

RUBY HABITAT FOUNDATION



ANNUAL REPORT 2008



Dear Friends and Supporters:

The past year was another exciting one for all of us here at the Ruby Habitat Foundation. We continue to make significant progress in establishing the foundation as a vehicle for conservation research and raising the awareness of the need for conservation practices in our area. Interest in and support of the foundation continues to exceed our expectations. We had opportunities in 2008 to reach out to the community in several ways. The reception we received was encouraging.

I hope you will take some time to look through our annual report and consider the information contained in it. The talented Dr. Samuel Corl III has once again worked skillfully to assemble this brief summation of our activities. I applaud his creativity and dedication. Within these pages you will find some updates on the various projects that we continue to work on and a couple of new projects we have started.

Our relationship with the Montana Land Reliance also continues to prove very rewarding. The staff, directors and friends of MLR have become invaluable friends to RHF and we look forward to many more years of working together. We will miss the tremendous wisdom of the recently retired MLR managing director, Bill Long. We hope he will stop by the Ruby Valley often and lend his insight to our efforts.

In the spring of 2008, the Board of Directors of RHF made the decision to expand the size of the board to include additional input from the local community. We are very pleased that Bruce Peterson of Alder and Steve Wood of Sheridan have agreed to accept positions on the board. Bruce and Steve both ranch in the Ruby Valley with their families and bring to the board their working knowledge of the Ruby Valley and their dedication to the community.

Martha and Craig Woodson, the founders of RHF, continue their personal dedication and commitment to habitat development and restoration in concert with ongoing agricultural operations at the Woodson Ranch. They receive tremendous personal satisfaction from their efforts and from sharing with others, what the foundation is doing.

On behalf of the Board of Directors, I want to extend our heartfelt appreciation for the support of our many friends over these past six years. We believe we are making a difference but there is much yet to achieve in our effort to preserve and enhance conservation values of this great area.

I hope you will choose to continue to partner with RHF as we strive to maintain the integrity of our western landscape and heritage.

Sincerely,

Photo credits:

Front Cover: Amorous Cows - Matthew Mitts
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Rear Cover: Wildlife on Woodson Ranch - Colter Kenworthy



Mission Statement

The Ruby Habitat Foundation is dedicated to preserving and enhancing the natural resources and the social and economic makeup of the Ruby Valley and southwest Montana by, among other things:

- Supporting agriculture in the community and the diversification of agricultural operations to ensure the long-term viability of working ranches;
- Working with landowners, educational institutions, foundations and other entities to protect and enhance open space and wildlife habitat;
- Encouraging education and training to broaden the understanding of resource management issues and responsible management of private lands;
- Promoting the concept of resource accountability and developing examples of minimal impact resource management for agricultural and recreational uses while protecting the environment.

A 509(a)(3), Tax Deductible support foundation to Montana Land Reliance

Ruby Habitat Research Foundation TIN # 45-0487621

Ruby Habitat Foundation Board of Directors

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Managing Director, Montana Land Reliance – Helena, Montana

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Steve Wood (new director appointed fall 2008)
Rancher – Sheridan, Montana

Director Emeritus

Craig Woodson
Sheridan, MT

Ruby Valley Natural Grass-fed Beef

The red meat with a faint footprint- Better for you and the world around you,
but can it be produced profitably?

Much has been written and information is readily available touting the human health benefits of consuming grass fed beef. An equal volume of opinion and data is available regarding the benefits of “natural beef” in our diet. Of late, a great deal of publicity is being given to the extent of the carbon footprint of traditionally raised, corn fed beef. Realizing that “perception is truth” and not intending to either substantiate or refute the foregoing claims, we desired to take some nine hundred pound natural, grass fed yearling steers, grow them into a beef ready for market, harvest them and share our findings.

In the spring of 2006, 15 calves were born on the Woodson Ranch to cows that had spent the previous year adapting to a life less dependent on their human owners and more reliant on their instincts and natural characteristics. The 2007 Annual Report of the Ruby Habitat Foundation featured a detailed analysis of what we refer to as our “Low Input” cattle production project. Through that project we have determined that there are economic advantages in a cow/calf enterprise that requires the cow to work for a living while we provide for mineral supplementation and disease prevention.

In December of the first year these calves were separated from the cows and spent the winter on the Barnosky Ranch getting supplemental hay to assure that their nutritional needs were being met. In the spring of 2007 the heifer calves were turned back out with the cows and the steers participated in the on-going grazing study on Woodson Ranch. Their daily rate of gain met our expectations.

Traditionally, cattle operators market their product as either calves weighing five to seven hundred pounds or as yearlings weighing eight to nine. With the growing demand for grass fed beef, the Ruby Habitat Foundation decided to retain the yearling steers and determine if it were economically viable to raise natural, grass fed beef in the Ruby Valley.

The “natural beef” label is reserved for animals that have never received growth stimulants or antibiotics.

A “grass fed beef” has not been fed supplemental grain. In our case, the steers foraged exclusively on standing grass except for a short period following weaning when they received supplemental hay.

The steers performed very well doing what comes naturally, eating. The chart below indicates the average weight and rate of gain from the date they were weaned until they were harvested for beef.

Date	Ave. Weight	Rate of Gain
12/12/06-Weaning	590	
5/17/07-Spring turn out	734	0.92#/day over winter
8/15/07-End of summer	925	2.12#/day on grazing study
12/31/07-Winter	1061	1.46#/day since 5/17/07
4/26/08-Spring	1093	0.28#/day winter grazing
6/10/08-Early Summer	1185	2.00#/day on early spring grass
7/2/08-Mid Summer	1293	5.28#/day on summer grass
Average Harvest Weight	1388	

To determine the economic viability of a grass fed enterprise which retains a 590# steer calf and takes it to finish, we simply deduct the value of our inputs from our income. We chose to market the steers locally, pricing them at the current national average fed beef price published by CattleFax. The results are detailed in the table on the following page.

The results leave little room for error. At a virtual break even, any producer must weigh the potential risk associated with variables beyond their control such as market fluctuations and weather conditions. If the steers had required hay for the second winter, an additional \$100 would be added to the cost.

It appears that if a grass fed beef enterprise is to be sustainable, the demand for the product must become such that a price above standard commodity beef can be commanded. The market will determine what that premium will be. A ten percent price premium would mitigate some of the risk whereas a twenty percent premium would provide a strong incentive to producers. The real challenge comes in developing and maintaining a reliable customer base large enough to make the enterprise viable.

Economic Viability of Natural Beef

Income:	
1388# live fat steer @ \$.9375/pound	\$1301.25
Expense:	
590# steer calf @\$1.215 (fall 06 price)	\$716.85
1st wintering cost for 1.5 tons of fed hay @ \$90	\$135.00
1st summer grazing for 5 months- .85 au @ \$20/au	\$85.00
2nd winter grazing for 7 months -1 au @ \$15/au	\$105.00
2nd summer grazing for 2 month- 1 au @ \$20/au	\$40.00
Vaccinations for general health	\$6.00
Interest on investment in calf and other seasonal inputs over 19 months @ 8%	\$113.26
Mineral inputs .05/day x 19 months	\$28.50
Labor inputs for working cattle (labor for grazing and feeding included above)	\$20.00
1% probable death loss over duration of project	\$12.86
Total Expense	\$1262.48
Net Income Per Head	\$38.77

In a follow-up with the purchasers of our product we conducted a brief survey. With 80% of our customers responding, the results are summarized in the table below.:

1.	Is this the first time you have purchased 100% Natural Beef?	Yes-50%	No-50%
2.	Is this the first time you have purchased Grass Fed Beef?	Yes-50%	No-50%
3.	Would you purchase 100% Natural Grass Fed Beef again?	Yes-100%	
4.	Would you pay more for 100% Natural Grass Fed Beef?	Yes-75%	No-25%
5.	On a scale of 1 to 5 (1 being the most tender) how tender was your beef?	1-25%	2-75%
6.	On a scale of 1 to 5 (1 being extremely good) how did your beef taste?	1-75%	2-25%

Though strict scientific protocol was not practiced to arrive at any of these data, we find the results compelling and we hope you will as well.



Participant steers in grazing study

RHF Reaching Out

Landowners and resource managers are inherently bound to a high level of resource accountability. We are bound by law to protect the environment and prevent resource degradation, but we have a higher obligation to be good stewards of our natural resources, sharing them today and preserving them for future generations. The decisions we make and the actions we take affect our own environment as well as that of the wildlife, our neighbors and future generations."

(Craig Woodson, founder RHF)



Pronghorn Antelope assesses our environmental quality

From the very inception of the Ruby Habitat Foundation, Craig and Martha Woodson have intended that the Foundation reflect their personal stewardship philosophy of "sharing our natural resources today while preserving them for the future". Consequently, inspired by the generosity of the Woodsons and directed by the mission statement of the Foundation, we are compelled to participate in a variety of outreach activities. The ranch is a beautiful setting and offers a diversity of landscapes and land uses. The variety of projects and practices creates an environment conducive to education and inspiration.

Some of our outreach activities include:

Participating with others in educational opportunities and demonstrations

The past year provided several opportunities to participate with others in outreach for a common goal. Two separate events brought large crowds to the Woodson Ranch for educational purposes. The first was the Ruby Watershed Council's Stewardship Series which received broad based community interest and participation. In an outdoor session on a balmy summer evening at the visitor center we were inspired by expert presenters and held an open dialog aimed at "Identifying Our Assets". When confronted with the question "What would we like to see happen in the Ruby Valley in the next ten years?" the consensus was "The development of a Land Ethic by the valley residents."



Stewardship Series

In September, the Ruby Habitat Foundation cosponsored the 2008 Governor's Range Tour along with the Montana Land Reliance, the Ruby Valley Conservation District and the Ruby Watershed Council. A large group from across the state of Montana toured the valley and a variety of conservation practices. The tour included two stops on the Woodson Ranch and a lunch at the fishing cabin hosted by the Foundation.

We continue to participate with the local Natural Resources Conservation Service in the grazing study detailed in last year's annual report and this year joined forces with the NRCS and other producers in a project to teach cows to eat weeds. You can learn more about this project beginning on the next page.

Students are always welcome at the Woodson Ranch, and workdays at the visitor center continue to be a popular activity, as are the annual "Environmental Art" field trips by the Sheridan Jr. High art class. The ranch has also been host to the Ruby River Resource Day for 3rd through 6th grade students from all 3 Ruby Valley elementary schools.

Providing opportunities for enjoying our natural resources

Visitors to the Woodson Ranch find a unique setting in which to experience the abundance and diversity of our environment. The Foundation works to facilitate opportunities for guests to visit the ranch while protecting the resource. We have hosted large groups such as those mentioned above, an Audubon Society field day, and private groups for tours and special events. We have provided a sportsman breakfast on the opening day of migratory bird season for the last several years. We schedule tours and diverse recreational opportunities for small groups and individuals.



River Resource Day

beef from our 100% Natural Grass Fed Beef project to local charitable causes.

Supporting local community causes

In a show of support for the newly formed Ruby Valley Hospital Foundation, the Woodson's and the Woodson Ranch hosted the inaugural "Dinner on the River" Fundraiser. On a picture perfect summer afternoon a large crowd of friends and neighbors gathered to raise \$40,000 for the local hospital. The Ruby Habitat Foundation participated as a sponsor of the event. The foundation also donated



Craig & Chas addressing a range tour



Preparing for the hospital fundraiser



Range tour participants take to the field

RHF Experimenting with Vegetation

Some of the most interesting, rewarding and at times frustrating projects we participate in on the Woodson Ranch are the ongoing vegetation projects. Through research, trial and error and successes, we are attempting to perfect sustainable methods of meeting a variety of management goals. Some of those goals include:

- Identify plant communities that can function as both crop production and wildlife habitat
- Re-establish native plant communities for landscape diversity
- Develop sustainable weed control practices
- Create secure locations for upland game bird nesting and brooding
- Share findings with the NRCS, local ranchers and other interested parties
- Practice no-till and minimum till farming when possible

The on-going grazing study, crop plantings, native plantings and food plots are being maintained and monitored. The ability to interpret the success or failure of a given practice is generally delayed for extended periods of time while waiting for plant communities to establish or other practices to have an effect. External variables such as weather, weeds and predators create challenges that cannot always be overcome. In spite of our challenges, two new projects initiated in 2008 hold great promise.

Cows eating weeds

As part of the Foundation's effort to be proactive and innovative in the application of management practices, we volunteered to participate in a trial weed control method brought to Madison County by the NRCS, Madison Valley Ranchlands Weed Committee, and the Ruby Valley Conservation District. The group solicited the expertise of Kathy Voth from Livestock for Landscapes who had developed a protocol for teaching cattle to eat weeds.

The vegetation inside the plot is intended to attract nesting and brooding upland game birds. The chart below identifies the 10 plants that we are using in the secure nesting plots. The far right column indicates the relative size of the seeds which translates into the relative feed value of each plant. The plots are planted to provide optimum cover values with 30% of the plot, on the North and West sides, planted in Great Basin Wildrye with a Big Bluegrass understory. An additional 50% of the plot is devoted to perennial foods from the chart below. The remaining 20 percent of the plot is maintained in bare ground for insect production and brooding activity.

Perennial Plants for Food & Cover Plots	Preferred cultivar	Annual Precip. Required	Seeding Rate #/acre	Number of seeds/#
Sainfoin	<i>Shoshone</i>	12"	35	30,000
Small Burnett	<i>Delar</i>	12"	24	55,000
Altai Wildrye	<i>Mustang</i>	14"	15	56,000
Basin Wildrye	<i>Trailhead</i>	12"	6	130,000
Indian Ricegrass	<i>Rimrock</i>	8"	8	164,000
Bluebunch Wheatgrass	<i>Goldar, P-7 or Secar</i>	8-10"	8	170,000
Alfalfa	<i>Ladak</i>	12"	15	210,000
Maximillian Sunflower	<i>Medicine Creek</i>	14"	6	225,000
Blue Flax	<i>Lewis</i>	10"	6	295,000
Big Bluegrass	<i>Sherman</i>	9"	3	900,000
Other plants of interest				
Cicer Milkvetch		18"	25	145,000
Birdsfoot Trefoil		15"	6	418,000



New secure nesting plot in progress

RHF Supporters

Individuals

Neil & Gloria Barnosky
Sarah Barton
Richard & Diana Beattie
Thomas & Sarah Belk
Gerald A. Bellotti M.D.
Oliver & Jane Birkhead
Douglas M. Booth
Glenn Brackett
James K. Budelman
Gregor & Luana Campbell
Reid Carron
Eric Carson
Wayne Cherry
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Rhetta Clarkson
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James C. Wallace
Thomas U. Warren
J. W. Thompson Webb
David Wilson
Doug & Betsy Wilson

Jeremy Wilson
Douglas & Nancy Wolcott
Steve & Jenny Wood
Craig Woodson
Martha Woodson

Organizations

Barton Family Foundation
Elise R. Donohue Charitable Tr.
Frontier Anglers
Gettelman Philanthropic Fund
Gilman IH Cattle Co.
HAP Foundation
Hells Canyon Creek LLC
Jewish Community Endowment Fund
O'Connor & Company
P & J Ranches
Peregrine Capital Management Fund of
The Minneapolis Foundation
Ramsey Rods
Ruby Springs Lodge
Silver Spring Ranch
Sweetgrass Rods LLC
Taylor Family Fund
The Braewold Foundation
The Community Found for the National
Capital Region
The Donnelley Foundation
Woodson Ranch

In Memoriam

Eppie Buist
James Kenworthy
Dick Lower
Gary Skinner
Scott Waldie
David Wilson



Storm enters the Ruby Valley

Ruby Habitat Foundation 2008 Financials

2008 General Fund	
Income:	\$ 143,060
Expense:	58,343
Net Income:	\$ 84,717
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General Fund Cash and Investments:	\$ 68,066
(Pays the day-to-day expenses that finance the operation of the foundation.)	
 Rural Heritage & Open Lands Fund:	 \$ 104,594
(Designed to provide funding for outreach and land conservation efforts. General fund surpluses and designated gifts create the balance of this account.)	
 Hill Education & Outreach Endowment:	 \$ 11,993
(Income finances conservation education and outreach to landowners and the general public. These funds come from specifically designated gifts.)	
 Woodson Ranch Endowment:	 \$ 317,923
(The income from the corpus will be used for operation and maintenance of the Woodson Ranch, to ensure its protection and continued viability. The ranch is home to the foundation and its research efforts. The principal for this endowment, as well as current ranch operating capital, is being provided by Craig Woodson.)	
 Other Assets (Visitor Center, Art & Books):	 <u>\$ 57,704</u>
 Total Assets as of 12-31-08:	 <u>\$560,280</u>

RHF is a 509(a)(3) tax-exempt support organization to the Montana Land Reliance, a 501(c)(3) corporation.
Our Tax identification number is 45-0487621. Each entity is audited annually and independently.
Audit copies are available upon request.

There is nothing quite like seeing the yellow school bus pull up and unload a group of kids, who go off to complete projects, or puzzle over the eating habits of yearling cattle on the intensive grazing experiment with the NRCS. Ruby Habitat Foundation continues to grow as a community asset, whether it be the on-going projects involving the local agricultural community or the art students from the local high school. Yes, the financial assets of the Foundation continue to grow, but the real important work the Ruby Habitat Foundation is undertaking is the building of new relationships and strengthening of old ones. The Foundation saw the addition of two new board members this year, Steve Wood and Bruce Peterson. Both of these individuals bring a strong sense of the local community and the surrounding area, are well versed in agriculture and should bring additional insight for the future direction of the Foundation.

For the Ruby Habitat Foundation, 2008 can best be described as a year of maturity. Many projects that were undertaken early, at the inception of the Foundation, are becoming annual initiatives and the board and staff continue to think of new ways to involve the Foundation in the greater community. The Montana Land Reliance continues to be honored with our relationship with the Ruby Habitat Foundation and of course Craig and Martha Woodson.

the **Montana** LAND RELIANCE

RUBY HABITAT
f o u n d a t i o n



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