

2017 AUM RATE

The AUM rate is calculated by adding the 2012, 2013, 2014, 2015, weighted monthly prices of Medium & Large 1 frame 500-550 pound Steer & Heifer Calves sold in South Dakota (USDA Agriculture, Agricultural Marketing Service) to the 2016 weighted annual prices for Steer & Heifer Calves for a total 5 year price; divided by 5 for an average 5 year price; multiplied to a 500 pound calf resulting in a 5 year average calf income; divided by 12 months for a monthly income; which is multiplied by a 25% factor set by the Commissioner of School & Public Lands, for the 2017 AUM rate.

Table I: Markets & 2016 Price

Market: Hub City, SD Auction
 Market: Sioux Falls Regional Livestock Auction, SD Auction
 Market: Philip Livestock Auction, SD Auction
 Market: Mitchell Livestock Auction, SD Auction
 Market: Herreid Livestock Market, SD Auction
 Market: Mobridge Livestock Auction, SD Auction
 FT. Pierre Livestock Auction, SD Auction

01-Jan-2016 thru 31-Dec-2016
 41,707 Feeder Steers 500-550 Weighted Ave. Price 152.94
 38,328 Feeder Heifers 500-550 Weighted Ave. Price 138.92
 80,035 Total for a combined Weighted Ave. Price of 145.93

Table II: 5-YEAR AVERAGE

2016 - \$145.93/CWT
 2015 - \$223.36/CWT
 2014 - \$232.32/CWT
 2013 - \$157.15/CWT
 2012 - \$157.80/CWT

Total : \$916.56 CWT
 Divided by 5 years results in \$183.32 average CWT

\$1.83/lb x 500 lb calf = \$916.00
 average income divided by 12 months = \$76.25 monthly income x 25% = **\$19.06 per AUM for 2017.**

AFFECTED LEASES:

2013 leases beginning their 5-year option in 2017 will change from \$13.72/AUM (2013 rate) to \$19.06/AUM (2017 rate) a 38.93% increase. Lessee's will be mailed an Option to renew their lease November 1 of 2017; they have 30 days (12-1-2017) to sign and return Option. 2007 leases expire and will be offered at auctions in March/April of 2017 will change from \$11.07/AUM (2011 option rate) to \$19.06 /AUM (2017 rate) a 72.18% increase.

NOTE: Questions relating to the above information may be directed to Mike Cornelison, Land Agent, 605-773-4172, e-mail mike.cornelison@state.sd.us; www.sdpubliclands.com; Please refer to the reverse side for the S&PL AUM rate history.