



Courtesy of Public Lands Council

Cattle and greater sage grouse share public land in Idaho. Several counties and a conservation district have sued to stop the Bureau of Land Management's new planning rules.

## Counties sue to stop BLM planning rule

By JOHN O'CONNELL  
Capital Press

SALT LAKE CITY — Six Western counties and a soil and water conservation district filed a lawsuit in federal court Dec. 12 seeking to nullify a new rule governing Bureau of Land Management decision-making.

Litigants include Kane County, Utah; Big Horn County, Wyo.; Chaves County, N.M.; Custer County, Idaho; Garfield County, Colo.; Modoc County, Calif.; and the Dona Ana Soil and Water Conservation District in New Mexico.

American Stewards of Liberty — a private property rights organization that helps local governments coordinate with federal agencies — will manage the lawsuit, alleging the new rule improperly excludes local governments from BLM planning, affecting 175 million acres in 11 Western states.

Margaret Byfield, the organization's executive director, said BLM violated the Federal Land Policy and Management Act by failing to coordinate rule development with local governments. Furthermore, she said, BLM failed to conduct a National Environmental Policy Act analysis on impacts of the rule, noting the U.S. Forest Service lost

a lawsuit regarding its 2012 planning rule update on similar grounds.

Finally, the suit alleges the update was directed under the U.S. Department of Interior's climate change policy, which also failed to undergo a proper NEPA evaluation.

In a press release, BLM touted the new rule as making land-use planning more accessible to the public, more efficient and more responsive to changing conditions on public lands.

"Allowing additional opportunities for public engagement will improve responsiveness at the local level and help address the challenges of managing public lands in the 21st century," Assistant Secretary for Land and Mineral Management Janice Schneider said in the press release.

From Byfield's perspective, the rule eliminates opportunities for local governments to weigh in so "somebody in New York City has as much say as the local government does in the way they prepare these rules."

Under the old rule, BLM had to consider local plans and restrictions in making plans, thereby resolving conflicts early in the process, Byfield said. She said the new rule places the onus on local governments to notify the BLM about potential conflicts, and

local officials have their first opportunity to weigh in after draft plans have already been released.

Byfield said BLM officials have suggested county leaders weigh in during a special "co-operative agency" process, which occurs behind closed doors, and county participation would therefore violate open meetings laws.

Byfield anticipates the new rule will result in "more decisions based on the environmental agenda and those that oppose productive use of the resources." She said three counties will shoulder most of the estimated \$300,000 in legal fees, but she's established a special account for legal fund donations.

Ethan Lane, executive director of the Public Lands Council, said public lands ranchers support the lawsuit, concerned the new rule changes BLM's goal from managing for "multiple uses and sustained yield" to planning and responding to "social and environmental change."

"This planning process reorganization goes out of its way to minimize those local voices, whether they be county governments, ranchers or anyone else," said Lane, who described the rule as "half-baked" and anticipates opponents will use multiple avenues to attack it.

# Experts predict continued down grain markets in 2017

By JOHN O'CONNELL  
Capital Press

IDAHO FALLS, Idaho — Utah State University agricultural economist Ryan Larsen expects 2017 will be another down year for agriculture, with a global supply glut putting downward pressure on the prices of major commodities after a string of strong production years.

"There's no indicator to point to any major changes in 2017 on the commodities side," Larsen said during a Dec. 7 presentation on the U.S. and global agricultural outlook during the annual Idaho Ag Outlook Seminar.

Larsen predicts farmers will continue drawing on their equity to free up working capital and continue operating. He also expects regulators to downgrade farm loans as producer profit margins tighten, and he expects some banks to be tempted to move toward justifying loans based more on collateral than cash flow — a situation that helped lead to the financial crisis of the 1980s.

"How many years can a bank justify loan exemptions to a borrower?" Larsen asked, explaining grower profitability has in many cases fallen below lender requirements.

Larsen said Russia, Ukraine and Kazakhstan have reported record or near-record wheat yields. Russia also had a record corn crop, and Ukraine corn yields were near record levels. Brazil has forecast a record soybean crop.

Idaho Barley Commission Administrator Kelly Olson said demand for grain is strong, with U.S. wheat use expected to increase 16 percent in the 2016-2017 marketing year, and domestic corn use expected to increase by 7 percent.

But it won't be enough to keep up with a huge supply, she said. Wheat stocks are projected to end the marketing year up 17 percent in the U.S. and 3 percent globally, while



Capital Press File

An agricultural economist predicts 2017 will be another down year for many commodity prices.

ending corn stocks should be up 38 percent in the U.S. and 4 percent globally.

"We've had two or three years of above-average production across the world," Olson said. "We have large stocks of crops, and that's not driving any prices up."

Larsen said a recent report by an equipment manufacturers' association shows an increase in sales of combines and four-wheel-drive tractors. It's a sign to him that farmers are "starting to settle into this moderated price forecast we're seeing."

Within the Midwest, Larsen predicts the coming year will bring increased scrutiny by agricultural lenders and a greater risk of growers defaulting on their operating loans. Larsen ran calculations based on financial information from 500 sample farms throughout the Midwest predicting their likelihood of defaulting on loans.

In 2012, farms in the sample averaged below a 2 percent chance of defaulting. The number rose above 3 percent in 2016 and will likely top 4 percent in 2017, he said.

Thanks to its diversity of crops, he said Idaho's farm economy downturn has lagged the Midwest.

"I think 2017 is going to be a pivotal year in the Midwest, and I think we're still a year or two out in Idaho before we start seeing any major issues," Larsen said, adding producers who have grown their operations at a moderate pace and haven't invested a large percentage of their revenue in machinery or expanded rapidly through cash land rentals should be on more solid footing for the downturn.

Doug Robison, a senior vice president with Northwest Farm Credit Services, said he's starting to see "earnings weakness show up with some producers, but probably not on the scale that Larsen was referring to."

Robison said growers who produce hay and grain have been vulnerable but he still expects some Idaho producers to make profits in 2016.

However, he acknowledged budgeting for 2017 will be a tough task for farmers statewide.

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