

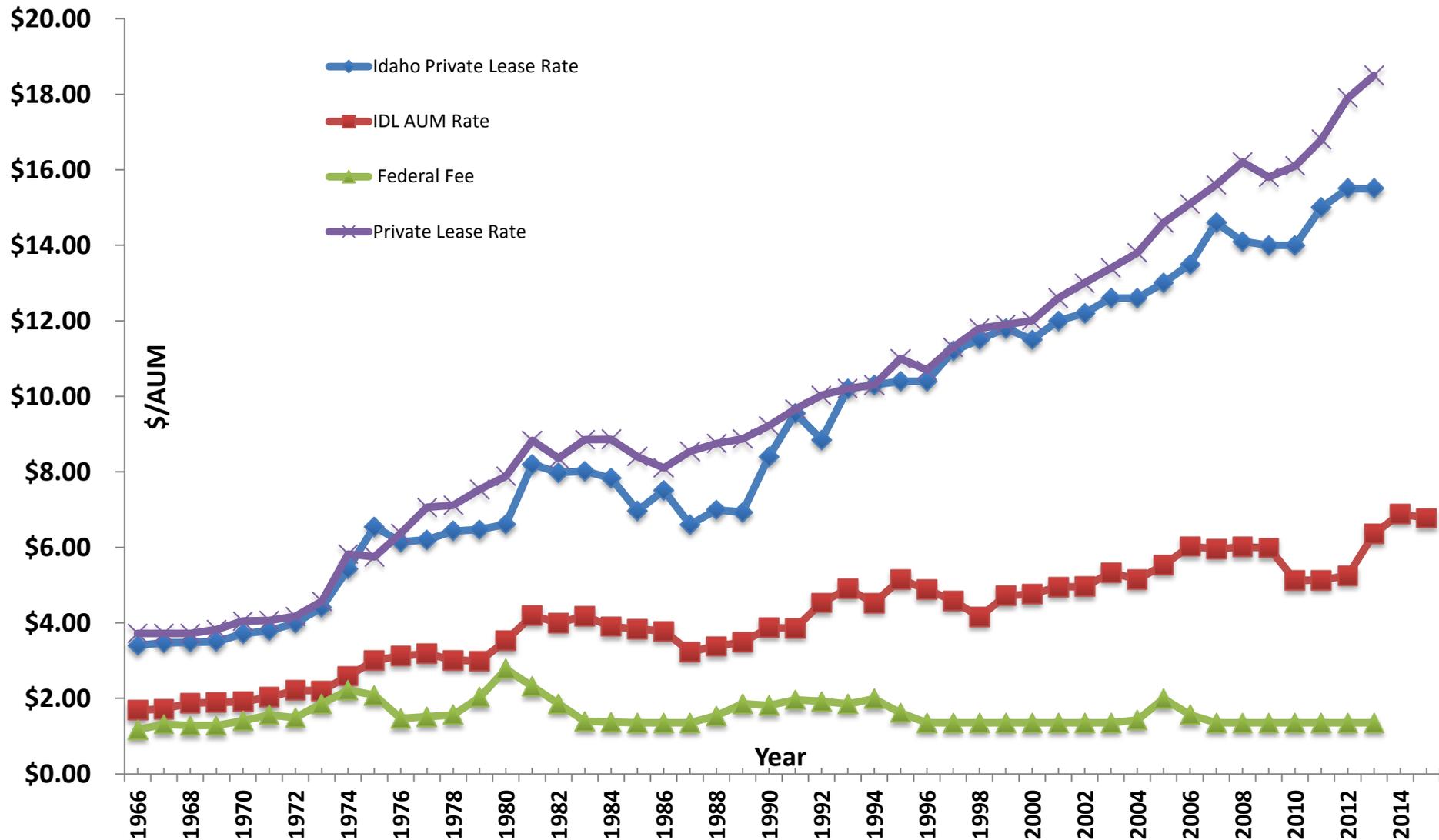
# Idaho Department of Lands

## State Grazing Rate Review

- 1,278 State grazing leases with 285,000 AUMS
- State grazing fee formula adopted by the Land Board in October 1993
- Formula is a regression calculation based on four factors
- Originally designed to fluctuate with the livestock market
- Data collected from USDA National Agricultural Statistics Service (NASS)
- Idaho Department of Lands – Grazing Market Rent Study (August 2012)

# 1966 – 2015

## History of Idaho Grazing Lease Rates & Fees

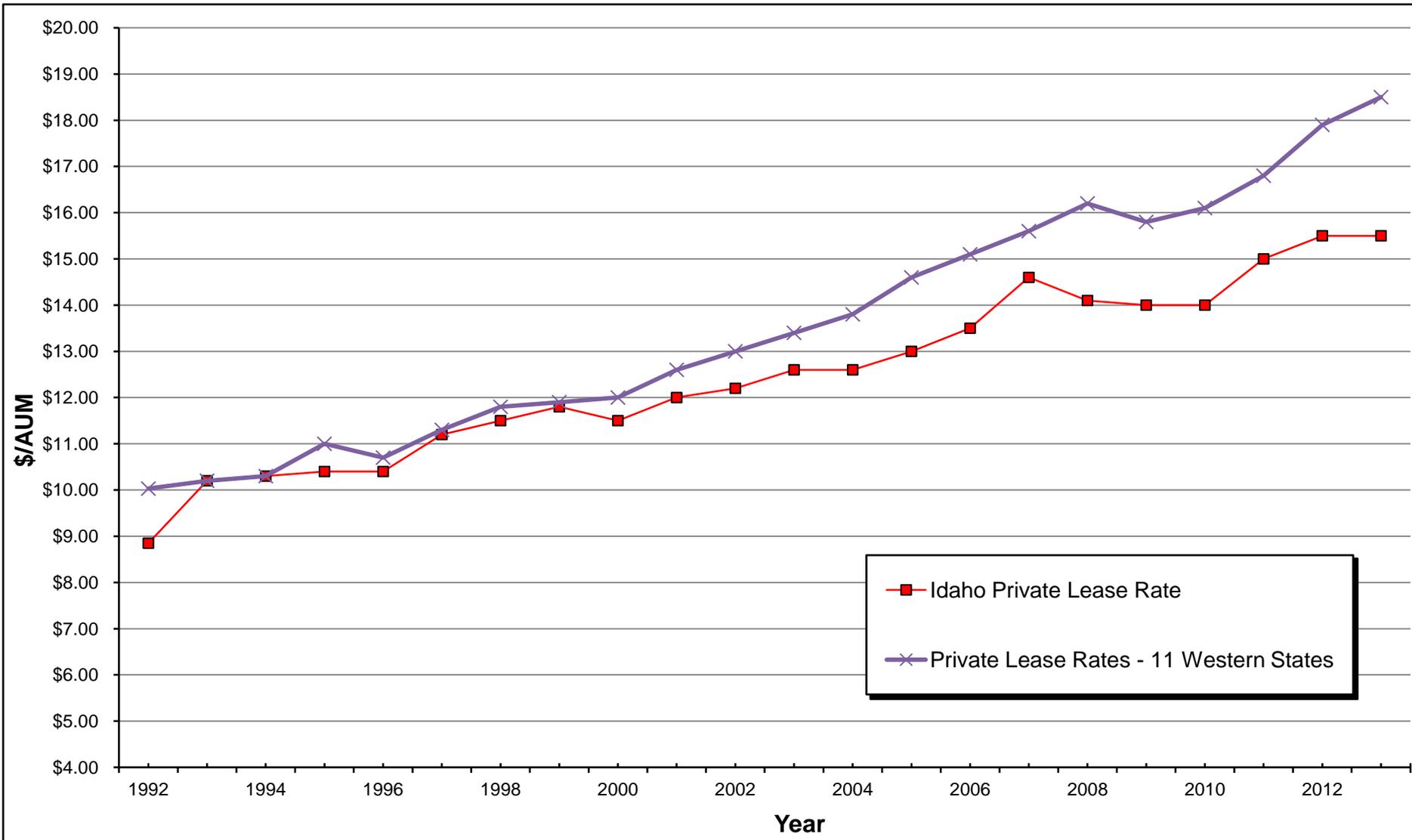


# AUM Rate Calculation Factors

- Forage Value Index (FVI)
  - Most recent published through USDA NASS
  - Based on Private Lease Rates, per head
  - 11 Western States
    - AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY
- Idaho Forage Value Index (IDFVI)
  - Most recent published FVI for Idaho
  - Based on private lease rates in Idaho, per head

1992 – 2013

# Idaho Private Lease Rates versus Private Lease Rates

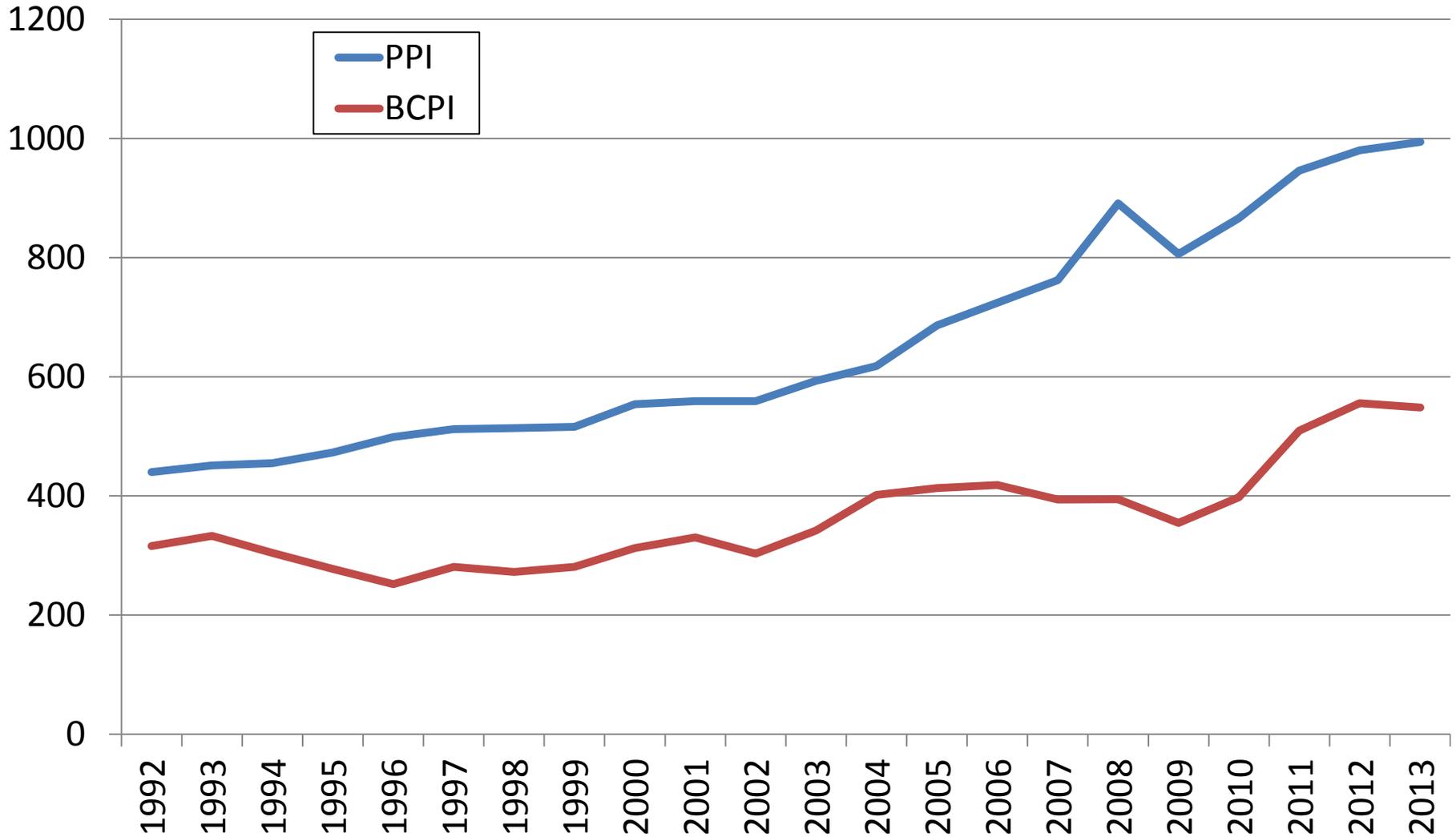


# AUM Rate Calculation Factors

- Prices Paid Index (PPI)
  - Most recent published USDA NASS
  - Input prices paid by farmers and ranchers for beef cattle production such as feed, fuel, supplies, labor, machinery
  - 11 Western States
- Beef Cattle Price Index (BCPI)
  - Most recent published USDA NASS
  - 11 Western States

1992 – 2013

# Prices Paid Index versus Beef Cattle Price Index



# AUM Rate Calculation

IDAPA Code 20.03.14.41

Notice of increase provided in writing to lessee at least 180 days prior to due date.

**IDFVI<sub>2</sub>** = Prediction of the Idaho Forage Value Index  
calculated two years prior to grazing fee being set

$$\text{IDFVI}_2 = -6.92 + (.13 \times \text{FVI}) + (.6 \times \text{BCPI}) - (.33 \times \text{PPI}) + (.74 \times \text{IDFVI})$$

$$\text{AUM Fee} = \text{IDFVI}_2 / 100 \times \$1.70 \text{ Base Value}$$