

## **Agricultural Lease Deadline Looming**

### **AGRI-VIEWS**

by Chuck Otte, Geary County Extension Agent

Agricultural leases are a critical part of most farming and ranching operations. Very few farmers own all the land that they farm. In fact most farmers have more than one landlord. So rented land is very crucial. Ag leases are legally binding contracts of a somewhat special nature. They include parts of property law and parts of contract law. What many people outside of agriculture find quite surprising is that in Kansas, oral agricultural leases are also recognized as legal and binding. But that is where we frequently run into problems.

This column is only going to touch on one very special consideration with agricultural leases due to limitations of space and time. I will be presenting a more in-depth Agricultural Lease program next Tuesday afternoon, January 24<sup>th</sup>, at 2:30 p.m. at the 4-H/Sr. Citizens Building on Spring Valley Road. The program is free and no pre-registration is required.

The Kansas legal system recognized that many ag leases were oral agreements so they put in place an exception to the statute that essentially says that certain contracts must be in writing to be enforceable, including those conveying an interest in real estate. The exception exists for leases that do not exceed one year in length. So by law, oral leases are legal and binding, but they only exist as one year leases which renew automatically UNLESS proper notification is given. Proper notification is where the rub begins.

A written lease can be very specific. It can dictate any beginning and ending date for the lease. It can state who controls hunting or fishing access. It can say when cattle are put into a pasture and have to be removed and even how many cattle can be placed in the pasture. As long as the landlord and tenant are getting along and have a tenant/landlord relationship built on trust and respect, they can agree to almost anything. BUT if there is a disagreement that lands the lease in court, the court is going to defer to a whole lot of standards that are not going to make the tenant or the landlord happy.

To terminate an oral lease three conditions must be met. The notice must be given in writing. Email probably doesn't count, a text won't do it, neither will a phone call or face to face conversation. To make sure that the termination is legal and enforceable it must be in writing.

It has to be in the tenants hands at least 30 days prior to March 1. This year that'll be January 30<sup>th</sup>. Not mailed 30 days prior to March 1<sup>st</sup>, not February 1<sup>st</sup> but 30 days prior to March 1<sup>st</sup>. It must also set the termination date of the lease to be on March 1<sup>st</sup>, except for any acres planted to wheat. Termination date on those acres is the day after the last day of harvest of those acres or August 1<sup>st</sup>, whichever comes first.

The letter can be handed in person to the tenant. It can be mailed in some form that requires the tenant to sign for it. It can be given to anyone at the residence over the age of 12. It can be left at the tenants residence or posted in a conspicuous place. If the notice to terminate does not meet all three of the above stipulations, the tenant has the right to farm the ground for another year. Notice could be given in March 2017 to terminate the lease March 1, 2018. It can be given after wheat harvest this year for March 1, 2018. If notice is given prior to wheat planting this fall, then the tenant does not have the right to harvest a wheat crop if they plant it.

There are many things that need to be considered and discussed between a tenant and landlord. If a new lease is desired and the tenant and landlord can't come to terms, then we are running out of time for the landlord to serve proper notice.