

**BLM Colorado – Southwest District  
SWRAC Sheep Grazing Sub-Committee  
Meeting Minutes Part Three: Economics  
May 9, 2023**

**SWRAC**

Tif Rodriguez (Southwest RAC Chair) (via Zoom)

***Sub-Committee Members***

Present: Mark Roeber, Jim Haugsness, and Matt Thorpe (in person); Steve Garchar (via Zoom)

Absent: Jon Holst

**Bureau of Land Management (BLM) Employees Present**

Stephanie Connolly (Southwest District Manager), Jon Kaminsky (Gunnison Field Manager), Suzanne Copping (Uncompahgre Field Manager), Maggie Magee (SWD Public Affairs Specialist), and Candis Fischer (Administrative Assistant) (in person); David Gauthier (SWD Administrative Officer), Laria Lovec (Colorado State Office Range Program Lead), and Lisa Strunk (Colorado State Office Economist) (via Zoom)

**Public Present**

Victoria Atkins (Facilitator), Angelina Yemma (US Forest Service), Bonnie Brown (Colorado Wool Growers Association), Terry Meyers (Rocky Mountain Bighorn Society), Jamin Grigg (Colorado Parks & Wildlife), Ralph Files (citizen), Ernie Etchart (sheep permittee), Terri Lamers (sheep permittee), Randy Leonard (sheep permittee), and Sean Brown (USFS Range staff) (in person); Adam Ortega (Colorado Dept. of Agriculture), Robyn Cascade (Great Old Broads), Naomi Dobbs (Representative Boebert's Office), McKenna Farley (Representative Boebert's Office), and Helen Katich (Representative Boebert's Office) (via Zoom)

**Opening Remarks and Introductions**

Meeting was opened by Victoria Atkins and Stephanie Connolly, who welcomed everyone to the third of six Southwest District Sheep Grazing sub-committee meetings. Stephanie began with self-introductions by BLM employees, sub-committee members, invited guest speakers, and members of the public and thanked everyone for their participation.

**Presentations & Perspectives from Various Points of View**

Lisa Strunk began with a high level overview of the ranching and sheep industry based on the US economy and Gross Domestic Product (GDP) and then worked down to the regional and local (SW CO) levels to describe the economic impacts of grazing.

- 2021 saw the fastest pace of growth in four decades;

- A variety of factors in the US – post Covid inflationary pressures and the Consumer Price Index– surged in late 2021 and stayed high in 2022. By June 2022, there was a 9.1% increase.
- On the regional (Denver) level, the trend is close to the US inflation rate.
- In Southwest Colorado (13 counties encompassing the Tres Rios, Uncompahgre and Gunnison field offices, including National Conservation Lands units), growth has been sporadic, but up 26% overall since 2001.
- La Plata and Montezuma counties exhibited the fastest growth since 2010 (US Census data): LaPlata County's population increased 41% with an increase in manufacturing; Montezuma County's population rose 14% since 2000, with an economic base of agriculture, oil & gas, and small business firms.
- 70% of GDP is consumer spending.
- Colorado is the sixth fastest-growing state in the US based on 2010-2020 census data, with Front Range counties and Mineral County (which includes the town of Creede) the fastest growing; while 17% of counties lost population.
- Population forecasting into 2050 predicts 60,000 more people in the 13 counties of the SW District. The population for La Plata, Archuleta, and San Miguel counties is projected to increase by 41%, while Dolores and Mineral counties are expected to lose population.
- In the SW District, employment grew 10% from 2001 through 2010 and an additional 12% from 2010 through 2021. Professional and tech business jobs were up; trade and transportation grew the fastest, with an increase of 30%. Leisure and hospitality employment still faced challenges due to COVID. Natural resources and mining were up by 11% over 20 years.
- Farming and ranching production is second in the state; 5% of employment in the SW District is from farms, which is more concentrated than in other states. Delta and Montrose counties have about 40% of the state's farms and ranches, while Dolores County has about 25%, and San Juan County has the smallest percentage.
- Average annual wage in SW Colorado is \$38,000, below the state average of \$44,000.
- Cash receipts in 2021 totaled \$573 million; livestock-related made up 39%, a decrease of 33%.
- SW Colorado has the second-highest number of farms and ranches in the state, with 75% concentrated in Delta, La Plata, Montrose, and Montezuma counties. Private property in farming/ranching is estimated at 2 million acres.
- Economic impact of public lands managed by the BLM SW District comes primarily from oil and gas, recreation, and coal. Grazing in the three field offices is estimated at \$7.46 million (17% of the Colorado total), with Gunnison County the highest at \$4.8 million of the total.
- Grazing occurs on 464 allotments on 2.6 million acres, with sheep grazing making up 10% of total grazing.

- The cost of leasing allotments to ranchers is established by federal legislation, including the Federal Land and Policy Management Act. The animal unit month (AUM)<sup>1</sup> fee for grazing on public lands is based on private land lease prices, livestock prices, livestock production costs, and market conditions. The minimum amount is \$1.35 per AUM; the highest was \$2.31 per AUM in 1981, with an average of \$1.55 per AUM. USFS fees are the same price. The average leasing fee for state lands is \$18.39 and private lands is estimated at \$19.50 per AUM (less than \$8.00 per AUM with BLM fees adjusted to today's dollars).
- Regarding domestic and wild sheep economics:
  - Demand for domestic sheep meat was up in 2021. China, Australia, and New Zealand lead the world market. The US makes up 0.4% of global production. Wool has seen a 60% decline, but there has been a recent revival in the textile industry [Smartwool, Point6]. 9% is from Colorado, estimated at \$3 million in sales. Wool prices increased by 5% in 2022. Colorado is among the top five wool producers in the US. Texas, California, and Colorado have the highest domestic sheep population.
  - SW Colorado has 30% of the State's Rocky Mountain bighorn and 70% of the State's Desert bighorn population. Hunting-related income is estimated at \$53 million in the SW District, contributing to over 1,000 related jobs. Sheep hunting licenses alone bring in \$60,000 from Colorado residents and \$389,000 from non-residents.

Follow-up discussion topics with sub-committee members included:

- the connection between the Northeast Colorado meat processing industry and Western Slope producers;
- the value of bighorn sheep in general;
- the intrinsic value to future generations of bighorn sheep in their native habitat;
- the value and demand for bighorn sheep hunting licenses;
- ensuring elbow room for bighorn to expand and reducing the risk of contact;
- the value of watchable wildlife, including the official state mammal, beyond license fees;
- the value of traditional Tribal hunting opportunities.

Stephanie reminded the group that the purpose of the sub-committee is to gain knowledge to work collaboratively to make recommendations to the full RAC, and that the meetings are not a public forum. Each of the six sessions has a focal point—starting with the general framework, followed by the legal background and economics. The June meeting will focus on mitigation.

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<sup>1</sup>AUM is the amount of forage needed by an "animal unit" (AU) grazing for one month. The quantity of forage needed is based on the cow's metabolic weight, and the animal unit is defined as one mature 1,000 pound cow and her suckling calf.

## Presentations (continued)

### Jamin Grigg

- For Colorado Parks and Wildlife, managing wildlife is a net loss economically. More is spent than CPW brings in on each species, with most revenue coming from more common big game species (deer and elk).
- Funds are mostly spent on conservation because of the intrinsic value (watchers, hunters, general public).
- The main concern is to maintain bighorn in their native habitat and protect them from disease.
- This bighorn herd is the largest native herd remaining in Colorado.
- “Herd memory” – how to migrate within a specific landscape – is lost with disease events and die-off.
- To radio collar one animal includes helicopter time, net guns, staffing, and safety and costs about \$5,000 per animal, along with the invasive stress to the animal itself.
- Regarding the value of ranches to wildlife, there is no question that private land is important.
- CPW increased the bighorn herd following the 1980s die off with minimum transplants to maintain the genetics of the native herd. The current 400-500 animals in the herd is intentionally low and ewe hunting tags are issued only because of the presence of domestic sheep.

### Adam Ortega

The Colorado Department of Agriculture also recognizes the intrinsic value of agriculture and the indirect impacts and sense of loss when a permit or ranch is sold.

### Jon Kaminsky

- According to FLPMA as amended, Title III, Section 304:
  - Half of grazing fees go into the range betterment fund – about \$10 million nationally.
  - 37% goes to the US Treasury, and this general fund is managed by Congress.
  - 12.5 % goes to the BLM/State programs and is sent to the counties for the regional grazing board and projects.
- This is per Congress; the BLM cannot lobby Congress.
- Pie charts showing the three high altitude allotments and fees over ten years averaging \$1,500 to \$2,500. This relates to 18-24 local jobs annually with a secondary “spillover” to an additional 8-10 more jobs estimated at \$300,000 annually.
- The Taylor Grazing Act was established by Congress in 1934 to create an orderly industry, not to make money. Jon shared personal historic photos of his grandfather’s sheep operation, one of the largest in Wyoming in the 1890s-1900s. Jon described the overgrazing and ‘who gets there first’ conflicts during that time of the sheep and cattle “wars.”

- Similarly, Congress created legislation for the oil & gas industry to create order and an environment where business could flourish.

Follow-up discussions with sub-committee members included the cost to BLM to manage grazing allotments exceeding receipts; low grazing fees adding the value of stability to the market; and the additional “outside costs” of transportation, etc., that increases the permittees’ cost to more than private grazing leases.

Bonnie Brown

- The Colorado Wool Growers Association agrees on the intrinsic value of Rocky Mountain Bighorn Sheep, Ranching, and Open Space.
- The cost of wages for a shepherd is about \$2,400 a month and there is a cumbersome process of hiring foreign guest workers under H2-A visas through the Western Range Association. With additional costs of meals and housing, the total cost per month is more than \$5,000. Year-long contracts that can’t be negotiated for 2-3 months.

Follow-up discussion with sub-committee members included a description of the annual herder’s work of shearing, lambing, spring counting, managing predator and noxious plant threats, vaccination and tagging; and the inapplicability of virtual fencing for domestic sheep in mountain grazing areas due to coverage issues from no line of sight and interference from the depth of wool. Bonnie further expressed “tremendous pressure” facing ranchers to deal with the costs of GPS collars, wolf reintroduction, sensitivity training for guard dogs, impacts from moving to other allotments, and other “unintended consequences.”

### **Public Comment Period**

The Public Comment Period was opened at 12:45 pm.

Terri Lamers (from Snyder Ranch based in San Miguel County, with a summer range in Gunnison) described the value of generational ranching and living the American Dream.

Robyn Cascade (Great Old Broads) voiced encouragement for the use of lower elevation allotments and private grazing and pointed out that jeep tours also support the local economy,

Ralph Files (former Montrose school teacher and resident since 1969; has also worked for the USFS and was part of the Public Lands Partnership) expressed concern about the “tipping point” effect of the potential loss of the sheep grazing industry. Pulling one cog out of the mix affects trucking, produce, and cattle/sheep, which are all dependent on each other. There would be big secondary impacts on the community as a whole. During tough times in 2008, Montrose County said it was the agriculture community that kept the area economy afloat. Mr. Files recognized pressures from wolves, water, and availability.

Bonnie Brown (Colorado Woolgrowers Association) stated that she loves wildlife. She appreciated the tipping point comments and reflected that sheep grazing is a litmus test for the cattle industry. At the end of the day, everyone loses. People are coming to the area in the tens of thousands for the intrinsic value of open space.

The Public Comment Period was closed at 1 pm.

### **Perspectives (continued)**

Terry Meyers (Rocky Mountain Bighorn Society)

- What is the cost of recovery for a bighorn herd and who is liable for that cost?
- A disease event is predictable – that is why we are meeting.
- Voluntary allotment waivers, aka “buyouts,” are a private arrangement to pay the permittee to waive the permit back to the agency without preference. The permit cannot be re-offered without NEPA, etc.
- Four in the state so far; permittees have stayed in operation on the land by re-tooling.
- Appreciates the film Transmission and British Columbia’s vaccination program. Estimates a \$5,000 cost per Bighorn sheep in addition to the cost of the helicopter, radio collar, monitoring, etc. as well as the danger of the helicopter and net gunning.

Follow-up discussions with sub-committee members included re-opening allotments, changing allocations in the RMP, and a lack of appeal process with a buyout.

### **Open Discussion: Dialogue between Sub-Committee and Panel Speakers**

- Stephanie Connolly reminded everyone that the June meeting topic is mitigation and the last meeting in August will be conclusions and recommendations in preparation for the full RAC meeting at Gunnison Field Office in October. Once all the facts have been presented, the goal for the sub-committee will be to work collaboratively for a singular recommendation for the RAC to submit to the BLM. At that point, Stephanie and Jon will compare the recommendation with the EIS, consider the appeal points, and issue a final decision. [Fifteen protest points were made on the EIS, with 25% focusing on poor analysis and flawed models and 75% on effective separation.]
- A future disease and die-off scenario was hypothesized. Each year brings a substantial risk of contact with a new strain of *Mycoplasma ovipneumoniae* (*M. ovi*). Die-offs occur every year somewhere around the West, with areas of low lamb recruitment in parts of Colorado. There is also increased risk of pathogen transfer from “hobby farms,” including from pack goats.
- All die-off episodes are related to pneumonia events. Differences in CPW practices between the 1980s and now include lower herd number now (400-500) compared to the 1980s (1,000+); CPW distributed mineral licks then, compared with none now.
- Numbers of domestic sheep for summer grazing are determined by weather, growing season, snow load, and drought. After September 15 is “pushing luck.” Permittees usually go into each year conservatively.
- A “tier 1” herd is important because it is a large native herd of 200+ animals that has not been restored (population size and genetics are not augmented). The value of genetics is important to the historic herd memory, which affects behavioral differences of adapting to altitude and alpine habitat (which is distinct from desert bighorn).

- “Connectivity” between herds is desirable; forays evolve from this and sub-populations from Sneffels, Lake Fork, and Rio Grande herds.

### **Closing remarks**

Steph Connolly expressed appreciation to everyone and reviewed topics for the remaining meetings. Mitigation is the topic for June. Jon Kaminsky expressed the need for a shared vision to resolve the issue as best we can, noting that he is pro “effective separation” and asking for help to get there.