

Linking Land and Livestock

Tips for successful custom grazing arrangements

Question: What do the following trends have in common?

- ❖ Young producers want to graze but lack capital to build their operations.
- ❖ Prices for beef cattle and feed are up.
- ❖ Conservation Reserve Program contracts are expiring and many pastures may be planted to corn.
- ❖ Our farmer population is aging.
- ❖ There is a rise in absentee landowners and land owned for recreation.

Answer: Together they make this a good time to link land and cow owners with other livestock operators in custom grazing arrangements.

Practical Farmers of Iowa recently collaborated with Joe Sellers, of Iowa State University Extension and a PFI member, to complete a Custom Grazing Survey of 50 operations in Iowa and Northern Missouri. Leopold Center funds were used to hire Carl Neifert, a retired livestock specialist for ISU Extension to conduct the survey.

The survey included a wide range in the size, scale and scope of operations. Some were cow-calf operations with a year-round feeding component, others cow-calf operations with summer feeding only, and a third where calves or yearlings were stocked just for the summer grazing season.

As part of the survey, the researchers asked:

“What are the issues to cover in custom-grazing leases, the pitfalls to avoid, and the conditions to address?”

Here are the graziers' comments:

Know your client. The integrity of the cattle owner is extremely important. Check out the owner's credentials, credit history, prior clients and references.

Know the cattle. Know their weight and conditions of coming in, disposition, health status and breeding/genetics. Do not accept sale barn cattle.

Have a written agreement. Thoroughly cover who does what and who pays for what. This should include supplemental feeding and care (or cattle removal) during drought conditions, arrival and removal dates, health supplies and treatments, dates of payment, and all potential cattle grazing inputs.

Match the carrying capacity of the pasture to the cattle and grazing season. Don't overestimate your pasture's production. Using higher-productive pastures in a well-fertilized, rotational system can yield more carrying capacity.

Protect your income interest by filing notice under Uniform Commercial Code.

Establish a prompt payment schedule and obtain the final payment before cattle are removed.

Communicate with the owner regularly to establish a trusting relationship. Keep the cattle owner informed about good and bad events. Nobody likes a surprise.

Make sure you cover all your costs, including extra labor to handle/process cattle and realistic feed costs. Include all your fixed and variable costs.

Consider surcharges or incentive payments as a reward for better management or for extra labor. For example, higher rates need to be charged when more “added-value” management is provided in a specialized program for grass-fed beef.

To view the survey results, including the fees received for grazing arrangements and services included in grazing contracts, download the three easy-to-read factsheets, at the Iowa Beef Center:

www.iowabeefcenter.org

Thank you to the Leopold Center for Sustainable Agriculture for supporting this project.



Joe Sellers speaks to a group amid pasture at the DeCook Ranch near Lovilia.