

# NATIONAL PUBLIC LANDS GRAZING CAMPAIGN

## A Rational Alternative to Public Lands Grassbanks: Private Land Forage Cooperatives

The Nature Conservancy (TNC) and others have proposed creating Public Lands Grassbanks "(t)o provide alternative forage to ranchers who voluntarily participate in ecosystem restoration or research projects, when such projects require livestock to be moved off the treatment lands for a defined period of time." The proposed grassbanks would be owned and managed by a nonprofit entity, while the actual lands reserved would consist of "one or more parcels of private land and potentially associated state and federal (grazing) allotments." TNC notes that acquisition "funding could come from a variety of sources, including federal funds," although TNC literature only cites examples of federal funding.<sup>1</sup>

The Public Lands Council (a division of the National Cattlemen's Beef Association) and various state cattlemen's organizations have expressed similar support for Public Lands Grassbanks.<sup>2</sup>

The Bureau of Land Management is proposing a similar system of communal grazing allotments the agency calls "Reserve Common Allotments." These allotments would be created entirely from federal public lands, primarily vacant and vacated grazing allotments.

The National Public Lands Grazing Campaign (NPLGC) opposes Public Lands Grassbanks and Reserve Common Allotments (hereinafter "grassbanks") because:

1. grassbanks fleece federal taxpayers;
2. grassbanks encourage and perpetuate poor grazing practices (including on public lands);
3. grassbanks do not provide conservation benefits; and
4. ranchers should buy their *own* grassbanks.<sup>3</sup>

An alternative to the cattle industry's (including TNC) grassbanks are "Private Land Forage Cooperatives" that are:

- a. cooperatively purchased and owned by livestock operators, The Nature Conservancy and others interested in livestock production;
- b. cooperatively managed by livestock operators, The Nature Conservancy and others interested in livestock production; and
- c. created from private lands, including "base" properties.<sup>4</sup>

Capital for land acquisition could possibly be obtained from:

- i. TNC's use of its tax-exempt funds;
- ii. public lands grazing permittees who, while desiring to remain in the cattle business, sell their federal permits for generous compensation<sup>5</sup> and reinvest the funds in private forage cooperatives;
- iii. private individuals, nonprofit or for-profit entities who desire to support the cattle industry; and/or
- iv. state or county public funding.

Operational costs for Private Land Forage Cooperatives could possibly be covered by:

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<sup>1</sup> \_\_\_\_\_, 2002. TNC Conceptual proposal for Owyhees landscape (draft). The Nature Conservancy. Boise, ID. 5 pp.

<sup>2</sup> See T. Moore. 2001. PLC skeptical, but will listen. Capital Press Agric. Weekly (Nov. 2): 9.

<sup>3</sup> Publicly Owned Grassbanks: Just Another Bailout (position paper). 2002. National Public Lands Grazing Campaign. Washington, DC. 2 pp. (<http://www.publiclandsranching.org/htmlres/infopacket.htm>).

<sup>4</sup> "Base" properties are the private lands to which Forest Service and Bureau of Land Management public lands grazing permits are "attached" as required under the Taylor Grazing Act (43 U.S.C. §§ 315 *et seq.*).

<sup>5</sup> Two bills have been introduced in Congress to allow federal grazing permittees/lessees to voluntarily relinquish their permit/lease to the government in exchange for \$175/animal unit month (AUM). See H.R. 3324 (108th Congress), the Voluntary Grazing Permit Buyout Act and H.R. 3337 (108th Congress), the Arizona Voluntary Grazing Permit Buyout Act.

- A. TNC's use of its tax-exempt funds;
- B. revenues from the sale of forage from the Cooperatives;
- C. private individuals, nonprofit or for-profit entities who desire to support the cattle industry; and/or
- D. state or county funds.

There are several important advantages of Private Land Forage Cooperatives over Public Lands Grassbanks.

1. Private lands, including most base properties, produce more forage than federal public lands (the lands that no one wanted when homesteaders settled the West).
2. No federal funds are required for acquisition or management of private forage reserves (federal monies are increasingly scarce in these times of economic uncertainty and war).
3. Since the federal government would neither acquire nor manage the private forage operations, they would not be subjected to federal procurement and planning processes, open government laws, and most federal environmental protection standards. In addition, federal bureaucrats could not—in the eyes of many livestock operators—"meddle" with their operations.
4. Risk is privatized for a business venture that provides private benefits.
5. Converting federal funds, through buyouts of federal public lands grazing permits, into local, private funds to acquire and operate private cooperatives would be politically acceptable to Congress and the public.

Consider a hypothetical example of a rural county in the Intermountain West:

Due to personal situations (advancing age of permittees/lessees, nobody interested in taking over their ranch), declining beef markets, increasing costs, decreasing revenues, enforcement of grazing standards and environmental laws (to prevent overgrazing and/or protect watersheds and wildlife), some public lands grazing permittees/lessees are ready to end their public lands grazing. Their options currently include selling their base property and permit to another rancher, but the number of buyers may be limited. Alternatively, if the NPLGC buyout proposal was federal law, they could sell their interest in their grazing permits/leases to the government for \$175 per animal unit month (AUM). The associated federal allotment would be closed to commercial livestock grazing and the permittee could choose to continue to live on and/or ranch the base property, or sell it separately.

Meanwhile, other federal grazing permittees/lessees desire to continue their livestock operations, but fear that ongoing federal management and further enforcement of environmental restrictions on their allotment will limit their public lands AUMs. It makes sense for these operators to reduce their reliance on increasingly problematic federal forage. They could similarly sell their federal AUMs to the federal government and use the funds buy into a locally established Private Land Forage Cooperative.

The Private Land Forage Cooperative could be created from former "base" and other private properties offered for sale. In most cases, private lands produce more forage than public lands. The Private Land Forage Cooperative would sell forage to participating ranchers, and sell any extra forage to other ranchers.

Forage on the Private Land Forage Cooperative would mostly spared from federal oversight, as the burden for conservation of diminishing species and restoration of degraded watersheds would be increasingly met by public lands and less so by private lands.

In this scenario, the driving factor for permit buyout is the desire of individual permittees/lessees to sell their grazing interests. From a conservation standpoint, retiring grazing anywhere on public lands provides environmental benefits, but if buyouts are limited by funding, Congress or the managing

agencies may need to prioritize key areas for permit/lease retirement. Legislation could be drafted that would allow retired AUMs in each county to be traded from areas of lesser to greater environmental importance, subject, of course, to the concurrence of permittees with permits in the more important areas. Such permittees may be motivated to swap their current AUMs for retired AUMs because it would be a better situation for grazing, as there would be fewer environmental restrictions and/or possibly compensation from a third-party (conservation funder) to encourage them to make the trade.