

NATIONAL PUBLIC LANDS GRAZING CAMPAIGN

Federal Livestock Grazing AUMs: B(u)y the Numbers

\$1.79	Fee per animal unit month (AUM) (forage to feed a cow and calf for <i>one month</i>) on federal public lands (2005). ¹
\$12.32	Average fee per AUM on private lands in sixteen Western states (2004). ²
\$14.30	Average fee per AUM on state lands in the West (excluding Texas) (2004). ³
\$10.46	Estimated average <u>annual</u> cost to the federal taxpayer of providing one AUM of federal public lands grazing. ⁴
\$274.48	Total present cost to taxpayers of perpetually paying \$10.46/AUM/year for the next 50 years discounted back to present using OMB-defined 3.1% <i>real</i> interest rate. ⁵
\$35-\$75	Average west-wide capital value of an AUM as recognized by the financial and real estate markets. ⁶
\$35-\$75	Average amount the Department of Defense pays per AUM when it seizes federal public land for military purposes, detrimentally affecting permittee's federal grazing privileges. ⁷
\$0	Amount a federal land management agency is required to pay permittee per AUM if it determines it is necessary to cancel permit/lease and close associated allotment for resource management purposes pursuant to Clean Water Act, National Forest Management Act, Federal Lands Policy and Management Act, Endangered Species Act, and other federal environmental laws.
\$175	Amount per AUM proposed in the Multiple-Use Conflict Resolution Act that the federal government would pay if a federal grazing permittee voluntarily relinquished their federal grazing permit.
\$99.48	Average <u>net</u> present savings per AUM to taxpayers after proposed \$175/AUM buyout at OMB-defined 3.1% <i>real</i> interest rate.
1.57:1	Benefit-cost ratio of \$175/AUM buyout program to taxpayers at OMB-defined 3.1% <i>real</i> interest rate.

¹ BLM and Forest Service allotments. Associated Press. *BLM announces grazing fee increase on public lands*. CASPER STAR TRIBUNE (Feb. 7, 2005).

² Shepard, E. The 2004 Grazing Fee, Surcharge Rates, and Penalty for Unauthorized Grazing Use. BLM Instruction Memorandum no. 2004-112. (Feb. 24, 2004) (memo from Assistant Director, Renewable Resources and Planning to all field offices) (available at www.nv.blm.gov/range/Current_Rates.htm).

³ National Agricultural Statistics Service. 2005. "Grazing Fee Rates for Cattle by Selected States and Regions" (table). Page 65 in AGRICULTURAL STATISTICS. USDA-National Agricultural Statistics Service. Washington, DC. (Jan. 5, 2005). (<http://usda.mannlib.cornell.edu/reports/nassr/price/pap-bb/2005/agpr0105.pdf>).

⁴ Moscovitz, K. and C. Romaniello. 2002. *Assessing the Full Cost of the Federal Grazing Program*. Center for Biological Diversity. Tucson, AZ. See National Public Lands Grazing Campaign, *The Cost of the Forest Service and Bureau of Land Management Livestock Grazing Programs*, discussing Moscovitz and Romaniello. Available from www.publiclandsranching.org. The average total animal unit months authorized annually on lands managed by the Bureau of Land Management and forests and grasslands managed by the USDA-Forest Service is 17,617,986 (data available from NPLGC). The cost per AUM is calculated by dividing total costs of the BLM and Forest Service grazing programs (\$200 million) by average total AUMs permitted annually on BLM and Forest Service lands (17,617,986).

⁵ Office of Management and Budget. 2005. Memorandum for Heads of Executive Departments and Establishments, re: Guidelines and Discount Rates for Benefit-cost Analysis of Federal Programs. Circular No. A-94, app.C (Oct. 29, 1992). Revised January 2005. Present cost of 50 years of subsidies (\$200 million/year) per permitted AUM.

⁶ Bartlett, E. T., L. A. Torell, N. R. Rimbey, et al. 2002. Valuing grazing use on public land. *J. Range Manage.* 55: 426-438 (reporting permit values are between \$35-\$75 in seasonal grazing states, and higher rates in states where yearlong grazing occurs) (citations omitted); Torell, L. A., N. R. Rimbey, J. A. Tanaka, S. A. Bailey. 2001. The lack of profit motive for ranching: implications for policy analysis. Proc. Current Issues in Rangeland Resource Economics Symp. Western Reg. Coord. Comm. on Rangeland Economics WCC-55. New Mexico State University Res. Rep. Ser. 737. New Mexico State University. Las Cruces, NM (unpaginated) (reporting average permit value of \$40/AUM on public lands in Idaho and Wyoming).

⁷ Since 1948 federal law has mandated that the government pay "fair and reasonable" compensation to federal grazing permittees when their grazing permit privileges are revoked for "war or national defense purposes." 43 U.S.C. § 315q.