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Feds reduce grazing fees

By Whitney Royster

JACKSON -- Ranchers in Wyoming and elsewhere will pay less to graze livestock on public lands this year.

Federal agencies this week announced a decrease in grazing fees, citing a rise in ranchers' production costs as the reason.

The Bureau of Land Management, which administers grazing permits on federal lands in Wyoming, dropped the price to \$1.56 per animal unit month from \$1.79 a year ago. Prices go into effect March 1.

An animal unit month, or AUM, is the amount of forage needed to sustain one cow and her calf, one horse, or five sheep or goats for a month.

The price is calculated using a formula developed in 1978 with the Public Rangelands Improvement Act and approved by Congress, and has continued under a presidential executive order issued in 1986. Under that order, the grazing fee cannot fall below \$1.35 per AUM, and any increase or decrease cannot exceed 25 percent of the previous year's level.

Dick Loper, a private rangeland consultant for the Wyoming State Grazing Board, said the increase in production costs this year, resulting in a decrease in grazing fees, may be a result of the rise in fuel prices. He said he thought grazing fees might remain steady, as cattle prices increased, too.

Jonathan Ratner, Wyoming director of the Western Watersheds Project in Pinedale, said the difference in this year's fees vs. last year's is irrelevant.

"Anything within the range that this formula will produce never comes even close to covering the costs of administering the livestock grazing on public land," Ratner said.

He said it costs taxpayers about \$23.50 per AUM to administer the grazing program, according to a General Accounting Office report.

Tom Gorey, spokesman with the BLM in Washington, D.C., said the grazing fee is "not intended to be a self-standing program in which a fee is charge to the extent that no federal tax money is needed."

The extra money needed to cover the program is allocated to the BLM through congressional appropriation in the agency's budget package.

Ratner said grazing on private lands costs ranchers about \$13 to \$17 per AUM.

Loper said private lands generally have services such as water and fencing, leading to the higher fees. He also said federal lands have lower yields per animal because they are sustaining other wildlife, including wild horses.

Still, Ratner called the lower grazing fees a "subsidy."

"The concept of a free market in livestock grazing in the arid West is so totally absurd," he said.

Gorey stopped short of calling it a subsidy, and said the fee is simply what is charged according to the law.

"Some don't like the grazing fee, the way it's calculated, but that's the way it is," he said.

Grazing fee revenues are split among several bodies. Fifty percent goes to range betterment funds, for rangeland rehabilitation, improvement and protection. Of the remaining 50 percent, half goes to the state to be used for the benefit of the counties that generated the revenue, 12.5 percent goes directly to the state, and 37.5 percent goes to the general treasury.

The annually adjusted grazing fee is computed by using a 1966 base value of \$1.23 per AUM for livestock grazing on public lands in Western states, according to the BLM and U.S. Forest Service. The figure is then adjusted according to three factors -- current privategrazing land lease rates, beef cattle prices, and the cost of livestock production.

The Forest Service applies different grazing fees to national grasslands and to lands under its management in the Eastern and Midwestern states and parts of Texas. The national grassland fee will be \$1.73 per AUM, down from \$1.90 in 2005, and will also take effect March 1. The fee for the Eastern and Midwestern states and parts of Texas will be out later this month.

Federal grazing fees

Following are the fees charged for livestock grazing on federal lands over the last decade per animal unit month, the amount of forage needed to sustain one cow and her calf, one horse, or five sheep or goats for a month.

1996 \$1.35

1997 \$1.35

1998 \$1.35

1999 \$1.35

2000 \$1.35

2001 \$1.35

2002 \$1.43

2003 \$1.35

2004 \$1.43

2005 \$1.79

2006 \$1.56

Source: BLM