

Renters v. Owners: Partners or Competitors

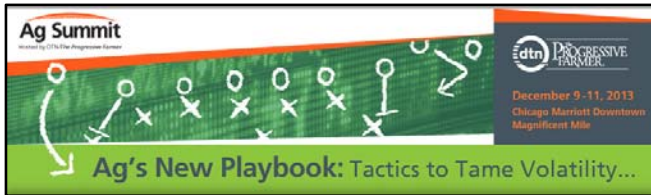


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Disclaimer...

Our presentation/comments are based heavily upon our many years of working with Kansas landowners (living both in-state and out-of-state) and tenants. To the extent Kansas is unique or different from other states, not all comments will apply...

(we don't believe that KS is unique)

Over the years, the majority of land leasing questions we have received generally pertain to...

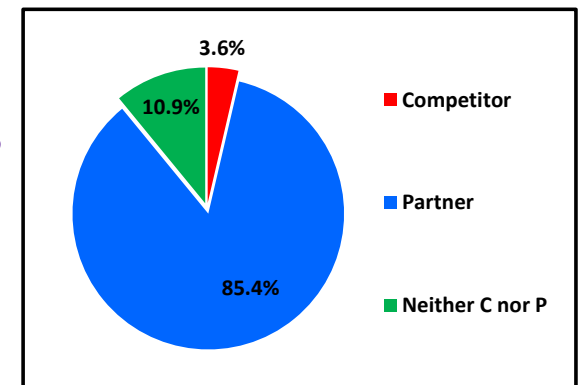
- Impact of adopting new technologies (i.e., what inputs "should" be shared)
- Cash renting (folks always want the "going rates")
- "Non-traditional" leases
 - Net share rent
 - Flexible cash rent
 - Bushel rent
- Terminating leases

... regardless of the topic pertaining to lease terms, method of addressing questions does not change.

View of other party to the lease...

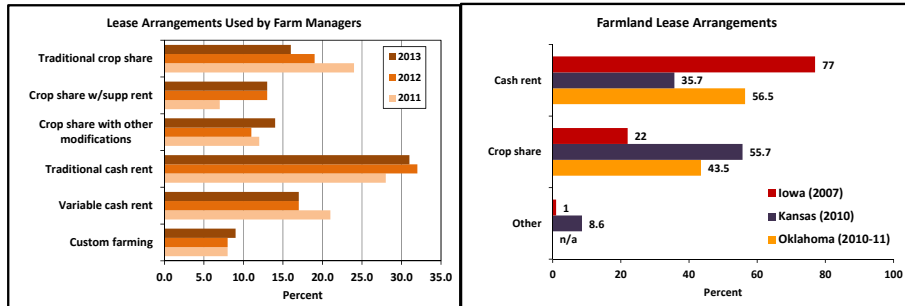
How do you view the other party in a lease?

1. Competitor
2. Partner
3. Neither C nor P



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=597))

Distribution of crop leases by type of lease...



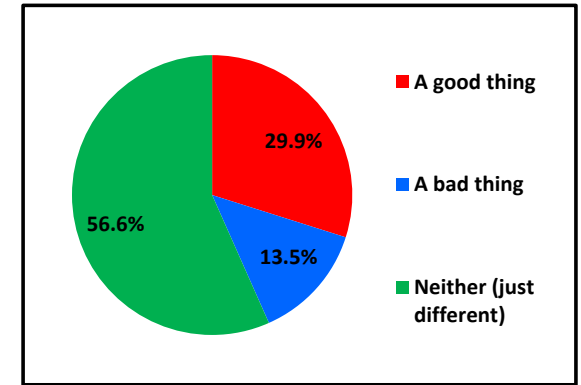
Sources: IL – Schnitkey; IA – Duffy, et al.; KS – Schlegel and Tsoodle

- Corn Belt generally has a higher percentage of cash rent – Why?
- Trend is towards more cash rent most everywhere – Why?
- The use of “non-traditional” leases is increasing – Why? (speed of adoption varies considerably regionally)

Crop share versus cash leases...

Relative to equitable crop share leases, fixed cash leases are...

1. A good thing
2. A bad thing
3. Neither (just different)



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=542)

Length of cropland leases in years...

State	Share	Cash	All
Iowa (2007)	18.1	9.5	11.4
Kansas (2010)	n/a	n/a	18.6
Oklahoma (2010-2011)	17.0	14.0	15.3

Sources: IA – Duffy, et al.; KS – Schlegel and Tsoodle; OK – Doye and Sahs

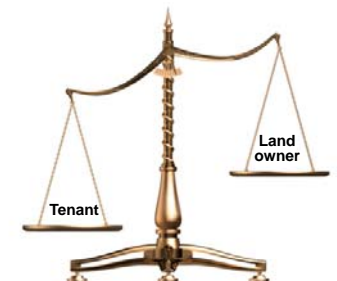
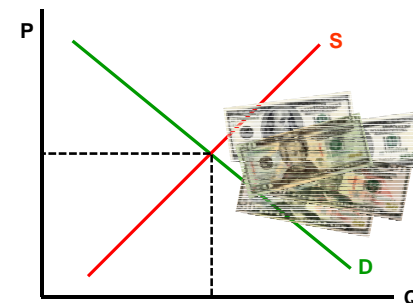
Producers tend to lease land from the same landowner for a relatively long time, but cash leases tend to be for fewer years.

Why is this?

Are long-term relationships good or bad?

Determining the terms of a lease...

- How are cash lease rates or the terms of crop share leases established?
 - Short answer is “the market”
 - That is, the terms of a lease are determined by Producers (demand) negotiating with Landowners (supply)



Market established rates...

- Typically “observed” with data collected via surveys
- Potential issues with surveys
 - Sample size
 - Representativeness? (not all land is equal)
 - “Other things going on” (i.e., landowner/tenant relationship)
- Average versus marginal (typically backward looking versus forward looking)

Example of market established crop shares...

Crop	Landlord's Percent of Crop Received (or of Costs Paid)*			
	33% Share	40% Share	50% Share	Other % Share
Wheat (60 Leases)	39	18	2	1
% of Total Leases in Lease Arrangement	65.0%	30.0%	3.3%	1.7%
% of Leases Sharing Fertilizer Costs	100.0%	94.4%	100.0%	0.0%
% of Leases Sharing Herbicide Costs	53.8%	72.2%	100.0%	0.0%
% of Leases Sharing Insecticide Costs	30.8%	33.3%	50.0%	0.0%
Corn (14 Leases)	9	5		
% of Total Leases in Lease Arrangement	64.3%	35.7%	No Responses	No Responses
% of Leases Sharing Fertilizer Costs	100.0%	80.0%		
% of Leases Sharing Herbicide Costs	55.6%	80.0%		
% of Leases Sharing Insecticide Costs	33.3%	60.0%		
Sorghum (24 Leases)	17	6	1	
% of Total Leases in Lease Arrangement	70.8%	25.0%	4.2%	No Responses
% of Leases Sharing Fertilizer Costs	100.0%	100.0%	0.0%	
% of Leases Sharing Herbicide Costs	52.9%	83.3%	0.0%	
% of Leases Sharing Insecticide Costs	35.3%	33.3%	0.0%	
Soybeans (26 Leases)	15	8	3	
% of Total Leases in Lease Arrangement	57.7%	30.8%	11.5%	No Responses
% of Leases Sharing Fertilizer Costs	100.0%	87.5%	33.3%	
% of Leases Sharing Herbicide Costs	46.7%	75.0%	33.3%	
% of Leases Sharing Insecticide Costs	6.7%	37.5%	33.3%	

* The percentages calculated in this table represent the percent of landlords sharing the same percent of costs as they share of the crop. For example, 53.8% of landlords receiving 33% of the wheat crop paid 33% of herbicide expenses.

Source: Schlegel and Tsoodle -- 2010 KAS/KSU survey (available at www.agmanager.info)

Examples of market established crop shares...

Percent of Leases by Crop Share Percentage

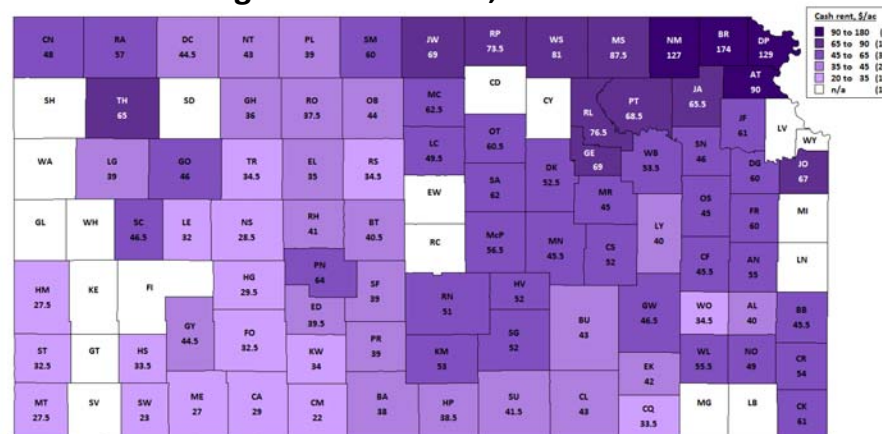
Landlord Share	Crop Reporting District								
	NW-10	WC-20	SW-30	NC-40	C-50	SC-60	NE-70	EC-80	SE-90
20.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
25.0%	0.0%	3.5%	1.4%	0.0%	0.7%	0.0%	5.3%	1.0%	0.0%
33.3%	96.2%	96.5%	94.5%	62.7%	83.4%	90.8%	22.3%	70.7%	94.4%
40.0%	0.0%	0.0%	1.4%	28.9%	13.1%	6.4%	27.7%	9.1%	0.0%
50.0%	0.0%	0.0%	2.7%	6.3%	0.7%	2.1%	44.7%	17.2%	4.2%
66.7%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	1.0%	0.0%
75.0%	1.9%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
Other	1.9%	0.0%	0.0%	0.7%	0.7%	0.7%	0.0%	1.0%	1.4%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Color coding scale

> 80%	50-80%	20-50%	5-20%	< 5%
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Source: Schlegel and Tsoodle -- 2010 KAS/KSU survey (available at www.agmanager.info)

Kansas Nonirrigated Cash Rents, 2013*



* Cash rent values as reported by USDA NASS and Kansas Agricultural Statistics (KAS).

No values reported for 19 counties (2012=24, 2011=6, 2010=6, 2009=4).

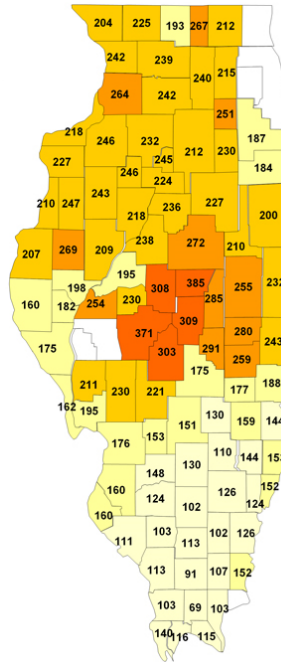
State average = \$53.00 compared to \$52.50 in 2012 (+1.0%) [\$44.00 in 2011]
Range: \$22-\$174

Illinois Cash Rents, 2013*

* Cash rent values as reported by USDA NASS and Gary Schnitkey, University of Illinois (September 10, 2013 farmdocDAILY)

No values reported for 2 counties (2012=2, 2011=4, 2010=5, 2009=0).

State average = \$196.13 compared to \$192.76 in 2012 (+1.7%) [\$170.77 in 2011]
Range: \$69-\$385



Determining the terms of a crop lease...

- How are cash lease rates or the terms of crop share leases established?
 - Short answer is “the market”
- When market reported rates are not sufficient to answer the question at hand, what do we do?
- While landowners and tenants (i.e., the market) ultimately determine terms of leases, we use economic theory and the equitable concept to arrive at a starting point for negotiations – and to better understand the market.



Equitable vs. traditional share rent...

Equitable: Income is shared in the same proportion as the contribution of total inputs.

Traditional: Income and shared expenses (if any) are shared in the same proportion as what has been done in the past. Share rent based on tradition may, or may not, be equitable.

Traditional = Equitable in the long-run

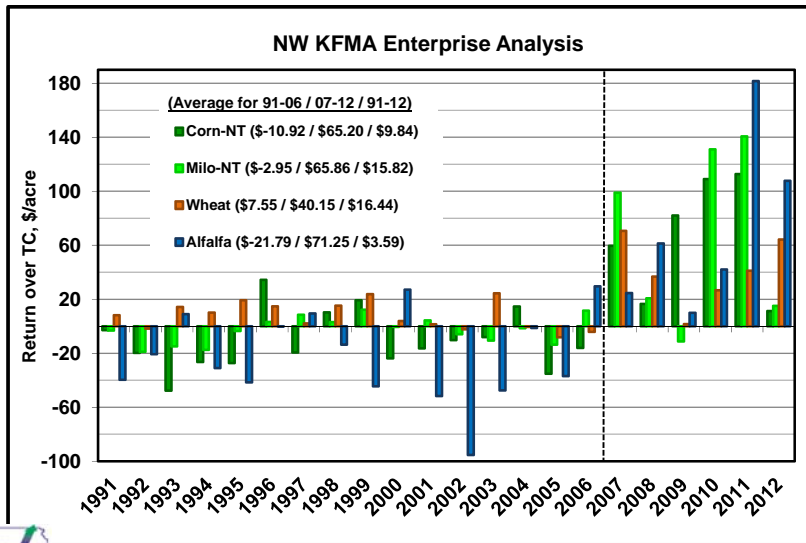
~~Traditional = Equitable~~ (when markets are changing)

Principles embodied in an equitable lease...

- Profit maximization (MR=MC)
- Economic profits (expected profit = 0*)
- Opportunity costs
- Risk across lease types
- Equal rates of return on annual investment (if economic profit = 0, then return on *annual investment* = 0)

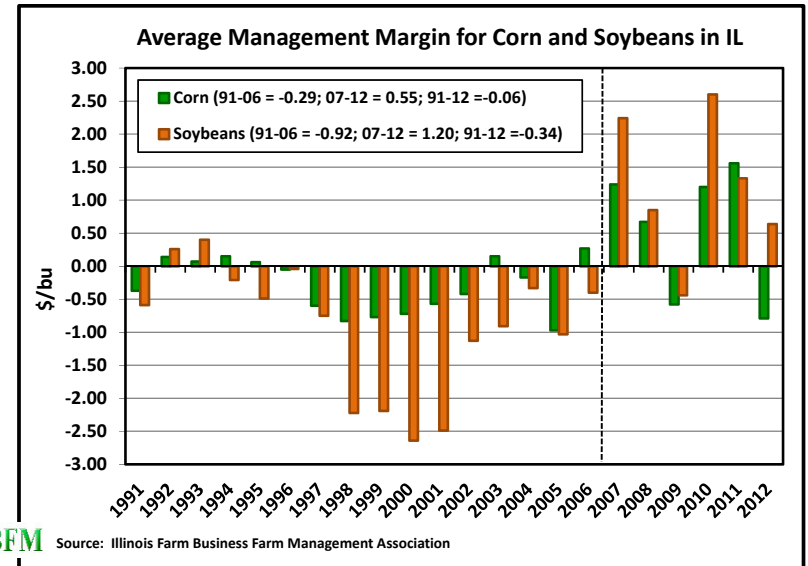
* On average, in the long run

On average, we seldom cover total costs. Why?



Source: KFMA Enterprise Analysis Report

On average, we seldom cover total costs. Why?



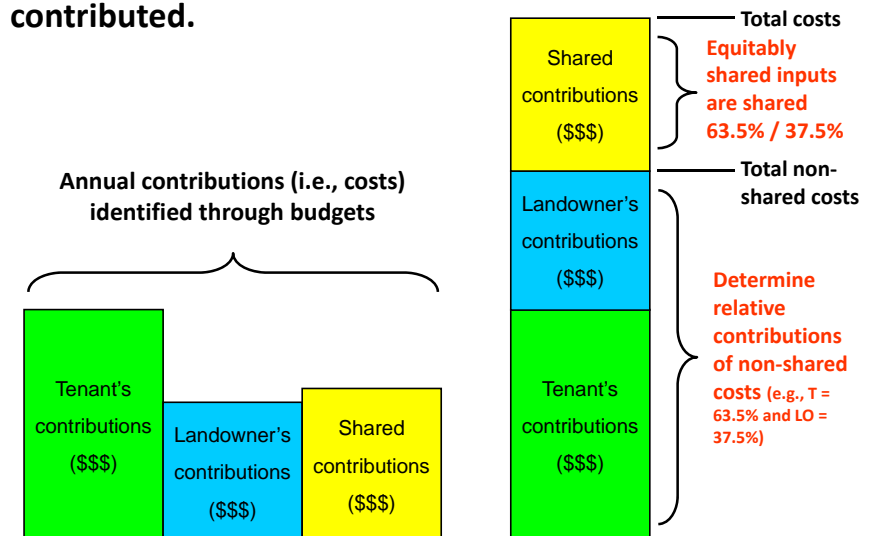
Source: Illinois Farm Business Farm Management Association

A good crop share lease should follow five basic principles...

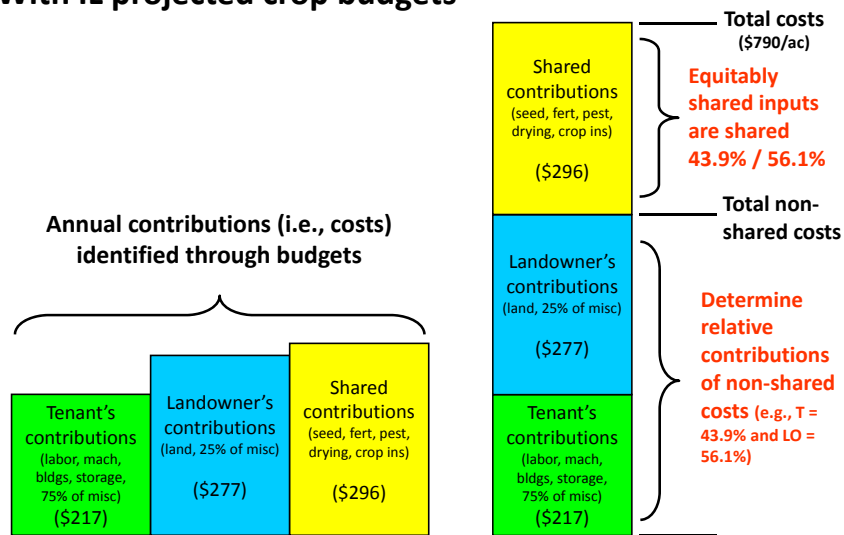
1. Yield increasing inputs should be shared
2. Share arrangements should be re-evaluated as technology changes
3. Total returns divided in same proportion as resources contributed (definition of equitable lease)
4. Compensation for unused long-term investments at termination
5. Good landlord/tenant communications

Principle #3:

Returns divided in same proportion as resources contributed.



**Principle #3:
With IL projected crop budgets***



* 2014 projected crop budgets (C-C-SB) for Northern IL with average cash rent charge for land

Methods of establishing cash rent values...

- Market going rate (if available)

- Crop share equivalent (adjusted for risk)

I typically focus on these two

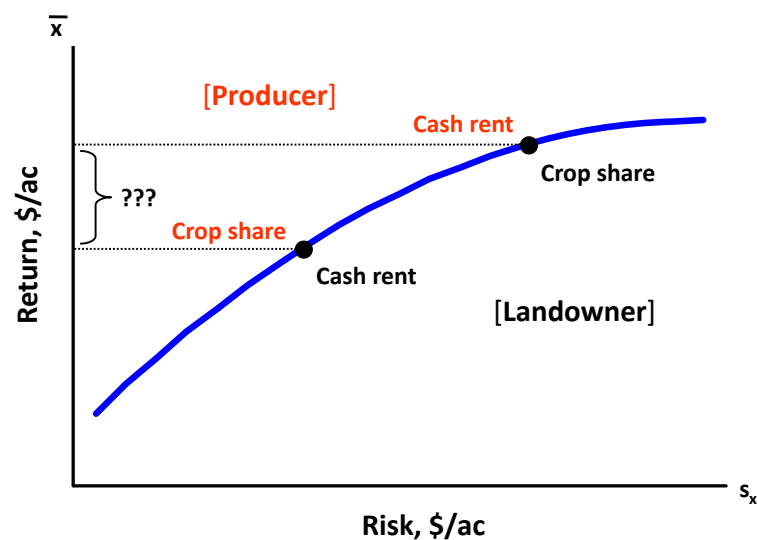
- Landowner's cost

- Amount tenant can afford to pay



The last three require yield, price, and government payment projections (as well as cost information used for crop share).

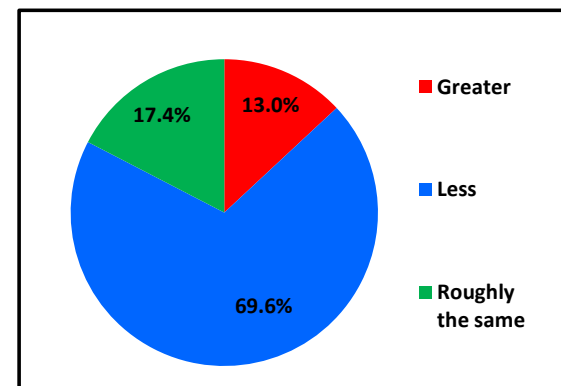
Landowner/producer risk-return tradeoff



Risk of crop share versus cash leases...

How does the risk associated with fixed cash leases compare to crop share leases for landowners?

1. Greater
2. Less
3. Roughly the same

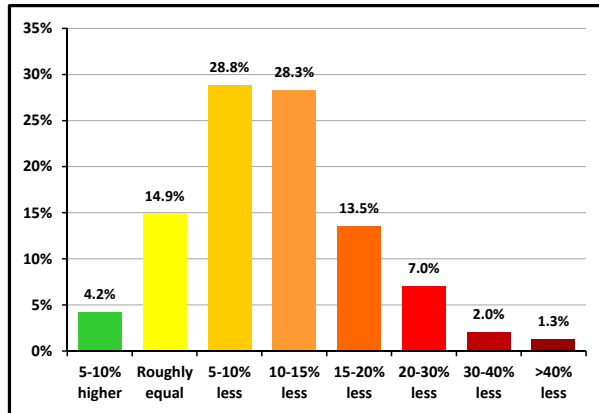


(responses at various Winter Lease Meetings in KS (2013/14, n=23))

Risk premium...

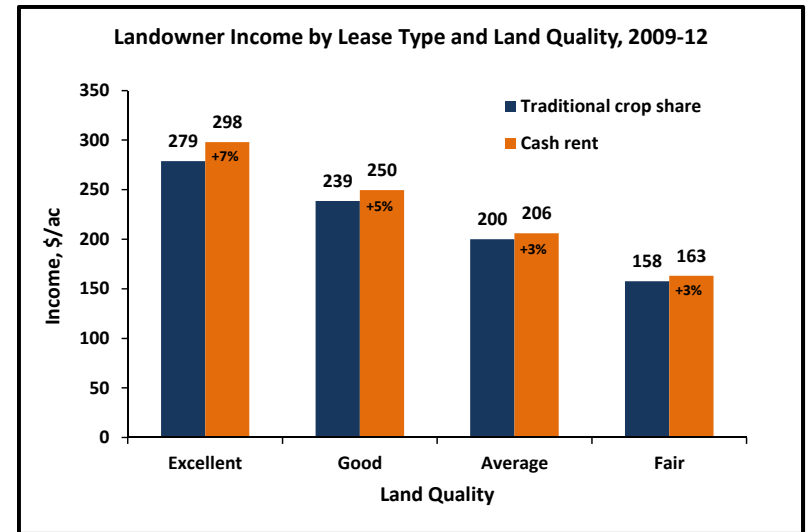
How should cash rent for *non-irrigated* land compare with expected returns from equitable crop share...

1. 5-10% higher
2. Roughly equal
3. 5-10% less
4. 10-15% less
5. 15-20% less
6. 20-30% less
7. 30-40% less
8. >40% less



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=545))

Comparison of landowner income by lease type...



Source: Schnitkey, G. University of Illinois

Why might producers pay a higher rent with a cash lease than crop share?

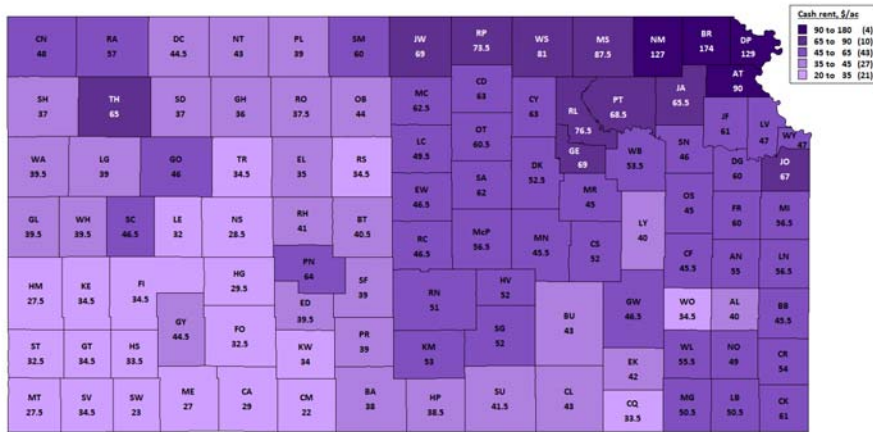
- Lower costs (easier to manage)
- Increased production flexibility
- Ability to manage risk with crop insurance
- Easier method of expansion
- Timing of when rates were negotiated
- Other???



Rental Rates

- Another way to obtain an estimate of cash rental rates for cropland
 - Budgeting approach that reflects *expected* returns to farming
 - Marginal rental rate versus average rental rate
- Calculate crop share revenues based on long-term profit expectation and apply a risk premium
- “KSU” rental rates – estimate of county-level cash rents based on equitable crop share approach (used a 15% risk premium adjustment)

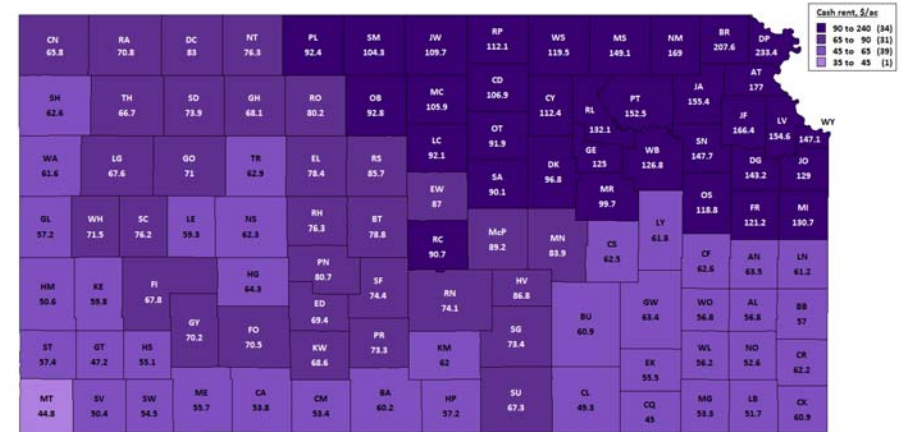
KAS-survey values of Kansas Non-irrigated Cash Rents, 2013*



* 19 counties with no values reported were "filled in" with multi-county average values reported for the corresponding region.

Simple average across 105 counties = \$50.06

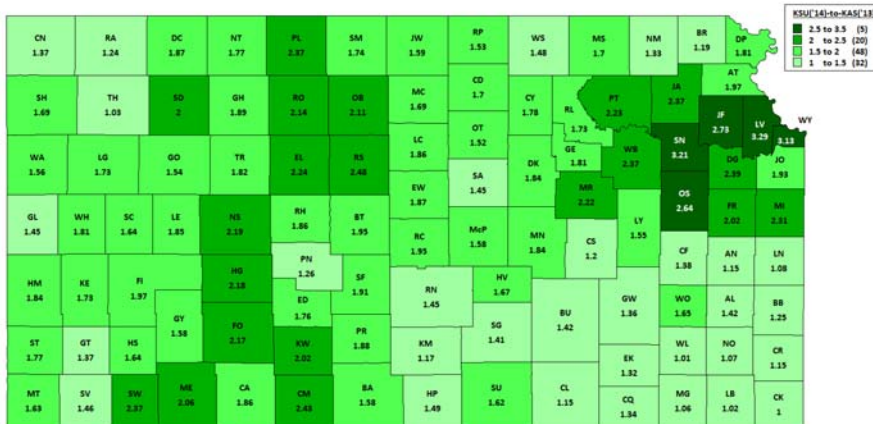
KSU-Estimated Kansas Nonirrigated Cash Rents, 2014*



* Estimated in October of 2013 based on county-average yields and regional prices and using an equitable net share lease (adjusted for risk) approach.

Simple average across 105 counties = \$85.87

Ratio of KSU 2014 estimate to KAS 2013 average*



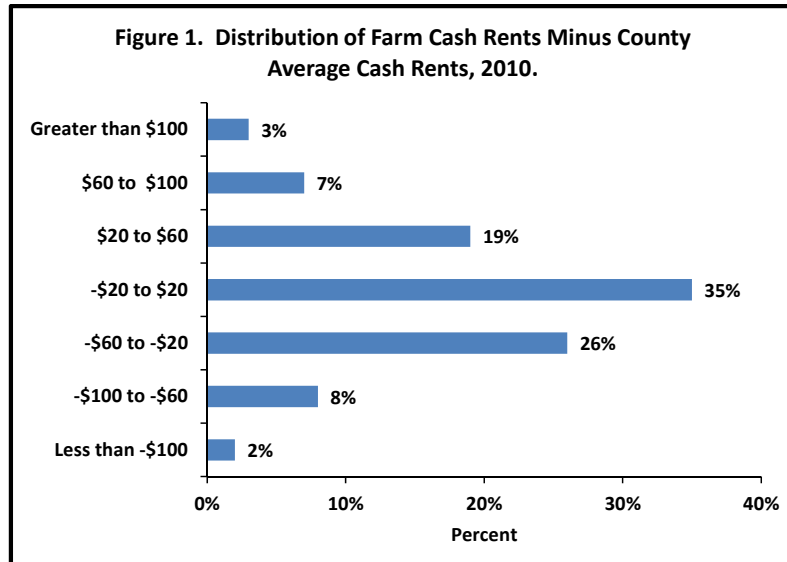
* Values reflect the amount the KAS 2013 value would need to be multiplied by to equal the KSU estimated value for 2014. For example, a value of 1.75 would imply the KSU estimate was 75% higher than the KAS value.

Average ratio = 1.75 (min = 1.00 and max = 3.29)

Rental Rates

- Large differences between KAS survey and KSU-Lease estimates. Why?
- Surveys reflect many things
 - Multi-year fixed rate leases
 - Differences in productivity of land and tenant
 - "Relationship" benefits for landowner
- Cash rent estimates use expected prices
 - Can and do change as we move forward
 - Rents will adjust to reflect these differences
- What about crop share percentages from surveys?

Wide variability in rents exists...



Source: FEFO 11-21, Schnitkey, Department of Agricultural and Consumer Economics, University of Illinois.

Large differences in observed/reported rents...

- Partly due to land quality differences
- Big portion due to relationships
- Landowners and tenants are generally aware of differences that exist and much of these differences are consistent with their desires

Implications...

- Average cash rents are not a good indication of what it takes to acquire land
- High cash rents we hear about are not an indicator of average rents

Source: FEFO 11-21, Schnitkey, Department of Agricultural and Consumer Economics, University of Illinois.

CASH RENTS EXPECTED TO BE EVEN WITH LAST YEAR

Iowa State University Extension farm management specialist Melissa O'Rourke says that while **most rental agreements have increased in recent years**, she also sees many situations where **rental rates are "far too low"** considering the value of the land and the recent profitability in farming. But **for many landowners**, O'Rourke says, **it's about more than just dollars-and-cents.**

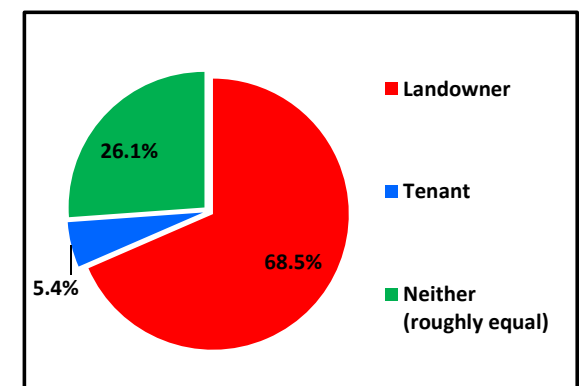
"Most land owners aren't saying, 'I'm trying to get every last dollar out of this land, in terms of cash rent, that I can'," says O'Rourke. "Other factors are important to them-stewardship, how the land is cared for, just the legacy of the land-that is important in a lot of those families."

This may be true in many situations, but don't simply assume it is in your situation – COMMUNICATION is important!

View of other party to the lease...

Who has more "power" in negotiating the terms of a lease?

1. Landowner
2. Tenant
3. Neither (roughly equal)



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=612))

Tenants have the power! (our perception)

- **Landowners often:**
 - Are generations and geographically removed
 - Are unaware of current farming practices/technology
 - Are old and easily taken advantage of
 - View the arrangement with a tenant as a long-term commitment handed down from their parents
 - Think that farming is a low-income business and so want to “do their part” in aiding it
 - Believe there are few potential tenants and so are beholden to the existing tenant
- **Tenants take advantage of the situation**
 - Unintentionally (may be poor managers)
 - Intentionally (“she never asked me to raise rent”)
- **Only occasionally do we see a landowner shafting a tenant**

Tenants have the power! (our perception)

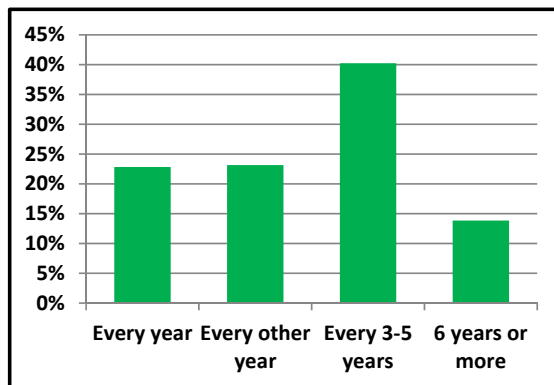
- **Landowners often:**
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- **Only occasionally do we see a landowner shafting a tenant**

Many of these points are the result of the fact that a number of landowners are landowners “by inheritance” as opposed to investing in land intentionally. Thus, returns are often viewed as “money I never had before” as opposed to “what I expect from my investment.”

Fixed cash leases...

Of land that I rent (manage) on a fixed cash rent, on average, the rental rate is renegotiated...

1. Every year
2. Every other year
3. Every 3-5 years
4. 6 years or more
5. Does not apply



This is an area where Corn Belt likely varies from KS as annual renegotiations are more common.

(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=436)

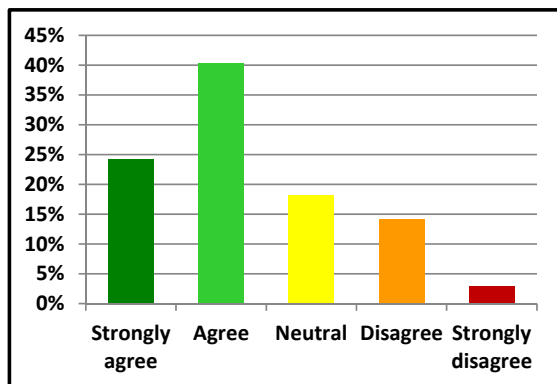
Cash rents rise over time

- **Although cash rents do fall about 25-30% of the years, on average they rise 2-3% annually**
 - Unusual to see a 3-year contract rate that shouldn't be higher than the previous contract
- **Landowners & tenants who see stable crop-share terms for years think that translates to stable cash rent**
 - We see cash rental rates that haven't changed for years and decades
 - Landowner: “We didn't know.”
 - Tenant: “She never asked for a higher rent.”

“Other” government program payments...

Producers should receive 100% of payments from programs such as CSP that are due to their management.

1. Strongly agree
2. Agree
3. Neutral
4. Disagree
5. Strongly disagree



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=302)

Manna-from-heaven payments

- Unexpected payments, typically from the government, should be shared according to parties' costs
 - Examples: CRP, CSP, EQIP
- If tenant does nothing to earn payment it should go to the land, i.e., the landowner
- Such payments should be discussed between landowner & tenant (especially the relative associated costs)

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Landowners need money too

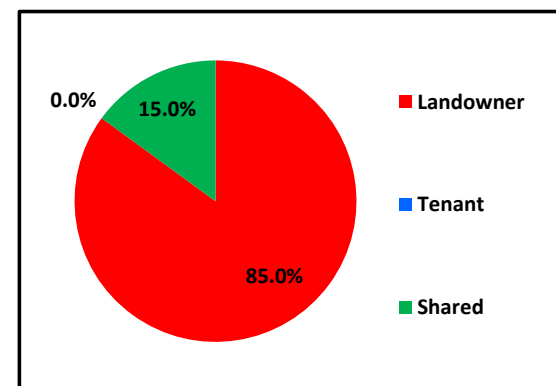
- Tenants will sometimes make the argument that “she doesn't need the money” (or “he inherited the land”)
 - This is completely irrelevant!
- Admittedly, landowners sometimes foster this perception
 - ... which tends to change when investment-minded heirs acquire land being rented

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Mineral / wind rights leasing...

If land is leased for mineral/wind rights, who should receive the income?

1. Landowner
2. Tenant
3. Shared

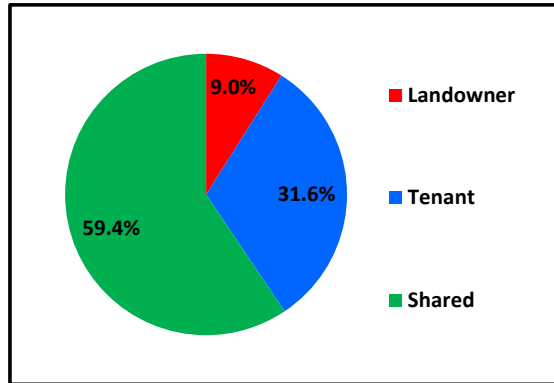


(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=234)

Mineral / wind rights leasing...

Who should receive income for compensation for damages associated with oil / gas exploration?

1. Landowner
2. Tenant
3. Shared



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=234))

Landowner ethics

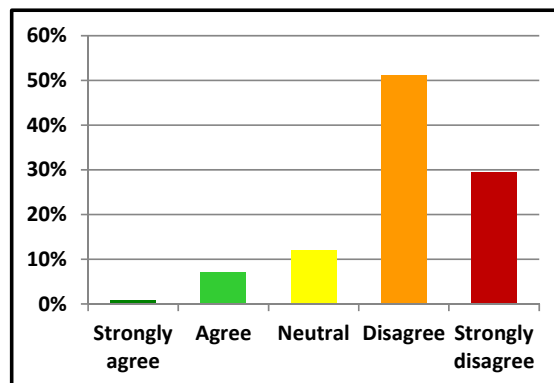
- Landowners may use their land for non-ag purposes and yet expect the same rent
 - Utility poles, oil leases
 - Lease hunting
- Landowners think if they paid too much for land it should bring a higher rent
 - This is completely irrelevant!
- Landowners might demand certain farming practices yet expect market rent
 - e.g., no fertilizer; conventional tillage, no double cropping
- Landowners make demands on current tenants to “fix” problems of past tenants

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In response to a request for a cash rent bid...

“I will pay \$X above your highest offer” is a good business strategy.

1. Strongly agree
2. Agree
3. Neutral
4. Disagree
5. Strongly disagree



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=143))

Foot-in-the-door high rental payments

- High rent payments on new contracts often are followed by stagnant rates for many years, which could be:
 - A) Tenant overbids to get land, then realizes he’s not profitable so rationalizes stagnant rents
 - B) Tenant uses this as a strategy to acquire land and pay lower-than-market rents over time
 - This is the least ethical outcome of the two
- Some tenants who do this actually beg for lower rents in near future, realizing that landowners are reluctant to change tenants
 - This is really unethical!

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Responsibility for rental rates...

Whose responsibility is it to see to it that a landowner's cash rental rate is equitable considering current conditions?

1. Landowner
2. Tenant

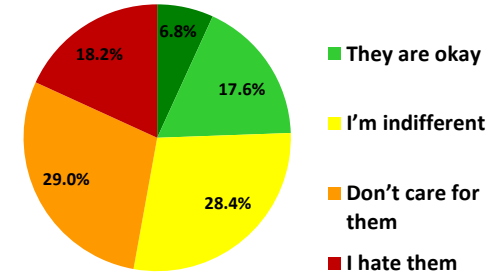
Who typically has better information?



Cash rent auctions...

Whether you have participated in them or not, what is your opinion of cash rent auctions?

1. I love them
2. They are okay
3. I'm indifferent
4. Don't care for them
5. I hate them



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=176)

Cash rent auctions – a solution to asymmetric information?

CASH RENT AUCTIONS
Over 3,300 acres in 24 tracts in 3 days @ 4 different locations, February 2nd, 3rd, & 4th, 2012

Auction Location: Guthrie Center, Iowa, Feb. 2nd, 10:00 a.m., Guthrie Center Activity Center, 309 State Street

Tract 1: Cass County, Jensen Plat, Sec 25, T7N, R12W, 132.4 tillable acres
Tract 2: Guthrie County, Dodge Plat, Sec 36, T8N, R21W, 133.4 tillable acres
Tract 3: Guthrie County, Dodge Plat, Sec 36, T8N, R21W, 137.0 tillable acres

Auction Location: Eldora, Iowa, Feb. 2nd, 4:00 p.m., Hardin County Fairgrounds, 301 11th Avenue

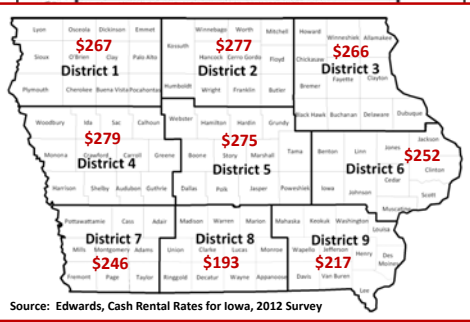
Tract 4: Hardin County, Pleasant Plat, Sec 25, T8N, R20W, 78.1 tillable acres
Tract 5: Hardin County, Clay Plat, Sec 25, T8N, R20W, 59.80 tillable acres
Tract 6: Hardin County, Eldora Plat, Sec 6, T8N, R20W, 101.9 tillable acres
Tract 7: Hardin County, Eldora Plat, Sec 20, 21 & 28, T8N, R20W, 113.2 tillable acres

Auction Location: Cherokee, Iowa, Feb. 3rd, 1:00 p.m., Cedar River Wellness Center, Lower Lobby of Auditorium, 809 Sawyer Drive

Cash Rent Auctions in Iowa -- Feb 2-4, 2012

2-Year lease (2012 and 2013) -- Money up front for 2012				
Ac-wtd avg	\$486	3347.7	71.0	\$6.72
Average	\$476	139.5	73.5	\$6.52
Min	\$325	52.1	51.8	\$5.57
Max	\$530	421.1	92.5	\$8.15
Corr with \$/acre		0.362	0.748	0.072

Tract	County	\$/acre	Acres	CSR	\$/CSR
1	Cass	\$475	132.6	79	\$6.01
2	Guthrie	\$525	153.4	81.5	\$6.44
3	Guthrie	\$525	167.0	76.3	\$6.88
4	Hardin	\$520	78.1	77.9	\$6.68
5	Hardin	\$460	59.6	78.6	\$5.85
6	Hardin	\$510	101.3	83	\$6.14
7	Hardin	\$530	113.3	92.5	\$5.73
8	Franklin	\$520	108.4	76	\$6.84
9	Franklin	\$425	102.1	67.8	\$6.27
10	Franklin	\$425	199.4	59.6	\$7.13
11	Franklin	\$490	170.3	70.7	\$6.93
12	Franklin	\$475	53.9	73.1	\$6.50
13	Franklin	\$495	139.7	81.1	\$6.10
14	Franklin	\$490	252.7	68.9	\$7.11
15	Franklin	\$445	60.2	77	\$5.78
16	Franklin	\$460	52.1	82.6	\$5.57
17	Franklin	\$325	62.1	51.8	\$6.27
18	Butler	\$435	121.7	67.7	\$6.43
19	Butler	\$520	421.1	71.6	\$7.26
20	Cerro Gordo	\$490	145.0	72	\$6.81
21	Cerro Gordo	\$500	148.0	71.4	\$7.00
22	Hancock	\$450	214.3	55.2	\$8.15
23	Mitchell	\$530	221.0	86.1	\$6.16
24	Mitchell	\$400	70.4	62	\$6.45



Cash rent auction in NW KS ...

LAND LEASE AUCTION
2150 Acres +/- Located in Sheridan and Thomas County, Kansas
Saturday, January 15, 2011 • Time: 2:00 p.m.
Owner: Ward J. Munkres Sale Location: Shepherd's Staff building, 225 Main St., Rexford, KS

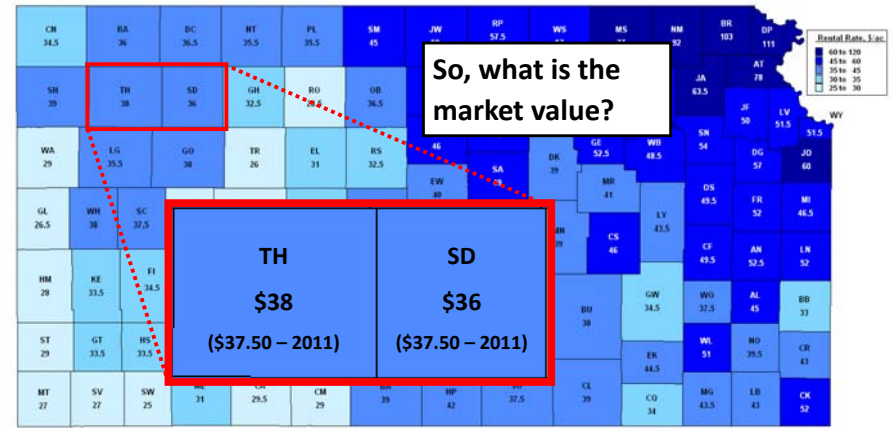
Cash rent auction in NW KS ...

Munkres cash rent auction, January 15, 2011

Tract	Cropland acres (FSA)	\$/acre rent	Annual dollars	Wheat stubble a	Corn stalks a	Milo stalks a	Govt payments	Govt pymt per acre	Avg % org matter	PPM soil test P
1	214.0	\$110	\$23,540	108.0	106.0		\$3,255	\$15.21	2.00	37.50
2	79.7	\$90	\$7,173		79.7		\$586	\$7.35	1.50	15.00
3	153.1	\$105	\$16,076		153.1		\$597	\$3.90	1.80	17.00
4	160.9	\$135	\$21,722	160.9			\$1,776	\$11.04	1.70	15.00
5	314.6	\$140	\$44,044	226.4	88.2		\$3,638	\$11.56	1.60	23.00
6	156.0	\$140	\$21,840		156.0		\$1,747	\$11.20	1.70	21.00
7	308.7	\$130	\$40,131	240.0	68.7		\$3,441	\$11.15	1.74	24.55
8	305.9	\$125	\$38,238			305.9	\$3,847	\$12.58	1.80	24.00
9	299.0	\$135	\$40,365			299.0	\$5,465	\$18.28	2.00	20.00
10	156.3	\$120	\$18,756		78.2	78.2	\$1,709	\$10.93	1.65	21.00
Total	2,148.2		\$278,684	735.3	729.9	683.1	\$26,061			
Overall per acre values			\$126.56					\$12.13	1.75	21.80
Correlation of cash rent with above columns>								0.51	0.14	0.04

Only marginal differences in farmability and land quality across tracts, except that tract 2 had several acres in a lagoon.
 All land is non-irrigated, fairly flat, little erosion, and has good road and grain market access.
 All land is open, i.e., no growing wheat.
 Land leased for 5 years and tenant must ensure no loss of soil fertility during lease term, i.e., must reimburse landowner at end of lease for any reduced fertility (both N and P), as judged by before & after soil tests.
 Land located near Rexford and Gem in both Thomas and Sheridan counties, Kansas.
 Pre-auction expectations likely were centered around \$80/acre.

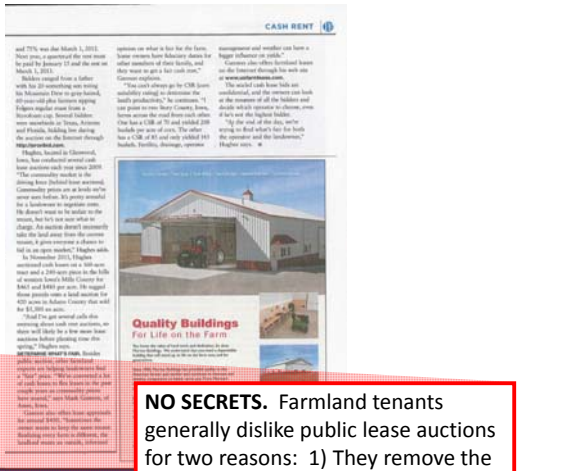
Kansas county-level non-irrigated crop cash rents...



* 2010 Cash rent values as reported by USDA NASS and Kansas Agricultural Statistics (KAS).



Article about land cash rent auctions in Iowa (The Progressive Farmer / April 2012)

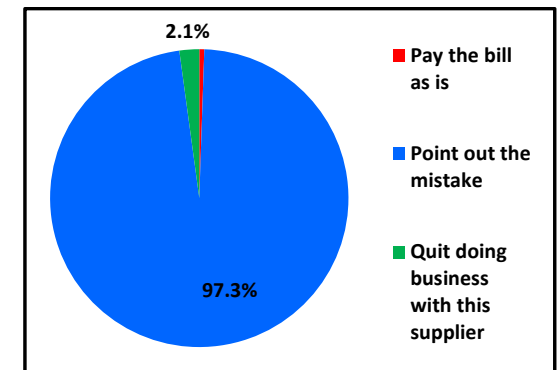


NO SECRETS. Farmland tenants generally dislike public lease auctions for two reasons: 1) They remove the traditional, personal relationship bond between the owner/tenant and reduce it to a numbers game; and 2) It publicizes actual cash rents so all the landlords in the area can compare how their leases stack up.

What would you do?

If you received a bill from your input supplier and they over charged you by \$2,500 would you...

1. Pay the bill as is
2. Contact the supplier and point out the mistake
3. Quit doing business with this supplier



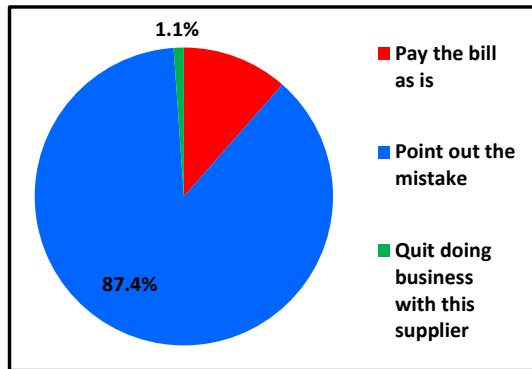
(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=187)

What would you do?

If you received a bill from your input supplier and they under charged you by \$2,500 would you...

1. Pay the bill as is
2. Contact the supplier and point out the mistake
3. Quit doing business with this supplier

What if it were \$25,000?



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=183)

Do you do the "right thing"?

1. Are landowners (especially absentee) treated similar to other input suppliers?
2. Are family members treated similar to other non-relative business partners?
3. Regardless of the size of your operation, treat it like a business.

"The more you treat your family farm like a business, and less like a family operation, the more likely you'll have a family farm to pass on to future generations."

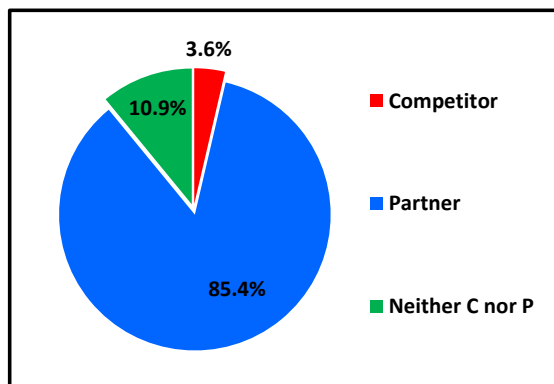
View of other party to the lease...

How do you view the other party in a lease?

1. Competitor
2. Partner
3. Neither C nor P

Do partners share or withhold information from each other?

Don't just say you are partners with words, rather, say it with your actions...



(responses at various Winter Lease Meetings in KS (2011/12-2013/14, n=597)

Slides of this and other presentations available at www.AgManager.info – click on "Contributors" and then "Kevin Dhuyvetter" and then "slide presentations"

Questions?

For more information and decision tools related to farm management, marketing, and risk management go to www.AgManager.info

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