

7. Characteristics of Kansas Pasture Lease Arrangements

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Robin Reid recently joined the Agricultural Economics Department at K-State as the Commercial Agriculture Economist. She previously worked for four years as an Extension Agent in the River Valley District, with a focus on livestock production and farm management. Robin grew up on a farm in Wisconsin and earned a B.S. in Agricultural Business from UW-River Falls. She also holds a M.S. in Agricultural Economics from K-State.

Sandra Wick

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Sandra Wick is currently an Agriculture Extension Agent with the Post Rock Extension District, with a focus on crop production. She, along with the NW Area Extension Ag Economist, was instrumental in developing a Cropland Leasing Arrangements survey with four components including dryland cropland, pasture, crop residue and recreational leasing. The survey was distributed starting in 1995 in Smith County with 20 years of leasing rates and trends, with the last 2 years survey data in the Post Rock Extension District when Smith County joined the district. Sandra was raised in northeast Kansas and earned a B.S. in Agricultural Education from K-State. She was a high School Agriculture Education instructor for 2 years and also holds a M.S. in Agricultural Education from K-State.

Abstract/Summary

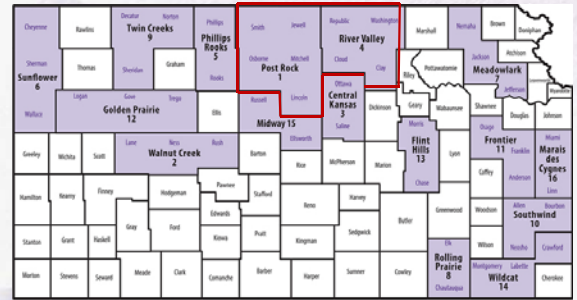
According to the 2012 Census of Agriculture, 50.8% of all agricultural land in Kansas is operated on a leased basis. Given the capital intensive nature of agriculture today, the increasing number of absentee land owners, the fluctuation in agricultural markets, and the competition to acquire land for leasing, it is more important than ever for producers and landowners to make informed decisions in regard to their leases. The River Valley Extension District, Post Rock Extension District, and Phillips-Rooks Extension District have been distributing surveys for a number of years to gather information on lease rates and trends. This session will highlight survey results on the characteristics of pasture leases; including the "going rates", pasture maintenance practices, stocking rates, grazing crop residues, and more.

Characteristics of Kansas Pasture Lease Arrangements



Robin Reid- KSRE Commercial Agriculture Economist
Sandra Wick- Post Rock Extension District Agent

Survey Responses



The "Going Rate"

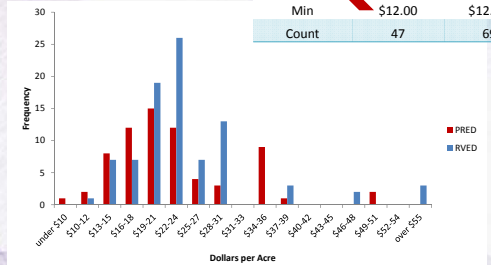
- Depends largely on characteristics of the pasture:
 - When the lease was last negotiated
 - Type of cattle
 - Type of soil/grass
 - Availability of water
 - Who maintains fence
 - Who manages weeds/brush
 - Cattle, forage, and grain markets



The "Going Rate"

Survey Results

	River Valley District	Post Rock District
Average	\$25.37	\$23.64
Max	\$75.00	\$50.00
Min	\$12.00	\$12.00
Count	47	69



The "Going Rate"

- Per Cow/Calf Pair

	Dollars per Cow/Calf Pair		
Average	\$161.76	\$155.22	\$178.11
Maximum	\$300.00		
Minimum	\$70.00		
Count	26		
- Per Head Per Day
 - Only 3 respondents (\$0.75, \$1.25, \$1.40 per day)



What Will Happen this Year?

- The survey question asked "Do you expect to increase, decrease, or not change the grazing pressure on your pasture in 2014?"

	River Valley	Post Rock
Increase	5%	22%
Decrease	3%	3%
Stay the Same	92%	75%

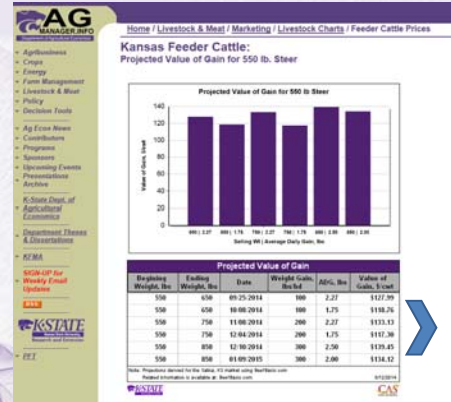
Stocker Cattle



	Acres	Beg. Wt. (pounds)	End Wt. (pounds)	Gain (pounds)
Average	3.45	583	835	252
Minimum	2.00			
Maximum	5.00			
Count	16			

If pasture was priced at \$25/acre, that would be \$0.34 per pound of gain.

Stocker Cattle



Water Sources

	Transport	Pond	Stream	Well	Rural Water	Spring
RVED	12.7%	98.4%	44.4%	30.2%	4.8%	4.8%
PRED	10.5%	42.5%	13.1%	31.4%	2.6%	



Who Maintains?

	Tenant	Landlord	Both
Percentage	70.7%	28.6%	0.75%

Fencing

	Labor	Materials
Tenant	77.9%	24.4%
Landlord	19.9%	72.5%
Shared	2.3%	3.1%



Weed/Brush/Tree Control

	# of responses	Percentage
Thistle (all)	23	24.21%
Musk Thistle	11	11.58%
Cedar	26	27.37%
Ironweed	3	3.16%
Blackberry	1	1.05%
Ragweed	1	1.05%
Mullen	1	1.05%
Locust	18	18.95%
Sericea Lespedeza	2	2.11%
Dogwood	1	1.05%
Hedge	8	8.42%
Total	95	1

Who Controls?

Tenant	50.4%
Landlord	34.6%
Shared	15.0%



Noxious Weed Control

- According to KS law, it is the duty of both the landowner and tenant to control the spread of and to eradicate noxious weeds.
- If not controlled, county weed supervisor has the authority to spray them and charge the landowner for the service.



Weed/Brush/Tree Control

	Percent of Respondents that do practice	Frequency of practice (years)
Spot Spraying	86.9%	1.04
Mechanical (cut)	54.1%	1.45
Prescribed Burn	32.8%	3.23
Aerial Spray	31.2%	2.74



Knowledge for Life

Grazing Crop Residue



- Per Acre
 - Average of \$8.67, Range \$4.00-\$20.00
- Per Head per Day
 - Average of \$0.35, Range \$0.15-\$1.00
- Stocking Rate

RVED	PRED
1.1 A/Cow	2.75 A/Cow
30 days	30 -90 days
Range: 0.5-2 acres	Range: 2-4 acres

Knowledge for Life

Grazing Crop Residue

	Tenant	Landlord
Water	75%	25%
Fence Labor	82.5%	17.5%
Fence Materials	60.5%	39.5%
Cattle Health/Care	92.1%	7.9%

Water Sources			
Transport	Well	Pond	Rural
48.8%	39.5%	9.3%	2.3%



Knowledge for Life

Cover Crops?



- Not enough survey information
- Tremendous potential for the future



Knowledge for Life

Other Comments from Survey

- "\$25 per acre is not nearly enough for all the taxes we pay on this land as well as fencing...that will never pay off...that is why we, if possible, will break out every acre we can to make some decent income for a change"
- "Some say we are too high, some say we are too low. I just know pastures for rent sure leaves a lot of money on the table for someone except me"
- "Too much pasture being converted to cropland."
- "Not hard to find a tenant"
- "Pastures are being grazed at the same stocking rates with cows that are 20% larger, results in some overgrazing."
- "If a dry year, when to remove cattle is a mutual agreement, condition of grass is determining factor."
- "Treat you landlord as your partner. Keep a trustworthy reputation."
- "Control grazing. Double Stock for 1/2 years and let rest and regrow."
- "Too many tenants overstocking."
- "I don't mind paying higher rent prices but after the drought and in some pastures only getting 3 months of grazing or having to haul water I thought it was wrong that landlords wouldn't refund part of the rent or help with additional expenses. All they seem to care about is getting their check and not the condition of the grass."
- "It is way too prevalent that tenants are abusing the pastures with the last 2 years of little precipitation. Landowners have set the rental rates and only consider the market price of cattle and not the need to reduce stocking rates to compensate for lack of precipitation."



Knowledge for Life

Hunting Leases



- 60% have some hunting leases
- Leases included deer, turkey, upland birds, waterfowl and fishing.
- 80% rented for the season
- 70% indicated "unlimited" hunters
- Range for hunting - \$250 to \$5,000
- Charged per/acre or per/gun used

Knowledge for Life

Written vs. Oral Leases (number of responses)

Written Leases	Oral Leases
12 – 100%	12 – 100 %
8 – 50-75%	25 – 50-95%
28 – Less than 50%	12 – Less than 50%



Written Lease



- Minimum Components:
 - Names of parties involved
 - Description of property rented
 - Beginning and ending dates of lease
 - Amount of rent to be paid, how, and when
 - Signatures of both parties
- Additional provisions
 - Stocking Rate
 - Drought Management Plan
 - Operation and Maintenance
 - Payment Schedule

Lease Resources

The screenshot shows the AgManager.info website. A red arrow points to the 'Farm Management' link in the left-hand navigation menu. The main content area features 'Recent Updates' and 'View AgManager.info Sponsors'.

Lease Resources

The screenshot shows the K-State Farm Management website. A red circle highlights the 'Farm Management: Leasing' link in the top navigation bar. Below, there is a table titled 'Land Rental Rates' with columns for Title, Author, and Publication Date.

Lease Resources

Title	Author	Bulletin/Date	HTML	PDF
Leasing From Lease Workshop Participants	Loretta, Charlotte, Dora, Owe	September 5, 2013		Download
Recently Asked Questions on Crop Share Leases in Kansas (2/16)	Dorita, Charlotte	July 23, 2010	View HTML	Download
Frequently Asked Questions on Crop Share Leases in Kansas	Dorita, Charlotte	October 21, 2011		Download
2010 Pasture Leasing Arrangements in Kansas	Stittgen and Tisdale	February 22, 2011	View HTML	Download
2009 Pasture Leasing Arrangements in Kansas	Stittgen and Tisdale	December 9, 2009	View HTML	Download
2008 Pasture Leasing Arrangements in Kansas	Stittgen and Tisdale	January 20, 2010	View HTML	Download
2007 Non-irrigated Crop Share Leasing Arrangements in Kansas	Stittgen and Tisdale	November 23, 2009	View HTML	Download
2007 Irrigated Crop Share Leasing Arrangements in Kansas	Stittgen and Tisdale	November 23, 2009	View HTML	Download
2006 Irrigated Crop Share Leasing Arrangements in Kansas	Stittgen and Tisdale	July 20, 2006	View HTML	Download
2006 Irrigated Crop Share Leasing Arrangements in Kansas	Stittgen and Tisdale	2006	View HTML	Download
2005 Irrigated Crop Share Leasing Arrangements in Kansas	Stittgen and Tisdale	2005	View HTML	Download
Crop Share Leasing Principles and Legal Issues in Kansas	Stittgen	January 16, 2008	View HTML	Download
Ethics of Leasing Agricultural Land	Kastner, Charlotte	September 2006	View HTML	Download
Kansas Farm Lease Law	Worland	© 2001 (2001)	View HTML	Download
Leasing Principles and Background	Kastner	December 2003	View HTML	Download
Leasing Contract	Stittgen, Kansas	December 2003	View HTML	Download
Leasing Leases	Dorita	December 2003	View HTML	Download
Leasing Leases	James	November 2003	View HTML	Download
Farm Building Leases	Dorita, Charlotte	December 2003	View HTML	Download

Lease Resources

Farm Title	Bulletin/Date	Word Doc	PDF
Crop Farm Lease - Dual Rent (Fix Price) Example		Download	Download
Crop Farm Leases		Download	Download
Fixed and Flexible Cash Rental Arrangements for Your Farm - Sublet and Lease Farm	NCFMIC-01 (2011)	Download	Download
Fixed and Flexible Cash Rental Arrangements for Your Farm - Lease Farm only	NCFMIC-01A (2011)	Download	Download
Crop Share Rental Arrangements for Your Farm - Sublet and Lease Farm	NCFMIC-02 (2011)	Download	Download
Crop Share Rental Arrangements for Your Farm - Lease Farm only	NCFMIC-02A (2011)	Download	Download
Pasture Rental Arrangements for Your Farm - Sublet and Lease Farm	NCFMIC-03 (2011)	Download	Download
Pasture Rental Arrangements for Your Farm - Lease Farm only	NCFMIC-03A (2011)	Download	Download
Real Estate Rental Arrangements for Your Farm - Sublet and Lease Farm	NCFMIC-04 (2011)	Download	Download
Real Estate Rental Arrangements for Your Farm - Lease Farm only	NCFMIC-04A (2011)	Download	Download
Rental Agreements for Farm Buildings and Livestock Facilities - Sublet and Lease Farm	NCFMIC-05 (2011)	Download	Download
Rental Agreements for Farm Buildings and Livestock Facilities - Lease Farm only	NCFMIC-05A (2011)	Download	Download

Title	Author	Bulletin/Date	HTML	PDF
100% Free Renting May Benefit Farm Income, Wildlife Habitat	USDA-ERS	April 17, 2009	View HTML	Download
Example Leases	Taylor	February 2004	View HTML	Download
Leasing Leases in Kansas	Taylor	January 2004	View HTML	Download

