

Fenceline

by Jody G. Holthaus

Meadowlark Extension District Agent

Livestock-Natural Resources

It is estimated that more than 50% of Kansas farmland and pastureland is rented. In some areas of the state, this figure is even higher. Many producers cannot operate a viable farm or ranch without leasing additional land. There are many different types of leases, there are standard cash leases, and there are crop share or crop share cash leases. There are farm building leases and livestock share leases. Whichever type lease you are involved in, we advocate a written lease. Written leases put everything in black and white, so there are no questions.

If something should happen to one of the parties, then the survivors know what the terms of the lease were. Lease agreements that cannot be performed within one year, must be in writing to be legally enforceable. If a tenant decides to improve the leased land or sow a perennial crop, the tenant should have a written, long-term lease in order to reap the benefit from his or her labor.

A lease is a contract for the exclusive possession of land for a definite period, and the landowner cannot use the land for his own purpose while it is leased. For example, the landowner cannot hunt on the leased land without the permission of the tenant, unless they kept these rights in a written lease. A landowner may enter the property to make a reasonable inspection or make repairs or installation, show the land to prospective buyers, collect rent or deliver a notice to terminate a lease. That being said, I am not sure it would be wise for a tenant to "not allow the landowner onto their own property", that might be a quick way to lose a lease! At the Extension office, we have some pretty good lease samples that can be a starting place for you. They are also available online at Agmanager.info. A good lease will have several elements: The proper name of each party, the date of the lease, an accurate description of the property and the beginning and ending date of the lease. It should also be specific on the amount of rent to be paid, the limitations on the use of the land, when rent is due, the rights of the landowner to enter the land and who decides whether or not to participate in the farm programs. Leases can be very specific on who can use buildings on the property, who insures the buildings or livestock. If it has a pasture, you can write in provisions for drought or if the water supply dries up. There are many more details that would be specific to each situation.

How do you determine a fair lease? There are many tools on Agmanager.info to help determine that. A newer trend is Cash rent auctions. They say a live auction is the only way to find "true market value". The cash rent auctions I have been aware of, seems to be getting good results for the owners and gives us a baseline to determine what rents should or could be.

David G. Hallauer

Meadowlark Extension District Agent

Crops & Soils/Horticulture