

LEASING AG LANDS

Sidnee Rose Hill



RANCHER

Double XX Ranch

Spade Bit Ranch

Sheridan Ranches

MOTHER

3 Kids

3 Dogs

Immense Amount of Chaos

RESEARCHER

MS of Agricultural Economics-

Purdue University

MBA- Indiana University

EXPERIENCE

University of Idaho-Extension

Farm/Ranch Business Consultant

Economist/Financial Analyst

Farm Manager

WHAT IS YOUR “BHAG” FOR YOUR
BUSINESS?

WHAT DO YOU NEED TO DO IN 10
YEARS, 5 YEARS, 1 YEAR TO GET
THERE?

WHAT ARE YOUR BIGGEST HURDLES
TO ACCOMPLISHING THOSE GOALS?





MYTH #1

Getting Bigger is Always BETTER

CAN I GAIN FROM GROWING? Check your Gross Margin

Farm 1

INCOME

BEETS: 21,450

GRAIN: 3,500

EXPENSES

BEET VARIABLE COSTS: 22,000

GRAIN VARIABLE COSTS: 1,600

FIXED COSTS: 3,500

NET RETURN: -2,150

Farm 2

INCOME

BEETS: 17,990

GRAIN: 2,000

EXPENSES

BEET VARIABLE COSTS: 10,000

GRAIN VARIABLE COSTS: 1,050

FIXED COSTS: 12,000

NET RETURN: -3,060

ECONOMIES
OF SCALE

Spreading out of fixed costs over more # of outputs; minimal gains in purchasing power.
WARNING: Dis-Economies of Scale

ECONOMIES
OF SCOPE

Production of one product REDUCES the cost of another.
(Circular Economies)

ECONOMIES
OF
LEARNING

Benefit in productivity gained from efficiencies found in repeated action.



COMMON LEASING ARRANGEMENTS

CASH RENT

Predetermined fixed amount to be paid annually. Usually per acre based.

CROP SHARE

Land Owner receives a percentage of crop revenue.

FLEXIBLE LEASES

Adapt to changing market conditions. Usually some combination of cash and crop share.

“AND THEN” RENT

Base rent price with a stipulation for additional rent when specific crops are grown.

INCENTIVIZED RENT

A discount in the rent amount when tenant provides some sort of action.

SUB-LEASE

Leasing from an entity who holds a pre-existing lease with owner.



MYTH #2

Doing deals on a handshake.

YOU NEED TO HAVE A LEASE AGREEMENT



WHEN

Dictates when the lease starts, ends, and when rent is due.



WHERE

Outlines the extent of what is being leased.
Water rights?
Irrigation Equipment?
Storage Bins? Pivot
Corners? Winter
Feeding?



WHY

Helps illustrate the priorities, goals, and desires or both tenant and owner.



WHAT

Clearly designates what actions can and should happen as well as rent amount. Also, what happens if things go south...

A LEGALLY BINDING LEASE AGREEMENT MUST HAVE:

1

Boundary of property to be leased.

2

Term of Lease

3

Rent Rate

VERBAL AGREEMENTS ARE LEGALLY BINDING WITH: OFFER & ACCEPTANCE, CONSIDERATION, INTENTION, & CAPACITY. IT IS THEN A LEGAL BATTLE TO DETERMINE IF ALL THOSE REQUIREMENTS WERE TRULY MET.



MYTH #3

All Lease Opportunities are Equal

A large black silhouette of a person's head in profile, facing right, is on the left side of the page. A large, multi-lobed black thought bubble is positioned above the person's head, extending towards the top right of the page. Several smaller black circles of varying sizes are scattered between the person's head and the main thought bubble, suggesting a stream of thought or ideas.

Can I meet & agree with the owners' expectations?

Can I afford the rent?

Will the lease arrangement affect my taxes?

Is there sufficient resources? (Water, Soil Quality)

Can I get along with the neighbors?

What CAP EX is needed or expected?

How involved does the owner want to be?

Am I responsible for water assessments of

property taxes?

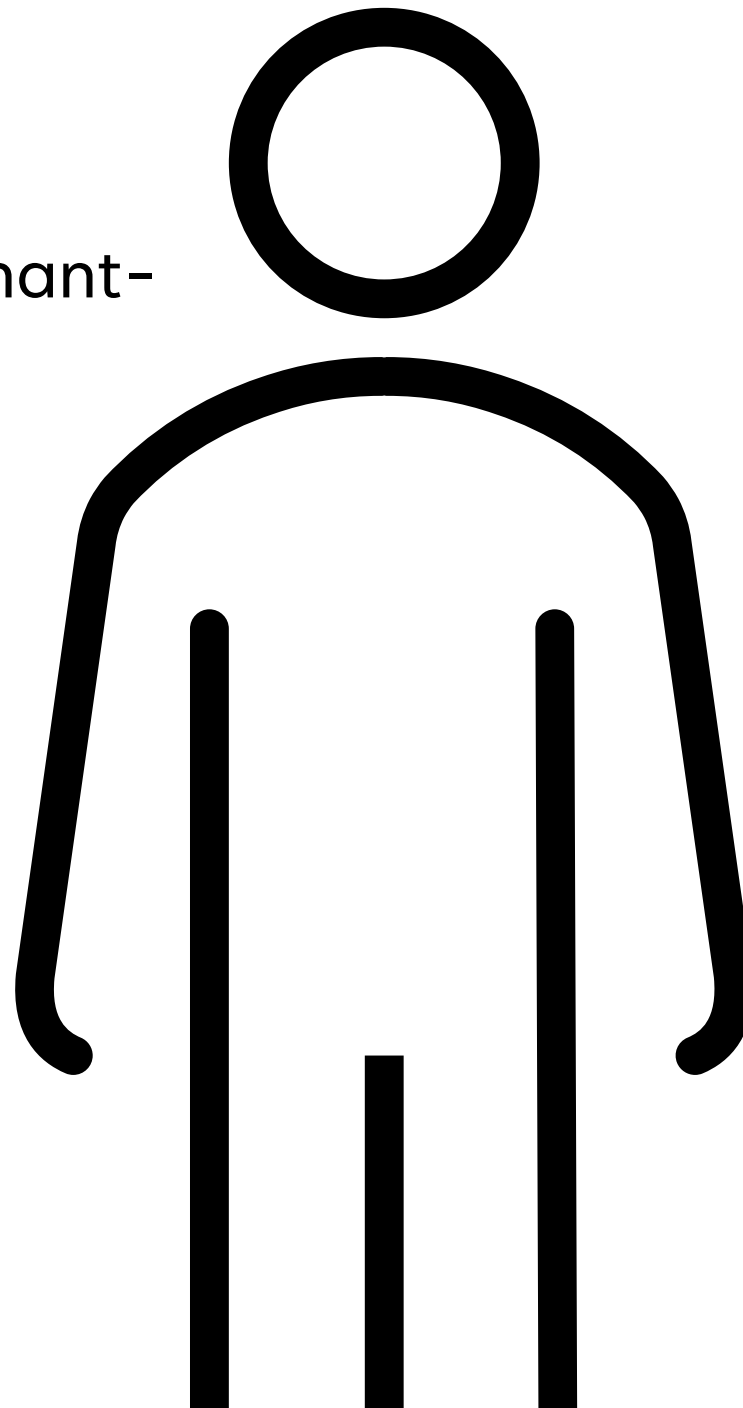


TRUTH #1



Finding a tenant is a bit like a job interview.

Attributes of a great tenant-



Honest

Clean

Experienced

Progressive

Established

Responsive

Open

Relationship
Focused

Communicates



TRUTH #2



The old adage is pretty true.

HOW TO NETWORK LIKE A BOSS

CHANGE YOUR
MINDSET

PRACTICE EVERY
DAY

FIND ALLIES &
ADVOCATES

BE STRATEGIC

BUILD RAPPORT

BE WITH PEOPLE

BE CLEAR





Mitchell Searle · 1st
Farmer at Sage View Ag LLC

Burley, Idaho, United States · [Contact info](#)

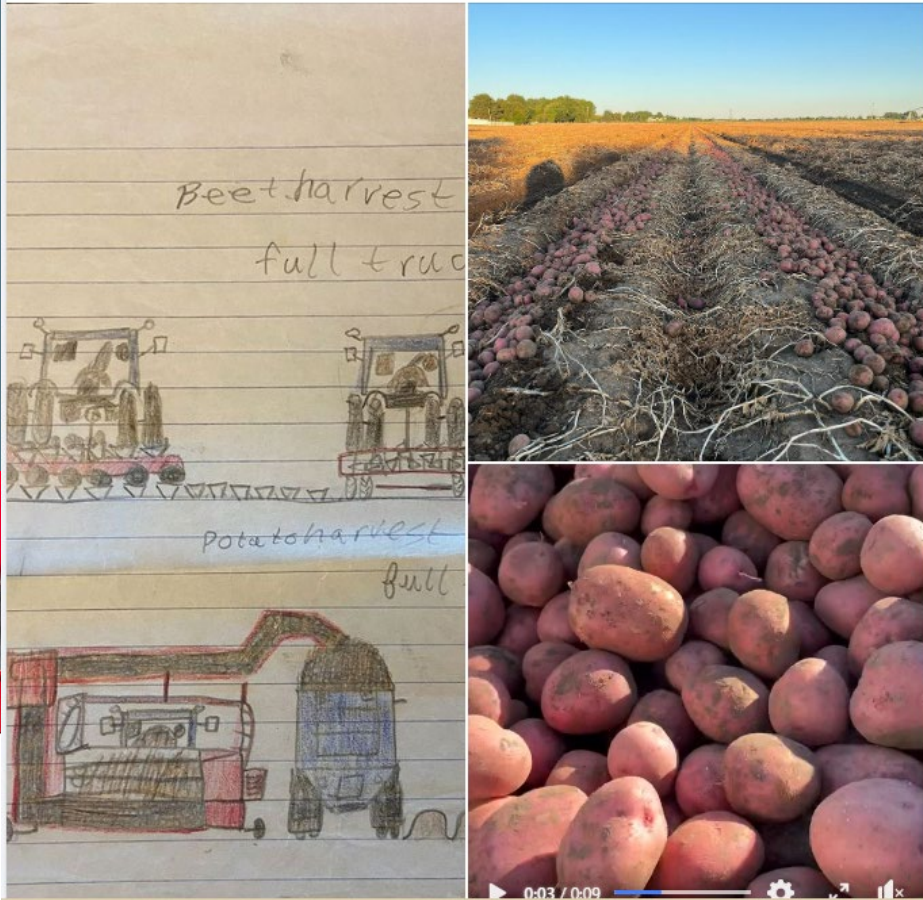
500+ connections

Justin Patten, Tyler Moore, MBA, and 29 other mutual connections

[Message](#) [More](#)

Miguel A. Villafaña is in Wilder.
12 August 2023 ·

4th grade me had bigger visions of what my windrows would look like. Still happy to be doing what I dreamed of since I was a kid. #idahopotatoes 🍅 #idahoag #sugarbeets #villafañafarms



BYU-Idaho

Heglar Creek Farms
506 followers
1w ·

Meet our Farm Manager, Kurt Heward, and his family!

Kurt grew up south of Burley, farming with his Dad and uncles, and has been our farm manager at Heglar Creek for 7 years. He says his favorite thing about working at Heglar Creek is that "It doesn't feel like work. It's something that I just love to do."

Kurt and his wife Zenna have five kids, Jex (9), Binzi (7), Trave & Kyle (4), and Vince (2).

Kurt's hobbies include basketball & guns! Some fun facts about Kurt are that if he could travel anywhere in the world, he would choose to visit New Zealand. If he could meet any famous person he wanted, he would first want to meet Jesus, and secondly, Abraham Lincoln.

Something interesting most people don't know about the Heward's is that Zenna makes cool t-shirts!

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QUESTIONS?

