

## **POINT REYES NATIONAL SEASHORE NOT CHARGING FAIR MARKET VALUE FOR RANCH LEASES IN THE SEASHORE**

The Point Reyes National Seashore (PRNS) issues leases, permits and lease/permits ((all of which are hereafter called “leases”) ranchers. These leases cover (1) beef cattle grazing without residential use, (2) beef cattle grazing with residential use, and (3) dairy cow ranching<sup>1</sup> which always includes residential use, although in a couple of cases the dairy lessee has also leased land without houses adjacent to the dairy lease to increase the size of the dairy operation.<sup>2</sup>

As detailed below, it is clear that PRNS is not charging anything close to Fair Market Value (FMV) for these leases. In fact, PRNS is not even recouping its administrative costs for administering this ranching program.

This analysis is based on the PRNS leases contained in the PRNS website.<sup>3</sup> All of these leases expired many years ago and have been extended periodically with letters of extension. The letters of extension are not on the PRNS website.

However, PRNS admits that there have been no changes in rent amounts for at least the last ten years. The analysis below focuses on the year 2021 because that was the most recent year the USDA published the average grazing fee rate for the State of California.<sup>4</sup> As noted above, the USDA collects data on what the average price is for grazing in each of the western states, including California.

While we could find no data on average prices for grazing in Marin County, California, where PRNS is located, there are data on what the average price is for renting homes in Marin. That information has been used below to calculate FMV for ranch leases that include residences, as well as the residences themselves.

### **PRNS CATTLE GRAZING WITHOUT RESIDENTIAL USE**

By way of comparing what PRNS charges for cattle grazing, below is a USDA table showing what the average rates were for cattle grazing in California (and other western states) in 2020 and 2021: <sup>5</sup>

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<sup>1</sup> While in many places dairies are called “dairy farms,” here they are called “dairy ranches.”

<sup>2</sup> This report only addresses PRNS. However, an analysis of the ranch leases administered by PRNS in the Golden Gate National Recreation Area would reach the same result as this report because they are managed identically.

<sup>3</sup> [https://www.nps.gov/pore/getinvolved/planning\\_ranch\\_cmp\\_leases\\_permits.htm](https://www.nps.gov/pore/getinvolved/planning_ranch_cmp_leases_permits.htm)

<sup>4</sup> Normally one would look first at comparable leases of beef and dairy lands outside PRNS to help determine the fair market value of PRNS leases, but comparable ranch properties for rent in Marin or anywhere near Marin could not be found.

<sup>5</sup> [https://www.nass.usda.gov/Statistics\\_by\\_State/California/Publications/Livestock\\_Releases/Grazing\\_Fees/2022/202201GRAZFEE.pdf](https://www.nass.usda.gov/Statistics_by_State/California/Publications/Livestock_Releases/Grazing_Fees/2022/202201GRAZFEE.pdf)



## Pacific Region Grazing Fee Rates for Cattle

Cooperating with the California Department of Food and Agriculture, and Hawaii and Nevada Departments of Agriculture  
Pacific Regional Office · P.O. Box 1258 · Sacramento, CA 95812 · (916) 738-6600 · (855) 270-2722 Fax · [www.nass.usda.gov/ca](http://www.nass.usda.gov/ca)

Released: January 31, 2022

### Grazing Fee Rates for Cattle – States, Regions, and United States: 2020 and 2021

State	Survey average rates <sup>1</sup>					
	Animal unit <sup>2</sup>		Cow-calf		Per head	
	2020	2021	2020	2021	2020	2021
	<i>dollars per month</i>	<i>dollars per month</i>	<i>dollars per month</i>	<i>dollars per month</i>	<i>dollars per month</i>	<i>dollars per month</i>
Arizona .....	10.00	(S)	(S)	(S)	(S)	(S)
California .....	23.50	22.00	27.50	27.60	19.50	24.00
Colorado .....	19.50	19.50	23.00	23.50	20.00	20.00
Idaho .....	18.50	19.00	22.50	22.50	19.50	19.50
Kansas .....	20.50	22.50	25.00	27.00	25.00	28.00
Montana .....	23.50	26.50	26.00	28.00	24.00	26.00
Nebraska .....	47.00	49.00	55.00	58.00	44.00	44.00
Nevada .....	(S)	(S)	(S)	(S)	(S)	18.00
New Mexico .....	16.50	16.50	18.50	(S)	16.50	17.00
North Dakota .....	21.00	23.00	(S)	25.00	(S)	(S)
Oklahoma .....	12.50	11.00	13.00	(S)	13.50	11.50
Oregon .....	18.00	18.50	21.50	21.50	20.50	21.50
South Dakota .....	27.50	33.00	34.00	38.00	33.00	37.00
Texas .....	11.50	10.00	15.00	(S)	16.00	14.00
Utah .....	18.00	18.50	(S)	20.00	19.50	19.50
Washington .....	14.50	14.50	(S)	(S)	17.00	(S)
Wyoming .....	22.50	24.50	25.00	25.50	24.00	24.50
17-State <sup>3</sup> .....	20.60	21.20	24.40	24.70	22.70	22.80
16-State <sup>4</sup> .....	23.50	24.90	27.40	28.70	24.80	25.70
11-State <sup>5</sup> .....	19.80	20.70	23.10	23.60	20.50	21.90
9-State <sup>6</sup> .....	20.80	21.30	24.70	24.90	23.30	23.00

(S) Insufficient number of reports to establish an estimate.

<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 rates. Cow-calf rate converted to animal unit (AUM) using (1 aum=cow-calf \* 0.833).

<sup>3</sup> 17 Western States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

<sup>4</sup> 16 Western States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.

<sup>5</sup> 11 Western States: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

<sup>6</sup> 9 Great Plains States: Colorado, Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming.

Note that there are three columns for grazing fee rates, namely “animal unit,” “cow-calf” and “per head” and that the fees for California range from a low of \$22.00/head for “animal unit” in 2021 to a high of \$27.60/head for “cow-calf” in 2021. PRNS uses the phrase “animal unit” (“AU”) in its leases to mean “cow-calf” and uses the term “animal unit month” (AUM) to mean a cow and calf on a monthly basis.<sup>6</sup>

Marin land values are among the very highest of all the counties in California. Thus, the \$27.60 average for the state is probably below what grazing land in Marin County would lease for between private parties.

## WHAT PRNS HAS BEEN CHARGING VERSUS WHAT IT SHOULD HAVE BEEN CHARGING FOR CATTLE GRAZING

### NPS Must Charge Fair Market Value for Use of Its Property.

<sup>6</sup> There are two columns in the USDA table for “animal unit” and “cow-calf.” The difference between these two figures is that the cows (with a calf) under the two “Animal Unit” columns were assumed to weigh an average of 1,000 pounds while the cows (again, with a calf) in the two “Cow-Calf” columns were assumed to weigh 1,200 pounds. See fn. 2: (1,200 x 0.833 = 1,000 pounds).

Two laws that require NPS to charge fair market value (FMV) for use of its property are 54 U.S.C. §§102102 (for leasing buildings and “associated property” and no bidding is required)<sup>7</sup> and 54 U.S.C. §102901 (not applicable to “national parks” per se but applicable to other classes of the national park system, such as Seashores and Recreation Areas). 16 U.S.C. §470h-3 is another leasing statute. It only applies to leasing historic properties and does not specifically require FMV, but the two preceding statutes do and the regulations under this statute require FMV.

Another statute, 31 U.S.C. §9701, applies to all federal agencies that provide a “service or thing of value.” It requires federal agencies to charge for that service or thing of value based on, among other things, the cost to the government in providing that service or thing of value and the value of that service or thing of value to the recipient.

Finally, NPS regulations at 36 CFR Parts 17 and 18 require FMV. In summary, these statutes and regulations make it clear that NPS must obtain FMV for these leases.

### **NPS Has Not Been Charging FMV at PRNS for Ranching Leases**

For 2021, the most recent year there is an average grazing fee provided by the USDA, its grazing fee table shows that the FMV for grazing in California was \$27.60/month per cow-calf. Yet, PRNS only charged \$7/month per cow-calf that year and for many years before that, and up to the present. It calculates the annual grazing fee as follows using 100 animal units (AU’s) as an example: 100 x \$7/AUM x 12 months = \$8,400. At the state-wide rate of \$27.60 it would be \$33,120, almost exactly four times as much. PRNS has never explained why it charges so much less than FMV for use of this valuable park land.

Below is an analysis of what PRNS charged and what it should have charged on a lease-by-lease basis for eight non-residential beef (and three non-residential dairy) grazing leases in 2021 using USDA’s table and the figure of \$27.60/AUM for 2021. In every lease, PRNS charged far below FMV. The difference between what PRNS is charging and what PRNS should be charging based on FMV is, in essence, a giving away of a federal asset by PRNS management and a gift to the rancher. Beef leases with residential use and dairy leases, which always have residential use, are covered later.

### **Beef Ranch Leases with No Residential Use**

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<sup>7</sup> This statute has a provision for crediting lessees on their rent, which would otherwise be prohibited by 40 U.S.C. § 1302, for maintenance and repair of buildings. See discussion below. Whether a statute intended to authorize the rental of buildings is applicable to the rental of ranches seems somewhat questionable, especially with respect to the eleven grazing leases with no buildings.

**D Ranch Pastures B&C** (Used by E Ranch). 581 acres. 123 cows for 6 mos.

\$20,369 What PRNS should have charged (123 x \$27.60 x 6 months)  
\$5,883 What PRNS charged (123 cows x \$7 x 6 = \$5166) + barn \$717.  
**\$14,286 Money PRNS gifted to the E Ranch in 2021.**

**E Ranch (Creamery Bay)**. 329 acres. For “Grazing cattle.” 26 cows.

\$8,611 What PRNS should have charged (26 cows x 27.60 x 12)  
\$2,184 What PRNS charged (26 cows x \$7 x 12 mos.).  
**\$6,427 Money PRNS gifted to the E Ranch in 2021.**

**F Ranch.** 1,510 acres. “Grazing beef cattle.” 175 cows.

\$57,960 What PRNS should have charged (175 cows x \$27.60 x 12).  
\$14,700 What PRNS charged. (175 cows x \$7 x 12)  
**\$43,260 Money PRNS gifted to the F Ranch in 2021.**

**ATT Ranch** (D Rogers Ranch). 481 acres. “Grazing beef cattle.” 35 cows.

\$11,592 What PRNS should have charged (35 cows x \$27.60 x 12)  
\$2,940 What PRNS charged (35 cows x \$7 x 12)  
**\$8,652 Money PRNS gifted to the D Rogers Ranch in 2021.**

**H Ranch/Abbotts** 66 acres. “Grazing beef cattle.” No auth. for silage grown.

\$1,656 What PRNS should have charged (5 cows x \$27.60 x 12).  
\$420 What PRNS charged (5 cows x \$7 x 12)  
**\$1,236 Money PRNS gifted to the H Ranch in 2021.**

**K Ranch/Evans.** 566 acres. “Grazing beef cattle.” 72 cows.

\$23,846 What PRNS should have charged (72 cows x 27.60 x 12)  
\$6,048 What PRNS charged (72 cows x 7 x 12)  
**\$17,798 Money PRNS gifted to the K Ranch in 2021.**

**N Ranch.** 924 acres. “Grazing beef cattle.” 90 cows.

\$29,808 What PRNS should have charged (90 cows x \$27.60 x 12)  
\$7,560 What PRNS charged (90 cows x \$7 x 12)  
**\$22,248 Money PRNS gifted to N Ranch in 2021.**

**Home Ranch.** \$29,922 annual rent; 2,660 acres; 300 head; “incidental” use of the “Ranch House” at \$2,616 per year and use of two barns at \$2,105.60. Not only is

square footage not given for the residence, but “incidental” use of the house is not defined. Because there appears to be no residential use, it is being treated as a grazing use only lease, plus line items for the house and barns.

\$99,360. What PRNS should have charged (300 x 27.60 x 12)  
\$29,922 What PRNS charged for grazing (300 x 7 x 12) plus buildings  
**\$69,438 Money PRNS gifted to the Home Ranch in 2021.**

### **Dairy Ranch Leases with No Residential Use**

There are three dairies which, in addition to their dairy leases that include residential use, have an adjacent land area under a second lease without residential use for just “grazing dairy cattle.” They are addressed below.

**A Ranch (Headlands)**. 186 acres. Grazing 20 dairy cattle for 6 months.

\$3,312 What PRNS should have charged (20 cows x \$27.60 x 6 mos.).  
\$840 What PRNS charged (20 cows x \$7 x 6 mos.).  
**\$2,472 Money PRNS gifted to A Ranch for this lease in 2021.**

**D Ranch (Pasture A)** (used by C Ranch). 132 acres. “Grazing dairy cattle.”

\$11,923. What PRNS should have charged (36 cows x \$27.60 x 12).  
\$ 3,024. What PRNS charged (36 cows x \$7 x 12 mos.).  
**\$ 8,899. Money PRNS gifted to C Ranch for this lease in 2021.**

**J Ranch Tomales**. 486 acres. “Grazing dairy cattle.” 10 acres silage @ \$14.86/acre.<sup>8</sup>

\$12,254 What PRNS should have charged (37 cows x 27.60 x 12)  
\$ 3,108 What PRNS charged for grazing (37 cows x \$7 x 12 mos.).  
**\$ 9,146 Money PRNS gifted to J Ranch for this leased area.**

**In summary, PRNS gifted \$203,862 or an average of \$18,533 to each of the eleven non-residential grazing lessees in 2021.**

**Note Regarding Current Cattle Numbers.** This report focused on 2021 because that was the most recent average grazing fee for the entire State of California and that rate has been used for every PRNS lease. However, after this report was completed, each of the recent interim leases was looked at to note any changes since 2021. The E Ranch lease for Pastures B and C of the D Ranch listed first above was cancelled at some point. The date is unknown. E Ranch had held a lease for 123 cows for 6-months per year. On a 12-month basis, that was 61.5 cows. Thus, the

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<sup>8</sup> The few cases where silage growing has been allowed are not included in calculating FMV herein.

\$14,286 annual gift PRNS gave to E Ranch in 2021 (and for years before) has ended at some point.

PRNS stated in its 2021 FEIS on ranching that it had not raised grazing fees in 10 years. To illustrate how much would that be over the past 10 years below is a USDA table showing average grazing fees in California from 2012 through 2021: <sup>9</sup>

Grazing Fee Annual Average Rates, 2012-2021 <sup>1</sup>			
Year	Per Animal Unit <sup>2</sup>	Cow-Calf	Per Head
		Dollars Per Month	
2012	19.40	23.00	20.00
2013	19.50	23.50	21.00
2014	20.00	25.10	22.50
2015	19.10	25.50	23.50
2016	23.00	23.50	21.50
2017	20.60	28.00	19.50
2018	22.40	29.00	21.00
2019	21.40	25.00	18.50
2020	23.50	27.50	19.50
2021	22.00	27.60	24.00

<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 rates. Cow-calf rate converted to animal unit (AUM) where 1 AUM = cow-calf \* 0.833.

The average for all ten years is \$25.77/AUM, not much less than the \$27.60 figure for 2021. Over the past 10 years that would be \$2,620,809 (847.5<sup>10</sup> cows x \$25.77 x 12 mos. x 10 yrs.) that should have been charged minus the \$711,900 (847.5 x 7 x 12 x10) that was charged, leaving a balance of \$1,908,909 that PRNS gifted to the ranchers who held grazing leases during that period that didn't include residential use. That is more than 9 times the gift of \$203,862 in 2021.

### PRNS Beef Ranches with Residential Use

In order to calculate how much should the lessees of the five beef ranches with residences pay for not only the grazing but also the use and occupancy of the ranch complexes, including houses they and others live in (not to mention the barns, other buildings, corrals and infrastructure generally), it would be helpful to take into

<sup>9</sup>[https://www.nass.usda.gov/Statistics by State/California/Publications/Annual Statistical Reviews/2022/2022\\_Ag\\_Stats\\_Review.pdf](https://www.nass.usda.gov/Statistics_by_State/California/Publications/Annual_Statistical_Reviews/2022/2022_Ag_Stats_Review.pdf)

<sup>10</sup> The A Ranch lease authorized 20 dairy cows for six months. To make that usage work on a 12-month basis, the 20 cows for six months was converted to 10 cows for 12 months. Similarly, for the D Ranch lease (Pastures B and C) held by E Ranch, the 123 cows for 6 months was converted to 61.5 cows for 12 months.

consideration comparable ranch leases in Marin County or nearby. While no comparable data for ranching could be found on the internet, data is available for how much it costs to rent a house in Marin County in 2020. The average house in Marin County rented for \$2.97 per square foot in Q2 2020.<sup>11</sup>

Although ranchers may argue houses in west Marin rent for less, the cost of coastal Marin housing from Stinson Beach to Inverness is quite expensive. Even at \$2/sf they would pay much, much more than they are paying now – which is essentially nothing.

Notably, what they are paying for grazing and the residential use is less than what they should be paying for grazing alone. Furthermore, this analysis does not even address the value of barns, sheds, etc. that the ranches have use of. Those accessory buildings further support the amount of \$2.97 used here for FMV of the leases with residential use.

**E Ranch.** \$24,150 annual rent (\$23,032 net after ins.); 1,372 acres; 175 “beef cattle.” 2 residences, Main residence 2,571 sf and Ranch hand residence 1,103 sf. (3,674 sf total).

\$57,960 What PRNS should have charged for grazing (175 x \$27.60 x 12).

\$130,941 What PRNS should have charged for 2 houses (3,674 sf x \$2.97 x 12).

\$188,901 What PRNS should have charged for grazing and housing.

\$24,150 What PRNS charged for grazing and housing (\$2,012 per month).

**\$164,751 Money PRNS “gifted” to E Ranch in 2021.**

Essentially, E Ranch paid nothing for use of the two homes in 2021. In effect, PRNS paid E Ranch \$164,751 to graze their cattle and live on park land that year.

**M Ranch.** \$24,750 annual rent; (\$22,484 net after ins.) 1,178 acres; 175 “animal units,” 4 or 5 residences as discussed herein. One residence at 2,200 sf. Another residence at 1860 sf. Two more houses at 720 sf. Total 5,500 sf. Also, there is a “trailer” at 468 sf. Pending further information on whether it is a residential use, it has been left out of this computation.<sup>12</sup>

\$57,960 What PRNS should have charged for grazing (175 x \$27.60 x 12).

\$196,020 What PRNS should have charged for 4 houses (5,500 sf x \$2.97 x 12).

\$253,980 What PRNS should have charged for both.

\$24,750 What PRNS charged for grazing and 4 houses (\$2,062/month).

**\$229,230 Amount of money PRNS gifted to M Ranch in 2021.**

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<sup>11</sup> <https://patch.com/california/sanrafael/results-marin-long-term-residential-rental-market-released>

<sup>12</sup> On a recent visit to the Seashore, three travel trailers and a livestock trailer were visible from the road.

Like E Ranch, the M Ranch lessee is living there for free. In fact, they are making \$229,230 per year (\$19,102 per month (\$229,230/12)) for just grazing their cattle and residing on park land each month instead of paying FMV. The same is true for all the rest of the leases. PRNS is paying them to conduct their private businesses in the Seashore.

Beef ranches (as opposed to dairies) do not need four (or five) houses for workers. It is not known whether some ranchers are not following the lease rules of limiting the houses to family members and employees. However, if M Ranch (and others) are subleasing to employees (or non-employees) that could produce a substantial revenue stream.

### **H Ranch.**

\$23,660 annual rent; (\$21,438 net after ins.); 1,033 acres; 280 “beef cattle;” 5 residences. Main house 4,148 sf (8,189 sf total).

\$92,736. What PRNS should have charged grazing (280 x \$27.60 x 12).

\$291,856 What PRNS should have charged for 5 houses (8,189 sf x \$2.97 x 12).

\$384,592 What PRNS should have charged for both.

\$23,660 What PRNS charged for grazing and 5 houses or \$1,972 per month.

**\$360,932 Money PRNS gifted to H Ranch in 2021.**

To put this into perspective, for under \$2,000/month, the rancher gets 1,033 acres of land on which to have 280 cows graze. That alone should be costing the rancher \$7,728 (280 x 27.60) per month. And, on top of that, the rancher gets the use of five houses totaling 8,189 sf, not to mention barns, etc. for free. Put another way, the rancher is paying \$23,660 for the lease when even at \$7/AUM the grazing fee portion of the lease is \$23,520. So, the lessee is getting the five houses for \$140 per year or \$28 per house per year on average or \$2.33 per house per month.

For the five houses the rancher should be paying \$24,321 per month or an average of \$4,862 per house. That is a gift of \$30,078 (360,932/12) from PRNS management to the lessee each month. One can only wonder what someone renting an apartment or house in Marin County for \$3,000 to \$10,000/month would think of getting 1,000 acres and five houses on the coast in Marin County for under \$2,000 per month.

Information on the next two beef ranches with residences is incomplete because square footage figures for one or all the residences are not given. Square footage for all unspecified residences below is needed for a complete calculation of money “gifted” by PRNS to these ranches in 2021. Many of the non-main houses in the park are mobile homes. Single-wide mobile homes range from 14 x 56 to 18 x 80



feet or 784 sf to 1,440 sf.<sup>13</sup> For every house without square footage given, 780 sf will be used until an actual square footage figure is available.

**D Rogers Ranch.** \$13,900 annual rent (\$10,711 net after ins.); 382 acres; 55 head; 2 residences; one of 2,500 sf and the other unknown. Without the square footage of the other house it is not possible to come up with an exact figure for FMV for both houses. However, as stated above, the figure of 784 sf will be used for the second house until the exact square footage is revealed.

\$18,216 What PRNS should have charged grazing (55 x \$27.60 x 12).

\$117,042 What PRNS should have charged for the houses (3,284 sf x 2.97 x 12)

\$135,258 What PRNS should have charged for both.

\$13,900 What NPS charged for both.

**\$121,358 Money PRNS gifted to D Rogers Ranch in 2021**

The lessee in this case is getting 382 acres to graze 55 cattle and the use of two houses for only \$1,158 per month. The lessee should be paying \$10,113 more per month (\$121,358/12).

**G Ranch.** \$27,500 annual rent (no deduction shown for ins.); 1151 acres; 90 beef cows, 190 acres silage; 3 residences. No square footage given for any of the three houses. The main house, from personal observation and Google Earth is not shaped like a mobile home. It is fairly large, with a sizeable addition on one side. The first three residential ranches above ranged from 2,200 sf to 4,148 sf. This house is in that range. The low number of 2,200 sf will be used until a more accurate figure is available. The other two houses are assumed to be 784 sf each, as used above, until further information is obtained. Total residential use, 3,768 sf.

\$29,808 What PRNS should have charged for grazing (90 x \$27.60 x 12).

\$134,291 What PRNS should have charged for three houses (3,768 x 2.97 x 12).

\$164,100 What PRNS should have charged for both.

\$27,500 What PRNS charged for both.

**\$136,600 Money PRNS gifted to G Ranch in 2021**

**In summary, PRNS gifted to the five beef ranches with residential use \$1,012,871 or an average of \$202,574 to each ranch lessee in 2021.** That comes to \$16,882 per month to each lessee.

As noted above, PRNS has not raised its lease rates in 10 years. But suffice it to say that over those ten years PRNS has gifted to each ranch many, many times that \$202,574. And it is likely that that has been the case since PRNS purchased the ranches in the 1960s and 1970s.

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<sup>13</sup> <https://www.claytonhomes.com/studio/how-big-can-manufactured-and-modular-homes-get/>

**2024 Cattle Number Changes.** The H Ranch had its cow numbers reduced from 280 to 220 effective September 30, 2023. Thus, the annual gift PRNS has been making to H Ranch will be reduced from \$360,932 through September 30, 2023, to \$341,060 going forward, a **\$19,872 reduction**, unless something is done to stop or reduce these PRNS gifts.

### **PRNS Dairies (Which All Have Residential Use)**

**A Ranch.** \$29,000 annual rent (\$24,315 net after insurance); 652 acres; 30,400 sf loafing barn. 5 residences (8,105 sf); 350 milkers, 50 dry cows,<sup>14</sup> 90 heifers and 6 bulls. Total cows as adjusted for food consumed, 350 wet cows, 50 dry cows, 72 heifers (90 x 0.8) and 8 bulls (6 x 1.3) for a total of 480 “cows.” All the dairies at PRNS are organic. Organic milkers are required to be on pasture four (or more) months/year during the “grazing season.” Plus, they only eat about 30% of their diet those four months as pasture forage (the remainder is hay etc. which they are also fed for all or most of the other 8 months while being protected from the elements in a “loafing barn”). Not all dairy ranches use/have loafing barns.

#### Grazing.

\$11,592 What PRNS should have charged for milkers (350 x \$27.60 x 4 x 0.30).  
\$16,560 What PRNS should have charged for dry cows (50 x 27.60 x 12)  
\$23,846 What PRNS should have charged for 90 heifers (72 AUMs x 27.60 x 12)  
\$2,650 What PRNS should have charged for 6 bulls (8 x 27.60 x 12)  
\$54,648 Total of what PRNS should have charged for all grazing.

#### Residential.

\$288,862 What PRNS should have charged for 5 houses (8,105 sf x \$2.97/sf x 12)  
\$343,510 Total PRNS should have charged for both (54,648 + 288,862)  
\$29,000 What PRNS charged for the lease.  
**\$314,510 Money PRNS gifted to A Ranch in 2021.**

**New Cattle Numbers.** Unlike the beef leases, the six dairies have had many changes to cow numbers between 2021 and now. To see the changes, it is necessary to break down the classes of dairy animals as was done above, again. The new cow

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<sup>14</sup> Adult dairy cows are either “milkers/wet cows/lactating cows” or “dry” cows. When a dairy cow gives birth to a calf, she immediately becomes known as a “milker/wet cow/lactating cow” and starts producing milk which goes on for about 10 months at which time she stops lactating and is called a “dry” cow which lasts for about two months at which point she drops her next calf and is again called a milker/wet cow/lactating cow and starts lactating again. During her fourth year, a milker’s milk producing ability drops and she is slaughtered.

<https://www.farmtransparency.org/kb/food/abattoirs/age-animals-slaughtered>

numbers for most dairies are 250 wet/dry cows, 100 heifers, and 6 bulls. The proportion of dry cows to wet cows is calculated at 13%. Thus, 33 dry cows and 217 wet cows ( $250 \times .13 = 32.5$ , rounded to 33).

#### Grazing Numbers and Cost on A Ranch for 2024.

\$7,187 What PRNS should charge for milkers ( $217 \times \$27.60 \times 4 \times 0.30$ ).  
\$10,930 What PRNS should charge for dry cows ( $33 \times 27.60 \times 12$ )  
\$26,496 What PRNS should charge 100 heifers (.8) ( $80 \text{ AUMs} \times 27.60 \times 12$ )  
\$2,650 What PRNS should charge for 6 bulls (1.3) ( $8 \times 27.60 \times 12$ )  
\$47,263 Total of what PRNS should charge for all grazing in 2024.

As can be seen, while the milker number went down, milkers on ranches with free-stall barns (4 of 6 at PRNS) are kept indoors (*i.e.*, they do not graze) except for about four months of the year (the “grazing season”) per organic rules and even then only 30% of their intake is grass from grazing, again per organic rules. The rest is hay, as when indoors. Plus, heifer numbers went up at A Ranch. What would be charged now for grazing only went down from \$54,648 to \$47,263 or a **\$7,385 decrease**; not significant in dollars when compared to the \$314,510 gifted to the A Ranch in 2021.

**B Ranch.** \$30,000 annual rent (\$30,000 net). 1,257 acres; 19,600 sf loafing barn; 5 residences (10,067 sf); 475 milkers; 40 dry cows. According to the B Ranch lease:

“Heifers are generally not kept on B Ranch except for brief periods during the year. Recognizing that the actual number of dry cows and heifers on the range lands vary throughout the year, the maximum number of dry cows and heifers allowed to graze at any one time is 120 Animal Units (AU’s).”

Thus, approximately 80 heifers are kept on the ranch “for brief periods” (which is not specified) at no charge. In addition, a single bull (1.3 Animal Units) is kept on the ranch.

#### Grazing.

\$15,732 What PRNS should have charged re milkers ( $475 \times 27.60 \times 4 \text{ mo.} \times 0.30$ ).  
\$13,679 What PRNS should have charged for dry cows & bull ( $41.3 \times 27.60 \times 12$ )  
\$29,411 What PRNS should have charged for all grazing (ignoring the heifer Q).

#### Residential.

\$358,788 What PRNs should have charged for 5 houses ( $10,067 \text{ sf} \times 2.97 \times 12$ ).

\$388,199 What PRNS should have charged for both.  
\$30,000 What PRNS charged for the lease.  
**\$358,199 Money PRNS gifted to B Ranch in 2021.**

**New Cattle Numbers.** Again, the grazing numbers are re-examined to see how the recent reduction in dairy numbers on some ranches affected PRNS's subsidy to the ranchers. The new numbers indicate 250 wet/dry cows, 100 heifers and 6 bulls.

Grazing Numbers and Cost on B Ranch for 2024.

\$7,187 What PRNS should charge for milkers (217 x \$27.60 x 4 x 0.30).  
\$10,930 What PRNS should charge for dry cows (33 x 27.60 x 12)  
\$26,496 What PRNS should charge for 100 heifers (80 AUMs x 27.60 x 12)  
\$2,650 What PRNS should charge for 6 bulls (8 x 27.60 x 12)  
\$47,263 Total of what PRNS should charge for all grazing in 2024.

Here, there was a large drop in milkers, but heifers are up from zero to 100 and while they eat only 80% of what a milker eats, they are outdoors 12 months a year grazing mostly, if not exclusively, on grass. What would be charged now for grazing would be \$47,263 for 2024 in contrast to the year 2021 when it was less, at only \$29,411. That is a **\$17,856 increase** in grazing cost despite a lowering of overall cow numbers. Changes in milker numbers don't lower the bottom line much if they aren't kept outdoors grazing 12 months a year but instead are kept indoors in free-stall barns and fed hay.

**C Ranch.** \$24,600 annual rent; 718 acres; 4 residences. Only an aerial photo re buildings and no sf for anything. 255 Animal Units per year, including milking string, dry cows and heifers. No breakdown of milkers/dry cows versus heifers and no measurements regarding residences. Main house will be assumed at 2,200 sf like above cases where no sf was given for main house. The other 3 houses are assumed to be 784 sf each as explained above. 784 sf x 3 = 2,352 sf for a total, including the main house, of 4,552 sf. It is impossible to make any sense of this lease given the amorphous description of cow numbers. There is no mention of a loafing barn in the lease so it is assumed there is no loafing barn. So, milkers are out on pasture 12 months per year, but presumably fed hay 12 mos./yr. for 70% of diet under organic cow/milk rules. After reviewing the other dairy lease/permits that disclose heifer numbers, heifers average about 36% of the adult cows which with 255 cows would mean 92 are heifers leaving 163 as adult cows. Again, looking at the other leases/permits, about 13% of adults are dry at any time, thus breaking down the 163 adults means about 21 of the 163 adults are dry and 142 are milkers.

The C Ranch lease states:

“Permittee agrees under the terms of this permit to a stocking level of 255 Animal Units per year including the milking string, dry cows and heifers. Any increase in the stocking level must be approved expressly in writing by Permitter. The maximum number of dry cows allowed to graze at any one time is 100 Animal Units. The USFWS Biological Opinion for Grazing for C Ranch was based on an average supportable stocking level of cattle on the rangeland, including defined feed lots and High Impact Areas, of 430 Animal Units per year to include the milking string, dry cows and heifers.”<sup>15</sup>

#### Grazing.

\$14,109 What PRNS should have charged for milkers (142 x 27.60 x 12 x 0.30).  
\$ 6,955 What PRNS should have charged for dry cows (21 x 27.60 x 12)  
\$24,509 What PRNS should have charged for 92 heifers (74 AUM) x 27.6 x 12)  
\$45,573 What PRNS should have charged for all grazing.

#### Residential.

\$162,233 What PRNs should have charged for 4 houses (4,552 sf x 2.97 x 12).  
\$207,806 What PRNS should have charged for both.  
\$24,600 What PRNS charged for the lease.  
**\$183,206 Money PRNS gifted to C Ranch in 2021.**

**New Cattle Numbers.** Again, the grazing numbers are re-examined for 2024. In this instance, cow numbers were increased from 255 to 356 (250 wet/dry, 100 heifers and 6 bulls).

#### Grazing on C Ranch for 2024.

\$21,561 What PRNS should charge for milkers (217 x \$27.60 x 12 x 0.30).  
\$10,930 What PRNS should charge for dry cows (33 x 27.60 x 12)  
\$26,496 What PRNS should charge for 100 heifers (80 AUMs x 27.60 x 12)  
\$2,650 What PRNS should charge for 6 bulls (8 x 27.60 x 12)  
\$61,637 Total of what PRNS should charge for all grazing in 2024.

C Ranch does not have a free-stall barn. Its milkers are outdoors year-round like its dry cows, heifers and bulls. Here, while C Ranch should have been charged \$45,573 for 2021, it should be charged \$61,637 in 2024 given its increase in cow numbers since 2021 and the fact that its milkers are outdoors all year grazing, not kept in free-stall barns 8 months a year, like most dairies at PRNS. That is an **increase of \$16,064** (\$61,637 minus \$45,573) for grazing in 2024.

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<sup>15</sup> Lease at 4.

**I Ranch.** \$42,000 (36,663 after ins.); 1017 acres; Main residence of 3,929 sf and four more of 4,176 for a total of 8,105 sf. Loafing barn 30,400 sf.

This was a normal dairy operation until May 2021 when it shut down. By the end of May, the rancher removed all his cattle except for the 270 heifers. The plan then was to keep the 270 heifers indefinitely. Thus, this operation will be calculated accordingly for 2021. At some point after 2021 the ranch converted to a beef operation with 160 beef cows. This report will address operations in 2021 with all cow classes for five months and heifers only for 12 months. According to the lease:

“The average annual stocking rate for the dairy operation is 856 animals. This number includes the milking string of approximately 580 animals (70 to 80 of which are dry cows at 70 to 80 Animal Units), 270 heifers (216 Animal Units) and up to 6 bulls (8 Animal Units). While the actual number of dry cows and heifers on the range lands may vary throughout the year, the maximum number of dry cows and heifers allowed to graze at any one time is 325 Animal Units (AU’s) . . . Animal Units at Point Reyes National Seashore are quantified as follows: 1 Bull = 1.3 AU’s 1 Dry Cow = 1.0 AU 1 Heifer = 0.8 AU”

#### Grazing.

\$20,907 What PRNS should have charged re milkers (505 x 27.60 x 5 x .3)  
\$10,350 What PRNS should have charged for dry cows (75 x 27.60 x 5)  
\$71,539 What PRNS should have charged for heifers (216 AUM x 27.60 x 12)  
\$1,104 What PRNS should have charged for 8 bulls (8 x 27.60 x 5 mos.)  
\$103,900 What PRNS should have charged for all grazing.

#### Residential.

\$288,862 What PRNs should have charged for 5 houses (8,105 sf x 2.97 x 12).  
\$392,762 What PRNS should have charged for both.  
\$42,000 What PRNS charged for the lease.  
**\$350,762 Money PRNS gifted to I Ranch in 2021.**

**New Cattle Numbers.** The I Ranch has stopped operating and thus there is no 2024 dairy operation to assess. Its 160 beef cattle operation would need to be considered in future analyses. 160 cows x 27.60 x 12 months is \$52,992 per year.

**J Ranch.** \$28,000 annual rent. 648 acres, incl 152 of silage; 36,000 sf loafing barn; 6 residences; main house is 3,166 sf and another 698 sf and residence trailer and 3 other residences (modular). The last four have no square footage. Again, here is an instance where there is no size given for some residences. All that is known is that two of them total 3,864 sf. Until there are square footage figures for the other 4

residences, assume they average 784 sf (3,136 total) which is a very conservative estimate, as discussed above. Thus, total square footage is assumed to be 7,000 sf pending actual measurements. According to the J Ranch lease –

“The average annual stocking rate for the dairy operation is 756 animals. This number includes the milking string of approximately 500 animals (50 to 80 of which are dry cows at 50 to 80 Animal Units), 250 heifers (200 Animal Units) and up to 6 bulls (8 Animal Units). While the actual number of dry cows and heifers on the range lands may vary throughout the year, the maximum number of dry cows and heifers allowed to graze at any one time is 310 Animal Units (AU’s).”<sup>16</sup>

#### Grazing.

\$14,407 What PRNS should have charged milkers (435 x 27.60 x 4 mo. x 0.30)  
\$21,528 What PRNS should have charged for dry cows (65 x 27.60 x 12)  
\$66,240 What PRNS should have charged for 250 heifers (200 x 27.60 x 12)  
\$ 2,650 What PRNS should have charged for bulls (8 x 27.60 x 12)  
\$104,825 What PRNS should have charged for grazing.

#### Residential.

\$249,480 What PRNS should have charged for 6 houses (7,000 sf x 2.97 x 12).  
\$354,305 What PRNS should have charged for both grazing and housing.  
\$28,000 What PRNS charged for the lease.  
**\$326,305 Money PRNS gifted to the J Ranch in 2021.**

**New Cattle Numbers.** The new cow numbers for most PRNS dairies are 250 wet/dry cows, 100 heifers and 6 bulls or 356 dairy animals overall. J Ranch’s numbers were reduced from 756 animals overall to 606 animals overall. Its interim lease numbers are 400 wet/dry cows (dry calculated at 13%), 200 heifers and 6 bulls. The new numbers and costs are as follows:

#### Grazing on J Ranch for 2024.

\$11,526 What PRNS should charge for milkers (348 x \$27.60 x 4 x 0.30).  
\$17,222 What PRNS should charge for dry cows (52 x 27.60 x 12)  
\$52,992 What PRNS should charge 200 heifers (.8) (160 AUMs x 27.60 x 12)  
\$2,650 What PRNS should charge for 6 bulls (8 x 27.60 x 12)  
\$84,390 Total of what PRNS should charge for all grazing in 2024.

J Ranch’s grazing costs **decrease in 2024 by \$20,435** (\$104,825 minus \$84,390).

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<sup>16</sup> Lease at 8.

**L Ranch.** Gross annual rent not given. Net rent (after deduction for required insurance) is \$22,650 and will be used instead. 1,126 acres. 350 milkers; 49 dry cows; no heifers? 1 bull. Bulls are 1.3 AUM. No loafing barn stated and thus milkers are kept outside and graze year-round. Hay available to milkers outdoors. These are organic milkers, so it is assumed 30% intake of milkers is grazed forage year-round. Five residences. Main house is 2,320 sf. “Small house and 3-stall garage (66 x 24) 1584.” Lacking more specific information, 784 sf residential space will be used as was used above where exact measurement for a house was missing. In addition, two “trailers” (12x60 sf each) at 720 sf each and one “trailer” at 10 x 57” at 570 sf. This is a dairy and dairies need employees to live on site to milk the 350 milkers two (or possibly three) times a day. Total square footage for housing is 5,114.

#### Grazing.

\$34,776 What PRNS should have charged milkers (350 x \$27.60 x 12 x 0.30).  
\$16,659 What PRNS should have charged dry cows & bull (50.3 x 27.60 x 12)  
\$51,435 Total of what PRNS should have charged for grazing.

#### Residential.

\$182,263 What PRNS should have charged five houses (5,114 sf x 2.97 x 12).  
\$233,698 What PRNS should have charged for both.  
\$22,650 What PRNS charged for all grazing under the lease.  
**\$211,048 Money PRNS gifted to L Ranch in 2021**

**New Cattle Numbers.** In this instance, overall dairy cow numbers decreased from 400 to 356.

#### Grazing on L Ranch for 2024.

\$21,561 What PRNS should charge for milkers (217 x \$27.60 x 12 x 0.30).  
\$10,930 What PRNS should charge for dry cows (33 x 27.60 x 12)  
\$26,496 What PRNS should charge for 100 heifers (80 AUMs x 27.60 x 12)  
\$2,650 What PRNS should charge for 6 bulls (8 x 27.60 x 12)  
\$61,637 Total of what PRNS should charge for all grazing in 2024.

Like C Ranch, there is no mention of a free-stall barn in the lease. Thus, it will be assumed C Ranch does not have a free-stall barn. Its milkers are outdoors year-round like its dry cows, heifers, and bulls. While L Ranch should have been charged \$51,435 for grazing for 2021, it should be charged \$61,637 for grazing in 2024, **an increase in 2024 of \$10,202.**



All told, while the number of dairy cattle went down since 2021, the total grazing cost for the five dairies still operating increased for 2024 by \$16,302.

**In summary, PRNS gifted \$1,744,030 to the six dairies or an average of \$290,672 to each dairy lessee in year 2021 or \$24,22 to each dairy lessee per month in 2021.** That is even more than each of the five beef lessees with residential use made at \$ 202,574 per year or \$16,881 month. PRNS has never come anywhere close to charging FMV all the way back to the times of acquisition in the 1960s and 1970s.

As noted above, PRNS has not raised its lease rates in 10 years. But suffice it to say that over those ten years PRNS has gifted the dairy ranchers many, many times that \$1,744,030. And it is likely that that has been the case each year since PRNS purchased the ranches in the 1960s and 1970s.

### **GRAND TOTAL GIFTED TO ALL THE RANCHING LESSEES IN 2021**

\$203,862 Money PRNS gifted to the 11 lessees with no residential use in 2021.

\$1,012,871 Money gifted to the five 5 lessees with residential use in 2021.

\$1,744,030 Money gifted to the 6 dairy lessees in 2021.

**\$2,960,763 Grand total money gifted to lessees in 2021.**

Although PRNS is required by statute and its own regulations to collect FMV for leasing these ranch lands, it clearly is not doing so.

### **NOT COVERING ADMINISTRATIVE COSTS**

Nor does it appear that PRNS is recouping its administrative costs for this private ranching involving thousands of cattle on one third (18,000 acres out of 54,000 acres)<sup>17</sup> of this unit of the National Park System. PRNS addressed that issue in its recent planning process for its proposal to continue ranching and to issue 20-year leases to the ranchers.

In the Appendix to its 2021 Final Environmental Impact Statement to extend and increase ranching, PRNS admits it has not even come close to covering its costs to administer the leases.

“A 2018 analysis of park investment in the management of the range program was on average 1.5 times more than rental income derived from the ranch permits. In fiscal year 2017, the full cost of ranch management was in excess of \$1.3 million, when range lease payments

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<sup>17</sup> The Seashore is approximately 72,000 acres, but about 18,000 acres are below the high tide line thanks to a donation from the State of California of a quarter mile strip of submerged lands around the Seashore. Thus, only about 54,000 acres are above the high tide line and therefore useable.

were less than \$500,000. Evaluation of appraisals and rate structure identified that ranch rental rates have not been adjusted for approximately 10 years.

FEIS Appendix, P-12 (page 546)".<sup>18</sup> (Emphasis added.)

In fiscal year 2017, "management of the range program" was 2.6 times "rental income" (\$1,300,000/\$500,000). In the succeeding years, the PRNS costs for administering this range program has undoubtedly grown but as detailed above, the rental income from this program has not.

Given that the PRNS range program serves purely commercial enterprises and serves no identifiable park purpose, taxpayer subsidies of this magnitude cannot be justified.

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<sup>18</sup> <https://parkplanning.nps.gov/document.cfm?documentID=106632>