

# Arizona Daily Star

February 9, 2007

## Grazing fees drop, but plan's in the red

By Tony Davis

Federal grazing fees for cattle on public lands are dropping for the second straight year due to ranchers' overall costs, although the program loses more than \$140 million a year.

The U.S. Bureau of Land Management and Forest Service lowered the fee from \$1.56 to \$1.35, the lowest allowable by law, effective March 1.

Ranchers pay the fee to cover the amount of grasses and other forage that a typical cow eats on public lands for a month. Last year, the fee fell from \$1.79 to \$1.56.

The reason for this fee decrease — welcome to ranchers but disliked by environmentalists — is the same as last year's.

Higher gasoline prices pushed up ranchers' fuel costs faster than the prices they get for cattle. The rising gasoline tab also has outrun increases in lease rates paid by ranchers who use private lands, according to the BLM.

Tom Gorey, a BLM spokesman, said the federal government is following an order laid down by then-President Ronald Reagan setting a grazing-fee formula. It was established by Congress in 1978 and continued by Reagan after expiring in 1986, Gorey said.

"When market conditions improve, they pay more. When conditions go down, they pay less," Gorey said. "That is the way they designed it."

The formula bases fees on prices that ranchers pay for various goods and services that they need, compared with what they get for their cattle and how much they would pay to graze private land.

In 2006, ranchers' total costs for their purchases rose 5.5 percent from 2005, says a price index compiled by the government. Ranchers paid about 10 percent more in that period for gasoline and other fuels.

The cattle price rose less than 1 percent, and private-land grazing fees rose 2.8 percent. Private-land fees are seen as an indicator of what ranchers would be willing to pay for public-land grazing.

But in a 1991 report, the congressional General Accounting Office, now the Government Accountability Office, said the current formula double-counts ranchers' ability to pay. The double counting was a major factor in this year's fee calculation, said Wendy Favinger, a BLM budget officer in Idaho.

The GAO in 2005 wrote a second report saying that the grazing-fee program runs a \$144 million deficit nationally. That triggered a new wave of calls from environmental groups to raise the fee.

Environmentalists also point to a new report from the American Bird Conservancy saying that in part because of grazing pressure, the Southwest's cottonwood-willow streamside habitat is the nation's fifth- most-threatened habitat type.

"The American taxpayers lose money on public-lands ranching. In addition, we are losing water quality," said Greta Anderson, range restoration director of the Tucson-based environmental group the Center for Biological Diversity, which has had a petition pending to the feds since November 2005 to change the fee formula. "We are also losing wildlife habitat."

Rancher Clay Parsons, who runs cattle on state and BLM land near Picacho Peak in Pinal County, said his pickup trucks cost 10 times more today than 25 years ago, and his fuel costs 2.5 times as much as it did then. Corn and other grains to feed cattle are at record-high prices, he said.

"Cattle are at the same price they were bringing 25 years ago," Parsons said. "The rain in the Southwest has not helped us in any way. We are not able to run our cattle anywhere close to what our federal permit allows.

"We do pay a lot less to graze than on private lands," he added, "but we have to do all the work, not only for cattle but for wildlife and recreation. On private lands, you don't have to do anything but take care of your cattle."