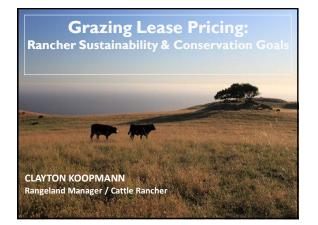
Leases that Work for the Land, Landowners, Lessees, and Livestock



QUESTION:

- What is the best way to establish grazing lease price to promote rancher sustainability and positive conservation outcomes?
- a. Bid price (per AUM or per Acre)

4/17/2014

- b. Bid price per AUM based on highest bid, and tenant qualifications
- c. Bid price per acre based on highest bid, and tenant qualifications
- d. Set rate, per acre, based on local rates
- e. Set price per AUM, based on livestock market, adjusted annually









Clayton Koopman, presenter Central Coast Rangeland Coalition, Spring 2014 Membership Meeting Ma

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(AUM) system. AUM is defined month. One AUE is considered	Animal Unit Mor se fees are calculated utilizing as one Animal Unit Equivalent to be one mature cow, two ye	an Animal Unit Month t (AUE) grazing for one ars old and above,
° °	han eight months of age at her w grazing for one month)	r siae.
TYPE OF ANIMAL	ANIMAL UNIT EQUIVALENT (AUE)	JAA
ature Cow (Including Cow/Calf Pair)	1.00	AND MARKE
eplacement Heifers/Bred Heifers	1.00	
ature Bull	1.50	
ocker Cattle (400-700 lbs)	0.50	And and
ocker Cattle (700-900 lbs)	0.75	MENTAL BANKING
250	1.25	IN TAK

Animal Unit Month (AUM)

CALCULATING THE RENT FEE:

(Animal Unit Equivalents) x (Months Grazed on Property) = Animal Unit Months (AUM)

(AUM Grazed) x (Current AUM Rate) = Lease Fee

Sample 50 bred heifers grazing for 6 months would be:

(50 AUE) x (6 Months) = 300 AUM

(300 AUM) x (\$16.25/AUM) = \$4,875.00 for 6 months

* AUM Rate for 2013-2014 grazing season \$16.25 based on market trends.

 Bid Price (AUM) + Tenant Qualifications

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Set Price per AUM, adjusted annually

- AUM Rate based on livestock market prices.
 AUM rate adjusted annually to reflect market trends
- Tenant selection based solely on qualifications, management practices, and experience
- Tenant only pays rent on actual number of cattle grazed. (Pay for what they use)







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