

NATIONAL PUBLIC LANDS GRAZING CAMPAIGN

The Cost of the Forest Service and Bureau of Land Management Livestock Grazing Programs

NPLGC has estimated the cost of the federal grazing program to taxpayers is approximately \$500 million annually. This estimate is based upon the best available information and is generally supported by current published analyses, albeit all are severely limited. A definitive government study is still needed.

Direct USFS and BLM Costs: \$131.6 Million

The *direct* costs of the U.S. Forest Service and Bureau of Land Management (BLM) grazing programs are published annually. In FY 2000 (2001 data not used due to accounting changes that made the data less transparent), the Forest Service spent \$54.3 million for range management.¹ In 2001, BLM spent \$77.3 million.²

Indirect USFS and BLM Costs: \$331.8 Million

Moscowitz and Romaniello (2002) have completed the most recent and thorough study to date documenting the direct and indirect costs of the Forest Service and BLM grazing programs. Although Moscovitz and Romaniello identify many *indirect* costs of the agency programs (i.e., costs of supporting public lands grazing that are not explicitly attributed to the grazing program), the authors chose to abide by standard economic reporting practices and exclude indirect costs in their final analysis because they are not "transparent" (explicit) in the federal budget.³ However, every researcher who has studied the costs of public lands grazing (including Moscovitz and Romaniello) have acknowledged that indirect costs are a significant portion—if not greater than direct expenditures—of total grazing costs.⁴

With due respect to traditional fiscal reporting practices, for the purpose of improving public policy—and in the absence of better information—the NPLGC estimate of the cost of the federal grazing program includes direct *and* indirect costs. When addressing grazing costs, NPLGC believes that including indirect cost data that is approximately correct is preferable to ignoring the information, effectively assigning "\$0" to such costs, which is precisely wrong.

To this end, Moscovitz and Romaniello compiled a list of major federal budget line items that include indirect costs reasonably attributed to livestock grazing on public lands. The authors suggest that monies represented by each line item might be apportioned as indirect costs for livestock grazing as direct grazing program costs are a proportion of the total direct costs for the four major (ground-disturbing) Forest Service and Bureau of Land Management programs: livestock grazing, timber, recreation and mining.⁵

Tables I and II list Forest Service and BLM programs that indirectly support federal public lands grazing. Range management represents six percent of the four Forest Service resource extraction programs, and 37 percent of the BLM extraction programs.⁶ Thus the indirect costs of the Forest Service and BLM grazing programs are estimated to be \$177 and \$154.8 million, respectively, for a total of \$331.8 million.

¹ Moscovitz, K. and C. Romaniello. 2002. *Assessing the Full Cost of the Federal Grazing Program*. Center for Biological Diversity. Tucson, AZ: 13.

² Moscovitz and Romaniello, 14.

³ Moscovitz and Romaniello, 4.

⁴ See Moscovitz and Romaniello, 21 ("The BLM and Forest Service may spend far more on grazing indirectly through other budget items than through the range management budgets along.").

⁵ Moscovitz and Romaniello, 21-23.

⁶ Moscovitz and Romaniello, 21.

Table I
Forest Service Indirect Grazing Costs⁷

Program	Annual Appropriation (\$ millions)
Land Management Planning	\$78
Inventory and Monitoring	\$174
Recreation, Heritage and Wilderness	\$230
Wildlife and Fisheries Habitat Management	\$129
Vegetation and Watershed Management	\$182
Forest and Rangeland Research	\$240
National Fire Plan	\$1,910

	\$2,943

Direct grazing costs are 6 percent of Forest Service range, recreation, mining and timber budgets.

Indirect costs attributable to USFS Livestock grazing (6 percent of indirect program costs)	\$177
---------------------------------------------------------------------------------------------	-------

Table II
Bureau of Land Management Indirect Grazing Costs⁸

Program	Annual Appropriation (\$ millions)
Soil, Water, and Air	\$34.0
Riparian	\$22.5
Cultural Resources Management	\$13.9
Wildlife and Fisheries Resources	\$37.9
Threatened and Endangered Species	\$21.0
Transportation and Facilities Maintenance	\$74.0
Construction and Access	\$16.8
Workforce and Organizational Support	\$126.6
Central Hazardous Materials Fund	\$10.0
Hazardous Materials Management	\$16.5
Resource Management Planning	\$25.8
Land and Resource Information Systems	\$19.5

	\$418.5

Direct grazing costs are 37 percent of BLM range, recreation, mining and timber budgets.

Indirect Costs Attributable to BLM livestock grazing (37 percent of indirect program costs)	\$154.8
---------------------------------------------------------------------------------------------	---------

⁷ Adapted from Moscowitz and Romaniello, 22 (Table A-1).

⁸ Adapted from Moscowitz and Romaniello, 23 (Table A-2).

Predator Killing: \$8 Million

The U.S. Department of Agriculture's Wildlife "Services" agency spent \$8 million in FY 1999 to kill native wildlife that were considered a threat to livestock.⁹

Total Federal Expenditures for USFS and BLM Grazing: \$466 Million

Table III summarizes known direct costs and imputed indirect costs of the Forest Service and BLM livestock grazing programs. It also includes the documented cost of predator control on western public lands that directly supports public lands ranching, for a total of \$466 million.

Table III
Direct and Indirect Forest Service and BLM Costs
and
Directly Attributable Costs of Other Federal Agencies

Cost	Annual Appropriation (\$ millions)
US Forest Service <i>direct costs</i>	\$53
US Forest Service <i>indirect costs</i>	\$177
BLM <i>direct costs</i>	\$73
BLM <i>indirect costs</i>	\$155
Predator control on Western Public Lands	\$8

TOTAL	\$466

Revenues: \$6.1 Million

The Forest Service deposited \$1.6 million to the federal treasury from grazing fees in FY 2000.¹⁰ The Bureau of Land Management collected approximately \$4.5 million.¹¹

Profit or Loss: - \$459.9 Million

The total known cost of the Forest Service and Bureau of Land Management grazing programs is \$466 million annually. Revenues to the federal treasury are approximately \$6.1 million from grazing fees, which means only 1.3 percent of the annual cost of the Forest Service and Bureau of Land Management grazing programs is recovered from user fees.

⁹ See NPLGC. Predator Control to Protect Livestock, www.publiclandsranching.org/htmlres/troubles_predatorcontrol.htm.

¹⁰ Moscowitz, K. and C. Romaniello. 2002. *Assessing the Full Cost of the Federal Grazing Program*. Center for Biological Diversity. Tucson, AZ: 13.

¹¹ Moscowitz and Romaniello, 14.

Other Federal Fiscal Costs: \$X Million? (Enumerated, But Not Calculated)¹²

Other fiscal costs of the Forest Service and BLM livestock grazing programs paid by taxpayers, but not included in Table III:

- Endangered Species Act consultation by the US Fish and Wildlife Service and National Marine Fisheries Service on listed species harmed by public lands grazing (22 percent of all species on the endangered species list have livestock grazing as a factor in their decline¹³);
- Various USDA agricultural programs and subsidies that cost more per animal to administer to public lands grazing operations than private lands operations ("The average public lands rancher qualifies for [a drought or flood relief] subsidy in four out of every ten years."¹⁴);
- Clean Water Act monitoring and enforcement by the Environmental Protection Agency to protect surface waters on public lands polluted by livestock grazing;
- Flood control by U.S. Army Corps of Engineers and Bureau of Reclamation to channel and restore surface waterways damaged by public lands livestock grazing; and
- U.S. Department of Justice defense against litigation and appeals filed by citizens to oppose illegal grazing management and planning by the Forest Service and BLM.

It is reasonable to estimate these federal fiscal costs to be at least \$40.1 million annually, resulting in a \$500 million total annual subsidy for the federal grazing program.

Other Public and Private Costs Not Factored: \$X Million? (Speculated, But Not Estimated)

Moscowitz and Romaniello note that "(m)any costs are borne by non-federal agencies, private institutions and individuals as a result of livestock grazing on public lands."¹⁵ For example, livestock grazing impacts soil, vegetation and watersheds, resulting in erosion and habitat loss that is often mitigated through expensive local water treatment or results in lost recreational opportunities, respectively.

\$0.5 Billion Annual Cost Consistent with Other Estimates

Karl Hess (former special advisor on policy to the Assistant Secretary for Program, Policy, and Budget of the Department of the Interior) and Johanna Wald (senior attorney and Land Program Director, Natural Resources Defense Council) have estimated the annual cost of the federal grazing program to be approximately \$500 million.¹⁶ The Economist has also reported the annual cost of the federal grazing program to be \$460 million¹⁷ (derived independently of this analysis).

More Research and Analysis Needed

The NPLGC estimate is based upon the best available information. Further analysis is needed, perhaps by the General Accounting Office of the United States Congress or the White House Office of Management and Budget.

Economic Costs of Environmental Harms Not Considered

This analysis is limited to federal fiscal costs of public lands grazing. No attempt is made to quantify the economic costs of the severe environmental damage caused by livestock grazing, which could be many times greater than the direct and indirect fiscal costs of the federal grazing program.

¹² Moscovitz and Romaniello, 24-27.

¹³ Wilcove, D. S., D. Rothstein, J. Dubow, A. Phillips, E. Losos. 1998. Quantifying threats to imperiled species in the United States: assessing the relative importance of habitat destruction, alien species, pollution, overexploitation and disease. *BioScience* 48(8): 610.

¹⁴ Moscovitz and Romaniello, 25.

¹⁵ Moscovitz and Romaniello, 28.

¹⁶ Hess, K. and J. H. Wald. 1995. Grazing reform: here's the answer. *High Country News* 27(18).

¹⁷ Subsidized cow chow. *The Economist* (Mar. 7, 2002): 39.