

TABLE 1
NEVADA Wetland Reserve Program - Geographic Area Rate Cap Compensation Values

County or Sub-County *	Market Analysis Value - Cropland or Hayland	90% GARC Cropland or Hayland	Market Analysis Value - Pastureland	90% GARC Pastureland	Market Analysis Value - Natural or Seasonal Subirrigated Pasture	90% GARC Natural or Seasonal Subirrigated Pasture	Market Analysis Value - Rangeland with Improvements	90% GARC Rangeland with Improvements	Market Analysis Value - Rangeland No Improvements	90% GARC Rangeland No Improvements
	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Carson City	15150	13635	14250	12825	5025	4523	2850	2565	950	855
Douglas	8075	7268	6565	5908.5	1275	1148	865	779	545	491
Storey	10300	9270	10100	9090	1510	1359	1188	1069	950	855
South Washoe *	18500	16650	18180	16362	6030	5427	4040	3636	2400	2160
Churchill	6240	5616	3030	2727	1810	1629	1090	981	460	414
North Washoe *	2050	1845	760	684	250	225	185	167	150	135
Humboldt	2290	2061	810	729	255	230	155	140	70	63
Pershing	3120	2808	1515	1364	300	270	180	162	70	63
Eureka	2050	1845	710	639	200	180	135	122	70	63
Lander	1845	1661	605	545	200	180	135	122	70	63
Elko	1540	1386	760	684	250	225	155	140	70	63
Esmeralda	2565	2309	860	774	200	180	120	108	45	41
Mineral	1540	1386	505	455	250	225	140	126	45	41
White Pine	1845	1661	605	545	200	180	120	108	45	41
Clark	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Lincoln	4615	4154	1515	1364	300	270	215	194	140	126
Nye	2050	1845	710	639	200	180	120	108	45	41

denotes GARC rate >\$5,000 per acre

TABLE 2
NEVADA Grassland Reserve Program - Geographic Area Rate Cap Compensation Values

County or Sub-County	Market Analysis Value- Pastureland	67% GARC Pastureland	Market Analysis Value - Natural or Seasonal Subirrigated Pasture	67% GARC Natural or Seasonal Subirrigated Pasture	Market Analysis Value - Rangeland with Improvements	67% GARC Rangeland with Improvements	Market Analysis Value - Rangeland No Improvements	67% GARC Rangeland No Improvements
	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Carson City	14250	9548	5025	3367	2850	1910	950	636.5
Douglas	6565	4399	1275	854	865	580	545	365
Lyon	10100	6767	1510	1012	1188	796	950	636.5
Storey	18180	12181	6030	4040	4040	2707	2400	1608
South Washoe *	3030	2030	1810	1213	1090	730	460	308
Churchill	760	509	250	168	185	124	150	101
North Washoe *	810	543	255	171	155	104	70	47
Humboldt	1515	1015	300	201	180	121	70	47
Pershing	710	476	200	134	135	90	70	47
Eureka	605	405	200	134	135	90	70	47
Lander	760	509	250	168	155	104	70	47
Elko	860	576	200	134	120	80	45	30
Esmeralda	505	338	250	168	140	94	45	30
Mineral	605	405	200	134	120	80	45	30
White Pine	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Clark	1515	1015	300	201	215	144	140	94
Lincoln	710	476	200	134	120	80	45	30
Nye								

denotes GARC rate >\$5,000 per acre



Analysis and Discussion of GARC values

Wetland Reserve Program – GARC Analysis Nevada, the 7th largest state in land area, has the lowest precipitation of any state (<7” on average), and the highest percentage of land held as public domain at 85%. These factors create a variable mix of land values tied to development pressures and availability of water. Most private lands are located in the valleys between mountain ranges, and settlement of these remote areas was strongly associated with the availability of water from small streams, springs and groundwater sources. Land values are directly tied to water resources in areas that remain largely undeveloped. Municipalities with limited water resources often venture hundreds of miles seeking to purchase land with water rights currently being utilized by irrigated agriculture.

A hydrologic fact of the Great Basin area is that the rainfall and snowmelt that occurs never leaves the basin, or the state. Wetlands are a somewhat rare eco-type in Nevada. The occurrence of wetlands on private lands is strongly valued by landowners. There is significant interest in protecting and restoring wetlands in Nevada by communities, environmental groups, local governments and federal agencies. Nevada wetlands are an integral component of the Pacific Flyway for migration of waterfowl. Numerous wetlands in Nevada contain the only known occurrences of threatened and endangered fish and other species. These wetlands serve as islands of biodiversity not seen in any other location around the world.

To reflect these precious values, NRCS in Nevada has elected to use a diminution rate of 90% of the fair market value rate as determined by the market analysis. The 90% rate is consistent with FY 2012 WRP rates of neighboring states with Utah at 90%, and Northeastern California at 87-89%. This 90% GARC is being utilized to create a reasonable compensation rate for the bio-diversity values of these land resources. NRCS in Nevada has also requested a significant allocation for the protection of wetlands associated with Sage-grouse habitats that rely on this ecotype for a significant portion of its life requisites. Sage-grouse habitats occur with great frequency in the northern part of the state with a distinct population located in the bi-state region with California in Douglas, Lyon and Mineral Counties.

The 90% GARC results in 5 geographic county areas where land compensation values exceed \$5000.00 per acre. The counties of; Douglas, Lyon, Storey, South Washoe and Churchill have crop/hayland/pastureland values of \$18,500 - \$6,240 per acre. Crop/hayland/pastureland currently utilized for food and fiber productions in these areas are valued at a premium due to their proximity to urbanizing areas (housing and development). These open spaces and ready agricultural markets also provide a somewhat affordable recreational/lifestyle opportunity in comparison to the neighboring Lake Tahoe Basin where property values are exorbitant. Recent trends in property values tend to indicate that when recessionary pressures related to the local economy are relieved and jobs return to the area that conversion of these croplands to housing and service industries will escalate these property values even further. Future escalation of property values will have a negative effect to maintaining the bio-diversity and open spaces required for many plant and animal species. Conventional wisdom would indicate that these compensation values in these 6 areas of

the state may comprise the best near or long term opportunity to protect these critical wetland resources from being lost forever.

Environmental considerations for the payment of compensation in excess of \$5,000 per acre include:

- The relative geographic location of these lands in relation to the principal and major routes identified for the Pacific Flyway. Migratory waterfowl and other species that summer in northern latitudes (Alaska & Canada) rely on this 5 county area of Nevada for feeding and resting before continuance of the long migration south. This principal flyway links to the major waterfowl flyways located in the central valleys of California.

Table 1 outlines the compensation rates for various land uses and geographic (county) locations for the WRP in Nevada.

Grassland Reserve Program – GARC Analysis Participation in the Grassland Reserve Program in Nevada has been minimal with only 1 active rental contract, and (1) GRP easement enrolled into the program in FY 2011 and (1) in FY 2012.

The definition of a typical agricultural enterprise in Nevada would likely describe a livestock production system consisting of privately owned native grassland including some irrigated pastures coupled with several large grazing allotments of public lands numbering in the thousands of acres. The majority of livestock operations utilize private grasslands as headquarters; winter feed production, and grazing during periods of public land deferment. Private grassland resources are often impacted by extended drought, wildfires that cover expansive areas of public and private lands, and the spread of noxious weeds.

The market analysis did not provide a clear diminution value for grasslands that retained grazing values. Neighboring states have identified diminution rates for conservation easements that reserve the grazing rights to the landowner to typically range from 50% to 70%. The Agricultural Statistics Service has conducted some grazing studies however; there was insufficient data available for an accurate assessment of grazing value on a per acre basis. Information gathered from the Agricultural Statistics Service suggests a range of grazing fee rates for cattle in the western states as ranging from \$18 per AUM in Montana to \$10 per AUM in New Mexico (2009 data). The grazing fee rate for Nevada was determined to be on the low end of the scale at \$11 per AUM in 2009.

Grazing Fee Rates for Cattle by State and Region, 2007-2009

State/Region	Survey Average Rates ¹ (dollars)								
	Animal Unit ²			Cow-Calf			Per Head		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Arizona	8.00	8.50	³	³	³	³	10.00	11.00	10.00
California	16.50	17.80	16.70	21.5	22.10	21.00	17.30	18.50	17.50
Colorado	15.00	14.50	14.70	16.70	16.00	16.30	15.10	14.50	15.20
Idaho	13.80	12.60	12.60	16.50	16.30	15.90	14.60	14.10	14.00
Montana	17.80	18.10	18.00	20.10	20.00	20.20	19.20	19.80	18.90
Nevada	13.00	13.50	11.00	14.00	14.70	12.00	13.50	14.00	12.00
New Mexico	11.00	11.00	10.00	13.00	11.50	13.00	12.00	12.00	12.00
Oregon	14.10	14.00	14.60	17.00	16.80	17.80	13.00	14.60	15.50
Utah	12.90	13.00	13.00	14.60	15.90	16.30	14.20	15.50	15.30
Washington	12.10	11.50	11.00	13.70	13.40	13.00	12.20	14.10	12.80
Wyoming	15.40	15.70	16.00	17.90	18.40	18.70	16.10	16.40	16.70
Western States Avg.	14.90	15.00	14.70	17.40	17.40	17.40	15.60	16.20	15.80

¹ The average rates are estimates based on survey indications of monthly lease rates for private, non-irrigated grazing land from the January Cattle Survey.

² Includes animal unit plus Cow-Calf rate converted to animal unit (AUM) using (1 AUM=Cow-Calf*.833).

³ Insufficient data.

Applying the highest grazing rates/AUM at \$18 to the 50% diminution rate, and the lowest grazing rate/AUM at \$10.00 to the 70% diminution rate would suggest that the appropriate diminution rate for grazing lands in Nevada to be 67.5%.

The Farm Services Agency has identified a \$5.00/acre annual rental payment for all Nevada Counties for applicants seeking to participate in GRP rental contracts. Participants in 20 year GRP rental contracts could receive up to a total of \$100/acre for 20 year participation in the program. The market analysis identified the lowest land valuation for Rangelands with no improvements to occur in rural counties with low population densities; Mineral, Esmeralda, Nye, White Pine, Pershing, Lander, Humboldt, Eureka, and Elko Counties. These rangelands are associated with Desert ecological zones and experience low productivity. With the exception of Lincoln and North Washoe counties, land values for this category of land ranged from \$45-\$70 per acre. Compensation for a rental contract for a 20 year period would equate to the fair market value of 222%-142% in comparison to the compensation for a conservation easement. It would stand to reason that there will be little interest in conservation easements in most rural counties in comparison to current compensation rates for rental contracts.

Lincoln and North Washoe could be classified as rural areas where property values are influenced by unique outside factors that increase the land values above other rural areas. North Washoe is strongly influenced by Northern California real estate markets and Lincoln County is influenced primarily from the City of Las Vegas Southern Nevada Water Authority seeking additional water resources from agriculture sources.

To determine the appropriate diminution value for grazing we apply the market analysis values in comparative analysis for Lincoln and North Washoe County areas. Dry Rangeland values for North Washoe County were determined by the market analysis as being \$150.00 per acre. In comparison to the previous example, the compensation for a 20 year period with Annual Rental payments totaling \$5/acre = \$100/acre for the 20 year period of the contract. Total diminution = \$100/\$150 or 66.6% of fair market value, which lies within the 50-70% diminution value of surrounding states.

Dry Rangeland values for Lincoln County were determined by the market analysis as being \$140.00 per acre. In comparison to the previous example, the compensation for a 20 year period with Annual Rental payments totaling \$5/acre = \$100/acre for the 20 year period of the contract. Total diminution = \$100/\$140 or 71.4% of fair market value, which lies very close to the 50-70% diminution value of surrounding states

Based on this analysis, and a diminution value of 67%, the compensation for the fair market value – the grazing value meets no comparative advantage between participation in a conservation easement in the GRP and a 20 year rental contract through GRP in the mid-range values provided in the market analysis. A December 2010, closed FRPP conservation easement appraisal resulted in a 68% diminution rate for property that is high value grassland in a highly developed area of the state, this tends to support the necessity of at least a 67% rate for grassland land uses for this program. The 67% GARC is important to Nevada as a critical western state being impacted through the candidate species listing of the Sage-grouse. Our FY 2012 ranking criteria for GRP includes extensive consideration of Sage-grouse habitat which will require longer term protection greater than 20 years offered in GRP rental contracts. The 67% GARC for GRP provides the necessary compensation to achieve the protections to the grassland resources that NRCS and partners in Nevada desire.

The 67% GARC results in 3 geographic county areas where land compensation values exceed \$5000.00 per acre. The counties of; Douglas, Storey, and South Washoe have pastureland values of \$18,180 - \$10,100 per acre. Environmental considerations for the payment of compensation in excess of \$5,000 per acre for GRP easements include:

- The geographic location of these lands in relation to the bi-state population of sage grouse which is a distinct population (genetically different) from other sage grouse populations in the western states. This distinct population has been identified as having a greater threat for listing under the ESA than their northern sage grouse relatives. This bi-state population has historically experienced greater fragmentation due to its more limited range and urban/suburban development and encroachment where these limited populations occur. Pastures, wet meadows and native rangeland habitats in these 3 counties play a primary role in the requisite needs of this species throughout its life cycle.
- The threat of urbanization, change of land use, and development on current land uses in the bi-state area was specifically listed as being the most critical threat to sage grouse habitats in the “12 Month Findings for petitions to List the Greater Sage Grouse Proposed Rule” published by the US Fish and Wildlife Service in the Federal Register 3/23/2010 located in 50 CFR Part 17.

- The Bi-State Sage-Grouse Strategic Action plan March 15, 2012, strategy MER2 Lists: Securing of Conservation Easements and Agreements with willing landowners to maintain private lands and associated sage-grouse habitats values and minimize the risk of future development impacts to important sage-grouse habitats in the Bi-State area. NRCS in Nevada currently has unfunded conservation easement applications in the bi-state area identified in the strategic plan.
- Nevada submitted a proposal to the NRCS Chief in FY 2011 for special consideration to target the purchase of GRP conservation easements for habitats critical to sage grouse populations in the bi-state area of Nevada and California.