Workshop 260 – Valuation of Agricultural Land

Course Description

Agriculture has always played a major role in the development of civilization and this class will provide a good understanding of the various types and uses of land that are classified as agricultural. It will also provide the student with an understanding of the need for some type of preferential assessment and will discuss historical as well as current land tax policy. The current assessment policies in various states as well as Federal Programs will be explained. Crop types and practices that affect classifications and valuations as well as stocking and carrying capacities will be considered. Methods for describing land and the classification of soils by the Natural Resource Conservation Service (NRCS) as well as understanding soil structures and the textural triangle will be taught. Students will also be shown various methods that can be used in the valuation of agricultural lands.

Objectives

On completion of Chapter 1, the student should be able to:
- Understand the definitions and concepts of agricultural land uses.
- Recognize various agricultural land uses
- Know the different crop types and practices affecting classification and valuation
- Know the three different systems of allocating surface water and ground water
- Understand the various methods of applying irrigation water
- Know the meaning of the terms Conventional Tillage or Deep-till
- Understand what is meant by the term Minimal Tillage
- Understand that Strip-till is a form of Minimal Tillage
- Know what is meant by the terms Zero Tillage or No-till
- Know the difference between land leveling and land smoothing
- Understand the benefits of terracing sloped land
- Understand the term livestock stocking rate
- Know the meaning of the terms Animal Unit (AU), Animal Unit Month (AUM), and Animal Unit Equivalent (AUE)
- Know that Orchards and Vineyards are specialty crops
- Understand what is meant by Genetically Modified Crops

On completion of Chapter 2, the student should be able to:
- Know the history of agricultural land use tax policy.
- Understand use value.
- Know what the terms Preferential Assessment, Deferred Tax, and Restrictive Agreement mean in the context of use value assessment of agricultural land.
- Understand the role of Federal Agencies such as the Natural Resource Conservation Service (NRCS) and the Farm Service Agency (FSA) regarding agricultural lands.
- Know what is meant by Agricultural Preservation Zones.

On completion of Chapter 3, the student should be able to:
- Know the type of legal descriptions used to identify agricultural lands
- Know the origination and usage of the Public Land Survey System (PLSS), aka Rectangular Land Survey System
- Know how to describe property using the PLSS system
- Know how to read legal descriptions using the PLSS system
- Know the origination of the Metes and Bounds system of describing land
- Understand the application of Metes and Bounds
- Know how to use a Surveyor's compass

On completion of Chapter 4, the student should be able to:
- Know the history and involvement that the Natural Resources Conservation Service (NRCS) has with soils.
- Understand soil composition.
- Know what is meant by Soil Horizons.
- Know the physical properties of soil.
- Know how to use the Textural Triangle.
- Understand soil structures.
- Understand the importance of soil drainage.
- Know and understand the importance of soil surveys.

On completion of Chapter 5, the student should be able to:
- Understand valuation of agricultural lands for property tax purposes.
- Understand and apply market value.
- Know the basic premise for the income approach.
- Understand and apply the income approach using cash rents.
- Understand and apply the income approach using soil based productivity and a landlord – tenant relationship.
- Understand how Regression is a tool to determine values.

Timetable

Topic	Time Requirement	Day Covered
Chapter 1		
Introduction and History of Agriculture	10 Minutes	Day One AM
Definitions and Concepts	20 Minutes	Day One AM
Agricultural Land Uses	60 Minutes	Day One AM
Crop Types and Practices Affecting Classification and Valuation	240 Minutes	Day One AM/PM
Chapter 2		
History of Agricultural Land Tax Policy	10 Minutes	Day One PM
Use Value – Why Agricultural Land	20 Minutes	Day One PM
State Statutes	20 Minutes	Day One PM
Internal Revenue Service – 1031 Exchange	15 Minutes	Day One PM
Federal Agencies	15 Minutes	Day One PM

Topic	Time Requirement	Day Covered
Farm Service Agency	30 Minutes	Day One PM
Chapter 3		
Legal Descriptions	10 Minutes	Day One PM
Public Land Survey Systems	80 Minutes	Day One PM/Day Two AM
Metes and Bounds Land Descriptions	90 Minutes	Day Two AM
Chapter 4		
Soil	5 Minutes	Day Two AM
Soils and NRCS	10 Minutes	Day Two AM
Soil Composition	15 Minutes	Day Two AM
Soil Horizons	45 Minutes	Day Two AM
Physical Properties of Soil	45 Minutes	Day Two AM/PM
Soil Structures	15 Minutes	Day Two PM
Soil Drainage	15 Minutes	Day Two PM
Soil Surveys	30 Minutes	Day Two PM
Chapter 5		
Valuation of Agricultural Lands for Property Tax Purposes	10 Minutes	Day Two PM
Market Value	35 Minutes	Day Two PM
The Income Approach	45 Minutes	Day Two PM
Soil Based Productivity	60 Minutes	Day Two PM/Day Three AM
Regression as a Tool to Determine Value	30 Minutes	Day Three AM
Review	60 Minutes	Day Three AM