

A FLEXIBLE CONSERVATION LEASE FOR RANGELAND

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One of the common obstacles to the practice of conservation on leased rangeland is the lease itself.

In some parts of the West, and notably in the Great Plains, as much as 50 percent of the land in ranches is leased and operated by non-owners. In the public-land states, the percentage of leased range is smaller, but still significant. The common lease provides for a fixed rental per acre per year, usually for a short period.

Ranchers and conservationists agree that the economics involved in this type of lease lead operators to exploit the range resource in order to meet the fixed payments on a year-to-year basis. Many of them recognize that there is a need to put into common use a rangeland lease that would encourage range management and conservation by providing variable but equitable returns to landowner and lessee alike—a lease that would vary rental payments with the value of livestock and would take into account the variations in the number of cattle and sheep that the land can safely support from year to year. This paper describes such a lease.

Effects of Fixed-Rental Lease

The reasons that a fixed-rental lease, such as in common use, makes conservation difficult are many.

The first is that forage production is variable from one season to another. For example, grass yields at San Angelo, Texas, were 1,361 pounds per acre in 1946, 980 pounds per acre in 1947, and 327 pounds per acre in 1948.

Corresponding variations in stocking rates are needed to achieve proper degree of use for improvement or maintenance of range condition. This is not provided for in per-acre-per-year lease, and stockmen often abuse the range in efforts to make the lease payments in dry years or as range condition declines.

Ranchmen lease range to make money, and they have found that for a few years, heavy stocking produces more pounds of beef per acre than does light stocking. With heavy use there is usually less gain per head, but the lessee paying rental by the acre is primarily interested in the produc-

tion per acre rather than per head. In years of good rainfall, heavy use may result in damage to the range, but until the range is badly deteriorated, it still makes more profit per acre than moderate use. In drought years, heavy use with a fixed per-acre rental and large feed bills results in a net loss to the lessee and damage to the land. In both cases, the landowner loses because the productivity and value of his land are declining and eventually he is forced to reduce his rental per acre. If the lessee practices sound range management and a good grass cover is maintained, he runs the risk of having the rental increased or of being outbid at renewal time.

Another problem involves the ever-changing value of livestock. If prices drop, the lessee with a fixed lease finds his income reduced and may elect to increase the stocking rate to break even. If prices go up, the lessor or



This is typical grass cover on a shallow hill site in a pasture grazed all of last year. Leon Hollis, lessee, is shown above. Keeping a good grass cover on the land is profitable to him with the kind of lease he has.

landowner fails to get his equitable share of the return.

Example of a Flexible Lease

An example of a lease that provides reliable, equitable income to both landowner and lessee, while at the same time achieving conservation and improvement of the grass and soil, is one used by the J. M. Winterbotham ranch west of San Angelo, Texas. Many other landowners have worked out good leases that aid conservation. Some rent for a few months at a predetermined stocking rate; this is called "pasturage". Others have leases similar to the Winterbotham lease.

During 1952, Soil Conservation Service technicians provided the landowners with an inventory of the different range sites and condition of the grass on the Winterbotham ranch. A map and suggestions for grazing management also were provided. John Winterbotham and Kenneth Brown, representing the estate, and Leon Hollis, the lessee, decided on their conservation plan for the ranch in cooperation with the Eldorado-Divide Soil Conservation District. Kenneth Brown, representing the estate, proposed and drew up the flexible lease agreement.

Term of the Lease

The lease is for a term of five years and was recently renewed. Leon Hollis, lessee manages the grazing to permit improvement in the kinds of grasses and productivity of the land. He says, "A long-term lease is important because the overhead costs per animal unit are high when stocking rates are low, and the overhead per animal gets less as stocking rates increase if there is no feed bill. Much of the West Texas range has deteriorated in production during the past 75 years, and, under a conservation lease, the beginning stocking rates need to be very low and then increased gradually as the range improves. In order to benefit



Buffalo grass and curly mesquite covered the bare areas on the above clay loam site in 1953 after stock were reduced.

from this, the operator must have a long-term lease."

Annual Rental

Payment is made in advance each six months, January 1 and July 1, and varies with the number of stock run. The rental rate is based upon the net sale price received for the 12-months wool, sheared in April or May, produced on the ranch and sold or priced prior to July 1. The price of wool has been found to be representative of the values of other livestock products in this area during the past.

The rental payments are computed by multiplying the net sale price of the wool by 40 and then multiplying this product by the number of animal units on the ranch for each 6 months. The figure 40 represents pounds of wool per animal unit—8 pounds of wool per sheep and 5 sheep per animal unit. An animal unit is defined for the purpose of computing rental payments as 1 cow, 5 sheep, 10 goats, 7 weaned lambs, or 2 weaned calves. Sheep, cattle and goats are run on the ranch.

Thus, the rental per animal unit received by the landowner varies as the price of livestock changes and the operator is pro-

tested when prices go down. Also, there is a definite incentive for the operator to produce lambs and calves of the best quality at the lowest expense per head. This is an incentive to use conservation methods—moderate use and sound range management—because the best and most economical gains are made that way.

Stocking Rate and Range Improvement

The rate of stocking, as specified in the lease, is determined by examination of the ranch, usually in April and October of each year, and is agreed upon or set by a majority of the following: (1) Representative or person designated by the Eldorado-Divide Soil Conservation District (usually an SCS technician); (2) J. M. Winterbotham or his nominee; (3) Leon Hollis, lessee; and (4) Kenneth Brown, or his nominee.

The planned stocking rate is revised each season. Livestock numbers were reduced to about 300 animal units when the new lease and conservation plan were started. As the cover and mulch of the land improved and the amount of rainfall increased, the forage production improved, and stocking rates were gradually increased to about 500 animal units. These variations were determined by the group specified in the lease by considering the degree of use at the time, accumulation of mulch and cover, evidence of increase in good species of grasses, current soil moisture and prospects for growth, and the needs of the operator and landowner.

Thus, the lease provides an incentive to improve the range condition so that more stock can be safely carried because income to both landowner and lessee is based on number of stock.

Grazing Management

Deferred grazing on approximately one-third of the range-land each year is required in the



Grass like this is the result of six years of range management made possible by a flexible lease on the Winterbotham Dove Creek Ranch. Shown are Leon Hollis, lessee (right), and N. J. Bradshaw, foreman. (*San Angelo Standard Times photo*)

lease agreement. The operator and an SCS technician inspect the pastures together twice a year and agree on which pastures are to be rested each season. The rest periods have helped to improve the grass, particularly in the pastures that have been rested several times. Thus, the productivity of the land is increased, and the value of the land is increased or maintained. This is important to the landowners.

Miscellaneous Items

The lease also contains agreements concerning maintenance

of improvements, prevention of spread of noxious weeds (cocklebur and poisonous bitterweed), and other items needed to make it a sound and well rounded lease.

Conservation treatment measures such as grubbing prickly pear, brush control, and pitting or reseeding are difficult to include in a lease and can be handled in separate agreements when they are to be done. In this case, the landowners arranged for 850 acres of brush removal and 2880 acres of prickly pear control in 1957.

No commercial hunting is done

on the ranch, so no mention is made of it. However, where conservation ranching is done in this area, deer increase rapidly and hunting could become an economic factor in the future.

It should be recognized that this particular lease may not fit the needs on other ranches; however, the basic principles can apply. The needs of grazing lands differ in regard to season of use, productivity of livestock, water development, ease of ranching, and other items. Landowners and operators desires and needs also vary. Flexible conservation leases need to be worked out to fit the individual case.

Basic Items of Lease

The following items that are basic should be given consideration:

1. Obtain a range site and condition inventory of the land and vegetation with a list of treatment or grazing management practices that the land and grass need.
2. Work up a soil, water and plant conservation plan. The local soil conservation district can provide technicians to help make the inventory and plan.
3. Make the lease flexible, so that stocking rates can go up or down depending on the grass produced and condition of the range.
4. Tie the lease payments to the market price of beef, lambs or wool, and numbers of livestock carried for each 6 months or other specified time.

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