Unsolicited Advice

If you see me and think I'm trying a new hair color it wasn't intentional! Putting wood in the outdoor stove, I guess I singed my hair. It was this funky orange matted mess. I was instructed to not get so close to the fire (duh), I explained my arms are shorter than said husband and son, and probably they should do it from now on!

Advice, I've worked with quite a few landowners and tenants during my tenure. Boy, there have been more than a few horror stories told. I firmly believe there are 3 sides to the story, the landowner, the tenant and then the truth. These negotiations are best done with a lot of communication.

With farms growing in size, it's not uncommon for the average farmer to have 4 to 40 landowners they are dealing with. The biggest mistake I see happening is the tenant (farmer/rancher) thinking they know what is best and they don't consult with the owner. This is a huge mistake.

Dr. Mykel Taylor, one of our rising star Ag Economists, suggests using your phone and taking some pictures of the property, crop or property structures and sending it to the landowner throughout the season. If there is a fence problem or a terrace that needs work, take a quick picture and send it along. In other words, just stay in touch!

If you are working with a landowner that is a different gender than you are, you MUST treat them as our equal.

The three most common types of leases used in Kansas are the fixed cash lease, the flexible cash lease, the crop share lease, and the custom farming contract. Under a fixed cash lease the tenant pays a given amount of cash rent per acre per year for the use of the farm resources. The landlord may put some restrictions on what crops can be grown, or what tillage, conservation, and pest control practices can be used. Other than this, the tenant has free rein in planning the crop and livestock production program on the farm unit and receives all the crop and any associated USDA commodity program payments.

A variation of the fixed cash lease is a flexible lease, in which the actual rent to be paid depends on the actual yields attained and/or the selling prices available during the lease period. This ensures that the rent paid is in line with the profitability of the crops grown that year. Sometimes government payments and crop insurance benefits are also included in calculating the gross revenue. The landowner shares some of the risks of low yields or declining prices but also shares in the extra profits when prices and/or production exceed expectations.

The distinguishing characteristic of a crop share lease is that the owner receives a share of the crop and USDA payments as a return for the land resources used. There may be a separate rental charge for a good set of buildings or grain storage facilities. Both parties share the expenses, at the agreed-upon rate.