

3/28/23

TO: Chair Helms and members of the House Agriculture, Land Use, Natural Resources, and Water Committee

FROM: Dennis P. Sheehy (Chair, Oregon Cattlemen's Association Wildlife Committee)

RE: HB 2631/HB 2633 Relating to the effects of wolves on livestock; amending ORS 610.150

Chair Helm and Members of the Committee:

Our family operates a beef cattle ranch in Wallowa County located in Northeast Oregon. The family has ranched in Wallowa County since 1976, and in Eastern Oregon since 1917. At the present time, three generations of the family are involved in ranching. Most ranches in Oregon are family ranches rather than large corporate operations.

Family ranches are also highly susceptible to environmental and financial risk. These risks include weather/climate, marketing constraints, inflation and high interest rates on funds borrowed for ranch operation. The presence of wolves has created an additional financial risk to ranchers in Oregon.

Oregon ranchers have been involved with wolves since they re-entered Oregon in the early 2000s. The first recognized wolf pack in Oregon, the Imnaha pack, was centered on the Divide Forest Service Grazing Allotment in the Imnaha River drainage of NE Oregon. Although considerable effort was expended by the OCA and associated organizations to have wolves removed from Oregon, it was soon realized that wolves were a permanent feature of Oregon's wildlife. It also led to preparation and adoption by the OCA in 2010 of a wolf-Livestock compensation program. The state of Oregon accepted the compensation program as the result of judicial decision.

The current compensation program (i.e., Wolf Management Compensation and Proactive Trust Fund established under OR 610.155) is viewed by the OCA and most ranchers as being relatively successful since its' adoption in 2010. However, the program is also currently viewed as failing as the wolf population and territory expands throughout the state. The failure is related to insufficient funding by the state and continued opposition from Wolf conservation/support groups.

The OCA believes that additional compensation funding on a permanent and recurring basis is needed and justified. OCA's rationale for the increase in funding is: i) wolves are the state's responsibility; ii) proceeds from livestock production are an important contribution to Oregon' economy (i.e., in 2017, livestock production and sales contributed \$1 billion to the state's economy); iii) most family ranches are taxed on land values and income; iv) without the stability offered by family ranches, many rural communities in Oregon would fail, and v) private land owned by family ranches also provide habitat for a wide spectrum of other wildlife species.

The two bills currently submitted for legislative consideration (HB 2631 & HB 2633) address two important components of the compensation program: (1) compensation for missing livestock at the end of the production year, and (2) including a multiplier factor for predation caused mortalities of breeding stock (primarily) to gain compensation for lost future value that accounts for loss of future value

Compensation for missing livestock has been a contentious component of the compensation program since it was initiated. However, OCA and ranchers believe that compensation for livestock missing

beyond a historical average is justified for extensively managed livestock operations in terrain characteristic of much of Eastern and Southwest Oregon. They have addressed the issue by providing tours of NE Oregon rangelands for conservation groups (i.e., Defenders of Wildlife in 2011, ODFW Wildlife Commissioners and State Representatives in 2021) and inserting checks and balances in the county compensation committees that make it very difficult for fraud to occur. These checks and balances were included in the initial draft of the compensation program (Attachment A).

The multiplier factor for compensation relative to loss of breeding animals or animals sold at an older age is both necessary and justified. Compensation should reflect expenses and time required to replace the breeding animal mortality and the lost value of future offtake from the breeding animal mortality. (Eg: A multiplier value is also relatively easy to calculate if values are known relative to age of the animal, expected longevity in the herd, the average age and price received for breeding animals culled and sold and the average price expected to receive for offtake animals of the breeding animal mortality. The accumulative annual costs of maintaining the breeding animal that died should be subtracted from the value of lost future production)

Thank you for allowing submission of testimony in support of House Bills 2631 and 2633.

Attachment A: Draft of the initial Wolf-Livestock Compensation Program

## **Community Predation Compensation Program**

**Dennis P. Sheehy**

**Draft: 6/1/10**

### **Wolf Predation Compensation Proposal**

#### **Introduction**

The reintroduction of wolves into Oregon is already changing the dynamics of range-based livestock operations in Wallowa County. Although federally delisted, wolves continue to be listed as endangered by the State of Oregon. The listing, with changes to management dependent on a viable population of wolves in Eastern Oregon becoming established (triggers to management program changes are four and seven established wolf packs) impede development of co-existence between livestock and wolves.

The wolf-related issues most relevant to current livestock operations, and to the future co-existence of range-based livestock operations with viable populations of wolves, are: i) the inability of livestock owners to protect their property (i.e., livestock) from wolf predation, ii) the financial cost associated with significant loss of livestock to wolf predation, iii) the inability to “condition” the larger wolf population to associate with humans and livestock (i.e., inability of livestock owners to freely utilize lethal and near-lethal methods such as immediate removal of wolves that are harassing or killing livestock) and iv) the emotional stress associated with predation and financial risk.

Although protection and compensation programs exist, these programs, as currently applied, are inadequate or too unwieldy to be effective for range-based livestock operations in Eastern Oregon. Although the first issue will probably not be resolved until, and unless, wolves attain delisted status, alternatives to the current ineffective livestock predation compensation programs should be developed. As an alternative to existing public or private compensation programs, compensation for livestock loss (including dogs used to guard or herd livestock) should be structured as a community-based (i.e., county program containing the following provisions.

#### **Identifying Wolf Caused Livestock Loss.**

There are three primary kinds of loss from predation by wolves: i) the predator kills the animal, ii) the animal survives the predator attack but is injured, and iii) the overall condition of animals in the herd, or the entire herd, is significantly lowered by wolf-livestock interactions.

Current livestock compensation programs require “verification” that wolves were the direct cause of livestock mortality (i.e., the mortality has to meet a number of criteria that exclude other causes such as mortality caused by other predators, animal dying of illness or lack of nutrition, or mortality due to accidents/injury to the animal.. For most livestock operations in Wallowa

County, verification of this nature will be difficult, if not impossible, because the rugged terrain and vegetation cover creates a very low probability of directly observing a wolf kill, finding an animal before the animal is consumed by the wolf or other predator/scavengers, or verifiable evidence cannot be ascertained due to natural processes. However, other criteria can be used to establish, with high degree certitude, livestock mortalities caused by wolves. These include: 1) counting livestock onto the grazing areas at the beginning of use or season (i.e., number of cows, calves, and bulls) and then counting cows, calves and bulls off of the grazing area or season with the difference, minus subtraction for prior established loss, attributed to predation, 2) identifying livestock by “mother-offspring units (i.e., pairs)” prior to turn out on the grazing area and identifying single animals of the former pair at time of movement to a different grazing area or at the end of the grazing season, or 3) using a combination of both identification methods. It should be relatively simple to establish predation mortalities for herded livestock such as sheep that have a herder present.

Since it is common for some livestock to stray onto neighboring grazing areas, the final count of missing animals would not become official until the following spring to allow for exchange of strayed livestock between neighbors. The difference between numbers of livestock verified or counted onto the grazing area, and the numbers verified or counted off of the grazing area, minus a deductible based on pre-wolf unaccounted for losses, becomes the base for compensation.

#### Predator Caused Injury to Livestock

Wolf-caused livestock injury that doesn't proceed to mortality will be relatively easy to identify. Criteria have been established to identify animal trauma caused by specific large predators and the result of physical injury from abiotic causes. If the source of injury is not directly observed, the injured animal can be caught, and evaluated relative to the established criteria.

#### Predator Caused Body Condition Loss

Livestock body condition scoring (i.e., a scoring system based on difference over time in physiological condition as related to fat deposition and muscle loss) provides an index to losses in animal weight caused by predator harassment. Weighing animals, especially offspring, at the end of the grazing season or at specific times in the animal production cycle to create a historical profile of normal animal weight would provide supporting information to determine harassment by wolves.

#### **Normal Livestock Loss Factor**

It is common for range-based livestock operations to have unexplained losses during normal grazing seasons. A normal livestock loss factor will be established for each livestock owner by grazing area or grazing season based on the median number of livestock not accounted for in previous years prior to the reintroduction of wolves (e.g., in the previous four years, our unaccounted livestock on the Divide have ranged between 0 and 2 cows, 0 bulls, and between 0 and 3 calves). Therefore, losses greater than three calves, 2 cows, and zero bulls would be assumed to be our losses attributable to wolf predation, and would be eligible for compensation.

## **Calculating Predation Compensation**

*Missing Animals.* Compensation would be paid to the livestock owner for all livestock unaccounted for during the previous year at the established termination date, minus the normal animal loss factor. Compensation for livestock would be based on the average price received or expected by the livestock owner. Compensation for immature animals would be based on the market value of the animal at the expected time of sale. (e.g., calves sold as weaned calves averaging 650 pounds at an average price per pound of \$1.02 would be compensated at \$650.00/head, a missing cow-calf pair in spring 2010 would be compensated at approximately \$1200.00/pair, and a missing cow of average value in 2010 would be compensated at \$1000/head).

*Injured Animal.* Animals proven injured by wolves will require treatment by the livestock owner, if not immediately euthanized, to prevent animal suffering and to restore animal health. Animals that are treated will have lost value for a number of reasons including loss in body condition, disfigurement to the animal, and the cost of treatment. If the injured animal is euthanized, the livestock owner will be compensated at the same rate as a missing animal. If the animal is treated, but subsequently dies, the cost of treatment will be additive to the compensation provided for a lost animal. If the animal is treated, recovers, and is ultimately sold, compensation will be calculated according to the value received for sale of non-injured animals in the same age class if higher, plus the treatment cost.

## **Community Based Predator Compensation Program**

Livestock production is a primary economic generator in the area currently subject to reintroduction of wolves as the major predator. Using Wallowa County as an example, the livestock industry contributes \$????? directly to the economy of the county. Although the reintroduction of wolves under the current management restrictions is not likely to cause the demise of the livestock industry in Wallowa County, it will probably cause substantial financial hardship to some livestock producers that are targeted by wolves, and require substantial management changes by other range-based livestock operations in the county, including being forced to abandon some range grazing areas for economic reasons related to predation or because of pressure from environmental organizations on public land administration agencies to resolve livestock predation issues by creating livestock-free wolf habitat. Preventing these, and other potential economic displacements caused by reintroduction of wolves to Wallowa County and Eastern Oregon, requires a broader solution other than expecting individual producers that are targeted by wolves to bear all the associated economic costs.

Currently, federal or state compensation programs, and other sources of compensation such as Defenders of Wildlife, don't exist or are too limited in application or restricted in scope to truly address compensation of livestock losses. The existing programs also require direct verification of wolf kill and only compensate after high losses have occurred. A community compensation program would address the immediate need for compensation to avoid undue economic losses to targeted livestock producers. It would also provide an organizational concept and structure for accessing other potential sources of compensation that may develop in the future.

A community predation compensation fund could be organized as a non-profit organization with community oversight provided by a board of directors, or as a program within an existing public or private non-profit organization (e.g., possibilities include the Wallowa County Stockgrowers, Wallowa County Natural Resource Advisory Committee, and International Center for the Advancement of Pastoral Systems or others). As a community organization that accepts donations to the fund from all entities in the county community and beyond, the Board of Directors should be representative of the community. Allocation of compensation funds to livestock owners suffering predation losses would be authorized and administered by the BOD. Livestock producers will need to be enrolled in the program prior to a predation event to be eligible to receive compensation funds. Enrollment includes providing the organization administering the compensation fund with current information on livestock numbers, records relative to historical losses from grazing areas used during annual grazing activities, and other information as needed to facilitate compensation.

Development of a community predation compensation fund will not resolve the issues occasioned by the reintroduction of wolves to Eastern Oregon. It will, however, reduce some of the financial risk inequitably placed on livestock owners threatened with non-compensated livestock losses from predation. It will also facilitate development of state and federal compensation programs that recognize the difficulties involved with livestock-wolf interactions in range based livestock producers.