

January 3, 2023

ITEM 204-2301-R0123

**Request for Authorization to Enter into a Cash Farm Lease for 317 Acres with Bozeman Health;
Montana Agricultural Experiment Station**

THAT

Consistent with the Board's authority to manage the Montana University System and in accordance with Board of Regents Policy 1003.6, the Board of Regents of the Montana University System authorizes Montana Agricultural Experiment Station (MAES) to enter into a cash farm lease of 317 acres to accommodate production and advancement for Foundation Seed programs.

EXPLANATION

1. Bozeman Health owns approximately 317 acres of farmland located east of the hospital (see attached map with boundaries).
 2. For 60 years, this farmland has been leased to and farmed by a third party who is now retiring. Bozeman Health wishes to continue to utilize the land for agricultural production into the future.
 3. MAES has been offered an opportunity to lease this cropland via a cash farm lease at \$50.00 per acre or \$15,850 on an annual basis. This rate is considered to be fair market value due to the above average productivity, as well as a high level of visibility to showcase the work being done by the MSU College of Agriculture.
 4. An initial lease term for up to 10 years is requested, with 2 additional 5-year options to renew. Fair market value will be evaluated every 5 years of the lease term.
 5. Foundation Seed has a large economic impact within Montana agriculture. The benefit to entering into this lease includes the enhanced ability to produce Foundation Seed from the new crop varieties developed at MSU, specifically new chickpea and green pea varieties.
 6. The Montana Agricultural Experiment Station will be responsible for the cost of the farming operations and maintenance of the property to accomplish crop production.
-

ATTACHMENTS

Attachment #1: Map