

MCMULLEN

COUNTY

APPRAISAL

DISTRICT

2016

AGRICULTURAL

VALUES

To: CAD Chief Appraiser

From: Gary L. Zeitler - President
Eagle Property Tax Appraisal & Consulting, Inc.

Re: 2016 Ag Calculations

Date: April 27, 2016

This spreadsheet includes details about local agricultural economic conditions and the methodology prescribed in the Texas Property Tax Code or the Texas Comptroller's Property Tax Assistance Division's Ag Appraisal Manual. Ag value calculations are based on a five year history excluding the immediate past year, therefore the 2016 calculation is based on years 2010 through 2014. All calculations are based on a "CASH LEASE BASIS" or a "SHARE LEASE BASIS". The information in both of these standards is based on normal and typical operating procedures and what the expense, income and net is to the land. The "CASH LEASE BASIS" uses the indicated dollar per acre amount for a specific use then totals all income then subtracts all expenses to arrive at the net income divided by the State set cap rate to calculate the ag value. The "SHARE LEASE BASIS" is calculated using actual production, income, and expense data from local producers based on a land owner leasing his land for crop production for a percentage return from the crop. The information necessary to calculate these values comes from each CAD Ag Advisory Committee, the local County Agent, the local FSA office, the local USDA office, the USDA National Agricultural Statistics Services, area service contractors and CAD Operator Surveys. The central element of Ag Values is that they represent what the land would sell for if sold "ONLY" for its capacity to produce an income.

Sincerely,
Gary L. Zeitler - President
Eagle Property Tax Appraisal & Consulting, Inc.

MCMULLEN CAD AGRICULTURAL VALUATION ANALYSIS 2016 NET TO LAND SUMMARY

LAND	2010	2011	2012	2013	2014	Average
NATIVE	\$4.69	\$4.83	\$4.93	\$5.21	\$5.34	\$5.00

LAND	Average	PRODUCTIVITY	SCHEDULE
NATIVE	\$5.00	\$50.00	\$50

The Texas Property Tax Code sets out in Chapter 23.53 the cap rate, to be used in calculating the annual productivity values, which was set in a timely manner for the 2016 year at ten percent (10.0%).

MCMULLEN CAD

2015

Native Pasture - Cash Lease Analysis

INCOME

YEAR	2010	2011	2012	2013	2014	Average
LEASE	\$2.85	\$2.85	\$2.85	\$3.00	\$3.00	\$2.91
HUNTING	\$6.00	\$6.25	\$6.50	\$6.75	\$7.00	\$6.50
OTHER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$8.85	\$9.10	\$9.35	\$9.75	\$10.00	\$9.41

EXPENSES

YEAR	2010	2011	2012	2013	2014	Average
TAXES	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90
FENCING	\$1.39	\$1.48	\$1.61	\$1.71	\$1.81	\$1.60
Management	\$0.62	\$0.64	\$0.65	\$0.68	\$0.70	\$0.66
Brush/Road	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
WATER	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
INSURANCE	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
LICENSE	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
TOTAL	\$4.16	\$4.27	\$4.42	\$4.54	\$4.66	\$4.41

	2010	2011	2012	2013	2014	Average
Annual Inc	\$8.85	\$9.10	\$9.35	\$9.75	\$10.00	\$9.41
Annual Exp	\$4.16	\$4.27	\$4.42	\$4.54	\$4.66	\$4.41
Net to Land	\$4.69	\$4.83	\$4.93	\$5.21	\$5.34	\$5.00

MCMULLEN CAD FENCING CALCULATION

Column "1" is the tax year.

Column "2" equals USDA average acres per owner.

Column "3" equals total square feet arrived at by multiplying total acreage by square feet in an acre

Column "4" equals a side, assuming the land is square, arrived at by calculating the square root of Column "3".

Column "5" equals total linear feet of fencing required with three shared sides and two cross fence.

Column "6" equals the cost of new construction per foot of barb wire fence.

Column "7" equals the cost per acre per year arrived at by multiplying Column "5" by Column "6" and dividing by thirty-five year expected life and divided by the total number of acres.

Column "8" is the USDA Census year.

Tax Year	Acres	Sq Feet	one side	feet of fence	Cost per Foot Const.	fence/acre/year	Census info
2009	2,251.0	98,053,560	9,902.2	44,559.9	\$2.10	\$1.39	2007
2010	2,251.0	98,053,560	9,902.2	44,559.9	\$2.25	\$1.48	2007
2011	2,174.0	94,699,440	9,731.4	43,791.1	\$2.40	\$1.61	2012
2012	2,174.0	94,699,440	9,731.4	43,791.1	\$2.55	\$1.71	2012
2013	2,174.0	94,699,440	9,731.4	43,791.1	\$2.70	\$1.81	2012

FENCING SPECIFICATIONS

SINGLE STRAND HIGH FENCE WITH A SINGLE BARB WIRE ON TOP AND BOTTOM

T-POST TWO FEET IN THE GROUND EVERY FIFTEEN FEET

PIPE PULL POST EVERY NINETY FEET

GATES AND CORNERS

FENCING LANE DOZER CLEARED AND LINE IS SURVEYED

2004 \$13 / FT DRILL AND CASE 2010 \$26/FT DRILL AND CASE
WELL DEPTH FROM 200' DOWN TO 1,200'
SOLAR PUMP \$4500 UP TO \$9000
WINDMILL +/- \$9364 FOR TOWER & HEAD 8' windmill 33' tower 280' well
CONCRETE TANK 2' X 15' FOR \$3000 TANK 6' X 20' FOR \$8000
+/- 8000' OF PVC SUPPLY LINES
DRINKING TROUGH \$800