Bull Rental and Lease Agreement Guide

The only cardinal rule that applies to a bull rental or lease agreement is that no two agreements are the same. This guide will walk producers through several steps to consider, whether they're looking to lease a bull or considering renting out some or all of their bull battery.

The most important part of any agreement is trust. While a firm handshake is often enough for many cattle enthusiasts, keep in mind half of a herd's genetics is hopping on the trailer when a lease is agreed to. That said, a written document signed by both parties is certainly a safer way to make sure the finer details are understood.

Step 1: Insure the bull.

This step is critical for high-value herd sires, but generally a good idea for both parties. Things happen: reproductive failure, injury, illness, lightning strikes, and even car accidents can end a bull's career if he's on the wrong side of the fence. Be sure the insurance policy covers the bull regardless of his address, and consider liability should something go wrong. Unfortunately, short-term insurance policies that only cover a breeding season are rare and expensive. The leasee may end up insuring the leasor's bull for 365 days as part of the agreement. The bull's owner will have to establish a value for the bull on the policy. This should not be the original sale price of the bull if he was purchased, but rather a current value should the bull need to be replaced.

Step 2: Ensure the bull is reproductively healthy.

Even if a mature bull just came off cows, a Breeding Soundness Exam (BSE) is a wise investment prior to turnout. If leasing a yearling or virgin bull, a BSE performed within the last 60 days would be ideal. While the veterinarian is collecting the semen sample, swab any non-virgin bull for Trichomoniasis. The test costs roughly $30, plus any sample collection fees. Since false positives can occur, it would be wise to test him again prior to turning him back out with cows. Additional health history, like negative test results for both Johne's Disease and BVD-PI, is good insurance for both parties. These conditions can be economically devastating if allowed to persist undetected.

Step 3: Determine the general lease terms.

Basically, how many cows/heifers will the bull cover, and for how long? As a general rule, a bull can service one cow for every month of age up to four years. For example, a 15-month old yearling bull should be able to cover 15 cows in 90 days. Don't overwork a bull that needs to cover a second set of cows immediately after the lease ends. If the bull is following an estrus synchronization and artificial insemination (A.I.) program, the cows that did not conceive A.I. will all be in heat within a week. Extreme heat and humidity during that week could be problematic, especially for a young herd sire.

Step 4: Determine the value of the lease.

There are countless ways to do this, but some simple math can usually help both sides reach a number that makes sense. The producer wanting to lease a bull has three options: buy a bull, use continuous A.I., or lease a bull from someone else. Obviously, the producer has not chosen to buy a bull, so pricing the bull at the equivalent of A.I is a logical starting point. If a producer uses A.I. at a cost of $35 per cow, they could expect a 70% conception rate. If you assume the leased bull will breed them all, then the following math works: $35/70% = $50 per cow. If the actual conception rate is less than 100%, consider a discount, but in most cases it's not the bull's fault a cow didn't conceive. The labor and time savings alone should add value to the leasee.

Another method is to determine the daily cost for a bull standing idle, either in a bull pasture or a barn lot. In any case, the bull costs money to feed, plus the time necessary to do chores and make sure he is on the correct side of the fence. If the bull costs $2 per day to feed, plus $5 worth of time and fuel to check on him, then a $7 per day lease agreement makes sense. For a 90-day mature bull lease on 35 cows, that's $630, or only $18 per cow. Keep in mind, the bull won't be pushing on gates or tearing up feed bunks and hay rings while he's on lease! Some producers are just happy to have bulls off the feed bill.

Step 5: How the lease ends is as important as it begins.

The most important factor here is the condition of the bull when he is removed from cows. Make sure both parties understand the expectations and any costs associated with getting the bull back in shape. During summer breeding, long periods of inclement weather can take significant amounts of weight off a bull. Most bulls will bounce back in short order, but if the bull is being returned to your farm in a Body Condition Score (BCS) of 3, make sure there is ample time for the bull to recover before the trailer door opens to his next set of females.

Other things to consider are the genetic values of the bull; if the bull offers enhanced growth or carcass merit, then the lease price should reflect that. Likewise, if the leasee has a desirable set of cows, the bull owner could lease the bull for a pick or percentage of the calves at weaning. All said, bull lease or rental agreements can be mutually beneficial, as long as the terms and details are understood in advance.

Example: Bull Lease Agreement

BULL LEASE AGREEMENT — DATE

BULL NAME(S) *or* ID(S)

INSURANCE POLICY # — PREMIUM AMOUNT $

HEALTH COSTS (BSE, Johne'S, BVD-PI, Trich, etc) — $

LEASE BEGIN DATE: / LEASE END DATE:

or # OF LEASE DAYS

MAXIMUM # OF COWS TO BE SERVICED BY BULL:

LEASE RATE $____ per day x days x #____ of bulls = $______ *or* $______ per cow x cows x #____ of bulls = $______

CIRCLE ONE: Health & insurance costs are **included/excluded** in the total lease cost.

SPECIAL TERMS/NOTES

SIGNATURE: BULL OWNER — SIGNATURE: LEASEE

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