

2024-25 Grazing Rates

Board of Trustees
March 21, 2024

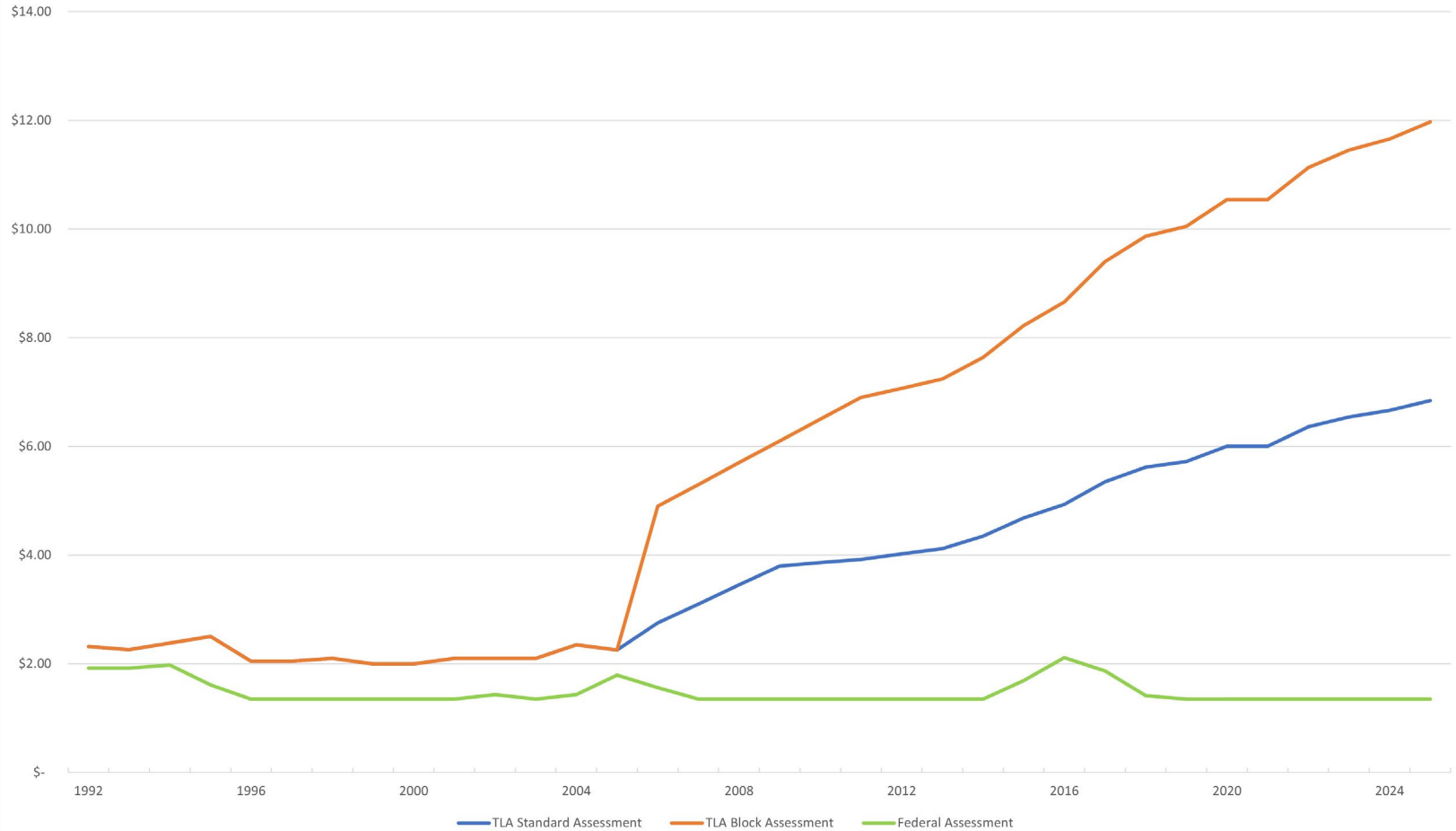


Historical Perspective



- Administrative Rule R850-50-500
 - An annual assessment shall be charged for each AUM authorized by the agency. This assessment shall be established by the board and shall be reviewed annually and adjusted if appropriate.*
- 2003 – Board directed the agency to evaluate the merits of creating separate grazing assessment structures for selected lands blocks and scattered sections
- 2005 – After two years of extensive analysis, a new structure and formula for calculating grazing adjustments was adopted.
 - Structured to reflect market changes occurring in Utah's private lease rates and contained an automatic inflationary factor to increase rates over time
 - The formula, although complex, did its job – TLA rates are now significantly higher than rates on federal lands and more balanced between federal and private lease rates
- 2020 – Board adopted a new simplified formula that tracks private lease rates, automatic inflationary factor removed.

Trust Lands vs. Federal Grazing Assessments (1992-2024)



Current Grazing Assessment Formula

Established by the Board in 2020, the formula is a percentage of the USDA National Agricultural Statistics Service (NASS) private lease rate averaged over a three-year period. Taking a three-year running average smooths out any drastic sways in the data.

- Standard Assessment – 36% of the 3-year running average of private lease rates
- Block Assessment – 63% of 3-year running average of private lease rates

The \$0.10/AUM weed fee established in state statute is added to the assessments calculated per the formula



2024-25 Proposed Grazing Assessments

Standard Assessment

36% of the NASS 3-year average private lease rate

- $\$18.50$ (2021) + $\$19.00$ (2022) + $\$19.50$ (2023) = $57/3 = \$19.00 \times 36\% = \$6.84/\text{AUM}$
- Last year's assessment was $\$6.65/\text{AUM}$

Block Assessment

63% of the NASS 3-year average private lease rate

- $\$18.50$ (2021) + $\$19.00$ (2022) + $\$19.50$ (2023) = $57/3 = \$19.00 \times 63\% = \$11.97/\text{AUM}$
- Last year's assessment was $\$11.66/\text{AUM}$

Weed Fee

The $\$0.10/\text{AUM}$ weed fee is established in state statute (53C-5-104) and will be added to these assessments. The weed fee is used for the payment of costs incurred in controlling noxious weeds, new and invading plant species, insects, and disease infestations.





Requested Action

Reviewed by the Surface Committee

The agency requests that the Board approve the 2024/2025 grazing assessments and offers the following proposed motion:

“Move to approve the grazing assessments for 2024/2025 with the standard assessment being set at \$6.84 per AUM and the block assessment being set at \$11.97 per AUM.”