An Analysis of Rangeland Preservation in Western States

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Prices averaged for feeder cattle (steers and/or heifers) weighing 700 - 800 lbs. Samples selected during a week of high sales volume, which varied by

Source: Adapted from U.S. Dept. of Agriculture. (2012, February). *Livestock and grain market news*. Agricultural Marketing Service. Retrieved March 1, 2012 from http://www.ams.usda.gov/AMSv1.0/LivestockandSeed.

Livestock-to-Corn Price Ratio

State Apportionments: Farm & Ranch Lands Protection Program

Acres Protected by Local and State

Land Trusts — 2010

38 1,141,098

15 977,340

281.816

N. Mex.

Protected

2,303,442

(Rank 1)

1,225,050

1,130,808

(Rank 3)

(Rank 4)

621,051

(Rank 7)

16,075,860

Colo.

Mont.

N.Mex.

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Background

Rangelands cover a vast portion of the U.S., providing myriad environmental services (e.g. clean water, open space, wildlife habitat). The majority of these working landscapes are privately owned, but ranchers often rely on access to public grazing lands. As the nation's population continues to grow, western rangelands become increasingly threatened by development. Subdivision and residential development of a ranch can negatively affect neighboring ranch businesses, displace native wildlife, and upset the local tax base.

Each state addresses agricultural land preservation with a unique mix of tools, funding sources, and local expertise. Furthermore, federal funding is unevenly distributed across states, and public attitudes towards agriculture and land conservation vary. Land trusts facilitate preservation using conservation easements, which keep working lands working and in private ownership, but restrict most development. I review the literature and examine case studies from effective statewide land trusts, exploring the circumstances that facilitate and impede private rangeland preservation.

America's Privately-owned Rangelands

- Maintain open space, buffer public lands to create larger tracts of wildlife habitat, reduce brush and wildfire fuels
- •Support local agricultural economies & heritage, retain land in private ownership, sustain local tax base (demand few municipal services)
- •Limit the spread of nonnative species (e.g. Bromus tectorum cheatgrass), host more species of concern than preserves and residential areas
- •Depend on access to public grazing land for adequate forage; provide management of public lands
- Contain much of the West's most productive and wettest lowland forage & habitat
- Offer high returns for development and desirable amenities when adjacent to protected public domain lands

Rangelands: 775 million acres 41% land area



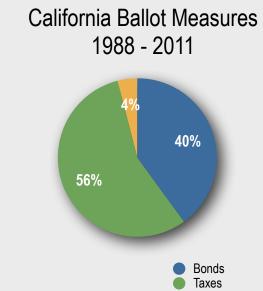
Economics of Ranching

- •Record high cattle prices for early 2012, yet profit margins tight
- •Costs rose 30% from 2002 to 2007 (USDA, 2010)
- •Feed accounts for 25 50% of ranchers' cash operating expenses
- •Ethanol production inflates corn prices; corn prices drive up expense of all feed grains
- •Most cattle operations (68%) are small (>50 head), require more offranch income to sustain the business (USDA, 2012)
- Family ranches comprise 89% of all growers; hold 62% of cattle inventory; collect only 44% share of sales (USDA, 2010)

Conservation of Rangelands Sample Cattle Prices per Head

- Conservation easements offer flexible, legally durable, voluntary tool for protecting working rangelands
- •Conservation easements: (1) Generate income from the land without having to sell or subdivide the property; (2) yield tax benefits; and (3) ease the transition of property between generations of ranchers
- •Farm & Ranch Lands Protection Program (FRPP) funds conservation easement projects
- •Land & Water Conservation Fund (LWCF) supports states' conservation programs
- •Federal funding is inconsistent, distributed unevenly; most federal payments support grains and oilseed
- •Land trusts leverage both public (e.g. federal, state, local) and private (e.g. foundation, individual) funding to preserve working rangelands

California



Leads nation in land conservation by state and local organizations: 2.3 million acres protected by 2010, a 50% increase from 2005 (LTA, 2011)

High volume of state and local ballot measures financing land conservation; 59% pass rate all measures 1988 - 2011 (TPL, 2012)

Massive population of 37 million people and growing, particularly in Central Valley foothills (i.e. traditional rangelands)

Conversion to profitable cropland (e.g. vineyards) also disrupts California's rangelands

Colorado Ballot Measures 1989 - 2011 Source: Adapted from The Trust for Public Land

Agricultural landowners hold 80% of private land in state (CCALT, 2010)

Colorado

Prolific volume of ballot measures financing land conservation, especially local; 74% pass rate all measures 1989 - 2011 (TPL, 2012)

Ski resorts (e.g. Steamboat Springs) drive development in scenic mountain valleys (i.e. traditional rangelands)

Lax land regulations allow subdivision of working ranches into 35-acre residential "ranchettes," fragmenting working rangelands

Conclusions

- Californian's support for land/water bonds has decreased. General obligation bonds have added to the state's debt burden. Need for a permanent, dedicated funding mechanism.
- •Ranchers may donate greater shares of conservation easements if state tax credits are transferrable. California's tax incentive program could be strengthened by allowing land rich, cash poor donors to sell unused credits.
- •Colorado's use-value property taxation invites abuse by residential "ranchette" owners and land speculators. Need for reduced taxes to be linked to actual agricultural production.
- •Colorado's lax subdivision law fragments working landscapes without review. Need for stronger zoning in appropriate agricultural areas to prevent haphazard development.

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Transferrable Tax Credit (Colorado):

Landowners can claim state tax deduction for donations of conservation easements (partial or full value)

Maximum \$375,000 (50% of first \$750,000 donated)

Unused credit may be sold through market transaction; desired by those with significant tax liability

Williamson Act (California):

Enables local governments to provide reduced taxes based on agricultural use of land (not development)

State pays annual subvention for tax revenues lost

Land within agricultural preserves eligible; landowners sign 10-year agreement to maintain agricultural use

Bond Financing (California):

Voter-approved debt financing provides immediate infusion of funds to agencies, grants to organizations

Cash more readily available for large projects

2000 - 2006 California voters approved five major land/ water bonds, yielding over \$7.7 Billion for conservation

Great Outdoors Colorado (Colorado):

GOCO funded by 50% of state lottery proceeds (up to \$35 million annually) for land conservation projects

Steady, reliable source of grants for land trusts; no debt

Requires grantees to secure matching funds (25-50%), including donations of land, conservation easements

Enabling Legislation:

State empowerment of local governments to levy voterapproved sales and property taxes for conservation

Allows local authorities to target projects in alignment with local policy and community goals

Statewide Land Trusts Founded by Cattlemen's Associations



(3) M. Delbar, personal communication, April 2, 2012 (4) M. Manner, personal communication, April 5, 2012

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Change

2000 -

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