



# Grazing Lease Basics

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# District Grazing Background

- MROSD began acquiring property in the 1970's including working ranch lands in San Mateo and Santa Clara Counties
- During this time period, science based grazing practices were rare, and grazing was perceived as detrimental to natural resources.
- Early 2000's – The District began taking steps to re-introduce livestock grazing as a tool to manage natural resources on District land.





How did the District get to 10,000 acres in less than 10 years?



- Coastside Protection Program Mission includes:  
*“preserve rural character, encourage viable agricultural use of land resources, preserve agricultural operations on the coast”*
- San Mateo County MOU for agricultural leases  
*Requires leases meet unique ranching requirements, specifies uses, allows for adaptation, allows for farm labor housing, balances resource mgmt/public access/ranching, term allows for return on investment*
- Grazing Policy – outlined District’s Conservation Goals  
*Protective of natural resources; compatible with public access; to maintain and enhance the diversity of native plants and animal communities, manage vegetation fuel for fire protection; sustain local ag economy, preserve region’s rural heritage*



# District's Grazing Properties

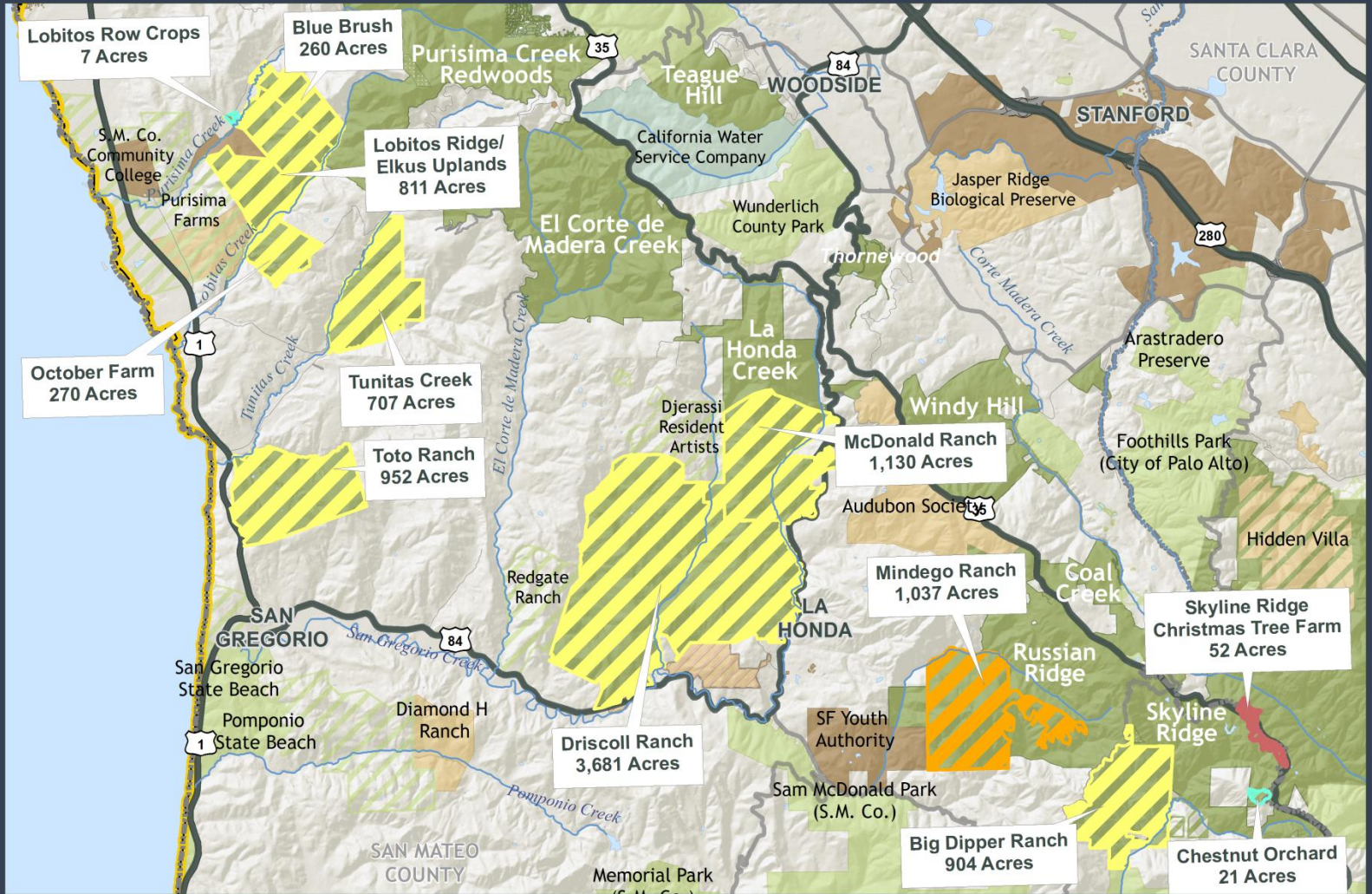
Property	Lease Term	Year first grazed under District ownership	Acres
Big Dipper	5yr/5yr	2007	955
Bluebrush Canyon	5yr/5yr	2009	302
Lobitos Ridge	5yr/5yr	2010	389
Elkus Ranch Uplands	5yr/5yr	2009	450
October Farm	Interim	2012	270
Tunitas Creek Ranch	5yr/5yr	2008	707
Toto Ranch	Assigned x yr from POST	2012	952
Driscoll Ranch	5yr/5yr	2006	3,681
McDonald Ranch	5yr/5yr	2014	2,060
Mindego Hill	Will be 5yr/5yr	2015 (Proposed)	1,047

🌿 Currently utilize grazing on approximately 9,750 acres

🌿 Expect to be utilizing grazing on approximately of 10,800 acres by 2015



# District's Grazing Properties



## Coastal Agriculture and Grazing Properties

- |  |   |                     |                  |
|--|---|---------------------|------------------|
| MROSD Preserves                          | Management Agreement                            | Current Grazing     | Private Property |
| Other Protected Open Space or Park Lands | Non MROSD Conservation or Agricultural Easement | Future Grazing      | MROSD Boundary   |
| Watershed Land                           | MROSD Conservation or Agricultural Easement     | Agricultural Crop   | County Boundary  |
|  |   | Christmas Tree Farm |                  |

Midpeninsula Regional Open Space District (MROSD)

August, 2013

Miles 0 1 2

While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.



# Basic Elements of a Grazing Lease



- Rangeland Management Plan
- Rent
- Lease Term
- Rental Credits
- Grazing capacity
- Grazing season
- Residual Dry Matter



# Rent

- **Market based or set by bid process**
- **Rent/Acre** – Based on County Crop Report
- **Fixed Amount** – Landowner determines
- **AUM Based Rent** – Grazing lease fees are calculated utilizing an Animal Unit Month (AUM) system. AUM is defined as one Animal Unit Equivalent (AUE) grazing for one month. One AUE is considered to be one mature cow, two years old and above, including a nursing calf of less than eight months of age at her side.

TYPE OF ANIMAL	ANIMAL UNIT EQUIVELANT (AUE)
Mature Cow (Including Cow/Calf Pair)	1.00
Replacement Heifers/Bred Heifers	1.00
Mature Bull	1.50
Stocker Cattle (400-700 lbs)	0.50
Stocker Cattle (700-900 lbs)	0.75
Horse	1.25

# Rangeland Management Plan



A plan founded on ecological principals dealing with the use of rangeland and range resources for a variety of purposes. These purposes include use as watersheds, wildlife habitat, grazing by livestock, recreation, aesthetics, as well as other associated uses.

## Lease Term

Lease Term should long enough to allow:

- Lessee to accomplish conservation goals
- Lessee to accomplish livestock goals
- Lessee to accomplish financial goals





## Grazing Capacity



The number of Animal Units (AUs) specified for the available forage. This may vary depending on yearly conditions of the ranch, water availability, and conservation goals of the landowner.

## Grazing Season

The period for which the specified Animal Units (AUs) may be on the ground. This may be seasonal (Nov – May or May – Oct). Or, it is year round. Available forage, water and conservation goals of the landowner are determining factors.



## Rental Credits



Substitute performance of work by Lessee for rent. Includes improving grazing infrastructure (water, fencing, corrals), invasive removal, and other conservation practices

## Residual Dry Matter

The most common characteristic utilized in monitoring rangelands. RDM is a measure of the dry, dead forage or non-woody vegetation remaining on the ground at the conclusion of the grazing season.





# Landowner/Lessee Relationship Basics



- Clear Goals
  - Grazing Policy
  - Rangeland Management Plan
  - Lease
- Clear Responsibilities
  - Landowner
  - Lessee – stated in lease
  - Lessee – rental credits



## Landowner/Lessee Relationship Beyond Leases

- Communication
  - Initial
  - Rental Credit Proposals
  - Long Term Planning
  - Issues
- Flexibility – but keep program goals in mind
- Staff – continual education on new practices
- Take time to learn/understand Lessee business
- Develop relationships with key organizations
  - RCD/NRCS (alternate funding for Lessee, new practices)
  - Rangeland Trusts/Coalitions





# Understanding Lessee Business



- Lessee Goals

- Feed/Forage
- Animal (right mix of stock to grow operation and net a profit)
- Economics/Sustainability

- “Penciling out”

- Gross Income (market price – based on weight this summer)
- Cash Costs
  - ✓ Feed (lease cost)
  - ✓ Transportation
  - ✓ Overhead and Other
- Any change these variables can affect Net Income





# Future Lease Challenges for the District and in General



- Evolving Conservation Goals & Policy to meet new challenges (grass banking)
- Flexibility – improving lease mechanisms to meet changes in market, environment, & practices
- Valuing Ecosystem Services
- Grazing Infrastructure on new ranches including housing beyond rental credits
- Predation
- Recreation



Questions?



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