

Agricultural Lease Deadlines Approaching

AGRI-VIEWS

by Chuck Otte, Geary County Extension Agent

Well over half of the farmland in Kansas is leased. The person who owns the land doesn't farm it. As such, agricultural leases are very crucial to most producers. Additionally, many agricultural leases are oral agreements. There is no written and signed lease agreement, it's word of mouth and a handshake. Forty years ago over 90% of all ag leases were oral. It's now a lower percentage of that but at least half if not more are still oral leases. Kansas statutes recognize oral ag leases as legal and binding, BUT there are numerous stipulations that govern them.

All oral leases are annual leases that run from March 1 to March 1 and renew automatically unless they are properly terminated. For a lease to be properly terminated it must meet three requirements. First, the notice to terminate must be in writing. Furthermore it must state that the termination date is March 1 and the notice must be in the tenant's hands 30 days prior to March 1. 2020 is a leap year so it pushes that crucial date to January 31st thereby giving landowners an extra day in January to have notices delivered. Any attempt to terminate a lease that does not meet these three criteria is not legally binding and the lease continues for another year at the terms agreed upon for the previous year.

January is when many leases are renegotiated. It is important to get these negotiations wrapped up soon because if the tenant and landlord cannot agree on new terms, notice needs to be given by January 31st. Kansas statutes treat pasture or range land the same as crop land. Written leases can state other dates and contain many other stipulations into use of the land. But with an oral lease, in the eyes of the law, the tenant has full control for the entire year of that land including hunting rights. Which are some of the reasons why I really encourage written leases!

There are some considerations and exceptions that I need to note. If wheat was already planted on the farmland at the time that proper notice of termination was given, the tenant still has the right to harvest that wheat. Cash rent will be paid as per the prior year's lease or expenses and crop shared at the previously agreed upon terms. For those acres planted to wheat the lease ends when the crop is harvested. If a perennial forage crop was planted last fall (alfalfa or bromegrass) and a stand was established, then the landowner owes the tenant for all seed, fertilizer, etc that was used to establish that perennial crop.

The other area that may cause some issues is in fields that will be planted to spring crops. Many of these fields may have already been fertilized this past fall after harvest. Some may even have had herbicides put on for early season weed control pre-plant. If the tenant has applied these inputs and then is terminated properly by the landlord, the landlord owes the tenant for the fertilizer or weed control in addition to standard application charges. For cash rent leases that would be the full amount of the inputs applied, for crop share leases it would be the share that the tenant has paid for.

Agricultural leases are a necessary and important part of agricultural production today. But setting up and maintaining equitable leases is a big job and an important one. The Geary County Extension Office will be hosting an Ag Leases meeting Thursday evening, January 16th at 7 p.m. at the 4-H/Sr. Citizens Building at the Geary County Fairgrounds, 1025 S Spring Valley Rd. There is no charge for this meeting but please call in advance, 785-238-4161 and register so we can produce enough handouts for everyone present.