



# Grazing and Pasture Lease Resources

**G**razing land and pasture leases can be useful tools for cattle ranchers, and during and recovering from drought, they become even more important. MSU Extension has three resources available with information and calculators about how to lease grazing land and pasture.

## **GRAZING LEASES (MT201601AG)**

“What is the value of my pasture if I lease it out to someone else?” and “How much should I pay to run my cattle on someone else’s land?” are very common questions, but the answers are not always straightforward. Often, deciding whether to lease land is the easy part. With so many different types of leases available, decisions regarding the choice of lease and all its details can be tricky. Leases can be fixed or flexible, paid as a flat cash fee or based on this year’s production or prices. Agricultural leases can be for land only, but can also include buildings, improvements, and machinery. This MontGuide discusses general guidelines for developing grazing (sometimes called pasture) leases and includes common terms, conditions and agreements, as well as a table of stocking rate guidelines for rangeland, pasture and forest.

## **CONTRIBUTIONS APPROACH TO PASTURE LEASING: A CALCULATOR (MT201815AG)**

While a “fair” rate for a grazing lease can be difficult to define, a contributions approach is a way to set an equitable lease rate. This lease requires both landowner and livestock owner to tally costs and economic returns, and split proceeds accordingly. This method also spreads risk between a livestock owner and a landowner. In Montana, most livestock leases are for cow-calf production, so the rate is based on the value of calf gain, divided proportionally by contributions of each of the two parties.

The MSU Extension online pasture lease calculator is a version of a spreadsheet created for the <https://www.AgLease101.org> website. This version, available at <https://econtools.msuextension.org/pastureleasecalc/index.html>, is designed with cow-calf producers in mind. The calculator has information to help fill in values and explain calculations. Default values can be changed to reflect a particular operation. The calculator has two worksheets (Landowner and Livestock Owner) and a summary of results. The sheets are linked so values entered in one sheet will calculate in others. This MontGuide discusses the definitions and details used in the online Pasture Lease Calculator to aid in its use.

## **ANIMAL UNIT MONTH (AUM) LEASE RATES (MT202103AG)**

Livestock producers and landowners alike are frequently interested in simple ways to determine rental rates for grazing lands, including rangelands, forest lands, and dryland and irrigated seeded pastures. One common metric for grazing land leases is the Animal Unit Month (AUM). The MSU Extension Ag Lease website (<http://aglease.msuextension.org>) provides information that lessors and lessees can use to establish equitable leases on both grazing lands and cropland. This MontGuide provides an overview and examples of how livestock producers and landowners can compute AUM rental rates for Montana grazing lands.

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**For more detailed information about these MontGuides, please contact Kate Binzen Fuller, Associate Professor, Dept. of Agricultural Economics and Economics and MSU Extension Specialist; or Jeff Mosley, Professor and MSU Extension Range Management Specialist, Dept. of Animal and Range Sciences.**