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Corn Stalk Rental Agreements

Recently my weekly thoughts revolved around forages available in fall for grazing livestock. Having received a call this week about this topic and serving as a good follow-up to the previous article, today seems like a good opportunity to discuss how to agree upon a rental rate for utilization of crop residues. Since the most plentiful crop residue in our part of Kansas is corn stalks, that will serve as an example for today's discussion.

Corn stalk fields have long been a fall source of feed for grazing livestock. Grazing corn stalks has benefits for livestock and crop fields alike. The most obvious is the utilization of fallen corn. Not only does this feedstuff removal provide an energy source for the animal, but it also helps prevent volunteer corn in the field the following growing season. As livestock graze, they also return nutrients to the soil by working residue and manure into the soil. Utilization of husk and leaves also serves as a good livestock feed source, one more likely to remain on the field in manure pats versus blowing into the road ditch.

After establishing the benefits of utilizing corn residue and securing fields to rent for grazing, how might one go about developing said rental agreements? Many factors need to be considered, all which have direct impact on rates and terms of the agreement. The amount of corn and residues left in the field is a major consideration. High-yielding corn will have more leaves, husks, stalks, and corn in the field, thus increasing the amount of feed available. What is the length of grazing period? What is the stocking rate? Are there fences and water available or will that all need to be provided? How far away from the home operation are the fields? Will livestock need to be hauled? All add or subtract value.

Often the resistance on the part of the crop farmer to graze crop residue with livestock is the potential for nutrient removal and soil compaction. The University of Nebraska and Iowa State University have done multi-year research to evaluate compaction concerns from grazing. The results of these studies have found minimal to no compaction issues depending on tillage systems. They also reported limited compaction on frozen, dry soil, so removing the cows before spring thaws and muddy conditions will help mitigate that concern.

Stover removal is another consideration to evaluate. High-yielding corn can leave up to 5 tons of residue per acre. That is a lot of stover to break down over the winter. By grazing the stalks, some of this residue can be removed, allowing the soil to dry and warm sooner next spring. Grazing for a limited amount of time allows the livestock to clean up dropped ears and some of the leaves and husks, while leaving a percentage that will become organic matter in the soil.

Rental rates fall into two basic categories: dollars per acre or dollars per head per day. The latter allows more flexibility to adjust depending on forage availability, weather and other factors. Choosing one method over the other comes down to owner's preference. Rates may vary widely given all the factors mentioned above. Having done the math using value of providing baled hay as an alternative, \$0.50 to \$1.50 per head per day (depending on the factors above and value established on hay) is not unreasonable. Fields with good fences and water are generally rented at a slightly higher rate. Producers should push a pencil and see what makes sense for your situation.

Regardless of the rate or method used, a good rental agreement should be written down and signed by all parties. This ensures everyone understands what the terms of the agreement are. The agreement can be as formal as using a rental agreement contract or informal as written on a blank sheet of paper. The important part is that it is written down, and both parties have a copy. The University of Nebraska - Center for Agriculture Profitability has a good tool to help determine corn stalk rental rates found at: https://cap.unl.edu/livestock/tools/