

New Mexico State Land Office Grazing Fees

19-7-29 NMSA states, in part, that the Commissioner shall determine the annual rental to be charged for grazing lands belonging to the state and may take into consideration other determinations made by other state and federal agencies regarding this subject.

The current fee formula, which was established and implemented following various feasibility studies in 1988 by the then Commissioner of Public Lands, takes into account various factors from multiple sources, such as current private grazing land lease rates by western livestock ranchers, beef cattle prices, and the cost of livestock production. For instance, if cattle prices decline and the costs associated with the livestock business increases, the grazing fee would decrease in response to the market conditions. Conversely, if forage is more abundant than normal, or more in demand by ranchers, it would tend to increase the numbers in the indices used in the formula(s) resulting in an increase, for example, of the carrying capacity (cc). Therefore, certain factors adjust state trust land grazing fees up or down depending on value of forage and economic conditions in the livestock industry.

The Current Grazing Lease Annual Rental Fee Formula is:

Base Value x Carrying Capacity x Acreage x Economical Variable Index =Rental Fee

- The Base Rate was established at 0.0474 after evaluating the study results and holding a public hearing.
- Carrying Capacity (cc) = the number of cattle each section (640 acres) of land will sustain based on the quantity and quality of forage as determined by an appraisal performed by a Land Office District Resource Specialist of the subject area.
- The Economic Variable Index (EVI) is calculated based on the three following indices compiled by the National Agricultural Statistics Service (NASS) of the USDA:
 - BCPI-the Beef Cattle Prices Index, an index of USDA annually reported prices of beef cattle over 500 pounds;
 - PPI-the Prices Paid Index, an index of prices that producers of livestock pay for selected production items; and
 - FVI-the 11 Western States Forage Value Index - an index of annually surveyed private grazing land lease rates.

Application of this formula is illustrated in the following example.

SEC	TWN	RNG	Base Value	Carrying Capacity	Acres	EVI	Rent
15	24N	26E	\$ 0.0474	14	160	1.90	\$ 201.73
17	24N	26E	\$ 0.0474	14	640	1.90	\$ 806.94
16	25N	27E	\$ 0.0474	14	640	1.90	\$ 806.94
17	25N	27E	\$ 0.0474	14	360	1.90	\$ 453.90
20	25N	27E	\$ 0.0474	16	320	1.90	\$ 461.11
21	25N	27E	\$ 0.0474	14	480	1.90	\$ 605.20
					TOTAL RENTAL FEE		\$ 3,335.82