

Ag Radio programs for November 9 - 15, 2015

### Agricultural Leases

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. I've started receiving a lot of phone calls asking about rental rates and custom harvest rates so I know that harvest is winding down. One thing that I really encourage landlords and tenants to do every fall is talk. Talk about the crop, talk about the land, and talk about the lease. Ag leases are very common in Kansas but are poorly understood by tenants and landowners. Again this fall I will be holding an Agricultural Lease Basics program. It will be Wednesday evening, November 18<sup>th</sup>. We'll start at 7 p.m. at the Geary County 4-H/Sr. Citizens Building. The presentation will last about 90 minutes. In the course of that I'll hit the critical legal highlights of the Kansas Agricultural Lease Law and some very important tidbits you need to be aware of regarding both oral and written leases, including proper termination of the lease by the landlord OR the tenant. I'll address the crucial components of leases and some special considerations for pasture leases as well as crop leases. I'll even throw a couple of curveballs at you to perhaps challenge how you have traditionally thought about ag leases. We'll talk a little bit about cash leases and how they need to be re-evaluated with changing crop and livestock prices. There's no cost for the meeting, and you don't need to pre-register. Just show up at the Geary County 4-H/Sr. Citizen's Building at 7 p.m. Wednesday, November 18<sup>th</sup> and we'll talk leases. Tenants bring your landlords, landlords, bring your tenants! This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.

## Bluestem Pasture Rental Rates

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. One of the things that has gone off the charts the past couple of years are bluestem pasture rental rates. How much of it is fact and how much is fiction is hard to tell, but I've heard rumors of pasture rental rates going for more than some cash leases on crop land. What's driving this? Well of course, the long run of \$2 plus feeder cattle prices! When a 550 pound calf can bring 1,000 to 1,200 bucks, the value of the pasture that the cow and calf were on all summer suddenly brings a premium. Unfortunately, the ag statistics service has dropped their pasture rental rates survey. There has been some talk of K-State Ag Econ department picking that up, along with the custom harvest rates survey, but I'm not sure that this has been confirmed. If we take a conservative approach to pricing pasture we could simply look at say 25 to 30% the value of the calf that is produced. If calves were averaging \$1,100 then 25 to 30% of the value would be \$275 to \$330 and a lot of pasture was rented right in this range for a cow with spring calf. On a per acre basis, if you were to assume 8 acres of grass per pair, and landlords note I said 8 acres of GRASS, timber and brush has little value for grazing, then we'd be looking at 35 to 45 dollars per acre. But I really prefer to rent pasture on a per pair or per head basis. Also keep in mind that those are starting points. If the tenant is fixing fence, removing brush, spraying thistles or sericea, then you need to start backing off on those rates to compensate for the time and material that the tenant put in. And as cattle prices come down in the future, so should rental rates! This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm

Chuck Otte.

## Renting corn or sorghum stocks

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. Something that I would like to see happening a little more often is utilizing cattle to graze corn and sorghum residue after harvest. This year may be an excellent opportunity to make good use of this forage resource AND create a little extra income for land owners. There's been some interesting research results from Nebraska showing the grazing stalks doesn't hurt yield of whatever the crop is the following year and in some cases can actually increase yield. I know there are often concerns about compaction, but as dry as it is right now, that isn't likely to be an issue this year. Nitrate tests have been coming back very low and once we finally get a good hard freeze, prussic acid concerns in sorghum residue will be eliminated also. Our friends in some Kansas counties just to our north and west have done some good surveys of their producers regarding stocking rates and rental rates that I think many of you would find interesting. Stocking rates on corn residue average 2 acres per cow per month. Sorghum residue was 1.35 acres per cow per month. For rates, producers were surveyed on the head and acre basis. Starting with corn residue: on a per acre basis the range was \$5 to \$10 per acre with an average of \$8.63. On a per head per day basis, the range was 25 cents to \$1 per head per day with an average of 60 cents. Sorghum residue on a per acre basis ranged also from 5 to \$10 with an average of \$7.50 per acre. On a head per day basis the rate was 25 cents to \$2.50 per head per day with an average of 92 cents per head per day. If you missed those rates and need them, give me a call. This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.