

ON THE RANCH

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Pasture Lease Agreements

Pasture leasing plays an important role in American agriculture. It is important that lease agreements are fair, and in writing. Agreements that treat both parties fairly have more staying power. They are more likely to be renewed, more likely to be followed, and are more enforceable.

Price

Price is usually the first thing ranchers think about when they are deciding whether or not a lease agreement is fair. What is included in the lease, local supply and demand, and landowner-tenant history affect lease price.

Lease rate surveys can provide a starting place for price negotiations. Two useful surveys are the Nebraska Farm Real Estate Market Highlights (<http://agecon.unl.edu/realestate>) and the USDA National Agricultural Statistics Service (http://www.nass.usda.gov/Statistics_by_State/Nebraska/Charts_and_Maps/).

Stocking Rate

The stocking rate should be plainly stated in the lease agreement. This helps avoid disagreements. It provides the landowner a way to reach their goals for rangeland health and the cattle owner to reach production goals.



Disaster Clause

Grazing leases should include a clause that covers how grazing pressure will be reduced in response to drought or other natural disaster. Specify who will make the decision to reduce stocking rate and how the decision will be made.

Put it in Writing

You should have a written lease agreement. That written agreement should include everything that you discussed during lease negotiations.

Pasture Rental Arrangements for Your Farm

Ag lease 101 (<http://aglease101.org/>) is a great website with many resources related to leasing, including a publication called "Pasture Rental Arrangements for Your Farm" (<http://aglease101.org/DocLib/docs/NCFMEC-03.pdf>). The publication covers in-depth many of the steps in arriving at an equitable lease arrangement. It contains a template lease form that you can use as you develop your own agreement. If you aren't able to access it online, your local extension office is happy to help.

Get Legal Counsel

Pasture leases are binding agreements. It is important to get legal advice before entering into any legally binding agreement.

A recent video titled "Pasture Lease Agreements" (<http://beef.unl.edu/pasture-lease-agreements-webinar2014>) further explains the important aspects of a grazing lease agreement.

Antibiotic Resistance: Should I Be Concerned



Many people are concerned about antibiotic resistance. What is antibiotic resistance? Antibiotic resistance occurs when an antibiotic loses its ability to effectively control or kill certain bacterial growth. Why is this concerning? The bacteria become “resistant” to an antibiotic and will multiply. The next time illness occurs (in human or animal); it may take a different antibiotic or a stronger dose of an antibiotic to control the bacterial infection.

Whenever antibiotics are needed and used, whether for livestock or humans, they need to be administered judiciously with great responsibility. In many cases, when an animal becomes ill enough to need an antibiotic, it is a matter of life and death for that animal. If the animal does not receive the antibiotic it will suffer and may die. So it is the responsibility of the livestock producer to ensure an animal receives a quick diagnosis and the proper treatment.

South Dakota State University Extension put together a nice antibiotic fact sheet (<http://www.sdstate.edu/vs/extension/beef-procedures-antibiotics.cfm>). Antibiotics are given to people and animals to treat or prevent illnesses caused by bacteria. Antibiotics are given to livestock to relieve the pain and/or distress from the illness, to make them feel better, and recover. Just like with people, antibiotics have no effect on diseases caused by viruses or parasites. Antibiotics can be administered several ways, including an injection under the skin, via a pill (bolus), or mixed in the feed or water. When an animal is very sick an injectable antibiotic is the quickest route to get the animal on the road to recovery. It should also be mentioned that if animals are sick, they don't feel like eating or drinking, so mixing an antibiotic into the feed or water is not always effective. All livestock antibiotics approved by the FDA (Food and Drug Administration) since 1988 require a prescription from a veterinarian who has developed a relationship with the livestock producer and can help determine the best options for disease prevention and treatment.

A common myth is that antibiotics are mixed into ALL livestock rations. That is untrue. There are certain times in an animal's life when things are more stressful, and antibiotics in the feed can make good sense. For example, if animals are co-mingled at a young age they are more likely to transmit bacteria back and forth (just like kids at daycare or in a school classroom). It is hard on their bodies, and being sick can take a toll on their health and make recovery harder. Also, weaning is a stressful time on animals. High levels of stress often result in a weakened and susceptible immune system which increases the probability of bacterial infections. Weather conditions may also take a toll on livestock. Extreme fluctuations in temperature and the inability to get dry or warm can result in illness or pneumonia. Finally, as an animal approaches its final weight, antibiotics may be fed to help prevent liver abscesses, which may be caused from a high ration of grain in the diet.

The use of antibiotics in feed or water is at the discretion of the livestock producers, their veterinarians, and nutritionists. Some beef producers do not feed antibiotics during these times of stress, and will just treat animals that may get sick, and some may treat all the animals to keep them all healthy. Also, animals that are fed for a niche market (i.e. organic, naturally raised, or no antibiotics used systems) will not have received an antibiotic (in these programs if they receive an antibiotic, then they are completely removed from the program). Geographically, there are some locations in the U.S. (Midwest – Iowa and Eastern Nebraska, South Texas, and Desert Southwest – Arizona and California) that feed fewer antibiotics in the feed because of a diet higher in roughages and fewer fluctuations in weather. There is no right or wrong method; each beef producer weighs the advantages and disadvantages of the cost (antibiotics are expensive to manufacture and purchase), labor, time, efficiency, withdrawal period, & animal's health to make a decision that is best. Animals from some backgrounds can handle stress better than others & may never get sick, while others may get sick multiple times.

For this complete article visit <http://newsroom.unl.edu/announce/beef/3039/17312>.

The 2014 Farm Bill & Disaster Assistance for Livestock Producers

After nearly three years of formal debate, one extension, and two unmet deadlines, Congress passed the 2014 Farm Bill, officially called the "Agricultural Act of 2014" with the President signing the bill on February 7, 2014. The bill makes budget cuts and program reforms in many areas and sets federal farm and food policy through 2018. An overview and title-by-title discussion provides insight on the new farm bill and the program changes ahead for producers, landowners, and others.

The commodity title in the 2014 Farm Bill includes the re-authorization and funding of a portfolio of agricultural disaster assistance programs that will be a strong help to livestock producers. While the programs are projected to provide several hundred million dollars of disaster assistance each year across the country according to Congressional Budget Office spending estimates, they will provide much more in 2014.

The disaster assistance programs are not just re-authorized and funded going forward, but have been renewed retroactively for losses dating back to 2012, when the previous authorization had first expired. To cover the pending losses from 2012 and 2013 as well as potential losses ahead in 2014, the programs are projected to spend nearly \$900 million nationally in the coming year, providing substantial support to producers who have been absorbing disaster losses in the livestock sector since 2012.

The disaster assistance includes:

- Livestock Indemnity Program (LIP) for abnormal death losses due to agricultural disasters
- Livestock Forage Disaster Program (LFP) for drought and fire losses to grazing capacity
- Emergency Assistance Program for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) for other livestock disaster losses
- Tree Assistance Program (TAP) for disaster losses for orchard and nursery tree growers

Agricultural disaster assistance is available to eligible producers and is limited to a cumulative \$125,000 per person per year across all programs. The USDA Farm Service Agency (FSA) administers the disaster assistance programs and has rushed efforts to get this assistance out to producers promptly, with sign-up set to begin on or before April 15.

Livestock Indemnity Program (LIP)

The LIP covers death losses of livestock in excess of normal mortality due to adverse weather, attacks from wildlife reintroduced by the federal government or protected by federal law, or other qualifying disaster events.

Livestock owners will need to submit a notice of loss and apply for assistance at the local FSA office. The notice of loss will need to come with documented evidence, such as photographs, records, and other similar documents.

LIP will provide an indemnity equal to 75% of the average fair market value of the animals as of the day before death as determined by the Secretary of Agriculture. With both blizzard and heat wave losses in the livestock herd over the past two years, the LIP should provide substantial assistance to Nebraska producers.

While awaiting final details of the sign-up, USDA-FSA has posted "*2014 Farm Bill Fact Sheet*" (http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=practsheet&type=detail&item=pf_20140212_distr_en_lip.html).

UNL Extension NebGuide G1921, *Livestock Indemnity Program Under the 2008 Farm Bill*, is available at <http://www.ianrpubs.unl.edu/epublic/pages/publicationD.jsp?publicationId=1213> and provides further details on the previous LIP program that should be consistent with the new program, including the relevant records of both livestock inventory and weather conditions that producers should prepare.

Livestock Forage Program (LFP)

The Livestock Forage Program (LFP) provides assistance to livestock producers suffering grazing losses due to drought conditions or fire on federally-managed grazing lands. Eligibility for benefits is triggered when the county is identified by the U.S. Drought Monitor as having severe drought conditions or worse for specific periods of time during the grazing season.

If producers qualify for losses, FSA calculates a payment equal to 60% of the estimated monthly feed costs (50% in the case of fire on federal grazing land) for eligible livestock, including consideration for livestock liquidated due to drought conditions. The LFP assistance is equal to the monthly feed cost payments multiplied by 1 to 5 months based on the following measures for drought severity according to the U.S. Drought Monitor and certified for each county by FSA.



Drought Severity in the County	LFP Assistance
D2 for 8 weeks	1 month
D3 at any time	3 months
D3 for 4 weeks or D4 at any time	4 months
D4 for 4 weeks	5 months

For fire on federal grazing lands, the assistance is limited to the number of days the producer is prohibited from grazing due to the fire or 180 days, whichever is less. Livestock producers that own or lease grazing land or pasture are eligible for assistance under the LFP. Producers will need documentation to apply for assistance that includes information on the inventory and physical location of the eligible livestock as well as the evidence of ownership or lease of grazing land or pasture covered by the program.

With essentially all of the state suffering qualifying drought losses in 2012, much of the state seeing losses continue through 2013, and even some areas still facing drought conditions in 2014, the LFP program is expected to provide large payments to Nebraska producers, maybe as much as \$100 million or more in payments in 2014 for the 2012-2014 losses. While awaiting final details of the sign-up to come, USDA-FSA has posted a fact sheet.

Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP)

The ELAP program provides relief to producers of livestock, honey bees and farm-raised fish due to disaster losses from disease, adverse weather, or other conditions not adequately covered by other programs. The details of ELAP are much less certain and are a function of the Secretary of Agriculture determining & announcing available assistance as conditions warrant.

With the current outbreak of Porcine Epidemic Diarrhea Virus (PEDV) in the nation's swine herd, there are expectations that ELAP or even LIP could provide some assistance to affected swine producers.

Total ELAP funding is limited to \$20 million per year in legislation, so if ELAP is used to address PEDV losses along with other numerous potential losses, assistance payments might be limited or prorated if necessary. Current information from FSA on ELAP is limited to the rules for the previous version of the program as authorized in 2008. It is available at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=elap>.

Information on these programs will be updated as released from FSA and will be available with other program news and analysis on the UNL Extension farm bill page at farmbill.unl.edu.

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