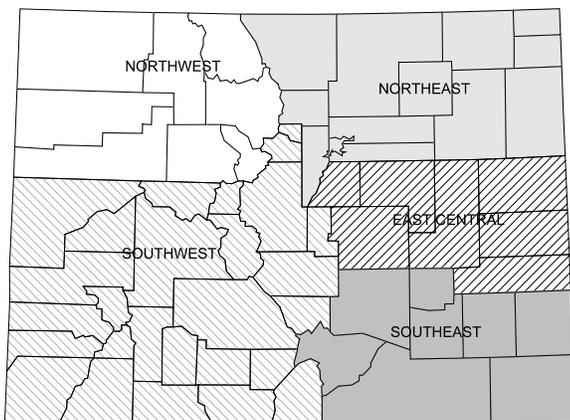


This report represents the results of a special survey of private non-irrigated grazing land leases in Colorado. The survey was designed and completed by the Colorado Agricultural Statistics Service under a funding agreement with the Colorado State Board of Land Commissioners. The survey was conducted during May and June, 2004. Questionnaires were mailed to 2,870 Colorado farmers, ranchers and landlords. Many of these were identified as having private grazing leases from a Fall 2003 survey of over 10,000 agricultural producers. This sample was combined with a mailing list of landlords and producers obtained from the State Board of Land Commissioners.

The survey was designed to provide non-probability statistical estimates of private non-irrigated grazing lease terms, characteristics and rates at special district and state levels. Survey responses were received from most counties in the state. Straight averages of the reported rates for the three predominate lease rate arrangements were reviewed for each county even though only district and state values are published. Rates published in this report include only leases that were not discounted because of non-cash arrangements with the lessor or because there was an exchange of labor or goods for rent. Leases with non-cash arrangements were excluded because non-cash factors are not reflected in the survey data. Additionally, only leases with at least 100 acres but not more than 50,000 acres are included in the tables on the following pages. Small and large leases were excluded because the lease amounts are generally not representative of the market rates paid by the majority of cattle producers. No leases over 50,000 acres were reported on the survey.

The 2004 survey showed that 48 percent of the private grazing leases were on a rate per acre basis, 43 percent were on a per head per month basis and 9 percent were on a per AUM basis. The 1999 survey indicated that 47 percent of the leases were on a rate per acre basis, 35 percent were on a per head per month basis and 18 percent were on a per AUM basis. The graphics below show the counties included in each survey district and the survey average rates for each of the survey districts. The district data tables for both the 1999 and 2004 surveys and additional narrative on the survey follow on the next few pages.

COLORADO



State Land Board Districts

Private Grazing Rates Colorado, 2004

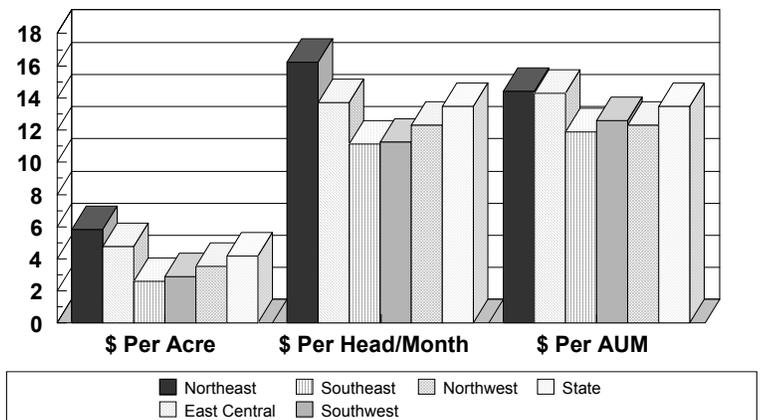


TABLE 1: RATES PAID FOR PRIVATE GRAZING LEASES BY DISTRICT, COLORADO, 1999 and 2004

District	Per Acre Basis	Per Head/Month Basis		Per AUM Basis	
	Average	Average	Length of Season	Average	Length of Season
1999	\$ Per Acre	\$ Per Head/Month	Months	\$ Per AUM	Months
Northeast	5.08	12.62	5	14.26	6
East Central . . .	4.70	10.99	5	13.37	6
Southeast	2.89	12.14	5	12.95	6
Southwest	3.59	9.55	5	10.35	5
Northwest	2.88	10.02	4	11.48	5
State Total	4.05	11.12	5	12.67	6
2004 ^{1/}					
Northeast	5.82	16.22	5	14.42	5
East Central . . .	4.78	13.68	6	14.27	6
Southeast	2.61	11.11	5	11.88	6
Southwest	2.87	11.25	5	12.58	4
Northwest	3.54	12.33	4	12.33	4
State Total	4.17	13.47	5	13.49	5

^{1/} Leases that were not discounted because of non-cash arrangements or because of exchange of labor or goods for rent and were 100 acres to 50,000 acres in size.

TABLE 2: PRIVATE GRAZING LEASE SUMMARY BY DISTRICT, COLORADO, 1999 and 2004

District	Leases Reported	Percent of Leases for:			Acres Per Lease
		Cattle	Sheep	Both	Average
1999	Number	Percent ^{1/}			Acres
Northeast	295	99	1	—	831
East Central . . .	343	99	—	—	1,237
Southeast	206	98	2	—	1,609
Southwest	218	95	3	2	1,070
Northwest	132	88	11	2	1,386
State Total	1,194	97	2	1	1,188
2004 ^{2/}					
Northeast	243	100	—	—	1,034
East Central . . .	228	100	—	—	1,365
Southeast	176	98	—	2	1,877
Southwest	135	99	1	—	1,821
Northwest	72	96	1	3	1,989
State Total	854	99	—	1	1,501

^{1/} Percents may not add to 100 due to rounding.

^{2/} Leases that were not discounted because of non-cash arrangements or because of exchange of labor or goods for rent and were 100 acres to 50,000 acres in size.

TABLE 3: PRIVATE GRAZING LEASE SUMMARY BY DISTRICT, COLORADO, 1999 and 2004

District	Reported Carrying Capacity (Acres Per Animal Unit)	Percent of Leases by Type			Percent of Leases by Term		
	Average	Per Acre Basis	Per Head/Month Basis	Per AUM Basis	Month to Month	Annual	Multiple Years
		Percent <u>1/</u>			Percent <u>1/</u>		
1999	Acres	Percent <u>1/</u>			Percent <u>1/</u>		
Northeast	16	35	41	24	30	60	10
East Central	19	62	24	14	25	73	2
Southeast	31	68	22	10	18	71	11
Southwest	24	25	48	27	30	56	14
Northwest	14	31	50	18	34	55	11
State Total	21	47	35	18	27	64	9
2004 <u>2/</u>							
Northeast	19	39	48	13	23	62	14
East Central	26	62	33	5	18	67	15
Southeast	39	63	33	5	13	73	14
Southwest	36	35	51	15	16	59	25
Northwest	29	29	63	8	25	48	27
State Total	29	48	43	9	19	64	17

1/ Percents may not add to 100 due to rounding.

2/ Leases that were not discounted because of non-cash arrangements or because of exchange of labor or goods for rent and were 100 acres to 50,000 acres in size.

TABLE 4: PRIVATE GRAZING LEASE SUMMARY BY DISTRICT, COLORADO, 1999 and 2004

District	Percent of Leases With Landlord Provided Services						Hunting and/or Fishing Rights
	Maintenance of:		Animal Mgt. & Oversight	Salt and Minerals	Other Services	No Services	
	Fence	Water					
1999	Percent <u>1/</u>						
Northeast	50	48	10	8	3	38	4
East Central	40	46	9	7	2	44	7
Southeast	31	32	7	7	—	61	8
Southwest	39	30	12	9	2	57	5
Northwest	46	37	16	6	6	46	10
State Total	41	40	10	7	2	48	7
2004 <u>2/</u>							
Northeast	47	54	11	10	5	37	7
East Central	39	47	9	6	4	45	9
Southeast	38	35	17	17	1	61	12
Southwest	27	22	11	8	2	65	3
Northwest	50	47	15	15	4	43	14
State Total	40	43	12	10	3	49	9

1/ Percents may not add to 100 due to landlords providing more than one service.

2/ Leases that were not discounted because of non-cash arrangements or because of exchange of labor or goods for rent and were 100 acres to 50,000 acres in size.

OFFICIAL BUSINESS

ADDRESS SERVICE REQUESTED

Both the 1999 and 2004 surveys indicate that virtually all of the leases of privately owned non-irrigated land are for cattle. Exclusive sheep leases accounted for less than 1 percent of the total in 2004 compared with 2 percent in 1999, and most of those are in the western areas of the state. Only one percent of the leases were for both cattle and sheep.

The 2004 average number of acres included in leases was 1,501 acres, up from an average of 1,188 acres in the 1999 survey. These data may not be directly comparable because acreage size limits were applied in 2004 and were not in 1999. Each district had an average exceeding 1,000 acres for both years except the northeast which averaged 831 acres in 1999.

The average reported carrying capacity varied across the state, ranging from 19 acres per animal unit in the Northeastern district to 39 acres per animal unit in the Southeast district. An upper limit of 100 acres was established for each district in both 1999 and 2004 surveys. The state average increased 8 acres per animal unit to 29 acres per animal unit as a direct result of the extreme drought experienced in the State during the past three years. An increase in acres per animal unit represents a decrease in carrying capacity. The Southwest and Northwest districts saw the largest increases of 12 acres per animal unit and 15 acres per animal unit, respectively. The 1999 survey indicated a range of 14 acres per animal unit in the Northwest to 31 acres in the Southeast.

Nearly one half of the leases were on a per acre basis in each survey, averaging 48 percent in 2004 and 47 percent of the total in 1999. Leases on a per acre basis were most common in the East Central and Southeast districts in the 2004 survey, accounting for over 60 percent of the total in each area. In 2004, 43 percent of the leases were on a per head/month basis compared with 35 percent in 1999. In the Northeast, Southwest and Northwest districts, leasing on a per head/month basis was the most common, accounting for 48, 51 and 63 percent of the total, respectively. Nine percent of the 2004 leases were on an AUM basis, down from 18 percent in 1999.

Leasing on an annual basis was the most common term of lease, averaging 64 percent of the total leases in both 2004 and 1999. Annual leases were the most common in each district for both survey periods. Month to month leases represented 19 percent of the total in the latest survey, down from 27 percent in the previous survey. Multiple year leases were least common, averaging 17 percent of the total in 2004 compared with 9 percent in the 1999 survey.

In each of the two surveys, nearly 50 percent of the leases did not include any services by the landlord. However, fence and water maintenance were the most common services provided by landlords in each of the two surveys where at least one service was provided. Each of these services were provided on about 40 percent of the leases. Twelve percent of the leases included animal management and oversight and three percent of the leases included some type of other services. The 2004 survey results for services were very similar to those from the 1999 survey.

Nine percent of leases had hunting and/or fishing rights conveyed with the lease in 2004 compared with 7 percent in 1999. Hunting and fishing rights were the most popular in the Southeast and Northwest districts with 12 percent and 14 percent of leases, respectively.