

Date:

Subject: Grazing Lease Considerations

To Whom It May Concern:

The California Board of Forestry and Fire Protection's Range Management Advisory Committee (RMAC) is interested in assisting land managers in promoting grazing on properties that are not currently grazed but could benefit from livestock grazing. As the advisory committee to the Board of Forestry for issues relating to California's rangeland resources, we understand the importance of rangelands, including the potential benefits that livestock grazing can provide on California's rangelands. While we recognize that not all open spaces are candidates for livestock grazing, it is our belief that many ungrazed areas of the state could benefit from animal impact in the form of livestock grazing. Grazing on rangelands can serve to reduce fire fuel loads and benefit wildlife and other natural resources, as well as providing increased site security through the presence of a grazing tenant.

It is recommended that a formalized lease agreement is executed between the parties involved to protect both sides legally and to better understand of the terms, conditions, expectations, and responsibilities of each party. The grazing lease is a binding legal document that should protect both parties, while allowing for profitable grazing management to occur on site. RMAC has compiled the following list of items and brief descriptions for consideration when developing a grazing lease, to assist in alleviating this potential roadblock to setting up a grazing program.

Recommended items for consideration in a grazing lease:

1. Identification of the parties
 - a. Legal description of "Landlord/Lessor" and "Tennant/Lessee"
 - b. Date that both parties are entering agreement
2. Description of the property
 - a. Legal description including county, state, and parcel numbers
 - b. Map or aerial photo of property if feasible
3. Term of Lease and termination
 - a. Should include effective date and termination date
 - b. Grazing season, on/off dates, stocking rates if applicable
 - c. Rules and notification for early termination, including rent refunds/payments in the event of early termination

- d. A typical grazing lease would be one year minimum up to five years or more. In general, a longer-duration lease is more desirable to the grazing tenant, allowing them to plan long-term and can also benefit the property by giving more incentive for the tenant to work on site improvements and providing continuity of management.
4. Rent or payment and security deposit
 - a. Amount of rent and security deposit with due dates
 - b. Rent may be figured on an annual basis, monthly, per head, per animal unit month, etc.
 - c. Depending on how rent is figured, it may incentivize different grazing management strategies or stocking rates
 - d. May want to consider site improvements in lieu of rent payments, i.e. installation of new fence at a certain price per linear foot could count toward rent payment
5. Utilities
 - a. Should outline which party is responsible for providing utilities on site and which party is responsible for paying for utilities on site.
6. Taxes
 - a. Personal property taxes on site improvements and infrastructure are typically paid by tenant
 - b. Real Property taxes are typically paid by landlord
7. Uses of the property
 - a. Typically for grazing only
 - b. Could include policies on other/associated aspects such as ATVs, horses, trucks, supplemental feeding, farming, hunting, etc.
8. Entry
 - a. Description of who is allowed to enter/use the property
 - b. Details of landlord's access to property
9. Maintenance, repairs, and improvements
 - a. Typically the tenant is responsible for maintenance and repairs of infrastructure (fences, roads, ditches, drains, watering infrastructure, etc.) in compliance with applicable permits and laws. May or may not include a dollar threshold where landlord pays for more expensive repairs, for example pump or well repairs.
 - b. Tenant typically gets permission in writing from landlord to construct permanent improvements
 - c. Typically no liens are allowed against the property or owner
10. Stewardship guidelines
 - a. Actual details regarding stewardship practices should be included in the associated management plan if applicable, but lease may have a clause about managing in compliance with the management plan
11. Additional limits or restrictions on farm practices
 - a. May include any soil altering practices that are allowed or not allowed
 - b. May include language on hazardous substances and/or animal disposal
12. Subletting
 - a. Typically subletting is not allowed without prior written consent from the landlord
 - b. Original tenant is still responsible for terms of lease

13. Insurance and liability
 - a. Tenant should typically have comprehensive general liability, bodily injury and death liability, and broad form property damage liability insurance
 - b. Tenant should also have workers comp insurance if they have employees that will be working on the property
14. Indemnification
 - a. Generally tenant indemnifies landlord and all affiliates except in the case of negligence or breach of the lease terms on landlord's part.
15. Damage or Destruction
 - a. This should outline what happens with the grazing and lease payments in the event that part of or all of the property is damaged through fire, vandalism, etc.
16. Condemnation
 - a. This should detail what happens to the lease and payments if the property is taken under eminent domain.
17. Removal of personal property
 - a. Tenant should remove personal property and temporary improvements prior to or upon termination of the lease
18. Default provisions and remedies
 - a. Outline of events that would constitute a default and breach of the lease by the tenant.
 - b. This may include vacating or abandoning the property, failure to make payment, failure to comply with applicable laws, or failure to comply with or complete other stipulations of lease agreement
 - c. This should also include details of the landlord's remedies in the case of default by the tenant.
19. Dispute resolution
 - a. This should include details of how disputes will be handled including attorneys' fees

In addition to the list above, it is advised that in sensitive habitat areas, a land management plan is developed to include habitat stewardship goals, grazing management goals, and monitoring. The grazing lease should focus primarily on the legal aspects of the agreement and work in conjunction with the management plan that focuses on the stewardship of the land. These management plans may be developed with a Certified Range Manager and more information can be obtained working with your regional RCD or local UC extensions agent. We have included a sample grazing lease with this letter for your reference. Please feel free to contact RMAC with any further questions or information that might be needed regarding the development of a grazing program on your properties.