

Leases - Proper Termination

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. This is Ag Lease week - all my programs this week will be on ag leases. Many landlord/tenant agreements are still oral or verbal leases which are legal and binding by the state. But they also come with some stipulations that can't be changed by just a handshake. Most notably, all oral leases run from March 1 to March 1. If a landlord wishes to terminate a tenant with an oral lease there are three things that have to happen. The notice to terminate MUST be done in writing. It must be in the tenants hands at least 30 days prior to March 1 (in non leap years that's January 30th) and it must set the date of termination as March 1. Any land that was planted to wheat is still the tenants property and on those acres, the lease then terminates on the last day of harvest or August 1, whichever comes first. Any other termination is not binding! I'm Chuck Otte and this has been Ag Outlook.

Leases - Oral or Written

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. I make no bones about it. I do not like oral leases. It's not that I don't trust anyone, but rather it's a case of we all have fallible memories AND if something happens to the tenant or the landlord, often the surviving family members aren't sure what past agreements were. Most cases we are dealing with honest folks that will tell the truth, but putting it in writing literally makes it black and white for everyone. Secondly, when you have an oral lease, in the eyes of the law, there are certain stipulations such as the terms of the lease and the fact that the tenant is given total control of the land. If a landlord wants to be sure to retain control of hunting or fishing access then they need to have a written lease where that is specified. Same thing for harvesting firewood out of a pasture - control must be stated in a written lease! I'm Chuck Otte and this has been Ag Outlook.

Leases - What Shares?

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. I get a lot of calls from landlords especially about what production inputs they have to share and then what share is fair. Well, a crop shares lease is a negotiated contract and the law states nothing about who shares what. The crop should be shared in the same proportion of the inputs that each part brings to the table. You figure out what items aren't being shared, the value of those and then the percentage of the total and that is how it's shared. Unfortunately, landlords sometimes go into the lease dictating what they will share on and what share of the crop they'll get and it doesn't matter if it all averages out or not. The most common shares agreements are 1/3-2/3 or 2/5-3/5. But the landlord and tenant really need to sit down and figure out what's going to be shared first and then figure out what ratio of the crop each will get. I'm Chuck Otte and this has been Ag Outlook.

Leases - Cash Rental Rates

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. Cash rental rates have certain advantage, and also certain disadvantages. Time won't allow me to go into that laundry list but when many landlords and tenants call me they want to know what the going cash rent is. Sadly, everyone wants to know, but no one wants to tell. National Ag Statistics does a survey every year and they generate one number per county for non-irrigated crop land that takes in all dryland fields. That figure was release in late August and was \$69.50 per acre for Geary County. Prime river bottom ground will be higher, tougher hill ground will be lower. KSU also releases a projected rental rate based on what's called a tenant's residual approach. Their number for 2022 in Geary County was \$80.30 per acre. So going into the 2022 crop year, a good starting point is 70 to 80 with adjustments based on location! I'm Chuck Otte and this has been Ag Outlook.

Leases - Pasture Leases

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. Pasture leases, by their very nature are for only part of the year, and really need to be in writing so that the landlord can set in and out dates. If it's an oral lease, then by law, the tenant can do what they want to. Put it in writing, include a start date and an end date. State the maximum number of animals that will be allowed, stocking rate if you will and then special conditions such as thistle control, brush control, if it will be burned, fence repair. These items are all things that have historically caused a lot of issues because they weren't specified. One party thought one way and the other party thought the other way, it was never discussed and then there was a conflict. It really isn't just pasture leases by the way where items need to be discussed, it's crop leases too. Talk it out, present expectations, and then put it in writing! I'm Chuck Otte and this has been Ag Outlook.