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Understanding Your Land Lease

Most of the state's agricultural producers lease land in some form or fashion. Each agreement is a little different, and that can sometimes lead to questions or even confusion. If you haven't yet made at least a quick review of any ag lease arrangements you have in place, now would be a good time to do so, for a number of reasons.

Sometimes a lease is generic enough it can be left in place for many years without amendment. Others require updates to dates of tenancy, tenant/farm names, etc.... Make sure your arrangement details match what is actually occurring – or was intended to occur.

Oral leases and written leases are not the same and the legal standards governing them are different as well. Knowing the format of your lease, what it says, or what is implied, can be very important. For example, termination of an oral lease according to state statute (58-2506) requires said termination to be given: 1) in writing, 2) at least 30 days prior to March 1 and 3) must fix March 1 as the termination date of the tenancy. Any notice to terminate which does not comply with the above requirements is inadequate and the tenancy will continue. That can be a markedly different time frame, process, etc... than with a written lease. Knowing the legal standards governing your arrangement are an important part of effective lease implementation.

Maybe the needs of the landlord or tenant – or both – have changed. Financial situations, economic conditions, farming operation changes, or even the desires of either party in the lease arrangement may have changed. Now is a good time to review and discuss the more subtle points of lease arrangements, even if they're as 'simple' as who takes care of mowing road ditches or to whom payments are to be made. They don't seem all that important until they are important.

Whether you're new to the lease game or its old hat, a quick review of lease arrangement details on an annual basis is never a bad idea. Doing a little legwork now might save a lot of time and trouble down the road. For additional resources to help, visit the K-State Ag Economics Department's Land Rental Rates resource page at <https://www.agmanager.info/farm-management/land-rental-rates> or reach out to any of our District Offices for assistance.