



CASE STUDY

Achieving financial success with adaptive grazing management: a young rancher's approach

Rose Ranch, Eagle Butte, South Dakota
Cheyenne River Sioux Tribe Reservation

Since 2018, Thad Rose has owned and operated Rose Ranch, a 125-cow operation focused on making the most of 3,000 acres of native grass pasture on the Cheyenne River Sioux Tribe Reservation in central South Dakota.

Committed to sustainable land management, Thad recognized early on the importance of balancing grazing approaches that improve soil fertility and support wildlife habitat with the need to operate profitably.

“To me, regenerative agriculture is following practices that add back to the land and improve it.”

New practices, new challenges and new solutions

From the outset, Thad invested in a low-intensity grazing system to support soil and pasture health. The intention is for the low stocking rate Rose Ranch implements to maintain enough forage to weather drought conditions. Thad also uses adaptive management to adjust the timing of moving cattle based on weather and forage availability.

In 2020, Thad implemented bale grazing, which involves strategically placing bales in specific locations across pastures in the winter months. The goal is to return organic matter to the land to enhance soil fertility and help manage the cowherd over the winter.

By rotating bale grazing areas annually, Rose Ranch maximizes the distribution of organic matter, leading to increased land productivity.

“ We are seeing more soil organic matter and better soil moisture where bale grazing has been practiced.”



ABOUT ROSE RANCH



OWNER: Thad Rose

YEARS OF EXPERIENCE: 5

LIVESTOCK:

- ~125 spring-calving cows.
- Grazing 3,000 acres.
- Weaned calves sold via local auction market. Select heifer calves retained for replacement.

FORAGES:

Managed grazing on six native grass pastures averaging 500 acres each, plus purchased hay.

ADAPTIVE GRAZING SYSTEM APPROACHES:

Managed grazing, bale grazing, low stocking rate, livestock-sensitive cross fencing, soil sampling, and forage sampling.

CONSERVATION GOALS:

Operate sustainably and profitably while improving the land.



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Investment support and low stocking rate support profitability

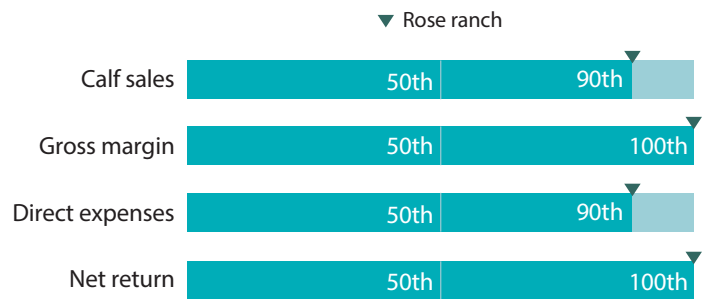
A significant obstacle to implementing conservation practices, such as managed grazing and bale grazing, is associated cost and financial risks, especially before reaching a profitable scale. Rose Ranch successfully addressed this issue by participating in the U.S. Department of Agriculture's Conservation Stewardship Program (CSP). The CSP contract provided critical funding support, enabling Thad to invest in infrastructure and innovative practices while improving cash flow and maintaining low expenses. This support played an important role in improving the ranch's financial health and reducing financial risk.

Despite the initial financial challenges producers face in implementing conservation practices, Rose Ranch has succeeded in implementing them profitably. Thad's low stocking rate¹ and adaptive management approach have contributed to strong calf weight gain and low feed expenses, resulting in high financial performance. The ranch has outperformed similar operations in the region across gross margins, net returns, and other financial metrics (Figures 1,2).

The impact of financing on conservation

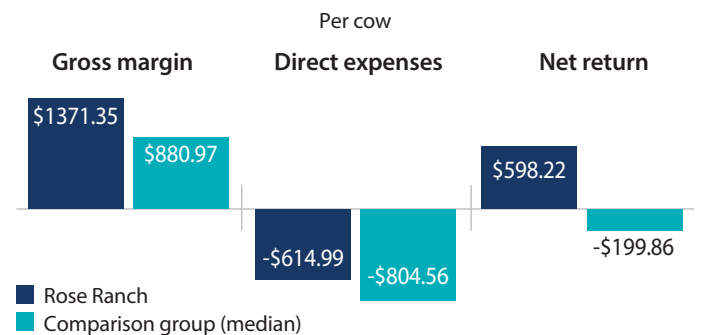
It is important to recognize that Rose Ranch has transitioned to a profitable scale with the help of a CSP contract, which allowed the operation to invest in infrastructure and innovative practices to improve cash flow and keep expenses low. Without the CSP contract, a traditional lender would need to take on some risk and provide flexible financing to help the ranch scale. One lender we talked to said that patient long-term capital can help producers like Rose Ranch invest in the

Figure 1: Rose Ranch financial performance vs. similar operations (percentiles)²



The highest performing operations for each metric are near the 100th percentile, while the lowest performing operations are near the 10th percentile. For direct expenses, the 100th percentile refers to operations that have the lowest expenses.

Figure 2: Rose Ranch financial performance vs. similar operations (group median).



land to financially succeed across the ups and downs of weather and market conditions.

The Rose Ranch case study highlights the importance of financial support in implementing conservation practices. Flexible financing options from lenders can help producers like Thad Rose operationalize and scale up these practices, allowing them to simultaneously improve their financial health and achieve sustainable land management in the long-term.

¹ Stocking rate intensity was compared to the recommendations in the South Dakota State University stocking rate calculator. Rose Ranch was found to have low stocking rates in 4 out of 6 pastures.

² Producers participating in the project are working with Farm Business Management instructors on financial recordkeeping, benchmarking and analysis. Rose Ranch's enterprise and whole farm financial metrics were compared to two benchmarks of similar Minnesota ranches in the FINBIN database: 1) Beef producers who have 75% of revenue from beef enterprises and farm less than 100 acres. 2) Farms in the database with less than \$500,000 of gross income.

