Farm Equipment Lease Agreement

A fillable lease for a farm machine that answers to a season instead of a calendar

Use this agreement to lease farm equipment for a season. Name the parties and the machine, write the season window and delivery deadline as real dates, record the hour-meter reading, fill in the rates, the care split, storage, insurance, and any purchase option, and have both sides sign before delivery. Full walkthrough, clause explanations, and official sources: clearlegaltips.com/farm-equipment-lease-agreement/

FARM EQUIPMENT LEASE AGREEMENT

This Farm Equipment Lease Agreement ("Agreement") is made on the date below between the Owner and the Lessee identified in Section 1. The Owner keeps title to the equipment; the Lessee holds, runs, and cares for it through the season window and returns it in agreed condition.

1. Parties

Owner (full legal name or entity): ______________________________________

Owner address: ______________________________________

Lessee / farm operator (full legal name or entity): ______________________________________

Lessee address: ______________________________________

Signer name and title (if a party is a business): ______________________________________

Agreement date: ______________________________________

2. Equipment

Make / model / year: ______________________________________

Serial or unit number: ______________________________________

Hour-meter reading at delivery: ______________________________________

Attachments and implements included (heads, hitches, implements): ______________________________________

Condition at delivery (photos attached as Exhibit A): ______________________________________

3. Term and Season Window

Season covered (planting / hay / harvest): ______________________________________

Start date: ______________________________________

End date: ____

Delivery deadline date (machine delivered and running by): ____

Remedy if the Owner delivers late (per-day credit, or termination if more than __ days late): ____

4. Rates

Base rate ($ per season / month): ____

Included hours in the base: ____

Overage rate ($ per hour over the included hours, read from the hour meter): ____

5. Delivery and Return

Delivery is made to the farm or field location below by the party named. The hour meter is read and photographed at delivery and again at return.

Delivery location (farm / field): ____

Delivery by (Owner / Lessee): ____

Return location: ____

6. Permitted Use and Ground

The equipment is used only in the Lessee's normal farm work, on the named ground, by trained operators. The Lessee does not sublet the equipment or move it off the named ground without the Owner's written consent.

Named farm and fields where the equipment is used: ____

7. Daily Care and Major Repairs

The Lessee handles daily care, meaning greasing, fluid and filter checks, cleanout, and blowing the machine down after use. Major repairs are split as written below. A breakdown is reported to the Owner the same day.

Who pays for mechanical failure not caused by misuse: ____

Who pays for damage caused by misuse: ____

8. Storage and Weather

When the equipment is not working, the Lessee stores it under cover, out of the field, protected from sun, rain, and rodents, and secured against theft.

Covered storage location on the farm: ____

9. Damage, Loss, and Breakdown In Season

The Lessee is responsible for damage, loss, or theft beyond normal wear from proper use, billed at repair cost or the replacement value in Exhibit A.

Whether the base rate pauses during a covered in-season breakdown, and who arranges the repair: ____

10. Insurance

Before delivery, the Lessee confirms in writing whether farm insurance covers leased equipment, and provides a certificate of insurance (COI) if the Owner requires one.

Insurance confirmed in writing (date), coverage amount, and insurer: ____

11. Indemnification

The Lessee agrees to indemnify the Owner, that is, to cover the Owner for loss, injury, or claims arising from the Lessee's use of the equipment, except for the Owner's own gross negligence.

12. Purchase Option

If the Lessee may buy the equipment at the end, the price is stated below. A purchase option for no payment or only a nominal, token amount can turn this lease into a financed purchase under the law, which changes its legal and tax character.

Purchase option (None, or $____ / fair market value): ____

13. Governing Law

State whose laws govern this Agreement: ____

Signatures

Owner signature: ____

Owner printed name, title, and date: ____

Lessee signature: ____

Lessee printed name, title, and date: ____

INSTRUCTIONS FOR USE

This form is general information, not legal advice. A farm equipment lease is legally a bailment: the Owner keeps title while the Lessee holds and runs the machine on the farm. The term is a season window, so write the start date, the end date, and the delivery deadline as real dates, since a machine that arrives late in planting or harvest costs a crop, not a fee. Rates run on a base per season or month plus metered hours off the hour meter, read at delivery and return. Daily care sits with the farmer; major repairs and in-season breakdowns are split in writing. On the farm tax return, machinery rent is deducted on Schedule F line 24a, while pasture or farmland rent goes on line 24b. A purchase option for no or nominal (token) additional payment can turn the lease into a financed purchase under UCC 1-203 and a conditional sale for the IRS, which changes both the legal and the tax character of the deal, so talk to a farm tax professional before signing one. Keep the signed lease with dated photos of the machine and the hour meter. Full guide and official sources: clearlegaltips.com/farm-equipment-lease-agreement/