

Some Land Use Options to Increase Income

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I am honored to be invited as a participant in this year's Beef Cattle Short Course to share with you some of our experiences with diversification of our Agricultural Land Use at Schroeder-Manatee Ranch. Although the majority of our ranch income is derived from citrus and shell mining operations on the property, I wish to comment on those enterprises which primarily compliment our Beef Cattle Operation, and not necessarily get into other avenues of diversification which we are pursuing.

We are geographically situated close to fast developing urban areas on the southwest coast; we are adjacent to a major interstate highway; and our land is within the important vegetable production area of Ruskin-Palmetto.

Eighty percent of the farmable land on the ranch had been opened up in the 1960's and 70's by farmers and, in the early 80's, a determined effort was begun to improve income from the ranch land.

We chose, firstly, not to get into the somewhat risky tomato and vegetable production business, but rather to lease our land to reputable tomato growers and require them to rotate the land with 2 or 3 years of tomatoes followed by 4 to 6 years in pasture. By doing this, we found that we achieved several benefits:

- A reasonably guaranteed, low risk income source.
- Improved drainage and pasture fertility.
- We consolidated all the Farmers Water Use Permits under one single landowner permit (very valuable under present circumstances with SWFWMD).
- Over a period of years, we not only improved existing bahia pastures, but were able to establish star and hermuthria pastures in strategic

areas of the property at no great cost.

- Farmers provided much needed fencing improvements which reduced pasture sizes for better grazing management at no cost to the ranch.
- Our cattle get to graze cover crops of rye and millet, which we require farmers to plant between crops as a wind and soil erosion measure!

Next, we saw an obvious niche market for sod with our proximity and access to both the Tampa and Sarasota/Bradenton markets where much real estate development is taking place, and that led us into the harvesting, and selling at wholesale, of both improved turf varieties and bahia sod.

Now, bahia sod still sells today for much the same prices as it did 15 years ago, but the returns per acre are still worthwhile. We find the enterprise really fits well with both the Land Lease and the Cattle Enterprises. It justifies the use of fertilizer to "grow sod", from which the cattle derive benefit; and it stimulates the production of a bahia seed crop the year following the sod harvest which, in turn, justifies some fertilizer to produce. Again, the cattle derive benefit from these fertilized pastures.

Thus, the rotation goes more or less like this:

- Farmer returns land after 2 years cropping.
- We seed bahiagrass at 30 lb/acre and apply fertilizer to establish the grass.
- 18 months to 2 years later, a sod crop is harvested after one fertilizer application.
- After rotovation and reseeding (at 12 lb/acre) and fertilizer, we look for a bahia seed crop the following summer.
- Yields of 100 to 200 lb/acre of bahia seed are

split 50/50 with the seed company.

- Another sod crop is harvested just prior to the vegetable farmer returning.

The level of supplemental income received from these enterprises is as follows:

- 2 years land lease, less pasture reseeding costs average \$100–\$110 per acre per year.
- Bahia sod harvest yields a gross \$1,100 per acre; less harvest and fertilizer costs, nets between \$250 and \$375 per acre, depending on level of involvement.
- Bahia seed crops vary from one year to the next between 100 and 200 pounds per acre, and our 50% share amounts to a net \$25 to \$75 per acre in value.
- In some years, when there is demand for aeschnomene seed, we harvest seed from this prolific summer legume that is quick to re-establish in pastures after the tomato farming. Yields vary from 200 to 400 lb. per acre at 50 cents a pound, which can bring in over \$100 per acre of income.

I should mention that we found another "free benefit" in the form of fertilizer for our pastures from digested municipal sludge from selected treatment plants in the area? Where available, this

sludge is spread on bahia pastures and is a good source of free, slow release nitrogen. A word of caution, however; some sludges from industrial areas can contain high levels of heavy metals and should be avoided. We are very selective in what we will take, and stay involved in the monitoring process.

We are constantly seeking further diversification in our land uses. As a hedge against the possible effects of NAFTA on the tomato business, we now have a chip potato grower and a bean grower as lessees. We are looking at aquaculture as a possible source of income from the large lakes left behind the shell mining activities, and have a 40 acre ornamental tree farm established.

This approach of diversifying our land uses has provided for growth of income, and also has a stabilizing effect on income stream from one year to the next. For example, cattle prices were down last year, but we had a hot sod market which more than made up for the difference.

To avoid ending up with "too many eggs in one basket" as we consider further diversifying the enterprises, any new enterprise must have a potential of making significant improvements to whole ranch income before we proceed.