

**FREESTONE COUNTY  
AGRICULTURAL ADVISORY BOARD**

Minutes of March 24, 2015

Meeting #0003

The Freestone County Agricultural Advisory Board met at Sam's Restaurant, 425 East I-45, Fairfield, Texas. Members present were Frank Bonner, Robert Chesnut, Keith Hardwick, and Marles Pace. Representing the appraisal district were Bud Black, Chief Appraiser; Don Awalt, Deputy Chief Appraiser; John Moore, Land Appraiser; Shelly Watson, Appraiser's Assistant; and Carol Clark, Administrative Assistant.

After eating breakfast, the meeting was called to order at 7:50 a.m. and Mr. Black declared that a quorum was present. The minutes from March 19, 2013 and the meeting of March 25, 2014 were read and considered by the Board. Mr. Pace made a motion to approve the minutes as presented. Mr. Hardwick seconded the motion and motion carried unanimously.

Mr. Black explained to the board that changes were made to beekeeping for 2015 intensity standards. Most of the values were calculated using a modified income approach to determine the per acre value by Harris County and Washington County assumptions. Intensity standards by tract size are a minimum of 6 colonies per 5 acres, varying up to 12 colonies per 20 acres. In Texas it is estimated that a hive will produce an average of 74 pounds of honey per year with an estimate of \$60 per hive of expenses per year. The average wholesale price for honey is assumed to be \$3.78 per pound. Mr. Chestnut explained to the board that although productivity is low in Texas, the price of lumber, fence posts and barbed wire can be the largest expense of beekeeping. Mr. Chestnut suggested to the board that beekeeping in Texas would be an average of 20 pounds per year, \$50 per hive and an average wholesale price for honey would be closer to \$2.50 per pound. Mr. Black informed the board that a person can qualify for the exemption even though the bees are taken somewhere else for pollination and brought back to their original hives.

Mr. Black briefly discussed with the board Pastureland Assumptions. Lease rate data for each agricultural use category are taken from Freestone Central Appraisal District's Farm and Ranch Surveys and from posted rates on USDA/NRCS websites. Hunting income may still be received by the district in a "per gun" format then converted to a "per acre" format by using the assumption of one gun per hundred acres.

Mr. Black explained that according to surveys and local fence builders, a five wire fence would cost \$2.96 per linear foot to build. An assumption is made that the typical life of the fence is 18 years. Mr. Hardwick suggested that with regards to his experience, the cost for a four wire fence was around \$2.25 to \$2.50 per foot. This would also depend on the amount and size of posts used and how much labor was involved. Mr. Black reminded the board that extra expenses may incur depending on whether the fence row needed clearing and machinery had to be used.

Mr. Black pointed out the open space land value comparison for pastureland had changed slightly between 2014 and 2015. Mr. Black reviewed the Assumption Tables with the five year historical net income to land for improved pastureland. Mr. Black informed the board that there was only new data for 2013. The average lease price for net income to land is \$9.712. Multiplied by the cap rate of \$0.10, the productivity value is \$97.12 per acre. The USDA calculated the same value for each eco-region by multiplying the productivity factor and productivity value.

The average lease rate for 2013 is \$10 per acre. The average lease price using the Assumption Tables for the five year historical net income to land for native pasture was calculated at \$92.44 per acre.

After applying this ratio to the previously calculated native pasture productivity value, the constant cost for woodland productivity value is calculated by dividing the cap rate by the average net income to land. That calculation was multiplied by the productivity capability ratio giving a productivity value for woodland grazing at \$73.95 per acre.

The productivity value for cropland and orchards is calculated at \$202.20 per acre by dividing the cap rate by the average net income to land. Survey data was used to determine the average lease price as the district found no leased cropland or orchards in Freestone County.

The most significant change was in timberland. Mr. Black explained to the board that the district monitored the properties by having annual plans submitted by the property owners. Mr. Moore the Land Appraiser reviews the plans, and then exemptions are removed if the property no longer meets the requirements. Mr. Black pointed out the timber value information is provided by the Texas Forestry Service and the Comptroller's office. The district relies upon the calculation of the Property Tax Assistance Division for the determination of productivity values for this category of property.

After discussion, the board was in agreement with the costs that were presented to be used in the 2015 Open Space Land Value calculations.

There being no further business or public comment, the meeting was adjourned at 8:36 a.m.



Frank Bonner

Robert Chesnut



Tim Cooper

Keith Hardwick



Marles Pace