

A Guide to Understanding Ranching in The West

Learning about grazing and water rights on federally managed public lands is essential to understanding some key factors impacting livestock production and the purchase of ranch land in the West. This is particularly essential information if you are considering a property with grazing and water rights as additional assets.

In the early days of the American West, land was settled through various government acts. Along with settlement, the land's natural resources, like grass, water, and minerals, were claimed. Over time, those same rights were sold or passed down through the generations, and the rights remain in place to this day.

Split Estates

These claimed resources are not “public” even though the Federal Government administers them. Instead, they are considered a “split estate.” Split estates were proposed by President Theodore Roosevelt. Split estates occur when separate parties own the rights to the land above ground and minerals rights below the ground.

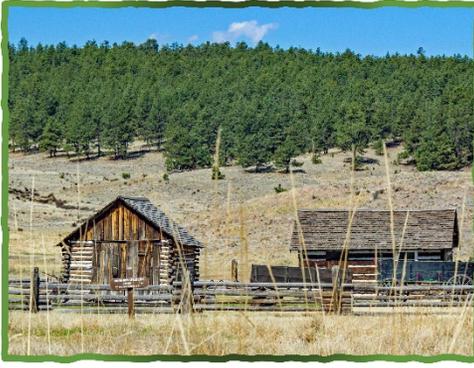
Acts To Settle the West

Throughout the 1800s and 1900s, several key acts were passed to promote the settlement and well-being of the American West, and many are still in effect. Without these acts, the West would not be what it is today.

Homestead Act of 1862

The Homestead Act, signed into law by President Abraham Lincoln, offered 160 acres to people who would settle the land. To get the land, settlers would have to build a home and farm the land for five years. After six months, they would be given the option to purchase the allotment for \$1.25 per acre. If the land was abandoned before the 5-year period ended, it went back to the government and the cycle repeated. By 1900, 80 million acres had been settled and claimed.

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Mining Act of 1866

Shortly after the Homestead Act was signed into place offering land to settlers, the Mining Act solidified ranchers' water and land usage rights to their land. The Act directly states, "Rights to the use of water for mining, agricultural, manufacturing, or other purposes... shall be maintained and protected."

The Act protects the right to convey water to where it is most useful to farmers and ranchers through ditches, canals, and other man-made sources of water, directly stating, "homesteads allowed shall be subject to any vested and accrued water rights, or rights to ditches and reservoirs used in connection with such water rights."

Desert Land Act of 1877

After the Homestead Act was in place for over a decade, it became clear that 160 acres was not enough for ranchers in arid western states. Arid states include Washington, Oregon, California, Idaho, Montana, Wyoming, Colorado, Utah, Nevada, New Mexico, and Arizona. The Desert Land Act amended the Homestead Act and offered 640 acres of land to settlers in arid states. Specifically targeting those settling in Wyoming and Nevada.

Stock-Raising Homestead Act of 1916

The Stock-Raising Homestead Act offered 640 acres of land deemed to have no value other than to graze livestock to ranchers. Following the Split Estate protocol, the government kept mineral rights to the allotted land. The issue that arose from the Stock-Raising Homestead Act was ranchers often found the 640 acres to not be enough land. Undesignated government land would then be used for additional livestock grazing, leading to turf wars among ranchers.

Taylor Grazing Act of 1934

The Taylor Grazing Act was introduced by Colorado representative Edward T. Taylor in 1934 to create grazing districts. According to the US Department of the Interior website, the Taylor Grazing Act authorized settlers, residents, and other stock owners to be issued grazing permits for up to a 10-year period, and "those within or near a district who are landowners engaged in the livestock business, bona fide settlers, or owners of water or water rights have first priority to receive a permit."

The US Department of the Interior's 1955 booklet states, "The Taylor Grazing Act of June 28, 1934, as amended and supplemented, is the basic legislative authority governing the management and protection of the vacant public lands of the United States. Because of the broad powers it confers upon the Department of the Interior for the multiple-use management of natural resources, it is one of the major conservation laws of the Nation."

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Multiple Use Yield Sustained Act (MUYSA) of 1960 & Federal Land Policy and Management Act (FLPMA) of 1976

Both MUYSA and FLPMA reinforced the multiple-use mandate for federally managed lands, including recreational or commercial. This step to reinforce multiple use ensures that all Americans have a place in the West through the Bureau of Land Management (BLM).

Federal Agencies

In the United States, the Federal Government manages nearly 20% of the West in comparison to the 4% east of the Mississippi River. U.S. Federal Agencies have played major roles in supporting and maintaining the West over the years. To this day, they are tasked with managing the federal land used for grazing livestock in the West.

Bureau of Land Management (BLM)

Established after the Taylor Grazing Act, the BLM mission is as follows: “to sustain health, diversity, and productivity of public lands for the use and enjoyment for present and future generations.” Currently, the BLM oversees grazing on 155 million acres, with over 18,000 permits.

The BLM’s multiple use mandate includes energy development, mining, recreation, wildlife sustainability, and livestock grazing. After the creation of the BLM, MUYSA and FLPMA were created to support the agency in its efforts. The BLM carries out thousands of gas, oil, coal, renewable energy, mineral, and helium leases as well.

United States Forest Service (USFS)

Much like the BLM, the USFS also oversees grazing on federal lands. It manages public lands in the form of national forests and grasslands. The function of the USFS dates back to 1876 when the United States Department of Agriculture was given the task of assessing forests in the U.S. This led to President Theodore Roosevelt placing the care of forests under the USFS in 1905 when Congress established the Forest Service to “provide quality water and timber for the nation’s benefit.” According to the United States Forest Service website, “Congress later directed the Forest Service to broaden its management scope for additional multiple uses and benefits and for the sustained yield of renewable resources such as water, forage, wildlife, wood, and recreation.” The website lists that the USFS manages roughly 193 million acres of grazing land with 6,250 permits.

Water Rights

In the early American West, water claims made before the Homestead Act in 1862 were vital to the success of homesteads. Before regulations on water rights were put into place, early settlers established their own version of claims, which were called “first in time, first in right.” Essentially, stating that whoever put the water to good use first had first rights to water usage. No matter the homesteads’ location along the water source. The practice was known as “prior appropriation rights.”

First claims to the water are known today as “vested water rights.” As tangible, owned assets, the rights are highly valuable and sought after, as well as the property surrounding the water source. Over the years, these water rights have been passed down, sold, and transferred.

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Grazing Allotments

Grazing Preferences and Rights

Grazing preferences are formally attached to deeded base properties or established ranches. A grazing preference is the status of qualified holders of grazing permits acquired by grant, prior use, or purchase that entitles them to special consideration over applicants who have not acquired preference. They have been sectioned off into allotments by the BLM and USFS. If the Stock-Raising Homestead Act of 1916 rules are followed, grazing rights cannot be taken away. It is important to note the removal, reduction, or suspension of grazing allotments is subject to due process.

Grazing Permits and Fees

While grazing preferences are sold and passed down with properties, payment must still be made every year to the overseeing agency. In addition, stocking rates, duration of grazing, and utilization set by the overseeing agency must be followed. Stocking rates are the number of animal unit months (AUMs) permitted on an allotment at any given time. An AUM is one cow and her calf, one horse, five goats, or five sheep. Duration of grazing is the amount of time the allotment can be grazed. Utilization is the percentage of forage consumed by livestock.

Grazing fees, determined annually, are found using a formula established by the Public Rangelands Improvement Act (PRIA) of 1978 and continued by a 1986 executive order by President Ronald Reagan. They are determined based on a specified AUM. The formula uses a base value that is adjusted to the lease rates for private grazing leases, beef prices, and the cost of livestock production. The set minimum fee is \$1.35 AUM.

The cost of AUMs differs on private and public lands and the two (private vs public land) simply cannot be compared. On public lands, ranching families cover the cost of range maintenance and infrastructure, like fencing, water sources, storage and delivery, and access roads. Because of this, the fee per AUM is lower on federally managed lands since the fee takes into account the expense of maintenance and infrastructure. On private lands, landowners cover these costs, thus increasing the price per AUM.

Rangeland Management

Grazing lands are also known as “rangelands.” Rangelands are “a series of land used for range or land, including grasslands, shrublands, wetlands, tundra, and deserts that are unsuitable for any use other than to graze livestock. Most rangelands in the West cannot be used for growing crops due to unsuitable growing conditions. Often, rangeland terrain is rough and steep and does not boast good soil quality. The fact that much of the grazing land in the West is not suitable for growing crops is often unknown by the public.

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The Business and Economics of Rangeland Grazing

The economics of ranching in the West depend primarily on the condition of the lands and water where livestock are grazed. Therefore, ranching families are concerned about preserving the sustainability of the land so they can operate today and continue to pass down ranches within the family as they have done for generations. According to the USDA 2022 report, family businesses make up 96% of all farms and ranches in the United States. The USDA classifies family operations as “organized as a sole proprietorship, partnership, or family corporation.” Additionally, many family-run farms and ranches have adopted a standard business practice of incorporating. This is an important distinction to make when working to understand the use of federally managed rangelands.

Benefits

Benefits - Private Utilization of Public Lands Preserves Open Spaces, Saves Taxpayer Funds, and Supports Rural Economies

Since over half of the land in the West is federally managed, grazing allotments are essential to the survival of local rural economies. The USFS website estimates that 6,000 acres of open space are lost every day. Grazing rights and allotments allow ranching families to continue to operate their businesses, therefore preserving valuable open spaces that support livestock and wildlife.

According to the Department of the Interior, federally administered grazing lands contribute more than \$1.5 billion to the U.S. economy annually. The cost for the BLM to manage un-grazed lands is more than double the cost to manage grazed lands. Grazing and private management of public lands save the BLM roughly \$750 million a year.

Benefits - Carbon Sequestration and Wildlife

Carbon sequestration is a topic of interest to the public, along with concerns about weather patterns and our ecosystem. It is important to understand that managed grazing lands are a primary vehicle for natural carbon sequestration. An article by Texas A&M University states, “Ruminant livestock are an important tool for achieving sustainable agriculture with appropriate grazing management.” The article also describes how “grazing cattle on permanent, perennial grasslands with appropriate management helps develop soil biology to improve soil carbon, rainfall infiltration, and soil fertility. Thus, much more carbon dioxide equivalents are sequestered into the soil than are emitted by cattle.”

Ranchers in the West support the wildlife that resides on the rangelands. Water resources created by ranchers offer wildlife access to clean water. Mineral supplements put out by ranchers for their livestock help elk, deer, and antelope thrive. Weed control, also funded by ranchers, helps native plants survive. The building and maintenance of fences, which keep livestock in designated areas, helps improve the natural landscape through set grazing goals.

Benefits - Decreasing Wildfires

The utilization of grazing lands in the West has lowered the risk of wildfires for the simple reason that properly managed lands reduce fuel loads. Reduced fuel loads directly translate to reducing the risk of fires. Specifically, early and late-season grazing reduces the amount of cheatgrass. Cheatgrass is a highly combustible, hardy, and prolific non-native grass. The risk of wildfires can be minimized by the simple use of targeted livestock grazing in high-risk areas.

Wildfires are the biggest threat to wildlife species. In 2022 alone, the government spent \$3,549,000,000 on firefighting, according to the National Interagency Fire Center. In addition, wildfires emit large amounts of CO₂ into the environment. A 2018 study showed that wildfires can be held responsible for 8 billion pounds of emitted CO₂ over the past two decades. Making up 5-to-10% of all global CO₂ emissions.

To combat wildfires, ranchers in the West create organizations of volunteer firefighters, saving the government millions. Ranchers in the West have a vested stake in the protection of the land from fires, making the cost of stopping them priceless.

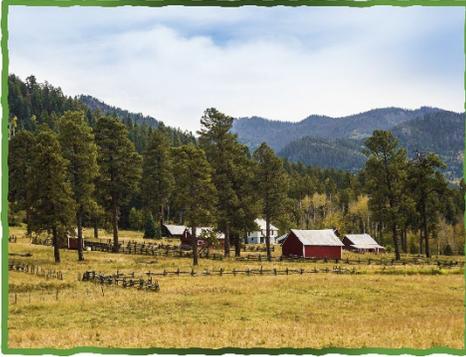
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In recent years wildfires have been a negative factor on rangelands. As there has been a decline in grazing on the land, there has been a clear increase in wildfire frequency, intensity, and duration in the same areas. According to the BLM, there has been as much as a 1000% fuel load in areas not grazed. Combined with hot summers, dry climate, and ample ignition sources, wildfires are inevitable.



Grazing on Federally Managed Public Lands Helps Feed Our Nation

Statistics show in 2024, there will be roughly 28.2 million beef cows and 5.2 million sheep in the U.S. Roughly 40% of the nation's beef cattle and 50% of the nation's sheep spend time on federally managed lands.

With the expected increase to nearly 10 billion people by 2050, it is more important than ever to have a growing food supply. The need for food will increase by almost 100% by 2050. Most land that can be farmed is in use. Federally grazed land in the West converts grasses that are unusable by humans into food for livestock. Later, the same livestock are turned into food and a plethora of valuable byproducts used daily by people. Therefore, the utilization of public grazing lands for livestock production is vital to feeding the future and grazing and water rights are an essential component.

Visit the following websites for more information:

- United States Bureau of Land Management (BLM)
- United States Forest Service (USFS)
- Protect The Harvest
- Western Justice
- Taylor Grazing Act Document – Visit this article on our website.
- Additional references can be found in this article on our website.

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