



Department of State Lands

Grazing Fees Rule Change

Division 141-110

Management and Leasing of Rangeland Forage

SUBJECT

Amendment of one AUM compensation rate value used by the department to assess grazing fees.

AUTHORITY

ORS 273.805; relating to the definitions for and purpose of ORS 273.805 to 273.825

OAR 141-110-0080; relating to compensation for rangeland forage

SUMMARY

In 1994, the department developed a grazing fee formula that uses a number of values, including calf prices, weight gains, average mortality rates and an assigned state share. A 2004 Secretary of State's audit of the rangeland program recommended re-evaluation of the grazing fee formula/factors to ensure the department was meeting its fiduciary responsibilities. A Grazing Fee Advisory Committee concluded work in November of 2008, and their recommendations as adopted by the State Land Board are currently being implemented in a series of progressive adjustments to the grazing rates. All of the values in the current formula are now set with the exception of the calf prices, which have been based on monthly prices listed in the *Oregon Agri-Facts* publication by USDA NASS (National Agricultural Statistics Service).

As part of the fee determination, range staff averages the published monthly calf prices for a 12-month period (October – September) to establish an annual calf price. This average price becomes the (P) value in the formula.

As of March 2011, NASS is no longer collecting and publishing the Oregon specific data. Only the national weighted calf price data will continue to be published in *Agri-*

Facts. Range staff compared the relationship between the two prices and determined the Oregon price had averaged a little less than 90% of the national price over the past ten years. The differential has ranged from a low of 86% to a high of 94%.

Current Language in OAR 141-110-0090 (3) (d):

Average weighted calf price (P) shall be based on USDA Oregon agriculture price data indicating the average statewide sales price of calves for the preceding one year period based on an October through September year.

Proposed Language for OAR 141-110-0080 (3) (d):

Average weighted calf price (P) shall be based on [USDA Oregon agriculture] **90% of the USDA national** price data indicating the average [statewide] sales price of calves for the preceding one year period based on an October through September year.

[deleted language]; **added language**