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Lease 101

Our lease school was successful. Mykel Taylor of the KSU Ag Economics department is quite entertaining! She had some good information, not all of it good news. We recorded some of her presentation and hope to have that available. Land prices keep slipping, which is not good news. Rental rates are slow to go up and slow to go down. While Kansas does have regulations in place, for oral leases, I am still an advocate for written leases; I have just seen and heard of many horror stories involving oral leases.

First, a written lease is in black and white that both the landowner and tenant have signed. If something should happen to either party, then their heirs will have record of the agreement. A written lease is really a bartering or negotiation between the two parties. They can agree to whatever termination date for the lease they agree on, be it every year or every 4th year.

Landowners can write in the lease, that the land is open to other's hunting or fishing, or not. One of the sticky points, I have run across is the renting of cropland and then the tenant decides to graze the crop residue. Many times this is not discussed ahead of time and landowners feel they should be compensated.

One of Mykel's points, was open communication between the two parties is vitally important. When is communication not a factor in human relationships? When you communicate with your "business partner" things are bound to go better.

Which brings us to another one of her main points, treat family like a business partner. You may be renting land from your grandparents and you know they are independently wealthy. That is not relevant! Try to keep the renting of land, at a business level, keeping it separate from family. Hopefully, you can keep everyone at the Christmas dinner table!

Some farmers or ranchers can have a dozen or more landowners that they are working with. Her suggestion was to take pictures on your smartphone and send to the landowners, she was even aware of one farmer that had 70 property owners he worked with. His idea was to write a newsletter and send out with his rental payment. Whatever works for you and yours!

For more information on fair and equitable leases, visit the Agmanager website at agmanager.info.