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BEGIN TRANSCRIPTION

[00:01 - 00:13] Rick: This [unintelligible] been our executive vice president is basically the CEO of the Colorado Cattlemen's Association for a decade and we're doing the first state talens.

[00:13 - 00:15] Speaker 2: I don't remember it, but that's what they told me.

[00:15 - 00:28] Rick: That's what they tell me. Yes. Terry doesn't have firsthand experience, but I just want to just tell you a very short story to give you some idea of the magnitude. Hello. Just us from Silverdale. [unintelligible]

[00:33 - 00:34] It should be.

[00:36 - 01:05] Rick: Okay, so this is David and Susan, just at the brother and sister act that are going to entertain us. I'm still in there. But tell me a quick story. I'm on the board of the Colorado Cattlemen's Agricultural Land Trust, which is a subsidiary of the CCA, and we're actually the largest land trust in the state right now. And wonderful job.

[01:05 - 01:35] Terry attends all of our board meetings, but there was a number of years ago Jerry came and he wanted to address the board of the Cavanagh Land Trust and he wanted to make sure that our board was not going to take this the wrong way. But Terry was proposing this idea of serving

as the broker between private landowners, where so many of our ecosystem services are because our private lands are biologically by far more productive than our public lands.

[01:35 - 02:12] It's the sort of a consequence of history Terry was coming up with thinking of maybe forming a brokerage service where they would mediate contracts for ecosystem services. And I remember this so clearly because it was amazing. Not only did the cattlemen sire the first of the Western states that have a land trust, the cattlemen, Colorado, Terry was conceiving and even actually more imaginative, much more inclusive, much more powerful idea.

[02:12 - 02:32] And that was trying to capture these revenue streams, potential revenue streams for ecosystem services on private land and get those into the hands of the private landowners. And I walked out of there and I told Terry, I said, I don't think there's a person on that board that has a clue of what you're talking. But he didn't just talk about it.

[02:32 - 02:47] He has formed this Partners for Western Conservation, and he's living the dream now. He's still our CEO, but he's trying to balance this ball, too. So thank you very much, Terry. Welcome to CSU [applause]

[02:51 - 03:19] Terry: Thanks, Rick. Rick always has a unique story on every introduction that he makes that I look back and I really wondered what happened. Because it's great in how he explains things and how he how he kind of tells the story. So let's see a little slightly different perspective of that and can give credit where I think credit's really due. And that's that's the conservation community in the landowners in the state of Colorado and other places.

[03:20 - 03:51] So let me tell you a little bit about myself, a little bit about the Colorado Academy's Association. And I will tell you a little bit about Partners for Western Conservation a little bit later. I'm one of those kids that grew up on a ranch and wanted to stay on the ranch. And I just turned 40 years old and I'm not living on the ranch. And but but that's okay. It's an okay thing because ranches are an interesting animal, not only in Colorado, but in other states.

[03:51 - 04:29] And I'm from another state and they made me use your laptop so you wouldn't see a power cat on the screen from Kansas State University. So that's okay to some land grant university and we all support those. I'm from the Flint Hills of Kansas and before I even knew what conservation was, I knew what ranching ethic was. And my father was fairly attuned to taking care of the land. Maybe not as good as what we could have, but but well enough to sustain a vibrant ranching operation as well as a pretty strong population of wildlife and a natural ecosystem there.

[04:29 - 05:01] All of those things that he nor I, nor most of us that grew up on ranches except in the last, you know, 20 or 30 or 40 years, really have started to understand is that the world is a lot bigger than just cows. And a lot of people have understood that in the West. I'll tell you, you get into the high plains, you get into some of the greatest grasslands, and and there's still a lot to be learned. I say all the time that Colorado's maybe ten to 15 to 20 years ahead of conservation in Kansas.

[05:02 - 05:25] And I'm sure there are places that Colorado weren't otherwise. My father, our ranch operation, our business is big enough for my parents and their family. And it's many of the stories of ranching families. He had the fortitude to at least tell me that I probably should learn and go out and understand things that are going on in other places associated with the ranching lifestyle.

[05:25 - 05:47] And I looked around, I went to graduate school of Kansas State University, undergraduate at Kansas State University. I got one of those cool science degrees with a lot of us look around now that have those and go, It's good. But we've got one of those. I have a bachelor's to science, but there's probably a lot more than went into that ranching business than an animal science degree, really, not me.

[05:48 - 06:25] So I continued that that effort in that room to nutrition degree as well as as a graduate student. Again, nice to have and I appreciate it and I'm proud to have it. But looking back, there are a lot of things that I understand that went on that that landscape that I probably could have studied more deftly than that. Now, luckily, the job that I have at the Colorado Calvin's Association allows me to do and work with great people like Rick and others in the CSU, which I believe is is by far the most advanced institution out there really working in this area, and we're proud to be part of it.

[06:25 - 06:42] Colorado Cattlemen's Association, founded in 1967, the nation's oldest cattlemen's association. So what good that is. But we've learned along the way and we learn to work in a state like Colorado that's very divergent, that we've got to balance things with our ranching businesses.

[06:42 - 07:22] What goes along with ranching that we need to pay a great deal of attention. So we're a cattlemen's association. The cattle are a tool both in management of land for a ranch, but but many other things as well. So our organization 15 years ago, the members of the organization founded the Land Trust, and that's a great conservation tool that that we've done well with and our members have benefited from immensely. CSU has been a part of that, as well as a series of other state agencies, private land organizations, conservation organizations, environmental organizations, etcetera.

[07:22 - 07:54] It is a tool in the toolbox, which philosophically is what our organization's members always wanted. But they don't want a tool. They want tools, they want options, they want flexibility, they want market driven conservation. So about three or four years ago, they were looking around the world as it stands and conservation and said, we've got this great successful interest and we understand the great business. Models tell us that when you're at the pinnacle of your game, you need to reinvent yourself.

[07:55 - 08:30] That's what great companies do and assembly what great conservation is all about too. How do you add another tool to the toolbox? And we'll talk about that too. But they had us explore the country and look at other things. And this notion of ecosystem services, environmental markets really grabbed their attention. So as it stands today, the majority of traditional ranching and agriculture operations out there are really somewhat monolithic in their thought processes and managing their land. They're great stewards of the land.

[08:30 - 08:44] They do a really good job with it. Could they do more? Absolutely. We raised cattle, we raised hay. We maybe do a little bit of hunting on the side, some things along those lines. It's kind of traditional ranching, ranching endeavors, landowner endeavors.

[08:44 - 09:14] But is that all that we can do with the land or many of those things? Tools in order to managing appropriately the land? So as we looked at this term, this new thing that was evolving out there and it's not so new, but it received some new phraseology in the last decade or so. What other services can that land partnered with? And this is a key thing for us in the agriculture community, partnered with that land management.

[09:14 - 09:43] It's working lands and working hands. We will never deviate from that philosophy as landowners. I want to say that again. We will never set aside land for the most part. We may take development off of the land, but we'll never just put a piece of parcel of land out there and not use it in some way and leave it set. That goes against our conservation ethic and certainly our our land management ethic.

[09:43 - 10:28] But if you start to add things in managing for wildlife and watersheds and and water quality and water quantity, are there other deliverables that are working farm ranch can can conceive. So let's digress a little bit. But also it's an important thing that I always like to mention, and Rick mentioned it as well. The Colorado Cattlemen's Land Trust is conserved greater than 350,000 acres in length in the state of Colorado. That's not much of the approximately half of the state's private property, but it's a lot compared to other conservation endeavors. There are certainly groups nationally that concert more of their way older Land Trust.

[10:28 - 10:52] This land trust works for landowners for one reason and one reason only. It doesn't try to change who or what they are. It tries to embrace and proliferate the agriculture endeavor that's taking place on the land. It ties the water to the land, which is an important conservation principle. But it's also important agriculture.

[10:52 - 11:22] Speaker 3: It doesn't try to go out and look at a landowner and say what you're doing is wrong and in fact tries to help them manage that land and preserve that land better. And so for that reason, your demands, what, two to three fold for what you can accomplish? Yeah, it's a limiting factor of money and time. And you don't take all of the easements that you people come to you with. I would venture to say 50% of them either leave because this land trust isn't right for them, or maybe the landowner is a right from the land trust.

[11:23 - 12:02] So where are we at in Colorado between and these are my my calculations I think think these are actually little Shaffer information but between 1997 and 2002 and this is factual information, Colorado lost 1.26 million acres of land, over 690 acres a day. That's quite a bit, right. I mean, in many cases, if you get into the mountains and you tie that with federal land holdings, that's a whole ranch, a day that went away in Colorado or in many cases staggered.

[12:05 - 12:07] Speaker 4: It's time frame?

[12:09 - 12:35] Terry: 97 to 02' and that probably would have been kind of a boom period in Colorado where land conversion was at its pinnacle, But it is estimated by 2022 will lose an additional 3.1 million acres of land in the state for a variety of reasons. Anything from generational transfer issues such as young people not wanting to come back to the farm and ranch.

[12:35 - 12:57] You can see she does a great job. You raise people to be young people being bright and intelligent. And when they come home, you know, unfortunately, you give them these neat budgets that they're able to do the income and the extent that's really bad for actors when they come home to the income and expense side of the budget for ranching operation, it doesn't always equate to, yeah, I'm mistaken.

[12:58 - 13:22] Sometimes it says, you know, there's a nice, equitable job in town somewhere. I'd rather get. But that being said, there are other things. Death tax. Colorado is Colorado is highly divergent in the sense that it isn't the easiest place to be in agriculture. We have a lot of urban neighbors, leads to conflicts, leads to lawsuits.

[13:22 - 13:41] Our producers and our organization today are spending as much or more time off the ranch and on off ranch issues as they are on the ranch, because they're having to deal with species issues and they're having to deal with land use issues. They're they're dealing with agro literacy issues.

[13:41 - 14:07] They're dealing with issues associated with perceptions of agriculture. And so this is all leading to kind of a theme here. How do we better educate and inform and and communicate about agriculture and what its benefits are? The trust of the Conservation Trust estimates that there's about \$1 billion gap in funding to curb land conservation.

[14:07 - 14:32] I think most of this was for easement work primarily, but it's still an indicative factor that says \$1 billion is a lot of money. The federal government is broken, right? States are broke. Right. Counties are getting there. Right. So where does that funding shortfall come from? Myself, my personal philosophy is, is that maybe we don't need more money.

[14:32 - 14:00] We just need to use what money we have more wisely. We'll see go. We're one of the few states that has a mechanism for funding conservation like Great Outdoors Colorado. They can only fund one in three projects in the state. Cattlemen's Land Trust does a great job securing a lot of that money. It's not enough. And conservation easements aren't the tool for everyone. They're a tool.

[15:00 - 15:28] So we know that we need more diverse tools and we know that we need better funding, more funding mechanisms. It's a small Christmas list, isn't it? So as we kind of set the table, if you will, related to conservation, and we look around the country and we say, what are we given what what are the demographics? 71% of our land is in private ownership in the United States.

[15:30 - 15:56] So logic tells us that we've got to find a way if we're going to be successful with conservation and the things that can go along with conservation, preservation of food security, national security, things along those lines. So we've got to work with private landowners. And guess what they're doing, right? I'm looking at myself when I say that in the mirror. We can be a fickle group of people.

[15:57 - 16:42] Rick sits in these Easement Land Trust board meetings, and we may quibble over the very smallest of things. Right. What type of fence is out of our business? That's someone that's the this business, you know, how will the water reuse things along those lines? Colorado, for instance, got about 36% roughly, you know, a little more than a third of our land is is public land. So let me give you the demographic In Colorado, 66 million acres. 33 million of that's in private

landowner ownership. Right. Most of that 75 to 80% of that is in agriculture management has leased property or owned property.

[16:44 - 17:18] Speaker 3: It's a huge private land reservoir. Most of that is in livestock grazing. I stole this. From one of your friends. But it's a great slide because I do believe and I think many of the conservation organizations are starting to believe and have believed the landowners play a tremendous role in private land. In all conservation. Private landowners can and are the future of conservation.

[17:18 - 17:44] They want to be the future. Not all of it. One general idea, but many of them want to be over 10.4 million individuals. I'm just going to read this because it's that good partnerships and corporations manage over 264 million acres of private forest land, over 938 million acres of cropland, pasture land, rangeland owned and managed by 2.1 million farmers and ranchers.

[17:46 - 18:10] And I love this next statement. The care of 50% of our land is in the hands of two percent of our citizens. I don't know if this slide goes on to say, but that two percent as it always has been, is rapidly. There's a tremendous. Time period that's before us and agriculture, where those lands are going to start to move to the next generation.

[18:10 - 18:33] It's not far ahead of us. Lou, you're the sociologist in the room. I'm going to point you out at the Swans and he can he can answer these questions for you or at least give you what the demographics I don't know if you can answer it. You can tell us what's happening out there. The rural society, the agriculture society, the landowner society that exists out there is always aging. It's a given, but there's a great big group of them.

[18:33 - 18:52] As with any company, whether you talk to the Forest Service and the fact that or a USDA talked to the fact that that 50% of their their employee base is ready to retire in the next few years, agriculture is not a lot different, except they retire in a different way. They kind of retire at the end of their lives on the ranch.

[18:52 - 19:15] They remain part of individual landowner steward. About 70% of our wetlands, 70% of our endangered species. So think about this. When lands were settled in the West or anywhere else, where do you think human beings naturally gravitated toward? Probably the best minds, right? It's logical where there's water and they're fertile soils.

[19:15 - 19:44] What do you think? Most of species gravitate toward the same place. So it only stands to reason that critical winter habitat, endangered species, habitat and things like that going to

exist on private lands. So you're all by this point, gathering my bias, right? Slowly but surely, we do have a lot of national forest landowners in many places play a role in that. When you look at livestock grazing.

[19:46 - 20:07] So smooth forward a little bit. I only make. I only pull from this slide to kind of denote a little bit of the shortcomings. It's not important if you can't read it, but what it does. It does talk to and speak to is that federal funding isn't the answer entirely. There's the funding shortfall for all of our conservation progress.

[20:09 - 21:08] Colorado participates in all of these equip programs that help us develop water springs, be more efficient for both livestock and wildlife, preserve rivers to easement based programs like the Farm and Ranch Protection Program. That's changed a little bit of terminology GRP, Grasslands Reserve. There's tremendous funding shortfalls in the tunes of tens of hundreds of millions of dollars that exist out there. Colorado year before last, had one GRP easement. I think there may be more this year. A lot of those GRP easements go to small, very small landscapes in the eastern part of the country with programs, wildlife, habitat. In cities, there's shortfalls in federal funding. It's about \$133 million out of the 2005 census figures.

[21:08 - 21:38] So the thing that we know, again, is, is that more diverse tools and funding are needed. We don't have enough money. We'll never have enough money or maybe we do. So partners for Western Conservation. Our membership had us take some field trips across the country and do a little bit of a liberty. And they said what other tools exist out there that are more hands on conservation, more prescriptive in nature?

[21:39 - 22:09] Easements are great large landscape conservation tools, but they're somewhat passive. We've argued for many years, Rick, and unsuccessfully, to say that just by not developing the land, you're going to get 90% of the conservation return that you want. That argument really, in my opinion. We've not gotten mainstream to really grab a hold of that. You may get them to gravitate toward if you never develop things and you do it perpetually, that you'll get there.

[22:10 - 22:38] Landowners never gravitated toward that unilaterally either. So there's a little bit of a divide there. So we went to Texas and we had a conversation about a species credit system. We looked at what was being done in California and a few other states related to ecosystem services, wetland banks, conservation banks. There's a whole litany of things that exist out there. And we said, you know, it's all market based, it's incentive orientated, much like easements.

[22:39 - 23:09] There may be is a tool out there that we can get more landowners to participate in. If it's more hands on conservation, more prescriptive conservation, and that it allows for a greater degree of flexibility. Maybe it isn't perpetual, maybe it's temporal, maybe, maybe it isn't necessarily non developed, but maybe it's actually some sort of tool that can also diminish listing of species.

[23:10 - 23:44] There's the world. The world could be opened with things like simple contracts for conservation. We also knew that we didn't want to take the place of what other organizations were doing. There's no sense in creating another organization the leash funding off of the system. But our landowners said that there wasn't another organization out there, that they really felt a tremendous degree of conflict with, and they wanted something that would have a landowner flair and essence to it, but also be diverse in nature.

[23:44 - 24:16] So public was founded. We had a few progressive companies outside of agriculture actually just stepped forward and said we would have interest in this too. Let's let's get you incorporated, Let's move forward. So so we did that. And that organization today has some basic mission principles to implement market based conservation and ecosystem programs. We want those to benefit wildlife, environment, landowners and the regulated community.

[24:17 - 24:36] What is an ecosystem? What is the ecology? What do we always leave out of that? That's probably the most impactful on an agency's loop. Humans, maybe. Yeah. We never consider humans when we talk about an ecosystem.

[24:36 - 24:53] So we put that in there. When we said landowners and regulated community, we thought it's better to put that right up front and let's be honest with ourselves that it's going to entertain all of those things. Humans have to be part of the part of the equation. Why use science? Science is important.

[24:54 - 25:16] We utilize the term, but it's also very important if you have one, that long term conservation that it needs to be scientifically based, needs to be baseline and proven throughout the system. We need to provide assistance to landowners and conservationists alike and resources are important in education is imperative because we don't tell our story and we don't communicate that along the way.

[25:16 - 25:37] We're going to be in the same place we are now when the next generation has the same conversation. One good thing about being an old organization is you can go back on your history and you can read about it and you can see 50 years ago or 60 years ago, we were talking

about the exact same things then as we're talking about today. And some of them we started to solve, but some of them we haven't.

[25:37 - 25:50] But one thing we know by looking at our history and seeing it a couple of times, the same discussions, we know our future is going to be the same. So we're on the right track. At least a community of partners is important.

[25:50 - 26:10] There's many landowner collaboratives out there. There's there's landowner conservation collaboratives out there. But again, not to recreate what everyone else has done, but to simply be an implementation body. We knew we needed to have those entities around the table. Then they needed to be committed to conservation, stewardship of land, water and air and wildlife.

[26:12 - 26:44] So we wrote that box and we created a little organization and we invited some individuals to be on the board. And we decided through that approach or through that mission and through that vision, that we would have essentially four approaches. Again, envision that this is all a simple collaboration of individuals that can agree on an approach and that landowners, private landowners and maybe lessees, permittees.

[26:44 - 27:05] We're not there yet. We'll get there someday. It's hard for agencies to envision someone else benefiting from adjusted management on someone else's problem. But we'll we'll get there that that we look at strictly implementing a variety of approaches. So those are kind of in four quadrants, independently organized private transactions.

[27:05 - 27:29] So as we look at across the world, privately funded for private and regulatory needs, regulated entities such as the oil and gas community, the transportation, home builders, things along those lines, those people that conventionally are looked at as being impacting conservation or impacting natural systems, they have regulatory needs.

[27:29 - 27:59] Mitigation is not a foreign term. But what is foreign is a passive negation in some cases that engages landowners that are maybe neighboring those entities. They will pay for that kind of mitigation. They will pay for it to be implemented in a scientifically relevant way that's efficient with their resources. I think landowners can do that. We're going to talk a little bit about how a transaction actually can take place a little bit, but they're also publicly organized for public benefit.

[27:59 - 28:25] So we know that agencies have participated long time in in conservation with Lithia Farmville programs. They have a litany of EPA programs in a litany of of Fish and Wildlife Service

programs that are out there that they fund for some specific reason because a group of public or government felt that that that that program needed to take place.

[28:25 - 29:14] And those will still continue to evolve in the future. And there are those that are relatively untapped, at least from a landowners perspective and a conservation perspective that we can look at one that's kind of emerging and we've seen this on the recovery side of things and we've seen this on maybe wetland banking and some things along those lines, some conservation banks is this notion of trading credits so that I could be I realize that over a period of time that I may have an impact on a system or a specific animal or habitat and that I maybe would want to purchase some credits upfront, be an early actor with the assurance that when I do have that impact, that there's a system that recognizes that I can then get it my bank over here.

[29:14 - 29:43] And it really wouldn't slow me up tremendously in my development. Highways use this a lot with wetland banks, but there's this notion that most of these trading credit banks are a little bit reactive versus versus not. So some of the things that we're talking about now is how do you do this for, for instance, candidate species or species that are listed Yet that really would be nice for all of us around the table to not have list. That means we're doing a good job.

[29:44 - 30:29] And then this whole new realm of consumer or advocate, preferred purchasing, branding and investing type of type of conservation. There's some groups out there right now that are that are actually physically owning land. I've been in a personal conversation about with an organization that that would like to develop itself as a tradable investment whereby they have they have some sort of portfolio of real land conservation and management intertwined in the one that they could invest in and ultimately get return out of at some point in time as well as ongoing consumers are not ignorant.

[30:29 - 30:59] We know that in the beef industry really well and we know that we are a consumer market orientated industry and conservation can't be anything different. So just because the bottle of cleaning solution is clear and it has an eco friendly label on it doesn't always mean that it's friendly to the environment, right? So we know that if we're going to do something that's consumer based and we know we know that those companies realize that, that it's got to actually mean something.

[31:01 - 31:35] So everybody that we've talked to on a corporate level that is interested in investing, their first question is, is now you're really going to have some sort of guarantee in place so that we can elicit. Straight to our customers and more importantly, our our shareholders that we're actually doing this. We're not just throwing money somewhere to get somebody to sign off on a piece of

paper that says we're conservation minded. So companies are becoming becoming very interested. You probably know about this when we've talked about the Coca-Cola project that's out there.

[31:35 - 31:57] Coca-Cola has a very distinct interest in mitigating the water that's used to process their product, but the actual water in the bottle goes into their product. But everything that that goes into the production of that, they're very interested in that. As a beef producer, we're very interested in watching what our major marketing arms do as well.

[31:58 - 32:12] Walmart, as an example, is a company is going to develop a sustainability or greenness index for all products in their store. And the beef industry is looking around at this point in time saying we've got a lot of things that are kind of underway out there. Nothing really perfected.

[32:12 - 32:32] We don't even know what the carbon footprint of our product may be. Exactly. We've got a great idea. But as I look at it, as I look at that, what Walmart's trying to do, whether it's through their greenness index or their locally purveyed products, what sort of market incentive are they going to offer in order to deliver those products to consumers in one?

[32:33 - 32:57] So I'm interested in Walmart's approach here as we watch them long term. Are they going to be a company that's actually embracing what their consumers want and need and they're prepared to prove that or they accompany this simply going to be arbitrary and in approach not to offend anybody. I'm I'm very interested in that. I think the consumer base would be very interested in that as well.

[32:58 - 33:27] So this is actually pretty simple when it comes to responsibility flows for organizations. But this is a this is essentially how a contract and a project works within partners for Western Conservation. The organization's sole functions are to negotiate contracts, manage those systems, facilitate contractors, and ultimately maintain the the agreements.

[33:27 - 34:01] They'll have a series of technical committees that they work with, and they don't do anything more or anything less than that. They bring everybody around the table. It's as simple as a company approaching us, and there will be one that I'll meet with tomorrow morning and have a pretty extensive conversation. It's a project that has not been there hasn't been one like it completed in 60 years in the United States. And they will have an environmental impact that they have to mitigate. Yes.

[34:01 - 34:11] Speaker 2: So just so I understand that the purpose for Western conservation is is the Cattlemen's Association, the originator Of this work?

[34:11 - 34:34] Speaker 3: They are. So let me let me back up and explain that very clearly. BWC division for BWC was created by the Colorado Counties Association. We recognize a couple of things. One is, is that it needs to be a separate organization for the sheer fact that if you want people to be part of it and to work with it, it has to be independent enough from CCR that they'll they'll trust it.

[34:35 - 34:58] I think we're an integrity based organization, but we also recognize that to have organizations like Environmental Defense and the Nature Conservancy and CSU and others around the table, we need to be somewhat independent of CCN. Now, let me tell you the rest of the story. CCA points to a fair amount of the auditors, not the majority in their landowners.

[34:59 - 35:32] The rest of them, the rest of the appointments come from the board. The the, the initiating landowners that are on the board here approach to environmental defense. And they have an entity that sits on the board. So there are four, four landowners, three of which CCRA appoints, one of which another statewide agriculture organization, in this case Farm Bureau points there's a commercial interest and that individual is currently held by an oil and gas company, Gilbert Corporation, and an individual in that company.

[35:32 - 35:51] It's fairly progressive and trying to change how the country does a business related to their environmental impact. The Bottom Defense Fund is an entity that believes a landowner and a conservation, and they hold a seat on this and we're invited because of their evolution in conservation related to private landowners.

[35:52 - 36:09] They're an organization that was suing private landowners at one point in their life, and now they're actually developing programs with them. So we thought that that was a huge milestone. There's also a seat that remains vacant today, and that's for a the wildlife entity.

[36:12 - 36:27] Speaker 3: The board is pretty strident in their belief that it needs to be somebody from the state game management agency vision while we've yet to get them to agree to participate. But the seats theirs and the subset

[36:28 - 36:30] Speaker 2: In the scope is Colorado or?

[36:31 - 36:50] Speaker 3: It's a national nonprofit. It was created by Coloradans essentially for Colorado. But they believe also that that if this organization can serve anyone anywhere else, they're happy to do it. We've met with with groups from other states and have conversations.

[36:50 - 37:11] And if we can help them in any way, we would be glad to, because it isn't an easy endeavor to fund one of these things with very little income coming in. So the Cattlemen's Association agreed to do that. So and it's also not a cheap thing to an inexpensive thing to create the organization.

[37:11 - 37:32] So we've done that as well with some assistance. And if someone else can, we can help them get up and running. We agreed to be able to do that. So that's a little bit about what it looks like structurally. They have an administrative contract that is offered and accepted by the Colorado Towns Association to do the work.

[37:34 - 37:47] In all essence of transparency that the contract is is a contract that we're fulfilling for for no income at this point in time, because we believe that our members believe it

[37:48 - 37:50] Speaker 2: And the money comes from where?

[37:50 - 38:02] Speaker 3: So let's walk through a transaction right quick and we're going to use the hypothetical. We've got 2 or 3 in the queue right now. Some of that stuff's a little bit proprietary because of the negotiations that are taking place.

[38:02 - 38:30] But let's use what Colorado let's use let's use a gas company in greater Sage Grouse Ranch that currently in order for them to get a permit in Colorado, they've got to supply certain. We'll just call them conservation strategies, things that they have to do in order to avoid, minimize and mitigate their impacts on the sage grouse habitat as well as the arms company.

[38:30 - 38:58] That company will come to partners to say that we are going we are seeking permitting in this area, let's say Moffat County, for 100 wells. And to get those wells permit under state law, we've got to we can avoid minimize in some cases, but in some cases we can we're going to have an impact. So we've got to mitigate that impact. So here are the here are the things that we want.

[38:58 - 39:28] We want landowners to alter their management of their lands in order to create an additional conservation effect for the greater sage grouse. We want them to not remove sagebrush. We want them to alter grazing practices in times of nesting things along those lines, we have them put in specific watering, different type of fencing, things along those lines.

[39:28 - 40:01] And also as a company, we're going to do other things. We may, we may we may do some directional drilling and some things along those lines. So it all kind of goes into the mix. Most

of the time. Those companies have all done their baseline work already. They know what's out there and we utilize that information both in the resource and the animals. And we put together a conservation plan with the assistance of, in this case, let's say the Division of Wildlife, Colorado State University and Environmental Defense Conservation Organization.

[40:01 - 40:24] So this this side of the table. And actually, it would it would kind of flow to the other side now that the grouse is a candidate species. So we would involve the Fish and Wildlife Service as well. There's a lot of negotiation that goes on in these discussions, and there's a lot of changes that will take place, whatever that conservation plan looks like.

[40:25 - 40:50] But we'll ultimately get to a point where the company has been able to negotiate something on supplies for their firm and they've done it in a least cost or more efficient way because with these with these temporal type contracts, they're able to put more conservation dollars out on the ground in a wider area and have more prescriptive conservation effort in place.

[40:51 - 41:17] The negotiation unilaterally exists with division of wildlife in this case and ultimately for the oil as well, because they have to be sufficed to the conservation major before the Oil and Gas Commission will offer them or offer the company a permit. So we'll deal with W to to negotiate management agreements and what a contract will look like.

[41:17 - 41:50] And it will work for the company and then we'll come back within Partners for Western Conservation, having negotiated what that will look like and we'll offer a request for proposal and it will go out to landowners in the geographic area. And we'll ask landowners based on what is in that RFP to stipulate what they're willing to do, how they're willing to do it in concert with RFP and ultimately what they'll charge for.

[41:52 - 42:33] So in agriculture, we're very familiar with auctions and that's the way you maximize income and maximize quality. In this case, what you're doing is you're putting that out and you're allowing for a competitive bidding situation to take place on the RFP. Like state contracting works, etcetera. And then the company will look at those RFPs and proposals that come back in and they will sort through them and then do an interview process and discussion with the landowners and make sure that everybody's clear on what they bid in and how they bid it in.

[42:33 - 42:42] What do they said? And the company doesn't always take the lowest bidder. They actually we've seen them gravitate toward maximize the conservation.

[42:44 - 42:51] Speaker 2: So it's a company that contracts with the landowners and pays them. It's not [unintelligible] for Western.

[42:52 - 43:19] Speaker 3: Partners is the conduit. We're an implementer. And I'll explain how the dollar transaction takes place because there are several opportunities there. So generally, we'll be over the life of a well, there'll be a couple different levels of constant conservation. There'll be more intense conservation. It takes place when drilling takes place and then that'll taper off throughout for reclamation. So 20 to 25 years on the example that we're using here.

[43:20 - 43:48] Once a company chooses a suite of landowners or a landowner that they want to enter into a contract with, that's the other thing that partners will do is we bring attorneys in, we bring in contractors, and we bring a series of individuals in to actually finalize the contracts. There may be a series of those contracts. They may be between partners and the landowner and the oil and gas company.

[43:48 - 44:15] Division of Wildlife may emerge in those. CSU may be a part of those a series of entities because there's ongoing stewardship that needs to take place as well as we have the baseline. But we also need to major on an annual basis Or somewhere there about what sort of conservation practices are taking place and what they're meeting on the ground. So partners will facilitate that. We'll also facilitate the contract.

[44:15 - 44:47] So for a landowner, a landowner doesn't always have to build the fence. We're put in the water. Treatment will facilitate that. The other beauty of that is that we get paid to do it when we pay the contractors. So there's not a taxable moment for the landowner so they don't have to deal with that issue either. So that's a secondary positive for the landowner is they don't have to receive income and then expend the dollars to the contractor to build the fence or the water treatment or the or the water improvement.

[44:47 - 45:23] And then have to go through what always isn't necessarily a 100% deduction for that, but that gets into some of the accounting detail. So once those contracts are finalized and the activity begins again, there is some ongoing stewardship that has to take place. And that's where partners will work with CSU or private entities to go out on a some sort of reoccurring basis and ensure that the practice is taking place as prescribed by the contract. And then we'll also try to measure what sort of what sort of impact that practice is having.

[45:24 - 45:58] So in the case of sage grouse, are we seeing more birds in the area? Are there new leaks showing up or is there a higher nesting and hatch success rate, things along those lines?

[unintelligible] you also play a significant role in that. So it's really something that landowners are comfortable with because landowners have dealt with expansive periods of time. And volume contracts. Contracts aren't afforded. They're familiar with them. Companies aren't formal contracts. They're familiar with that. Agencies aren't for the contracts are familiar with them.

[45:58 - 46:15] The example that I just gave was for mitigation on only mitigation. There are a series of other things that we can use as tools. We can use things like candidate conservation agreements. And I'll show you some of those. But let's run through actually, that's interesting. We'll see we'll get there.

[46:19 - 46:50] And [unintelligible] what I did. Okay. So let's talk about the the conservation benefits that exist here. In this type of new strategy to get conservation on the ground. The positive thing is you're going to secure habitat across the wider geography to offset losses. It's very expensive to buy land.

[46:50 - 47:09] In some ways it's very expensive and easy land, and it's more of a passive conservation tool. This is more of a prescriptive conservation tool. So we know that we can spread money further. There's a net gain and suitable habitat for species. So all of these contracts, be it for mitigation or whatever, can't just be a one to one offset.

[47:09 - 47:40] Additionality is important. You've got to go above and beyond what the Impact is to really have it be meaningful for people. The big thing that not only agencies see value in the conservationists see value in this. So there's a huge reservoir of the unknown out there related to natural resources. Species and habitat. We groundtruth this with the assistance of CSU and southeastern Colorado. There's something called the. Southeastern Colorado Biological Inventory. Our Land Trust participate in a group of landowners in that area.

[47:40 - 47:55] Participating landowners have a great sense of what's there. They just don't know how to measure day in day done. After both of those inventories were done. Part one. Part two. There were species that existed down there nobody knew existed in Colorado. Okay?

[47:57 - 48:22] Landowners saw them, but they weren't sure what they were. Restoration of important ecosystems on public and private lands. So that's one side of the equation that we get for the conservation community. What's in it for the landowner and the business side of the community? We keep working, lands, working. There's operational certainty for a variety of industries, which is important because of the ecosystem we live in it. It entertains people as well.

[48:22 - 48:56] There's a long term benefit to species not being listed. We've got to get ahead of the conservation curve. We're not we don't have the money. We don't have the resources, we don't have the time. So we've got to think about these new tools in order to get ahead of when species are being listed. And then we become reactive. It is a proactive approach, so it maintains land use. I'm going to skip over this right here because I think, you know, you know, the point that I'll just make off of that previous slide is, is that regulation is expensive and it's reactive. And the day to rely.

[48:56 - 49:14] On regulation for conservation is over my opinion. We've got to get ahead of the curve and become more successful. We talked about mitigation agreements. They're widely used. They can be banked in Colorado oil and gas. Transportation builders are the ones that are primarily using those.

[49:14 - 49:43] They work on and off site grant localized. You can't mitigate an impact in another state or something. It's been trying. That concept wasn't really successful. And we can do it with both listed and non listed species. Briefly, I'm going to point out tools that exist within the federal system Fish and Wildlife Service and BLM and Forest Service Canada Conservation agreements and candidate conservation agreements with assurances. One on federal lands, two on private lands.

[49:44 - 50:22] These are agreements that have been used throughout time, but with the Fish and Wildlife Service, they're a proven tool. They're tools that are now landowners and permittees are starting engaging fairly successfully. They're very expensive and time consuming partners can hold a candidate conservation agreement and actually offer it to the Fish and Wildlife Service for their use it. It's a candidate conservation agreement and I can get you information on a candidate conservation agreement with the surance. Rick can also help on that we talked a little bit about credit systems. This is something that we're working with environmental defense today.

[50:23 - 50:35] The format quite right, it's to try to see if we can come up with a credit based pilot project in Colorado. For candidate species. So I'm going to kind of leave that at that because we're trying to get a foothold in that doorway.

[50:36 - 51:03] Because we really think that that's a that's an important thing. So here's my synopsis of why PDC was needed and essentially what our membership was telling us. Regulation doesn't work. But regulators do this is a food issue as well. The UN's telling us that we need 70% more food by 2050. That's as much food as we've produced in this country in the last 12,000 years.

[51:05 - 51:19] And the only way you're going to get that is to have viable agricultural entities out there. So this is a win win for everybody. If we can invest through conservation back into ranches

and farms and keep them ranches and farms, your secondary effect is going to be that you're going to eat in 20 or 30 years.

[51:21 - 51:32] It's diversification for agriculture. This is the point. We have to tell our members repeatedly because they look at this and they say, well, I'm selling out my heritage. I'm not raising cattle solely just. Because I want to raise cash.

[51:32 - 51:33] Speaker 7: That's okay.

[51:34 - 51:44] Speaker 3: There are other business endeavors that a lot of companies participate in and they honor their heritage. And it's an okay thing. Active conservation of resources, not passive and hoping for the best.

[51:44 - 51:59] We're doing that today. We're hoping that we put things on the ground. We're hoping that we invest in conservation. And ultimately, what does it mean in the long run? We have to measure what our effects are. And if they're not meaning. Something, we have to change the way we're doing business. We have to sideline.

[51:59 - 52:41] Emotion and reinvest in our in our institutions and our own operations on a scientific level. We have less dollars. And it's a conduit for agricultural literacy. This is this is this slides a lot for our membership, but it's also, I think good to show others is that we need to start to communicate what agricultural operations, land owners can do for society as a whole. Beyond just providing meat, if you choose to be. Beyond providing weed, if you choose to. Thank you for that. There's a lot of other benefits that agricultural. Lands as a reservoir of resources out there can provide the society as a whole.

[52:42 - 53:08] Speaker 3: This is a new way of doing business. I'm going to leave you with two points. We're actually doing some work today, but we're very much drawing a philosophical line in the sand from an agricultural landowners perspective. A lot of this is yet to be evolved. You can't simply walk through the door. You can try. Today, the Colorado Cattlemen's Association say, I want to be paid for providing x habitat. We'll put it out there for you. There are groups that are doing that. I'm not going to guarantee.

[53:08 - 53:21] Speaker 7: You, though, that you're going to get a phone call back from us really quickly saying somebody wants to pay you. So we've got to change the way that business is being done. And the only way that we're realizing we can do that and we've tried to do it just through.

[53:21 - 53:42] Conversation is to actually put projects on the ground and actually propose projects to those that ultimately can tell us if we can do them or we can. And guess what? We'll get them done, We're getting them done and I think we'll see measurable difference. So I appreciate your time. I appreciate the opportunity. Be glad to hang around and answer questions, but I think I'm up against about two minutes.

[53:43 - 53:56] Rick: Thank you. That was great. [applause] And finally, if we have any questions, come up and talk to Terry, because I know people have to go to other classes and other needs. That was fantastic. Thank you.

[53:56 - 54:01] Terry: Thanks for having me on.

[54:02 - 54:02] Speaker 5: Yeah, there's a lot

END TRANSCRIPTION