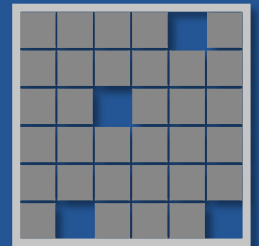# UTAH TRUST LANDS

FY-2021-22 Grazing Fees

GRAZING FEE RULE

R850-50-500

1. 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.

ASSESSMENT RATE

A new formula to establish grazing assessment rates was approved by the Board of Trustees in 2020. This formula is a percentage of the USDA National Agricultural Statistics Service (NASS) private lease rate averaged over a 3-year period. Taking a 3-year running average will help take out any drastic sways.

- Standard Assessment - 36% of the three most current years private lease rate per AUM as published by NASS: $17.00 (2018) + $18.00 (2019) + $18.00 (2020) = $53.00/3 = $17.667 x 36% = **$6.36/AUM**

- Block Assessment - 63% of the three most current years private lease rate per AUM as published by NASS: $17.00 (2018) + $18.00 (2019) + $18.00 (2020) = $53.00/3 = $17.667 x 63% = **$11.13/AUM**

The $0.10/AUM Weed Fee as required by Utah Legislature will be in addition to the amounts shown above.
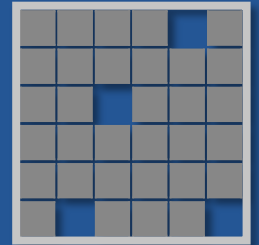
CONCLUSION

SITLA range staff and Surface Management requests Board approval of the FY 2022 (July 2021-June 2022) grazing assessment rates set forth below:

- Standard Assessment - $6.36 + $0.10 weed feed= **$6.46 per AUM**
- Block Assessment - $11.13 + $0.10 weed feed= **$11.23 per AUM**

QUESTIONS?

HISTORY

- March of 2003, the Board of Trustees directed the Agency to evaluate the merits of creating a separate grazing assessment structure for selected land blocks and to explore ways of improving the overall grazing program, including stewardship practices.

- After two years of extensive analysis, a completely new structure for grazing assessments was adopted by the Board of Trustees and implemented in 2005.

- A new formula was structured to reflect market changes occurring in Utah's private lease rates and is derived through a statistical regression analysis of lease rates over the last five years. The formula applies private lease rates as reported from USDA National Agricultural Statistics Service (NASS) each year.

$$UTFVI_t = 1.01787 \times UTFV_{t-1} / UTFV_{t-2}$$

The grazing fee = base year fee (FVI + BCPI - PPI)/100. 2012 for example = $1.23 (460 + 509 - 946)/100 = $-0.27 (Federal). Per Executive Order, $1.35 is the legal minimum.

RESULTS OF GRAZING FEE CHANGES

Grazing Season	Standard Assessment + Weed Fee	Block Assessment + Weed Fee
2005-2006	$2.75 + $0.10 = $2.85	$4.90 + $0.10 = $5.00
2006-2007	$3.10 + $0.10 = $3.20	$5.30 + $0.10 = $5.40
2007-2008	$3.45 + $0.10 = $3.55	$5.70 + $0.10 = $5.80
2008-2009	$3.80 + $0.10 = $3.90	$6.10 + $0.10 = $6.20
2009-2010	$3.86 + $0.10 = $3.96 (Adjusted by Formula)	$6.50 + $0.10 = $6.60 (Adjusted by Formula)
2010-2011	$3.92 + $0.10 = $4.02 (Adjusted by Formula)	$6.90 + $0.10 = $7.00 (Adjusted by Formula)
2011-2012	$4.02 + $0.10 = $4.12 (Adjusted by Formula)	$7.07 + $0.10 = $7.17 (Adjusted by Formula)
2012-2013	$4.12 + $0.10 = 4.22 (Adjusted by Formula)	$7.24 + $0.10 = $7.34 (Adjusted by Formula)
2013-2014	$4.35 + $0.10 = $4.45 (Adjusted by Formula)	$7.64 + $0.10 = $7.74 (Adjusted by Formula)
2014-2015	$4.68 + $0.10 = $4.78 (Adjusted by Formula)	$8.22 + $0.10 = $8.32 (Adjusted by Formula)
2015-2016	$4.93 + $0.10 = $5.03 (Adjusted by Formula)	$8.66 + $0.10 = $8.76 (Adjusted by Formula)
2016-2017	$5.35 + $0.10 = $5.45 (Adjusted by Formula)	$9.40 + $0.10 = $9.50 (Adjusted by Formula)
2017-2018	$5.62 + $0.10 = $5.72 (Adjusted by Formula)	$9.87 + $0.10 = $9.97 (Adjusted by Formula)
2018-2019	$5.72 + $0.10 = $5.82 (Adjusted by Formula)	$10.05 + $0.10 = $10.15 (Adjusted by Formula)
2019-2020	$6.00 + $0.10 = $6.10 (Adjusted by Formula)	$10.54 + $0.10 = $10.64 (Adjusted by Formula)
2020-2021	$6.00 + $0.10 = $6.10 Interim Year	$10.54 + $0.10 = $10.64 Interim Year