, most fruits and vegetables, rice, and peanuts. On April 15, 1943, cotton was selling at even parity, while wheat sold at 85 per cent of parity, corn at 96 per cent, oats at 95 per cent, and hay at 66 per cent. Beef cattle, on the other hand, sold at 148 per cent of parity, lambs at 146 per cent, milk at 124 per cent, chickens at 133 per cent, and wool at 139 per cent.

Due to the varying adaptability of land in the different soil areas, certain of the high priced commodities likewise vary as to the economy with which they may be produced. In low cost producing areas the stimulus of high prices tends to increase the competition for land both by renters and buyers. Thus, "good peanut land," by virtue of a high guaranteed price for the product is now in great demand. This demand is reflected in commercial peanut areas in the maintenance of pre-war farm rental rates and the sharp rise in farm real estate values. Such shifts in price relationships are certain to influence the pattern of land tenure in the areas affected.

#### Land Values and Farm Credit

Land values, or more properly, land prices, are determined essentially by farm commodity prices. Other factors, such as location, roads, and availability of community services, are reflected in the selling price of any particular farm, but the land market as a whole is based upon the capacity of land to produce at existing commodity prices. Land prices involve a relatively small number of large transactions and consequently do not respond as rapidly as commodity prices to supply and demand conditions. Past records indicate that commodity prices fluctuate considerably more than land prices and precede land prices generally by about 12 to 18 months.

In view of the steep increases in farm product prices a similar, though less spectacular rise in land prices is to be expected. The Bureau of Agricultural Economics in a release titled, "Current Developments in the Farm Real Estate Market" (April 1943) reported land prices in the West South Central States had jumped nearly 7 per cent between November 1, 1942, and March 1, 1943. From a low of 82 in 1933, the index of estimated value per acre had risen to 112 early in 1943. A sharp upward trend in the wake of persistently rising commodity prices is evident in virtually every region in the United States.

Voluntary sales and trades of land have been greatly stimulated by war, while forced sales have fallen to the lowest level since the pre-depression years. In the Agricultural Finance Review, (November 1942), the number of farms changing ownership by voluntary sales and trades was estimated at 41.7 farms per 1,000 farms in 1942, as compared with a rate of 34.1 farms per 1,000 in 1941, and 30.2 farms per 1,000 in 1940. In the meantime, forced sales declined successively from 15.9 farms per 1,000 in 1940 to 13.9 in 1941, and 9.3 in 1942. The delinquency rate on Federal Land Bank loans for Texas declined from 20.2 per cent in 1938 to 15.5 per cent in 1942. Land holdings of institutional leaders are being sold to private buyers at a fast rate.

Inflated land prices are not without precedent in other war periods. Both during the Civil War and World War I, land prices mounted to dizzy heights. In the postwar period the deflation of commodity prices was followed by the deflation of land prices, wreaking havoc on heavily obligated investors in land. In the absence of any effective device for controlling inflated land prices there is no basis for anticipating a variation in the cycle during and after World War II.

From the standpoint of land tenure the significance of inflation lies in the rearrangement of equities that invariably accompanies the process. While the war is in progress many tenants will acquire land of their own. The aftermath of the war, if history repeats itself, will result in foreclosures on new, as well as old landowners. Many of the farms which are being purchased at higher prices with mortgages are almost certain to face foreclosure in some future period of deflation. Owner operators again may lose their homes and operate as tenants or laborers. Farming areas that benefit most from the hurried expansion of acreage in war-vital crops will be the most vulnerable when the contraction of prices occurs.

## NUMBER AND PERCENTAGE OF FARM OPERATORS BY COUNTIES

Table 8. Number and percentage of farm operators in Texas by tenure, 1940

County	Total No. of farms	Number of farms operated by:			Percentage of farms operated by:		
		All tenants	Croppers	Other tenants	All tenants	Crop-pers	Other tenants
State total	418,002	204,462	39,816	164,646	48.9	9.5	39.4
Anderson	3,675	1,743	430	1,313	47.4	11.7	35.7
Andrews	106	49	4	45	46.2	3.8	42.4
Angelina	2,781	922	181	741	33.2	6.6	26.6
Aransas	108	37	33	4	34.3	30.6	3.7
Archer	501	167	11	156	33.3	2.2	31.1
Armstrong	408	145	11	134	35.5	2.7	32.8
Atascosa	2,020	1,011	258	753	50.0	12.8	37.2
Austin	3,100	1,423	315	1,108	45.9	10.2	35.7
Bailey	820	414	20	394	50.5	2.5	48.0
Bandera	656	150	7	143	22.9	1.1	21.8
Bastrop	2,473	1,291	357	934	52.2	14.1	37.8
Baylor	718	336	24	312	46.8	3.3	43.5
Bee	1,147	629	144	485	54.8	12.5	42.2
Bell	4,004	2,247	241	2,006	56.1	6.0	50.1
Bexar	3,664	1,276	153	1,123	34.8	4.2	30.6
Blanco	632	203	13	190	32.1	2.1	30.0
Borden	243	101	1	100	41.6	.4	41.2
Bosque	2,032	1,002	125	877	49.3	6.1	43.2
Bowie	3,890	1,793	483	1,310	46.1	12.4	33.7
Brazoria	1,824	772	79	693	42.3	4.3	38.0
Brazos	1,773	903	393	510	50.9	22.2	28.7
Brewster	265	102	—	102	38.5	—	38.5
Briscoe	516	220	16	204	42.6	3.1	39.5
Brooks	397	152	44	108	38.3	11.1	27.2
Brown	2,119	831	56	775	39.2	2.6	36.6
Burleson	2,523	1,341	362	979	53.2	14.4	38.8
Burnet	1,294	627	45	582	48.5	3.5	45.0
Caldwell	1,864	1,016	575	441	54.5	30.8	23.7
Calhoun	353	204	37	167	57.8	10.5	47.3
Callahan	1,435	632	28	604	44.0	1.9	42.1
Cameron	3,243	1,745	115	1,630	53.8	3.5	50.3
Camp	1,355	668	181	487	49.3	13.3	36.0
Carson	493	219	5	214	44.4	1.0	43.4
Cass	4,404	2,121	595	1,527	48.2	13.6	34.7
Castro	703	283	1	282	40.3	.2	40.1
Chambers	368	138	8	130	37.5	2.2	35.3
Cherokee	5,134	2,573	771	1,802	50.1	15.0	35.1
Childress	904	474	48	426	52.4	5.3	47.1
Clay	1,521	672	57	615	44.2	3.8	40.4
Cochran	431	253	21	232	58.7	4.9	53.8
Coke	756	342	25	317	45.2	3.3	41.9
Coleman	2,049	1,033	54	979	50.4	2.6	47.8
Collin	4,771	2,934	619	2,315	61.5	13.0	48.5
Collingsworth	1,358	783	84	699	57.7	6.2	51.5
Colorado	2,227	1,151	212	939	51.7	9.6	42.1
Comal	732	212	16	196	29.0	2.2	26.8
Comanche	2,911	1,240	81	1,159	42.6	2.8	39.8
Concho	727	235	34	201	32.3	4.7	27.6
Cooke	2,530	1,314	101	1,213	51.9	4.0	47.9
Coryell	2,703	1,376	151	1,225	50.9	5.6	45.3

Table 8. Number and percentage of farm operators in Texas by tenure, 1940 (continued)

County	Total No. of farms	Number of farms operated by:			Percentage of farms operated by:		
		All tenants	Croppers	Other tenants	All tenants	Croppers	Other tenants
Cottle	700	365	24	341	52.1	3.4	48.7
Crane	34	21	—	21	61.8	—	61.8
Crockett	137	66	—	66	48.2	—	48.2
Crosby	1,288	718	54	664	55.7	4.2	51.5
Culberson	81	20	—	20	24.7	—	24.7
Dallam	473	262	4	258	55.4	.8	54.6
Dallas	3,510	1,533	247	1,286	43.7	7.0	36.7
Dawson	1,727	845	48	797	48.9	2.8	46.1
Deaf Smith	854	315	35	280	36.9	4.1	32.8
Delta	1,696	1,101	358	743	64.9	21.1	43.8
Denton	3,340	1,732	156	1,576	51.9	4.7	47.2
De Witt	3,301	1,722	554	1,168	52.2	16.8	35.4
Dickens	920	435	28	407	47.3	3.1	44.2
Dimmit	442	200	33	167	45.2	7.5	37.7
Donley	877	492	26	466	56.1	3.0	53.1
Duval	1,251	675	215	460	54.0	17.2	36.8
Eastland	2,332	990	44	946	42.5	1.9	40.6
Ector	52	18	—	18	34.6	—	34.6
Edwards	282	80	—	80	29.4	—	29.4
Ellis	3,958	2,436	841	1,595	61.5	21.2	40.3
El Paso	1,075	244	20	224	22.7	1.9	20.8
Erath	2,618	1,126	70	1,056	43.0	2.7	40.3
Falls	3,833	2,509	792	1,717	65.5	20.7	44.8
Fannin	4,638	2,770	502	2,268	59.7	10.8	48.9
Fayette	4,794	2,405	299	2,106	50.2	6.2	44.0
Fisher	1,487	744	13	731	50.0	.8	49.2
Floyd	1,317	623	35	588	47.3	2.7	44.6
Foard	561	227	19	208	40.5	3.4	37.1
Fort Bend	3,644	2,456	939	1,517	67.4	25.8	41.6
Franklin	1,310	610	84	526	46.6	6.4	40.2
Freestone	2,761	1,476	430	1,046	53.5	15.6	37.9
Frio	713	397	39	358	55.7	5.5	50.2
Gaines	470	214	14	200	45.5	3.0	42.5
Galveston	909	274	9	265	30.1	.9	29.2
Garza	721	398	27	371	55.2	3.7	51.5
Gillespie	1,407	283	32	251	20.1	2.3	17.8
Glasscock	148	59	3	56	39.9	2.0	37.9
Goliad	1,233	658	204	454	53.4	16.6	36.8
Gonzales	3,587	1,730	667	1,063	48.2	18.6	29.6
Gray	663	333	5	328	50.2	.7	49.5
Grayson	4,296	2,442	377	2,065	56.8	8.8	48.0
Gregg	1,337	589	189	400	44.1	14.2	29.9
Grimes	2,518	1,411	398	1,013	56.0	15.8	40.2
Guadalupe	2,757	1,373	426	947	49.8	15.5	34.3
Hale	1,628	744	36	708	45.7	2.2	43.5
Hall	1,118	676	70	606	60.5	6.3	54.2
Hamilton	1,897	848	58	790	44.7	3.1	41.6
Hansford	335	130	—	130	38.8	—	38.8
Hardeman	1,030	566	66	500	55.0	6.4	48.6
Hardin	1,225	406	7	399	33.1	.5	32.6
Harris	6,949	2,067	136	1,931	29.7	2.0	27.7
Harrison	5,306	3,137	1,258	1,879	59.1	23.7	35.4
Hartley	207	103	—	103	49.8	—	49.8
Haskell	1,939	1,078	60	1,018	56.6	3.1	52.5
Hays	1,233	604	208	396	49.0	16.9	32.1
Hemphill	349	142	10	132	40.7	2.9	37.8

Table 8. Number and percentage of farm operators in Texas by tenure, 1940 (continued)

County	Total No. of farms	Number of farms operated by:			Percentage of farms operated by:		
		All tenants	Croppers	Other tenants	All tenants	Croppers	Other tenants
Henderson	3,949	2,032	379	1,653	51.5	9.6	41.9
Hidalgo	5,094	1,669	136	1,533	32.8	2.7	30.1
Hill	3,954	2,360	237	2,123	59.7	6.0	53.7
Hockley	1,506	827	23	804	54.9	1.5	53.4
Hood	1,064	476	36	440	44.7	3.3	41.4
Hopkins	4,324	2,130	283	1,847	49.3	6.6	42.7
Houston	4,393	2,236	856	1,380	50.9	19.5	31.4
Howard	802	395	34	361	49.3	4.3	45.0
Hudspeth	140	47	11	36	33.6	7.9	25.7
Hunt	4,462	2,765	493	2,272	62.0	11.1	50.9
Hutchinson	183	79	—	79	43.2	—	43.2
Irion	149	63	1	62	42.3	.7	41.6
Jack	1,204	437	36	401	36.3	3.0	33.3
Jackson	1,258	748	100	648	59.5	7.9	51.6
Jasper	1,705	393	79	314	23.0	4.6	18.4
Jeff Davis	104	19	4	15	18.3	3.9	14.4
Jefferson	2,387	627	25	602	26.3	1.0	25.3
Jim Hogg	196	80	22	58	40.8	11.2	29.6
Jim Wells	1,234	615	143	472	49.8	11.6	38.2
Johnson	2,921	1,438	262	1,176	49.2	9.0	40.2
Jones	2,179	1,285	115	1,170	59.0	5.3	53.7
Karnes	2,098	1,145	346	799	54.6	16.5	38.1
Kaufman	3,270	2,106	651	1,455	64.4	19.9	44.5
Kendall	739	171	16	155	23.1	2.2	20.9
Kenedy	8	1	—	1	12.5	—	12.5
Kent	454	225	27	198	49.6	6.0	43.6
Kerr	729	178	17	161	24.4	2.3	22.1
Kimble	443	123	4	119	27.8	.9	26.9
King	110	56	4	52	50.9	3.6	47.3
Kinney	127	29	—	29	22.8	—	22.8
Kleberg	371	190	24	166	51.2	6.5	44.7
Knox	980	466	21	445	47.6	2.2	45.4
Lamar	4,176	2,466	731	1,735	59.1	17.6	41.5
Lamb	2,167	910	51	859	42.0	2.4	39.6
Lampasas	1,064	442	58	384	41.5	5.4	36.1
La Salle	453	256	40	216	56.5	8.8	47.7
Lavaca	4,197	2,179	294	1,885	51.9	7.0	44.9
Lee	2,074	1,046	132	914	50.4	6.3	44.1
Leon	2,760	1,495	476	1,019	54.2	17.3	36.9
Liberty	1,961	792	98	694	40.4	5.0	35.4
Limestone	3,427	2,098	400	1,698	61.2	11.7	49.5
Lipscomb	479	192	2	190	40.1	.4	39.7
Live Oak	1,015	482	115	367	47.5	11.3	36.2
Llano	666	198	18	180	29.7	2.7	27.0
Loving	11	3	—	3	27.3	—	27.3
Lubbock	2,119	1,010	78	932	47.7	3.7	44.0
Lynn	1,471	788	54	734	53.6	3.7	49.9
McCulloch	1,098	437	24	413	39.8	2.2	37.6
McLennan	4,445	2,518	574	1,944	56.6	12.9	43.7
McMullen	162	54	3	51	33.3	1.8	31.5
Madison	1,674	845	237	608	50.5	14.2	36.3
Marion	1,286	680	195	485	52.9	15.2	37.7
Martin	779	406	35	371	52.1	4.5	47.6
Mason	714	175	14	161	24.5	2.0	22.5
Matagorda	1,614	896	109	787	55.5	6.7	48.8
Maverick	272	83	—	83	30.5	—	30.5

Table 8. Number and percentage of farm operators in Texas by tenure, 1940 (continued)

County	Total No. of farms	Number of farms operated by:			Percentage of farms operated by:		
		All tenants	Croppers	Other tenants	All tenants	Croppers	Other tenants
Medina	1,719	629	167	462	36.6	9.7	26.9
Menard	380	112	11	101	29.5	2.9	26.6
Midland	386	183	22	161	47.4	5.7	41.7
Milam	3,895	2,288	743	1,545	58.7	19.1	39.6
Mills	1,364	572	57	515	41.9	4.2	37.7
Mitchell	1,119	604	91	513	54.0	8.1	45.9
Montague	2,164	1,012	68	944	46.8	3.2	43.6
Montgomery	2,296	803	107	696	35.0	4.7	30.3
Moore	178	79	2	77	44.4	1.2	43.2
Morris	1,210	715	166	549	59.1	13.7	45.4
Motley	590	282	30	252	47.8	5.1	42.7
Nacogdoches	3,604	1,752	595	1,157	48.6	16.5	32.1
Navarro	4,210	2,771	713	2,058	65.8	17.0	48.8
Newton	1,565	354	53	301	22.6	3.4	19.2
Nolan	948	440	49	391	46.4	5.2	41.2
Nueces	1,457	752	57	695	51.6	3.9	47.7
Ochiltree	528	207	4	203	39.2	.8	38.4
Oldham	177	84	1	83	47.5	.6	46.9
Orange	1,141	256	25	231	22.4	2.2	20.2
Palo Pinto	1,325	500	36	464	37.7	2.7	35.0
Panola	3,237	1,654	732	922	51.1	22.6	28.5
Parker	2,481	908	51	857	36.6	2.1	34.5
Parmer	915	420	19	402	45.9	2.0	43.9
Pecos	326	145	10	135	44.5	3.1	41.4
Polk	2,074	830	331	499	40.0	16.0	24.0
Potter	302	104	—	104	34.4	—	34.4
Presidio	490	272	47	225	55.5	9.6	45.9
Rains	1,132	606	98	508	53.5	8.6	44.9
Randall	660	238	8	230	36.1	1.2	34.9
Reagan	76	40	—	40	52.6	—	52.6
Real	300	93	3	90	31.0	1.0	30.0
Red River	3,726	2,187	561	1,626	58.7	15.1	43.6
Reeves	277	118	33	85	42.6	11.9	30.7
Refugio	396	222	28	194	56.1	7.1	49.0
Roberts	154	46	2	44	29.9	1.3	28.6
Robertson	2,834	1,693	795	898	59.7	28.0	31.7
Rockwall	667	383	105	278	57.4	15.7	41.7
Runnels	2,103	1,033	68	965	49.1	3.2	45.9
Rusk	4,280	1,966	678	1,288	45.9	15.9	30.0
Sabine	1,598	670	225	445	41.9	14.1	27.8
San Augustine	2,162	1,101	270	831	50.9	12.5	38.4
San Jacinto	1,547	739	308	431	47.8	19.9	27.9
San Patricio	1,089	557	77	480	51.1	7.1	44.0
San Saba	1,276	518	49	469	40.6	3.8	36.8
Schleicher	286	118	16	102	41.3	5.6	35.7
Scurry	1,446	743	47	696	51.4	3.3	48.1
Shackelford	460	182	16	166	39.6	3.5	36.1
Shelby	4,952	2,544	875	1,669	51.4	17.7	33.7
Sherman	311	121	—	121	38.9	—	38.9
Smith	5,306	2,572	675	1,897	48.5	12.7	35.8
Somervell	434	228	11	217	52.5	2.5	40.0
Starr	916	212	51	161	23.1	5.5	17.6
Stephens	810	246	5	241	30.4	.6	29.8
Sterling	117	30	2	28	25.6	1.7	23.9
Stonewall	754	365	23	342	48.4	3.1	45.3
Sutton	166	55	—	55	33.1	—	33.1

Table 8. Number and percentage of farm operators in Texas by tenure, 1940 (continued)

County	Total No. of farms	Number of farms operated by:			Percentage of farms operated by:		
		All tenants	Croppers	Other tenants	All tenants	Croppers	Other tenants
Swisher	1,035	444	23	421	42.9	2.2	40.7
Tarrant	3,622	1,332	95	1,237	36.8	2.6	34.2
Taylor	1,871	887	51	836	47.4	2.7	44.7
Terrell	136	68	—	68	50.0	—	50.0
Terry	1,305	758	40	718	58.1	3.1	55.0
Throckmorton	572	218	24	194	38.1	4.2	33.9
Titus	2,146	1,039	270	769	48.4	12.6	35.8
Tom Green	1,408	575	37	538	40.8	2.6	38.2
Travis	2,647	1,356	338	1,018	51.2	12.8	38.4
Trinity	1,615	716	169	547	44.3	10.4	33.9
Tyler	1,522	474	76	398	31.1	5.0	26.1
Upshur	3,412	1,623	446	1,177	47.6	13.1	34.5
Upton	77	36	—	36	46.8	—	46.8
Uvalde	755	264	29	235	35.0	3.9	31.1
Valverde	309	84	2	82	27.2	.6	26.6
Van Zandt	4,381	2,113	342	1,771	48.2	7.8	40.4
Victoria	1,646	838	90	748	50.9	5.5	45.4
Walker	1,874	904	326	578	48.2	17.4	30.8
Waller	1,484	659	190	469	44.4	12.8	31.6
Ward	169	71	26	45	42.0	15.3	26.7
Washington	3,912	2,281	523	1,758	58.3	13.3	45.0
Webb	427	152	25	127	35.6	5.9	29.7
Wharton	3,746	2,473	606	1,867	66.0	16.2	49.8
Wheeler	1,266	680	46	634	53.7	3.6	50.1
Wichita	1,329	680	30	650	51.2	2.3	48.9
Wilbarger	1,300	753	101	652	57.9	7.8	50.1
Willacy	979	517	41	476	52.8	4.2	48.6
Williamson	3,954	2,384	249	2,135	60.3	6.3	54.0
Wilson	2,092	945	160	785	45.2	7.6	37.6
Winkler	25	11	—	11	44.0	—	44.0
Wise	2,490	1,128	75	1,053	45.3	3.0	42.3
Wood	3,286	1,480	177	1,303	45.0	5.4	39.6
Yoakum	260	157	11	146	60.4	4.2	56.2
Young	1,449	594	53	541	41.0	3.7	37.3
Zapata	329	53	7	46	16.1	2.1	14.0
Zavala	316	116	6	110	36.7	1.9	34.8



TYPICAL FARM RENTAL AGREEMENT USED BY  
INSURANCE COMPANIES

The farm rental agreement that follows is illustrative of the type of contract used by many institutional landowners in Texas. This agreement is used by a large life insurance company which has extensive farm holdings in the State.

STATE OF TEXAS }  
County of \_\_\_\_\_ }

THIS AGREEMENT, made the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between THE BLANK INSURANCE COMPANY, known as Lessor, and \_\_\_\_\_, known as Lessee, (The terms "Lessor" and "Lessee" shall be construed in a singular or plural number, according as they respectively represent one or more than one person.)

WITNESSETH, that Lessor hereby leases or rents to Lessee about \_\_\_\_\_ acres of land known as the \_\_\_\_\_ farm, located about \_\_\_\_\_ miles from \_\_\_\_\_ in \_\_\_\_\_ County, Texas, for the year 19\_\_\_\_, expiring on \_\_\_\_\_ 19\_\_\_\_, upon the terms covenants and conditions herein mentioned. In consideration of said lease, the Lessee covenants and agrees as follows:

I. To prepare said land and plant in due season, cultivate and harvest crops thereon in a good farmerlike manner and to pay as rent one-fourth of all cotton and cottonseed; \_\_\_\_\_ of all seed onions and \_\_\_\_\_ of all plant onions; and one-third of all corn, oats, wheat, barley, flax, and rye grown on said farm during the term of this Lease, to deliver said rents referred to herein to the Lessor or its representatives at the nearest market town on railroad free of charge, except that the Lessor shall pay one-third of the threshing or equivalent thereof if the small grain is cut with a Combine, and the cost of sacks needed and used for Lessor's part of the onions; should any Johnson grass, native grass or other crops be baled for hay, to deliver to the Lessor one-third of same free of any charge for cutting or baling thereof; and to pay a cash rental per acre as follows:

\$_____ for millet;	\$_____ for maize;	\$_____ for Sudan Grass;
\$_____ for cane;	\$_____ for feterita;	\$_____ for hegari;
\$_____ for _____	\$_____ for _____	\$_____ for _____

Said cash rental to be paid on or before \_\_\_\_\_, 19\_\_\_\_; and

To pay \$\_\_\_\_\_ for estimated \_\_\_\_\_ acres in natural pasture, which rental for said pasture land shall be due and payable on \_\_\_\_\_, 19\_\_\_\_, and that said pasture shall at no time be overstocked, of which Lessor shall be the sole judge; and

To pay, as rent, one-fourth of any truck crops planted on said land, which crop is to be harvested and delivered to market free of charge to the Lessor, the Lessor to pay for the crates, hampers, sacks, or other packing material used for his share of the crop; and

That in the event any truck crops are sold in the field without harvesting cost to him, the rent will be one-third of the proceeds of such sale instead one-fourth; this division of rent shall apply to truck crops, including cases where tenant is furnished seed by a Third Party for a share of the crop; and no truck crops shall be sold in the field until Lessor shall have been advised of the price offered for such crops and has approved the sale in writing; and

To pay to the Lessor rent for any and all crops not specified in the division of rents appearing elsewhere in the Lease on a basis and at a time customary in the community where the premises are located, and to

keep a complete record of the crops harvested and sold and to remit all rents to Lessor as instructed, and when all crops are harvested and sold, to whom sold and the price received.

II. To keep down the Johnson grass and any noxious growth and not permit same to seed; not to feed any Johnson grass on this farm, to keep the vegetation or other growth down on fence rows, turn rows and ditch banks and to take good care of all buildings upon said land; that he will not pasture any of said land planted in small grain while the land is wet nor permit any stock other than his own thereon at any time, nor cut any live timber from said farm, nor assign this rental contract or sublet any part of said farm without the written consent of the Lessor; to maintain all terraces on said farm and to repair all breaks in terraces immediately after each rain without cost to Lessor; to run all rows with terraces and to make all point rows midway between the terraces, and not use a middle buster in plowing said terraces.

III. To promptly replant the land in such substitute crops as the seasons and conditions indicate will be most profitable and as suggested and recommended by Lessor or its Representative in the event any of said crops are destroyed or lost.

IV. To protect the growing crops on this farm by use of necessary poisons or other prescribed means of insect control and to do so without any cost to Lessor.

V. That Lessor is to have possession of the respective fields as fast as each crop is gathered or harvested therefrom and possession at Lessor's option of any land planted to crops and abandoned, and of all land not planted to crops, with the privilege of entering upon the land and breaking and cultivating it or having same done, and that Lessor is to have complete possession of the entire farm as soon as all crops are gathered or harvested therefrom, and of all improvements thereon or before \_\_\_\_\_, 19\_\_\_\_.

VI. That in case of the sale of said premises prior to \_\_\_\_\_, 19\_\_\_\_, then this Lease shall not take effect but shall be null and void and said Lessee, if he be then in possession, shall upon demand surrender said premises to the Lessor on the payment to him of \$1.00 per acre for all land flatbroke; .75 per acre for all land plowed with a one-way plow, and .50 per acre for all land bedded, as provided herein, payment to be limited to one performance, and .50 per acre for all acres seeded and the market price at planting time for all seed so used.

VII. Upon written request from Lessor, to thoroughly plow all of said land which shall be planted in small grain under this contract within fifteen days from date of such request, performance to be limited to one plowing unless further instructed in writing, and then if said land is not rented to said Lessee for the next year, because of sale of same, prior to \_\_\_\_\_, 19\_\_\_\_, or for any other reason, upon payment by Lessor on or before January 1st, 19\_\_\_\_, on same basis as provided in the preceding paragraph, but upon such payment being made this Lease shall become null and void. That should said Lessee, of his own accord and without request from Lessor, vacate the premises, or if he remains on the premises at the request or upon consent of the purchaser, he shall in so doing forfeit the right to receive any compensation for land which he has plowed on this farm. Lessee will not be paid for land plowed without written consent from Lessor.

VIII. That this Lease shall not be extended, renewed or changed or any new Rental Contract entered into, except in writing. That Statutory Landlord's Lien is specifically granted to Lessor to secure payment of rent or any other sum that may be due the Lessor by Lessee and to guarantee the complete performance of each in the provisions of this Contract.

IX. That no occupation or use of the premises shall be carried on or made, which shall be unlawful or improper or contrary to any law, for the time being in force, of the Federal Government, State of Texas or of any subdivision thereof in which the premises are situated.

X. That the Lessor shall in no way be liable for damage by failure to repair, alter or replace any of the buildings on said premises.

XI. To furnish all labor free of charge for the purpose of making any minor repairs necessary on the above farm, such repairs to be made only when authorized in writing by the Lessor. The Lessor hereby covenants and agrees to furnish the materials for the aforesaid repairs.

XII. That the Lessor, its assigns or Representative may at any time enter upon the premises for any purpose; including removal of sand, rock, gravel or timber, exploration or drilling for oil, gas or other minerals, or showing the property for sale or rental. That the right to execute deeds, oil or gas leases, or easements for road right-of-ways, gas lines, pipelines, telegraph or power lines is reserved by the Lessor.

XIII. To disclaim any right, title, interest or claim whatsoever to the above-described land and all improvements thereon, save and except such rights as are expressly granted him as Lessee under the terms of this Lease; not to place any buildings, fences, or improvements of any nature on said premises without the written consent of the Lessor; same shall become a part of the premises and shall remain as such.

XIV. To cooperate with Lessor in any building rehabilitation program, soil conservation and erosion control program that Lessor may desire to carry out during the term of this Lease.

XV. To comply with any and all requirements now or hereafter imposed by the BLANK LIFE INSURANCE COMPANY under any Federal or State Agricultural Legislation in effect during the said term whether enacted before or after the date hereof.

XVI. To plant and sow only such type or types of crops in such fields and in such acreages as the Lessor may, either as of this date or subsequently hereto, determine upon and further agrees to execute as the evidence of his knowledge of such information whatever instrument, to be designated as the Crop Plan, which shall be presented to him by the Lessor and which Crop Plan shall be construed as forming part and parcel of this Lease, and that the Lessor shall possess the right at any time or times to alter, amend or modify such instrument to be so designated as the Crop Plan, with the duty upon the part of the Lessee to comply strictly with any such alteration, amendment or modification.

XVII. That if either at the present time or at any time or times within the duration of this Lease, the Lessee farms either directly or indirectly any land in addition to the real estate herein demised, and the Agricultural Adjustment Administration construes his act of farming the demised land and such other real estate as an act creating the operation by him of one farm, he will follow such a Crop Plan as to such other real estate as will not interfere with the participation in and the collection of benefits by the Lessor under any Federal or State Agricultural Legislation in effect during the term of said Lease whether enacted before or after the date hereof.

XVIII. That if this Lease is to a present tenant of the Lessor, it is subject to a satisfactory settlement of rents under the current contract at the option of the Lessor.

XIX. That in case of the violation of any of the terms, conditions and provisions of this Lease by the Lessee, this Lease, at the option of the Lessor, shall immediately cease and terminate as to all of the property covered by this Lease, and full and complete possession of all of said property shall thereupon be immediately given to Lessor by Lessee.

XX. That the Lessor shall not be responsible or liable in any manner whatsoever for the wrongful holding-over by any tenant.

XXI. That he is familiar with the terms of this Lease and that all prior oral and written agreements pertaining to same are herein merged in this Lease, and this Lease contains all existing agreements of every nature and kind pertaining to the transaction herein and connected therewith.

It is mutually covenanted and agreed that this agreement is one of lease and not one of partnership and that the Lessor shall not become responsible for debts contracted by the Lessee.

IN TESTIMONY WHEREOF, the said parties have hereunto set their hands, in triplicate, the day and the year above written.

THE BLANK LIFE INSURANCE COMPANY

By \_\_\_\_\_  
Loan Agent.

\_\_\_\_\_  
Lessee.

WITNESS:

### GENERAL FARM LEASE USED IN FARM SECURITY ADMINISTRATION

This farm rental agreement is in wide use by tenants and landlords participating in the rural rehabilitation program of the Farm Security Administration. It contains several provisions, such as the automatic renewal clause, notice of termination, and provision for arbitration, that have long been considered by students of land tenure problems to be useful devices for stabilizing landlord-tenant relations.

THIS LEASE, made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between \_\_\_\_\_ and \_\_\_\_\_ (wife), landlord, of \_\_\_\_\_, \_\_\_\_\_ (Address), and \_\_\_\_\_, tenant of \_\_\_\_\_, \_\_\_\_\_ (Address).

WITNESSETH:

1. DESCRIPTION OF PROPERTY.—The landlord hereby leases to the tenant, to occupy and use for agricultural and related purposes, the following-described property, located in \_\_\_\_\_ County, State of \_\_\_\_\_:

and consisting of \_\_\_\_\_ acres, more or less, together with all buildings and improvements thereon and all rights thereto appertaining. (All this property together is hereinafter referred to as the 'farm.')

The landlord warrants that he is the owner of the farm, has the right to give the tenant possession under this lease, and will, so long as this lease remains in effect, warrant and defend the tenant's possession against any and all persons whomsoever.

2. TERM OF LEASE.—The term of this lease shall be for \_\_\_\_\_ year \_\_\_\_\_, from \_\_\_\_\_, 19\_\_\_\_, to \_\_\_\_\_, 19\_\_\_\_, and for like periods thereafter unless notice of termination shall be given by either party not more than 9 months nor less than 6 months prior to the end of any such period.

3. RENTAL RATES AND ARRANGEMENTS.—As rent for said farm, the tenant agrees to pay at the time of marketing crops shares of crops as indicated below:

Crop

Landlord's Share

It is expressly understood and agreed that the landlord shall not be entitled to any share of garden crops grown on \_\_\_\_\_ acres, or to any share of pasture and feed crops grown on \_\_\_\_\_ acres.

As additional rent, the tenant agrees to provide the labor necessary to carry out the plan developed by the \_\_\_\_\_ during the month of \_\_\_\_\_, 19\_\_\_\_, for the development of the \_\_\_\_\_ acres of woodland located on the farm and to pay the landlord \_\_\_\_\_ percent of the proceeds obtained by him from the sale of woodland products from the said farm.

Other provisions, if any \_\_\_\_\_

In addition, the tenant agrees to pay to the landlord \_\_\_\_\_ of the proceeds from the sale of increase in the following livestock, and \_\_\_\_\_ of the proceeds of the sale of the following livestock products produced on the said farm, and the tenant hereby agrees to keep an accurate record of such sales which shall be open to inspection by the Farm Security Administration and the landlord at all times:

In the event that the tenant's possession of this farm is threatened by tax or mortgage default, the tenant may pay, on behalf of the landlord, such amounts as are necessary to prevent default of foreclosure, and deduct such amounts from the rent due under this lease, provided that no such payments shall be made after notice of termination has been received by the tenant pursuant to the terms of this lease. In the event that the amount due the tenant as the result of such payments exceeds the rent due at the time of termination of this lease, the landlord shall reimburse the tenant for such excess.

4. FARM OPERATION.

(a) Except as otherwise provided, the tenant will contribute all labor, livestock, work stock, tractors, and ordinary operating equipment, and will pay all ordinary operating expenses (exceptions and special items such as lime, fertilizer, seed for special crops, harvesting, or ginning expense, twine, fuel for tractors, etc., are listed in the table below and contributions of each party indicated in the proper column):

Operating Equip- ment and Expenses	Contributed by—		Operating Equipment	Contributed by—	
	Landlord	Tenant		Landlord	Tenant
Lime.....					
Fertilizer.....					
.....					
.....					

(b) The tenant shall: Operate the farm in an efficient and husband-like manner and in accordance with the farm plans heretofore and hereafter approved by the Farm Security Administration; perform plowing, seeding, cultivating, and harvesting at the proper time and in the proper manner; and spread all manure produced on the farm. The tenant also shall \_\_\_\_\_

5. MAINTENANCE, IMPROVEMENTS, AND REPAIRS.

(a) The landlord will place the farm in habitable condition at the beginning of the tenancy. Specific repairs or improvements to be made by the landlord are the following (if any) \_\_\_\_\_

(b) The tenant is authorized to make improvements, at a cost not to exceed \$\_\_\_\_\_, of which \$\_\_\_\_\_ may be the proceeds of a loan from the Farm Security Administration. These improvements shall be divided into the following classes: (1) \$\_\_\_\_\_ for soil improvements, consisting of \_\_\_\_\_; (2) \$\_\_\_\_\_ for improvements to the farm home, consisting of \_\_\_\_\_; (3) \$\_\_\_\_\_ for improvements to farm buildings and fencing, consisting of \_\_\_\_\_; and (4) \$\_\_\_\_\_ for water facilities improvements, consisting of \_\_\_\_\_. In addition, the tenant may make, at his own discretion, improvements necessary for the efficient operation of the farm at a cost not to exceed \$\_\_\_\_\_ in any year. The landlord agrees to compensate the tenant at the expiration or termination of this lease for the value (including the value of the tenant's labor), as of said date of termination or expiration, of improvements made by the tenant pursuant to the terms hereof. Said value shall be determined in accordance with the rates of depreciation specified in the table below, or, in the event the table is inapplicable, by three appraisers, one appointed by the landlord, one appointed by the tenant, and one appointed by the Farm Security Administration. (In the event that either party shall omit or refuse, after written notice, to appoint an appraiser, the appraisal shall be made by the other two appraisers.) The landlord and the tenant shall be bound by the determination of the appraisers, and such appraisal shall be prior and a condition precedent to the entering of any suit by either party with respect to such compensation. The landlord further agrees to compensate the tenant for the value, as of the date of termination or expiration of this lease, of such other improvements as he may consent to be made from time to time in an amount agreed to in writing at the time of such consent. The tenant agrees that all compensation for improvements payable by the landlord hereunder may be paid by the landlord to the Farm Security Administration to be applied on any indebtedness owing to the Farm Security Administration by the tenant.

The compensation payable for the improvement specified shall be computed in accordance with the following table:

Improvement	Cost	Rate of Depreciation Per Annum (Percentage of cost)
_____	\$ _____	_____ percent.
_____	\$ _____	_____ percent.
_____	\$ _____	_____ percent.
_____	\$ _____	_____ percent.
_____	\$ _____	_____ percent.

(c) Removal of Improvements.—The tenant may, at any time while this lease, or any renewal thereof, is still in effect, or within a reasonable time after termination or expiration, remove any improvement he has made, whether or not it has become legally a fixture, provided such removal does not do substantial injury to the property, and the tenant shall not be compensated for improvements removed.

(d) Maintenance of the Farm.—The tenant agrees to maintain the farm in good condition and repair, and at the end of the term of this lease, or any renewal or extension thereof, to surrender the farm in as good order as at the beginning, ordinary wear and damage caused by conditions beyond his control excepted, provided, however, that the landlord shall furnish all materials necessary for such repairs and maintenance.

6. GOVERNMENTAL AGRICULTURAL PROGRAMS.

Any cash or other benefit received from participation in any Government agricultural program shall be divided between the parties as provided in such program. Any quota, allotment, or base made to or properly belonging to this farm shall be available to the tenant, and, if, in any such program, the farm covered by this lease is treated as part of a larger tract, the tenant shall be entitled to participate proportionately and share

proportionately, and in like manner shall contribute proportionately in filling the requirements of such program. The base acreage to be allowed this tenant on this farm under any such program for the year 19\_\_\_\_ shall be \_\_\_\_\_ acres of \_\_\_\_\_, \_\_\_\_\_ acres of \_\_\_\_\_, and \_\_\_\_\_ acres of \_\_\_\_\_, and shall be varied proportionately thereafter to variations in the base acreage of the entire farm.

Participation in other agricultural programs will be as follows:

#### 7. THE TENANT AGREES THAT:

- (a) He will not assign this lease or sublet any portion of the farm without the consent of the landlord and the Farm Security Administration.
- (b) He will permit the landlord or his agent to enter the farm at any reasonable time for repairs, improvements and inspection.
- (c) He will not commit waste on or damage to the farm or permit others to do so.
- (d) He will peaceably surrender possession of the farm at the termination of this lease.

#### 8. THE LANDLORD AGREES THAT:

(a) He will repair or replace promptly any improvements on the farm damaged or destroyed by conditions beyond the control of the tenant. If any building is so damaged or destroyed and if repairs or replacements of such buildings are not begun within 30 days after notice by the tenant, the landlord will compensate the tenant for the full cost of such repairs and replacements if the tenant elects to make such repairs or replacements, and the tenant shall have the right to deduct such compensation from any rent due hereunder.

(b) In consideration of loans and advances made or to be made to the tenant by the Farm Security Administration, the landlord hereby subordinates and agrees to subordinate, in favor of the Farm Security Administration, any lien, claim, right of seizure, ownership, or other interest which he might now have or subsequently acquire against the tenant's share of crops to be grown on the farm or the tenant's personal property to loan on such crops or property which the Farm Security Administration now holds or may hereafter acquire. The landlord further agrees that the Farm Security Administration shall not be required to exhaust any other security which it may hold before proceeding against property of the tenant on which both the Farm Security Administration and the landlord have liens or claims. The landlord further agrees that at the request of the Farm Security Administration he will pay over all money due the tenant as compensation for improvements or otherwise under this lease, without right of set-off or counterclaim, to be applied to the tenant's indebtedness to the Farm Security Administration.

#### 9. IT IS MUTUALLY AGREED THAT:

(a) This lease shall bind and shall inure to the benefit of the heirs, executors, administrators, and assigns of both parties.

(b) Wilful neglect, failure, or refusal by either party to carry out any material provision of this lease shall give the other party the power to terminate this lease, in addition to the right to compensation for damages suffered by reason of such breach. Such termination shall become effective 30 days after written notice of termination specifying the delinquency has been served on the delinquent party, and the Farm Security Administration, at the office of the County Supervisor having supervision over the county in which the farm is located, unless during such 30-day period the delinquent party has made up the delinquency. The landlord shall have the benefit of any summary proceedings provided by law for evicting the tenant upon the termination under this paragraph, or at the end of the term.


(c) Agreement to Arbitrate.—It is hereby agreed, that if and when any dispute or question shall arise between the parties with regard to any of the provisions of this lease, including matters herein left to subsequent agreement, the matter in difference shall be submitted to the arbitration of three disinterested persons, one to be selected by each party hereto and the third by the two thus selected; such submission to be prior, and a condition precedent, to the entering of suit by either party as a result of such differences and the award shall be binding upon both the parties.

10. ADDITIONAL AGREEMENTS, IF ANY (option to purchase, water rights, etc.)

IN WITNESS WHEREOF, the parties have signed this lease on the date first above written. Witnesses as to all signatures:

_____	_____	(SEAL)
	(Landlord)	
_____	_____	(SEAL)
	(Landlord's wife)	
_____	_____	(SEAL)
	(Tenant)	

ACKNOWLEDGMENT (proper form to be inserted):

  
 LIBRARY.  
 A & M COLLEGE.  
 CAMPUS.