

United States Department of Agriculture



Natural Resources Conservation Service  
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SUBJECT: LTP- Nevada FY 2012  
GARC's for WRP and GRP

DATE: November 7, 2011

TO: Andree DuVarney  
Director, Easement Programs Division

FILE CODE: 300

In accordance with guidance provided in NB300-11-27 and 300-11-28, Easement Compensation Procedures for WRP and GRP, Nevada has completed an Area-Wide Market Analysis to determine the fair market value of properties for specific geographic areas and land uses that occur in the state. The market analysis was competitively bid with the contract awarded to Williams and Associates, Inc, Mark Williams, certified appraiser. Williams and Associates are headquartered in Marlette, Michigan and have completed the market analysis for Nevada 2011 GARC's and similar market analyses for NRCS in several other states.

This market analysis was developed on a county basis, with the exception of Washoe County which was split into north and south due to heavier development pressures in southern Washoe County. Washoe County lies on the north western border of Nevada where market values tend to reflect a strong influence from California real estate values. The land types identified in the market analysis included land types that would typically be enrolled in WRP and GRP.

Historically, for many years and for various reasons, Nevada landowners did not participate in the opportunities that the WRP and GRP easement programs could provide. Participation in the Wetland Reserve Program has resulted in only one conservation easement since the inception of the program. In fiscal year 2011 Nevada successfully enrolled; 1,823 acres in (1) WRP 30 year easement, 1,864 acres in (2) WRP permanent easements, and 1,277 acres in (1) GRP easement.

**Wetland Reserve Program – GARC Analysis** Nevada, the 7<sup>th</sup> 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

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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 WRP rates of neighboring states, Utah 90%, Arizona 90% and Northeastern California 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 \$18,000 - \$6,000 per acre. Crop/hayland/pastureland currently utilized for food and fiber production in these areas are valued at a premium due to their proximity to urbanizing areas (housing and development), and the somewhat affordable recreational/lifestyle opportunities 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. 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 <sup>1</sup> (dollars)								
	Animal Unit <sup>2</sup>			Cow-Calf			Per Head		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Arizona	8.00	8.50	<sup>3</sup>	<sup>3</sup>	<sup>3</sup>	<sup>3</sup>	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
<b>Nevada</b>	<b>13.00</b>	<b>13.50</b>	<b>11.00</b>	<b>14.00</b>	<b>14.70</b>	<b>12.00</b>	<b>13.50</b>	<b>14.00</b>	<b>12.00</b>
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
<b>Western States Avg.</b>	<b>14.90</b>	<b>15.00</b>	<b>14.70</b>	<b>17.40</b>	<b>17.40</b>	<b>17.40</b>	<b>15.60</b>	<b>16.20</b>	<b>15.80</b>

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

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

<sup>3</sup> 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 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, Esmerelda, Nye, White Pine, Pershing, Lander, Humboldt, Eureka, and Elko Counties. These rangelands are associated with the 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 \$50-\$75 per acre. Compensation for a rental contract for a 20 year period would equate to the fair market value of 200-133% 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 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 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.

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 recent, 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.

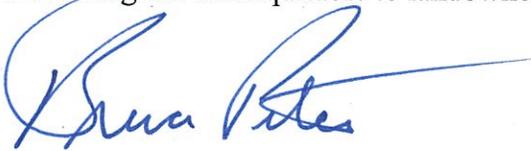
The 67% GARC results in 3 geographic county areas where land compensation values exceed \$5000.00 per acre. The counties of; Douglas, Storey, and South Washoe have pastureland values of \$18,000 - \$6,000 per acre. Environmental considerations for the payment of compensation in excess of \$5,000 per 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.
- Nevada intends to submit a proposal to the Chief NRCS 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.

Table 2 outlines the compensation rates for various land uses and geographic (county) locations for the GRP in Nevada.

**SUMMARY** - The State Technical Advisory Committee has voiced full support in the efforts of NRCS to secure conservation easements utilizing Geographic Area Rate Caps to support the goals of wetland and grassland conservation and protection for critical habitats. These GARC rates are scheduled to be reviewed and supported by the State Technical Advisory Committee on November 29, 2011.

I certify that these Geographic Area Rate Caps are necessary to acquire at the lowest possible price the conservation values associated with an easement purchase, and that they meet the compatible goal of being fair and equitable to landowners in Nevada.



BRUCE PETERSEN  
State Conservationist

ATTACHMENTS: Market Analysis of the State of Nevada, #53-9327-11-21  
Table #1 and 2 –Nevada WRP&GRP, GARC Values  
Table #3 and 4 - GARC Comparison to Surrounding States  
Justification for GARC compensation rates >\$5,000/acre (maps)

CC: Astor Boozer, Regional Conservationist – West, NRCS, Washington D.C.

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 Subirrigated Pasture	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
Carson City	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Douglas	15000	13500	15000	13500	5000	4500	3000	2700	1000	900
Lyon	8500	7650	6500	5850	1270	1143	910	819	545	491
Storey	10000	9000	10000	9000	1500	1350	1250	1125	1000	900
South Washoe *	18000	16200	18000	16200	6000	5400	4250	3825	2500	2250
Churchill	6000	5400	3000	2700	1800	1620	1145	1031	485	437
North Washoe *	2000	1800	800	750	250	225	200	180	150	135
Humboldt	2200	1980	800	720	250	225	165	149	75	68
Pershing	3000	2700	1500	1350	300	270	190	171	75	68
Eureka	2000	1800	700	630	200	180	140	126	75	68
Lander	1800	1620	600	540	200	180	140	126	75	68
Elko	1500	1350	750	675	250	225	165	149	75	68
Esmeralda	2500	2250	850	765	200	180	125	113	50	45
Milveral	1500	1350	500	450	250	225	150	135	50	45
White Pine	1800	1620	600	540	200	180	125	113	50	45
Clark	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Lincoln	4500	4050	1500	1350	300	270	225	203	150	135
Nye	2000	1800	700	630	200	180	125	113	50	45

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 Subirrigated Pasture	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
Carson City	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Douglas	15000	10050	5000	3350	3000	2010	1000	670
Lyon	6500	4355	1270	851	910	610	545	365
Storey	10000	6700	1500	1005	1250	838	1000	670
South Washoe *	18000	12060	6000	4020	4250	2848	2500	1675
Churchill	3000	2010	1800	1206	1145	767	485	325
North Washoe *	750	503	250	168	200	134	150	101
Humboldt	800	536	250	168	165	111	75	50
Pershing	1500	1005	300	201	190	127	75	50
Eureka	700	469	200	134	140	94	75	50
Lander	600	402	200	134	140	94	75	50
Elko	750	503	250	168	165	111	75	50
Esmeralda	850	570	200	134	125	84	50	34
Milveral	500	335	150	101	150	101	50	34
White Pine	600	402	200	134	125	84	50	34
Clark	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD	Appraisal	TBD
Lincoln	1500	1005	300	201	225	151	150	101
Nye	700	469	200	134	125	84	50	34

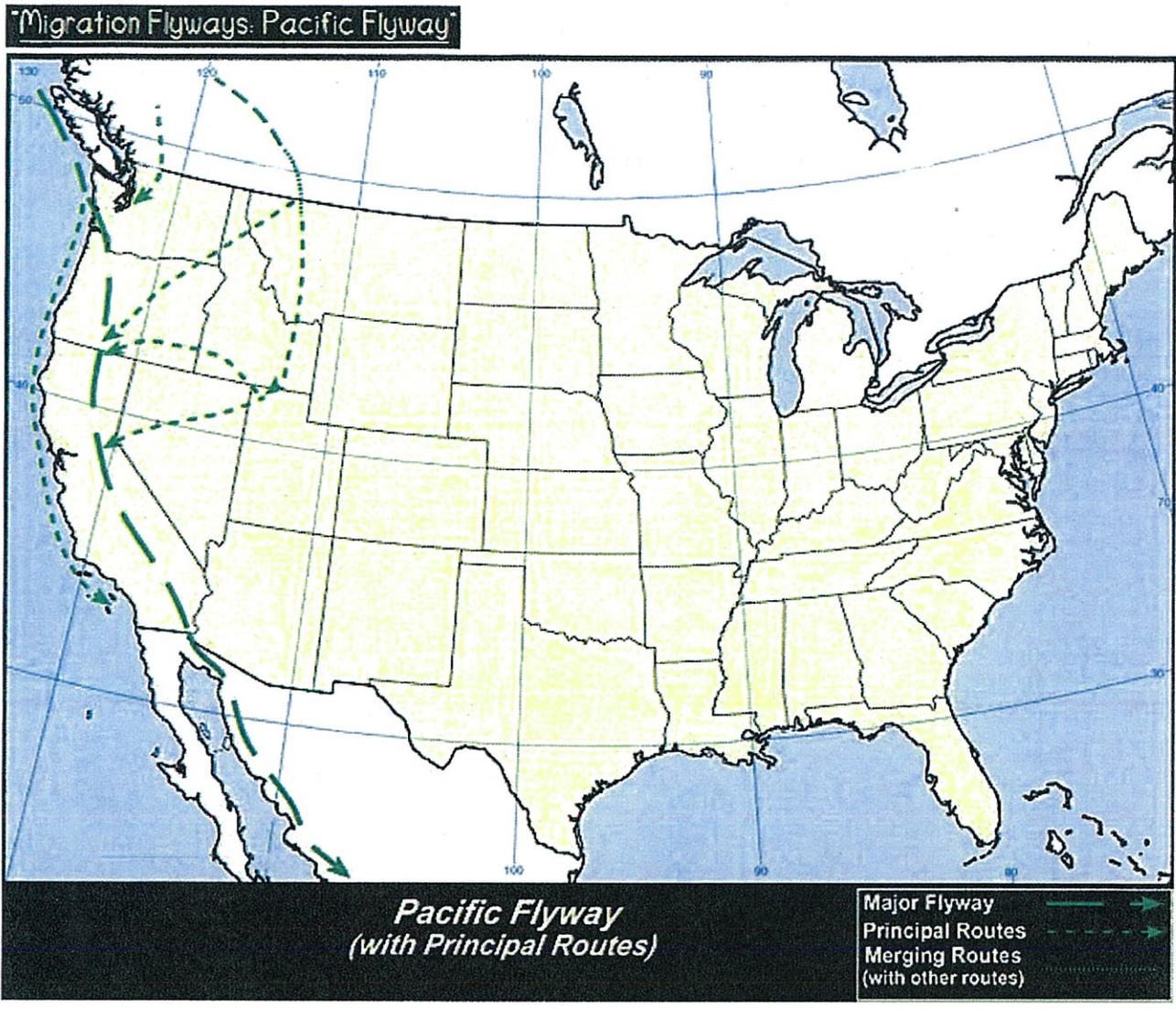
TABLE 3  
NEVADA Wetland Reserve Program - Geographic Area Rate Cap Compensation Values

County or Sub-County *	Market Analysis Value - Cropland or Hayland	90% GARC Cropland or Hayland	Neighbor #1 California Market Analysis	Market Analysis Value - Pastureland	90% GARC Pastureland	Neighbor #1 California Market Analysis	Analysis Value - Natural or Seasonal Subirrigated Pasture	90% GARC Natural or Seasonal Subirrigated Pasture	Neighbor #1 California Market Analysis	Market Analysis Value - Rangeland with Improvements	90% GARC Rangeland with Improvements	Neighbor #1 California Market Analysis
Carson City	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%
Douglas	15000	13500	15000	15000	13500	3250	5000	4500	3000	3000	2700	1000
Lyon	8500	7650	6500	5850	3250	1270	1443	910	819	1000		
Storey	10000	9000	10000	9000	1500	1350	1250	1125	1000	1000	670	
South Washoe **	18000	16200	18000	16200	3800	6000	5400	4250	3825	2500	1675	
Churchill	6000	5400	3000	2700	1800	1620	1443	1031	1000	1000		
North Washoe *	2000	1800	4500	750	2500	250	225	200	180	150	135	
Humboldt	2200	1980	800	720	250	225	200	165	149	100	84	
Pershing	3000	2700	1500	1350	300	270	225	190	171	150	135	
Eureka	2000	1800	700	630	200	180	140	126	113	100	84	
Lander	1800	1620	600	540	200	180	140	126	113	100	84	
Elko	1500	1350	750	675	250	225	200	165	149	100	84	
Esmeralda	2500	2250	850	765	3250	200	180	125	113	100	84	
Mineral	1500	1350	500	450	3250	250	225	150	135	100	84	
White Pine	1800	1620	600	540	200	180	140	126	113	100	84	
Clark	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%
Lincoln	4500	4050	1500	1350	300	270	225	203	180	150	135	
Nye	2000	1800	700	630	200	180	140	126	113	100	84	

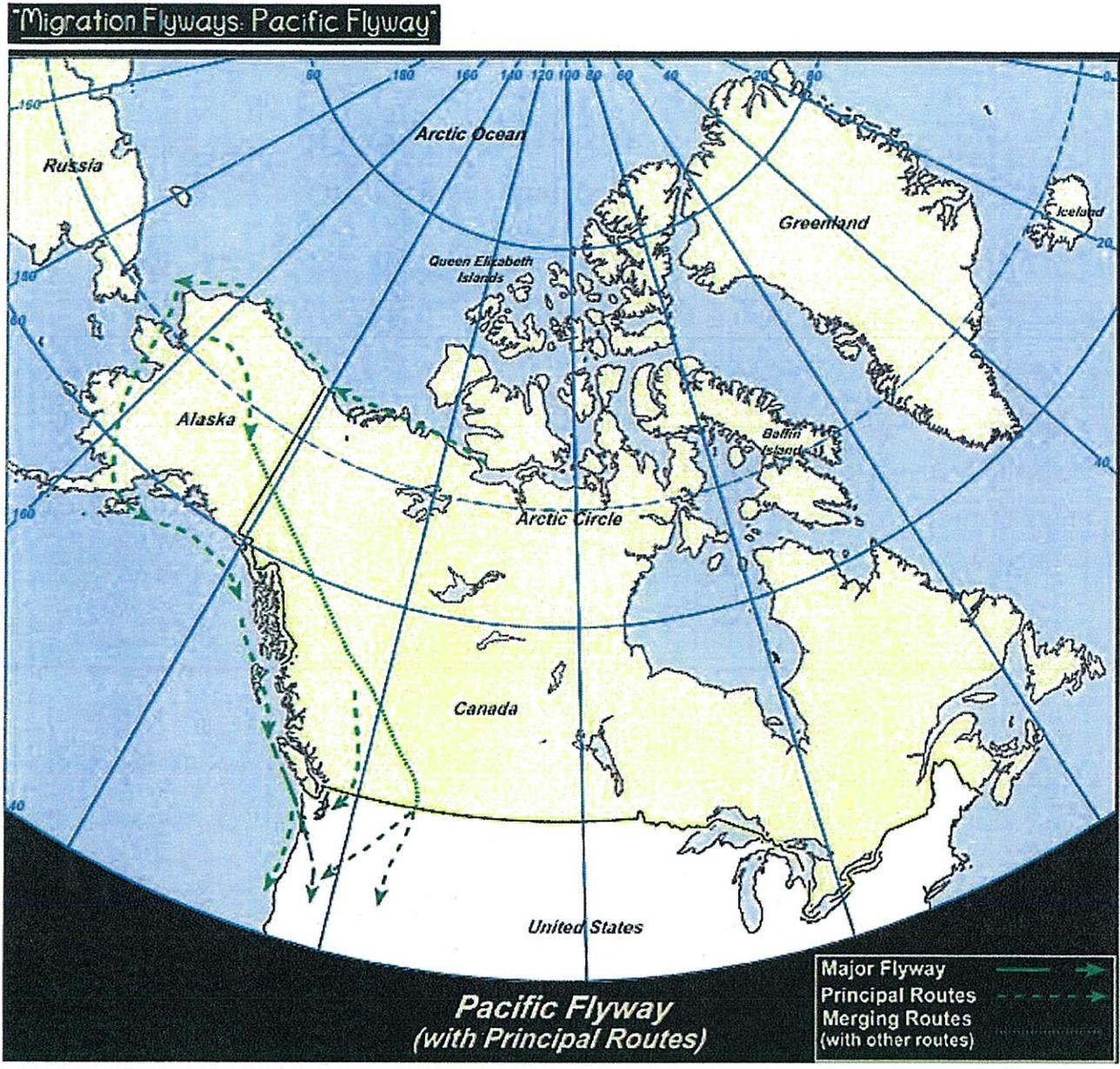
Neighbor #2 - Utah Utilizes an 80% GARC of FMV determined from USPAP Appraisal not to exceed \$5,000/acre unless determined on a case by case basis waiver of the STC.

TABLE 4  
NEVADA Grassland Reserve Program - Geographic Area Rate Cap Compensation Values

County or Sub-County	Market Analysis Value - Pastureland	67% GARC Pastureland	Neighbor #1 California Market Analysis	Analysis Value - Natural or Seasonal Subirrigated Pasture	67% GARC Natural or Seasonal Subirrigated Pasture	Neighbor #1 California Market Analysis	Analysis Value - Rangeland with Improvements	67% GARC Rangeland with Improvements	Neighbor #1 California Market Analysis	Market Analysis Value - Rangeland No Improvements	67% GARC Rangeland with Improvements	Neighbor #1 California Market Analysis
Carson City	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%
Douglas	15000	10050	3250	5000	3350	2010	1000	1000	670	1000	670	
Lyon	6500	4355	3250	1270	851	610	1000	545	365	1000	670	
Storey	10000	6700	1500	1350	1005	838	1000	1000	670	1000	670	
South Washoe **	18000	12060	3500	6000	4020	2848	1200	2500	1675	2500	1675	
Churchill	3000	2010	1800	1800	1206	767	1145	485	325	1800	1206	
North Washoe *	750	502.5	2500	250	168	134	950	150	101	150	101	
Humboldt	800	536	300	250	168	111	75	50	34	150	101	
Pershing	1500	1005	300	300	201	130	127	75	50	150	101	
Eureka	700	469	200	200	134	94	75	50	34	150	101	
Lander	600	402	200	200	134	94	75	50	34	150	101	
Elko	750	502.5	250	250	168	111	75	50	34	150	101	
Esmeralda	850	569.5	3250	200	134	94	125	84	50	150	101	
Mineral	500	335	3250	250	168	111	100	50	34	150	101	
White Pine	600	402	200	200	134	94	75	50	34	150	101	
Clark	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%	Appraisal	TBD	80%
Lincoln	1500	1005	300	300	201	130	127	75	50	150	101	
Nye	700	469	200	200	134	94	75	50	34	150	101	

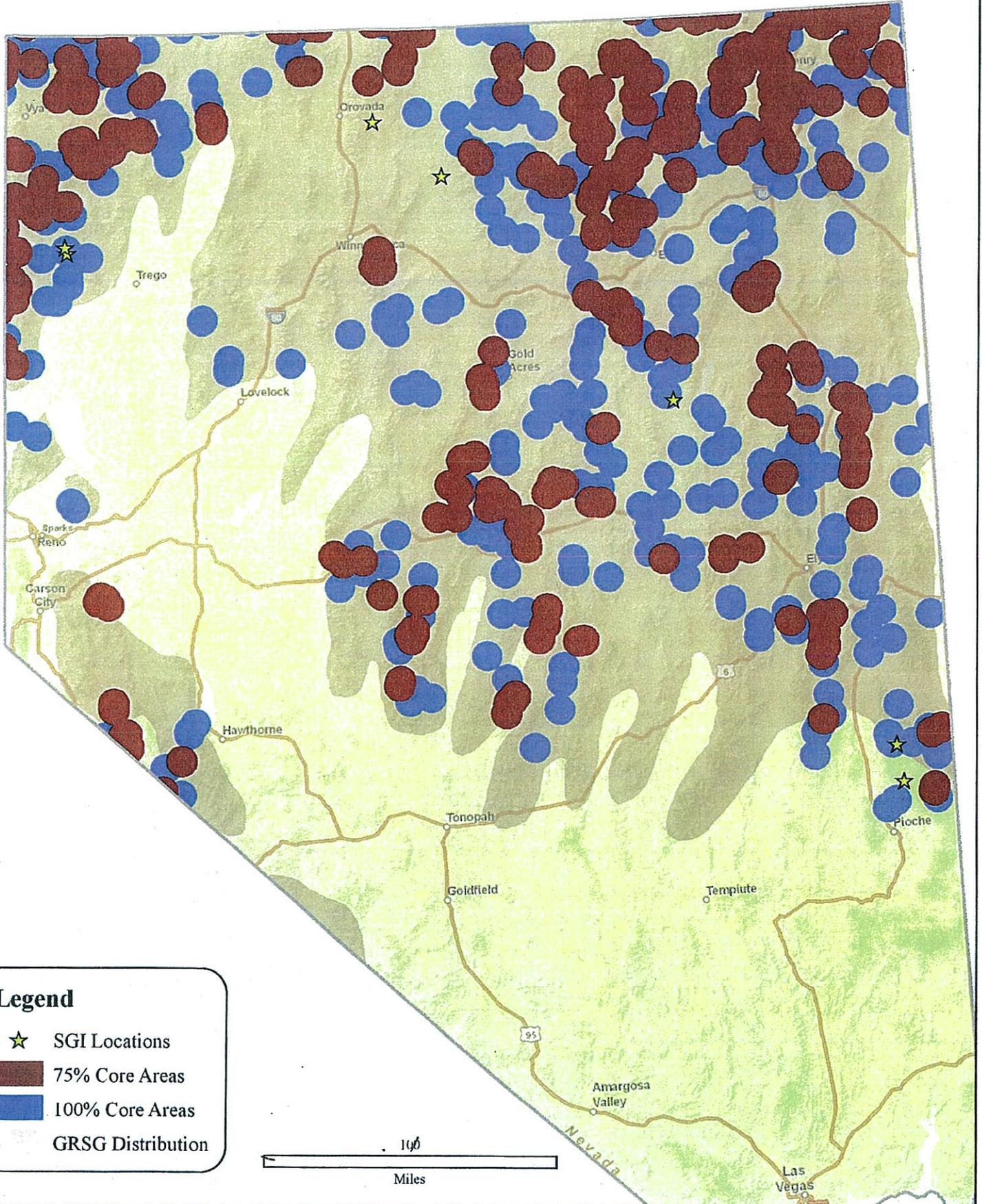


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# 2010 Nevada SGI Locations



# Sage Grouse Distribution Range

