
2025 LEASE SURVEY SUMMARY REPORT K-State Extension Post Rock District SMITH County



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2025 FARM LEASE ARRANGEMENT SURVEY SUMMARY FOR DRYLAND CROPS

K-STATE EXTENSION



Post Rock District SMITH County



Number of survey responses: 15 (18% return rate)

Summary of Cash Rent Paid to Landlord

CROP ENTERPRISE	AVERAGE RENT/ACRE	CASH RENT RANGE
Cropland (dryland)	\$73.00	\$30 - \$100
Cropland (irrigated)	\$140.00	\$135 - \$145

Other comments: 40% of respondents indicated no cash leases.

Estimated Trend for 2026 Dryland Crop/Pasture Leases in SMITH County

No change	70%
Unsure of 2026 Trend	20%
Lower	10%
Higher	No responses

Trend of Lease Arrangements for 2026

NO CHANGE	MORE CASH RENT	MORE CROP SHARE
88%	12%	No responses

Adjustments to Cash Rents due to rising input costs in 2025

NO ADJUSTMENTS	INCREASE	DECREASE
100%	No responses	No responses

**Percentage of acres in the different Tillage Systems in 2025
(Number of responses)**

No -Till	Minimum Till	Conventional Till	Summer Fallow
2 - 100% 2 - 95%	1 – 100% 1 – 5% or less	No responses	No responses

When were the cash rent payments made to the landlord for 2025?
(% of responses)

All at once	Split payment	Dates	After Harvest
11%	78%	March/Sept. March/Dec. May/Oct. May/Nov. May/Dec.	11%

Comments: Pay dryland leases in May and irrigated leases in October.

Interest in Flexible Leasing Arrangements

No	Yes
100%	No responses

Crop Share Summary

DRYLAND CROP ENTERPRISE	SHARE PAID TO LANDLORD	OTHER COMMENTS
Wheat	1/3 – 75% 30% - 25%	
Grain Sorghum	1/3 – 67% 30% - 33%	
Corn	1/3 – 80% 30% - 20%	
Sunflowers	1/3 – 67% 30% - 33%	
Soybeans	1/3 – 80% 30% - 20%	
Alfalfa	1/3 – 50% 1/2 - 50%	
Other Dryland Crops (Brome Hay)	1/2 – 100%	
Landlord's Share of Government Payments	1/3 – 34% 30% - 33% None – 33%	
Landlord's Share of Crop Insurance Proceeds	1/3 – 75% None – 25%	-Tenant has their own insurance. -Landowner has their own insurance.

Comment: 60% of respondents indicated no crop share leases.

**Percentage of Written and Oral Leases
For Pasture and Cropland (number of responses)**

Written Leases	Oral Leases
3 – 100% 2 – 50%	2 - 100% 2 – 80 - 90% 3 – 50% or less

Comments: Written leases, but unsigned.

**Landlord Share of Input or Cost
(Percent of responses)**

EXPENSE OR INPUT	Landowners % Share of Crop Expenses	Other Comments
Fertilizer	1/3 – 80% 30% - 20%	-Share on dryland only.
Fertilizer Application	None – 100%	
Herbicide	None - 60% 1/3 – 40%	-33% paid for herbicides only.
Herbicide Application	None - 100%	
Insecticide	None - 60% 1/3 – 40%	-33% paid for insecticides.
Insecticide Application	None - 80% 1/3 - 20%	
Harvesting Costs	None - 100%	
Hauling Grain	None - 100%	
Drying costs after harvest	1/3 – 60% 1/3- 20% 30% - 20%	
Crop Insurance	1/3 - 80% 30% - 20%	-Landowner has own insurance. -Landowner has own insurance for his 1/3 share. -Tenant has own insurance.
Other production costs (seed, fungicide, crop consulting, water, etc.)	None - 80% 1/3 – 20%	
Terrace/Conservation Structure Maintenance (annual upkeep costs)	None - 75% 1/3 – 25%	-Annual upkeep costs vary from 2% to 50%.
Terrace/Conservation Structure Construction (major land investments)	100% - 100%	-Landowner pays for all costs for long term improvements. -Varies with each landlord.

Pasture Lease Summary

Physical Location of Pastureland

Smith Co. 82%
Osborne Co. 9%
Jewell Co. 9%

Pastureland Rental Rates

Average rent/acre \$24.50/acre
Range/acre \$12 – \$30/acre

Trends for stocking rates for 2026

No Change 89%
Decrease 11%
Increase 0%

Livestock Stocking Rate (Cow/Calf)

Average 7.5 acres/pair
Range 5-10 acres/pair

Mature Weight of Cow

Average 1,325 lbs.
Range 1,100-1,600 lbs.

Livestock Water Supply

Pond 44%
Well 33%
Stream 17%
Transported to Site 6%

Summary of Tenant/Landlord Responsibilities

Responsibility	Tenant	Landlord
Maintaining Water Supply	86%	14%
Maintaining Fences - Furnishing Materials	38%	62%
Maintaining Fences - Furnishing Labor	88%	12%
Controlling Weeds	67%	33%

Special arrangements for weed control in pastures:

No - 57% Yes - 43%

Comments:

-Aerial spraying – split cost
-Shared 50-50 for spray by air-Landowner may share in aerial spray 1 in 4 or 5 years.

Grazing Period in 2025

Pasture season length (months)	Month Started	Month Ended
3 mo. - 20% 6 mo. - 60% 7 mo. - 20%	May - 100%	Oct. - 20% Nov. - 60% Dec. - 20%

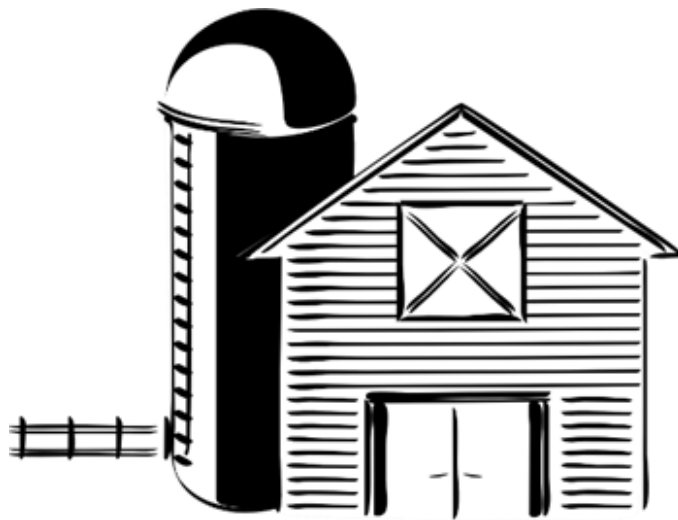
Grazing Period in 2024 (previous year)

Pasture season length (months)	Month Started	Month Ended
3 mo. - 67% 6 mo. - 33%	May - 67% July - 33%	Sept. - 33% Nov. - 67%

Kinds of Pastureland – 2025

(number of responses to percent of their pastures)

Upland	Lowland/River	Mixture
4 - 100% 3 - 75 - 95% 1 - 50%	4 - 25% or less	1 - 25%



Crop Residue Grazing Summary

Physical Location of Crop Residue Land

Smith 100%

Crop Residue Rental Rates

Corn/Sorghum Stalks:

Average: \$12.00/acre

Other: \$1.00-1.25/hd./day for 30 days

Type of Cattle/Livestock On Crop Residue

Cow/Calf Pairs 33%

Dry Cows 67%

Livestock Stocking Rate

5 ac./head (average)

Average Wt. 1300 lbs.

Goals of crop residue grazing

Maintain body condition 100%

Livestock Water Supply

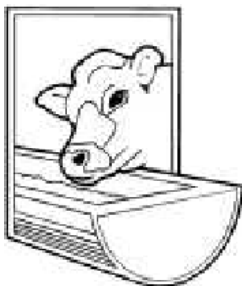
Well 50%

Transported to Site 50%

Crops Utilized for Grazing

Milo 50%

Corn 50%



Crop Residue Grazing Period 2025

Grazing Season Length (months)	Month Started	Month Ended
2 mo. - 100%	Nov. - 67% Dec. - 33%	Jan. - 67% Feb. - 33%

Crop Residue Summary of Tenant/Landlord Responsibilities 2025

Responsibilities	Tenant	Landlord
Maintaining water supplies	50%	50%
Maintaining Fences-Furnishing Materials	100%	0%
Maintaining Fences -Furnishing Labor	100%	0%
Livestock Care	100%	0%



General Lease Concepts

Rules & Regulations:

- Leases must be longer than two years to allow tenants to sublease.
- When a farm is sold, the new owner substitutes for the old.
- Leases are binding on executors and heirs.
- Written leases can cover any length of time.
- Oral leases are **unenforceable** if they are one year or more in length.

Test of a Good Lease:

- Is it written?
- Does it encourage proper amounts of yield increasing expenses?
- Does it plan for new or needed improvements?
- Does it promote conservation?
- Is the crop shared in the same percentage as the contribution?

Lease Termination Notice:

- In writing
- At least 30 days prior to March 1
- **Spring planted crops:** must fix termination date of tenancy to take place on March 1
- **Fall seeded crops:** will be terminated the day after harvest or August 1
- **Exception to above:** written lease providing otherwise.

Crop Share Leases

A good crop share lease should follow five basic principles:

- Yield increasing inputs should be shared.
- Share arrangements should be re-evaluated as technology changes.
- Total returns divided in same proportion as resources contributed.
- Compensation for unused long-term investments at termination.
- Good landlord/tenant communications

Advantages of Crop Share Leases:

- Yield and price risks and opportunities are shared by tenant and landlord.
- Less operating capital needed by the tenant.
- Management skills may be shared by an experienced landlord and tenant.
- Tax management opportunities from timing of sales and input purchases.
- Material participation issues

Disadvantages of Crop Share Leases:

- The landlord's income is more variable.
- More record keeping is required.
- Landlords have marketing decisions to make.
- Joint management decisions must be made and disagreements may occur.
- Material participation/Social Security issues

Cash Rental Leases

Methods to Determine Cash Rental Rates:

- **Market going rate (if available)**
Local competitive rental rates
- **Landowner's cost**
Depreciation, Interest, Repairs, Taxes, Insurance - Based on the premise of landowner's continuing to receive comparable returns to what has been received in the past.
- **Crop share equivalent (adjusted for risk)**
Converts equitable crop share rent to an expected dollar amount per acre.
- **What Tenant Can Afford to Pay**
 $\text{Revenue} - \text{Non-land Costs} = \text{Rent}$
(The last three require yield, price, and government payment projections as well as cost information used for crop share.)



Advantages of Cash Leases:

- **For Landlords**
 - Less involvement in management.
 - No production costs to share.
 - No marketing decisions to make.
- **For Tenants**
 - More managerial control and freedom.
 - More income for above-average managers.
 - More potential for windfall profits in good years.

Disadvantages of Cash Leases:

- **For Landlords**
 - No potential for windfall profits in good years.
 - Less tax management flexibility from timing sales and expenses.
 - Risk of exploiting or “mining” of the farmland by a tenant.
- **For Tenants**
 - Bears all yield and price risk.
 - Crop production and expenses are higher.

Trends in Leases and Values of Agricultural Land in Kansas

by Dr. Megan Hughes, K-State Research and Extension, Ag Economist

The agriculture industry continues to face uncertainty due to higher input costs and lower commodity prices, except for beef cattle. After rapid growth from 2020 to 2023, agricultural land values began to slow in 2024, raising questions about what affordable cash rental rates might be under current conditions.

According to surveys from USDA-NASS, the Kansas statewide average value for non-irrigated cropland in 2025 was \$3,350, a 4.7% increase from 2024. Average pasture values were \$2,270, representing an 8.1% increase. While land values continued to rise in 2025, the rate of increase slowed compared to 2024, when values rose 7.4% for non-irrigated cropland and 8.8% for pasture relative to 2023.

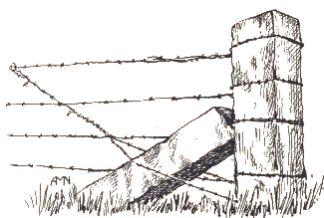


Table 1 below, shows the land values from 2023 to 2025, along with the percentage change from the previous year in parentheses. Here, you can see that while land values still grew in 2025, the rate at which they grew is decreasing.

Table 1. Average Land Values in Kansas

	Non-Irrigated Cropland	Pasture
2023	\$2,980 (13.7%)	\$1,930 (13.5%)
2024	\$3,200 (7.4%)	\$2,100 (8.8%)
2025	\$3,350 (4.7%)	\$2,270 (8.1%)

USDA-NASS Agricultural Land Values for Kansas (\$/acre). The percentage change from the previous year is in parentheses.

Net farm incomes have fallen two years in a row from the high in 2022. The most recent comparable downturn in farm profitability was from 2014 to 2016. Land values remained relatively flat until farm profitability cycled back up. Looking ahead, uncertainties in U.S. trade policy, increases in crop production in Brazil and Argentina, and persisting higher interest rates suggest that land values may plateau or decrease in 2026.

Lower land values may present purchasing and expansion opportunities for some producers. However, real estate accounts for the largest asset of the farm sector's balance sheet. As such, declining land values also reduce farm equity, which can negatively affect profitability and solvency measures and may limit producers' ability to secure financing. Rental rates tend to lag behind commodity prices and profitability because land contracts and cash rental rates are often set for 3-5 year-periods, to allow both producers and landowners to plan for expected costs and returns. As a result, producers can be locked into rents that are not aligned with the current market; either higher or lower. In addition, from a landowner's perspective, higher profitability in agriculture will eventually translate into higher real estate taxes, putting upward pressure on rental rates.

For many producers, volatility in commodity markets and input prices increases exposure to risk through cash rental arrangements. During periods of strong profitability, rental rates tend to increase; however, a decline in profitability does not necessarily result in lower rents in the short term. Cash rental rates are often slow to adjust because leases are commonly set for three to five years, allowing both producers and landowners to plan for expected costs and returns. As a result, producers can be locked into rents that are not aligned with the current market, either higher or lower. Additionally, from a landowner's perspective, higher agricultural profitability can eventually lead to increased real estate taxes, placing upward pressure on rental rates over time.

Regardless of individual circumstances, clear and consistent communication with landowners can be very beneficial to the long-run economic viability of an operation. Tenants who maintain open dialogue, provide updates, and help landowners understand current farm conditions are often better positioned to navigate difficult conversations when market conditions change.

Flexible Cash Rents

Principles:

- Flexible cash rents simply refer to land rental arrangements where the amount of cash rent paid (received) can vary based upon some pre-determined formula (i.e. formalizes bonus rents).
- Methods of “flexing” rental rates, i.e., formulas are based on:
 - Yield (actual for producer, co avg., etc.)
 - Price (harvest, season average, actual)
 - Revenue (yield x price, crop insurance, residue)
 - Costs (i.e. fertilizer price)
 - Other

Advantages of Flexible Cash Rents:

- Method of allowing rents to vary year-to-year without having to renegotiate rents annually.
- Way of sharing/managing risks associated with volatile markets (without hassles of crop share lease).
- Somewhat “forces” a higher level of communication relative to fixed cash rent (poor/lack of communication is often an issue with problem lease arrangements).
- Trend in Kansas has been moving away from crop-share leases to more cash leases.
- Volatility of last few years has significantly increased the risk of **fixed** cash rents.

Disadvantages of Flexible Cash Rents:

- Complex!
- Theory and intuition guide conceptual design, but little help with specific details.
- Not needed if cash rents are renegotiated frequently or every year.
- Hard to think of everything, which means we might need to be “tweaking” the arrangements regularly.
- If designed wrong, might increase risk.
- Appealing for certain situations, but not appropriate in all cases (depends on why you are considering flexible cash rent).

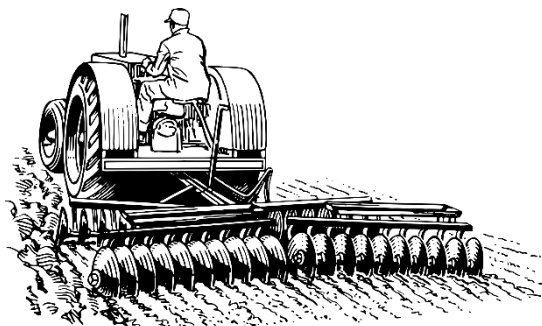


How to determine Flexible cash rents:

- There is not a single right way to do this! (But there are plenty of wrong ways).
- Establish a base cash rent:
 - Budget-derived value (KSU-Lease.xls) Online KSU spreadsheet (Excel) tailors to a specific situation and an equitable crop share can be calibrated to the local area.
- **Questions to ask:**
 - Does cash rent flex up and down or only up?
 - What yields and prices are used to determine actual gross revenue?
 - What crops should be included in calculations?
 - Are crop insurance and government payments included/accounted for?
 - What about flexing cash rent based on costs of crop inputs?
 - What will final rent be under alternative potential outcomes?

Summary:

- Flexible cash leases are simply a way of sharing risks of unpredictable markets and yields without the hassles of crop ownership.
- Why not simply give landowner ad hoc “bonuses” when times are good?
- There are many types of flex leases – no one method is right or best in all cases.
- Communication, communication, communication! (Remember, it likely is a learning process for both parties.)
- The KSU website www.agmanager.info has more information on **Flexible Cash Rents**.



Net Share Lease Arrangements

There are many different kinds of leasing arrangements for producers to choose from today. In addition, many farmers, rent 80-90% of their acres and it is increasing every year. So it is critical that tenants and landowners have all the leasing tools that are available to them to determine the most equitable arrangements for their unique situation.

The traditional one-third/two-thirds lease arrangement has been very common for many years, however, even 40/60 is becoming more common along with a fairly new arrangement such as a net-share lease. The net share leasing arrangement may be 75/25 or 80/20 for the crop share percentages with the larger percentage going to the tenant.

A fairly new type of leasing arrangement is called a Net-share lease. In a Net-share lease, the tenant, covers 100% of the input costs, while landlords cover property taxes, crop insurance and a few other minor expenses. Then, the two parties agree on the percentage of the crop that goes to the landlord to sell.

This may be a lease arrangement worth looking into to determine if it may work in your specific situation. So generally, when the good times are really good, both parties get a share in that; but when the times are not as good, their sharing in that as well.



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Advantages:

- Both parties win when yields and prices are high, and if they aren't, crop insurance is available to help put a floor under the return for the landlord.
- Can work very well in areas where the risk of crop production can vary widely from one year to the next.
- There is much less capital investment to add leased acres versus owned acres.
- The risk-reward to both the landlord and farmer are shared more equally under net-share leases.
- Lease rate self-adjusts when commodity prices change.
- Landowner still markets their own percentage of the grain.
- Landowner does not have inputs to pay.
- Tenant does not have to keep track of inputs and billing landlords.

Disadvantages:

- While the risk in crop production and crop prices is shared between the landowner and tenant, the cost of input prices is not.
- In years like 2022 when fertilizer prices soared, the tenant would be burdened by the entire fertilizer bill which could have caused them to lose money on the crop while the landowner still made money.
- Also, not sharing yield-increasing inputs (like a traditional crop-share) may disincentive tenants to utilize the optimal amount or the more expensive products.
- The landowner will not know their exact income until after harvest, which can be difficult for landowners that rely on rental income for living expenses.

Sources: Robin Reid, KSU Ag Economist; Sara Schafer, December 8, 2022, Ag Web Farm Journal.

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