

NATIONAL PUBLIC LANDS GRAZING CAMPAIGN

Voluntary Federal Grazing Permit Buyout Overview

The Multiple-Use Conflict Resolution Act (MUCRA; H.R. 3166) would allow federal grazing permittees and lessees to voluntarily waive their grazing permits or leases to the appropriate managing agency in exchange for generous compensation; upon payment, the government would immediately cancel the permit/lease and permanently retire livestock grazing on the associated allotment(s). The bill would pay grazing permittees and lessees \$175 per animal unit month¹ (AUM) based on the average of the highest three years of authorized AUMs on the permit or lease out of the last ten years authorized to the permittee or lessee or their predecessor. Years of grazing nonuse would be excluded from this average. The bill would not affect a permittee's or lessee's ability to transfer his/her permit or lease to their heirs or other ranchers.

Most ranchers who graze federal lands pay \$1.79/month for the privilege, only a fraction of which returns to the federal treasury to offset grazing subsidies totaling approximately \$200 million annually (\$10.46/AUM per year). While the average federal AUM sells for \$35-\$75 (capital value, not rental value),² it would be much more cost effective for taxpayers to buyout permits/leases, even at the generous price proposed, than to continue subsidizing public lands grazing indefinitely. At \$175 per AUM, the simple payback to taxpayers would be 17 years given the current subsidy.

The compensation program proposed in MUCRA is *voluntary*. No grazing permittee or lessee would be required to participate, and each would be free to decide if the program fits his/her life plans. At the same time, as this program brings financial security to ranchers, it would also bring certainty to the debate over the use of grazing allotments. Wherever allotments were permanently retired, there would be no further conflicts over stocking rates or seasons of use, whether a species is being harmed by livestock grazing, if an allotment is "overstocked" or if livestock numbers should be reduced due to drought or other factors.

Grazing permit retirement has already succeeded in removing livestock from some public lands where permittees have voluntarily relinquished their grazing permits to the government in exchange for compensation from third parties. However, third-party buyouts are often problematic due to their lack of permanence under current law and the limited amount of private funding available for permit buyout. Many more permittees—driven by poor markets, financial difficulties, retirement, or other complexities—or those who simply want to transition to something different—would readily waive their permit to the government if a federal compensation program existed, and under MUCRA grazing permit retirement would be permanent.

For complete information about MUCRA and voluntary federal grazing permit buyout, please visit www.permitbuyout.net. To learn about more about NPLGC and the harms of public lands grazing, please visit www.publiclandsranching.org.

¹ An animal unit month is the amount of forage required to feed one cow and calf for one month.

² Bartlett, E. T., L. A. Torell, N. R. Rimbey, et al. 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).