August 22, 2018

2019 - State of Idaho Grazing AUM Rate Announcement

During the August 21, 2018 regular State Board of Land Commissioners (Land Board) meeting, the Land Board discussed the Grazing Rate Methodology Review agenda item. One topic of discussion, related to the existing state grazing rate formula and alternatives previously presented by the Grazing Subcommittee, is clarity regarding non-fee costs potentially incurred by state grazing lessees on state endowment trust lands versus private land grazing leases. The Land Board voted 4 to 1 to continue using the current Status Quo formula, until a comprehensive, up-to-date third-party study is completed on the subject of non-fee grazing costs incurred by lessees on federal public or state trust lands versus private lands.

The Status Quo formula requires the annual input of data, published by USDA National Agricultural Statistics Services, related to private land lease rates and forage value in the 11-Western states (FVI), Idaho (IDFVI), Prices Paid Inputs (PPI), and Beef Cattle Price Index (BCPI). Based on the most recent annual data determined by the USDA Agricultural Marketing Service (AMS) the 2019 grazing fee will be $7.56 per AUM, a decrease of forty-six cents from the 2018 AUM rate of $8.02. Grazing lease-billing statements will reflect this adjustment with annual rent fees due on or before May 1, 2019.

The Status Quo AUM fee formula as approved by the Land Board states that if the previous 12-month (Oct. 1 – Sept. 30) average lamb price is 70% or less than the average price for calves under 500 pounds, the sheep AUM rate will be reduced by 25%. In October 2017, a review of the USDA AMS data determined that the average annual lamb price of $187.87/cwt was 158% of the average annual beef price of $118.52/cwt. Therefore, no reduction of the rental rate for sheep AUMs occurred for 2018. A review of price data in October 2018 will determine if the lamb and calf price difference is sufficient to warrant a lower AUM rate for sheep operators in 2019.

If you have any questions concerning your grazing lease, please contact the Idaho Department of Lands at 208-334-0278.