

Grassbank 2.0

Building on what we have learned from the Valle Grande Grassbank.

By Courtney White and Craig Conley

A Grassbank is defined as a physical place, as well as a voluntary collaborative process, where *forage* is exchanged for one or more tangible *conservation benefits* on neighboring or associated lands. Grassbanks are one of the innovative initiatives spawned by efforts to conserve working landscapes.¹

In 1997, author and conservationist Bill deBuys had a question on his mind: could cattle, curlews, prescribed fire, ranchers, environmentalists, and the US Forest Service all get along together?

To find out, Bill assembled the Valle Grande Grassbank, located on a 36,000-acre allotment of national forest land on Rowe Mesa, 25 miles east of Santa Fe, New Mexico. In assembling it, he set three goals for the Grassbank:

- To improve the ecological health of public grazing lands for the benefit of all creatures dependent on them;
- To strengthen the economic and environmental foundation of northern New Mexico's ranching tradition, which is arguably the oldest in the nation;
- To show that ranchers, conservationists, and agency personnel can work together for the good of the land and the people who depend on it.²

Inspired by a pilot Grassbank on the privately-owned Gray Ranch in southwestern New Mexico (the term "Grassbank" was coined by rancher and poet Drum Hadley), Bill convinced the Conservation Fund, a national environmental organization, to purchase 240 acres of deeded land on top of Rowe Mesa. The property came with a year-round federal grazing permit but no cattle.



The Valle Grande Grassbank is located 25 miles east of Santa Fe, New Mexico. Map Courtesy USDA Rural Development.

Instead of buying cattle, Bill proposed to offer the grass of the Valle Grande allotment as a "bank" to national forest permittees around the region in exchange for restoration work on their home ground—principally forest thinning and prescribed fire.

The ecological problem was a now familiar one: too many trees. "In a detailed study of a 250,000-acre area in northern New Mexico," Bill wrote in a summary of the Grassbank's goals, "ecologist Craig Allen found that between 1935 and 1981 tree and shrub encroachment had reduced the grassy component of the area's ecological mosaic by 55%."

"Consider the dynamics," Bill continued. "A fixed number of cows (and an increasing population of elk) must draw sub-

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One of the goals for the Valle Grande Grassbank is to restore fire to the forest ecosystem.

sistence from a grass resource that is declining faster than one percent per year. The cattle necessarily use remaining grasslands heavily and crowd into riparian areas.”

To Bill, and many others, restoring grassland and forest diversity and productivity means restoring fire to its natural role. Too often, however, necessary prescriptive treatments caused hardship for the local permittees and sometimes resulted in outright conflict. For many environmentalists, the solution was simple: end public lands ranching.

Bill searched for another way. “Let it be noted that the simple removal of cattle from public lands,” he wrote, “as urged by a substantial number of environmentalists, will not restore environmental diversity and health, for it will not bring the keystone process of fire back into the landscape.”

But a Grassbank could. That’s because the Valle Grande Grassbank could take cattle from forest allotments around the region for two to three years so that restoration work could take place in the absence of any potential conflict. This work had a social benefit as well.

“In the case of northern New Mexico, we believe that the best hope for ecologically sound, fire-wise stewardship of public land lies within the ranching community,” Bill wrote. “If ranchers, working with environmentalists, become advocates for prescribed burns, wildfires, and related treatments, political leaders and public agencies will respond accordingly—to the lasting benefit of the land.”

In Practice

The partners in the Valle Grande Grassbank included the Northern New Mexico Stockmans’ Association, the Forest Service, and the New Mexico State Cooperative Extension Service. Funding for the operation of the Grassbank, which included a full-time ranch manager, was provided by the Forest Service, the EPA (through the New Mexico Environment Department), the Conservation Fund, and private foundations.

In the first 6 full seasons of operation, the Valle Grande Grassbank took over 2,000 head of cattle from 9 separate

grazing associations across 2 national forests in northern New Mexico. Conservation projects included:

- Prescribed fire: 5,590 acres
- Hand thinning ponderosa or mixed conifer forest: 4,020 acres
- Brush/Tree removal: 550 acres
- Riparian fencing: 5 miles
- Road improvements: 25 miles
- Trail improvements: 35 miles
- Association herder: 2 seasons
- Water developments: 6
- Wetland/Playa projects: 4
- Rest: equivalent of 14.5 years

In addition to the conservation benefits, the Grassbank was viewed as mostly positive by the ranchers who participated. Summarizing a survey he conducted for The Quivira Coalition in 2004, Armando Nieto wrote:

The work of the [Valle Grande] Grassbank continues to be viewed in a positive light, but it is a light that is also somewhat one-dimensional: nearly all respondents value it exclusively for the rest from grazing pressure that it confers on cooperating allotments. Concerns of distance and of lack of FS follow-through with promised projects on the home allotment further threaten to make it a less desirable option for northern New Mexico grazing permittees.³

In other words, after 6 years of progress, shortcomings in the model began to manifest themselves.

First, the modest conservation gains came to an end during the final 3 grazing seasons (2004–2006) when NO restoration work was completed on the “home” allotments of permittees. This occurred for a variety of reasons, including drought, National Environmental Policy Act hurdles, and budgetary tensions within the Forest Service. But it exposed a weakness in the model: relying on an overworked, understaffed federal agency for the conservation “half” of the Grassbank quid pro quo could be risky.

Second, the funding ran out. The Grassbank’s \$160,000 budget was entirely grant-funded and when the grants dried up, as they did at the end of 2006, so did the project. This raised a big question: how can Grassbanks “pay” for themselves? It became clear to us that relying on the fickle and increasingly competitive world of federal grants and private philanthropy is not an economically sustainable strategy.

Third, the long distances traveled by permittees to get to the Grassbank became increasingly problematic as transportation costs rose over time (participants paid their own way to the Grassbank). A number of permittees, in fact, dropped out for this reason.

In the fall of 2006, 2 years after The Quivira Coalition took over the Valle Grande project, all of these challenges came together. Some were resolved relatively easily, such as reorienting the Grassbank to serve local permittees, but others proved more difficult to crack, such as the funding conundrum.

In fact, the Grassbank has been shut down temporarily as we create a new business model that addresses these chal-



The Quivira Coalition herd on Rowe Mesa in New Mexico.

lenges. We still believe that the quid pro quo at the heart of the Grassbank is critical, as are the original goals of the project, but like an early version of computer software, their implementation needs an upgrade.

Bill deBuys anticipated this development when he wrote:

Our goal is to be consistently and continually adaptive. If the land is changing, so must we. Our fundamental challenge is shared equally by both the conservation and ranching communities: how to respond to the constant dynamism of the lands upon which we all depend.

New Vision

In May 2006, a small group of Grassbank operators, including the Heart Mountain Grassbank, located north of Cody, Wyoming, and the Matador Ranch, located near Malta, Montana (both owned and operated by The Nature Conservancy), met to discuss how to operate a Grassbank sustainably. All three are struggling with the same challenge: how to use Grassbanks to produce long-term conservation in an economically efficient way that also benefits ranchers.

The 3 Grassbanks represent a range of ownership types: the Valle Grande Grassbank is completely managed on public land for public land permittees; Heart Mountain and the Matador are a mix of public and private land participants. In comparing the strengths and weaknesses of each, the group came to the following consensus on 9 conditions for success which provide a useful framework for evaluating new Grassbank opportunities and for modifying existing programs:

1) *Producing Conservation is the Primary Objective of a Grassbank.*

To accomplish this goal meaningfully, conservation objectives should be anchored with a long-term (20-year) conservation plan that is scientifically/ecologically based. The old model—if you build it they will come—is an unsteady foundation for pursuing a Grassbank. For example, at its creation, the Valle Grande Grassbank had a clear vision for very specific conservation projects as well as the financial backing to make them happen. As projects were completed, however, the en-

ergy to replace old projects with new ones waned, especially as bureaucratic and budgetary obstacles were encountered.

Additionally, many of the restoration projects on the home allotments are “one shot” conservation treatments that are not part of long-range plans. Moreover, producing conservation doesn’t stop with the treatment but must include the long-term management of those initial benefits or they will be lost over time. Returning livestock to the same management regime that contributed to the environmental concern in the first place, for instance, doesn’t give participants, or the public, much of a return in the long run.

2) *A Grassbank Must Provide a Meaningful Benefit to Participating Ranchers.*

A tangible conservation benefit provided by a Grassbank might not mean much in the long run if the rancher goes out of business. Therefore, a Grassbank has to assist a rancher in accomplishing his or her goals—whether ecological or economic. This could include removing a bureaucratic obstacle on public land, or providing financial stability on adjacent private lands, or simply be a new “tool” in the toolbox. In any case, a Grassbank needs to help people stay on the land.

3) *Although a Grassbank Is Not a Traditional Business, It Has to Have a Basis in Financial Reality.*

As one of the Board members of The Quivira Coalition said when we first took over management of the Grassbank: “It has all the costs of a ranch and no income!” Grassbanks need to have business plans that produce revenue to support them.

For example, on their private lands, the Matador and Heart Mountain Grassbanks can charge for grazing and then provide discounts to participants for achieving specific conservation goals. These include: prairie dog habitat protection, watershed restoration, weed control, and no sod-busting, among other activities.

Although the Valle Grande Grassbank, as a public lands project, can’t charge for grazing, we can derive revenue from running our own livestock. Therefore, our 5-year business plan has most of the operations of the ranch funded by approximately half the capacity of the allotment, with the other half being reinvested in conservation—either by bringing livestock to the Grassbank in the traditional model or by investing in treatments on our allotment or on associated allotments.

Regardless of whether it is a private or public lands Grassbank, at the end of the year the books have to balance or you’re out of business. At the same time, conservation transactions have to result in a positive benefit for all parties. Preferably those benefits are leveraged and long-term.

4) *To Work Well, a Grassbank Must Have the Cooperation of All Parties Involved.*

Commitment to the goals of a Grassbank as a community resource is critical to creating long-term benefits. Valuing and respecting the interests of all parties involved is also important. The Grassbank manager has to respect the long-term interests of the participating rancher(s) and the rancher(s) has to respect the long-term mission of the Grassbank manager.

What happens on the ground is only part of the exchange. Long-term success can only be the result of growing, learning, and changing with the land and people who live on or near the Grassbank.

5) *A Grassbank Is a Conservation Investment.*

To be of most value, a Grassbank should be either embedded in, or adjacent to, a landscape that has long-term conservation values. If an area is destined for residential subdivision in the near term, for instance, it probably does not make a lot of sense to invest in this type of long-term landscape scale conservation.

6) *A Critical Feature of a Grassbank Is Flexibility.*

If a Grassbank doesn't need to operate every year, can you shut the operation down, run it as a ranch or something else that keeps the operation economically viable? Flexibility means more choices—when Grassbanks have other intrinsic values, such as wildlife, plant conservation, or recreation, more choices are available to Grassbank managers.

Likewise, it might not be necessary to destock a participating “home” allotment in order to implement a particular conservation treatment. Putting more management on the home ground in the form of range riders, for instance, might be a more cost-effective alternative to bringing the cattle to the Grassbank. When this alternative can be leveraged by an activity on the Grassbank, by a grant, or other income, we describe this approach as “taking the Grassbank to the cattle.”

7) *The Relationship Between the Grassbank and Participating Ranchers Must Build Long-term Capacity and Not Simply Provide a Short-term Stopgap.*

Sometimes, Grassbanks are considered by observers to be “drought relief” or safety valves if something goes wrong on a district or in a particular landscape. This is akin to the practice of “swing” allotments on Forest Service land. However, although providing drought relief is sometimes a necessary and valuable function, it is generally not a primary objective of a Grassbank if it does not produce long-term benefits.

One way to encourage long-term capacity-building is to promote leadership. When Grassbanks create more effective relationships and communication among participants, they are much more likely to succeed. For example, if cows are dropped off at the beginning of the grazing season and picked up at the end without much involvement by the rancher in between, you are probably not building relationships that will be sustained over time. Also, if a Grassbank can provide access to expertise for ranchers, through an education and outreach program, and that expertise is actually utilized, you are more likely to see changes in management. A major collateral consequence of the Matador Ranch Grassbank was the creation of the Ranchers Stewardship Alliance in 2006 (see www.ranchersstewardshipalliance.org).

8) *Measurements of a Grassbank's Success Must Be Clearly Articulated.*

Although ecological measurements of success (or failure) are fairly straightforward, the social indicators are more important. For example: did the Grassbank bring people to the

table? Did it inform or educate people about ecological and/or economic issues?

9) *Mistakes Will Be Made—Deal With Them.*

Making mistakes is the essence of adaptive management. The key is to act as quickly as possible in order to minimize their effects. Don't dwell on the first mistake; be able to regroup and learn from the experience. All 3 Grassbanks have made mistakes, but we have learned much, adapted in different ways to meet the objectives and needs of all parties involved, and are ready to start the next round.



An open, fire resistant forest of ponderosa pine after restoration through fire and grazing management.

When we took over the Valle Grande project from Bill deBuys and the Conservation Fund, we touted Grassbanks as “an idea whose time has come.” Three years later, we've adjusted that to “an idea whose time is still coming.” Like any good idea, follow-up versions improve on the basic model. Hopefully, by the time Grassbank 3.0 rolls out, many of the challenges will have been ironed out and the “marketplace” will be ready to employ what we believe is an important innovation.

For more information on The Quivira Coalition, visit www.quiviracoalition.org.

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