# THE MONTANA WAY

Final Report

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## Introduction

Montana has experienced a significant turnover in large properties over the last decade. That trend is changing the face of rural Montana by influencing shifts in the nature and character of land ownership which in turn influences the culture and economics of the surrounding community. As expected, some of the changes are positive and some less so. Montana's challenge is to find and apply tools or strategies to enhance the positive impacts of the shift in land ownership, and limit the negative impacts. The "Montana Way" project is intended to address this challenge.

The turnover in ownership of large Montana properties is a product of, but not limited to: the average age of large landowners is 60 years or older; successional planning is sometimes limited (e.g., estate planning); children may not be interested in staying on the property, and/or there are multiple heirs and only a single asset, the property. Add to this the growing value of land and the high interest among potential buyers. As succession becomes inevitable, the decision is made to sell. These ranch properties offer many attractive qualities to interested buyers, including relatively reasonable prices. The purchasers of these large properties are generally wealthy individuals who are not residents of Montana, and they are typically not involved in the business of ranching. Their interest in acquiring a Montana ranch is often driven more by the amenities these ranches offer than by their income potential. Those motivations are generally different than the traditional Montana ranch that manages their holdings as a business that must support their family, and ideally create a legacy for the next generation. It is often the contrasting values of new and existing or traditional landowners that can create negative impacts from changing ownership of large ranches. The Montana Way project believes that real and perceived negative impacts can be mitigated or eliminated through better information sharing between present landowners and new landowners regarding "best community and land stewardship" for landowners.

With this project we set out to compile a list of "best practices" that could be shared with prospective and new owners of large Montana properties. All new landowners want to find satisfaction with their new property, and we believe the application of these "best practices" will help.

## Methodology

The Montana Way project proposed to develop a list of best practices that could be shared with prospective and new owners of large Montana properties. For the purposes of this report, we will define 'large properties' as more than two sections, or 1,280 acres. While the report has been developed to primarily address new owners of large properties, much, if not all, of what has been captured here will prove useful to small operations as well. The list of best practices could best be developed by talking to existing owners of large Montana ranches that have been successful in managing a healthy and productive property that is meeting the landowner's objectives, and complementing the needs and values of neighbors, the local community and the state.

In order to develop a list of best practices from a representative sample we decided to interview numerous landowners in Montana that were geographically distributed across the state (Figure 1). We recognized that some effective land ownership practices in western Montana would likely be quite different than eastern Montana given the differences in land, communities etc. Our targets for landowner interviews and the actual interviews completed are summarized in Table 1.

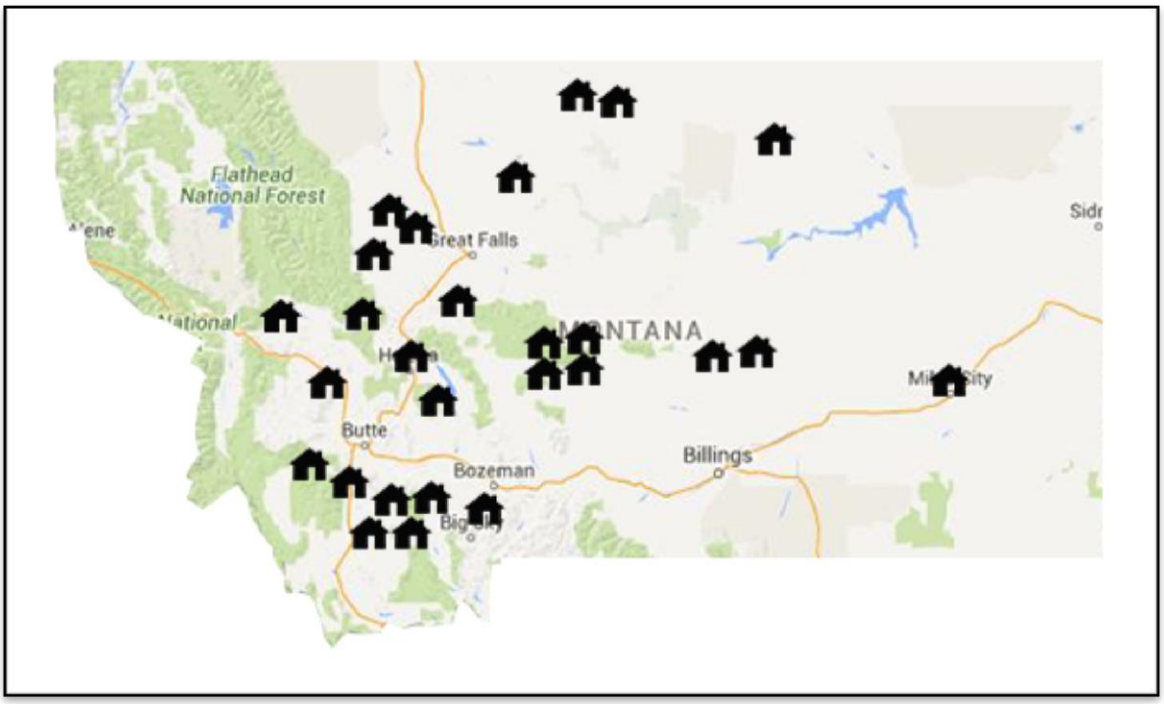



Figure 1: Locations of landowners interviewed in Montana

The landowners contacted were:

1. Ami Angelo (Landowner, Jens, Montana) (Western MT))
2. Andrew Bardwell (Ranch manager, Deep Creek Ranch) (Choteau, MT)
3. Neil Barnosky (Landowner, Silver Spring Ranch in Ruby Valley) (Southwest MT)
4. Leo Barthelmess (Landowner, Barthelmess Ranch located south of Malta, MT) (Eastern MT)
5. John and Nina Baucus (Landowners, Sieben Ranch east of Helena, MT) (Central, MT)
6. Chris Bechtold (Ranch manager, Diamond 4D Ranch) (Choteau, MT)

7. Bill Cowan (Landowner, Cowan Ranch south of Havre, MT) (Eastern, MT)

8. Kelly Flynn (Landowner and current State legislator, Flynn Ranch located east of Canyon Ferry Reservoir) (Central MT)

9. Henry Gordon (Landowner, Gordon Cattle Company Ranch south of Chinook, MT) (Eastern, MT)

10. Jim Hagenbarth (Landowner, Hagenbarth Ranch in the Big Hole Valley and Idaho) (Southwest MT and Idaho)

11. Scott Hibbard (Landowner and ranch management consultant, Sieben Ranch located near Cascade, MT) (Central MT)

12. Denny Iverson (Landowner, Iverson Ranch in Potomac Valley) (Western MT)

13. David James (brother of landowner) and Jaime Wood (ranch manager) (Hamilton Ranch in Ruby Valley) (Southwest MT)

14. Bill Jones (Landowner, Two Dot Land and Livestock Company located near Harlowton, MT) (Central MT)

15. Chris King (Landowner and Petroleum County Commissioner, King Ranch in Winnett, MT) (Eastern, MT)

16. Mark Kossler (General Manager, western ranch properties, Turner Enterprises) (Bozeman, MT)

17. Jeff/Ann (mother) Lazlo (Landowners, Granger Ranch in Madison Valley) (Southwest MT)

18. Bob and Kathy Lee (Landowners, Robert E Lee Ranch located east of Judith Gap, MT) (Central, MT)

19. David Mannix (Landowner, Mannix Brothers Ranch in Helmville, MT) (Western MT)

20. Bill Milton (Landowner and ranch management consultant, Milton Ranch located near Roundup, MT) (Eastern, MT)

Bob and Kathy Lee, Robert E. Lee Ranch (Judith Gap, MT)

21. Maryanne Mott (landowner) and Hannibal Anderson (ranch manager) (B Bar Ranch in Tom Miner Basin, Paradise Valley) (Southwest MT))

22. John Peavey (Landowner, Flat Top Sheep Ranch) (Hailey, Idaho)

23. Jim Peterson (Landowner and former State Legislator) (Peterson Ranch located in Buffalo, MT) (Central MT)

24. Ben Pierce (landowner and ranch management consultant) and Tim Tews (ranch manager) (LF Ranch near Augusta, MT)(Central MT)

25. Steve Roth (Ranch manager for the IX Ranch near Big Sandy) (Central MT)

26. Dave Schultz (Madison County Commissioner, former landowner of family ranch in the Ruby Valley, and current landowner of small ranch) (Southwest MT)

27. John Swanz (Landowner, Swanz Ranch east of Judith Gap, MT) (Central, MT)

28. Craig Taggart (Ranch Manager, Trinchera Ranch) (Fort Garland, Colorado)

29. Fred Wacker (Landowner, Cross Four Ranch in Miles City, MT) (Easter, MT)

30. Martha Woodson (landowner) and Les Gilman (ranch manager) (Woodson Ranch in Ruby Valley) (Southwest MT)

Table 1: Interviews Targeted and Completed by Region

| Region | Interviews | |
|---|---|---|
| | Targeted | Completed |
| Western MT | 1-5 | 3 |
| Southwestern MT | 5-10 | 7 |
| Central MT | 5-10 | 11 |
| Eastern MT | 5-10 | 6 |
| Idaho/Wyoming | 5-10 | 4 |

Nearly all Montana landowners were interviewed in person and usually at their ranch or home, with some interviewed at a mutually convenient location. Out-of-state landowners were interviewed in person and over the phone. We approached each interview with a structured set of questions, and then let the individual conversations guide the outcome. All landowners were first given the opportunity to provide a general description of their ranch. Following that they were asked about innovations they applied in managing their ranch, and then asked about information they thought was important to share with new landowners. The interviews lasted one to three hours.

## Results

The landowners we contacted were very willing to participate in the interviews, and recognized the challenge represented by the turnover in large Montana properties. They were very willing to openly share their experience on what has worked for them and their thoughts on important best practices for new landowners.

Several long time landowners shared some remarkable stories of the history of their ranches, and how they were acquired and developed since the 1800's. For example, one landowner provided some useful historical perspective when he noted that his great grandfather began piecing their ranch together just a few years after the battle of the Little Big Horn, and the formation of the reservation adjacent to their ranch.

Dave Iverson – Iverson Ranch (Potomac, MT)

The landowners were consistent in echoing a few themes. They all expressed a strong commitment to their property and a love of the land. Most highlighted the importance of sustainable land management practices, and their responsibility to pass on land that was at least as productive if not more so than when they took ownership.

## Best Practices

We sorted the best practices into seven categories:

- Community Relations
- Purchase Considerations
- Land Management
- Livestock and Range Management
- Water Management
- Wildlife Management
- Legacy Management

Many of these best practices can be viewed as common sense but they are worthy reminders, and common sense for some may be a revelation for others. Some tend to be more philosophical while others describe specific practices that have been effective. The order in which practices are listed does not reflect priorities.

### *Community Relations*

In rural areas of Montana there is a long-standing tradition of neighbors helping neighbors. It is not only a nice thing to do, but often essential to surviving the whims of Mother Nature and other emergencies that arise when managing large properties in relatively remote

areas. This neighborly approach often extends beyond immediate neighbors to the larger community, where collective action is needed to support community needs. As a new landowner you are moving into this rural Montana culture, and your satisfaction and success will come from understanding and embracing these rural values.

1. Get to know your neighbors: In rural setting neighbors are dependent on each other and linked in ways you may not find in urban settings. You typically share fences and associated maintenance responsibilities, and activities on your property can easily affect your neighbors (e.g. weed management, wildlife management, cattle vaccination etc.) To effectively address shared responsibilities and dependencies you have to develop an effective working relationship with your neighbors. Your neighbors can provide a wealth of information if you are open to it. Often the more you can do for your neighbors the higher the payback for you in cooperation and good will. You might try inviting neighbors over for a meal/barbecue/party as you begin the process of getting to know one another. Relationships can sometimes develop more slowly in rural settings, so be patient.

Bill and Barbara Cowan, Cowan Ranch (South of Havre, MT)

2. Develop an understanding and respect for your new community and the local culture: The traditional culture in many ranching communities is generally open, friendly and supportive because neighbors depend on each other. That said, you will also find that each local community has a somewhat unique culture. These cultural differences can even occur as you move out of town where areas are divided by drainage or other topographic features. Ask questions regarding local cultural differences, listen carefully, and pay attention to unique cultural qualities you observe. Understanding and respecting the local culture will allow you to be effective in working with your local communities, and establish your place in that community. Be patient as it may take a while before you are accepted.

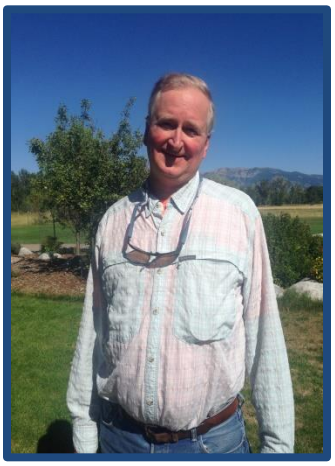
3. Share your vision: Look for opportunities to share your vision for your new property with your neighbors and the community. This sharing can be done by the new owner, ranch manager and employees. Your openness will help to eliminate rumors and build understanding and acceptance.

4 Accept new sights, sounds, and smells: For a new landowner there will be new sights, sounds and smells that are unique to an agricultural setting. Those will come from livestock, farm machinery, etc. It may take some getting used to, but it is important to embrace those changes as the essential reality of the local economy and culture.

5. Bring personal humility to your new community: You have no doubt been very successful in other areas of your life. Despite your successes and the associated healthy confidence and ego that should go with that, try to approach your new community with a humility that allows you to listen and learn, and ultimately develop strong relationships with your new neighbors and community.

6. Recognize that new, non-traditional landowners will be viewed differently in a rural community: Some neighbors or community members may not be entirely comfortable with a new landowner's real or perceived wealth. They may be intimidated by you, fearful or envious. Your new ownership can create uncertainty and turmoil in a community. As soon as you are able, the more you can personally reach out to neighbors and community members, the more quickly you can address the turmoil that may be simmering. Reactions to you as a new neighbor and community member may not all be negative. Some neighbors and community members will also recognize the value of the needed diversity that you bring to the community.

7. Find ways to give back to your new community: Most rural communities have many needs, and those needs are shifting as land ownership changes. For example, Montana's transition to non-traditional and often absentee landowners can cause a reduction in enrollment in local schools that will then reduce their funding without changing their budgeted needs. They often do not have the tax base to support all of the community needs, such as adequate road maintenance, weed control, fire control, etc. In fact, they may not be able to provide services that you have become accustomed to in other locations. Take the time to meet with neighbors, community members, and local leaders to best determine how you might contribute to the community. Often financial support may be easier to offer than your time. Contributing to the greatest financial need in a community will be keenly appreciated and provide great inroads for you in your local community. You should attempt to become "added value" to your neighbors and new community.



Ben Pierce, LF Ranch, (Augusta. MT)

8. Your actions are as important as your words: Your commitment to outstanding management of your property and your employees will translate into respect among your neighbors and your community. As much as neighbors need to get to know you, they also need to see how you are performing on the land because your actions ultimately affect their interests as well.

9. Tread lightly: You may have the financial means to gain undue influence in a community. Resist any temptation you have to use your wealth to impose your will on a community as any short-term victories may jeopardize your long-term satisfaction with your new property and community.

10. Embrace the "new" rather than regretting what you have left behind: Your new rural home in Montana and your new community will likely not have some of the amenities found in the community you left behind. Remember that you have moved here for the fine qualities of living in Montana. Try and embrace those new amenities rather than bemoan

some of the conveniences, services or comforts you left behind. That approach will make you and your neighbors happy.

11. Come to your new community as a team player: You no doubt have leadership ability that may be helpful to your new community. Allow time for the community to get to know you before you exert that leadership. Look for opportunities to foster consensus building in your community as that is often how progress is ultimately achieved in rural areas – it takes collective action. Use your talent to leverage capital in the community to solve problems.

John and Linda Swanz, Swanz Ranch (east of Judith Gap, MT)

12. Establish strong, productive relationships with local government agencies: As a Montana landowner you will have regular business with a variety of federal, state, and local agencies. Try to establish key contacts and good working relationships with all of those agencies. In many cases you will be working hand-in-hand with them as you manage your private ranch (e.g. you may have leased state or federal land for grazing).

13. Support local commerce: You will likely make improvements on your property that will require purchased materials and labor. Look for opportunities to support the local economy by purchasing materials and labor locally as much as possible.

14. Consider joining trade organizations: There are several trade organizations in Montana that support agricultural interests (Mt Stockgrowers, Mt Farm Bureau, MT Farmers Union, etc.). If you will be in the farming and ranching business you may want to consider joining one or more of these trade organizations. They can provide political support for your agricultural interests and offer important networking opportunities for you and your employees.

***Purchase Considerations***

There are many things to consider before you buy a large ranch. Applying due diligence before the purchase can avoid problems that can come after the purchase when expectations are not met.

1. Be honest with yourself about your potential land purchase: As a land buyer it is sometimes possible to get unduly influenced by a romantic notion of owning a large property. Do not let that romantic vision influence your decision, and instead take a hard look at the economic, social and environmental realities of owning and managing a large rural property. It is hard work.

2. Conduct a rigorous evaluation of a potential property purchase: If you are purchasing a home you routinely hire a home inspector to thoroughly evaluate and report to you the condition of the home you are considering for purchase. You should apply that same

rigorous review to a large property you are considering for purchase. In the case of a large property the review must obviously go well beyond the condition of homes, outbuildings and other improvements like fencing, to include for example: road conditions, range condition and productivity, timber quality and volume, potential environmental hazards, weed infestations, water rights, water sources, and any peculiarities in the deed. You will likely need your own professional specialists to conduct this evaluation. Do not expect to get this service from your realtor for the same reason you would not expect your realtor to conduct a home inspection – it is not their area of expertise.

3. Consider cost of needed improvements: Your evaluation of the property may point to a backlog of needed improvements on the property in order to make it functional for your purposes. Assess the potential cost of those improvements as part of your purchase decision.

4. Assess community services: The services provided in the community near the land you are considering for purchase will be important to buyer satisfaction. These include schools, local government services (including fire departments, law enforcement, etc.), medical care, and road maintenance. Where you live now probably offers much better services than what you will find in a more rural setting, and recognizing that in advance of your purchase may help to avoid disappointment and frustration later.

***General Land Management***

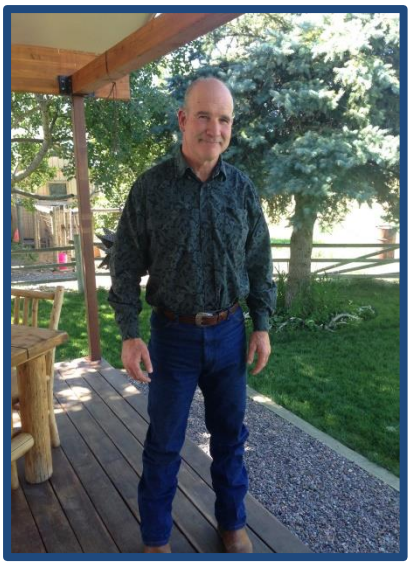
When you purchase a large property in Montana it usually offers diverse land types, vegetation and revenue sources. That diversity requires a mastery of management techniques in several arenas. For that reason we offer a catch-all of best practices under the general heading of land management.

1. Recognize that you are not only the new owner but also the new "temporary" steward: As the deed is transferred you become the legal owner of your new property. You are also the new owner in a series of owners past and future. All of you have the responsibility as temporary land stewards to leave a lasting, positive mark on your property. Your choices now can create a positive (or negative) impact on your land for centuries to come. Ensure that you leave a positive legacy through sound management and a commitment to the integrity of your property.

2. Identify and articulate the mission and goals for your property: A clearly defined vision for the management of your property will allow you to share that vision with current or new employees to ensure they are creating the property that you want. It also allows you to share your vision with neighbors and the community, which can help to create good relations, and foster mutual support.

3. Get to know a property before you make changes: As a new owner the tendency is to want to make immediate and substantial changes to a property. This can often lead to

missteps that are sometimes costly and hard to correct. Some have suggested waiting at least a year before you make substantial changes on a property.



David Mannix, Mannix Brothers Ranch (Helmville, MT)

4. Develop an understanding of the history of your new property: Many large properties have a rich history that is important to investigate and understand. That understanding can be used as motivation to preserve important historic sites, and also to build on the knowledge gained through past experience. For example, there may be very good reasons for the current design of pastures or water development. Know and fully comprehend your property's history before you embark on changes.

5. Carefully consider your hiring decision for a ranch manager: Many large properties employ a ranch manager. If you decide to hire a manager consider the previous ranch manager as your first option. In most cases they have invaluable experience on the ranch, and relationships with the neighbors and communities that will serve you well. You may want to consider vetting your hiring decision with the previous owner, and other locals to identify any key concerns that may not be immediately apparent through a normal hiring process. If you decide to move past the previous ranch manager then consider whether there is another local individual that might meet your needs. Again, current residents offer the local knowledge, and established relationships that will be helpful. Oftentimes children who grew up on a successful working ranch can make the best ranch managers. You may want to consider hiring a married couple to take over ranch management duties because they are often easier to retain. They can also help to foster a healthy "family" culture on the ranch.

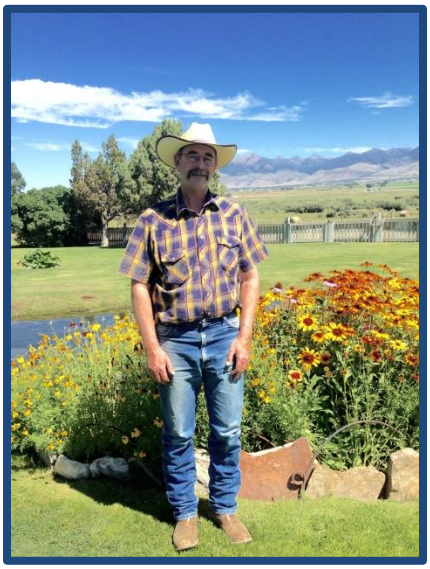
6. Develop a strong working relationship with your ranch manager: If you hire a ranch manager then it is critically important that you quickly develop an effective working relationship. You will want them to demonstrate a strong commitment to the property, and to fulfilling the mission and goals you have articulated. You should pay your ranch manager a competitive salary that does not include a percentage of production or ranch revenue. This will help to avoid any tendency for them to produce higher short-term returns at the expense of long-term productivity or the ability to meet other non-financial goals.

7. Manage your ranch like a business: Regardless of your mission and goals for your new large property it is best to view your new acquisition as a business. Even if your focus is on the ranch amenities or personal recreation, rather than revenue production, you will still need to manage the property with the attention you would give to any other business. If positive cash flow is a priority then you will quickly need systems in place to track and measure both costs and performance.

8. Encourage innovation while respecting current practices: It is easy to continue management practices on your property as they have always been done. Sometimes that is for good reason, but it also can come simply from complacency. Make sure your ranch manager and employees are challenging the status quo while also honoring the management practices that have and will continue to work well. Try new ideas on a pilot scale first to avoid large, unwanted impacts from a failed experiment. You may want to vet new ideas or management approaches with locals to learn whether they have been tried previously. Some have suggested that you should not be the first to change but also not the last.

9. Manage for diversity: Just as a diverse stock portfolio can weather turbulent economic times, so can diversity in revenue sources or management tools on a large property provide a buffer against market changes and the unpredictability of Mother Nature. Diversity in managing your large property can come in many forms including the utilization of both range and timber resources, and developing alternative sources of revenue such as recreation opportunities on the ranch. Diversity in land management may also be as simple as developing alternative water sources to provide options for future drought conditions or management for a variety of livestock or crops to buffer market changes.

10. Sustainable land management is the essential foundation for success: Identify and apply sustainable land management practices. This applies to all aspects of range management, forest management, wildlife management etc. A sustainable approach will allow you to realize your goals for the property now and in the future, and also serve the larger community by complementing the land management efforts of neighbors. Your interest in sustainable management should keep you focused on effectively managing the base resource: water, soils and vegetation. Your property is part of a larger ecosystem and high quality sustainable management of your property will help to support the function of adjacent properties and the health of the larger ecosystem.



Neil Barnosky, Silver Spring Ranch (Sheridan, MT)

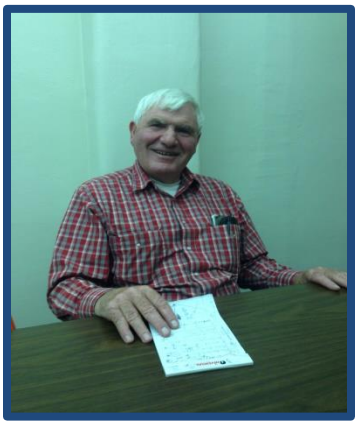
11. Explore grant opportunities: There are many grants available to assist with your land management efforts. They are offered by both government agencies and by private non-profits. Develop an understanding of those grant options as they can be used to offset substantial costs in making needed improvements on your property.

12. Establish organizational charts for ranch employees and contracted services: Make sure you establish clear expectations for the work responsibilities of all ranch employees.

This will lead to efficient use of time and resources and avoid frustrations and conflicts among employees. Also, work quickly to develop a list of trusted contracted services. A cadre of trusted contractors (e.g. lawyer, accountant, water specialist, wildlife biologist etc.) will serve you well as you face all the challenges of managing your new property. Remember that at the outset "you do not know what you do not know", and trustworthy employees and contractors can provide critical assistance as you become more familiar with managing your new property.

13. Weed management should remain a high priority: Noxious weeds can substantially diminish the productive capability of a property, and the law requires that you address your noxious weeds infestations. Make sure you gain a thorough understanding of the noxious weed threat on your own and adjacent property. Work to address your weed issues and seek cooperation with your county weed department and neighbors to collaborate on control efforts. Be aware that noxious weed seed can be transported on vehicles so consider mitigation efforts to avoid that possibility (e.g. require spraying of vehicles from out of the area before they can travel roads on your property). Pursue integrated pest management, as that has proven most effective in controlling weeds.

14. Periodic disturbance is important to a healthy landscape: Disturbance is a natural phenomenon. Seek to mimic natural disturbance with your management efforts and that should help to maintain ecological health on your property. This can come in the form of grazing, prescribed fire, etc. Also, keep in mind that natural processes have amazing healing power, but that natural restoration often occurs slowly and requires your patience. Trying to "fix" or accelerate the healing often does more harm than good so be cautious with those efforts.



Jim Hagenbarth, Hagenbarth Ranch (Southwest Montana and Idaho)

15. Safety of your family members and employees must remain a land management priority: There are many ways to get injured in the process of managing a large property. Accidents can best be avoided through a continued focus on and reinforcement of safe practices.

***Livestock and Range Management***

There is well-developed science devoted to both livestock and range management. Successful large landowners in Montana are well versed in that science, as are their ranch managers and employees. Recognizing that several volumes could be written on this broad topic, our landowners offered a few guideposts they thought were critically important.

1. Ranchers are grass producers and cows are the by-product: Your first priority is to manage for a healthy rangeland condition. You can then build on that sustainable resource to manage for sound livestock production.

2. The key to successful range management is rest: There are a variety of different grazing systems used across Montana. Even with this variety all were committed to some type of scheduled rest from grazing to promote sustainability. Overgrazing can lead to long-term challenges in restoring damaged rangeland. Some live by the rule of thumb in grazing to "take half and leave half". Remember, as you graze this year that you are planning for next year. A healthy rangeland condition is also better suited to weathering a drought period, and will more quickly recover following the drought.

3. When it comes to livestock management you are not an island: Often your neighbors are raising livestock, and the way you manage your livestock can complement their efforts or create conflicts. Talk with your neighbors to ensure you are managing in ways that are mutually compatible. This includes sharing information on pasture schedules, fencing concerns, livestock disease issues and vaccination protocols.

4. Good fences make good neighbors: Take the time to understand your obligations with regards to fencing. Montana is a primarily "open range" state, which means that it is necessary for you to fence out unwanted livestock on your property. In addition, developing good working relationships with those neighbors or state/federal agencies with whom you share a property line will help when it comes to maintaining your properties border. Finally, not all fences are created equal, and the type of fence you put up will vary with the livestock you plan to graze and the needs of local wildlife. Talk with your ranch manager about the possibility of building wildlife-friendly fencing.

5. Short term, high intensity grazing can be a useful tool: In some locations short term, high intensity grazing has been effectively applied. It generally involves using portable fencing to create relatively small paddocks that are then moved after a short period of grazing.

6. Consider riparian grazing in winter: Some consider the condition of riparian areas an indicator of rangeland health, and grazing must be designed to maintain that health. Winter grazing of riparian areas has been effective in providing valuable forage for livestock while also maintaining riparian health. Riparian areas are normally frozen in winter and resistant to any plant or soil damage. Electric fencing has been a valuable tool in achieving desirable riparian grazing, as have stock tanks for providing water sources outside of riparian areas. Those water sources will help to avoid concentrating livestock in riparian areas. For those wishing to graze riparian areas in the summer, electric fencing, stock tanks, and gravel "bridges" are all tools that can be used to minimize livestock damage to these sensitive areas.

7. Rangeland monitoring can help to ensure you are maintaining rangeland health: Many large landowners employ some type of rangeland monitoring to ensure they are maintaining a healthy and sustainable rangeland condition. This monitoring comes in

many forms from on-going anecdotal observation, to photo plots, to systematic monitoring of established sites or transects. Regular monitoring should identify unwanted range impacts or trends and allow you to adjust your grazing accordingly.

Fred Wacker, Cross Four Ranch (Miles City, MT)

8. Low stress livestock handling techniques have proven effective: Some have suggested that managing your livestock with techniques that cause less stress can lead to increased profits, less fence damage, less safety risk and ultimately can lead to a better product. These techniques include low-pressure methods for moving your livestock, and can also address the infrastructure you employ (e.g. the use of quieter hydraulic chutes to reduce stress).

9. Lower stocking can lead to higher weight gains: Some have found that by reducing the number of livestock you get large enough weight gains to offset any financial losses that come from reduced stocking. Do not get trapped into thinking that simply having more livestock is better.

10. Spring and early summer calving can work well: Many ranchers have shifted to calving in spring or even early summer. This approach reduces the amount of needed feeding and allows calving under less harsh conditions. Calves may be a bit lighter for market but they tend to be of higher quality and demand a higher price per pound that can offset any weight difference.

11. Explore opportunities for a local grass bank: Grass banks have provided expanded grazing opportunity in some areas of Montana, and may provide you another valuable livestock management tool.

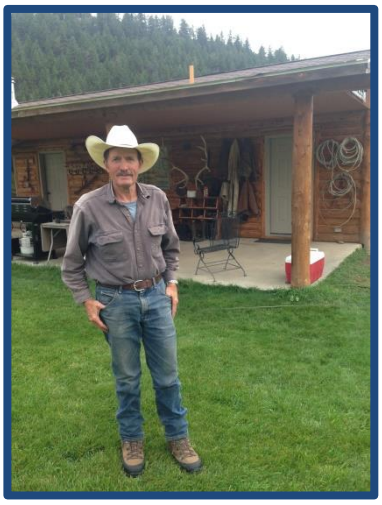
***Water Management***

Water is key to any successful ranching or farming operation. So it should remain an important consideration before and after a large property is purchased.

1. Understand your water rights before you make your purchase: It is your responsibility to complete your due diligence regarding your water rights before you purchase. Once again, do not expect your realtor to provide comprehensive or adequate detail on your water rights. You should consider hiring a water rights specialist to assist with water rights research.

2. A complete understanding of water rights goes beyond a legal description of those rights: Although it is important to understand your legally described water rights, you should also find out how that water has been used historically both on your property and on nearby landowners drawing from the same sources. Talk to nearby water users to gain a thorough understanding of actual water use. "A Buyer's Guide to Montana Water Rights"

by Stan Bradshaw of Montana Trout Unlimited provides a great overview of Montana water rights that every landowner should review.



Kelly Flynn, Flynn Ranch (east of Canyon Ferry Reservoir, MT)

3. Respect water rights: It is critical that you know and understand your own water rights to avoid legal vulnerability. You should also be willing to explore mutually agreeable water allocation solutions that meet others needs as well.

4. Explore uses of solar pumps for wells: Some have found solar driven pumps as good solutions for supplying water to livestock in remote upland watering locations.

5. Assess your irrigation efficiency: In many locations flood irrigation has been the norm. Some landowners who have historically used flood irrigation have shifted to use of irrigation pivots to more efficiently use available water. Irrigation practices are complex and dependent on a variety of factors and you should talk with someone whose opinion you trust before you make changes.

6. Carefully consider whether a new pond is needed or appropriate: Often new landowners want to build a pond for fishing or just for aesthetic reasons. Do your research regarding water availability and rights before you construct a pond, and do not rely on the pond construction contractor to do that for you. Also consider whether your angling and aesthetic needs might be better met by natural stream courses on or near your property. Man-made ponds can have a number of unintended consequences including increased evaporation rates and the introduction of aquatic nuisance species to local watersheds.

***Wildlife Management***

Wildlife are a key feature of nearly every large property in Montana. Some view wildlife as the primary amenity for the property while others see wildlife as a detriment. Attitudes can also vary widely depending on the type of wildlife found on your property (i.e. some landowners are enamored with elk but less so with large predators). Regardless of your perspective wildlife are a resource that must be managed to satisfy the mission and goals for your property.

1. Wildlife – a two-edged sword: Most landowners enjoy seeing wildlife on their property. Some hunt wildlife themselves while others enjoy allowing friends, neighbors and the general public the opportunity to hunt. Wildlife generally add value to a property when it is time to sell. At the same time wildlife can compete for forage with livestock, and wildlife predators will at times prey directly on livestock. Wildlife can damage fencing and other improvements. It can also require a concerted effort for a landowner to manage hunting

opportunities. It is important to assess all of these qualities or impacts of wildlife as you develop an approach to wildlife management for your property.

2. The correct approach to hunting depends in part on the landowner's objectives: You will need to identify your objectives for managing wildlife in order to design your management approach. Those objectives will help guide the decision on how hunting should be used to manage wildlife.

3. Look for the "Sweet Spot" in your wildlife management: If possible, design an approach to wildlife management that satisfies your amenity interests in wildlife, with an acceptable economic outcome, and using an approach to hunting that supports local culture and the interests of the community.

4. Seek cooperative approach to wildlife management: Wildlife do not recognize property lines within their normal migratory or nomadic movements. Management of wildlife on your property will have impacts on your neighbors and vice versa. Seek wildlife management solutions that not only meet your needs but those of your neighbors who often share responsibility for the same wildlife as you. If you collectively address wildlife management as a community then you can avoid creating winners and losers among your neighbors, and the potential for strained relationships.

Leo, Darla and Chris Barthelmess (L to R), Barthelmess Ranch (South of Malta, MT)

5. Develop a wildlife management approach that acknowledges that you are managing their home: Your ranch provides wildlife habitat and that responsibility goes beyond you as the current private owner. Look for ways to coexist with wildlife so they are truly an amenity instead of an annoyance or an economic burden.

6. Manage for the "small" as well as the "large": Often times we focus our wildlife interests on the "large" animals, such as elk, deer and moose. Make the effort to understand and manage for all species as they can collectively serve as a good measure of the overall quality of your land management.

7. Consider professional wildlife help: Managing wildlife effectively can be time consuming and at times confusing given the habitat complexities, biological needs for a large variety of species, and the social considerations. Develop a professional relationship with your local MT FWP biologist and consult with them. You may also want to consider hiring a professional wildlife biologist to assist with developing your approach to wildlife management.

8. Hunting is part of the fabric of Montana: Montana has consistently ranked near the top in per capita hunting numbers. Much of this hunting has occurred on private land where hunters and landowners have developed long-standing friendships beneficial to all parties. As a new landowner you should find out who has hunted your land historically, and consider developing mutually beneficial relationships with those same hunters. Typically, those historical hunters of your property were welcomed by previous owners for good reasons, and those reasons may resonate with you as well.

9. It is possible to strike a balance between public and private hunting: Public versus private hunting is not necessarily an either/or proposition. There are many examples where landowners have found ways to reserve desired hunting opportunity for fee hunting and/or friends and family while also finding ways to allow some of the general public to hunt for free. This can involve scheduling adjustments in time and space to accommodate both.

10. Managed Public hunting offers several advantages: Wildlife populations are generally managed through the use of hunting. By managing the number of wildlife on the landscape hunters can help to ensure that population levels more closely match available habitat. It is difficult to achieve an adequate harvest to meet biological targets by fee hunting and/or only allowing friends and family to hunt. Also, allowing some public hunting can establish valuable partnerships with individual hunters, sportsmen groups and the local community that will help to ensure those same entities will provide support for your other land management efforts. These partnerships are also an opportunity for you to educate hunters on the challenges and rewards of managing a large Montana property for agricultural or other uses. With all the advantages of public hunting or fee hunting there are also costs and tradeoffs. These can come in the form of increased need for road maintenance, weed management and the general demands of managing public access for hunting on your property.

11. It is possible to manage for large predators as well as livestock and recreation: There are good examples across Montana where large predators are managed on the same landscape as livestock, and commercial or non-commercial recreation uses. Look to those examples to find specific solutions on how those uses can coexist successfully on the same landscape. Simple tools include guard dogs and herders for livestock and training in predator awareness (including use of bear spray) for recreationists.

12. Livestock management can complement wildlife management: There are numerous examples where sound livestock grazing practices have supported good wildlife habitat. Those examples are not only found on private land but also on state owned Wildlife Management Areas.

13. The Block Management Program administered through Montana Fish, Wildlife and Parks can be an effective tool for managed public hunting: The state administered Block Management Program provides compensation to landowners for allowing public hunting to help offset associated costs. It allows the landowner to design how permission is granted, land and road access limitations and the number of hunters allowed.

14. Consider creative options for accommodating acceptable public hunting: Managing public hunting can be costly and inconvenient. You can find ways to offset those costs beyond the State's Block Management program. Some landowners require a commitment from hunters to provide a day of work on their ranch. Others have made agreements with resident-only hunting clubs or groups that provide some level of compensation for access.

15. Focus on riparian areas: Riparian areas are critically important to wildlife, and they are also attractive to livestock. Carefully consider how you choose to manage riparian areas to meet all of your management objectives.

***Legacy Management***

Even though you may have just purchased your new property it is essential you begin to plan for the long-term future. Effectively transitioning ownership and management of a large property to the next generation can be financially and emotionally challenging. Proactive efforts to direct that transition will provide the greatest opportunity for success.

1. Start succession planning now and commit to getting it done: Succession planning needs to happen while you and yours are of sound mind and have the energy to get it done. You should consider using a professional facilitator to assist you in succession planning. Include all interested family members in this planning and meet regularly.

2. You need a vision for the future of your property to guide your succession planning: It is essential that you know what you want your property to look like several generations in the future, in order to determine the right succession plan to achieve that goal.

3. Equal is not necessarily equitable: At first blush it may appear that the easy way to plan for succession is to simply split the ranch into equal parts among the direct heirs. Unfortunately, this often results in an outcome where none of the split parcels are a workable property. Ideally, you want to split the ranch or value in a way that the remaining parcels are of workable size while recognizing that there needs to be an attempt at fair balancing of value among heirs. One solution is to allow for a leaseback arrangement so the heir(s) that wants to continue to work the ranch will leaseback the other heirs interest at a rate where they can afford to continue to run the property as a working ranch.

4. Selling conservation easements is just one succession tool: You can extract a portion of a property's value by selling certain property rights under the terms of a conservation easement. The cash returns from this sale can be used to compensate some of the heirs and the ranch can then often remain intact for the remaining heirs to own and manage. Proceeds from selling conservation easements can also be used to purchase additional acreage, which may then allow for a property split among heirs that results in multiple workable parcels.

If you pursue a conservation easement, ensure that the management restrictions are those that you can reasonably live with for all generations to come. Some owners have also

chosen to donate conservation easements to a nonprofit organization which then protects the ranch from further development. Another tool that has proven useful for some is a premium financed life insurance policy. Explore these and other tools with your accountant and an attorney experienced in these and other succession planning strategies.

5. Consider requiring children to leave the ranch at some point: Some landowners have required their children to leave the ranch to pursue their education or other interests, and experience different environments, cultures, and communities. . By exposing them to a bigger world it allows them to make a more informed decision about their future on the ranch. The key to having children leave is to make sure returning to the ranch is a clear choice on their part rather than an assumed or default progression.

**Conclusions**

There is a wealth of experience and knowledge among our Montana landowners, and we have hopefully captured some of their key insights here. We attempted to organize a wide array of ideas in a way that encapsulated as much of the shared thought as possible, while also providing some helpful context.

Once again, we recognize that the best practices offered here are combinations of broad philosophical guidelines with some very specific and practical management practices. They are merged here as a simple reflection of the high points offered by the landowners we interviewed.

Some of what is offered here will prompt you to pursue much more investigation into the details or in some cases the science behind the recommendations. We encourage you to pursue that investigation and hope that the outcomes are worthwhile improvements and increase your level of satisfaction as Montana landowners.

**Acknowledgments**

We offer our sincere thanks to all of the landowners who were willing to contribute their time to this project and who were so open in sharing their thoughts and experiences. Hopefully, your shared insights will guide new Montana landowners to a satisfying and successful experience that adds to the powerful and successful legacy of past and current Montana landowners.