



# Cattle Call

Vol. 13, Issue 2

Spring 2018

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## COORS Bill Defeated in Colorado Senate

The Country of Origin Recognition System (COORS) bill, HB18-1043, was introduced to the Colorado House Assembly on January 10, 2018. The bill was written and sponsored by Representative Kimmi Lewis and was assigned to the Agriculture, Livestock, & Natural Resources Committee.

The bill sought to require retailers to label beef that was exclusively born, raised and slaughtered in the USA. The label itself did not have to be on every individual package of meat, but rather in the form of a "placard that is clearly visible and readily viewable by the public and placed in the immediate vicinity of the beef..."(HB18-1043).

In addition, the bill only applied to retailers selling beef that had not been "manufactured, cured, smoked, cooked or processed." Imported beef would have required a placard stating each country in which the beef was born, raised and slaughtered. The bill also charged the department of public health and environment with promoting and implementing the bill.

While we had members who did a wonderful job testifying for the bill at the hearing on Monday, January 29, 2018, it was also met with much opposition.

Members of CCA and Farm Bureau were adamantly convinced that if the packing plants had to spend a few extra minutes sorting USA born, raised and slaughtered beef from everything else, the plants would pick up, pack up, and move to another State, taking their business and tax dollars with them. I wonder if they bothered to ask the packing plants that question before coming up with a verdict.

While it might have taken a bit more time and planning on the packing and retailing end of things, I do believe it would have benefited the beef industry as a whole. It's a fact that the American consumers are demanding American beef, so why aren't beef producers allowed to more effectively meet that demand? As Bill Bullard, CEO of R-Calf USA, recently pointed out in a Facebook interview, when the original COOL legislation was implemented, the cattle market did indeed improve, giving beef producers a greater return on their beef.

Colorado Beef Producer and CICA member Aaron Kravig said it best in his letter to the editor in the February 8, 2018 Eastern Colorado Plainsman: "This bill would have in-fact given our consumers the right to choose where the beef they feed their families comes from. Furthermore it would have made an important step in preventing the vertical integration of the beef industry and would have made a move in the right direction in keeping calf prices at a sustainable level giving both existing producers and those young producers trying to get a start in the industry a viable chance at making a decent living raising a healthy and wholesome product that our nations consumers are demanding."

*-Andee Leininger, Newsletter Editor*

## Conservation Easements: Noble Intentions With Less Than Noble Consequences

A Conservation Easement, as defined by The Nature Conservancy, is "...a restriction placed on a piece of property to protect its associated resources. The easement is either voluntarily donated or sold by the landowner and constitutes a legally binding agreement that limits certain types of uses or prevents development from taking place on the land in perpetuity while the land remains in private hands"(www.nature.org).

Here are some facts about Conservation Easements:

- The value of an easement is the DIFFERENCE between the full market value of your land WITHOUT an easement on it, and the market value of your land WITH an easement on it. Example: The full market value of your property is \$1,000,000. If you put an easement on your property, your property is now worth \$400,000 which makes the value of the EASEMENT come out to \$600,000. Thus, easements are valued as real property, and reduce the value of the property itself by "35% to 65%" (ccalt.org), depending upon where you live.
- "Generally, a property's value is based on it's 'highest and best use', which often means development"(www.nature.org). So when you sell an easement, you're essentially selling development rights, which includes most of your surface mining rights and all of your renewable energy development rights. Subdivision is also included in this, which means that you cannot split the property up between your children.
- A donated conservation easement means that the landowner does not get reimbursed for the property value that is lost due to the implementation of the easement. However, the landowner will get a tax break in the form of "(1) federal tax deductions; (2) estate tax benefits; (3) Colorado state tax credits; (4) property tax benefits; and occasionally, (5) cash"(ccalt.org). "According to recent legislation that was approved by Congress in 2015, the landowner can "take a deduction for the value of the donated easement up to 50% of the donor's adjusted gross income (AGI) for the year of the donation. For qualifying farmers or ranchers who receive more than 50% of their AGI from the trade or business of farming, the deduction limit is increased to 100% of adjusted gross income. If the deduction amount exceeds these limits, the donor may carry over the balance of the deduction for up to 15 succeeding years"(www.nature.org, <http://www.landtrustalliance.org>).
- An easement that is purchased results in the landowner being paid "for a portion or all of the value of the development rights"(ccalt.org). However, since Land Trusts and other easement holders are non-profit organizations and must raise the money needed to purchase an easement, most easements are donated, rather than purchased.
- A Bargain Sale easement is one in which part of the easement is donated, and the other part is purchased.
- There are many steps to go through to obtain an easement, like having a survey and a conservation easement appraisal done. And obtaining a mineral remoteness assessment and baseline inventory report. And obtaining legal counsel (obtaining your own legal counsel is optional, but very highly recommended). And don't forget the title search and closing costs. This process can cost anywhere from \$50,000 - \$200,000. If we're using the example from above, that's up to 1/3 of the value of the easement.
- ALL EASEMENTS ARE SUBJECT TO EMINENT DOMAIN. Furthermore, most easement holders require that a percentage of the proceeds be paid to them, if a conservation easement property is condemned.
- The only way an easement is ever extinguished is through eminent domain OR if the easement holder fails to monitor the easement every year OR if the easement holder fails to hold the landowner to the promises made in the easement.
- Conservation easements are PERPETUAL. This means they last forever, regardless of how the land changes, or how your operation changes. Additionally, if the Land Trust or easement holder organization goes defunct, the easement cannot be terminated. It is simply transferred to another easement holder.

As someone who once worked at a Land Trust, I would like to give you my personal opinion about conservation easements.

#1 They are not a solution to your money problems. Many of the ranchers I worked with who had sold rather than donated an easement were doing it because they needed the money. It was either sell an easement, or sell the ranch. I can tell you that most of these people were in this situation due to poor management, or their lack of willingness to diversify their income (i.e. get a job in town). And, if you didn't already notice, an easement restricts your capabilities to increase income from your land. Additionally, the money you receive for selling an easement, or the tax breaks you receive for donating an easement, will only last so long. As far as money troubles are concerned, easements are a short-term solution for a long-term problem.

#2 I agree that conservation of agricultural land is important, so that it can stay in agricultural production, but I don't think it should be at the cost of our private property rights.

#3 Any reliable Land Trust is accredited by The Land Trust Alliance. Their 2018-2022 Strategic Plan places an emphasis on making easements a relevant way (the only way) to conserve land, and raising "more unrestricted money" from individuals, foundations and corporations. In the most recent newsletter from the Alliance, President Andrew Bowman stated, "Land trusts continue to rely upon the support and engagement of a sliver of the American populace that is far too uniform in terms of race, ethnicity, age, affluence and other characteristics." Just let that sink in.

*-Andee Leininger, Newsletter Editor*



Thank you to all who attended CICA's Legislative Day at the Capitol on February 7th. Members were able to meet with Senator Jerry Sonnenberg and Representative Kimmi Lewis.

*L to R back row: Travis Stovall, Curt Werner, Janell Reid.*

*L to R middle row: Tom Bonds, Adam Nuss.*

*L to R front row: Cody Jolly, Lorene Bonds, Andee Leininger, Kay & Gerald Schreiber. Not pictured, John Reid, Korry Lewis.*

*Photo courtesy of Norman Kincaide*

# Calendar and Events Page

## July 20th-21st, 2018: CICA Annual Convention

-The 2018 annual convention will be held July 20th-21st in La Veta in the Cuchara Valley. A block of 30 rooms is being held at the Cuchara Inn in La Veta. Rooms range in price from \$115-\$145/night, but a 10% discount will be applied to those rates, just be sure to mention the CICA Convention. Please call 719-742-3685 to reserve a room.

-Here are a few highlights from the agenda:

- Bill Bullard, C.E.O. of R-Calf USA, will be speaking about proposed tariffs on all foreign beef, and the NAFTA agreement.
- Shad Sullivan will talk about why he switched from CCA to CICA.
- Matt Thompson will tell us how he and his wife's feedlot in Australia was targeted and eventually shut down by environmentalist groups.

## Monthly Board Meetings

-Board meetings are held the 3rd Tuesday of every month. If any of our members have issues or concerns that they want to be addressed, they should contact their District Representative. The DR will be more than happy to discuss these concerns at the next board meeting.

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***In an effort to keep in touch with our members as well as educate the public and our policymakers, we recently renovated and expanded our web site. The address is the same: [www.coloica.com](http://www.coloica.com) . CICA is also on Facebook [www.facebook.com/coloica](http://www.facebook.com/coloica) . AND we are excited about a totally new and improved email system which we just implemented. If you would like to receive our email communications and they aren't currently making it to your inbox, contact Julie at [juliesumpter2@gmail.com](mailto:juliesumpter2@gmail.com). If you are not getting a hard copy of the newsletter and would like one, just call or text Julie at 719-980-0460. Having just listed our latest communication efforts all involving technology, just know that we still prefer sitting down over a cup of coffee with our members, discussing issues, proposing solutions and just getting to know one another.***

# PRESIDENT'S LETTER

Hello Members,

CICA has been active at the capital the past few months. CICA became members of the Colorado Agriculture Council. They meet twice a month during the legislative session. I have been attending the meetings. CICA members helped Rep. Kimmi Lewis lobby and testify in favor of HB18-1043(Beef County Of Origin Recognition System) and 3 other bills that would have addressed problems associated with conservation easements in Colorado. The testimony given by our members was the most diverse and original in thought.

Our annual legislative day, where we meet with legislators, was held on February 7<sup>th</sup>. This year we also met with Colorado's Commissioner of Agriculture Don Brown.

The 13<sup>th</sup> annual convention on July 20<sup>th</sup> and 21<sup>st</sup> is quickly approaching. It is shaping up to be one of the best conventions yet. The location has been changed to the LaVeta/Cuchara area. Make sure to invite your neighbors so they can see what our grassroots organization is about.

The extension of the agriculture exemption from the Electronic Logging Device(ELD) mandate until September 30, 2018 is much welcomed news. It is only a temporary solution. Please call or write your elected official so we can come up with a permanent exemption from this mandate. This mandate is only going to ham the independent truckers that we use to get our goods to market or that bring us our livestock feed.

I challenge you again to go out and get one new member.

Cody Jolly, CICA President

The CICA Board is looking at making some changes to our producer dues structure and we feel that it is important to get feedback from our membership. Please mail this portion back to Cody Jolly; 31111 County Road 23; Hugo Colorado 80821. Below are several options of what we are looking at PLEASE CIRCLE ONE.

- Leave dues at present rate of \$50 annually
- Raise dues to \$60 annually
- Pay your dues for 3 years at a discounted rate of \$140



## **CICA 2018 Summer Internship now open for applications**

**The internship provides \$1,000.00 to one applicant that meets the criteria and shows enthusiasm towards the success of the cattle industry. The internship is an eight-week, work from home program that will take place throughout June and July. The intern will be expected to assist the convention committee in organizing and planning the annual convention; prepare and send news releases to media; assist the secretary with duties; market and promote membership; and attend conference call meetings. Attendance at the Annual Convention is required. A bonus can be offered upon successful completion of the program for intern's work ethic and enthusiasm towards CICA. Applications must be post-marked by May 1, 2018.**

**Eligible applicants must be:**

- 18 years old or older as of June 1**
- Graduating high school senior or current college student**
- A legal citizen or resident of the USA**

**For more information on how to apply, please visit the CICA website at [coloica.com/about-cica/internship/](http://coloica.com/about-cica/internship/)**

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**If any of our members have suggestions for article topics, or suggestions about the newsletter as a whole, please contact the Newsletter Editor. Thank you!**

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