# 2024 River Valley Extension District Lease Survey Summary

January 2025

Agriculture continues through one of the most significant financial downturns in recent history. With many similarities to the 1980s, landlords and tenants are carefully looking for ways to cut costs and improve revenue streams. Given these conditions, determining an equitable lease arrangement has become increasingly challenging with landowners and tenants frequently turning to the K-State Research and Extension offices for information on the "going rates" for pasture and cropland leases.

K-State Research and Extension, River Valley District recognizes the value of local rental rate information and conducted its first annual, district-wide lease survey in the fall of 2012.

The survey is sent to at least two landowners and/or tenants in each of the townships within the four counties that make up the River Valley District. This gives a cross-section of responses that represent the common terms for district leases. In addition, the River Valley District Agriculture Program Development Committee and Governing Board members, as well as North Central Kansas Farm Management Association members within the district are invited to complete the survey. To help improve our response rate we added the online Qualtrics survey option for any producer to go on and fill out. All in all, we had 95 cropland surveys,71 pasture, and 39 crop residue and forage crop grazing surveys filled out.

While no one average value will hold true for all rental arrangements, the goal of this survey and summary is to provide ag producers, ag lenders, and local or absentee landowners with local lease information that can be used as a basis to begin lease negotiations. The summaries that are included with this paper are a compilation of the local surveys returned and do not represent a random, scientific sampling.



### This 2024 Survey Summary paper contains:

- •Pasture Leasing Arrangements and Rates Summary
- •Cropland Leasing Arrangements and Rates Summary
- •Crop Reside and Forage Crop Grazing Rates Summary
- •Overview of lease resources available

### The 2024 Survey was conducted by:

K-State Research and Extension, River Valley District

**The 2024 Survey was sponsored by:** K-State Research and Extension, River Valley District

### This 2024 Survey Summary Paper was Written by:

Kaitlyn Nelson District Agent Livestock Production Luke Byers District Agent Agriculture & Natural Resources





Kansas State University Agricultural Experiment Station and Cooperative Extension Service

K-State Research and Extension is an equal opportunity provider and employer.

### 2024 River Valley District Pasture Survey Summary Kaitlyn Nelson, Livestock Production Agent

All survey recipients were provided a pasture survey with a total of 71 pasture lease surveys returned including those filled out online. However, individual questions may not have been answered by all respondents. Therefore, when reporting survey results, the "count" will also be reported to capture the certainty of the statistic.

For pasture rent paid by the acre, the average across the district was \$32.41 with a median value of \$30. There were a couple surveys that came back indicating a price range of \$25-\$38 per acre. With these surveys it was written down as a range because it depended on the year and capacity of the pasture. There was also one survey that indicated a flat rate of \$500. This was listed under per acre figure but was not included in the average. Numbers ranged from \$10.00 to \$67.00 per acre. While this seems like a wide range, keeping in mind arrangements can vary significantly by the type of soil and grass in the pasture, type of cattle pastured, availability of water, who maintains the fence, who manages the brush and weeds, etc.

Over the years, we have had some large variations on a dollar/pair basis. In 2024, 9 surveys came back with an average price per pair of \$204.78. In 2024, we saw a range of \$150-\$300 per pair. The following figures are an average dollar amount per pair for that year. In 2018 it was \$157.92/pair. In 2019, it was \$190.31/pair. In 2020 it was \$142.00/pair. In 2022 it was \$193.76/pair. If we take the weighted average of the past five years, we have \$177.75/pair. Most grazed between 150 days and 180 days on per pair rental. Few leases are being paid on a dollar/head/day basis. However, the average of the three respondents was \$1.13/head/day. Table 1 illustrates the average lease rates in the district.

Figure 1 illustrates the stocking rates for cow-calf pairs in the district by number of producers. Most operations have five to seven acres/pair. The average stocking rate for the district was 5.95 acres per cow-calf pair. In 2024, 57 participants started grazing between mid-April to mid-May. Sixty percent of the respondents pulled cattle off from October 1<sup>st</sup> to October 31<sup>st</sup>. Thirty-eight percent pulled cattle from November 1<sup>st</sup> to November 15th. One participant indicated that their grazing season was for 60 days. Another participant indicated that putting cattle into pasture and taking them out changes from year to year.

Again, it was asked if producers changed when they put in their cattle and when they pulled them out to help graze during drought conditions. There were no significant changes to report from a normal grazing season to a drought like grazing season.

Figure 2 illustrates stocking rate of stocker calves on pasture in district by number of producers. Most pasture leases are done with cow-calf pairs. Only seven respondents said they had stocker cattle. Based on responses the starting weight of the calves was between 400 and 800 pounds. Targeted weight when coming off of pasture was between 800 and 1,000 pounds. The average stocking rate of these six responses was 4.5 acres/animal. One participant did indicate that the goal was for calves to gain 2.0-2.5 lbs. on grass.

 Table 1: Average Pasture Rental Rates

	\$ Per Acre	Min Per	Max Per	\$ Per Pair	\$ Per Head Per Dav
	(N)	Acre	Acre	(N)	(N)
CY	\$30.45	\$10.00	\$50.00	\$180	None
	(19)			(2)	
CD	\$35.67	\$25.00	\$50.00	\$260	\$0.85
	(12)			(1)	(2)
RP	\$32.91	\$20.00	\$50.00	\$175	\$1.70
	(16)			(1)	(1)
WS	\$31.22	\$18.75	\$67.00	\$209.60	None
	(8)			(5)	
All	\$32.42	\$10.00	\$67.00	\$204.78	\$1.13
Counties	(55)			(9)	(3)

#### **Figure 1: Stocking Rate**



### **Figure 2: Stocking Rate**



Table 2 illustrates a combination of all four counties when asked how often their lease rates were negotiated.

Table 2: How Often Leases are Negotiated

All Counties	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.
Lease Rates	32	11	12	0	13
Negotiated	(47%)	(16%)	(18%)		(19%)

Respondents were not asked the length of leases. In past years the district has seen one year long leases have the highest percentage of lease arrangements. When analyzing whether leases are written or oral between landowners and tenants in the district, 51 (59%) respondents say they have oral leases while only 45 (41%) have written leases.

Respondents were not asked in the survey about the relationship between the landowner and the tenant across the district. A large percentage of relations between landowner and tenant is usually unrelated. These numbers can play a role in the amount of rent paid. There was more variation in the amount paid when the landowner and tenant were related to each other. However, in most cases across the district, the landowner and tenant were not related.

For this survey participants were not specially asked where the landowner resides relative to the piece of land. In past surveys, it has been seen around the district that most landowners live in the same county as their land. Sometimes an absentee landowner can play a part in the quality of the land and could affect stocking rates.

Water sources were reported in Table 6 with 70 respondents. While most had multiple sources, most

pastures still relied on a pond, stream, and well. Some pastures also had water transported to the location. In 80% of the leases, the tenant was responsible for maintaining the water source while 11% the landowner was responsible. The high percentage of livestock drinking from ponds and streams has implications for water quality and provides opportunities for livestock producers to take advantage of cost-share assistance.

 Table 6: Water Sources for Cattle

Pond	Stream	Transported	Well
83%	27%	10%	37%
(58)	(19)	(7)	(26)

Fencing responsibility is illustrated in Table 7. Labor for fencing was the responsibility of the tenant in 75% of the leases while in 66% of the leases the landowner provided the materials. A common arrangement is for the tenant to provide the yearly upkeep on the fence and the landlord to provide any new construction of the fence that is needed.

#### **Table 7: Fencing Responsibilities**

	Labor	Materials
Tenant	75%	33%
Landlord	19%	66%
Shared	3%	

We did not ask in the survey about which trees or brushes were problematic in pastures. In the past, cedar trees were the most problematic followed by locust, hedge, musk thistle, brush (blackberry, buckbrush, and dogwood), sericea lespedeza, and old-world bluestem. Controlling problematic plant species in a pasture has very mixed arrangements throughout the district. In 47% of the leases, the tenant is financially responsible for controlling weeds and trees, in 39% the landlord is responsible for financially controlling weeds and trees. In 67% of the leases, tenants are physically responsible for weeds and trees while 22% of landlords are responsible for weeds and trees. Only 14% split financial responsibilities and 9% split physical responsibilities. Control methods varied considerably across the district and most respondents listed multiple control methods. Most respondents said they spot spray every year. Mechanical control of weeds and trees is done between 1 and 5 years. Prescribed burning happens

every 3 to 5 years and one respondent said every 10 years. On average, aerial spray happens every 3 to 5 years.

We did not ask questions on this survey pertaining to hunting rights due to the low response rate in years past. Hunting leases are highly variable due to the quality of the land. (Note: Kansas lease law would indicate hunting rights go to the tenant unless otherwise specified in the lease agreement)

### 2024 River Valley District Cropland Survey Summary

Luke Byers, Agriculture & Natural Resources Agent

The following summary contains the responses of 95 surveys returned that provided information on cropland leases. From these 95 surveys, 157 unique leases were analyzed. Data includes cash rental rates, share lease arrangements, custom rates, lease renegotiations, and related topics. Within each survey, each question may not have been answered by all respondents. The specific number of responses is mentioned with each data set. The survey does not reveal the quality of land, parcel size, technology being implemented, productivity, commodity prices, or other demand factors that might affect the rate negotiated between a landlord and tenant for a piece of land. Tables 1 & 2 provide response summaries for dryland and irrigated cropland, respectively, from Clay, Cloud, Republic, and Washington counties with a District average and comparison to figures from the previous survey.

**Renting Cropland** – Of 87 responses specifying mode of lease arrangement, 35 (40%) respondents reported a written lease arrangement, while 52 (60%) respondents reported an oral lease arrangement. Oral leases continue to be more common.

Table 1	1: Dr	yland (	Crop	Cash	Rental	Rates
---------	-------	---------	------	------	--------	-------

				# of
	(\$/Acre)	Min.	Max.	Respondents
CY	\$105.64	60	205	25
CD	\$105.20	75	140	10
RP	\$99.09	50	170	11
WS	\$101.64	80	150	14
RVD	\$103.46	50	205	60

### **Table 2: Irrigated Crop Cash Rental Rates**

	\$/Acre	Min.	Max.	#
CY	\$215.00	200	225	4
CD	\$183.33	150	200	2
RP	\$255.00	240	270	2
RVD	\$217.00	150	270	10

Note: Irrigated Lease Responses increased from 1 to 10 from 2022 to 2024.

**Crop Share** – Tables 3 & 4 provides the distribution of dryland crop share leases districtwide and by county. Table 5 provides the distribution of irrigated crop share leases. Percentages are based on 81 respondents.

Сгор	60/40	66/33	Other	#
Corn	66.67%	25.00%	8.33%	45
Soybean	64.44%	27.27%	8.28%	45
Wheat	66.67%	33.33%	0.00%	21
Milo	53.85%	46.15%	0.00%	14
Alfalfa	0.00%	50.00%	50.00%	2
Other Hay	0.00%	100.00%	0.00%	2

**Table 4: Crop Share Distribution by County** 

	60/40	66/33	60/40	66/33
Crop	Repu	ıblic	Washington	
Corn	80.00%	10.00%	75.00%	12.50%
Soybean	81.82%	9.09%	100.00%	0.00%
Wheat	100.00%	0%	50.00%	50.00%
Milo	100.00%	0.00%	N/A	N/A
Corn	71.43%	21.43%	36.36%	45.45%
Soybean	66.67%	25.00%	28.57%	57.14%
Wheat	71.43%	28.57%	42.86%	57.14%
Milo	40.00%	60.00%	40.00%	60.00%
	Cloud		Cl	ay

Сгор	50/50	60/40	Other	#
Corn	46.67%	33.33%	20.00%	16
Soybean	53.85%	30.77%	15.38%	16
Wheat	100.0%	0.00%	0.00%	1
Milo	100.0%	0.00%	0.00%	1

**Input Sharing -** Table 6 provides information on the proportion of production expenses shared by crop share arrangement respondents. In most leases, not all expenses are shared. Commonly, shared expenses are those accounted for as variable costs of production, i.e., inputs where production value is directly affected by input cost. Percentages are based on 45 responses.

<b>Input Shared</b>	%Sharing
Fertilizer	97.50%
Herbicide	92.50%
Fungicide	70.00%
Insecticide	62.50%
Terracing	5.00%
Seed	17.50%
Irrig. Maint.	7.50%*
Tech. Fees	15.00%

 Table 6: Shared Inputs on Crop Share Leases

Note: Among irrigated share leases, 30% of respondents reported sharing Irrigation Maintenance expenses.

**Flex Rent** – Six responses provided information on flex rental arrangements, up from three in 2022. Among "pure" flex rent leases, (*Rent* = Yield × *Local Monthly Average Cash Price* × \_\_\_%), reported percents ranged from 22.5% to 28%. Among cash rent with flex bonus leases (*Rent* = *Base Rent* + (*Yield* × \_\_\_%)), base rent ranged from \$45 to \$75 and percents ranged from 28% to 33%.

**Custom Work** – Many owners or operators have custom work performed on their farms. 65 custom rate responses were received in 2024, up from 60 in 2022. Table 7 lists average custom rates charged by/to respondents by operation. Often, harvest and/or hauling custom rates include variable rates based on yield and/or distance thresholds. These variable rates are listed in Table 8.

Operation	'24 Rate	Unit	Other custom rates:				
Fertilizer	\$20.83	/Ac	<ul> <li>Disking: \$13/ac</li> <li>Swathing: \$135/hr.</li> </ul>				
Harvest	\$36.88	/Ac	• Stalk Shred.: \$13/ac				
Planting	\$22.04	/Ac	<ul> <li>Surp Timig: \$25/ac</li> <li>Baling: \$15/ac</li> </ul>				
No-Till Drill	\$20.00	/Ac	Reported with limited				
Hauling	\$0.18	/Bu	responses.				
Spraving	\$8.06	/Ac	<u> </u>				

### Table 7: Custom Rates by Operation

#### Table 8: Variable Rates by Operation

Variable Rates	Rate	Unit	Trigger	Unit
Soybean Harvest	\$0.22	/Bu	25	Bu
Corn Harvest	\$0.20	/Bu	87.5	Bu
Wheat Harvest	\$0.20	/Bu	35	Bu
Hauling	\$0.04	/Bu/mi	15	mi

### 2024 River Valley District Crop Residue/Forage Crop Grazing Kaitlyn Nelson, Livestock Production Agent

The 2024 survey asked respondents about their grazing crop residue or forage crop grazing arrangements. There were 39 surveys sent back. From these surveys, 85% said tenants supply the labor for the fence and 15% said landowners supply the labor. There were 67% of the respondents that said tenants supply the materials for the fence and 33% said landowners supply the materials. One survey indicated that materials and labor were split between landowner and tenant.

#### Table 1: Grazing Corn/Sorghum

				\$Per		Max Per
	\$ Per Acre (N)	Min Per Acre	Max Per Acre	Head Per Day (N)	Min Per Head Per day	Head Per Day
CY	\$10.50 (2)	\$6.00	\$15.00	\$0.55 (1)	-	-
CD	\$11.67 (3)	\$10.00	\$15.00	None	-	-
RP	\$12.60 (5)	\$8.00	\$20.00	\$0.20 (1)	-	-
WS	\$9.97 (4)	\$7.00	\$12.00	\$0.63 (4)	\$0.35	\$1.25
District	\$11.46 (13)	\$6.00	\$20	\$0.54 (6)	\$0.20	\$1.25

Table 1 illustrates the grazing of corn and sorghum crop residue rental rates per acre and per head per day. Table 2 illustrates the grazing of cover crops in per acre and per head per day. There were few responses for grazing alfalfa with two surveys returned. One survey indicated a \$15 per acre rate and the other was \$1.75 per head per day. Only one survey was returned for winter wheat grazing and that a \$1.25 per head per day rental rate.

**Table 2: Grazing Cover Crops** 

	\$ Per Acre (N)	Min Per Acre	Max Per Acre	\$Per Head Per Day (N)	Min Per Head Per day	Max Per Head Per Day
CY	None	-	-	\$0.55	-	-
				(1)		
CD	\$20.00	-	-	None	-	-
RP	\$15.00	\$10.00	\$20.00	None	-	-
	(2)					
WS	None	-	-	\$1.50	-	-
				(1)		
District	\$16.67	\$10	\$20	\$1.03	\$0.55	\$1.50
	(3)			(2)		

**Figure 1: Stocking Rate** 



Figure 1 illustrates the stocking rate per acre by the number of producers in the district. The average stocking rate was 6.38 acres with a minimum of 1 and a maximum of 30. There was an average of 59.06 grazing days with a median of 37.5 days. A range of grazing days from 30-120 days.

Most of the respondents said they were grazing cow/calf pairs or dry cows. Two respondents indicated they were grazing stocker/feeder calves on the crop residue or forage crop. A majority would put cattle in to start grazing in November with a few starting as early as October 1<sup>st</sup>. Cattle were pulled off on March 1<sup>st</sup>. There were two surveys that had cattle grazing from mid-April to mid-May.

From the surveys we saw that most of the crop residue grazed was corn (87%), milo (45%), and soybeans (32%). The forage crops grazed were cover crops (26%) and alfalfa (21%). When grazing crop residue or forage crops respondents supplemented the cattle with additional feed. Grass hay, range cubes, Sudan hay, corn, and corn distillers were the supplements chosen.

Water sources were reported in Table 3 with 38 respondents. While most had multiple sources, most still relied on water being transported, a well, and other (which could be a pond, stream, etc.). From these surveys 87% said tenants are responsible for maintaining the water supply and 13% was the responsibility of the landlord.

**Table 3: Water Sources** 

Transported	Well	Other
50%	58%	39%
(19)	(22)	(15)

### 2024 River Valley District Other Data Summary

Luke Byers, Agriculture & Natural Resources Agent

Other data gathered from the 2024 survey include lease renegotiation frequency, landowner-tenant relationship, owner proximity to tract, and payment month(s), listed in Table 1.

Table	1:	Other	Data

I WOLD IN OWN				
Renewal	1 Yr.	2 Yr.	3 Yr.	4+ Yr.
Frequency	22 (41%)	4 (7%)	12 (22%)	16 (30%)
Payment	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Months	17 (16%)	19 (18%)	9 (8%)	61 (58%)
Landowner	Immediate	Distant	Unrelated	
Relationship	30 (34%)	11 (13%)	47 (53%)	
Landowner	In-County 62 (60%)		Out-of-County	
Proximity			42 (40%)	

## **Overview of Lease Resources Available**

The following resources are available to help in almost any lease situation:

<u>www.AgManager.info</u> - This K-State Ag. Econ website has information on Agribusiness, Crops, Farm Management, Livestock and Meat, and Policy, as well as many Decision Tools that include tools related to crop, pasture, livestock, and machinery leasing. These are a few of the publications and decision tools available on this extensive website:

- "Projected Custom Rates for Kansas" is a helpful companion piece to the lease publications.
- "Kansas Agricultural Lease Law" (C-668) provides an excellent overview and summary of some key elements of Kansas Agricultural Lease Law, including proper termination notification.
- Farm Management Guides provide up-to-date K-State Budget information on livestock and crop enterprises that help determine costs of production.
- Decision Tools such as KSU-Lease, KSU-Graze, Flex Rent, and many other spreadsheet-based tools, are available for producers to input farm data for customized analysis and decision making.
- For information on land values and rental rates in Kansas, visit <u>www.AgManager.info/land-leasing</u>
- For information on hunting leases, visit <u>www.AgManager.info/hunting-leases-kansas</u>

<u>www.aglease101.org</u> - This website is a product of the North Central Farm Management Extension Commit-tee and contains a library full of the North Central Regional lease publications and lease forms that have been popular resources available at local extension offices for years. The publications provide a great background on each form of leasing from fixed and flexible cash rent, to crop share, to pasture rental arrangements, to farm buildings and livestock facilities, to beef cow-herd arrangements. Each publication has an associated fill-in-the-blank lease form that can be used as a template in developing leases. In addition, there are excel spreadsheet worksheets for pasture leases and beef cow leases.

<u>www.ksre.k-state.edu/kams/</u> - Kansas Agricultural Mediation Service is an officially certified agricultural mediation program helping Kansas farmers facing financial adversity through problem-solving and dispute resolution. KAMS is a confidential program with fees based upon the client's ability to pay. KAMS services include mediation, legal assistance, family farm transition planning services, and financial counseling through the KSRE Farm Analyst Program. The free initial consultation is available by calling 1-800-321-3276.

<u>www.kcare.k-state.edu</u> - The Kansas Center for Agricultural Resources and the Environment (KCARE) was established to coordinate and enhance research, extension, and teaching activities pertaining to environmental issues related to agriculture. The center has a wealth of resources including drought management information.

**www.ksre.k-state.edu** - the home page of K-State Research and Extension is your on-line link to all services offered by KSRE and Kansas State University. The mission of K-State Research and Extension is: "We are dedicated to a safe, sustainable, competitive food and fiber system and to strong, healthy communities, families and youth through integrated research, analysis, and education.

<u>www.rivervalley.k-state.edu</u> - is the website for the River Valley Extension District #4. The district has offices in each of the four counties and may be contacted at:

Belleville, 1815 M Street, Belleville, KS 66935 or phone 527-5084, Clay Center, 322 Grant Avenue, Clay Center, KS 67432 or phone 632-5335, Concordia, 811 Washington, Suite E, Concordia, KS 66901 or phone 243-8185, Washington, 214 C Street, Washington, KS 66968 or phone 325-2121. Like us on Facebook: <u>https://www.facebook.com/RVED4</u>

<u>www.dol.gov/whd</u> - The United States Department of Labor Wage and Hour Division has several fact sheets and other resources available to assist agricultural producers who employ labor to meet federal wage and labor guidelines.

<u>https://agriculture.ks.gov/</u> - The Kansas Department of Agriculture is located in Manhattan, Kansas and is the nation's first state department of agriculture. KDA is organized in a variety of divisions and programs that perform different administrative, marketing, regulatory, and other services.

<u>https://www.nass.usda.gov/</u> - The National Agricultural Statistics Service is a division of the USDA. The website contains a wealth of data and statistics, publications, news articles, surveys, and census data