

Custom Grazing Survey 2007: Demographics & Management Practices

*Co-sponsored by the Iowa Beef Center at Iowa State University, Iowa State University Extension and Practical Farmers of Iowa.
Funded by the Leopold Center for Sustainable Agriculture.*

The Iowa Beef Center at Iowa State University, Iowa State University Extension and Practical Farmers of Iowa recently completed a custom grazing survey that involved interviewing 50 operations in Iowa and northern Missouri.

One of the survey's goals was to obtain information about custom-grazing operations regarding management practices, types of arrangements, rates being charged and what management items were included in those rates. Another goal was to determine the role custom grazing played in those operations, whether operations planned to continue custom grazing, and what key components operators felt should be included in a custom grazing operation.

The survey included 3 basic operations: cow-calf custom graziers with a year-round feeding component, cow-calf custom graziers with summer only, and stockers with calves or yearlings on a summer-only grazing season.

Operation characteristics

There was a wide range in the size, scale and scope of the operations interviewed.

◆ Who owns the land?

In nearly all of the operations, the operator owned some of the land that was used for grazing. Additionally, in about 50 percent of the cases, the operator rented additional land for custom grazing. The age of operators ranged from 29-61, with most operators fall-

ing in the 35- to 50-year-old range.

◆ Land location

The pasture acres used for custom grazing were located in 11 counties, predominately in southern Iowa and four counties in Missouri. The size of operations ranged from 20 to 4,000 acres. Most of the operations interviewed were in the 200- to 750-acre category.

◆ Length of leases

The length of custom-grazing leases varied by the type of operation. For stocker operations, 50 percent were one-year-at-a-time leases, and 38 percent were one group at a time. For summer-only cow-calf operations, 73 percent of leases were one year at a time. For cow-calf operations with a year-round feeding component, 64 percent were continuous until one party ended the lease, and 24 percent were one year at a time.

◆ Payment plans

Most custom graziers working with cow-calf operations — about 70 percent — were paid on a monthly basis. Twenty-six percent were paid quarterly or annually. With stocker operations, 60 percent of custom graziers were paid monthly. Twenty-five percent received an upfront partial payment, with the remaining balance paid to them at the end of the grazing season. Most of these arrangements also included some form of incentive pay in the agreement.



◆ Customer history

The majority of stocker operations — 88 percent — had been with the same customers for three or more years. Cow-calf, summer grazing operations tended to have shorter customer histories, as about 50 percent had the same customer for just one to two years, and year-round operations tended to have longer customer tenure, as 78 percent had the same customer for three or more years.

◆ Length of grazing seasons

The grazing season ranged from March 15-Dec. 1. Most ranged from April 15-Nov. 1. Cow-calf operation with summer-only grazing had the shortest grazing seasons.

◆ Water sources

All operations used a pond as a source of pasture water. About 50 percent of operations used a creek as a water source, while about one-third used rural water.

◆ Grazing management

Nearly all operations used some rotational grazing. Thirty-eight percent of stocker operations and 52 percent of cow-calf graziers used four or more paddocks in their rotation.

◆ Cattle owner location

The cattle owners lived anywhere from two to 1,500 miles from the custom-grazed pasture. Most stocker owners were in a 150 to 750-mile radius, and most summer-only cow-calf owners were located within 100 miles. Of those surveyed, cattle owners lived in 16 counties in Iowa and in nine states outside Iowa.

◆ Operation size

The size of stocker operations ranged from 200 to 2,500 head, with most being in the 250 to 750 range. Stocker weights ranged from 425 to 700 pounds, with the average being 550 pounds.

The size of cow-calf operations ranged from 40 to 850 cows, with the average herd size being 250 head. Cow weights averaged around 1,250 pounds. Three operations also had a yearling/bred heifer development component that averaged about 150 head of 800-pound heifers.

◆ Custom grazing's role

In most cases, custom grazing was a part of the total farm business for the grazing operators. The range for how many other acres they operated was 0 to 4,000 acres, with a fairly even distribution in the number of operations throughout size ranges.

◆ How cattle are grazed

With stocker operations, 100 percent were grazed as separate owner groups. In cow-calf operations, 82 percent were run as separate owner groups.

◆ How cattle are identified

With cow-calf operations, 100 percent had ear-tagged their cattle. In addition to ear tags, 48 percent of operations had branded their cattle, and 15 percent used electronic identification devices (EIDs) or freeze branding. In stocker operations, 88 percent used ear tags, and 25 percent were branded.

◆ Operation decisions

For both the cow-calf and stocker operations, decisions about cattle rotation and movement during the grazing season were made by the operator. Decisions on marketing in the cow-calf operations were made by cattle owners in 58 percent of the operations, by the operator in 13 percent of operations, and jointly in 29 percent of operations. For stocker operations, marketing decisions were made by the cattle owner in 50 percent of the operations, by the operator in 12 percent of operations, and jointly in 38 percent of operations.

As for deciding to remove cattle in a cow-calf operation, 58 percent of operations surveyed made a joint decision with the operator and owner, 29 percent had the operator make the decision, and 13 percent had the owner decide. In the stocker operations, the decision was made jointly in 38 percent of operations surveyed, by the owner in 38 percent of operations, and by the operator in 25 percent of operations.

◆ Assuming death loss

All of the cow-calf owners surveyed assumed death losses, while 88 percent of stocker owners assumed such losses. A few operations had a maximum death loss percentage that had to be met before the operator assumed any liability.

◆ Missing cattle

For missing cattle in cow-calf operations, losses were assumed by cow-calf owners in 66 percent of the operations and by the operator in 24 percent of the operations.

In stocker operations, missing cattle losses were assumed by the owner in 50 percent of the operations, by the operator in 25 percent, and jointly in 25 percent. Their answers were based on what they thought would be understood based on their lease agreement.

◆ Verbal vs. written agreements

Fifty percent of stocker leases were written, and 50 percent were verbal. In cow-calf operations 58 percent of leases were written, and 42 percent were verbal.

◆ How they obtained clients

Most of the custom graziers who were surveyed obtained their clients through word of mouth, which was used by 100 percent of the graziers in stocker operations and by 76 percent in cow-calf operations. Twenty-five percent of cow-calf custom graziers also said they used referrals from ag professionals or past clients as a way to obtain new clients.

◆ Specialty grazing

Most operations were not doing specialty grazing at the time of the interview, but 58 percent of cow-calf and 38 percent of stocker custom graziers indicated they could do specialty grazing. Types of specialty grazing mentioned included: hormone-free, organic, natural, and source-verified grazing. Source-verified and

hormone-free grazing were the most-mentioned practices.

Pasture management practices

Custom grazing managers used the following grazing practices on some of their pasture acres annually:

- ◆ 15% rotate pastures with 8 + paddocks
- ◆ 40 % frost seed legumes
- ◆ 40% interseed legumes
- ◆ 55% fertilize pastures with nitrogen
- ◆ 22% fertilize pastures with P & K
- ◆ 38% soil test every 5 years
- ◆ 80% clip pastures
- ◆ 70% spot spray for brush and weeds
- ◆ 77% have improved water systems for paddocks
- ◆ 15% limit access to streams in some pastures
- ◆ 12% apply manure to pastures.

IOWA STATE UNIVERSITY
University Extension



... and justice for all

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Jack M. Payne, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.