2011

Report to the Farmland Advisory Committee prepared for the Utah Tax Commission

by

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Introduction

This report represents the sixteenth annual report to the Farmland Advisory Committee recommending "productive values" for lands that qualify for the Farmland Assessment Act (FAA). The methodology used to derive the suggested values is summarized below. The relevant statutes for this work are provided in Appendix A. Instructions relative to make-up of the various land classes can be found at http://propertytax.utah.gov/standards/standard07.pdf (Land classification guidelines for each classification of agricultural land, Property Tax Division's Standards of Practice, Tax Commission Website).

Summary of General Approach Adopted

Agricultural land values are not easily derived because land market *values* reflected in farm sales typically include the potential value for alternative development, existing landownership patterns, even environmental amenities, etc. Even when sold for continued agricultural use, these lands may have intrinsic values associated with farm expansion, location considerations, and unique characteristics that limit the usefulness of such data in assessing actual farm production values. Finally, the actual market involving agricultural land sales is very thin (i.e., few sales occur) and sale values for one area would not necessarily reflect the values of similar farmland in another area due to differences in climate, productive capacity, crop mix, etc.

Lease data might be an alternative method of calculating agricultural land values. However, even in areas where leases occur, the market is thin and comparables are difficult to come by and even some lease conditions are made because of local considerations. Finally, the application of a lease rate in one area of the state would not likely be appropriate for other areas in the state. There is too much variation in conditions to allow an overall comparison.

Unfortunately, this means that it is generally not possible to get an accurate idea of agricultural land values directly from market signals. Thus, an alternative approach that is theoretically consistent with market values is needed.

Partial Budgeting

The theoretically consistent approach selected for this analysis is that of identifying the present value of agricultural-producing lands based strictly on the use of that land in agriculture production. That is, the best estimate of the value of alfalfa-producing land should be based on land whose sole function is producing alfalfa hay. In fact, the present value of the *future flow of returns less costs* should be *representative* of the per acre value of land in agricultural production for a particular

county for a specific land type. Returns and costs are brought to the present point in time using a *discounting* process, which reflects the "time value of money."[1] Discounting is widely accepted as the correct approach to evaluate costs and returns that occur at different points in time. This eliminates the vagaries of location, proximity to other property, unique location characteristics, etc.

Partial budgeting is the tool used in determining the net returns for each crop or land use. This involves a determination of *localized costs* and *localized prices*, at least as much as possible given the information available. Crop mixes vary by county. Some counties have a very limited agriculture complex (Daggett County); while others have a large number of different crops (Box Elder County), so it is very important that these county-by-county differences be taken account of. The smallest sized unit that can be specified is the county level due to existing data limitations. Unfortunately, gathering data even on a county basis is becoming more difficult due to the USDA's disclosure rules which prohibit the release of data wherein individual producers could be identified. This county-wide value approach admittedly precludes consideration of many within-county variations or changes. For example, if the majority of the county still relies on flood irrigation, this means that the land value will be based in part on flood irrigation, even if some producers utilize more costly wheel lines or irrigation circles.

Though desirable, it is a complex and costly process to develop county-level crop budgets annually for the most important crops on a county-by-county basis, so budgets are being developed on an ongoing basis—a few counties every year. We currently have well over 100 different crop budgets that have to be updated. The budgets that are not developed for the current year using producer panels have to be updated using available information on both the price side and the cost side. Using the current updating process, it is possible that the some budgets being used for any one county will be five to six years old, depending on how many county budgets can be developed each year. All older budget values are updated to the 2010 production year.

A somewhat unique situation exists for fruit budgets as there is a long time-frame for startup and production—up to 25 years. This requires a different budgeting process using a discounting process. These budgets are more difficult to develop for each county, yet they also need to be updated on a regular basis. Again, some crop budgets could be five to six year old and will require updating through the process described below for those crop budgets which are not current.

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[1] The *time value of money* is based on our actions wherein we prefer payment today rather than the same payment at a later point in time.

Valuing Land in Agricultural Production

In order to accurately reflect the value of land in agricultural production, five areas warrant special attention—prices, costs, yields, crop mix, and temporal data limitations.

(1) *Changing Prices*. The first area that needs to be considered for changes in crop budgets is commodity prices or returns. As prices rise, the net value of the crop in question also rises (assuming costs remain fixed). When prices fall, the net value declines, other factors fixed. Agricultural commodity prices have been quite variable historically and such variability is difficult to deal with, both as producers and as assessors. In order to temper annual price declines and increases, we have determined that a five-year average of prices result in sufficient stability in assessment values and associated taxes.

It is very important to remember that while this approach adds some stability to the value of agricultural land, when prices are *increasing*, a five-year average of past prices will mean that the most current five-year average will be *below* that of the most recent price. When prices are *declining*, the most current five-year average will lie *above* the most recent price.

For example, if hay prices have averaged $75, $85, $95, $105, and $115 per ton over the past five years, the price that would be used in the crop budget would be ($75 + $85 + $95 + $105 + $115)/5 = $95/ton (which is considerably *lower* than the two most recent years). On the other hand, if the prices over the past 5 years had averaged $115, $105, $95, $85, and $75, then the average price would still be $95/ton, but note that it is considerably *higher* than the last two years. This is simply the result of the averaging process utilized.

Furthermore, even if prices have *declined* in the most recent year, the overall price average will depend on the price that was *dropped* from the calculation from six years earlier and the price that is added in the most current year.

For example, if the previous five years of prices (*excluding* the most recent price) were $2/bu., $4/bu., $4/bu., $4/bu., and $4/bu., respectively, the average price would be (2 + 4 + 4 + 4 + 4)/5 = $3.60/bu. If the most recent price is $3/bu., the latter five-year average price will still be *higher* than in the earlier period due to the deletion of the $2/bu. and the addition of the $3/bu., i.e., (4 + 4 + 4 + 4 + 3)/5 = $3.80/bu. Hence, even though the price declined in the most recent year, the average did not go down since the

$3/bu. price that was added was still higher than the $2/bu. price that was dropped. This potentially can happen with any crop.

The important point is that by using a five-year average, year-to-year changes in land values are minimized. This effectively stabilizes land values for tax purposes. **Table 1** shows the past six years of state-wide price data for Utah's major crops. In this situation, we would drop the 2005 price and add the 2010 price in the five-year average. You will note that even though prices for hay declined in 2010 from 2009, they were still larger than the price in 2005, leading to an increase in the price of alfalfa using a five-year average.

Table 1. Average Prices Received, Utah, 2005-2010.

	2005	2006	2007	2008	2009	2010
Alfalfa ($/ton)	94.50	99.50	129.00	167.00	113.00	104.00
Barley ($/bu.)	2.06	3.02	3.99	4.41	2.25	3.10
Corn (grain) ($/bu.)	2.77	3.29	4.18	4.40	4.35	5.75
Corn(silage) ($/ton)	29.00	30.00	37.00	40.00	32.00	33.50
Oats ($/bu.)	1.85	2.46	2.65	3.20	2.50	2.60
Safflower ($/cwt.)	12.40	13.50	18.60	24.90	14.40	15.00
Wheat ($/bu.)	3.80	4.85	8.30	7.97	6.30	7.10
Onions ($/cwt.)	7.40	10.00	6.15	13.40	8.95	13.20

Table 2 includes the prices received for fruit crops since 2005. In taking a five-year average for fruit prices, we also drop 2005 fruit prices and added 2010 fruit prices in the calculation of our five-year moving average price. You will note that the price dropped (i.e., 2005) in many cases was less than the price added (i.e., 2010) to the average, meaning that the average actually rose.

Table 2. Utah Fruit Prices, 2005-2010.

Fruit	Price/unit	2005	2006	2007	2008	2009	2010
Peaches All	cents / lb	28.75	33.60	33.35	86.80	52.00	34.51
Cherries Sweet	$/ton	1,380.00	1,540.00	1,380.00	1,440.00	2,280.00	1,860.00
Cherries Tart	$/lb	0.23	0.27	0.25	0.33	.27	.27
Apples(All)	$/lb	0.16	0.37	0.33	0.29	.30	.25
Apricots	$/ton	959.00	1,000.00	815.00	468.00	862.00	432.00

(2) *Changing Costs.* The second area that needs updating in the crop budgets is that of costs. When input costs increase, the net returns of a particular land use declines (assuming that prices remain constant). While costs usually do not change as rapidly as prices, they still change and almost always in an upward direction (at least over the past few decades). Therefore, costs

associated with various elements of production also need to be adjusted in order to get an accurate estimate of the "current" value of land in agricultural production.

What is available are "*producer's prices paid*" indices published by ERS, USDA, and NASS, USDA.[2] Because of the steady growth in input prices (i.e., fertilizer, fuel, pesticides, etc.), we take account of only the most recent year's cost changes. This means that there is a conservative bias in the approach used to determine prices versus the approach used to determine costs, i.e., we average past prices but use only the most current costs.

The primary justifications for adopting this approach is (a) there are no *time series* data sources readily available that show the type of county-level data needed for such averaging and (b) since production costs are almost always increasing, taking a five-year average of production costs would consistently understate the actual costs of doing business. There is more justification to consider a rolling five-year average for prices, which move both up and down, than there is for costs. A summary of the percentage change in state-wide costs for major crop categories is shown below in **Table 3**. The overall weighted average cost increase for all production items for Utah's typical crops was approximately 4.95%.

Consumer Price Index (CPI) changes are also shown for comparative purposes (shown in red font). The CPI index actually rose more slowly (+3.6%) than did the cost of production items.

Table 3. Cost of Basic Input Categories, 2009-2010	
Fertilizer	up 34 percent
Chemicals	unchanged
Fuel	up 4.8 percent
Machinery	up 4.8 percent
Seed	up 8.0 percent
Consumer Price Index	**up 3.6 percent**

(3) *Crop Yields.* The third area of consideration is the yield of each crop as this also helps determine the actual value of land kept in agricultural production. Yield changes directly impact the net returns of various crops, whether grains, forages, or fruit. By necessity, we have had to rely on those crops for which annual yields are reported. Some crops simply are not included in an

[2] Economic Research Service (ERS) and National Agricultural Statistical Service (NASS), U.S. Department of Agriculture, Washington, D.C.

annual record of yields. Yields are quite variable and a five-year average on per acre yields has also been used. This also helps to stabilize farm values over time. Some crops are particularly susceptible to yield fluctuations, e.g., dryland wheat, but the vagaries of weather and precipitation almost always bring about a change in all crop yields from year to year.

(4) *Crop Mix.* The fourth item that needs to be considered is the change in crop mix on a county-by-county level. Shifts in crop mix are difficult to capture on a year-to-year basis because data on crop mixes are determined through the five-year agricultural census. Unfortunately, we are three years removed from the most recent agricultural census that was conducted in 2007. Therefore, we can only estimate changes in each county's crop mix that might have occurred since by working with the county agents and NASS.

To illustrate how the crop mix impacts the suggested values, consider a county where only three crops are produced, all under irrigation: alfalfa hay, wheat, and barley. If the net change in crop values were +3%, +5%, and -1%, respectively, and the crop mix consisted of 75% of the land being planted in alfalfa, 10% in wheat, and 15% in barley, then the suggested land value for that county would change by taking a weighted average of the three net changes: (.75 x 3)+(.10 x 5) + (.15 x -1) = 2.60 (or a net increase in assessed value of 2.6% for that county and acreage configuration). Alfalfa acreage is dominant in virtually all counties and its price continues to dominate that for wheat, barley, and other crops. The only exception is for a small number of counties with relatively large percentages of fruit acreage.

(5) *Dated Prices and Costs – 2010 Crop Year.* Finally, it needs to be remembered that price and cost data remain *dated* in the sense that the only complete data we have available now (in *2011*) are for the *2010* crop year. Hence, the actual net return in 2011 may be different than that found in this report. Further complicating matters is the fact that this year's reported values will not become effective until 2012, leaving us two years behind what the actual crop picture might be. There does not appear to any acceptable way around this problem and the only thing that can be said is that *net* returns typically do not change by large amounts following the approach adopted.

General Trends Affecting Productive Land Values

As implied above, several factors have influenced the suggested FAA land values for the 2011 reporting year: prices, costs, crop mix, and productivity or yields.

(1) *Crop prices.* Prices for all crops were up in 2010 using a five-year average. The largest percentage increases occurred in the grains. The other price

changes were less than +5%. The price increases brought the crop budget values up slightly from the previous year in some instances. Price changes were the major factor contributing to the increase in suggested land values, though in many instances those increases were not substantial (**Table 4**).

Table 4. Utah Crop Prices, 2009-2010.			
Crop	**2009 Prices**	**2010 Prices**	**Change**
Alfalfa	$113.00	$105.00	-$ 8.00 per ton
Barley	$ 2.25	$ 3.10	$ 0.85 per bu.
Corn(grain)	$ 4.35	$ 5.75	$ 1.10 per bu.
Corn(silage)	$ 32.00	$ 34.70	$ 2.70 per ton
Oats	$ 2.50	$ 2.60	$ 0.10 per bu.
Wheat	$ 6.30	$ 7.10	$0.80 per bu.

Fruit prices dropped dramatically between 2009 and 2010, as noted in **Table 5**. The five-year moving average increased for most fruits. That is, even though the prices declined in 2010, they were still *higher* than those received in 2005 in which resulted in price increases.

Table 5. Fruit Prices, 2009-2010			
	Price		
Fruit	**2009**	**2010**	**Change***
Apricots	$ 862.00	$ 432.00	-$ 430.00
Sweet Cherries	$ 2,280.00	$ 1,860.00	-$ 420.00
Tart Cherries	$ 0.27	$ 0.27	unchanged
Apples	$ 0.30	$ 0.25	-$ 0.05
Peaches	$ 1,040.00	$ 691.00	-$ 349.00

*The changes enclosed by parentheses are negative values.

(2) *Cost Changes.* Costs increased in almost all cases, with changes ranging from *no change* or *declines* for chemicals and interest to a +34% for fertilizer (from **Table 3**).

Interest rates were down as shown in **Figure 1**. You can see the results of different moving averages in this figure. The longer the time period, the fewer significant fluctuations you see. A five-year average typically allows sufficient fluctuation for year-to-year changes.

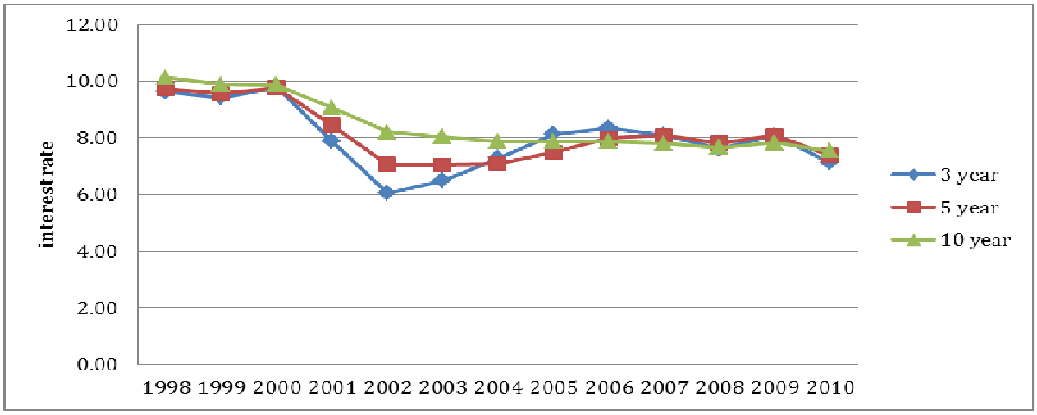


Figure 1. The historical moving average cost of capital, 1998-2010.

(3) *Crop Yields*. Crop yield changes were quite mixed (see **Table 6**). The five-year moving average of crop yields increased for barley and corn grain. The remaining crops were largely unaffected.

Table 6. Utah Yields, 2009-2010			
Crop	**2009 Yield**	**2010 Yield**	**Change**
Alfalfa	4.2 tons per acre	4 ton per acre	- 0.2 ton
Barley	85 bu. per acre	90 bu. per acre	5 bushel
Corn(grain)	155 bu. per acre	172 bu. per acre	17 bushel
Corn(silage)	23 tons per acre	23 ton per acre	Unchanged
Oats	81 bu. per acre	74 bu. per acre	- 7 bushel
Wheat	49.5 bu. per acre	48.7 bu. per acre	-.8 bushel

Substantial decreases in yield occurred for all major fruit crops in Utah for 2010 (**Table 7**).

Table 7. Fruit Production, 2009-2010			
	Production		
Fruit Crop	2009	2010	Change
Apricots	320	280	-40
Sweet Cherries	1540	1100	-440
Tart Cherries	34000	22500	-11500
Apples	18000	12000	-6000
Peaches	5800	4300	-1500

The five-year moving average yield declined for all fruits. The effects of yield changes are also accounted for changes in the suggested land values.

(4) *Crop Mix*. The mix of crops on a county-by-county basis is based on the 2007 census data (2007, NASS). We are currently working with the county agents

and NASS to ensure the proper crop mix will be represented now and in the future.

Summary. As an illustration of the process used in calculating changes in net returns, if the average price of a particular crop mix *increased* 8%, yields *increased* by 1%, the crop mix was *unchanged* from year to year, and costs *were up* by 7%, land values would *increase* by approximately 2%. Net return changes (after accounting for increased costs) ranged from -3% for apples to +14% for corn grain. Of course you will not see any counties with these magnitudes of decreases/increases because apples and corn grain generally do not comprise much of the land in counties were they are grown.

Suggested Land Values

Irrigated Land

Irrigation methods continue to change in many counties [e.g., Cache and Box Elder counties]. More wheel lines and center pivot systems have been put into place and fewer hand lines and less flood irrigation methods are being used. This influences the cost of production and this change will be incorporated into future reports as our update of counties continues. Once again, increased pumping depths are not considered because the last survey of irrigation practices conducted Robert J. Hill (Professor, Utah State University, 2008) did not include any questions regarding changes in irrigation depth. This obviously impacts pumping costs and likely understates the cost associated with irrigation for some counties (e.g., Iron and Millard). We are still attempting to get water-basin specific information on pumping depth so that this information can be incorporated into the budgets for counties where well pumping is used extensively. This would further effect price or yield increases in those areas where pumping is common.

Alfalfa remains the crop with the largest acreage devoted to it throughout Utah. Because of the relatively large proportion of acreage producing alfalfa, changes in the price of alfalfa hay tend to dominate the overall land values county-by-county. The second largest crop is typically dependent on the county considered.

As a result of the changes in prices, costs, yields, and crop mix, marginal *increases* in land values are suggested for irrigated land at the county level.

Orchard Land

Many areas were adversely impacted by weather, either early or late in the season. All fruit production declined significantly except for apricots. Average prices increased for all fruits except apricots. The final five-year average value of land in orchards declined.

Meadow Land

Only slight changes were needed in the land values for meadow land in some of the counties. Even though beef prices were high, hay prices were also high, resulting in little change in meadow land values. These two items, usually working in opposite directions, typically are used in determining meadow value. They are also then compared to local grazing values.

Dry Land

The level of precipitation in 2010 varied depending on the portion of the state you were in, as usual. However, most areas received insufficient precipitation, where "1.0" is used to denote average precipitation over five years (**Figure 2**). The yields associated with dryland wheat production declined slightly between 2009 and 2010, but the 2010 yields were still higher than they were in 2005. (As noted above, you can have a decline in yields but whether the five-year average declines depends on the yield in the year you are adding.) Prices for dryland wheat continued to increase, 2010's price was almost 13% higher than 2009's, and significantly higher than 2005's price. Cost increases tempered increases in price. Hence, there are only minor increases in dryland value.

Grazing Lands

The two most significant factors impacting the value of grazing land are the level of precipitation received and the price or value of cattle. The chart on the next page summarizes last year's results showing county-by-county precipitation levels as a percent (%) of "normal." Note that these data do not provide detail on when the precipitation was received, which can also impact productivity. Furthermore, the level of precipitation even changes within individual counties and these data apply only to certain county rain gauge areas.

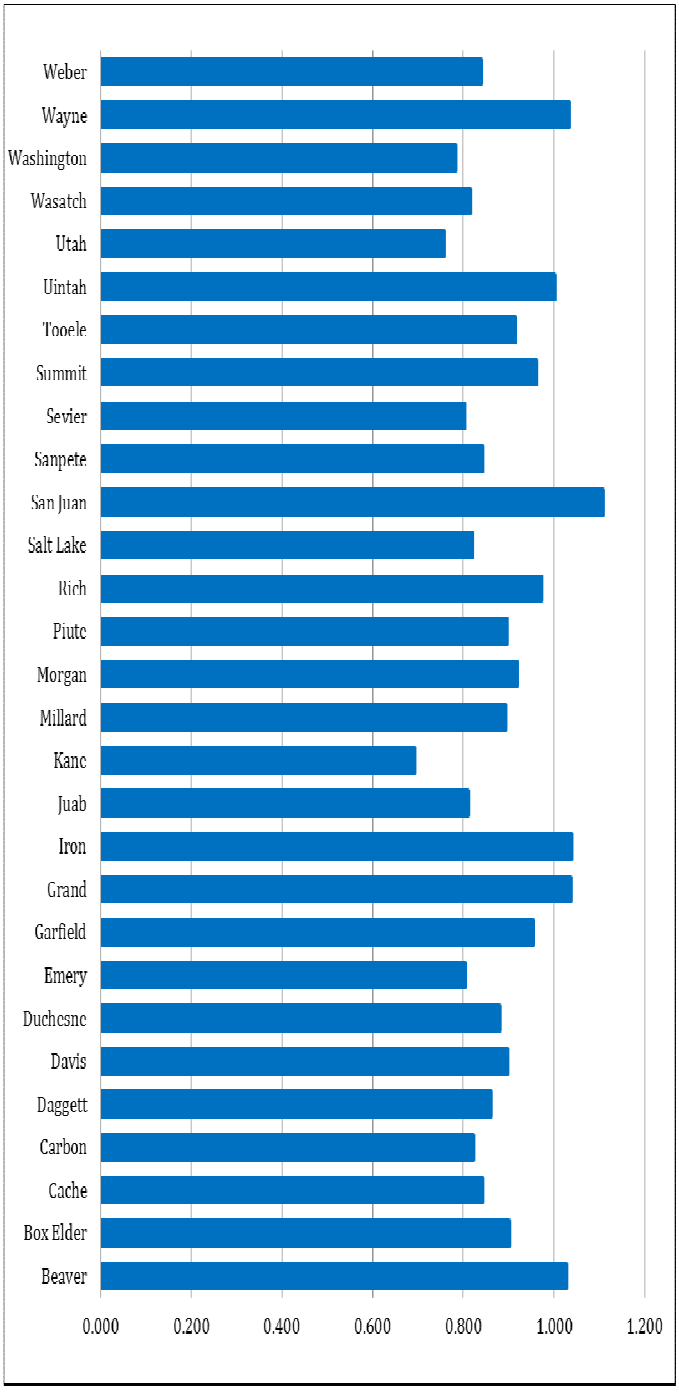
It is apparent that the counties receiving the *least* amount of moisture relative to the average for a "normal" year included Box Elder, Cache, Carbon, Davis, Emery, Juab, Kane, Millard, Utah, and Washington. The counties receiving the *highest* level of precipitation relative to a "normal" year were Wayne, Uintah, San Juan, Iron, Grand, and Beaver.

With few exceptions, this has led to a recommendation of no change in land values for grazing purposes. The two primary exceptions to this recommendation are Uintah and San Juan counties, both of which realized a gain in precipitation and forage production.

Non-Production Ground

No change is recommended for ground that is non-production.

Figure 2. County Five-year Precipitation Average, 2006-2010.



Suggestions for Additional Work

We have already begun, and will continue, working with the USU Extension agricultural agents to develop accurate crop budgets for each of the counties in the state. The process adopted at the county level is to bring together a group of

representative landholders to work out localized budgets under the direction of the USU Extension county agricultural agents, who in turn work under the supervision of the Applied Economics Department at Utah State University. In addition, we adjust the budgets for any known factors that influence the returns and/or costs of production. This should enhance producer acceptance of the budgeted values. We are using a new budgeting program and have to modify it to fit Utah's situation. That has not gone as well as initially hoped.

Some changes in farm practices, particularly with respect to the irrigation method and equipment are noted, but not in all counties. We have not completed all the budget updates so we do not have the complete picture of what and where these changes have taken place. This work is being done in cooperation with USU Extension county agents throughout Utah. Not only are the crop budgets being updated, but factors such as irrigation methods are also being examined to determine the exact cost of producing crops in each county. We are still seeking information on pumping depths in those areas where ground water is being used.

We anticipate making some significant changes in the crop budgets for tart cherry production. Even though we do not show tart cherries as very profitable, acreage continues to grow in certain areas of the state, which suggests our budget values may be too low. It could also be that substantial economies of size or scale exist in tart cherries that we are not accounting for. Alternatively, sufficient earnings may be made in the processing of the tart cherries so that the overall profitability of tart cherries is better than shown in the existing crop budgets. If this is the case, we will need to adjust our pricing mechanism.

Budget updates, 5-8 for each county, for an additional 5-6 counties are expected to be updated this next year, which may bring about some changes in land values. Updating all of these budgets is a time intensive activity and that is why it is occurring over a 5 to 6 year period.

We have not been able to identify practices or locations where extensive use is being made of irrigated pasture. While the census shows some information with respect to irrigated pastures, it is not possible yet to identify those practices or locations that result in a differentiation of values for those pastures. Intensively managed pastures introduce a different cost and value into the land mix issue but until such acreage is identified through the census or other means (e.g., through the Utah NASS surveys), it will be necessary to wait to characterize the values of such crop use.

A consolidation of the proposed land values is included in **Table 8**. More detailed information in terms of what the actual increases/decreases are proposed from the 2010 recommendations is provided in **Appendix B**.

Table 8. 2011 Proposed Farmland Assessment Land Values

	Irrigated Lands				Orchard Lands				Mead	Dry Farm Lands		Grazing Lands				Non Prod
County	***I***	***II***	***III***	***IV***	***I***	***II***	***III***	***IV***	***IV***	***III***	***IV***	***I***	***II***	***III***	***IV***	
Beaver	0	0	602	495	600	600	600	600	247	56	17	74	23	17	6	5
Box Elder	852	748	589	486	650	650	650	650	266	102	64	78	24	18	5	5
Cache	740	632	479	372	600	600	600	600	275	129	90	74	24	16	5	5
Carbon	552	440	291	187	600	600	600	600	132	53	16	53	16	13	5	5
Daggett	0	0	0	206	0	0	0	0	161	0	0	55	15	12	5	5
Davis	893	784	631	527	655	655	655	655	275	55	17	63	20	13	5	5
Duchesne	0	514	361	253	600	600	600	600	168	58	21	71	23	14	5	5
Emery	530	427	269	166	600	600	600	600	141	0	0	74	22	15	6	5
Garfield	0	0	224	121	600	600	600	600	106	52	16	79	24	17	5	5
Grand	0	410	258	156	600	600	600	600	136	53	16	80	23	16	6	5
Iron	848	744	591	483	600	600	600	600	265	53	16	76	23	16	6	5
Juab	0	468	315	209	600	600	600	600	154	54	17	67	20	14	5	5
Kane	444	341	189	86	600	600	600	600	111	52	16	77	25	16	5	5
Millard	840	737	583	475	600	600	600	600	198	51	15	79	25	17	5	5
Morgan	0	0	411	304	600	600	600	600	200	69	31	69	22	14	6	5
Piute	0	0	354	247	600	600	600	600	194	0	0	93	27	19	6	5
Rich	0	0	188	88	0	0	0	0	108	52	16	67	21	14	5	5
Salt Lake	742	638	485	376	600	600	600	600	231	58	17	71	22	15	5	5
San Juan	0	0	189	86	600	600	600	600	0	59	19	79	26	17	5	5
Sanpete	0	569	416	313	600	600	600	600	197	58	21	65	19	14	5	5
Sevier	0	593	442	339	600	600	600	600	202	0	0	66	19	14	5	5
Summit	0	491	334	232	600	600	600	600	206	52	16	74	21	15	5	5
Tooele	0	480	322	219	600	600	600	600	190	56	16	73	21	14	5	5
Uintah	0	0	391	289	600	600	600	600	210	58	21	83	29	20	6	5
Utah	782	677	519	417	660	660	660	660	255	54	17	68	24	14	5	5
Wasatch	0	518	359	257	600	600	600	600	212	52	16	54	18	13	5	5
Washington	695	592	435	327	710	710	710	710	232	52	15	67	22	14	5	5
Wayne	0	0	350	247	600	600	600	600	176	0	0	91	29	19	5	5
Weber	843	739	588	479	655	655	655	655	308	83	48	71	21	15	6	5

Appendix A

2011 State Farmland Evaluation Advisory Committee
Applicable Statutes and Administrative Rule

State of Utah Law
Utah Code Annotated 59-2-514. State Farmland Evaluation Advisory Committee -- Membership -- Duties.

(1) There is created a State Farmland Evaluation Advisory Committee consisting of five members appointed as follows:

(a) one member appointed by the commission who shall be chairman of the committee;

(b) one member appointed by the president of Utah State University;

(c) one member appointed by the state Department of Agriculture and Food;

(d) one member appointed by the state County Assessors' Association; and

(e) one member actively engaged in farming or ranching appointed by the other members of the committee.

(2) The committee shall meet at the call of the chairman to review the several classifications of land in agricultural use in the various areas of the state and recommend a range of values for each of the classifications based upon productive capabilities of the land when devoted to agricultural uses. The recommendations shall be submitted to the commission prior to October 2 of each year.

R884. Tax Commission, Property Tax.
R884-24P. Property Tax.
R884-24P-72. State Farmland Evaluation Advisory Committee Procedures Pursuant to Utah Code Ann. Section 59-2-514.

(1) "Committee" means the State Farmland Evaluation Advisory Committee established in Section 59-2-514.
(2) The committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.
(3) A committee member may participate electronically in a meeting open to the public under Section 52-4-207 if:
(a) the agenda posted for the meeting establishes one or more anchor locations for the meeting where the public may attend;
(b) at least one committee member is at an anchor location; and
(c) all of the committee members may be heard by any person attending an anchor location.

Title 52. Public Officers
Chapter 4. Open and Public Meetings Act
Section 104. Training.
52-4-104. Training.
The presiding officer of the public body shall ensure that the members of the public body are provided with annual training on the requirements of this chapter.

Utah Code §59-2-505:

The county assessor shall consider only those indicia of value that the land has for agricultural use as determined by the commission when assessing land . . . that meets the requirements of Section 59-2-503 to be assessed under this part.

APPENDIX B: Values of Land in Alternative Uses

Irrigated Farm Land

Irrigated farmland increased in value in most counties as shown in the following table. For those counties without any land in a particular class, a value of zero is given consistent with previous reports. The largest increase for any land type was $5/acre as shown in the next table.

Table B1. Irrigated Lands

	2010	2011	2010	2011	2010	2011	2010	2011
County	I	I	II	II	III	III	IV	IV
Beaver	0	0	0	0	596	602	490	495
Box Elder	840	852	738	748	581	589	480	486
Cache	730	740	623	632	471	479	365	372
Carbon	545	552	434	440	287	291	185	187
Daggett	0	0	0	0	0	0	205	206
Davis	880	893	773	784	622	631	520	527
Duchesne	0	0	508	514	357	361	250	253
Emery	525	530	423	427	267	269	165	166
Garfield	0	0	0	0	222	224	120	121
Grand	0	0	407	410	256	258	155	156
Iron	840	848	738	744	587	591	480	483
Juab	0	0	458	468	307	315	205	209
Kane	440	444	338	341	187	189	85	86
Millard	830	840	728	737	577	583	470	475
Morgan	0	0	0	0	406	411	300	304
Piute	0	0	0	0	351	354	245	247
Rich	0	0	0	0	187	188	87	88
Salt Lake	730	742	628	638	477	485	370	376
San Juan	0	0	0	0	182	189	82	86
Sanpete	0	0	563	569	412	416	310	313
Sevier	0	0	587	593	437	442	335	339
Summit	0	0	488	491	332	334	230	232
Tooele	0	0	472	480	316	322	215	219
Uintah	0	0	0	0	386	391	285	289
Utah	770	782	667	677	511	519	410	417
Wasatch	0	0	513	518	356	359	255	257
Washington	690	695	588	592	432	435	325	327
Wayne	0	0	0	0	347	350	245	247
Weber	835	843	732	739	582	588	475	479

Table B2. Suggested Changes
Irrigated Farmland, Class I through IV.

County	I	II	III	IV
Beaver	0	0	6	5
Box Elder	12	10	8	6
Cache	10	9	8	7
Carbon	7	6	4	2
Daggett	0	0	0	1
Davis	13	11	9	7
Duchesne	0	6	4	3
Emery	5	4	2	1
Garfield	0	0	2	1
Grand	0	3	2	1
Iron	8	6	4	3
Juab	0	10	8	4
Kane	4	3	2	1
Millard	10	9	6	5
Morgan	0	0	5	4
Piute	0	0	3	2
Rich	0	0	1	1
Salt Lake	12	10	8	6
San Juan	0	0	7	4
Sanpete	0	6	4	3
Sevier	0	6	5	4
Summit	0	3	2	2
Tooele	0	8	6	4
Uintah	0	0	5	4
Utah	12	10	8	7
Wasatch	0	5	3	2
Washington	5	4	3	2
Wayne	0	0	3	2
Weber	8	7	6	4

Orchard Land

Land values for orchard lands remained the same in all counties with the exception of Box Elder and Utah counties. These changes are due in part to the net return increases in cherries and peaches in those counties.

Table B3. Orchard Lands, Classes I-IV.

	I	I	II	II	III	III	IV	IV
County	2010	2011	2010	2011	2010	2011	2010	2011
Beaver	620	600	620	600	620	600	620	600
Box Elder	675	650	675	650	675	650	675	650
Cache	620	600	620	600	620	600	620	600
Carbon	620	600	620	600	620	600	620	600
Daggett	0	0	0	0	0	0	0	0
Davis	675	655	675	655	675	655	675	655
Duchesne	620	600	620	600	620	600	620	600
Emery	620	600	620	600	620	600	620	600
Garfield	620	600	620	600	620	600	620	600
Grand	620	600	620	600	620	600	620	600
Iron	620	600	620	600	620	600	620	600
Juab	620	600	620	600	620	600	620	600
Kane	620	600	620	600	620	600	620	600
Millard	620	600	620	600	620	600	620	600
Morgan	620	600	620	600	620	600	620	600
Piute	620	600	620	600	620	600	620	600
Rich	0	0	0	0	0	0	0	0
Salt Lake	620	600	620	600	620	600	620	600
San Juan	620	600	620	600	620	600	620	600
Sanpete	620	600	620	600	620	600	620	600
Sevier	620	600	620	600	620	600	620	600
Summit	620	600	620	600	620	600	620	600
Tooele	620	600	620	600	620	600	620	600
Uintah	620	600	620	600	620	600	620	600
Utah	685	660	683	660	683	660	687	660
Wasatch	620	600	620	600	620	600	620	600
Washington	740	710	740	710	740	710	740	710
Wayne	620	600	620	600	620	600	620	600
Weber	670	655	670	655	670	655	675	655

*When a county has no acres of a given class of land, a $0 taxable value is listed.

Table B4. Suggested Changes.
Orchard Land, Class I through IV

County	I	II	III	IV
Beaver	-20	-20	-20	-20
Box Elder	-25	-25	-25	-25
Cache	-20	-20	-20	-20
Carbon	-20	-20	-20	-20
Daggett	0	0	0	0
Davis	-20	-20	-20	-20
Duchesne	-20	-20	-20	-20
Emery	-20	-20	-20	-20
Garfield	-20	-20	-20	-20
Grand	-20	-20	-20	-20
Iron	-20	-20	-20	-20
Juab	-20	-20	-20	-20
Kane	-20	-20	-20	-20
Millard	-20	-20	-20	-20
Morgan	-20	-20	-20	-20
Piute	-20	-20	-20	-20
Rich	0	0	0	0
Salt Lake	-20	-20	-20	-20
San Juan	-20	-20	-20	-20
Sanpete	-20	-20	-20	-20
Sevier	-20	-20	-20	-20
Summit	-20	-20	-20	-20
Tooele	-20	-20	-20	-20
Uintah	-20	-20	-20	-20
Utah	-25	-23	-23	-27
Wasatch	-20	-20	-20	-20
Washington	-30	-30	-30	-30
Wayne	-20	-20	-20	-20
Weber	-15	-15	-15	-20

Meadow Land

Increases in meadow land values are shown for the 2011 report year.

Table B5. Meadow Lands

	2010	2011
County	IV	IV
Beaver	245	247
Box Elder	260	266
Cache	270	275
Carbon	130	132
Daggett	160	161
Davis	270	275
Duchesne	165	168
Emery	140	141
Garfield	105	106
Grand	135	136
Iron	262	265
Juab	150	154
Kane	110	111
Millard	195	198
Morgan	197	200
Piute	192	194
Rich	107	108
Salt Lake	225	231
San Juan	0	0
Sanpete	195	197
Sevier	200	202
Summit	205	206
Tooele	187	190
Uintah	207	210
Utah	250	255
Wasatch	210	212
Washington	230	232
Wayne	175	176
Weber	305	308

*When a county has no acres of a given class of land, a $0 taxable value is listed.

Table B6. Suggested Changes
Meadow, Class IV

County	IV
Beaver	2
Box Elder	6
Cache	5
Carbon	2
Daggett	1
Davis	5
Duchesne	3
Emery	1
Garfield	1
Grand	1
Iron	3
Juab	4
Kane	1
Millard	3
Morgan	3
Piute	2
Rich	1
Salt Lake	6
San Juan	0
Sanpete	2
Sevier	2
Summit	1
Tooele	3
Uintah	3
Utah	5
Wasatch	2
Washington	2
Wayne	1
Weber	3

Dry Farm Land

There were only a limited number of counties that had changes in dry farm land values and this was largely a function of amount of precipitation received.

Table B7. Dry farm Lands

	2010	2011	2010	2011
County	III	III	IV	IV
Beaver	55	56	17	17
Box Elder	97	102	61	64
Cache	125	129	87	90
Carbon	52	53	16	16
Daggett	0	0	0	0
Davis	53	55	16	17
Duchesne	57	58	21	21
Emery	0	0	0	0
Garfield	52	52	16	16
Grand	52	53	16	16
Iron	52	53	16	16
Juab	52	54	16	17
Kane	52	52	16	16
Millard	50	51	15	15
Morgan	68	69	31	31
Piute	0	0	0	0
Rich	52	52	16	16
Salt Lake	55	58	16	17
San Juan	55	59	18	19
Sanpete	57	58	21	21
Sevier	0	0	0	0
Summit	52	52	16	16
Tooele	55	56	16	16
Uintah	57	58	21	21
Utah	52	54	16	17
Wasatch	52	52	16	16
Washington	52	52	15	15
Wayne	0	0	0	0
Weber	82	83	47	48

*When a county has no acres of a given class of land, a $0 taxable value is listed.

Table B8. Suggested Changes.
Dry Farm Lands, Classes III and IV

County	III	IV
Beaver	1	0
Box Elder	5	3
Cache	4	3
Carbon	1	0
Daggett	0	0
Davis	2	1
Duchesne	1	0
Emery	0	0
Garfield	0	0
Grand	1	0
Iron	1	0
Juab	2	1
Kane	0	0
Millard	1	0
Morgan	1	0
Piute	0	0
Rich	0	0
Salt Lake	3	1
San Juan	4	1
Sanpete	1	0
Sevier	0	0
Summit	0	0
Tooele	1	0
Uintah	1	0
Utah	2	1
Wasatch	0	0
Washington	0	0
Wayne	0	0
Weber	1	1

Grazing Land

In general, grazing land values increased slightly. Grazing land values are dependent on two primary factors: quantity (and quality) of the forage and the price of beef and sheep. Cattle and sheep prices continued to increase during 2010. While actual forage condition is dependent on precipitation, the value of grazing is also influence by the price of other forages. This has resulted in slight increases in grazing land values.

Table B9. Grazing Lands

	2010	2011	2010	2011	2010	2011	2010	2011
County	I	I	II	II	III	III	IV	IV
Beaver	73	74	23	23	17	17	6	6
Box Elder	74	78	23	24	17	18	5	5
Cache	72	74	23	24	16	16	5	5
Carbon	52	53	16	16	13	13	5	5
Daggett	55	55	15	15	12	12	5	5
Davis	61	63	19	20	13	13	5	5
Duchesne	70	71	23	23	14	14	5	5
Emery	73	74	22	22	15	15	6	6
Garfield	78	79	24	24	17	17	5	5
Grand	79	80	23	23	16	16	6	6
Iron	75	76	23	23	16	16	6	6
Juab	65	67	19	20	14	14	5	5
Kane	76	77	25	25	16	16	5	5
Millard	78	79	25	25	17	17	5	5
Morgan	68	69	22	22	14	14	6	6
Piute	92	93	27	27	19	19	6	6
Rich	66	67	21	21	14	14	5	5
Salt Lake	67	71	21	22	14	15	5	5
San Juan	73	79	24	26	16	17	5	5
Sanpete	64	65	19	19	14	14	5	5
Sevier	65	66	19	19	14	14	5	5
Summit	73	74	21	21	15	15	5	5
Tooele	72	73	21	21	14	14	5	5
Uintah	82	83	29	29	20	20	6	6
Utah	65	68	23	24	13	14	5	5
Wasatch	54	54	18	18	13	13	5	5
Washington	67	67	22	22	14	14	5	5
Wayne	90	91	29	29	19	19	5	5
Weber	70	71	21	21	15	15	6	6

*When a county has no acres of a given class of land, a $0 taxable value is listed.

Table B10. Suggested Changes
Grazing Lands, Class I through IV

County	I	II	III	IV
Beaver	1	0	0	0
Box Elder	4	1	1	0
Cache	2	1	0	0
Carbon	1	0	0	0
Daggett	0	0	0	0
Davis	2	1	0	0
Duchesne	1	0	0	0
Emery	1	0	0	0
Garfield	1	0	0	0
Grand	1	0	0	0
Iron	1	0	0	0
Juab	2	1	0	0
Kane	1	0	0	0
Millard	1	0	0	0
Morgan	1	0	0	0
Piute	1	0	0	0
Rich	1	0	0	0
Salt Lake	4	1	1	0
San Juan	6	2	1	0
Sanpete	1	0	0	0
Sevier	1	0	0	0
Summit	1	0	0	0
Tooele	1	0	0	0
Uintah	1	0	0	0
Utah	3	1	1	0
Wasatch	0	0	0	0
Washington	0	0	0	0
Wayne	1	0	0	0
Weber	1	0	0	0

Non-Production Land

No changes are proposed for non-production land for the 2011 report.

Table B11. Non-Production Lands

	2010	2011
County		
Beaver	5	5
Box Elder	5	5
Cache	5	5
Carbon	5	5
Daggett	5	5
Davis	5	5
Duchesne	5	5
Emery	5	5
Garfield	5	5
Grand	5	5
Iron	5	5
Juab	5	5
Kane	5	5
Millard	5	5
Morgan	5	5
Piute	5	5
Rich	5	5
Salt Lake	5	5
San Juan	5	5
Sanpete	5	5
Sevier	5	5
Summit	5	5
Tooele	5	5
Uintah	5	5
Utah	5	5
Wasatch	5	5
Washington	5	5
Wayne	5	5
Weber	5	5

Table B12. Suggested Changes. Non-Production Land

County	Change
Beaver	0
Box Elder	0
Cache	0
Carbon	0
Daggett	0
Davis	0
Duchesne	0
Emery	0
Garfield	0
Grand	0
Iron	0
Juab	0
Kane	0
Millard	0
Morgan	0
Piute	0
Rich	0
Salt Lake	0
San Juan	0
Sanpete	0
Sevier	0
Summit	0
Tooele	0
Uintah	0
Utah	0
Wasatch	0
Washington	0
Wayne	0
Weber	0