

#### Survey

Please respond to the following questions. Your responses will help us improve future publications and determine content. Alternatively, you can save a stamp and take the survey online at this link: **z.umn.edu/ggsurvey** 

What topics are you interested in learning more about through articles in the Grazing Gazette? (Check up to 5 choices) □ Pasture renovation □ Conservation practices ☐ Matching forage to livestock □ Watering systems □ Manure management □ Mob grazing □ Pasture nutrient management ☐ Livestock health Management ☐ Grazing system design □ Plant Identification ☐ Managing woodlands for grazing □Marketing □ Other(s) \_\_\_\_\_\_ □ Fencing □ Rotational grazing ☐ Starting a grazing business □ Pasture evaluation/troubleshooting In what area(s) does your operation need the most improvement? (Check up to 3 choices) □ Pasture productivity □ Business management □ Marketing ☐ Animal health □ Conservation □ Infrastructure Which livestock do you raise? (Check all that apply) □ Dairy □ Goats □ Beef □ Poultry □ Hogs □ Other □ Sheep How do you read the Grazing Gazette? (Check one) □ Print/Hard copy □ Online □ Both For the following two statements, please indicate your agreement I am satisfied with the Grazing Gazette newsletter. (Check one) □ Strongly agree □ Somewhat disagree

□ Somewhat disagree

□ Somewhat agree

Thank You!		
Do you have any comments you'd lik	ke to share with us?	
□ Yes □ No	sted in the Grazing Gazette. ( <u>Greek Grie</u> )	
I have attended an event that was li	sted in the Grazing Gazette. ( <u>Check one</u> )	
<ul><li>□ Yes</li><li>□ No</li><li>□ Not yet</li></ul>		
I made a change(s) in my operation a	as a result of what I read in the Grazing Gazette. (Check one)	
<ul><li>□ Strongly agree</li><li>□ Somewhat agree</li></ul>	□ Somewhat disagree □ Strongly disagree	
I have situations in which I can apply what I read about in the Grazing Gazette. (Check one)		

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Winona County Extension 202 West 3rd Street Winona MN 55987

# Southeast Minnesota Grazing Gazette

Volume 2, Issue 1

January/February, 2013

Mark Your Calendar!

# This newsletter is a joint effort from the following organizations:



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If you would like to receive this newsletter by email please send a request to:

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# **Calendar of Upcoming Events**

January 10 & 17 Dairy Farm Safety

St Charles

www.uwrf.edu/CenterForDairyFarmSafety/

715-425-3240

January 16 Winter Crops Day

Caledonia

http://sroc.cfans.umn.edu 507-835-3620

Jan 31 & Feb 1 Driftless Region Beef Conference

http://www.aep.iastate.edu/beef 319-721-9624

Jan./Feb. Private Pesticide Applicator

Recertification Workshops

www.extension.umn.edu/pesticides

612-624-3470 or 763-260-4423

February 6 Dairy Management Workshop

Rochester, MN.

Contact: Jim Salfer, 320-203-6093

or Liz Purcell, 763-355-9697

February 14 Cow/Calf Day

Rochester

http://www.extension.umn.edu/BeefProduction/programteam.html or http://www.extension.umn.edu/beef/index.html

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## Pasture rental and lease agreements

Iim Paulson University of Minnesota

Pasture rental and lease arrangements offer livestock producers the opportunity to affordably start or expand their operations and limit financial risk. With the high price of grains and the growing interest in grass fed beef and dairy; managed productive pastures offer an alternate and affordable way to feed cattle. Sheep and goats have traditionally been fed a mostly forage diet but managing their pasture will lead to greater profitability. On the other hand, renting out pastures may allow a landowner to gain income while helping a beginning farmer the chance to get established.

What is the difference between a rental agreement and a lease for a pasture rental? Rental agreements are monthly, with no set period of residence. At the end of each 30-day period, both you and your tenant are free to change the rental agreement (subject to any rent control laws). These changes may include raising rent, changing the terms of the initial agreement, or asking the tenant to vacate the property. However, in most states, both landlord and tenant are required to give 30 days' notice before any changes can be made. If your state doesn't require notice, you can change any part of the rental agreement at your discretion. A rental agreement typically renews automatically after each 30-day period has elapsed. There's no need to give notice about this automatic renewal, as long as neither you nor your tenant has stated that the tenant will vacate the premises.

A lease has a set term, such as six months or a year, during which the tenant agrees to rent the property. If you as a leasee make improvements or investment in the land or facilities such as fencing, water system or fertilizer; you may want a longer term lease. A longer lease is often for three to five years. During that time (also known as the duration of the lease), the tenant and the landlord must adhere to the agreement. For example, tenants agree to make monthly rent payments and follow any code of conduct or other stipulations in the lease. Neither party can change any terms of the agreement until the lease expires, unless both parties agree to the change. A tenant can't vacate the property without breaking their lease, in which case they can be held liable for the rest of the rent due under the lease, or can be required to find someone else to take over the lease.

Amount to pay or amount to charge: The main factor you must decide is how much are you willing to pay or what is a fair amount to charge for rent. The answer is always: "It depends". The devil is in the details and there can be many details to work out. You as a renter need to determine what kind of gain you can expect on feeders or how many animal units an acre can support. How you manage the pasture can make a big difference on the stocking rate. If you manage the pasture as a continuously grazed system, the results could be different than if you rotationally graze in smaller paddocks or mob graze in a high density grazing system. The more gain you can achieve, the more you may be willing to pay or the less your risk might be. Typically, most pastures are rented by the month on a per acre or per head basis. An alternative is to consider an amount of gain in a season. Two very important items that must be clear and agreed upon are the maximum number of animals allowed on a unit of land and the weight of the animals. These will greatly affect the impact on the pasture stand life and soil health. If you rent on an acre basis, you may overstock to reduce cost per head. If you rent on a per head basis, you may want to lower your stocking rate to improve rate of gain. These decisions might be in conflict with the landowner's expectations.

Consider some different scenarios: You have a 75 cow beef herd and expect you will have 75 cow/calf pairs to put on pasture May 1. You hear of a pasture available to lease for the year for \$15,000 for 100 acres. Is this a fair price? In the past you have paid \$1/cow/calf unit per day for pasture rental. If we can expect 180 days of pasture growth adequate to support the 75 cow/calf units; our math would tell us that would equal \$75/day in pasture costs for 180 days which would equal \$13,500. If you pay the \$15,000; the cost comes out to \$83.33/day or \$1.11per cow/calf unit per day.

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In the second case, you have 75 bred Holstein heifers that you want to gain at least 1.75lbs/head /day by calving time in the fall. In order to achieve this rate of gain, it will be necessary to divide the pasture into 30 paddocks with movable electric fencing which you will have to provide. It will also require you to move fences and animals daily. The alternative is the landowner offers to custom raise the heifers for \$2.50/head/day. However, there is no guarantee rate of gain.

These scenarios serve to illustrate things that need to be considered in negotiating a pasture lease. The first thing is what is the forage production potential of the pasture? Is it composed of diverse and productive grasses and forbs or weedy Kentucky Blue grass? What is the fertility status of the ground and who will be responsible for the additional fertilizer needed? What is the soil type? Is it sandy or rocky with little water holding capacity?

What is the water supply and quality in the pasture and the location of the water source? Will different fencing plans work with the water available? What happens if the water supply dries up in late summer? Who is responsible to provide water?

Perimeter fences of a pasture usually are the responsibility of the landowner. Multiple paddocks in a more intensive system are usually the renter's option and responsibility.

Whether it is a rental agreement or a true lease, it should be put in writing with the guidance of legal counsel. Names of the parties involved, legal description of the land involved, length of the agreement, pay provisions and all the items agreed upon. It should then be signed and dated.

### **Plan Now to Attend Driftless Region Beef Conference**

By Jerrold Tesmer, Fillmore/Houston County Extension Educator

With nearly 2.5 million cattle in the four-state Driftless Region, extension services in Illinois, Iowa, Minnesota and Wisconsin have teamed up to offer a Driftless Region Beef Conference. The first event will be held on January 31 & February 1, 2013, at the Grand River Convention Center in Dubuque, IA.

The Driftless Region includes beautiful rolling hills, clean streams and karst soil topography. Conservation of our soils and protection of our waters are best accomplished with much of the land seeded to forage production. That requires cattle to consume these forages. The Driftless Beef Conference will focus on efficient and economic beef and forage production.

The program will begin at 1 p.m. on January 31 and run till 11:45 a.m. on February 1. Some of the key speakers include Dan Shike and Tara Felix, University of Illinois; Matt Spangler, University of Nebraska-Lincoln; Amy Radunz, University of Wisconsin - River Falls; and Darrell Peel, Oklahoma State University. Thursday's afternoon program will focus on feed efficiency at all stages of production, with an evening discussion focused on straight versus

crossbreeding. Friday morning's program includes three breakout sessions for feedlot operations and three for cow herds.

Registration for the conference is \$80 before January 15 or \$100 after January 15. Additional information is available at <a href="https://www.aep.iastate.edu/beef">www.aep.iastate.edu/beef</a>. Registration will open for the conference on December 1.

The Driftless Region Beef Conference is sponsored by the University of Illinois Extension, Iowa State University Extension and Outreach, the University of Minnesota Extension, and University of Wisconsin Extension. The planning team strives to deliver the latest in research-based information regarding the beef cattle industry. For more information or to receive a brochure, contact Jerrold Tesmer at 507-765-3896 or Denise Schwab at 319-721-9624.







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