

# Contract Grazing in the Upper Mississippi River Basin

## Midwest Perennial Forage Working Group

### Green Lands Blue Waters



**ABSTRACT.**  
In the Upper Mississippi River Basin, annual row crop agriculture dominates the landscape and has effectively replaced the native tallgrass prairie. Managed grazing represents a potential economically viable way for perennial grassland to be re-established on some acreage in the region. Well-managed pastures have multiple benefits, such as improving soil health, reducing soil erosion and nutrient runoff for improved water quality, and providing high quality grassland wildlife habitat. A main constraint to increasing the number of farms adopting managed grazing is that planning and managing a pasture system and caring for livestock can involve a significant investment of the farmer or landowner's time and resources. The Midwest Perennial Forage Working Group (part of the Green Lands Blue Waters collaborative) has identified contract grazing, in which land ownership, livestock ownership, and management of the system are de-coupled, as a means of overcoming this challenge. While fairly common in the more and Plains states, contract grazing arrangements are rare in the Upper Mississippi River Basin. The Midwest Perennial Forage Working Group worked to adapt contract grazing practices specifically for this region, where land rents are higher and dairy and cash grain production are more common. The group has created a series of informational fact sheets to be used to provide much needed information about contract grazing to landowners and livestock owners to promote this effective practice.

### What is Contract Grazing?

Contract Grazing (also known as Custom Grazing) is a livestock production system in which land ownership, livestock ownership, and management of the system may be de-coupled. This arrangement can involve as many as three separate entities carrying out three distinct roles: a land owner, a livestock owner, and a grazing manager.

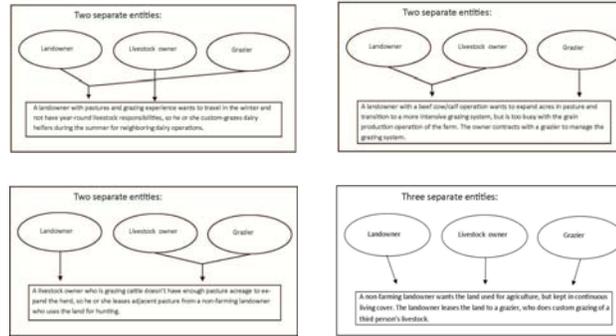
Well-managed pastures offer environmental benefits, such as reduced potential for soil erosion and nutrient runoff from agricultural areas for improved water quality, high quality grassland wildlife habitat, and many others. Becoming a contract grazer may be a good fit for someone who has a farming operation and is looking for ways to either expand grazing (if they already own livestock) or start grazing (if they would like to incorporate grazing on their farm, and may or may not already own livestock). Since contracting as a grazer can be done without owning land, it can also be a good way for beginning farmers to start a grazing operation. For land owners, contract grazing can be used to diversify their farming operation with livestock, without having to be responsible for livestock care. For absentee or non-farming land owners, renting one's land for contract grazing is an alternative to renting the land for annual row crop production. Renting or leasing to a contract grazer qualifies land owners to maintain agricultural use value tax benefits while achieving conservation goals.

The Working Group website contains comprehensive contract grazing information for the Upper Midwest:  
[www.greenlandsbluewater.com/Perennial\\_Forage/](http://www.greenlandsbluewater.com/Perennial_Forage/)

### Contract Grazing Fact Sheet Series:

-  **The Basics of Contract Grazing**  
Fact Sheet 1 of 4 in the Contract Grazing Series
-  **Evaluating Land Suitability for Grazing Cattle**  
Fact Sheet 2 of 4 in the Contract Grazing Series
-  **Pasture Rental & Lease Agreements**  
Fact Sheet 3 of 4 in the Contract Grazing Series
-  **Rates Charged for Contract Grazing Agreements**  
Fact Sheet 4 of 4 in the Contract Grazing Series

### Contract Grazing Configurations



### Excerpts from Fact Sheet #4

Table 1: Expected price ranges for various contract grazing operations in Wisconsin. Prices reflect the amount that the livestock owner would pay to the grazer. (These rates are approximations for spring 2013.)

Livestock Class	Typical Price Range (cost per head per day)
Sheep	\$1.00-1.40
Goats	\$0.80-1.00
Beef	\$0.50-1.00
Prepregnant cows	\$1.50-2.00+
Dairy	\$0.75-1.50

Table 2: Expected price ranges for various contract grazing beef cattle operations in south-central Iowa. These fees include labor and mineral provided by the grazer. Prices reflect the amount that the livestock owner would pay to the grazer. (These rates are approximations for spring 2013.)

Livestock Class	Typical Price Range (cost per head per day)	Average Cost (per head per day)
Cows and pairs (beef)	\$1.00-1.50	\$1.25
Yearlings and developing heifers (beef)	\$0.50-1.00	\$0.75
Dry, pregnant cows (beef)	\$0.50-1.50	\$1.00

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The Midwest Perennial Forage Working Group includes researchers, extension educators, farmers, agency and non-profit staff, and other forage and grazing experts from Minnesota, Wisconsin, and Iowa.

The Working Group is affiliated with Green Lands Blue Waters, a multi-state consortium of land-grant universities, non-profits, agencies, and individuals working to advance Continuous Living Cover cropping systems in the Upper Mississippi River Basin.

[www.greenlandsbluewater.com](http://www.greenlandsbluewater.com)  
[www.greenlandsbluewater.com/Perennial\\_Forage/](http://www.greenlandsbluewater.com/Perennial_Forage/)



### Rates Charged for Contract Grazing Arrangements

This fact sheet addresses rates charged for contract grazing arrangements similar to the best situation, where a grazer is hired to manage someone else's livestock on the grazer's own land. There are four common ways to determine payment rates charged by the grazer: flat rates, or incentive pay.

**Flat Rates**

- Type of cattle operation (dry, cow/calf, weaning, etc.)
- Weight of the cattle
- Reason for the grazing

Chief among the factors influencing the rate charged is the reputation of the grazer, and the relationship between the grazer and livestock owner. An experienced and knowledgeable grazer will command higher charges, because they are expected to show high performance (high weight gain, low mortality, etc.) with cattle they are grazing. An experienced grazer with a good reputation is also expected to maintain this level of production given variability in climate and the pasture grazing season. He realizes this should be able to maintain high animal performance in a lot of drought.

[www.greenlandsbluewater.com/Perennial\\_Forage/CG\\_Rates\\_Final\\_0313.pdf](http://www.greenlandsbluewater.com/Perennial_Forage/CG_Rates_Final_0313.pdf)



[www.greenlandsbluewater.com/Perennial\\_Forage/sample\\_contracts\\_leases.html](http://www.greenlandsbluewater.com/Perennial_Forage/sample_contracts_leases.html)

Example of an actual grazing contract (names changed):

### Grazing Contract Pasture

**Owner: Barbara Ann Dyer** **Lessee: John Doe**

This contract is an agreement in the conditions of lease for 300 pasture acres at (Baraboo), owned by the Barbara Ann Dyer and located in Iowa. The purpose of this grazing contract is to provide pasture for the lessee from November 1st through 30th 2013, and will be open for extension of agreed upon for both Lessee and Owner. Lessee must ensure that the water used in proper functioning condition for the entire duration of the lease.

**Lessee's Responsibilities:**

- Lessee shall provide all pasture management and proper conditions on a suitable Lessee's pasture. Lessee must be in the condition to receive Lessee's cattle before arrival of the pasture. If any portion of pasture area may be used for the purpose of this grazing contract, which is expected to be used for the entire duration of the lease, the Lessee's responsibility to use the said pasture area is expected to be in full compliance with the Lessee's cattle to the pasture. Lessee will be responsible to maintain Lessee's pasture under 10% water use at all times.
- Lessee shall maintain stock rates not to exceed 300 AC (10000), with stocking rate reduction during each year.
- Lessee shall manage grazing practices and pasture to maintain adequate pasture plant cover, to minimize cattle trampling and degradation, to include grazing from the right animal per head and 100% of the time to maintain compliance with the 100% Continuous Cover Requirement in this pasture. In the case the livestock trample on the fields, pasture area, or other significant pasture damage, Lessee must immediately report the damage to the owner.
- Lessee shall maintain a minimum of 100% of the pasture area in a suitable condition.
- Lessee shall provide all liability insurance to Lessee prior to taking cattle to the pasture.
- Lessee shall not use the pasture each year for July 1st.
- Lessee shall be responsible for the maintenance of year 1, maintenance of field & fertility so that at the end of the lease, the pasture will be in a suitable condition for the next grazing season.
- Lessee shall provide water, water tanks, that water, pasture and tractor tires, control fuel, gas to graze and proper conditions. Provide any additional pasture control facilities and fuel gas for hauling, weeding and weeding the cattle, and the use of electric fence to manage the pasture.
- Lessee shall be responsible for all other costs of the lease.
- Lessee shall be responsible for all other costs of the lease.

**Owner's Responsibilities:**

- If provided Lessee State programs become available, Lessee reserves the right to apply for the same and conditions will be in full compliance with the grazing contract. If provided pasture becomes available, that would require the Lessee and conditions will be in full compliance with the grazing contract. If provided pasture becomes available, that would require the Lessee and conditions will be in full compliance with the grazing contract.
- If a violation occurs the Lessee and Lessee are unable to resolve on their own, a mutually agreed upon third party will be used to resolve the dispute.

**Signatures:**

1. Lessee: Barbara Ann Dyer \_\_\_\_\_ Date: \_\_\_\_\_  
2. Owner: John Doe \_\_\_\_\_ Date: \_\_\_\_\_



[www.greenlandsbluewater.com/Perennial\\_Forage/resources.html](http://www.greenlandsbluewater.com/Perennial_Forage/resources.html)