

## Viewpoint

### Proposed Raise in Grazing Fees Rangeland Reform '94—Part Two

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The USDI-Bureau of Land Management and USDA- Forest Service are proposing a substantial raise in grazing fees in their "Rangeland Reform '94". This is a political move to satisfy the people who think fees are too low and that the ranchers are receiving a "subsidy". What many people do not understand is that the "low" fee is just one small portion of the rancher's many costs in using public land. The total costs amount to much more than renting private pasture, yet the rancher is locked into this situation, totally dependent on the public range. He can't just walk away if the fee gets too high, and rent pasture elsewhere; there is not sufficient private pasture available.

The West, being mostly public land, is short on private pasture. If grazing fees get too high, the rancher is out of business. Some will try to pay the higher fee and keep going, but to do so they will cut costs elsewhere, going without something they considered essential before—which may include maintenance and management they performed on federal lands with their own money (improvements that benefit wildlife as well as livestock). The stewardship of our federal lands will be hindered rather than helped by fee increases.

Ranchers don't understand why BLM and FS keep trying to use private land leases as some kind of base for federal lease rates. They are in no way similar. The rancher using public land doesn't have an exclusive or guaranteed use (it could be terminated tomorrow), nor the same value of forage. Private pasture cattle outweigh public range cattle at market. On private pasture the rancher doesn't have to contend with hunters, loggers, miners, oil-drillers, off-road vehicles and other users who leave gates open or camp around the only water sources. On public land there may be predators the rancher cannot legal control, wild horses eating the grass or driving the livestock away from watering areas. On private pasture a rancher can work with the owner to make the pasture better or more workable for livestock (reseeding pastures, putting in corrals or fences, spraying poisonous plants, etc.—things that are often prohibited on public land). The owner of private pasture keeps the fences and facilities in good shape; private pasture rent is higher than federal grazing fees because it is worth a lot more.

Public rangeland usually requires more acres to support a cow, with reduced weight gains, but with higher costs to the rancher in fencing and management. The difficulty in locating and doctoring sick or injured animals (due to the large areas and often rugged terrain) adds to the rancher's costs in death losses. Other out-of-pocket costs are investment in the permit

(price of the base ranch included the attached grazing privilege), maintenance of fences and water facilities (signed agreements with BLM to be responsible for their upkeep), and riding to check fences, water and cattle. The rancher also has the expense of moving cattle from pasture to pasture (extra costs of keeping horses or hiring a rider), trucking costs if the range isn't adjacent to the ranch, and many riding days to find and gather all the cattle at the end of the grazing season.

If cattle are bred on the range, investment in bulls is higher, since cattle are widely scattered and it takes more bulls. Conception rates are never as good as on private pasture. Bulls also have to be replaced more often to prevent inbreeding, since all the cattle run together. The rancher cannot manage public range like he would private pastures; there isn't the option of having a separate breeding pasture for the heifers. Thus a bulls must be replaced every two years or they may be breeding their own daughters.

Most ranchers would prefer private pasture (more profitable) but they don't have the choice. Many counties are 90% or more federal land, with little private pasture available. Whenever ranchers are driven off public range by permit cuts or higher fees, the competition becomes even stiffer for private pasture. One reason private lease rates rose so rapidly in the 1960's was the increased demand for the limited private pastures, due in part to drastic reductions of BLM permit numbers.

Grazing fees have been traditionally low because of the rancher's investment in these lands and the acknowledgement of their costs in using them. Now these factors are being ignored. Most western ranches are not viable units without the public range. Base property in the Southwest usually consists of a few acres with water; together the public pasture and private water make a workable unit. In the Northwest, many ranches have no agricultural value other than producing winter feed to supplement a range livestock operation. The ranch can't grow crops (because of high altitude, short growing season, rough terrain or not enough water). Even the hay production costs are too high to be profitable. But the ranchers costs average out if there is cheap summer pasture, allowing them to stay in business. Ability to use the range, at a relatively low fee, is crucial to the complete operation.

The proposed new fee formula is skewed when based on private lease rates. The private lease is an artificial base, which will continue to rise as competition becomes more intense. Public range leases cannot begin to compare with private leases, especially as more constraints are placed on using public land. Ranchers on BLM are not leasing pasture

used solely for grazing nor managed for optimum livestock use, as the proposed rule changes make quite clear. For instance, BLM states that "land treatment solely oriented toward meeting livestock forage requirements will be discontinued". All the proposed changes in **Rangeland Reform '94** are aimed at less emphasis on grazing, yet the BLM wants to charge the rancher *more* for something that is being made much more difficult to use. The rule changes make it clear that the rancher is now leasing something worth much less than private pasture, but with additional constraints and an unsure future.

Ranchers have to be able to make a profit using public lands, or they can't afford to use them. The Public Rangelands Improvement Act requires that grazing fees remain reasonable. All the legislative history involving FS and BLM fees show that grazing fees were intended to be based on the rancher's ability to pay, not on some arbitrary value of forage or budget needs of the administrative bureau. The ranchers should not be priced off the range in an attempt to make them pay some mythical "fair market value" that does not take their costs of doing business into account nor their prior commitments tied to use of the grazing (ranchers are different from a buyer in a competitive open market, since the range user is not free to negotiate fees nor quantities of forage, and is a tenant with limited flexibility and mobility—the rancher can only use one specific range since it is the one best used in conjunction with his base property). When the fee gets so high as to put a rancher out of business, this isn't fair market value. A fair market requires a willing seller and willing buyer; fees must be within the rancher's ability to pay.

One of the current arguments for higher fees is that present fees don't cover administrative costs, pointing to the discrepancy between what the agencies take in from fees and what they spend on range management. In 1983, for instance, the agencies collected \$24.1 million in grazing fees and spent \$60 million on their range program, but as pointed out in an article (September 17, 1984) in *Western Livestock Journal*, only \$16.7 million of that was for range improvement and activities directly related to forage production. The agencies spent the other \$43 million on non-grazing activities such as planning, recreation programs, wildlife habitat, wild horse and burro management. The \$24.1 million income and \$60 million outgo didn't mean the ranchers were getting a subsidy; it means the federal bureaucracy is costing the taxpayers more money and blaming the ranchers for not paying the whole tab!

Another aspect of the funding problem is that wildlife interests feel range improvement funds should be spent on projects that specifically benefit wildlife. Thus "range improvement" programs take on costs and projects (and more agency employees) that have less and less to do with grazing, yet the ever-proliferating program is basically funded by grazing fees. If taxpayers want more projects just for wildlife, that's fine, but they shouldn't expect the ranchers to pay for them. That funding should come partly from other interests and users. As the agencies keep growing and hiring more people, the gap between fee revenues and administrative costs continues to widen.

But the costs escalation won't go away, even if grazing is eliminated. The other programs continue to require more

money. Some of these programs are dependent on grazing, and there would have to be *more* money spent on them if grazing is removed. Rancher improvements and water developments benefit wildlife and wild horses. The BLM would have to construct and maintain water developments and take over the costs now done by the ranchers out of their own pockets. Some of the rancher-owned water developments would not be available to wildlife and wild horses if ranchers are forced off public land and decide to fence off their water or subdivide.

The BLM's present programs would be almost as costly, even without grazing, and more costly in terms of ecological and environmental stability. The ranchers on the land can always do a better job of range management (and at no cost to the already overburdened taxpayer) than government employees who spend most of their time in an office and are transferred several times in their career.

The agencies should not jeopardize our public lands by ousting the best soil, water and range conservationist. On the marginal lands of the West, these family owned ranches have had to practice good management. The ranchers who want to stay in business and have a future for their children and grandchildren have taken good care of the land, benefiting all other users at the same time. In many areas private feed and water make up much of the forage and water used by wildlife. If we oust the rancher, we'll also lose that habitat.

For the past 40 years the government agencies have depended upon the financial input of private landowners to help with the protection and care of public land, since federal appropriations for conservation and improvements have never been enough. Let's not hinder the ranchers. It is a basic truth that conservation and good management of natural resources do not thrive in a climate of economic adversity. A permittee making a reasonable satisfactory net income is likely to do a better job of conservation and public land improvement than a permittee who is barely one jump ahead of the creditors. Higher fees will lead to less rancher improvements, which in turn leads to the need for more federal expenditures for the necessary work, a deterioration of the resource (since "government" will not and cannot put the same time and care into improvements like the resident rancher will, who is personally involved and affected) and lead to decreased total fee revenue, since many ranchers will give up their permits.

The most efficient and cost-effective management is by the ranchers. If they have the incentive to maintain and improve the range, through security of tenure (rather than fear of being priced off or having permits reduced or eliminated) they will increase the value of the government's land, enhancing it for wildlife, recreation and aesthetic enjoyment. Letting a tenant improve the land (benefiting themselves and the landlord) is merely good business. By contrast, higher fees lead the rancher to expect a similar trend in the future, discouraging investment in these lands. The BLM's proposals could be very damaging, not only to the ranchers, but also to the lands they are caring for. We need the ranchers as stewards, and agencies should be trying to work with them instead of against them.