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2019 Cash Rent Report Available

The 2019 Kansas County-Level Cash Rents for Non-Irrigated Cropland was published January 2019 by Mykel Taylor with K-State Ag Economics. While this report does not necessarily reflect what is being paid for leased land or what has been adjusted for low farm profitability, it does reflect what a typical producer could afford to pay, with the expected profitability of 2019.

Taylor states: "Profitability in the Kansas farm sector has varied dramatically in the past four years. According to Kansas Farm Management Association (KFMA) data, net farm income per operator declined statewide from $95,355 in 2014 to $8,451 in 2015, with a rebound to $46,716 per operator in 2016 and $62,944 per operator in 2017. The 2018 crop year is likely to be similar to 2016 and 2017 in profitability, although the impacts of low profitability are highly varied across the state. The diversity of expected profitability for 2019 manifests in the rental rate estimates shown in this publication. The rental rate estimates reflect what producers could pay for rented ground, based solely on expected yields, commodity prices, and production costs. Ignored in these calculations is the ability of producers to pay rent on leased ground using profits gained in previous crop years and/or available equity from owned assets."

Taylor also notes: "The recent decline in farm profitability puts producers in a difficult situation. Producers do not want to lose land if they can possibly afford to keep it, because the capital investment (e.g. machinery purchases, breeding herd size) and labor decisions they made over the past several years were based on the amount of land they had to farm. This will lead many to pay more for the land than estimates of expected profitability suggest they can pay and keep rental rates from falling at an accelerated rate, at least in the short-term. Over a longer period of time, if profitability remains low, rental rates will continue to decline as producers burn through existing working capital or equity and are unable to continue to pay higher rates. It is worth noting that not all farmers have the same amount of working capital or equity in owned land available to them for paying rental rates above expected profit levels. Producers who started farming in the last5-10 years are less likely to own most of the land they operate, making it difficult to subsidize high rental rates with returns from land they own. Similarly, a producer who employed an aggressive growth strategy in the past decade may also have trouble paying high rents due to borrowing costs on land they purchased. The impact of a farm recession on producers' ability to pay rents above expected profits will not be uniform."

The full report, including the KSU-Lease spreadsheet can be found at: http://www.agmanager.info/land-leasing/land-rental-rates

Butler County is considered to be part of the Southeast part of the State. Here is a look at Butler County Data for Non-Irrigated Cropland

2016 KSU Rent ($/ac)	2017 KSU Rent ($/ac)	2018 KSU Rent ($/ac)	2019 KSU Rent ($/ac)	2017 NASS Rent ($/ac)
34.70	24.50	42.60	39.20	46.50