

Rental Agreements for Grazing Corn Residue

Mary E. Drewnoski, Beef Systems Specialist
Jay Parsons, Systems Economist

Corn residue can be an economical source of winter roughage for cattle and can provide an extra source of income for corn producers.

Having a written agreement can help reduce miscommunication and frustration down the road.

1. It ensures a better understanding by both parties
2. It serves as a reminder of the terms originally agreed upon
3. It increases the likelihood that the relationship will continue in future years

When it comes to rental agreements for grazing corn residue, a number of questions need to be asked and answered up front to avoid disagreements later.

1. **What is the latest start date that residue will be available for grazing?** Having a written start date with an agreed upon penalty (such as an extra fee) if the corn is not harvested can keep both parties feeling okay about the outcome if weather or equipment issues delay harvest and availability of the residue.
2. **What is the latest end date for removing cattle?** A common frustration that corn farmers voice when renting out corn residue for grazing is that the cattle are not removed in a timely fashion. Having a written removal date with an agreed upon penalty (such as an extra fee) if cattle remain longer can keep both parties feeling okay about the outcome even if an unexpected event (such as a snow storm) keeps cattle on the land longer than planned. Is it important to outline who is responsible for gathering and removal of the cattle.
3. **How will the appropriate stocking rate be determined?** It is important to utilize proper stocking rates to ensure cattle have access to adequate amounts of leaf and husk and so that per-

formance is maintained (see *Table 1*). Using the corn stalk grazing calculator to determine stocking rates is a good way to ensure proper stocking rates are utilized.

4. **How will grazing be priced?** The payment schedule and method should be agreed upon. The plan for heavy snow or ice needs to be put in the pricing agreement, including the emergency feed source and who is responsible for providing it.
 - *Priced on a per acre basis.* This type of arrangement is simple to administer but can have negative consequences if the start date, end date, stocking rate and adverse weather policy is not specifically spelled out. Without these items being outlined, the crop producer can be exposed to the risk of overgrazing and the cattle owner could be exposed to the risk of paying for something he/she can't use if adverse weather prevents grazing.
 - *Priced on a per head per day or AUM basis.* With this method the cattle owner only pays for actual use. Again, the start date, end date, and stocking rate need to be laid out. The duration of grazing is important for the cattle producer when calculating transportation costs into the cost of feeding the cow. The crop producer is accepting the financial risk that the grazing resource may not produce the income they anticipated if the cattle are removed early.



5. Other items that should be outlined

- Is there a fence present? If not, who is responsible for building the fence? Who is responsible for maintaining fences?
- Is there a reliable water source for the cattle? Who is responsible for providing water and maintaining water during grazing (including breaking ice)?
- Who is responsible for the daily care of the cattle? Inventory counts? Providing minerals and salt? Monitoring animal health? How will treating sick cattle be handled? Will the cattle be commingled with other cattle?
- Who is liable for the cattle getting out? Who is responsible for gathering the cattle if they get out?
- Is the cattle owner required to carry liability insurance for potential damage caused by the cattle? What, if any, indemnification responsibilities does the cattle owner have to the crop farmer for damage caused by the cattle?

This resource is meant to provide a list of questions and issues to consider in drafting a lease agreement for grazing corn residue. Obtaining legal advice from a licensed attorney is encouraged in developing the actual agreement.

Corn Yield bu/ac	Animal Unit Month ¹ (AUM)/ac	# of grazing days at one 1200 lb cow/ac
100	1.1	28
125	1.4	36
150	1.7	43
175	2.0	50
200	2.3	57
225	2.6	64
250	2.8	71

¹One Animal Unit Month (AUM) is the amount of forage required to sustain a 1,000 pound cow or equivalent for one month

More information related to grazing of corn residue can be found at beef.unl.edu/cropland

Including these publications:

Grazing Crop Residues with Beef Cattle
<http://extensionpublications.unl.edu/assets/pdf/ec278.pdf>

Grazing Cornstalks: A Decision Support Tool to Evaluate the Economics
<http://extensionpublications.unl.edu/assets/pdf/ec290.pdf>

Did you know?

- Residue grazing offers an alternative method for management of excess residue in high yielding fields. So, put the disk or shredder away and bring out the cows.
- Cattle are selective grazers and will eat any grain remaining first, reducing the likelihood of volunteer corn the next year
- Recommended stocking rates only result in consumption of 15% of the residue, leaving the majority of residue to protect the soil from erosion.
- Grazing does not result in removal of N, P, or K from the field because cattle excrete 90% of the N, P and K consumed.
- Research conducted at UNL has shown that grazing corn residue does not reduce corn or soybean yields. In fact, grazing of corn residue has been shown to improve yields in some instances.
- In a long term (16 year) study on silt-clay-loam soil in Eastern Nebraska, grazing corn residue did not cause compaction, even when grazing in the spring. Further, this long term grazing did not decrease soil organic matter.

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