

Free Isn't Always Cheap

Free or low-cost leases need to work for both parties.

by Becky Mills, field editor

In the middle of high-class horse country, 50 miles from Washington D.C., Norman Bower doesn't even think about trying to buy land.

"I'm competing with developers. Animals can't pay for that."

Instead, the Warrenton producer leases all 300 acres for his 80-cow Angus-based herd. In return for being a good steward, he gets the places at reduced, or even no, cash rent.

"I'm very fortunate, but I've worked at it," Bower says.

Thanks to a carefully planned and implemented rotational grazing system, there is abundant green grass and hardly a weed in sight on both of his leased farms. When he has to feed hay, which isn't often, he tries to roll it out, so the manure is spread across the pasture rather than in one muddy spot. The frequent rotations and conservative stocking rate mean his cattle stay in good shape.

Because Bower's been a good steward, he's been able to consolidate his leased places down to two, and

they're only a 30-minute tractor drive apart.

Ghent, New York, Angus breeders Phil and P.J. Trowbridge are in a similar situation. Their headquarters is 90 miles from New York City and surrounded by second homes and small farms belonging to city residents.

"Land sells for \$12,000 to \$15,000 an acre. You can't justify farming that," Phil says.

The upside is the landowners often come to the father-and-son team

Norman Bower and Tim Mize say there is a big push in the area to keep cattle out of streams and ponds.



and ask them to lease their land for a reduced fee, or no fee at all, in return for maintaining it.

"They like the way we keep our places," Phil says.

"We Bush Hog® the edges and maintain it like it is our own," P.J. adds. "They also like the ag assessment tax breaks they get."

Like Bower, they've been able to get more selective about their leases. Instead of having their places scattered out for 20 miles, most are in a five-mile radius of their headquarters.

Auburn University ag economist Max Runge agrees with the Trowbridge's strategy.

"If you're in a location where land is in high demand, it is really hard for agriculture production to pay for it," Runge says. "Renting lets a producer expand without a huge investment."

Still, even if there isn't a rental fee,

he says there are factors to consider.

"How convenient is it to your location? Is it accessible? Do you have to cross a major thoroughfare to get to it? How is the fencing? What kind of working facilities does it have? Is there anything hazardous on the property, such as poisonous plants?"

Tim Mize, Bower's county extension agent in Fauquier County, says fencing can be a major concern on rented operations. They have the traffic that comes with being in commuting distance of Washington.

"In a lot of cases, all

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The answer is rotation, rotation, rotation

Norman Bower has to accomplish two things to stay in the cattle business. One is to keep his cows and calves in good condition, with as little costly hay and supplement as possible. The other is to keep his landlords happy. Fortunately, his rotational grazing system does both.

"The biggest expense on a cow-calf operation is feed, whether it is in a bag or hay," says the Warrenton, Va., commercial cattleman.

On one tract, he didn't feed any hay last winter until it snowed. He was able to get by with 100 bales for his 80 mature cows and 30 replacement heifers.

"I wouldn't have fed that much, but I was rolling it out for the new calves since I calve in February and March."

He also says, "The more I do what I'm doing, the more the pastures are improving. We're resting them at least 21 days or more. The soil is definitely improving. The roots go down and keep the rain in the soil. You could see the rain running off in the beginning. Now when we get rain, it soaks in. It is exciting to see."

On his 90-acre tract, made up of MaxQ fescue and Durano clover, he has 45 acres on each side of a driveway. He divided each 45 acres into eight paddocks. Thirteen cow-calf pairs are on one side, and 30 replacement heifers are on the other.

"I might make it even smaller, but water access is a challenge."

In the summer he doesn't leave cattle in a paddock longer than a week. He tries to move them before the grass height gets below 4 inches.

"I do it by eyeballing," he notes.

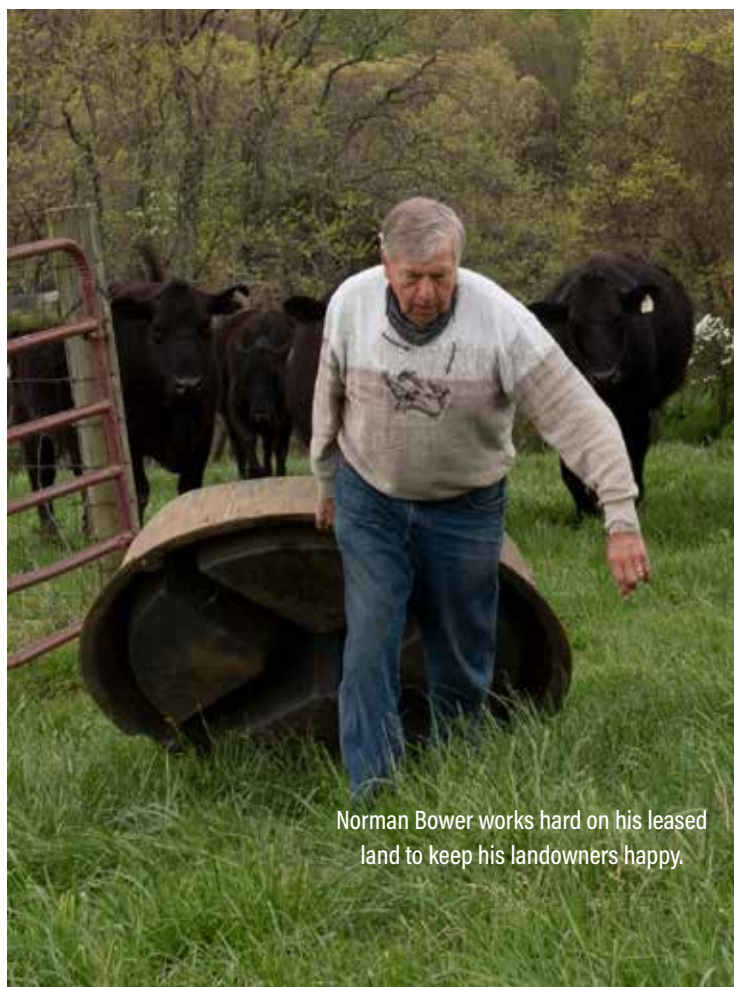
Winter is when the system really shines. Rather than hauling hay to his cattle, he relies on stockpiled forage.

"I try to stockpile a whole side," says Bower. "In August I put nitrogen on it and hope it rains."

He starts grazing the stockpiled forage after the first frost. He especially likes it on the farm that has Kentucky 31 fescue, which is infested with the toxic endophyte. "Stockpiling and frost helps get rid of the endophyte," he says. "It is as good as any hay you can buy."

With strip-grazing, he was able to graze his spring-calving heifers and cows on the stockpiled forage until the end of March on one place and May on his other farm.

Better yet, his conception rates average in the 90s, his calves wean at around 550 pounds and his landlords smile when they drive by.



Norman Bower works hard on his leased land to keep his landowners happy.

that's left of a fence is a little wire hung between trees," he says. "There is the liability issue of livestock getting on roads."

When fences do have to be built or replaced, he says, "Who's going to pay for it? We haven't figured that out yet."

Water is another factor.

"There is a push here to keep cattle out of streams and ponds," Mize says.

While cost-share money is available in some cases from agencies like the Natural Resources Conservation Service (NRCS) and local soil and water districts, there is still the question of who is going to pay the rest.

Bower has been fortunate with fencing and water installation. The 90-acre farm he leases was in row crops, but as part of his lease, the former tenant agreed to put it back

in grass. Bower wanted it in MaxQ fescue, a novel-endophyte variety and paid the additional money over and above a cheaper option.

Like Mize says, there is a push to keep cattle out of streams and ponds since the area is in the Chesapeake Bay watershed. In his case, the John Marshall Soil & Water Conservation District cost-shared with Bower on fencing expenses, as well as putting in additional water troughs so he could rotationally graze. The conservation district does require a five-to-ten-year lease, however.

On his other tract, the landlord helps with fencing expense.

Trowbridge agrees on the importance of looking into fencing costs before entering a lease.

"It is a big thing. If we have to put up fence, we want at least a ten-year lease."

If the fertility has been stripped by a former tenant, Trowbridge asks the landowner to share in the cost of re-building it.

"It costs a fortune to get the fertility up."

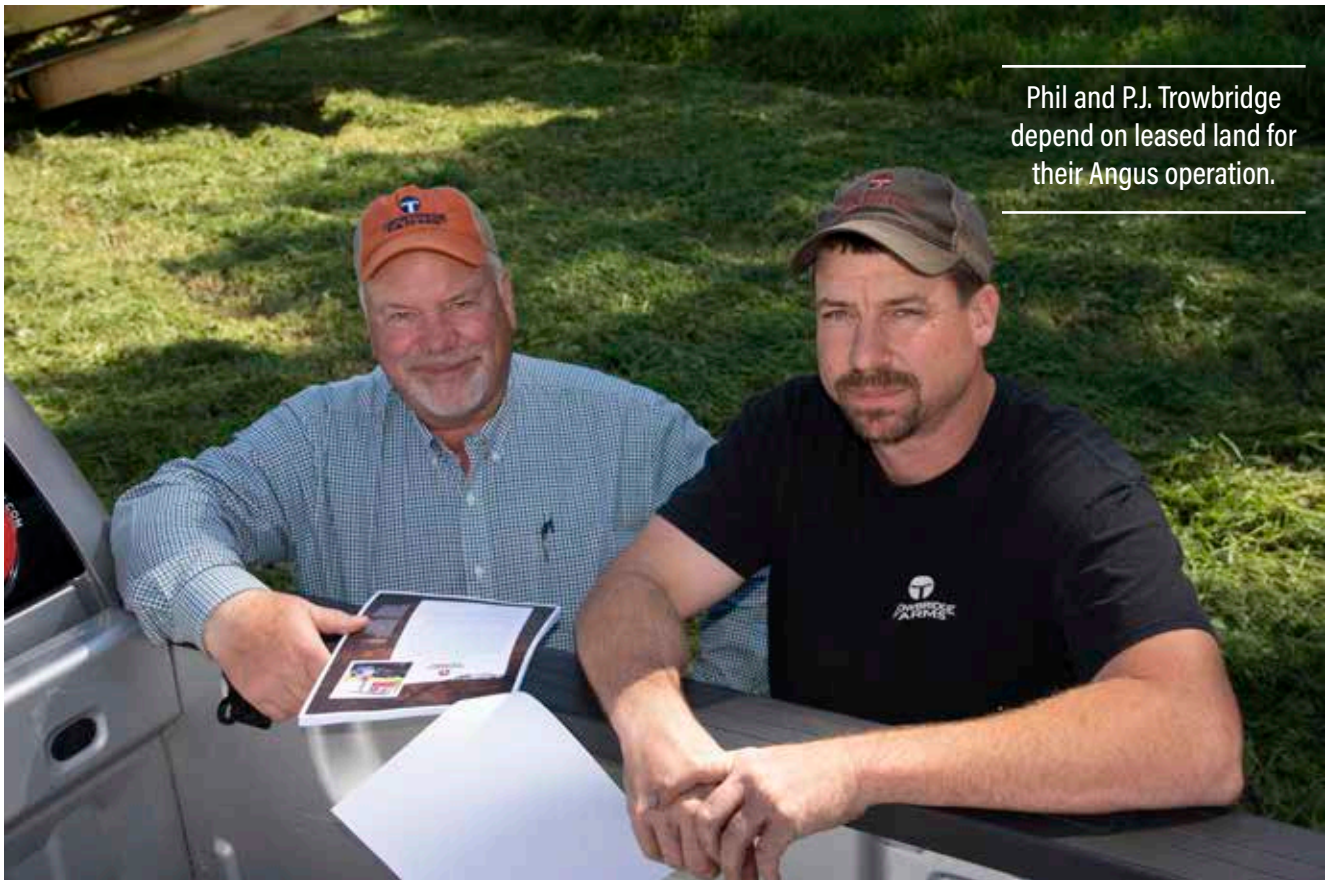
He also says there is a potential downside to the agreements.

"The toughest part of renting land is if someone decides to sell their place," he adds. "A lease isn't much good then."

While they've been fortunate, they've seen it happen to others.

Bower has seen the same thing in Virginia, although like Trowbridge, he has been fortunate, and it hasn't happened to him.

He says, however, "If I have to build a corral on leased land, I don't make anything permanent. I try to stay ahead of problems. It is all in relationships." **AJ**



Phil and P.J. Trowbridge depend on leased land for their Angus operation.