

Idaho State Land Grazing Lease Rates: Formula 19

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Public Rangeland Improvement Act (PRIA) Fee Formula of 1978

- ☀️ PRIA formula

$$\text{Fee}_t = \$1.23 \times \frac{(\text{FVI}_{t-1} + \text{BCPI}_{t-1} - \text{PPI}_{t-1})}{100}$$

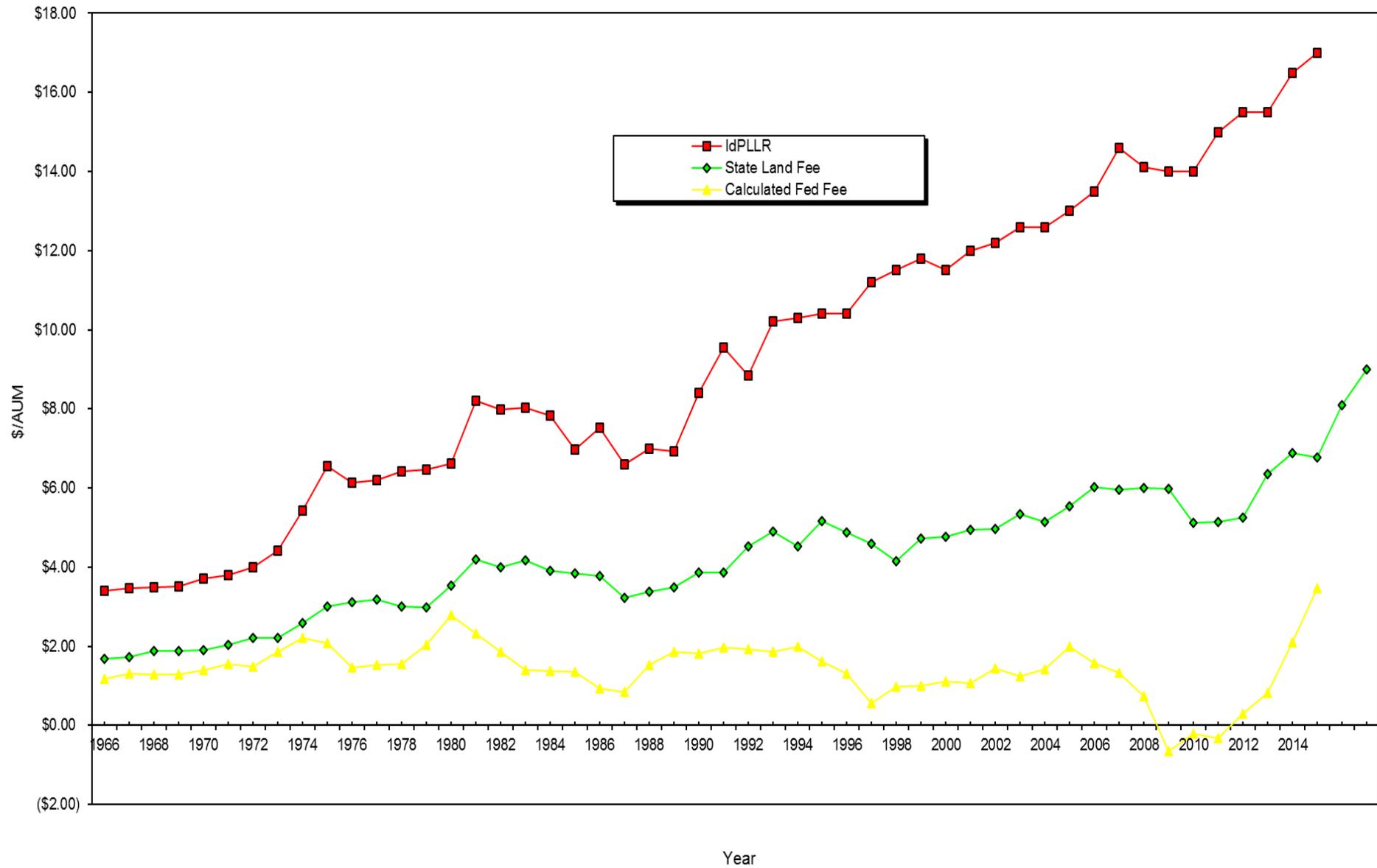
- ☀️ Used to set BLM and USFS fees since 1979

- ☀️ Forage Value Index (FVI)- Private Lease Rates
- ☀️ Beef Cattle Prices Index (BCPI)
- ☀️ Prices Paid Index (PPI)
- ☀️ \$1.23/AUM Base - Public vs. Pvt Grazing Costs
- ☀️ \$1.35/AUM Floor (Executive Order, mid-80's)

Formula 19

- $IDFVI_{t+2} = -6.92 + (.13 \times FVI_t) + (.6 \times BCPI_t) - (.33 \times PPI_t) + (.74 \times IDFVI_t)$
 - 1964-68 base period
 - 2 year lag (because of 6 month notice of fee changes)
 - \$1.70 Base Value (politically derived)
 - $R^2 = 0.9468$
 - All variables except FVI significant at the 10% level
 - Predicted IDFVI is multiplied by the base value and divided by 100 to derive the fee

Figure 1. Idaho Grazing Lease Rates & Fees
1966-2017



Formula 19 Index Values and Lease Rates, 2001-2017

Year	IDFVI	Rate
2001	291.25	\$4.95
2002	291.55	\$4.96
2003	313.62	\$5.33
2004	302.97	\$5.15
2005	325.23	\$5.53
2006	354.34	\$6.02
2007	350.32	\$5.96
2008	353.55	\$6.01
2009	352.18	\$5.99
2010	301.08	\$5.12
2011	301.89	\$5.13
2012	308.97	\$5.25
2013	373.86	\$6.36
2014	405.21	\$6.89
2015	398.29	\$6.77
2016	475.97	\$8.09
2017	529.79	\$9.01