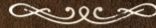






WYOMING



**STOCK GROWERS
LAND TRUST**



**RANGLAND
SUCCESSION**



**WITH AMERICA LOSING AN ACRE OF
AGRICULTURAL LAND EACH MINUTE,
IT'S A JOB THAT CALLS FOR OUR
COLLECTIVE ATTENTION — THERE'S
MUCH TO DO WHEN IT COMES
TO CONSERVING WYOMING'S
CULTURAL LANDSCAPE.**



HONORING OUR PAST... CONSERVING OUR FUTURE



Wyoming's first territorial legislature convened in Cheyenne on October 12, 1869. Twenty-one years later, on July 10, 1890, President William Henry Harrison signed the law designating Wyoming as the nation's 44th state. It was a period in time that defined Wyoming and established the boundaries for a place that would earn national attention for quality stewardship, wildlife conservation and resource management.

The stroke of Harrison's pen marked far beyond the geographical designation surrounding some of Mother Nature's finest work; it created the "Cowboy State," home to independent-thinking, hard-working and rugged individuals. In the years following, the 97,818 square miles comprising Wyoming became a mosaic of public and private lands, vibrant rural communities and natural resources that are the nation's envy. Measures like the Homestead Act encouraged land ownership and the start of private ranches now managed by fourth, fifth and sixth generations of the same families and cover 43% of Wyoming's surface. Also passed along with the ground from generation to generation is an ethic that encourages proper care of the land and a calling to constantly improve and protect the resources under one's stewardship.



May McAlister Sommers and Marie Nott. Photo courtesy of the Sommers family.

CONSERVATION THROUGH RANCHING



Traditionally the call to stewardship has focused on proper grazing, water availability and range improvements beneficial to both livestock and wildlife. With 93% of Wyoming's private land managed as agricultural property, land stewardship is integral to the health of the state's economy, communities, watersheds and wildlife. But, today's rancher, in an effort to carry on family ranching traditions and care of the land, faces a wider array of regulatory and fiscal challenges than ever before. Agricultural lands are disappearing across the US – and once converted from agriculture, will be lost forever.

- Studies have predicted that 48 million people will be added to the West by 2050 (*U.S. Forest Service*).
- Experts predict 50-75% of ranches in the West will change hands in the next 10-15 years and 2.6 million acres of prime rangeland in Wyoming could be converted to residential development by 2020 (*American Farmland Trust*).
- Wyoming's ag lands decreased from 25.8 to 25.2 million acres between 2006 and 2007. That marks a 600,000 acre decrease, an area almost as large as the state of Rhode Island (*State Board of Equalization, 2007*).



- Operators who are over 65 years in age manage 8.7 million acres – almost one-third! – of Wyoming’s agricultural lands (*UW Ruckelshaus Institute*).
- Ag land is at the greatest risk for residential development. The majority of land going into low-density rural development is coming from the sale of “prime” farm and rangeland to residential and commercial developers (*UW Ruckelshaus Institute*).

Wyoming is at a crossroads. Conserving the resources that have defined our state requires action by Wyoming’s agricultural community as well as by key decision makers and advisors. Together, we can ensure that Wyoming agriculture continues to contribute over \$1 billion annually to the state’s economy and that ranchers continue their critical role as stewards of the land which shelters our nation’s wildlife, embraces the headwaters for our country, and maintains our ability to produce food and fiber.

In order to address these critical needs, the Wyoming Stock Growers Land Trust has initiated the Ranchland Succession Program. Our aim is to bring new tools to help the next generation of Wyoming ranchers remain on the land and keep important private land in agriculture. By implementing existing programs on a broader scale, augmenting those programs with new offerings and spreading the word to key individuals, we believe Wyoming can maintain the wide-open landscapes, customs and culture for which the state is known.

MAINTAINING THE RANGE



Much like Wyoming's leaders of the late 1800s, today's Wyomingites are called upon to define their state and its future. Numerous studies underscore the commonly-held belief that wide-open spaces, abundant wildlife and traditional agriculture must be part of Wyoming's future. The Ranchland Succession Program is our effort to broaden awareness surrounding the work to be done, to add new tools to the potential solutions and to see that existing tools are better understood and readily implemented. Our vision is the successful conservation of Wyoming's working ranches for future generations of landowners engaged in the production of food, fiber and other natural resources.

Two key gifts were central in creating the Ranchland Succession Program and charting its general course. In 2009, siblings Fred and Catherine Kusel of Sheridan, placed a conservation easement on their family ranch, but then made broader plans for its future. At the time of their deaths, or at an earlier time of their choosing, the Kusels will bequeath their ranch to the Wyoming Stock Growers Land Trust. The Land Trust has been charged by the Kusels with placing the property in the hands of a young ranch family.

Our conservation easement was the lynchpin of our planning efforts for the ranch's future. Selling a conservation easement provided us some financial security, and the easement itself provided us with peace of mind, knowing that our ranch would be available for agriculture into the future.

~ Albert Sommers



After Georgene Hager LeBar passed away, her family liquidated a portion of her assets and made charitable investments. The Ranchland Succession Program is among the causes benefitted from this act of extraordinary generosity. The Georgene Hager Family Fund will be used repeatedly through revolving loans that help assure agricultural lands remain in production and young people remain in agriculture.



“Georgene believed in helping people help themselves,” says Dylan Hager, Ms. LeBar’s nephew. “In keeping with Georgene’s life philosophy, the money will be used to help young and beginning ranchers help themselves.”

The Georgene Hager Family Fund also marks the beginning of a multi-year, multi-million dollar campaign that will help Wyomingites chart the course for the future of agricultural lands in their state.

Central to the project’s success is expanding awareness about the Ranchland Succession Program and the availability of individual opportunities to help chart Wyoming’s future. Potential for positive impact stretches from those who have inherited family land, to up and coming producers to attorneys, accountants and other who aid in estate planning. Each of us, in our own way, can help define the Wyoming we hope to see persevere for the next century and beyond through the Stock Growers Land Trust Ranchland Succession Program.



TOOLS TO HELP BUILD A FUTURE



There's no one-size-fits all approach to preserving Wyoming's working landscapes. Meaningful opportunities and solutions hinge on an evolving and growing toolbox, from which individual situations and goals can be attained using a combination of existing tools and new approaches. Here are just a few:

CONSERVATION EASEMENTS •.....•

Beyond protecting a landscape's agricultural characteristics in perpetuity, conservation easements are a meaningful tool in facilitating the generational transfer of agricultural properties. Within families, easements can help raise the capital necessary for an older generation to retire, or reduce the fair market value of the property, allowing younger members of the family to assume ownership in a financially sustainable manner without liquidating.

Retiring ranchers often want to see their place remain in production, but lack an heir. When coupled with the sale of a property, conservation easements can help ranchers receive full market value for their ranch, while reducing the fair market value of the land to a level that's affordable for young ranch families. Potential tax benefits exist and the rancher is able to pass on his or her property assuring that it will remain in production agriculture in perpetuity.



CONSERVATION RANCH BUYER

Through the purchase of land in fee, ideally in combination with the tax-deductible gift of a portion of the value, property can be passed along to young ranchers with the Land Trust retaining a conservation easement on the land and reducing the fair market value of the ranch. Additional philanthropic dollars can further reduce the eventual sale price, and with the participation of other funders and partners, a young ranch family may be able to acquire the property at ag value, below the price non-producers would be willing to pay for amenities. Another strategy might be for the land trust to own the land with a lease-to-purchase agreement with a young family.

REVOLVING LOAN FUND

Professional fees necessary to secure appropriate legal, financial and often-needed expert advice can be a limiting factor for agricultural families looking to complete a conservation easement. With loans made from the Georgene Hager Family Fund, transaction costs can be covered and repaid upon project completion.

Similarly, revolving bridge loans could help young ag families continue operating while a conservation easement is negotiated. Young landowners anxious to purchase lands using dollars gained from an easement purchase often approach the Land Trust, but find the easement process too cumbersome and lengthy to facilitate a land purchase. Bridge loans, as the name indicates, would help bridge this gap.



ACQUISITION OF LAND

Through expanded awareness of the Ranchland Succession Program, our Land Trust hopes to see additional Wyoming landowners come forward with a willingness to donate agricultural land – either outright or through more complex estate planning devices.

A donation of a “remainder” interest in a ranch can be given during the landowner’s life, with a resulting charitable income tax deduction becoming available when the remainder is deeded to the Stock Growers Land Trust, even though a life estate may be retained by the donor and the donation does not become effective until the death of the landowner. In agreements similar to the one existing between the Kusels and the Stock Growers Land Trust, lands can be protected in perpetuity while passing along opportunities to young ranching families.

Gifts of houses, condos or non-agricultural land can also be utilized, with the proceeds from their sale benefitting the Ranchland Succession Program specifically or the support of the Wyoming Stock Growers Land Trust more generally.

MITIGATION BANKING

Benefits brought to the landscape by Wyoming ranchers reach far beyond their traditional roles. Free markets are developing for those who protect or improve habitat for key species. New opportunities are on the horizon for those willing to play a role in mitigating the impacts of energy and other development and may become a new source of revenue to participating operations.

OUTREACH AND EDUCATION

As more people understand the tools available for protecting Wyoming’s ranchlands, we believe more people will recognize their own ability to make a difference – both to their own family’s estate plans and the wider Wyoming landscape. Through publications, seminars and outreach, the Ranchland Succession Program leadership is spreading the word about the tools available to reach mutually beneficial goals and how we can work together to create Wyoming’s lasting legacy.



WE ALL BENEFIT WHEN WYOMING'S RANCH LANDS ARE CONSERVED



Whether you make your living in agriculture or along Main Street, the future of Wyoming's ranching industry matters. On average the largest in the nation, Wyoming's ranches were developed and are operated by men and women who believe that "if you take care of the land, it will take care of you", and that "long term" means generations.

Wyoming's ranches produce some of the finest cattle, sheep and wool in the world on land that pays more in taxes than it costs in government services. Ranch owners and operators contribute time, money, and effort to serve on school boards, hospital committees and any number of other civic activities in addition to the multi-million dollar boost their operating expenses provide to local economies.

The scenic vistas that attract tourists from around the world, the majority of the critical habitat for Wyoming's abundant wild life and the verdant hay meadows and riparian areas bordering sparkling trout streams are incidental benefits of the stewardship of Wyoming ranchers.

This "Wyoming Way of Life" and its benefits that we tend to take for granted are at risk in many areas of the state due to development pressures, increased operating costs, and difficulty in transferring the operation to the next generation.

Stock Growers Land Trust conservation easements have been used by many ranchers to help relieve these problems. Some success stories are in this brochure.



THE STOCK GROWERS LAND TRUST HAS A PROVEN RECORD OF SUCCESS



Wyoming's working landscapes gained a familiar, yet new, friend in December 2000 when the Wyoming Stock Growers Association voted to create the Stock Growers Land Trust. In partnership with some Carbon County ranchers, a Wyoming-based, statewide land conservation organization focused specifically on conserving ranchlands and ranching operations was born. The Stock Growers Land Trust Board of Directors is comprised of agricultural producers and Wyoming professionals who understand the lands we help families to conserve – after all, our founders had been stewards of the Wyoming landscape for generations. Their valuable experience provided a clear vision for the future of Wyoming's ranchlands and the people who live and work on them.

Over a decade later the Stock Growers Land Trust's commitment to Wyoming's working landscapes remains strong and builds upon the core values of our state's ranching community. With the conservation of 200,000 acres, the Stock Growers Land Trust is now one of the largest local land trusts in the United States.

In recent years, our Land Trust's leadership has placed a priority on those easements that help keep young ranch families on the land and aid in the generational transfer of properties. Visit www.wsgalt.org to read about our completed projects.



EACH OF US CAN HELP



Whether it's through professional careers or personal contributions, each of us has a role to play in ensuring the Ranchland Succession Program's success.

PROFESSIONALS — attorneys, estate planners, accountants and others — are being called upon to arm themselves with facts and tools. Those who own the land, or those with cash to contribute, aren't always aware of the opportunities to make a difference while receiving tax benefits. We call upon you to help spread the word, bringing awareness to mutually beneficial opportunities that provide many benefits to Wyoming and its open spaces. Planned giving, including contributions of cash and land resources, is central to this effort's success.

WYOMING RANCHES — forged through hard work and perseverance — are some of the Cowboy State's greatest treasures. Will those treasures be protected for future generations of Wyoming residents and guests? We all have something to contribute. And, we all have the opportunity to shape the Wyoming we'd like our children and grandchildren to enjoy in years to come.



WHERE A FAMILY'S LEGACY AND OUR MISSION COME TOGETHER



After making provisions for loved ones and friends, one or more charitable interests are often included in a deed, will or living trust. By giving a gift through a deed of a remainder interest, a will or a trust, individuals can help the Stock Growers Land Trust conserve working ranches in Wyoming. Please consider including the Stock Growers Land Trust in your estate plans. This process is known as planned giving. The plans made today will help define a family legacy and ensure that philanthropic wishes are carried out. Through a proper will, individuals can have a significant impact on the causes they care about, including the Stock Growers Land Trust.

- Donations made by will or other bequest effective at death are 100% deductible for estate tax purposes.
- Donations are simple to make and may only require drafting a simple deed or codicil (amendment) to a current will.
- Many people are able to make larger gifts through their will than would be possible using current income.

RETIREMENT PLANS •.....•

Many financial advisors suggest using these funds to make charitable gifts to reduce the tax burden on heirs by reporting the amount withdrawn combined with an offsetting charitable donation.

SECURITIES •.....•

Giving appreciated securities (stocks, bonds and mutual funds) can generate additional tax savings. Such gifts are generally deductible for income tax purposes at their full current value if owned for longer than one year. They can be used to offset taxes up to 30% of adjusted gross income.

LIFE INSURANCE •.....•

The donation of a policy that has been paid for allows the donor to receive a tax deduction for its fair market value. A life insurance policy naming the Stock Growers Land Trust as the irrevocable owner and beneficiary provides the donor with a tax deduction for the policy's cash value. Future payments to the Land Trust to cover the premium on the policy can also be deducted. In either example above, you can name more than one charitable organization as a beneficiary.

BEQUEST

A bequest is made through a will or trust. Bequests of real estate can also be made through provisions in a deed. Typically, a bequest in a will or trust would specify that a dollar amount or percentage of your estate be left to the Stocker Growers Land Trust. The donation is exempt from federal estate tax and allows the donor use and control of the assets during his or her lifetime.

REAL ESTATE

Gifts of real estate can be made to the Land Trust for the benefit of Wyoming's next generation of producers. A bequest of working land can be passed along to a young ranching family through our Ranchland Succession Program. Or individuals may choose to donate the property and retain a life estate, realizing the value of the gift during their lifetime and remaining on the land they love. Condos and houses in town can also be left to the Land Trust and the proceeds derived from their sale directed to support our mission.



FAMILY LEGACIES



The following sample of completed projects illustrates the foundation upon which Stock Growers Land Trust's Ranchland Succession Program has evolved.

KUSEL RANCH

Neither Fred or Catherine Kusel have children, and the brother and sister have decided to keep their family's ranching legacy alive by enabling a young family to take over their place when they pass away or are unable to continue to manage the land. We have since met other ranchers who do not have heirs and who have expressed an interest in willing their land to the Land Trust in conjunction with a life estate, annuity, insurance or other planned giving programs. Outright gifts of real estate are the most powerful component of the Ranchland Succession Program, and developing supporting planned gifts will be an instrumental component in its success.



HAT TWO RANCH

Kasey Shepperson comes from a family of 11 brothers and sisters, the 5th generation to ranch in Wyoming, and so he and his wife Ondi needed to find a place of their own. Over the years, they have bought and sold three properties, improving each in turn and using the proceeds from its sale to step up to a larger place for their young family. A conservation easement purchased on the Shepperson's Hat Two Ranch outside of Meeteetse helped to reduce both the debt to the lender (freeing up capital for others to access) and the number of cattle the young family runs on the land.





BUDD-ESPENSCHIED RANCHES

Led by The Conservation Fund, agricultural easements purchased on a portion of their family operation helped brothers Chad and Brian Espenscheid to acquire a neighboring ranch from a retiring rancher. With six young children, the Espenscheids realized that a future in agriculture for the next generation of their family meant more ground. The sale of the easements, a bridge loan guaranteed by The Conservation Fund, and the willingness and ability of a commercial lender to adapt to the lengthy process of easement acquisition through grants from the WY Wildlife and Natural Resource Trust, the Natural Resources Conservation Service and private sources, led to the family's ability to secure a more promising future for a sixth generation of producers in Big Piney.



MOWRY RANCH

Shane Mowry wanted to help his parents retire. As the 6th generation of his family to manage their cow-calf operation outside of Saratoga, the family's investment was all in the ground. The sale of a conservation easement enabled the family to raise capital without liquidating acres or cattle. By ensuring habitat in the foothills of the Medicine Bows, Shane has been able to make improvements to the ranch in the important watershed of the N. Platte River.

RAMBLIN' M RANCH

When George P. Morehead passed away, his son Phillip donated a conservation easement on his father's land outside of Cody in accordance with his wishes. As an accountant, Phillip is familiar with tax laws and inheritance tax, and was able to reduce inheritance taxes on his father's estate, benefit two non-profit organizations and permanently conserve some locally important rangeland.



FOURMILE CREEK AND POWDER RIVER RANCHES

Kevin Lund says, "My Grandfather spent his entire life putting this ground together. We want to keep it that way to honor his memory." Kevin and Judy donated the easements on two Johnson County ranches. In order to maintain the maximum flexibility in how they can manage the land, the Lunds chose to not take



a tax-deduction on the donation, keeping the agreement strictly private between their family and the Land Trust and ensuring the land remains in agricultural production into the future.

SOMMERS RANCH

Siblings Albert and Jonita Sommers utilized funding from the sale of conservation and public access easements to fund their retirement from a property held by the Sommers family for over a hundred years. With no family members to take over the operation, Albert and Jonita, with the help of their family attorney, designed a private agreement enabling the sons of their neighbor to acquire a historic ranch along the banks of the Green River and on associated grazing lands on the uplands outside of Pinedale.





**TOGETHER, WE CAN ENSURE
A BRIGHT FUTURE FOR
WYOMING'S WIDE-OPEN SPACES
ALONG WITH THE CUSTOMS,
CULTURES AND HERITAGE THAT
DEFINE THE COWBOY STATE.**



CONSERVATION
through
RANCHING

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Photo courtesy of Amy Hittle Jarrard.