

2022

River Valley Extension District Lease Survey Summary

February 2023

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 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. In all, over 300 surveys were sent out in 2022. In 2019, we added the online Qualtrics survey option for any producer to go on and fill out. All in all, we had 94 cropland surveys, and 72 pasture 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 2022 Survey Summary paper contains:

- Pasture Leasing Arrangements and Rates Summary
- Cropland Leasing Arrangements and Rates Summary
- Agriculture Labor Wage and Benefit Information
- Overview of lease resources available

The 2022 Survey was conducted by:

K-State Research and Extension, River Valley District

The 2022 Survey was sponsored by:

K-State Research and Extension, River Valley District

This 2022 Survey Summary Paper was Written by:

Kaitlyn Hildebrand

District Agent

Livestock Production

Luke Byers

District Agent

Agriculture & Natural
Resources



K-STATE
Research and Extension

River Valley
District

Kansas State University Agricultural Experiment Station and Cooperative
Extension Service
K-State Research and Extension is an equal opportunity provider and employer.

2022 River Valley District Pasture Survey Summary

Kaitlyn Hildebrand, Livestock Production Agent

All survey recipients were provided a pasture survey with a total of 72 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.

The respondents were asked when the targeted calving dates for their cows and heifers were. Twenty-eight of the 37 respondents calved in the spring (January – May). Seventeen of the 28 calved during March. The other nine herds calved in August and September.

For pasture rent paid by the acre, the average across the district was \$28.67 with a median value of \$27. Numbers ranged from \$15.00 to \$45.00 per acre. While this seems like a wide range, keep 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 2018 it was \$157.92/pair. In 2019, it was \$190.31/pair. In the 2020 survey, the average was \$142.00/pair. In the 2022 survey, we had 17 respondents averaging \$193.76/pair. If we take the weighted average of the past four years, we have \$171.00/pair. There was one respondent that grazes year-round for \$550/pair. Few leases are being paid on a dollar/head/day basis. However, the average of the two respondents was \$1.60/head/day. Table 1 illustrates the average lease rates in the district.

Figure 1 illustrates the stocking rates in the district by the number of producers. Most operations have five to seven acres/pair. The average stocking rate for the district was 6.9 acres per cow-calf pair. In 2022, 98% (65 out of 66) of participants started grazing in early May/late April with only one starting beginning of June. Sixty-two percent of the respondents pulled cattle off in October. Ten percent pulled cattle in September and twenty-nine percent pulled cattle in November. One respondent grazes year-round.

A new question this year that was asked was when cattle were put out to pasture in 2022 and when the cattle were pulled off the pasture in 2022. There were no significant changes to report from a normal grazing season to a drought condition-like grazing season in 2022.

Most pasture leases are done with cow-calf pairs. Only six respondents said they had stocker cattle. Based on the grazing days and the weight gain, the average daily gain of these animals was 1.63 pounds. The average stocking rate of these six responses was 4.8 acres/animal.

Table 1: Average Pasture Rental Rates

	\$ Per Acre (N)	Min Per Acre	Max Per Acre	\$ Per Pair (N)	\$ Per Head Per Day (N)
CY	\$27.54 (14)	\$20.00	\$40.00	\$195.83 (6)	None
CD	\$25.94 (11)	\$15.00	\$35.00	\$270 (1)	1.60 (2)
RP	\$30.17 (12)	\$20.00	\$45.00	\$250 (1)	None
WS	\$30.41 (19)	\$25.00	\$40.00	\$177.67 (9)	None
All Counties	\$28.67 (56)	\$15.00	\$45.00	\$193.76 (17)	\$1.60 (2)

Figure 1: Stocking Rate

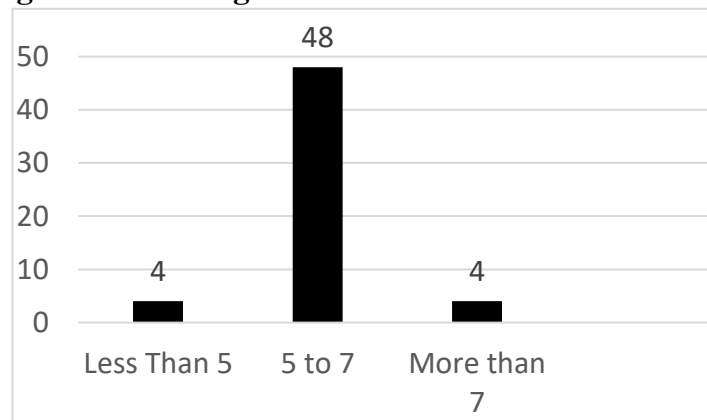


Table 2 illustrates a combination of all four counties when asked how often their lease rates were negotiated, as well as how often other lease terms were discussed.

Table 2: How Often Leases are Negotiated

All Counties	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.
Lease Rates Negotiated	24 (46%)	5 (10%)	8 (15%)	2 (4%)	13 (25%)
Other Lease Terms	7 (44%)	0 (0%)	3 (19%)	2 (13%)	4 (25%)

Table 3 illustrates the average length of leases across the district. When analyzing whether leases are written or oral between landowners and tenants in the district, 41 (59%) respondents say they have oral leases while only 28 (41%) have written leases.

Table 3: Length of leases in years

All Counties	1 yr.	2-5 yrs.	6-10 yrs.	11-20 yrs.	21+ yrs.
Count of Respondents	23 (37%)	13 (21%)	8 (13%)	3 (5%)	16 (25%)

Table 4 illustrates the relationship between the landowner and the tenant across the district. These numbers can play a factor 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.

Table 4: Relationship of the Landowner and Tenant

All Counties	Immediate	Distant	Unrelated
Related to landowner/tenant	20 (30%)	7 (10%)	40 (60%)

Table 5 illustrates where the landowner resides relative to the piece of land. This can play a part in the quality of the land if the landowner is absentee and could affect stocking rates. Most of the landowners reside in the same county as the land (78%). When asked what the age of the operator was, 10% were age 25-40, 10% were age 41-50, 19% were age 51-60, 42% were age 61-70, 16% were age 71-80, and 3% were 80 plus years of age. Eighty percent of the operators were over the age of 50.

Table 5: Where the Landowner Resides

All Counties	Same County	Out of County	Out of State
Landowner Resides	56 (78%)	12 (17%)	4 (5%)

Water sources were reported in Table 6 with 69 respondents. While most had multiple sources, most pastures still relied on a pond, stream, and well. In 44% of the leases, the tenant was responsible for

maintaining the water source while 36% of the landowner was responsible and 20% shared the responsibility. 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. On the table, other indicates water sources of streams, wells, and rural water.

Table 6: Water Sources for Cattle

Pond	Stock Tank	Automatic Waterer	Other
85% (61)	14% (10)	3% (2)	18% (13)

Fencing responsibility is illustrated in Table 7. Labor for fencing was the responsibility of the tenant in 57% of the leases while in 72% 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	57%	72%
Landlord	16%	13%
Shared	27%	15%

Cedar trees remain the largest problem in pastures for our district. Within our district, cedar trees were problematic in 83% of pastures. The other problematic species listed in order of prevalence were locust (54%), hedge (49%), musk thistle (46%), brush (19%; blackberry, buckbrush, and dogwood), sericea lespedeza (8%), and couple responses for old world bluestem. Controlling problematic plant species in a pasture has very mixed arrangements throughout the district. In 51% of the leases, the tenant is physically responsible for controlling weeds and trees, in 37% the landlord is responsible for financially controlling weeds and trees, and in 31% physically and 41% financially it is a shared responsibility. Control methods varied considerably across the district and most respondents listed multiple control methods. Eighty-one percent of respondents spot-sprayed their pasture with 90% of those doing so every year. Sixty-four percent mechanically cut trees, brush, or weeds. Fifty-seven percent of those that mechanically remove do so every year. Prescribed

burns were conducted by 40% of respondents. Prescribed burns were done every 3.5 years on average. Aerial spraying was done by 33% of respondents every four years on average.

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)

**2022 River Valley District
Cropland Survey Summary**
Luke Byers, Agriculture & Natural Resources Agent

The following summary contains the responses to 94 returned surveys for cropland rental rates and related topics, including renegotiation of leases, grazing residue, cover crops, and custom rates. 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. Table 1 provides the breakdown of responses for non-irrigated cropland from Clay, Cloud, Washington, and Republic counties as well as a District average.

Renting Cropland – There were 84 responses for the rented cropland lease arrangement. Of those, 36 respondents stated they had a written lease arrangement, while 48 respondents stated they had an oral lease arrangement. The results of cash rental rates are in Table 1.

Table 1: Cropland cash rent in the River Valley District

	Average (\$/Acre)	Min.	Max	Responses
CY	\$92.71	\$55.00	\$135.00	17
CD	\$80.00	\$70.00	\$90.00	6
RP	\$92.50	\$60.00	\$120.00	7
WS	\$93.33	\$65.00	\$130.00	9
RVED	\$91.08	\$62.50	\$118.75	39
Irrigated	\$220.00	\$220.00	\$220.00	1

Crop Share – Table 2 provides the distribution of lease arrangements for crop sharing arrangements. Table 3 provides information on the sharing of production expenses in crop-share arrangements. In most lease arrangements, not all expenses are shared. The percentages are based on the 45 survey participants that responded to this question.

Table 2: Distribution of crop share arrangements (landowner: tenant)

Crop Share	25/75	33/66	40/60	50/50
	1.8%	30.9%	61.8%	5.5%

Table 3: Expense inputs shared with the landowner (45 Respondents)

Crop Production Expense	Percent that shares the cost with landowner
Fertilizer	95.8%
Herbicide	77.1%
Fungicide	72.9%
Insecticide	64.6%
Application cost	31.3%
Terrace/Structure Maintenance	16.7%
Seed	12.5%
Irrigation Maintenance	6.3%
Other	10.4%

Flex Rent – Flex rent was mentioned in three surveys. In the three that we received, flex rent arrangements were similar to one another, reading the same calculation: $Rent = Yield \times Local\ Monthly\ Average\ Cash\ Price \times 40\%$ (Corn & Soybeans) or $\times 20\%$ (wheat).

Custom Work – Many producers have custom work performed on their operation. Out of those surveyed, 17 reported they hire custom work on their farm, and 17 reported they perform custom work for others. Many times, the harvesting custom rate charge is not a flat fee per acre but consists of a base with additional charge over a set yield, variance among commodities, and may include a hauling charge. This year we had corn and milo over 75 bu/acre charge an additional \$0.18/bu and soybeans over 30 bu/ac charge an additional \$0.20/bu. Table 4 lists all reported custom farming operations along with the average rate charged.

Table 4: Custom services and prices paid/charged

Operation	Rate	Unit	Count
Anhydrous ammonia	\$19.00	Acre	4
Combining	\$32.06	Acre	17
Drilling	\$20.57	Acre	7
Grain hauling	\$0.18	Bushel	7
Planting	\$20.30	Acre	10
Fertilizer App.	\$7.40	Acre	5
Chem. Spraying	\$7.35	Acre	10

Grazing Cropland – The survey asked producers and landlords about the rights for the grazing of corn/sorghum stalks and cover crops. Many comments in this section indicated that it was agreed upon that the tenant has complete rights to grazing with no extra charge. Table 5 has the average values for rent on dollar/acre and dollars/head/day, acres/animal, and grazing days. There was not enough data for grazing cover crops. An average of two respondents stocked cattle at a rate of one per acre on cover crops. One respondent paid \$12 per acre and one respondent paid \$2 per head per day to graze cover crops. Twenty-one participants responded to which type of animals grazed the cropland. Dry cows grazed in 61% of the surveys, and cow-calf pairs were 25% and 14% of stocker responses.

Table 5: Grazing Croplands

All Counties	Animals/Acre	Grazing Days	Average Price
\$/acre (6)	3	62.08	\$13.6
\$/head/day (5)	2	35	\$0.61

**2022 River Valley District
Labor Survey Summary**
Luke Byers, Agriculture & Natural Resources Agent

The 2022 survey is the sixth-year labor questions have been included as a part of the annual survey. Ninety-two surveys were completed, with 42 respondents, or 46%, reporting the use of hired labor.

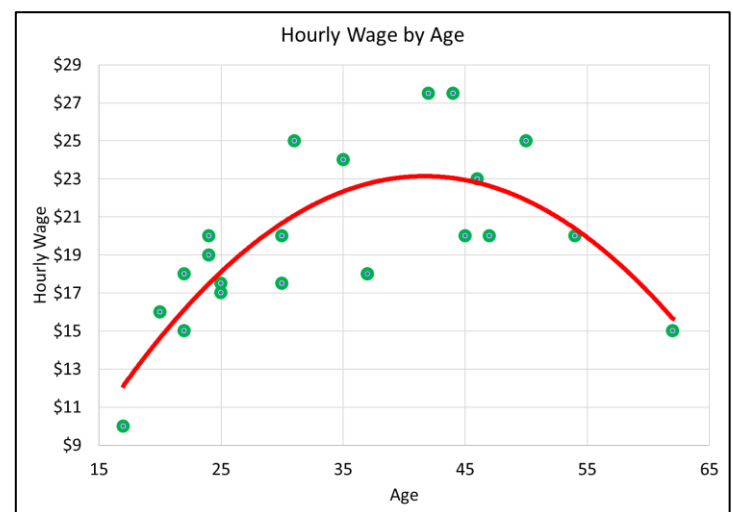
The following is the summary of the surveys compiled on a District-wide basis.

Wages and salaries are compared on a full-time equivalent or FTE. A full-time equivalent is one employee who works 2080 hours per year.

Hourly: Twelve survey respondents reported the operation included at least one hourly employee and two reported a second or third hourly employee. Two did not report the method of pay. For those reporting hourly, the high was \$30.00 per hour, the low was \$10.00 per hour, and the average of all reports was \$19.25, up from the \$18.40 reported in 2020. These average wages paid on a 2080-hour year would equate to a \$40,040 salary.

Salary: For those reporting paying an annual salary, the high report was \$200,000 per year, the low report was \$30,000 per year, and the average of the reports was \$50,318, up dramatically from \$35,975 in 2020. Excusing the \$200,000 response, the average salary comes in at \$42,850, still a significant increase from 2020. Broken down to an hourly basis for a 2080-hour year, the average salary would equate to \$20.60 per hour. Whether paying on a salary or hourly basis, the pay for farm employees is within a similar range.

Wage-Age: Of note is the trajectory of wages depending on the age of the employee. Farm employees ranged from ages 17 to 62. Wages rose steadily among employees from age 17 to roughly age 42, before declining again up to age 62.



Benefits: Meals and equipment use were the most common benefits across all forms of hired labor and paid holidays/vacation was common for employees. Table 1 provides a summary of the number of respondents reporting providing the particular

benefit. Clothing was included in the survey, but no respondents offered these benefits.

Table 1: Benefits Provided

Benefit Provided	# Respondents
Meals	13
Housing	7
Meat	4
Paid Holidays	11
Paid Vacation	10
Paid Sick Leave	9
Health Insurance	10
Vehicle	8
Equipment Use	19
Retirement	4
Dental	4
Vision Insurance	1

Overview of Lease Resources Available

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

www.AgManager.info - 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 the 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 www.AgManager.info/land-leasing
- For information on hunting leases, visit www.AgManager.info/hunting-leases-Kansas

www.aglease101.org - This website is a product of the North Central Farm Management Extension Committee 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 for developing leases. In addition, there are excel spreadsheet worksheets for pasture leases and beef cow leases.

www.ksre.k-state.edu/kams/ - 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 on 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.

www.kcare.k-state.edu - 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 online 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 strong, healthy communities, families, and youth through integrated research, analysis, and education.

www.rivervalley.k-state.edu - 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: <https://www.facebook.com/RVED4>

www.dol.gov/whd - 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.

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

<https://www.nass.usda.gov/> - 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