

SHARE CROP LEASE PROGRAM



CROP YEAR 2019



TENNESSEE WILDLIFE RESOURCES AGENCY

Tennessee Wildlife Resources Agency

Annual Report

Sharecrop Lease Program

Calendar Year 2019

This report is provided annually to the State Building Commission (SBC) verifying that all requirements under the “Tennessee Wildlife Resources Agency Procedures for Crop Leases” set up by the SBC are in compliance. Lease program results are also reported, including number of leases and associated acreages and monetary amounts.

The Sharecrop Lease Program is based on a calendar year rather than a fiscal year to accurately reflect revenue from the year in which TWRA leases operate. This timeline was approved in the By-laws, Policy & Procedure of the SBC in January 2011.

During the 2019 calendar year the Tennessee Wildlife Resources Agency (TWRA) processed 4 new Service Leases and 4 new Cash Leases for a total of 8 new sharecrop leases (Table 1). This is a significant decrease from the 20 new leases initiated during 2018. Lease numbers fluctuate several reasons; including when the properties were acquired, and varied habitat goals on the Wildlife Management Areas (WMAs). All requirements specified by the SBC were followed in awarding these 8 new leases, including advertising and administering the bidding procedure. All 8 leases were within the maximum period of 5 years.

During 2019, the TWRA oversaw 126 active Sharecrop Leases issued under SBC Procedures. Sharecrop leases were categorized by Service or Cash Leases. During 2019, there were 70 Service Sharecrop Leases, and 56 Cash Sharecrop Leases. In total, the agency managed 18,583 acres under the sharecropping program throughout TWRA’s four regions.

TYPE A. SERVICE LEASES: The 70 Service Leases covered 7,428 acres. Service Leases cover agricultural work from which a percentage of crops are left in the field or were haying operations. These leases are aimed at providing wildlife forage or cover habitat. Values of each crop based on UT Extension Data (Smith et al., 2019) for the year 2019 and were assigned for the crops left for wildlife. That total program income from service leases was \$767,136. This value can now be used as match for federal grants used to operate the WMAs.

TYPE B. CASH LEASES: The 56 Cash Leases covered 11,155 acres. Cash Leases return direct revenue to TWRA. During 2019, \$414,574 was received from farm leases. There was also \$734,435 worth of services provided by the lease farmer in-lieu of cash payment. Work performed in lieu of cash is calculated using a State of Tennessee Technical Report that provides estimates for the value of different services either by the acre or by the hour. Some examples of the type of services provided for WMAs include

heavy equipment work on failing levees; planting on adjacent land for wildlife habitat; and road grading.

(https://www.tn.gov/content/dam/tn/tdot/construction/old_web_page/Const-aup2019.pdf)

Both the cash payments and in-lieu of cash services help TWRA offset program expenses on their WMAs. Management of habitats on these lands through the sharecrop program reduces costs to hunters and taxpayers.

TABLE 1. Five-year history of TWRA crop leases by lease type.

	2019	2018	2017	2016	2015
Service (A) Leases	70	73	78	73	79
Cash (B) Leases	56	55	61	60	77
Total Crop Leases	126	128	139	133	150
Service Lease Acreage	7,428	6,685	7,638	7,168	7,070
Cash Lease Acreage	11,155	10,258	8,411	8,647	7,436
Total Acres	18,583	16,943	16,049	15,815	14,506
Value of Crops left for Wildlife	\$767,136.				
Cash Lease Revenue	\$414,574	\$404,852	\$412,396	\$405,971	\$455,157
Value of In lieu services	\$734,435	\$949,935	\$807,933	\$799,340	\$601,091
Total Value of Crop Leases	\$1,916,145				
Number of New Leases	8	20	45	40	17

The Sharecrop Program is administered by TWRA's Federal Aid and Real Estate Division who ensures that documentation and bid requirements for new and existing contracts have been followed. The last audit of the Sharecrop Program by the Comptroller's Office was completed in September 2016. All audit recommendations to improve recordkeeping have been implemented by TWRA's land managers and real estate staff.

The continued use of the Crop Lease Submission Form assists Field Managers as a checklist to ensure that all leases remained in compliance with SBC's Sharecrop Program requirements.

Any delinquent payments from a crop year were pursued by WMA managers and, if unsuccessful, are turned over to TWRA's Legal Division. There have been only a few issues with slow payments due to the Covid-19 pandemic, and to date, no leases have been turned over to Legal Division for collection for the 2019 crop year. Similarly, there have been no cancellations for non-payment.

As habitat improvement costs increase, management of WMA wildlife habitats through the Sharecrop Lease Program continues to provide revenue and services. Lease contracts have substantially contributed to reducing TWRA's management costs. Lands managed with crop leases are enjoyed by a great number of Tennesseans and visitors who are active sportsmen or wildlife watchers. WMA users spent an estimated \$427 million during 2018 in counties where WMAs are located (Poudyal and Watkins 2019)

Citations:

Poudyal, N.C. and C. Watkins. 2019. Tennessee Wildlife Management Area (WMA) Visitor Survey 2019. Final Report. University of Tennessee Institute of Agriculture. 162 pages.

Average Unit Prices - 01JAN2019 thru 31DEC2019 - Awarded Contracts. State of Tennessee Department of Transportation Publication. 2019. 216 pages

Smith, S. Aaron, Bowling, B. G., Danehower, S. C., & Morris, D. H. (2019). Field Crop Budgets for 2019. University of Tennessee Department of Agricultural and Resource Economics. 46 pages.

Appendix 1.

NEW LEASES for CROP YEAR 2019 (TYPE A) SERVICE

Contract #	Start	End	County	WMA
33AG-1-19-23	1/1/19	12/31/23	Rhea	Yuchi Refuge
42AK-12-19-23	6/6/19	12/31/23	Cocke	Rankin
3361-2-19-23	7/1/19	6/30/23	Polk	Chick Watts Bar
3361-1-19-23	7/1/19	6/30/23	Meigs	Chick Watts Bar

NEW LEASES for CROP YEAR 2019 (TYPE B) CASH

Contract #	Start	End	County	WMA
23AA-01-19-23	4/22/19	12/31/23	Coffee	AEDC
12RM-1-19-23	5/9/19	12/31/23	Shelby	Eagle Lake R.
23AM-1-19-23	6/1/19	12/31/23	Rutherford	Percy Priest
WR197-1-19-19	6/8/2019	12/31/2019	Obion	Three Rivers

Prepared and submitted by Roger Jackson, Real Estate Specialist for the Federal Aid and Real Estate Division of the Tennessee Wildlife Resources Agency.

Appendix 2



Tennessee Wildlife Resources Agency • Wildlife & Forestry Division
CROP LEASE CHECK LIST & SUBMISSION
 (Please print legibly.)

WR-1009
 (Rev. 6/18)



Supervisory Sign-off _____ Date _____
Wildlife Manager IV

TWRA Crop Lease # _____ County _____

Farm Service Agency # _____ Name of Field Rep _____

WMA _____ Region _____

Name of Farmer _____ Farmer's Phone _____

Farmer's Mailing Address _____

Service Contract (Type A) _____ % left in field

Revenue (Cash) Contract (Type B) \$ _____ per acres = \$ _____ (Amount Due)

Acres _____ Date of Submission _____

Justification for Crop Lease _____

Attach additional sheet if more space is needed.

DOCUMENTATION TO BE SUBMITTED

ALL:

- Cooperative Crop Lease (Form WR-0976) – 3 notarized originals enclosed with start date: _____
- GPS Coordinates _____
- Aerial photographs – Available from Farm Service Agency
- Insurance Verification – Required on **all** leases with 75 or more acres, or if a farmer has multiple leases that collectively total 75 or more acres. Please verify minimum limits of \$300,000 per occurrence/\$1,000,000 in aggregate, and show State of Tennessee as insured. Must be submitted annually for the life of the lease.
- Revenue Lease Security – Copy of Surety Bond or Irrevocable Letter of Credit from Bank (if contract is over \$1000). This applies to Revenue Leases only, and must be submitted annually for the life of the lease.
- Pre-payment on Revenue Leases – Contracts under \$1000 must be paid each year in advance.
- LANDLOCKED:** Leases on land that does not have access or whose access is across privately held lands: does not require Invitation to Bid, Posting or Advertising.
- Proof of letter of notification to all adjoining landowners by photo of either the mailing envelope; addressed and stamped...OR...if hand-delivered, a copy of letter of notification; signed and dated by landowner.
- NOT LANDLOCKED:**
- Photo proof of posting on property
- Screen shot of posting on TWRA website
- Proof of Advertisement: Submit actual page(s) from newspaper showing ad. Advertisements must be published on two consecutive weeks.
- Invitation to Bid (Form WR-1130)
- Copy of all bids received
- Bid Summary Sheet (Form WR -???)

Continued on back page

OFFICE USE ONLY: I verify all required documentation was submitted, complete and in the file.	
Name _____	Date _____

Appendix 3

FURTHER INSTRUCTIONS:

- NO work may commence until all documentation is received in Central Office.
- All documentation must be received prior to obtaining Director's signature on all contracts (Service & Revenue Leases).
- Lease **start** date may **not** pre-date TWRA Director's signature of the lease. Please allow a minimum of two weeks for submission to TWRA for Director's signature.
- Any **amendments** to contracts must be reported in writing to the Central Office.
- Accident Reports, if any, should follow as soon as possible. Add date filed: _____
- All documents may be downloaded from the Intranet.
- Include TWRA contract number on **all** documentation.
- Crop Lease Verification of Work must be submitted in the Fall of each crop year.
- Invoice Requests for leases \$1,000 and up should be submitted at the end of the year to twra.invoice@tn.gov.