

THE STATE OF TEXAS§

THE COUNTY OF MILAM§

MILAM APPRAISAL DISTRICT
AGRICULTURAL ADVISORY BOARD

The **Agricultural Advisory Board** of the Milam Appraisal District convened in a regular meeting Wednesday, December 14, 2016, at the Milam Appraisal District Office, 120 North Houston Street, Cameron, Texas.

Attending:

Board Members:

Nelson Johnson
William Pagach
Joel Walzel

Staff:

Dyann White, Chief Appraiser
Lesley Sootoo, RPA – Agriculture/Commercial
Miranda Drake, Business Manager

Others:

None

Absent Board Members:

James Burks

Item 1. Call To Order

The meeting was called to order by Dyann White, Chief Appraiser at 9:01 a.m. The Chief Appraiser introduced the staff to the board.

Item 2. Discussion and review of the following items:

a) *Milam AD DRAFT Agricultural Manual*

The Chief Appraiser reviewed the new DRAFT Agricultural Manual. She started on page 7 to discuss current and principal use test. She asked the Board about the proposed minimum of 7 months of use per year. The Board was in agreement that 7 months of use was a reasonable period of time. The Chief Appraiser explained the degree of intensity on page 8. She is currently working with the USDA office to fine tune this area as it is an ongoing process. On page 9, she reviewed the livestock intensity and asked for input from the Board. Mr. Walzel stated that for an adult cow, 1 per 3 acres on improved pasture and 1 per 10-15 acres on native pasture would be typical.

The Chief Appraiser discussed soil type variations within Milam County. She stated that we are currently trying to overlay maps by parcel on the soil type maps to establish a soil type by parcel. They discussed hay intensity proposed. The Board agreed these were reasonable terms. The exception would be drought which is addressed in this document. The group discussed cropland intensity. The Chief Appraiser explained that with cropland, you either see the work or you don't...it's that simple.

There was discussion about orchard intensity. In order for an orchard to receive an agricultural appraisal it must be a wholesale operation. They haven't set any minimum acreage on orchards yet. About 50% of Districts have minimum requirements and 50% of Districts do not set minimums. Currently we only have a minimum acreage of 6 acres if there is a house on the parcel. Some CAD's have minimum acreage of 25 to 40 acres before they are eligible for agricultural appraisal. The Chief Appraiser pointed out that we have added Beekeeping and Exotics to the Agricultural Manual to address these areas of appraisal.

Mr. Pagach had a question about gravel mining. The Chief Appraiser explained that the District would take the number of acres for gravel mining out of agricultural appraisal and put it in commercial. The property owner would then be assessed a rollback tax on the number of acres removed from agricultural value. The property can be put back into agricultural value after it's reclaimed provided it is used actively for agriculture.

There was some discussion about cessation during a drought and other conditions beyond producers control such as disease stricken areas.

Mr. Johnson asked about retired farmers that lease out their property for agricultural production. The Chief Appraiser explained that it's not the farmer but the land that receives agricultural appraisal. As long as the property is being worked for agriculture whether by the property owner or a lessee, it qualifies for agriculture value. There was discussion about adding information to the Agricultural Manual to address leasing property.

Mr. Walzel asked about what happens when you find property that has agricultural value but is not being used. The Chief Appraiser explained that the appraisers check the property and if it isn't being used, depending on the situation, the agricultural appraisal is removed and notification is sent to the property owner. The property owner then has 30 days to protest. If protested and the ARB determines there is no agricultural value or if there is no protest, a rollback tax is then assessed.

b) Review Agricultural Survey

The Chief Appraiser reviewed the survey with the Board. She pointed out on page 2 the lease agreement information and how important it is for the District to get this information in order to compile data to set productivity value. The Chief Appraiser asked the Board about irrigated cropland...is it becoming typical for Milam County? Mr. Pagach stated he is adding more irrigation. The Chief Appraiser explained they are starting to see it more and more. This is something they will keep on the radar and continue to watch.

The Chief Appraiser asked what is the average dry cropland lease? Mr. Walzel stated he estimated somewhere around \$40 per acre. Mr. Pagach stated he is paying \$42 per acre for good land. He has a few that are lower than that. He stated they are anticipating a large increase for 2018. Mr. Walzel stated that he has heard of some irrigated cropland leases anywhere from \$100 to \$150 per acre. Mr. Johnson stated the share lease is more typical here, thirds and fourths.

The Chief Appraiser asked about the pastureland. Mr. Walzel stated that the average for improved pasture is \$25 to \$30 per acre. He said native pastureland is more in the range of \$15 per acre. There was some discussion among the group in regards to pastureland also being used for hunting leases. The Chief Appraiser stated that hunting leases were factored into the price per acre for the native pastureland. She also stated the District obtains share lease expense information from the local AgriLife Extension Service. She explained all of the Districts sources for data used to compile the 5 year average to get the price per acre.

c) Effects of 2015 and 2016 Flooding

The Chief Appraiser asked the Board about the effects of the 2015 and 2016 flooding. Mr. Johnson and Mr. Pagach both stated the 2015 crops were a disaster because of the flooding. There was some discussion regarding the effects on the crops and issues with the insurance not making up the difference on prices. Corn, wheat and cotton prices are down.

d) 2016 Year In Review

Mr. Pagach discussed potential land flooding for Post Oak Savannah Reservoir. The group discussed the problems with cotton this year (2016). They discussed market sales of local land that continue to increase. There was some discussion of hypothetical scenarios of land and it's change of use. Discussed potential solar farms coming to Milam County.

e) Concerns/Questions/Comments

The Chief Appraiser asked if they had any other concerns or questions.

f) Set Tentative Date for Next Meeting

Everyone was in agreement to keep it at the same time next year during the first few weeks of December.

Item 3. Appointments for Ag Advisory Board for 2017

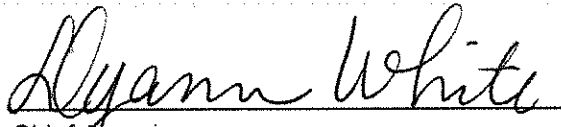
The board appointments for 2017 as shown below.

Ag Advisory Board Member	Term	Date Appointed
James Burks	2017-2018	11/17/2016
Nelson Johnson	2016-2017	11/19/2015
William Pagach	2017-2018	11/17/2016
Joel Walzel	2016-2017	11/17/2016

NOTE: Written reports of any above listed items provided to all members are considered part of the minutes as reports.

Item 4. Adjournment

Having no further business to discuss, the meeting adjourned at 10:08 a.m.


Chief Appraiser

Attest:


Staff Member