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Forage Risk Analysis Tool helps evaluate lease agreements

Many livestock producers lease or rent pasture or forage as an integral part of their operations.

Establishing a fair price for both parties involved can be challenging.

While other information sources may provide price information, those estimates often do not accurately reflect the value of the forage for those on either side of the lease arrangement.

Each side brings resources and makes a contribution; these are usually not accounted for by simply using an average price or the “going rate” for leases in a particular area.

The Forage Risk Analyzer (FRA) Tool

The FRA tool, designed by the academic professionals from RightRisk.org, can help both parties in a lease agreement understand the value of everything each party brings to the table. Both parties are in a better position to negotiate a fair and equitable lease.

The FRA tool is a compiled spreadsheet divided into six resource categories to fully account for all factors in a typical lease arrangement. Categories include land, livestock, housing, stored feed, labor, and machinery.

The user has the option of selecting one or more types of land in the analysis (such as native range, meadows, crop land, and others). The tool allows for differing quality or production capabilities for those land types.

The tool then provides an allocation summary and offers net return and risk analysis based on information entered.

The FRA tool contains appendices for nutrient requirements and feedstuff composition for beef cattle and AUM equivalents for various livestock types.

Goshen County Example

Goshen County rancher Hal and Merna Gall* have an opportunity to lease a neighbor’s corn stalks for grazing after harvest and are trying to determine what would be a fair lease value.

Figure 1. FRA Tool Data for Corn Stalk Grazing Example.

LAND							
Click a button to toggle the needed schedules ON or OFF.							
Native Range		Fence Resources					
Improved Pasture		Water Resources					
Sub-Irr. Meadow		Taxes, Other					
Irrigated Meadow							
Hay Land							
Crop Land							
CROP Land							
Description	Acres	TOTAL AUMs Available	Cost per Acre	AUMs per Acre	Average Percent-TDN per AUM	TOTAL Cost per year	
Corn stalk residue grazing	500	600	\$30.00	1.2	66%	\$ 15,000	
FENCE Resources							
Description	Miles of Fence	Cost per Mile Installed	Total Years of Useful Life	Fence Expenses per Year	click a button below to enter other costs	FENCE Annual Labor Costs	TOTAL Expenses per year
Electric fence	1	\$750	5	\$50			\$ 2,730
WATER Resources							
Description	Number of Water Points	Cost per Water Point Installed	Total Years of Useful Life	Water Expenses per Year	click a button below to enter other costs	WATER Annual Labor Costs	TOTAL Expenses per year
Stock water for corn stalk grazing	2	\$2,000	20	\$200			\$ 1,150

The neighbor has 500 acres of corn stalks available that could provide forage for 200 mature cows for three months.

Under the Land tab in the tool, the Galls select the necessary schedules, including crop land, fence resources, water resources, and taxes/others to outline the contributed resources.

The neighbor has suggested \$30/acre for the corn stalks, so the Galls use that as the starting value in the land schedule. Under the fence schedule, the Galls assume 1 mile of electric fence (provided by the landowner), along with stock water provided by a well at two locations, and miscellaneous labor associated with fence installation and removal, well maintenance, and land taxes.

The costs associated with these categories are subcategorized by activity under the Machinery and Labor tabs in the FRA tool.

In the next installment in this series, we will complete the Galls’ analysis and provide the FRA results for this potential lease.

*The Gall family and their operation are a case study example created to demonstrate RightRisk tools and their application. No identification with actual persons (living or deceased), places, or agricultural operation is intended nor should be inferred.

James Sedman is a consultant to the Department of Agricultural and Applied Economics in the University of Wyoming College of Agriculture and Natural Resources, and John Hewlett is a farm and ranch management specialist in the department. Hewlett may be reached at (307) 766-2166 or hewlett@uwyo.edu.

For more information

RightRisk.org is an excellent online risk management planning resource for agricultural producers at any stage of risk management planning. The site contains over 50 online tools, producer profiles, courses, and other resources. For more information about the Forage Risk Analyzer tool and the extensive user guide, visit RightRisk.org and select “Risk Management Tools” from the resources tab.

The Worker Protection Standard – 2017 Compliance

How to comply with the Worker Protection Standard for 2017, third in a series.

Last month, I suggested you read the “How to Comply with the 2015 Revised Worker Protection Standards for Agricultural Pesticides” manual – that just sounds boring, doesn’t it?

Beginning the second week of December, I started handing out these manuals as Christmas gifts – some people can be incredibly ungrateful. I understand someone not making it through the entire manual – it is not what I would call an easy read. Everyone keeps asking me if there is a “Cliff’s Notes” version of WPS. Several reference documents have been created, but they, too, seem just as confusing. The shortest version I suggest is to at least read through the “How to Comply” manual appendices beginning on page 103.

Here is a review of what is there:

- **Appendix A** includes definitions specific to WPS.
- **Appendix B** (probably the most useful) includes central posting requirements; training requirements for workers and handlers; and Information concerning respirator use.
- **Appendix C** includes checklists to assist employers in training requirements for workers and handlers; and finally everybody’s favorite – exemptions to the rule.

Here are steps to get on your way toward compliance:

- Based on information in the “How to Comply” manual from above – create a central display in a location all workers can see and containing the following:
 - » Poster – Protect yourself from Pesticides (\$6.25 at www.gemplers.com Item No: P928).
 - » Nearest medical facility information (phone number, address).
 - » Pesticide application record – post applications here and keep a copy in your files (record as much detail as possible – include the Restricted Entry Interval (REI) information).
 - » Access to Safety Data Sheets (these are available online but must be accessible to employees so may need to be printed and placed in a notebook or file cabinet).
- If not exempt from WPS as an owner-operator, become certified as a WPS trainer so you can train your employees. Worker and handler training must be completed by a certified trainer on the job site. Worker and handler training must be completed prior to entering a field treated in the last 30 days.

Wyoming has adopted a relatively simplified process for becoming a certified WPS trainer.

- Login to Iowa State University website www.extension.iastate.edu/workerprotection/ and complete the training. This process is not

intuitive but can be completed in about an hour.

- Forward completion certificate to Hank Uhden at the Wyoming Department of Agriculture (hank.uhden@wyo.gov).
- Read and FOLLOW the “How to Comply” manual.
- Attend private applicator training in Wyoming. These are available through your local county extension offices – please contact them for their schedules.

Remember, WPS applies to all pesticides that display an AGRICULTURAL USE REQUIREMENT box in the label. If completing the three steps above, you’re on your way to compliance for 2017. Of course, some of these rules change again in 2018. The devil is in the details for this particular rule.

One last bit of cheer – the EPA does not accept ignorance as an excuse when inspecting and assessing fines for non-compliance. The EPA can assess up to \$2,750 per violation against private applicators, owners, and operators, and up to \$18,750 per violation against commercial applicators, owners, and operators.

Jeff Edwards is the University of Wyoming Pesticide Applicator Training coordinator based at the James C. Hageman Sustainable Agriculture Research and Extension Center near Lingle. He can be reached at (307) 837-2000 or jedward4@uwyo.edu.