



# In Practice

a publication of Holistic Management International

*HMI's mission is to envision and realize healthy, resilient lands and thriving communities by serving people in the practice of Holistic Decision Making & Management.*

### STAFF

- Wayne Knight** ..... *Interim Executive Director*
- Ann Adams** ..... *Education Director*
- Kathryn Frisch** ..... *Program Director*
- Carrie Stearns** ..... *Director of Communications & Outreach*
- Stephanie Von Ancken** ..... *Program Manager*
- Oris Salazar** ..... *Program Assistant*

### BOARD OF DIRECTORS

- Walter Lynn, Chair*
- Jim Shelton, Vice-Chair*
- Breanna Owens, Secretary*
- Delane Atcitty*
- Gerardo Bezanilla*
- Jonathan Cobb*
- Ariel Greenwood*
- Colin Nott*
- Daniel Nuckols*
- Brad Schmidt*
- Kelly Sidoryk*
- Brian Wehlburg*

### HOLISTIC MANAGEMENT® IN PRACTICE

(ISSN: 1098-8157) is published six times a year by:

*Holistic Management International  
2425 San Pedro Dr. NE, Ste A  
Albuquerque, NM 87110*

*505/842-5252, fax: 505/843-7900;  
email: hmi@holisticmanagement.org.;  
website: www.holisticmanagement.org*

Copyright © 2021

Holistic Management® is a registered trademark of Holistic Management International

## 3R Ranch— A Ranch Transfer Fairy Tale

BY ANN ADAMS

**B**etsy & Reeves Brown purchased the 11,000-acre 3R Ranch in 1981 near Beulah, Colorado and have been practicing Holistic Management for the last 30 years. Over the years they have spent a great deal of time and energy improving the health and productivity of the ranch such that in 2010 they won the Southern Colorado Conservation award and in 2020 they won the Colorado Society for Range Management Excellence in Rangeland Conservation Award. They have been able to run about 450 Angus cows on this land for a profitable business.

In more recent years they have been exploring the options for transferring their ranch as their only son, Kelly, is not interested in running the ranch. After considering various “heirs” for the ranch, they finally found the perfect fit—29-year-old Chad Helvey, who is now their ranch manager, business partner, and heir to the 3R Ranch. Chad earned that role without ever knowing he was being vetted for that position.

### Management & Asset Transfer

Of course, the most likely candidate for ranch heir would be Betsy and Reeve’s son, Kelly. “Kelly has no interest in the ranch and he tried to figure a way to be involved,” says Reeves. “After those initial efforts, he decided the ranch wasn’t for him. He still comes for the hunting season and helps with that enterprise.” But, given the outcome of that exploration, the decision was made that the Browns would leave Reeves’ liquid assets to Kelly for his inheritance and they would continue to find someone who had a passion for the ranch and the ranching industry to continue their legacy

on the 3R. Likewise, they decided they needed to protect the ranch from development.

In 2008, the Browns put 2,000 acres of the ranch under a conservation easement. At the end of 2020 they were able to complete a conservation easement on all land and water across the ranch through the Colorado Open Lands. One of the reasons it took so long for the complete conservation easement to take place is because the initial valuation was rejected by the IRS who said that the easement had no value. It then took five years to correct that and get the remaining conservation easements back on track. They also had to re-educate some appraisers. While the rules were being re-determined, the state of Colorado stopped the program that paid tax credits for conservation easements.

“How one feels about their legacy and preserving what is of value to oneself is important,” says Reeves. “Conservation of the land preserves it for society and we have the right to control how that goes. If you value what you are doing and want to preserve your work for future generations, then you have to keep it from being broken up.”

The Browns had been looking for someone who would be interested in the management transfer of the ranch with the end goal of also providing an asset transfer to that person if they turned out to be the sort of person that worked well with the Browns. “Chad appeared in our lives,” says Betsy. “As we got to know him, we had a comfort level. We were looking for someone that had like values and was a total package with the same appreciation for the land and the industry that we do. We weren’t sure if Chad would adopt our industry, because he didn’t come from a background of agriculture. We didn’t know if he would buy into the lifestyle of the industry. We had an acquaintance who had worked for us and said we should hire Chad. So we met him and thought it was a good choice and he got to work for us. He’s been working for us for four years. It is such a great relief, and we feel

### FEATURE STORIES

3R Ranch— A Ranch Transfer Fairy Tale ANN ADAMS .....	2
Conservation Easements— A Tool to Save a Family from Hate JACK VARIAN .....	4
Ranney Ranch— Transfer Plan Lessons ANN ADAMS .....	5

### LAND & LIVESTOCK

Date Creek Ranch— Creating a Successful Business in Rough Country HEATHER SMITH THOMAS .....	8
Date Creek Restoration Photo Essay DAN DAGGETT .....	11
Is Your Pasture or Rangeland Healthy? ROLAND KROOS .....	12
Mesquite Field Farm— From Battleground to Breaking Ground HEATHER SMITH THOMAS .....	14

### NEWS & NETWORK

Grapevine .....	19
Board Chair .....	20
Certified Educators .....	21
Market Place .....	22
Development Corner .....	24

such happiness and pleasure to have found Chad. Being comfortable with each other is the crowning joy as we work together.”

Chad readily admits he didn't know what he was getting into. He had been working in a windmill factory for four years after he left college and was ready for something different. “My buddy worked out here,” says Chad. “My wife and I moved up and I put my nose to the grindstone. I did the best I could and learned every day. I don't think there is any other way to learn than from the Browns.

“I did grow up around horses, but it was just a hobby, but I loved that lifestyle of being away from people and being able to do your own thing. I also think the slower way of life is much nicer and I like being outdoors. The hardest thing to learn is to get to know the process of how things work and the different seasons. There is six to seven months of working seven days a week, but winter time is the hardest adjustment because you have a list of projects to get done and you have to slow down and pace yourself.

“I had no idea that we would inherit the ranch. I just wanted to try the job out. I was just here to do the job the best I could. But one morning after a long, tortuous day of banding steers—eight hours of 200+ steers, I came over to get my paycheck from the Browns. Betsy and Reeves sat me down and they looked really serious. They said ‘We see the work you've been putting in and we think you are the right fit to take over the ranch.’ I broke down and couldn't believe.

“It's no longer a job for me. A lot of guys working on ranches are like gypsies, but now it's my life so I approach the work every day differently. It changes your whole mindset to know this is going to be mine. The ranch is a turnkey operation. But, this industry is not a hobby. It's a lot of dedication to make the ranch work. Betsy and Reeves have it all set up and we call each other partners. I know whatever

decisions we make, I inherit the risk too. Those decisions affect all of us. Any decision is always up for discussion as partners, everything from chicken feed to huge decisions and we talk things out very well.”

And, Chad's wife, Mackenzie, thoroughly enjoys ranch life as well. She takes care of the cattle records and is a school teacher.



*From left to right: Reeves and Betsy Brown, MacKenzie and Chad Helvey.*

Her interest in the ranch was also a major selling point for the Browns who have always chosen to interview the couple and not just the ranch manager over the years. “You can't bring someone on if the team isn't interested,” says Betsy.

Part of the on-the-job training for Chad was some business management courses. “We wanted Chad to be successful and to introduce him in as much as possible,” says Betsy. “We wanted him to see the scope of everything. I worked with him closely with the cattle and got his feet wet with everything. He took a Holistic Management class with Kirk Gadzia and went to Ranching For Profit and learned what drives success in the cattle business and that was all part of the plan.”

“When I took Kirk's class I could see a lot of what Betsy and Reeves have been doing and how this stuff works first hand,” says Chad. “I could understand and connect the dots of why things are done the way they are. The whole class was an aha moment and why this stuff really works.”

Once the Browns knew Chad was the one, they completed the paperwork. “We worked with an attorney in Colorado to write a will that fits us and Chad” says Betsy. “We tried to take as many tax breaks as possible. We fit under the estate tax limit of \$11.2 million we each get and the conservation easement also helped reduce the value of the ranch. The tax credits

from Colorado for the conservation easement has given the ranch a good savings account which could help pay estate taxes if necessary.”

While Betsy and Reeve's approach to transfer planning might seem very different from the standard “family” approach, they have been very clear their primary objective is to protect a working ranch from development. “The breakup of family operations getting into smaller units so you can't make a living is a big challenge in

the industry,” says Reeves. “We've tried to find young people to get into agriculture but it hasn't been easy. Unfortunately, when ranch families try to be ‘fair’, they end up breaking production units up to the point where no one can make a living. It doesn't help any young person who wants to ranch.”

While conservation easements may not be the right tool for everyone, the Browns have found it to be the best tool to keep working lands in production and protect them from development. That doesn't mean they are easy to do. “I really encourage anyone considering a conservation easement to realize it's a pretty big project,” says Betsy. “It takes a lot of time and energy, but it's really the only tool that provides that kind of protection for the land.”

And, finding the right person to pass on your land and assets to might not be easy either, but thinking outside the box on what your assets mean to you and how you want your legacy to grow under someone else's management can lead to giving the right person a chance to take over the reins. 🌱