

## Grazing Fees

As of 2005, approximately 48 percent of Arizona's total area of 72,726,000 acres is Federal and State public trust land administered by the United States Department of Interior (USDI) Bureau of Land Management, the United States Department of Agriculture (USDA) Forest Service, and the Arizona State Land Department. A majority of these public lands are leased for livestock grazing.

For the years 1979-1985, fees for grazing on Federal public lands were determined by a formula established in the Public Rangelands Improvement Act of 1978 (PRIA). The act expired December 31, 1985. On February 14, 1986, in the absence of Congressional action, the President, through Executive Order 12548, indefinitely extended the PRIA formula, subject to a few minor changes.

These minor changes included: (1) the Forage Value Index would use the weighted average estimate of the annual rental charge per head per month, rather than Animal Unit Month; (2) the Beef Cattle Price Index means the weighted average annual selling price for beef cattle in the 11 Western States, and (3) the Prices Paid Index would reflect selected livestock production costs in the Western States. In addition, The Executive Order specified that the fee shall not be less than

\$1.35 per Animal Unit Month and that annual adjustments would not exceed plus or minus 25 percent of the previous year's grazing fee.

Effective March 1988, the Secretary of Agriculture issued a final ruling that established regulations for annually determining Federal grazing fees. The fee system now in effect is the formula prescribed in the Executive Order of February 1986 and, in most respects, is the same grazing fee formula enacted by Congress in 1978. Grazing fees will be based on a rate per head month.

A head month is a month's use and occupancy of range by one animal, except for sheep or goats. A full head month's fee is charged for a month of grazing by adult animals; if the grazing animal is weaned or 6 months of age or older at the time of entering the Federal lands; or will become 12 months of age during the permitted period of use. For fee purposes, 5 sheep or goats are equivalent to one cow, bull, steer, heifer, horse, or mule.

Grazing fee formula components are compiled by the USDA Agricultural Statistics Board and furnished to USDI Bureau of Land Management and the USDA Forest Service for calculating the grazing fee each year.

### Public Land Grazing Fee Formulation \*

Grazing Fee Components	Base Year 1964-68	1999	2000	2001	2002	2003	2004	2005
Grazing Rates on Private Land (Dollars) 1/	3.65	11.80	11.90	12.00	12.60	13.00	13.40	13.80
Forage Value Index (FVI) 2/	100	323	326	329	345	356	367	378
Average Price Received for Beef Cattle per Cwt (Dollars) 3/	22.04	60.01	61.89	68.88	72.80	66.76	75.33	88.53
Beef Cattle Price Index (BCPI) 4/	100	272	281	313	330	303	342	402
Prices Paid Index (PPI) 5/	100	514	516	554	559	559	593	618
<b>Federal Grazing Fee (Dollars) 6/</b>	<b>(1.23)</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.43</b>	<b>1.35</b>	<b>1.43</b>	<b>1.79</b>
State Grazing Fee (Dollars)	(0.95)	1.96	1.95	2.00	2.11	2.14	2.23	2.38

\* The Federal Grazing Fee for the year specified, as constrained by Presidential Executive Order 12548, is based on prior year values for the formula components.

1/ Privately-owned, non-irrigated land in eleven western states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Rates are per head month. Private Fee Grazing Rates, for the prior year, are published by NASS-USDA in the January Agricultural Prices report.

2/ Private land grazing rates current year divided by base year times 100.

3/ Average for twelve months November-October prior to the fee year for eleven western states, see footnote 1. Average Beef Cattle Price for the Nov-Oct period, are published by NASS-USDA in the December Agricultural Prices report.

4/ Beef cattle price current year divided by base year times 100.

5/ Index of prices paid for beef cattle production inputs as percent of base year. The Prices Paid Index for Beef Cattle Production for the Nov-Oct period, are published by NASS-USDA in the December Agricultural Prices report.

6/ The grazing fee = base year fee (FVI + BCPI - PPI)/100. 2005 for example =  $\$1.23 (378 + 402 - 618)/100 = \$1.99$  (Federal), per Executive Order, \$1.35 is the legal minimum. Since the annual adjustments can not exceed 25 percent of the previous year's grazing fee, the 2005 Federal Grazing Fee = \$1.79.