

Changes in Public Lands Ranching in Gila Bioregion

Opportunities and Challenges for Federal Lands Policy

Bryan Bird, WILDEARTH GUARDIANS



A Report from



**WILDEARTH
GUARDIANS**
A FORCE FOR NATURE

FEBRUARY 2014

Changes in Public Lands Ranching in Gila Bioregion: Opportunities and Challenges for Federal Lands Policy

Introduction

The farm and livestock industry in the Gila and Apache National Forests of southeast Arizona and southwest New Mexico faces monumental challenges. Historic drought conditions, large-scale wildfire, agricultural economics and demand for recreation property are converging to undermine the viability of traditional ranching in the area in undeniable ways. The two national forests also form the Blue Range Wolf Recovery Area designated to sustain a population of reintroduced Mexican gray wolves.

The current status and trajectory of the livestock industry has profound implications for the recovery of the Mexican gray wolf because the 4.2 million acres of the Apache and Gila National Forests is overlaid with 215 unique national forest grazing allotments.¹ Conflicts between ranching and wolf recovery rank high on the list of challenges facing the region's land and wildlife managers.

Caught in the middle is the Mexican gray wolf, reintroduced into the wild in 1998 in the Apache-Sitgreaves National Forest in east-central Arizona. The Mexican gray wolf (*Canis lupus bailey*) is the rarest, smallest, southernmost and most genetically distinct subspecies of the North American gray wolf. Historically, the Mexican gray wolf was found throughout mountainous regions from central Mexico in the south, northward into Arizona, New Mexico, Utah, Colorado and west Texas. Although the recovery effort has been plagued by challenges, there are now roughly 83 Mexican gray wolves in the wild with five breeding pairs.

One outcome of the challenging times for traditional ranching is unprecedented change in the socioeconomic composition of public lands ranchers. In less than ten years, nearly half of the region's public lands grazing allotments traded hands in real estate transactions. In these deals, absentee livestock operators are increasingly replacing the region's local ranching families.

This paper reviews key indicators of the extent and nature of the transition underway in public lands grazing in the Apache and Gila National Forests, specifically: evidence of the impact of drought conditions on capacity of national forest pastures to provide adequate forage; census data indicating a declining role of livestock in the regional economy and a corollary loss of traditional ranching enterprises; and real estate data demonstrating the preference of new buyers for amenity and recreation values of the area.

¹ The U.S. Forest Service issues ten-year term grazing permits on the allotments. At present there are 38,651 cattle permitted to graze these lands (25,709 on the Gila side and 12,942 on the Apache-Sitgreaves side), though annual operating instructions (AOIs) do not always authorize full stocking, thus the technical difference between permitted and authorized numbers.

This report concludes with observations about the particular opportunities and challenges that accompany this period of change and recommendations for an equitable solution for public land ranchers that seek financial stability as some individuals and families completely transition away from livestock production in the Apache and Gila National Forests.

Declining cattle numbers as evidence of diminished range capacity

Range capacity due to drought and wildlife is changing rapidly in the Apache and Gila National Forests, as are social preferences for public land management (recreation, wildlife, ecosystem services, amenities, etc.). Nearly 90% of the 4.2 million acres of Forest Service lands is presently authorized annually for grazing and 11% (462,123 acres) is vacant, closed or retired from livestock grazing. But the overall percentage of the landscape that is stocked for cattle is declining: between 2003 and 2013, the number of permitted cattle decreased 9% on the five New Mexico ranger districts and decreased 11% on the three Arizona ranger districts.

In all of the nine ranger districts in the National Forests the actual number of annually authorized cattle from 2008 to 2013, on average, was 73% of that permitted, with 27% being in either complete or partial non-use. On the three Apache NF ranger districts, on average, the USFS only authorized 63% of the permitted cattle numbers, with 37% being in either complete or partial personal non-use. On the six Gila NF ranger districts, on average, the USFS only authorized 77% of the permitted cattle numbers, with 23% being in either complete or partial non-use.

Changing Demographics in the Gila Bioregion

There is a great deal of flux in ranch or grazing permit ownership in the region over the last decade. For example, from 2005 to 2013 over 1.8 million acres or nearly 51% of permitted acres changed hands. (See map). Currently, based on the best available information, 330,565 acres or 12% of permitted acres associated with a base ranch on the Gila National Forest are for sale and 399,972 acres or 11% across the two national forests. Based on our observations, this volatility in ranch ownership is unprecedented in recent history and prices reflect the rapidly changing values of these ranches from livestock operations to recreational and hunting operations.

Further, the demographics of permit holders are changing rapidly. On the Gila National Forest from approximately 2003 to 2013, individual permit holders decreased by 25%, family owned corporations increased by 35% and non-family owned corporations increased from one to six.

In the three ranger districts on the Apache-Sitgreaves National Forest from approximately 2003 to 2013, individual permit holders decreased by 33%, family owned corporations increased by 58% and non-family owned corporations doubled from 2 to 4. The decrease in family-owned operations reflects what we believe to be

is the increasing difficulty for small family operations to remain viable as well as the sign of the declining overall competitiveness of ranching in the modern, rural economy of the region.

The average age of a permittee on the Gila National Forest, from the best information available, is 66 years and 27% reside outside the state of New Mexico. At least 51% of the permittees under the age of 60 appear to have jobs off the ranch. On the Apache-Sitgreaves National Forest, from the best information available, the average permittee age is 62 years and 10% reside outside the state of Arizona. At least 53% of the permittees under the age of 60 appear to have jobs off the ranch.

Changing Economics of the Gila Bioregion

Despite erratic population growth the Gila region (Grant, Sierra and Catron counties, New Mexico and Greenlee County, Arizona) continues to see positive economic trends. In spite of a recent downturn in the population (e.g. Catron County's total population decreased nearly 2% between 2010 and 2012²), employment and income continue to rise, as does per capita income.³ Counties with the largest declines in net farm income have the highest proportion of gross agricultural income from livestock and those with positive income have the least reliance on livestock.⁴ The bottom line is that income in the Region's counties is growing notwithstanding a loss in agricultural and ranching-related income. In fact, the more dependent that counties are in agricultural income the less likely they are to experience growth in income.

The U.S. Census reports that private, non-farm employment in Catron County increased by nearly 30% between 2000-2010. According to the most recent statistics from the Census of Agriculture, in Catron County, NM average government payments per farm increased 263% from 1997-2007 and net cash farm income decreased 112% from 1997-2007. According to the USDA Census of Agriculture, the number of cattle/calves sold in Catron County, NM decreased by 58% from 1997 to 2007.⁵

Primary occupation of "other than farming" increased from 35% to 48% from 1997 to 2007 while operators working any days off farm increased from 43% to 57% and more than 200 days off farm went from 24% to 34%. Individual or family (sole proprietorship) ownership decreased from 81% to 78% from 1997 to 2007,

² U.S. Census Bureau. <http://quickfacts.census.gov/qfd/states/35/35003.html>

³ Rasker, R., M. Haggerty, J. Haggerty and J. van den Noort. The Economy Of The Gila Region. Headwaters Economics, Bozeman, Montana. July, 2008. www.headwaterseconomics.org/gila

⁴ Ibid.

⁵

http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/County_Profiles/New_Mexico.

The Census of Agriculture is the leading source of facts and figures about American agriculture. Conducted every five years, the Census provides a detailed picture of U.S. farms and ranches and the people who operate them. It is the only source of uniform, comprehensive agricultural data for every state and county in the United States. The 2012 Census data has not yet been released to the public.

partnerships increased from 7%-11%, family held corporations decreased 10% to 7% and other ownership types (e.g. cooperative, estate, trust, institution) increased from 1% to 4% in that decade.

As of 2007, the Census of Agriculture reports 53% of all operators in Catron County are either retired or have other primary employment.

The Value of Protected Public Lands in the West

Increasingly research demonstrates that areas of the American west with protected federal lands perform better economically than those without. Most recently, three economic measures were positively associated with protected public lands: per capita income (2010), growth in per capita income (1990-2010), and growth in per capita investment income (1990-2010).⁶ This Rasker study reconfirms what others have that, on average, counties with national parks, wilderness, and other forms of protected public lands benefit through increased economic performance. Rasker also revealed that protected public lands, set aside for conservation and recreation rather than commodity production, are significant drivers of economic growth, and that higher levels of protection led to faster rates of economic growth.⁷

For example, Catron County has 341,352 acres of protected lands and a per capita income of \$27,067 resulting in 5.5% of per capita income explained by protected federal lands.⁸ The same portion holds true for Socorro and Sierra Counties in NM but climbs to 7.6% for Grant County, NM and as high as 12.4% for Greenlee County, AZ.

Conclusion

Ranching on the Apache and Gila National Forests is in a period of change as demonstrated by the trends presented here. Small, family operators are no longer the prominent demographic in the region and are instead being replaced by family trusts, corporations or out-of-state ranchers. The average age of a permittee is increasing, as is off-ranch income. The number of out-of-state corporations or individuals controlling grazing permits through ranch purchases is growing and permits are changing hands at a fast pace.

⁶ Rasker, R., P.H. Gude, M. Delorey. In Review. The effect of protected federal lands on economic prosperity in the non-metropolitan West. *Journal of Regional Analysis and Policy*. <http://headwaterseconomics.org/land/protected-public-lands-increase-per-capita-income/#full-study>. Here, Rasker et al. define protected federal lands as: National Parks and Preserves (NPS), Wilderness (NPS, FWS, FS, BLM), National Conservation Areas (BLM), National Monuments (NPS, FS, BLM), National Recreation Areas (NPS, FS, BLM), National Wild and Scenic Rivers (NPS, FS, BLM), Waterfowl Production Areas (FWS), Wildlife Management Areas (FWS), Research Natural Areas (FS, BLM), Areas of Critical Environmental Concern (BLM), and National Wildlife Refuges (FWS).

⁷ Rasker, R. 2006. An exploration into the economic impact of industrial development versus conservation on western public lands. *Society and Natural Resources* 19(3):191-207.

⁸ Rasker, R., P.H. Gude, and M. Delorey. In Review.

Social preferences are also changing for the management priorities of public lands and federal land managers are making appropriate adjustments that affect the viability of grazing operations. As these preferences change, the source of jobs and income in the counties also change. Services and recreation are growing as traditional farm jobs decrease. Even during the great recession, it appears that rural counties with more protected federal lands have performed better economically than rural counties with less or no protected lands.

The end result of all of these trends is an unmatched window of opportunity and challenge for policy makers and public lands managers who have to balance competing interests and ensure the health of ecosystems on federal public lands in times of extreme drought and climate variability. In light of all of these changes *WildEarth Guardians* proposes to implement a plan to allow for an ecologically, economically, and socially just alternative facilitating legislative permit retirement and allotment closures that will address the needs of all parties. Such legislation, already being passed by Congress in other regions of the West, allows third party conservation interests to compensate public land ranchers in exchange for the waiver of their term grazing permits and the closure of allotments permanently for resource protection. Where the allotments have significant portions in wilderness quality roadless areas, those lands can be added to the National Wilderness System for permanent protection.



Greater Gila Bioregion Protection Campaign

Gila and Apache National Forests

Permittee Change and Mexican Wolf Recovery Project

- Towns
- Occupied Wolf Habitat (2011)
- BRWRA Boundary
- Wilderness
- Federal Grazing Allotments
 - Vacant/ungrazed areas
 - Permittee Change Since 2005
 - Federal Grazing Allotments



Cartography: Kurt A. Menke, GISP
Bird's Eye View - GIS Services
www.BirdsEyeViewGIS.com
Date: March 15, 2013

