

Determining Pasture Rental Rates

By Dean Dyck—AARD Business Management Specialist

Higher cow and calf prices have some producers and land owners re-visiting their pasture leases.

Pasture rental rates can be difficult to figure out because there are many factors to consider: local availability of land and pasture, localized demand, quality of the pasture, condition of the existing fences and water, and bargaining. Preliminary indications for 2015 grazing season are that demand for pasture will continue to be strong, even though the recent Statistics Canada cattle inventory shows a decline of beef cows of 3% and replacement heifers of 2.7% in Alberta. Grass cattle numbers are also down due in part to the large price slides seen in the past few years. An expected increase in pasture rent this year can be attributed to the higher prices for calves, the lack of grassers, and the decline in available pasture in the province.

The supply of pasture is highly dependent on the weather. While soil moisture in the fall and winter snow has some effect, between 60 and 70 percent of total forage production occurs between April and July 1. Precipitation is highly variable from year to year and predicting pasture conditions is very difficult.

In general, variations in rent from year to year are small. Based on data from custom rate surveys, pasture rental in the province has traded between \$18 and \$26 per animal unit month (AUM) on average, since 2005.

Surveys aside, setting a fair rental rate should be a balance between who will be supervising the cattle, how much can the landlord

charge, how much the tenant can afford to pay and the carrying capacity of the pasture.

The landowner's goal should be to recover land taxes, the cost of any fence repairs, and a return on land investment. Conversely, the tenant should calculate what they could afford to pay based on projected costs and returns. For example, if the rented pasture will be used to graze steers, the tenant should consider the price for feeder cattle in the spring, what the expected selling price will be in the fall, and what some of the costs of pasturing will be including mineral and salt, medication, and interest on investment in cattle. In addition, any labour and possible travel costs should be estimated if the home place is far from the cattle. Based on this information, the maximum amount to pay for pasture can be estimated but should be tempered by the quality of pasture and location relative to the home farm and water supply.

Even though owners and renters want a definitive answer when asking about pasture rental rates, the best answer may be "it depends". It should start with a survey of the local market rates, calculating expected return for both parties, negotiating a fair rate, and end with a written agreement.



Expert says it's a good time to reseed forage stands

By AARD—Media Release

There are several reasons for rejuvenating forage stands this year, but limited seed supplies are a reason to move quickly

This year may be a good time to look at reseeding forage stands.

“Because of tough financial times, we’ve been allowing some of our forage stands to just go from year to year,” said Grant Lastiwka, a forage and livestock business specialist with Alberta Agriculture and Rural Development.



Older forage stands aren't as productive and are less able to withstand stress.

“In addition, many forage stands that were best suited to forage were taken out of forage and seeded into grain. With some of the current favourable cattle prices, we’ve got an opportunity to invest in having pastures that can pay their bills better. We can also take this time to convert grain land that is better suited to forage back to forage.”

Putting cropland into forage is also “an excellent tool for the soil health” and leads to higher yields once the land is returned to grain production, he added.

“The unusually warm temperatures recently are another good reason to be thinking about forage seed,” said Lastiwka. “Snow is an insulator while ice is not, and ice even limits the oxygen that gets to plants. Older stands with legumes are carrying a little higher disease load and are usually lower in soil nutrients. These plants are not as able to withstand stress as well as younger legume mix stands would be.”

The slightly better price for hay is also a factor.

“You should also consider putting some legume in with the grasses to raise its productivity and profitability,” he said. “Forage species that grow better for grazing are not usually the best hay species as they are better at regrowth as opposed to growing tall and creating a seed head.”

No matter what the regrowth strategy is, now is the time to make sure the right seed is available. “People looking for forage seed this year should probably look sooner than later,” said Lastiwka.

“Forage seed up until last year had not been moving well so fewer acres were left in forage seed production. As a result supplies are probably going to be lower this year. You may need to move quickly to get the species you want for the hay stand and the species you want for a pasture.

“Planting what works best for the use intended is the best way to gain the most production and profit per acre. This will allow more animals to run on any given acre which fits well with today’s strong cattle market and opportunities for herd growth.”

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Highlights on PCBFA Project on Pasture Rejuvenation

June 2015

By Akim Omokanye

On-farm evaluation of forage-stand rejuvenation methods to determine the most effective and profitable methods for northern Alberta producers

Project Design, Methodology and Experimental Approach

The study will be located at two sites. Site 1 will be at Soames Smith's farm (Uddersmith Dairy farm), Rycroft, Alberta. Site 2 will be at Bill Smith's farm, Grovedale, Alberta. Site 1 is an organic beef cattle farm and site 2 is a conventional beef cattle farm. For site 1, we will use a pasture paddock and for site 2, we will use a hay field. Both farms have pre-existing forage stands that need rejuvenation.

Each site will have 12-13 treatments and the treatment will be replicated 3 times making total number of plots per location 36-39. Each plot will be 0.5 acres in size making it approximately 20 acres per site.

Field Measurements (Data to be collected):

In the initial year (2015) at each site before any treatment is implemented, baseline measurements (for the benchmark level) will be carried out in June. Yearly field measurements will continue in 2016 and 2017 to monitor any changes in parameters being measured. Baseline and subsequent (yearly) data measurements will include:

Soil and Environmental Components

Soil Quality & Soil Compaction

Livestock Component

CowBytes beef ration balancing software- CowBytes will allow us to combine ration information with methods of rejuvenation of pasture and economics

Economic Component (Economic Analysis) - A simple economic analysis of the input costs and output revenue will be an important aspect of the project.

Cost-benefit analysis of methods of rejuvenation (treatments) will take into consideration the following: seed price, fuel use per operation (fuel use to be monitored with a fuel flow meter), equipment use (including rental) and labour, forage yield & hay price.

Data Analysis

The analysis will be carried out to compare treatments within location, between locations, and possibly examine the year x treatment interaction effects within and between locations. The data analysis over the 3-years will help identify which treatments work best.

Treatments

1. Control check strip (and this will be grazed or hayed);
2. Sub-soil to a depth of 12" soil depth with an Agrowplow subsoiler in the fall;
3. Spread beef cattle manure and then sub-soil to a depth of 12" soil depth with an Agrowplow subsoiler in the fall;
4. Summer sod-seeding of tillage radish seed (last week in July/first week in August) - this particular treatment plot will be grazed or hayed & baled before tillage radish is seeded;
5. Spring sod-seeding with an Agrowplow no-till seed drill of forage mixture (including alfalfa, cicer milkvetch, sainfoin and hybrid brome grass);
6. Spring sod-seeding with a conventional no-till seed drill (e.g. haybuster no-till drill) of forage mixture (as in treatment 5);
7. Summer pasture rest (no grazing or haying at all in the summer);
8. Pasture renewal - break the existing pasture or hay field (plow under) and then reseed with forage mixture (as in treatment 5);
9. Fall/frost sod-seeding with an Agrowplow no-till seed drill of forage mixture (as in treatment 5);
10. Fall/frost sod-seeding with a conventional no-till drill (e.g. haybuster no-till drill) of perennial forage mixture (as in treatment 5);
11. High stock density grazing to create a mob grazing effect - graze with high stock density of 150-200,000 pounds of cows/acre for a short time in the summer; and
12. Bale grazing during winter effect- bales will be placed in the fall and grazed at some point during the winter, treatment will be grazed in the summer.
13. Inorganic fertilizer application treatment (only for site 2 - hay field). Site 1 is an organic farm, so no inorganic fertilizer will be applied as a treatment.

Forage Component

Stand Establishment & Forage Quality

Funding for this pasture rejuvenation projects received from the Alberta Crop Industry Development Fund, ACIDF.
<http://www.acidf.ca/>



Upcoming Events!

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for:

- Project Ideas
- Growing Forward 2
- Feed Testing
- Ration Balancing
- Environmental Farm Plans
- Past Project Information

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Field Day with Peter Donovan Soil Carbon Coalition

Join us to learn about the Soil Carbon Coalition, Carbon Sequestration and the relationship between carbon, water and soil!

June 15, 2015

Maverick Livestock—Eureka River
More Details to Come

Controlled Traffic Farming Workshop

Join us, with Peter Gamache for a day of learning about the benefits of CTF and how you can get started!

Late June 2015

Location—TBA
More Details to Come!

Don Campbell Grazing Workshop

Don Campbell is a rancher from Meadow Lake, SK. His tour with PCBFA in 2014 was a great success so he will be back

July 2015

2 locations: High Prairie & TBA
More Details to Come

A Day with Dr. Christine Jones

Dr. Christine Jones Returns to the Peace!

Join us for a Field Day this summer to learn more from this renowned soil scientist!

July 28, 2015

Location: Rycroft Area
More Details to Come!

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PCBFA Field Day

We want to show off our plots!

- ⇒ Tour the plots: corn, cover crops, fescue, sainfoin and much more!
- ⇒ Hear from experts on grazing, fescue production, electric fencing and more!
- ⇒ Pancake breakfast to start the day!

August 5th

MD of Fairview Research Farm
More Details to Come!

Other Upcoming Events!

Low Stress Cattle Handling with Curt Pate: June

On-Farm Water Management Workshops: August near High Prairie & Nampa

***Trip to Gabe Brown's Ranch and the Menoken Farm in North Dakota
August 16 to 20, 2015, hosted by FFGA***

Stay tuned for more information on these great events!

For more information or to register for PCBFA events please call Stacy or Kaitlin
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