

## **MONTANA STATE LAND GRAZING RATE**

The base or minimum rate charged per animal-unit-month (AUM) on state trust grazing lands is calculated annually using a formula set in state law (§77-6-507(2), MCA). That formula takes the average price per pound of beef cattle in Montana for the previous year, times a multiplier established by the Board of Land Commissioners. Beef cattle prices are provided to the Department each year by the Montana Agricultural Statistics Service. The market year price used to set the 2015 rental rate was \$1.4574/lb.

In November 2011, the Land Board increased the multiplier from 7.54 to 10.48, to be phased in over a five-year period (2012 – 2016). The 2015 rate was calculated as follows:

$$\text{\$1.4574/lb.} \times 9.89 \text{ (multiplier)} = \text{\$14.41/AUM}$$

The 2014 grazing rate was \$11.41/AUM.