

# Acquiring Agricultural Leases: Challenges & Strategies for Success

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April 15, 2015 | Workshop: Grazing Leases that work for Beginning Ranchers

#### Introduction



- Fifth generation cattle rancher in the Bay Area Koopmann Livestock / Walking C Livestock
- Public Land Rangelands Manager/Ecologist Midpeninsula Regional Open Space District.
- Professional Rangeland Consultant Koopmann Rangeland Consulting





### Overview



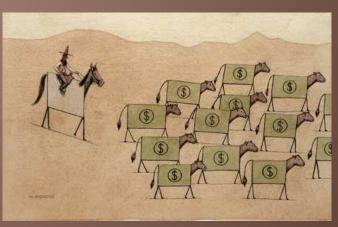
- Challenges to acquiring grazing leases Brief overview
- Grazing Leases: A Rancher's Perspective
  - What to look for when applying for a grazing lease
  - What works for you? What won't?
- Grazing Leases Public Agency Perspective
  - What are they looking for in a tenant?
- Overcoming the challenges
  - Strategies to increase your success in acquiring grazing a grazing lease
  - Tips for building a resume/experience

### Challenges

### LAND for LEASE

- Finding suitable land to lease high demand.
  - Drought
  - Cattle prices
  - Rangeland conversion
- Experience
  - Livestock husbandry and marketing
  - Infrastructure\*
- Financial Sustainability
  - Large capital investment
  - Cost of livestock
  - Infrastructure\*
- Politics





#### Compatibility

- Grazing Season
- Class of Livestock
- Location

#### Lease Terms

- Length of Lease
- Pricing
- Financial Sustainability
- Special Requirements / Restrictions

#### Capacity

- Size of property
- Financial Solvency
- Stocking
- Infrastructure / Maintenance

# Grazing Leases: A Ranchers Perspective



What to think about when considering applying for a grazing lease

#### Experience

- Grazing with recreation
- Grazing under a resource management plan
- Vegetation management (invasives/natives)
- Natural Resource Management
- Infrastructure, Roads, Structures
- Public Outreach and Education

#### Operational Capacity

- Do you have the staffing or capacity to manage the property
  - Pasture rotations
  - Emergency response
  - Infrastructure maintenance and repairs
- Location

#### Financial Solvency

- Do you have financial capacity to cover:
  - Rent Fees
  - Infrastructure improvements
  - Livestock purchase & husbandry

### Grazing Leases: Lessor Perspective



What is a lessor looking for in a grazing tenant?



### Selection Process



- Public Land Grazing Lease
  - Publically advertised
  - Grazing Request for Proposals (RFP) released
  - Site visit of property
  - Interested parties submit written Grazing Proposal
  - Interview(s) of applicants
  - Most qualified, experienced grazing applicant selected based on combined score of grazing proposal and interview(s)
- Private Land Grazing Lease
  - No protocol for selection At landowner/managers discretion



#### 1. Finding Land to Lease

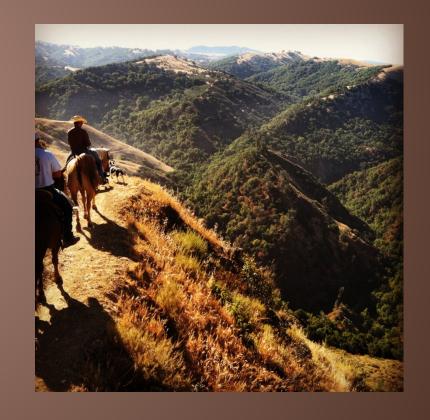
- Contact local agencies Get on the list
- Make your interest in grazing lands known
- Consult local RCD/NRCS/Farm Bureau/Farm Link

#### 2. Patient but Persistent

- Lease opportunities don't occur all the time
- Continue to check in with agencies & make your interest known
- Look for alternatives (i.e. private leases)



- 3. Research All agencies are different
  - When an opportunity comes Research the lease/agency/RFP!
    - Is it compatible with your operation?
    - Do you meet the minimum qualifications?
  - Why is the property up for lease?
    - Newly grazed property?
    - 'Problem tenant' removed?
    - Grazing tenant gave up lease for some reason?
    - Lease term expired?
  - Don't Waste your Time! .... But Practice can be good



\* Code of the west: Don't cut cinches!



- 3. Research (part 2)
  - The Site Tour Attend!
    - Make your presence and interest known
    - Thoroughly inspect the property (terrain, forage, water, infrastructure)
    - Ask questions...
      - What is the agency's priority objectives?









- 4. Preparing a Grazing Lease Proposal
  - Start Early
    - Get all necessary information together (reference letters, financial statement, etc.)
  - Be thorough
    - Carefully read the RFP and include <u>ALL</u> required information
  - Highlight your strengths
    - Particularly if they coincide with agency's objectives for the property
    - Don't lie or exaggerate You will get caught
    - Thoroughly demonstrate your experience and capacity
      - Narrative
      - Pictures
  - Submit a professional proposal
    - But, fancy doesn't necessarily mean the best
  - Get it in on time!



#### 5. The Interview

- Prepare
  - Know what is in your proposal!
  - Know what the property management objectives are
- Be early If you're on time, you're late
- Be confident Be knowledgeable Be Honest
- Bring business partners/family
  - Don't bring consultants to answer questions for you...

\* Practice helps. The more times you go through the process, the better you'll get.



#### 6. Getting the Lease...

- If you do not get the lease, learn from your experience
- If you do get awarded the lease, PERFORM
  - Work hard and keep your word
  - Build a strong, healthy partnership with the agency
    - Grazing public land in not a charity case\*
  - This lease will add to your 'value' as a tenant for future lease opportunities





### **Building Experience**



The best way to increase your odds: Build Experience & Operational Capacity

- a. Go to work for someone to gain experience/knowledge
- b. Get your foot in the door Look for small, local private land leases
- c. Partner with more experienced operator when applying
- d. Improve infrastructure Learn by doing
- e. Attend workshops





### **Building Experience**



### Infrastructure Improvements & Capital – Options for Assistance

- Grants
- USDA Natural Resources Conservation Service
  - EQIP
- Loans
- Ag lenders
- Farm Link
- Partnering with Lessor (Rent Credit)





# Upcoming Grazing Lease Opportunity:

Mindego Hill portion of the Russian Ridge Open Space Preserve.

- -1,047 acres
- -San Mateo County, CA
- -Year round cow/calf pair
- -5 year lease w/ option for 5 year extension
- -RFP to be released early May
- -650-691-1200
- -ckoopmann@openspace.org





'Don't get discouraged. Acquiring a grazing lease can be a long, uphill trail but you're not traveling it alone. Take advantage of available resources, better yourself as a grazing operator, stay positive and stay persistent.'

# Clayton Koopmann

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