

Managing the Costs of Compliance

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A cursory count shows at least a dozen different agencies that can promulgate or enforce regulations requiring ranchers to spend money in order to comply. Compliance costs are all “dead” costs; they generate no added production or revenue to help pay their way. Small wonder, then, that ranchers are searching for strategies for dealing with regulators and regulations.

The decision-making reality is this: Society’s environmental concerns are real, and they are here to stay. In the short-term, that probably means more regulatory attention to agriculture, and to Florida ranching. Long-term, it offers hope for Florida ranching.

The argument is three-pronged: First, ranching is more “*natural*” than other kinds of agricultural land uses, and the demand for “*amenities of the outdoors*” will only increase with time. Hunting and(or) fishing lease income is already an important income source on many Florida ranches, and offers potential for others. And down the road, ranchers will find more ways to turn people’s desire to enjoy Florida’s natural environment into income. That hope has a caveat: herding dudes is harder than herding cows and, for sure, takes different skills.

Secondly, beef cattle can be symbiotic with many—maybe even most—of the wildlife species of major concern to Floridians. Right now, agencies primarily concerned about wildlife would prefer public ownership of wildlife habitat (Holt, Purvis, Carriker). The great majority of people want endangered species protected; but they also want cheap food, their children educated, and to be protected from criminals. So the public cannot afford to buy enough wildlife habitat to suit everyone. Private property owners also want to pro-

tect wildlife, but often lose income if habitat is managed primarily for wildlife. Searching for solutions to this dilemma, ranchers were active in helping to develop *A Landowners’ Strategy for Protecting Florida Panther Habitat on Private Lands in South Florida*.

The third point is related to the second one: Cattle can be symbiotic with wildlife; they contribute to the tax base; and managing for cattle helps reduce exotic, undesirable plant species, which are prone to encroach on publicly owned land. Regulators regulate; biologists are researchers; ranchers are land and cattle managers. So society is best served by promulgating laws that allow ranchers, who know how to manage habitat for both cattle and wildlife, to do so.

Cost of Compliance Lessons

Clearly, cost of compliance depends on what the problem is, and the investment necessary to cure it. Concerning cattle, regulatory attention has been primarily focused on dairying, and the cost of complying with the “Dairy Rule” has been studied in the Okeechobee area (Boggess, et al.; Clouser, et al.; Hersch; Johns). To comply, producers could install specified manure management technologies to contain all surface water runoff from the high-intensity areas on their dairies, or cease operating in the Okeechobee basin. The impacts were as follows:

- Out of 49 dairies, 18 quit dairying rather than comply.
- Compliance cost small dairies roughly 50% more per cow than it cost large dairies.
- An estimated 5-year amortization of compliance costs for dairymen was about \$1.10 per hundredweight of milk (Boggess, et al.)

- The total cost of implementing the regulations from 1987 to 1993 was \$63,734,402 (Johns).
- The local economy took about a \$50 million annual hit from the lost milk income (Clouser, et al.); so “the cost of a cleaner environment goes far beyond those who are most immediately affected” (Hersch, p 35).

In 1994, the Florida Department of Environmental Protection (FDEP) began the process of crafting a statewide “Florida Animal Husbandry Rule” (FAHR) with the initial concentration on dairies, statewide. The Okeechobee experience had an impact: attempting to insure broad representation, FDEP established a 24-member Dairy Waste Management Technical Advisory Committee which includes university scientists, dairy producers, consulting engineers, other state agency personnel, and representatives from environmental action coalitions and wildlife organizations.

The FAHR is scheduled to be finalized in 1997, and will have a 5-year “phase-in” period beginning in 1998. Instead of specifying how producers should design systems to comply, the FDEP is attempting to state how their performance will be judged. They are working with the Florida Department of Agriculture and Consumer Services to assure that trained personnel will be assigned to carry out routine monitoring of permitted dairies (Thurrow and Holt).

Presumably, lessons learned in applying the Florida Animal Husbandry Rule to dairies, statewide, will be assimilated before major attention is given to beef cattle operations.

Management Strategies for Environmental Issues

Society’s environmental concerns are giving cattlemen a window of opportunity to continue proving that they are good environmental stew-

ards. Cattlemen are working to help agencies understand how society’s environmental objectives are most effectively served by managing for both cattle and wildlife. The panther plan is one example; a second is the Florida Cattlemen’s Association support for the research work being undertaken by the Archbold Biological Station on Buck Island Ranch. That research is a pioneering effort to integrate the best approaches to environmental management obtainable from biologists, water management district personnel, other agencies, and University of Florida scientists on a Florida ranch.

Every rancher should take every opportunity to tell his or her own stewardship story to every civic club, any and all organizations that need guest speakers, every professional group that needs a tour host, and every grade school or high school that needs a field trip or a “show and tell” session at an assembly.

The demand for *amenities of the outdoors* will continue to grow, and offers economic opportunity for ranchers willing to capitalize on it.

While ranchers are seeking ways to mine gold out of them thar far-away hills, there is still a need for short-term strategies for dealing with regulators. Some strategies that might be helpful follow:

- Have an environmental management plan that tells what you *have* done, what you *are* doing, and what you *intend* to do to maintain or improve your part of Florida’s natural landscape.
- If you are found to be out of compliance, file a “good faith” effort to comply.
- Never call ’em SOB’s—although there may be supporting evidence, you *will* have to face them again, sometime. Remember, they are well intentioned people with a really tough

job. Whatever they do, they are likely to get sued by one side or the other, so courtesy pays dividends.

Texas Rangers had two rules about gunfights. The most important one was that a smile and soft words would keep you out of most shooting scrapes. But if the bullets did start flying, the rule was: “Know you’re right, and keep coming.”

The key in all this is to know what’s right about environmental management—and there is an awful lot that all of us have to learn about keeping Florida in as good shape as we can. That is the objective of ranchers; it is society’s objective; it is researchers’ objective; it is the legislature’s objective; it is regulators’ objective. Together, we can pull it off.

References

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