

Crop Share Leases - Everything on the table

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. Last week I was doing my ag lease workshop in another county. Which, by the way, is the same program I'll be doing tomorrow, Tuesday night, January 9th, 7 p.m. at the 4-H/Sr. Citizens Building. No pre-registration required, just show up! Anyway, a producer asked about a couple of expense items and if it was out of line to ask for the landlord to pay a share of them. Historically, landlords paid a share of fertilizer, lime, herbicide and insecticide. But historically we were growing 40 bushel wheat, 30 bushel beans, 90 bushel milo and a disc and plow were used annually on every field. Things have changed and landowners and tenants need to sit down and literally put everything on the table. The ag lease law says nothing about which costs should or shouldn't be shared. The lease is a contract and like all contracts, it is subject to negotiation. If a landlord wants a bigger part of the crop, they need to be willing to share more of the crop production expenses. The entire concept of a crop share lease is that the crop is shared in the same proportion as the expenses to raise the crop. When everything is put on the table, and the landlord's contribution is 33% of the total, then they get 1/3 of the crop. If the landlords contribution is 25%, then they get 1/4. If the landlord doesn't want to share in any of the expenses, but still get a portion of the crop, then we have tools to figure that out as well. For the record, depending on the crop mix, it'd be somewhere between 15 and 25% of the crop! This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.

Consider Grain Sorghum

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. For most of my career I've been saying that grain sorghum is the Rodney Dangerfield of crops - it gets no respect. It's itchy when it's harvest time. We don't have roundup ready technology for it - thank goodness or we'd have glyphosate resistant shattercane which may not be as big an issue as it was ten years ago, sugar cane aphids made a mess of it the past few years and corn and beans have made more money, at least in recent years. All true statements. But I think most of the latter ones are just excuses because milo just itches. Yes, I grew up on a farm growing a lot of milo, irrigated milo no less. And yes, it does itch. I spent five years in college working on a grain sorghum breeding research program and my master's degree is in grain sorghum. I do know this crop! There have been some forecasts coming out that economically, this could be a good year for grain sorghum. Remember, in spite of all the advances, grain sorghum is still more drought and heat tolerant than corn. Start by choosing a good sugar cane aphid resistant hybrid several are available. Next, fertilize it like you were growing corn. The genetics are there to raise some really good sorghum. Then forget this nonsense of planting it in June. Plant the darn stuff in mid May BEFORE you start on your beans. Late planting hurts us as much as anything. Don't overplant it and use a good preplant herbicide program. We have several that are top notch. Sorghum still has a place in your crop rotation! This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.

Cow-Calf Workshop

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. It's time once again for what I like to call the Tri-county Calving School. The Tri-county area is Geary, Morris and Wabaunsee counties and the three Extension programs try to have at least one program every other year in Alta Vista. The calving school will be Thursday night, January 18th and we'll be at the Alta Vista Church at the south end of main street. Come to the south door. The doors open at 5:45, supper is at 6 and the program will start at 6:20. There is a \$5 registration fee payable at the door. We do ask for pre-registration, after all we want to make sure that there's enough food! All you have to do to pre-register is call me at the Extension office, 238-4161 or email me or text me. We've got two speakers on the docket and you will enjoy them both. Dr. A. J. Tarpoff is a K-State Extension Beef Veterinarian and very real. AJ is going to talk about increasing the number of lives calves born WHEN assistance is needed. Practical tips on when and how to intervene, the difference between assisting cows and first calf heifers and then with the use of a life scale model he'll demonstrate the proper use of calving equipment. I said PROPER use! Dr. Amy Bandel with Mill Creek Vet Service will discuss abortion causing agents - you may be surprised by this one, maintenance to control calf scours and colostrum's role in fetal programming and calf success. So, that's Thursday January 18th starting at 6 p.m, but you must pre-register by this Friday, the 12th. This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.

Brome grass or hay meadow leases

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. We have several groups that will survey or calculate pasture land lease rates or crop land lease rates. But what about what I call that in between land, also known as brome grass and hay meadows. When I do ag lease meetings I probably get as many questions on these as I do on anything else. So I decided to take the Kansas Lease spreadsheet and pull out all the crop stuff and replace it with Farm Management figures for brome grass and alfalfa and native hay. They didn't have cost return projections for native hay so I just used the same figures essentially as for brome and pulled out the fertilizer. One cutting each so the equipment costs should be the same. I looked at Landowners Equitable Cash Rent as well as shares. A lot of this makes sense - alfalfa is going to be planted on generally better crop ground so it should have a cash rent very similar to row crops. Brome grass doesn't usually go on better ground. If it was better, it'd be crop ground. But it's good enough and flat enough to grow an acceptable brome crop. Given current rates, we're probably looking at \$40 to \$45 an acre maybe \$50 if it has a good track record. Native hay should be more than pasture because it's flat enough to hay but less than brome so probably right around \$35 an acre. As for shares on brome or native hay. It looks like anything between 1/3 - 2/3 or 2/5 - 3/5 depending on if the landlord is sharing fertilizer expense on the brome. Grass waterways are probably best treated just like brome fields. This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.

Which is fairer, cash rent or crop shares leases?

This is Ag Outlook on 1420 KJCK, I'm Chuck Otte, Geary County, K-State Research and Extension Ag & Natural Resources Agent. As I do my ag lease workshops I am routinely asked for my opinion on which is fairer or better, crop share leases or cash rent leases and it's usually the landlords that are asking. So I'll answer that this morning as if I were talking to a landlord. Okay, first of all we don't talk about what's fair in leases. Fair is a very subjective judgement. We talk about equitable because equitable is an economic term that we can calculate. We also need to talk about what works for you. Farming is subject to the weather and to the markets. So potential profitability will go up and down with the weather and the markets. If you feel that you can handle the possibility of losing money in a bad year, so that you can benefit in the good years with good yields and or good prices, then there's nothing wrong with a crop share lease. You'll have to sort through expenses and be comfortable understanding all the lingo and then keep up on crop insurance on your share - okay, crop share leases are a lot like farming in that respect, because you are farming - you're just not doing the labor part of it. But if all of the bills are overwhelming at times OR you want the budgeting security of knowing exactly what your farm income is going to be, then you may want to look at a cash rent lease. You give up extra income in the good years for the security of not losing money in the poor years. There are other considerations here but that is really what it comes down to. There's also variable cash rents or cash rents with a good year bonus, just all sorts of options. If you'd like to discuss these, give me a call! This has been Ag Outlook on the Talk of JC, 1420 KJCK, I'm Chuck Otte.