GRAZING FEE FIGHT ON CAPITOL HILL

BY BARBARA LABARBARA

Once again the battle over grazing fees is heating up. Western ranchers and their opponents are preparing for a fight that could make high noon at the OK Corral look like a tea party.

Midwestern and Eastern cowboys are sitting on the fence, hoping the fight will leave them unscathed.

An increase in grazing fees will devastate not only Western ranchers, the consequence will reverberate throughout the entire beef industry.

In the late 1800s American ranchers were taught a bitter lesson of overgrazing, droughts and blizzards. The Era of Regulation began in 1905 and was welcomed by ranchers.

Animal Unit per Month (AUM) became a common term. AUM is the amount of forage required to feed one cow and her calf for one month.

The Taylor Grazing Act of 1934 gave the Bureau of Land Management, like the Forest Service, the right to charge fees for government land.

In 1969 the goal of BLM and the Forest Service was to bring the price per AUM to $1.23 within 10 years. In 1978 the Public Rangeland Improvement Act (PRIA) formula, based on current beef cattle prices, production costs and private leases, was established.

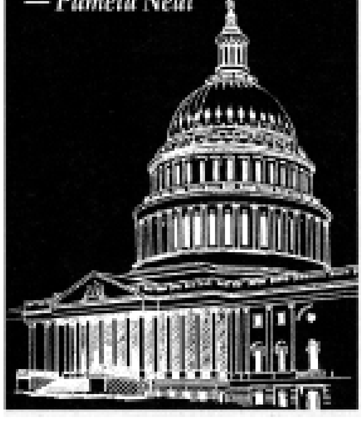
The system works. In the last four years beef prices have risen. The fee has gone up 46 percent. BLM, the Forest Service and Western livestock producers believe the system is fair.

Congressman Mike Synar, D-Oklahoma, disagrees. In 1990 and 1991 he proposed a 341 percent fee increase to $8.70 AUM by 1995.

"During the 1991 grazing fee debate," says Pamela Neal, executive director, Public Lands Council (PLC), "we answered the environmentally hazardous criticism with solid scientific facts. That changed the focus of the debate to economic."

Higher grazing fees are simply a trumped up means of getting ranchers off public lands.

— Pamela Neal



On January 2, the General Accounting Office (GAO) released a grazing fee report that was to be updated by April 30. The 1992 grazing battle began in May.

The report states the Southwestern lands are arid, easily damaged and slow to recover. Wildlife is diminished by livestock grazing. There is an insignificant production level which has little impact on local economies and national production.

"We disagree with everything in the report," says Neal.

PLC has been working with state land grant universities to produce a critique with economic and scientific facts. Their report will accompany the GAO report to Congress.

Most of the 31,000 ranchers who graze cattle on western lands run family-owned operations. A patchwork of public and private lands is necessary to make their operations viable.

The current grazing fee is $1.92 AUM. Private land leases are $7 to $12. Ranchers who lease private land receive services the government does not provide on public land.

"The advocates of radically increased grazing fees cite a number of myths," says Louis H. Wingfield, Horseshoe Ranch, Arizona. "One being grazing fees on public land are below fees charged on private lands.

"We presently graze cattle on private land in Kansas and Oklahoma. The rate varies from $7 to $10 AUM. The land owner manages the cattle. He furnishes pickups, horses, horse feed, trailers, water, salt and ample feed. He maintains all the fences, corrals and working facilities. He guarantees to deliver 99 percent of the cattle. We are thoroughly convinced that $7 to $10 AUM is cheaper than paying $1.92 AUM for grazing public land where we have to pay all the expenses and have no guarantees."

A 1990 cost comparison per AUM shows Federal grazing permits average $17.54 compared to $14.79 for private leases.

Public grazing affects western rural economies. Washington State University agricultural economists estimated the Synar Bill's impact on the Okanogan-Ferry regional economy at each proposed level of fee increase:

— At $4.25 AUM, cattle producers would use their permits. Government revenues would increase by $151,000. Ranchers' incomes would be reduced by that amount.

— At $5.80 there would be a 20 percent drop in permit use. Federal revenues would increase $176,000 annually. The regional economy would lose $1.2 million in sales, $246,000 in regional income and 20 jobs.

-At $7.25, permit use would drop to half the current level. Federal revenues would be $97,952 higher than they are now. The region would lose $1.9 million in sales, $613,000 in income and 50 jobs.

— At $8.70, no cattle producers would use grazing permits. Federal revenues would drop $129,000 below the current level. The region would lose $5.9 million in sales, $1.2 million in income and 101 jobs.

Grazing fee receipts have a substantial impact on the Federal Treasury. The 1991 grazing program cost BLM $1.67 per AUM while they collected $1.97. Management of the grazing program cost $1.5 million less than revenues received. Even if there was no livestock grazing permitted, the government would still have to bear the costs of management of the lands.

Those figures make it clear Western ranchers are not being subsidized by the taxpayers.

Higher grazing fees would affect the entire cattle industry.

"If the fees go to $8.70 AUM," Neal says, "ranchers would dump their livestock causing a drop in prices nationwide. The feeder market would suffer because 20 percent of Midwest feedlot calves are produced in the West. Stock cattle would be less available."

Western ranchers need to talk to producers from other states about supporting PLC's position with their congressmen. Together they can use the grazing fee controversy to establish a solid data base and a strong, factual position.

Last year The Western Livestock Producers Alliance Fund (WLPA) was founded with a voluntary 10-cent AUM contribution from permittees. Those funds produced fact sheets, media kits and media tours. It paid for Western ranchers to visit nonwestern congressmen in Washington, D.C.

In 1991 WLPA measured the number of favorable and unfavorable western rancher and grazing issue stories aired in the media. They were three to one unfavorable to the livestock industry in April. By September they were four to one favorable. Neal feels that was a direct result of their efforts to inform the public.

"Higher grazing fees are simply a trumped up means of getting ranchers off public lands," declares Neal.

Western cowboys are facing Synar and his gang with their facts drawn and all sides covered. Synar will be shooting from the balcony and behind the barn. He won't go down easily.

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Federal Lands Users Find Report Flawed

An examination of a 1986 "Grazing Fee Review and Evaluation" report requested by Congress last fall will be presented to Congress soon by the Departments of Interior and Agriculture. However, it will provide only half the information Congress requested last fall, according to National Cattlemen's Association, the Public Lands Council and other livestock industry groups.

"This report to Congress does not review the 1986 report; it simply updates the information in the original report to 1990 or, where convenient, 1992 figures," the groups wrote in comments on the report. "Considering that the 1986 report was released under a hail of controversy, failure to address the points that made the original report so controversial is a contemptuous and outrageous action on the part of the agencies."

The industry's comments will be included as a part of the document going to Congress.

The livestock industry never has accepted the 1986 report. That is because the methodology used to compile it was faulty, and it was based on skewed and inaccurate data, according to NCA's director of Federal Lands Pamela Neal. Critics of the way federal grazing fees currently are established, primarily Rep. Mike Synar (D-Okla.), have based their arguments entirely on the 1986 study.

NCA's Board of Directors recently approved changing the name of NCA's Public Lands Committee to the Federal Lands Committee.

"This title reinforces the point that we ore doing business with our landlord — the federal government," said NCA Federal Lands Committee chairman Jack Metzger.