

2018 MONTANA STATE LAND GRAZING RATE

The base or minimum rate charged per animal-unit-month (AUM) on state trust grazing lands is calculated annually using a formula set in state law (§77-6-507(2), MCA). That formula takes the average price per pound of beef cattle in Montana for the previous year, times a multiplier established by the Board of Land Commissioners.

Beef cattle prices are provided to the Department each year by the Montana Agricultural Statistics Service. The market year price used to set the 2018 rental rate is \$1.0523/lb.

The current multiplier set by the Land Board in 2011 is 10.48.

The 2018 rate is calculated as follows:

$$\text{\$1.0523/lb.} \times 10.48 = \text{\$11.03/AUM}$$

The decrease from the 2017 grazing rate of \$14.01/AUM is a result of cattle prices falling 21.3% over the last year.