

## Voluntary Grazing Permit Retirement

- Legislated grazing permit retirement allows federal grazing permit users to waive their grazing permit back to the managing federal agency in exchange for compensation by a third party. The associated grazing allotments are then permanently retired from grazing use.
- Grazing permit retirement is a voluntary, non-regulatory, market based solution to public lands grazing conflicts.
- Retiring grazing permits saves tax dollars, eliminates impacts on native flora and fauna, water resources and other public values on grazing allotments.

### **Background**

- The Forest Service Organic Administration Act of 1897 and Granger-Thye Act of 1950 formally instituted grazing on Forest Service lands. The Taylor Grazing Act of 1934 established grazing on BLM land. These authorities generally require both agencies to offer grazing permits on public lands where the land is deemed capable of supporting livestock.

### **Economic Issues of Federal Public Lands Livestock Grazing**

- Public lands grazers are a minority of livestock producers in the West and the country
- There are around 25,000 Federal grazing permits managed by the Bureau of Land Management and the Forest Service, while the land it produces only 3% of all beef in the country.
- Subsidized by taxpayers, federal grazing permit users pay less than market value for public forage, and much less than grazing fees on comparable state and private lands
  - Fee to graze one cow and calf for one month (AUM) on most federal public lands—\$1.35
  - Average fee per AUM on non-irrigated private lands in sixteen western states—\$15.90, though the range can vary from \$1.35 - \$80.00.
  - To effectively recoup grazing costs, BLM and the Forest Service would need to charge \$7.64 and \$12.26 per AUM respectively.
- The Government Accountability Office (GAO) in 2005 reported that the BLM and the Forest Service spent \$132.5 million on grazing management and collected only \$17.5 million in grazing fees, for a net loss to taxpayers of at least \$115 million.
- Considering the additional direct and indirect costs not included in the GAO report, it is estimated that the federal public lands grazing on only BLM and Forest Service lands may cost as much as \$500 million to \$1 billion annually. In 2002, an article in the *Economist* estimated the cost of the federal grazing program at \$460 million annually.
- Alternative uses of federal public lands contribute much more income to local and regional economies than livestock grazing.
  - Tourism in Arizona generates an average of \$50 million per day. Birders spend \$820.7 million annually in Arizona, pumping more money into the state economy than even the golf industry. Public lands grazing, on the other hand, contributes little to Arizona's economy as a fraction of 1 percent of the state economy.
  - Utah sportsmen annually spend more than the combined cash receipts from the cattle and dairy sectors—the state's top two agricultural commodities—\$696 million versus \$631 million.