

# Developing a Grazing Business Plan

## Key Partners

- **Who are you most important partners?**
- **What key resources do you acquire from your partners?**
- **Which key activities do your partners perform?**

This is where you begin your market research & develop your business plan based around your skill sets. Do some working research on the established grazers in your area. Find out who they serve, what land types, how many acres, what livestock they use, etc. Reach out to them and ask what jobs they are turning down and why. Can they refer these jobs to you if it fits your business plan? It is to your benefit, and the benefit of all contract grazers, to establish collaborative work relationships. Ask if there is work you can do to assist them and vice versa.

What are the key skills you are bringing to this work? Do you come from a history of animal husbandry? Are you coming from a field of ecological restoration? Do you work as a wildland fire fighter and see the benefits of grazing for wildfire reduction? Bring these skills in now as you brainstorm the format of your business. Where are your weaknesses, where will you need collaboration? Is it best to start a new contract business or to collaborate with a currently established one to build the necessary skill sets?

Begin to think about what you are willing to do for your customers. Are you interested in providing grazing services to both private and public customers? Will you hire a shepherd? Will you stay with your livestock? What pieces of this work are you interested in doing and what are you not? Know this from the beginning, add it to your planning, it will make a difference.

## Key Activities

- **What are the activities you perform every day to create and deliver your value proposition?**

Begin to consider where your time will go on a day to day basis. How long will you transport animals? How much will that cost the client or you? How much time do you need to set aside for computer work; budgeting, administration, contract building and distribution? How much time do you need for animal care, moving fencing, bringing in water? How will you take care of veterinary needs? Are you able to vet your own animals, or do you need collaboration for this? It is crucial to understand the importance of animal care and breeding program. This includes making sure you are offering the appropriate nutrition for the success of your livestock and your business. Being honest with yourself and understanding your skills will help determine how much of each day you should allot for these activities, as well as which activities you need help from outside sources to

complete. Take the time to speak with active contract grazers so they can help you in this planning stage. Be clear with your time management during the planning stages.

## Key Resources

- **What are the resources you need to create & deliver your value proposition?**

What resources are you starting with? This includes both your skills sets and materials for the building of your business.

An example of skill sets include animal husbandry skills, vetting skills, communication skills, computer skills, coordination skills, regenerative land management, knowledge of plants and land management, etc. These are critical to acknowledge and highlight in the development of your business. Also, understand where your weaknesses are. These will help you understand where you need more collaboration and/or need to budget for hiring someone to help with this work.

Examples of physical resources are truck, trailer, electric fencing, livestock, corral system, etc. Write down what you have and what you will need. For a comprehensive list to get started, visit the [grazing infrastructure page](#). Can you rent or lease what you need? Come to real conclusions on what you will need to purchase and what can be leased. Start small and build.

With this business you need to determine winter housing for owned livestock. If you have livestock you own or are planning to purchase them, where will they live when you aren't grazing? Have you budgeted for feed expenses? Think of animal care for a full year, have a plan.

## Value Propositions

- **What is the value you deliver to your customer and how is that different from other grazers?**
- **Which of your customer's problems are you helping to solve?**
- **What is the customer need that your value proposition addresses?**
- **What is the promise to your customers?**
- **What are the products and services you create for your customers?**

Take the time to really evaluate what you bring and define how it fits the needs of your clients. How are your grazing services different? This is also where your market research becomes very relevant. Where are the holes in grazing services in your community and how are you filling them? Think about what landscapes most need work (forests, pastures, etc.) and clarify a holistic list of your services. These can range from fire fuel load reduction to regenerative land management. It is also important to know your customer's concerns and make sure your proposal and services address those concerns. What is the promise to your customers? Clarify what you are accomplishing, what you are responsible for, and what the client is responsible for. Clarity and thoroughness are essential.

## Customer Relationships & Segments

- **What relationship does your customer expect you to establish and maintain**
- **For whom are you creating value?**
- **What are the customer segments that will pay for your services**

Again we go back to market research. Know your audience. Are your clients looking for repeat services? Can you establish a slightly reduced rate if they sign up for a 4 years service plan? What do your customers want? Ask them. Understanding the landowner/clients goals for their property and with their neighbors is important for building positive customer relations. Remember, you are bringing your animals and your stewarding skills to the client, but you are working to fulfill their goals. Plan your work, timing of grazing, etc. around the goals of your client. Be sure to ask questions throughout the job, to ensure you are both in agreement.

## Channels

- **How does your value proposition reach your customers?**
- **Where can your customer find your services?**

How and where will you advertise your services where clients can find you? [Match.graze](#)? A website for your business? It is important to make sure you are visible and easy to find.

How do you express your services and how they are different from another grazer? It is essential to be clear, precise, and simple.

## Cost Structure

- **What are the important costs you make to create and deliver your services?**

This is such an important piece of the puzzle. Start your rates out at a livable wage!! You will lose customers everytime you raise your rates. Know how much it costs to be a grazer and make a living. In the North Bay area of California, most contract grazers have charged a minimum of \$1,000 an acre to stay in business. There are expenses that need to be covered. You have trucks, trailers, fencing, portable corral units, fuel, bringing in water, and most importantly, your own hourly rate. You already know this if you are currently leasing or own animals.

What is the plan for the off-season? Do you have a place to winter them? How much will you be feeding them? These are costs that may be initially overlooked, but absolutely need to be a part of your pricing system. If you own your livestock and have to provide supplemental feed, be sure to add the cost of that feed used to your budget. Will you need livestock guardian dogs? How much is their maintenance? Are you hiring shepherds? Really spend some time with your pricing and budgeting. Start in a place where you can have continued success. This is critical to your survival as a grazer. Most new contract grazers fail because they do not charge enough for their services.

## Revenue Streams

- **How do your customers reward you for the value you provide them?**
- **What are the different revenue models?**

Set up a clear list of what makes your work difficult. Knowing where the limitations are can help you set up a reward system for your clients.

Two of the biggest issues contract grazers struggle with is winter housing and winter grazing spaces. These two overlap, but can be treated differently depending upon your goals as a business owner. Do you want to take time off in the winter? Taking time off in the winter would mean having a designated grazing season. If so, do you own land, have access to land, or ability to find leased land to put your livestock on? Maybe you have a customer that is willing to offer a winter grazing location. Do they have the land to do this? Are they highly interested in regenerative land management? If so, you may consider offering a discounted rate or free lease exchange. Be creative! There is more than one way to solve these issues. Just remember, you're working to fulfill the customer's goals in the arrangement using your knowledge and expertise in land stewardship and to be professional and respectful when stewarding someone else's land.

If you do plan on taking time off in the winter, do you want to own your own animals or are you planning on leasing animals for the grazing season and then returning them? Having a plan for winter housing and grazing land is crucial if you plan to own your livestock. If you plan to lease your animals, it is crucial to build relationships with livestock owners that are willing to lease animals. It helps to have a grazing season schedule mapped out so that you can plan accordingly. Click [here](#) for a downloadable grazing scheduling calendar example.

There are other revenue streams that can be tapped into as a contract grazer. These revenue streams include meat, fiber, and livestock sales. Are these revenue streams that you are interested in exploring? Talk with local producers to gain an understanding of those revenue streams and if it is something that you can work into your business plan and model.

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