

MCMULLEN

COUNTY

APPRAISAL

DISTRICT

2017

AGRICULTURAL

VALUES

To: MCMULLEN County Appraisal District
Chief Appraiser

From: Eagle Property Tax Appraisal & Consulting, Inc.
Gary L. Zeitler - RPA, RTA, CCA

Re: 2017 Ag Calculations

Date: April 28, 2017

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 average excluding the immediate past year, therefore the 2017 calculation is based on years 2011 through 2015. 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 can come from the 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 - RPA, RTA, CCA
Eagle Property Tax Appraisal & Consulting, Inc.

MCMULLEN COUNTY APPRAISAL DISTRICT AGRICULTURAL VALUATION ANALYSIS 2017 NET TO LAND SUMMARY

LAND	2011	2012	2013	2014	2015	AVG NET
NATIVE PASTURE	\$4.84	\$4.90	\$5.19	\$5.34	\$5.80	\$5.21

LAND	AVG NTL	AG VALUE	AG SCHED
NATIVE	\$5.21	\$52.13	\$52

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 2017 year at ten percent (10.0%).

The McMullen County Soils survey lists out sixty-nine different soils classifications detailing soil makeup and major attributes. The ecological site rangeland productivity study estimates forage production for favorable conditions, normal conditions and unfavorable conditions. Only 2.65% of the total county soils falls outside a fairly narrow window of forage production. The predominant share of the soils, 97.35%, produces between two thousand (2,000) and four thousand (4,000) pounds of forage in an average year, which would be a normal category break. Therefore McMullen CAD has determined that stratifying native pasture is not necessary.

2017 MCMULLEN COUNTY APPRAISAL DISTRICT NATIVE PASTURE - Cash Lease Analysis

NATIVE PASTURE INCOME

YEAR	2011	2012	2013	2014	2015	AVERAGE
LEASE RATE	\$2.85	\$2.85	\$3.00	\$3.00	\$3.00	\$2.94
HUNTING INCOME	\$6.25	\$6.50	\$6.75	\$7.00	\$7.50	\$6.80
OTHER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL INCOME	\$9.10	\$9.35	\$9.75	\$10.00	\$10.50	\$9.74

NATIVE PASTURE EXPENSES

YEAR	2011	2012	2013	2014	2015	AVERAGE
BRUSH	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
FENCING	\$1.48	\$1.61	\$1.71	\$1.81	\$1.81	\$1.69
MANAGEMENT	\$0.64	\$0.65	\$0.68	\$0.70	\$0.74	\$0.68
TAXES	\$0.89	\$0.94	\$0.92	\$0.90	\$0.90	\$0.91
WATER	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
LIABILITY INS	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
LEASE LICENSE	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
TOTAL EXPENSE	\$4.26	\$4.45	\$4.56	\$4.66	\$4.70	\$4.53

NATIVE PASTURE NET INCOME

YEAR	2011	2012	2013	2014	2015	AVERAGE
TOTAL INCOME	\$9.10	\$9.35	\$9.75	\$10.00	\$10.50	\$9.74
TOTAL EXPENSES	\$4.26	\$4.45	\$4.56	\$4.66	\$4.70	\$4.53
NET INCOME	\$4.84	\$4.90	\$5.19	\$5.34	\$5.80	\$5.21

MCMULLEN COUNTY APPRAISAL DISTRICT

2017 FENCING EXPENSE CALCULATIONS

ASSUMPTIONS USED TO CALCULATE FENCE EXPENSES

COLUMN #1 - ORIGINATIOIN YEAR OF EXPENSES

COLUMN #2 - 2007 USDA CENSUS AVERAGE ACRES 2251

2012 USDA CENSUS AVERAGE ACRES 2174

COLUMN #3 - TOTAL SQUARE FEET IN AVERAGE ACRE TRACT

COLUMN #4 - LENGTH OF A SINGLE SIDE ASSUMING TRACT IS SQUARE

COLUMN #5 - TOTAL FEET OF EXPENSED FENCE ASSUMING TWO CROSS FENCES AND THREE SIDES OF THE PERIMETER ARE COST SHARED

COLUMN #6 - TYPICAL COST OF FENCE PER FOOT ASSUMING FIVE STRAND BARB WIRE, WITH T-POSTS EVERY FIFTEEN FEET, PIPE PULL POSTS EVERY SEVENTH POST, GOOD CORNERS, GATES AND WATER GAPS

COLUMN #7 - TOTAL CONSTRUCTION COST OF THIS FENCE THIS YEAR

COLUMN #8 - COST OF THIS FENCE PER ACRE PER YEAR ASSUMING A THIRTY YEAR LIFE EXPECTANCY

1	2	3	4	5	6	7	8
Year	Avg AC	Sq Feet	One Side	Total Feet	\$/Ft Cost	Total Cost	\$/Ac/Yr
2011	2251	98,053,560	9,902.2	44,559.9	\$2.25	\$100,259.77	\$1.48
2012	2174	94,699,440	9,731.4	43,791.1	\$2.40	\$105,098.73	\$1.61
2013	2174	94,699,440	9,731.4	43,791.1	\$2.55	\$111,667.40	\$1.71
2014	2174	94,699,440	9,731.4	43,791.1	\$2.70	\$118,236.07	\$1.81
2015	2174	94,699,440	9,731.4	43,791.1	\$2.70	\$118,236.07	\$1.81

* It is the practice of the USDA to pay on projects after the fence is a minimum of twenty years old and/or in need of repair, therefore the Ag Advisory Board recommended using a thirty-five year life span for fencing.

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' windwill 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

MCMULLEN COUNTY APPRAISAL DISTRICT

2017 TAX CALCULATION PAGE

AG VALUE HISTORY

CLASS	2011	2012	2013	2014	2015
NATIVE PASTURE	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00

TAX RATE HISTORY	2011	2012	2013	2014	2015
MCMULLEN COUNTY	\$0.569708	\$0.570000	\$0.570000	\$0.530000	\$0.530000
MCMULLEN COUNTY ISD	\$0.993000	\$1.080950	\$1.045900	\$1.045900	\$1.045900
MCMULLEN CO GWD	\$0.005000	\$0.005000	\$0.005000	\$0.005000	\$0.005000
MCMULLEN CO WCID	\$0.215000	\$0.215000	\$0.215000	\$0.215000	\$0.215000
TOTAL TAX RT	\$1.782708	\$1.870950	\$1.835900	\$1.795900	\$1.795900

TAXES PAID PER ACRE PER YEAR

TAXES PER ACRE	2011	2012	2013	2014	2015
NAT PAST	\$0.89	\$0.94	\$0.92	\$0.90	\$0.90