

Agricultural and Forest Land Information/Instructions

Steps in Agricultural and Forest Land Valuation

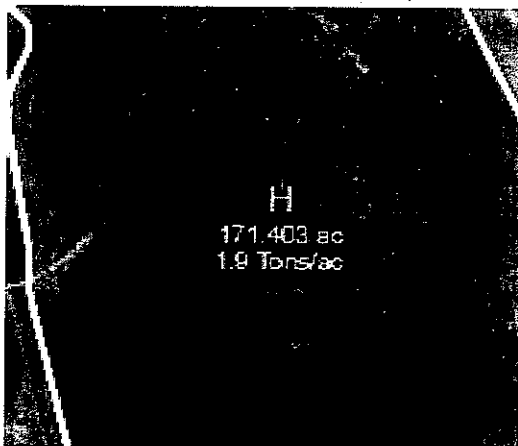
The Montana Department of Revenue takes these steps to establish land value.

1. Determine the current use of the land;
2. Based on current use and average management practices, estimate the per-acre productivity of the land. Productivity estimates are determined through use of the Natural Resource Conservation Service (NRCS) soil survey for the particular area or through use of the University of Montana forest land productivity model.
3. After a review and input from the landowner, determine the per-acre value of the land based on the use and estimated productivity. Commodity price information for determining the per-acre value is a seven year Olympic average of prices, where information about the high and low years is removed and information from the remaining five years is averaged. Specifications for the calculation of per-acre value are outlined in Montana law.

Reviewing Your Property Information

The following information should help you as you review the enclosed photomaps for accuracy. Each photomap displays the boundary for a parcel in your ownership. Within the ownership boundary, we've identified field boundaries indicating the use of the land, the number of acres contained in that field and the average productivity of that field. Because many legal descriptions describe acreage to three decimal places (1/1,000 of an acre), our calculation of acres per field is also carried out to three decimal places. Our determination of acres is based on the legally described ownership acres and won't necessarily match other acreage information such as Farm Service Agency (FSA) field maps.

Within each particular field of your ownership, you will see a letter indicating the land use, the total number of acres in the field and a number representing the average productivity. For example:



- a letter "H" indicates we've determined that the field is used as non-irrigated hay land.
- a number "171.403" followed by "ac" would indicate that there are 171.403 acres in the field.
- a number "1.9" followed by "Tons/ac" indicates that under a non-irrigated hay land use, we've determined that the average productivity of the particular field is 1.9 tons of alfalfa per acre.
- If you have commercial forest land on your property, you'll see a designation "T" followed by a Roman numeral (I, II, III, IV, V). The Roman numeral is an indication of the "grade" of forest land. I is the most productive and V is the least productive.

Land Use (Classification)

There are five classes of agricultural use and one forest land classification. We are required to classify every acre of agricultural land into one of the five use classes and to identify and classify each acre of commercial forest land.

On the photomaps, you will see one of the symbols shown below that indicates our classification of your land within each field boundary. Where field boundaries are not displayed, such as with grazing land and forest land, the land use symbol is still shown for the general area. A summary of the acreage by each use type also appears on the photomap pages. The classes and symbols identifying land uses on the photomaps are:

Agricultural Land

- G = Grazing land** – native range or domestic pasture land. Grazing land is the most common land use in the state and is generally used for raising livestock. However, we include land in this class when it can't be classified as one of the other uses. For example, the hills and coulees that are generally interspersed among summer fallow lands are usually classified as grazing land, even though they may not be used for livestock production.
- F = Non-irrigated summer fallow farm land** – dry land farming where the typical land use in the area is to leave the land idle (fallow) every other year. This class also includes areas that are cropped two or three years in a row due to market conditions, re-cropping or when there is adequate rainfall. In some cases, producers may also plant alfalfa hay or a green manure crop as a regular part of the crop rotation to restore some productivity. Based on the Administrative Rules of Montana, lands enrolled in the Conservation Reserve Program are also considered summer fallow farmland.
- I = Tillable irrigated farm land** – land that's irrigated during the majority of years. The land must have an adequate supply of water to accomplish irrigation in most years and the water must be used for irrigation purposes. The method of irrigation is identified as flood (I/F), sprinkler (I/S) or pivot (I/P) irrigation.
- H = Non-irrigated hay land** – also called dry land hay or wild hay. These are lands that are used to grow non-irrigated alfalfa hay and/or domestic or native grasses that are cut for hay during the majority of years.
- C = Non-irrigated continuously cropped farm land** – land that has adequate moisture and soil composition to grow crops without irrigation on a yearly basis. This land is primarily found in the Flathead Valley of northwestern Montana and it must be the prevailing agricultural use of the area.

Forest Land

- T = Commercial forest land** – land that meets the statutory minimum requirement is classified as commercial forest land. The minimum requirement is that the parcel contains at least 15 contiguous acres of forest land that produces wood products in commercial quantities. A commercial quantity of wood products is a minimum of 100 board feet of wood per acre.

Productivity (Yield)

Once the land use has been identified, the next step is to estimate the productivity (yield) for each acre of land. Our estimates of productivity are based on average management practices. To ensure a consistent approach statewide, we use information from the Natural Resources Conservation Service (NRCS), Montana Agricultural Statistics Service and the University of Montana College of Forestry and Conservation. On the enclosed photomaps, you'll see an average production figure for each identified field. The following information explains the commodities that are used to estimate the productivity for each of the classes:

Agricultural Land

- G = Grazing land** – the productivity is the carrying capacity of the land. Carrying capacity can be expressed in many ways: AUMs, cow days, au, etc. We use the expression "animal unit months per acre" (AUM/Ac) to describe our estimated carrying capacity. In general, AUM/Ac means that an animal unit (1000 lb animal or a cow with calf) can graze on an acre of land for a portion of a month. The AUM figure that's displayed on the photomap is a summary of the AUM/Ac calculation which, in turn, is based on the underlying soil survey information. The easiest way to determine if our productivity is accurate is to divide the AUM on the photomap by the number of animal units you graze on the land. The result will provide an estimated number of months that the land can be grazed. Or you can divide AUM by the number of months that you typically graze the livestock and that result is the number of animal units supported for that period of time based on our estimated productivity.
- F = Non-irrigated summer fallow farm land** – because of its statewide production potential, the number of bushels of spring wheat per acre (bu/Ac) is the base crop used for estimating the productivity of summer fallow lands. While many acres of summer fallow land also produce barley, winter wheat, canola, safflower, durum and other small grains, spring wheat is the only small grain crop that can be grown in all locations of Montana. That doesn't mean that it *is* grown in all locations, only that it *can* be grown. Yield estimates have also been adjusted for, and now reflect, the 12 year county average of spring wheat production. The productivity figure displayed on the photomap is the weighted average production for the particular field.
- I = Tillable irrigated land** – the basis of productivity is the estimated number of tons of alfalfa hay that can be grown per acre (T/Ac). Although many other crops are grown under irrigation (sugar beets, potatoes, malt barley, corn, beans, etc.), alfalfa hay is the most common. The productivity figure displayed on the photomap is the weighted average production for the particular field. The grazing of livestock following the last cutting of hay should be included in an estimate of productivity. We estimate that "grazing aftermath" will increase production by 25% to 33%. Please consider this when reviewing your productivity estimate.
- H = Non-irrigated hay land** – the basis of productivity is the estimated number of tons of alfalfa hay that can be grown per acre (T/Ac). Alfalfa hay is the most commonly grown hay mixture of dry land hay. The productivity figure displayed on the photomap is the weighted average production for the particular field. The grazing of livestock following the last cutting should be included in an estimate of productivity. We estimate that "grazing aftermath" will increase production by 25% to 33%. Please consider this when reviewing your productivity estimate.
- C = Non-irrigated continuously cropped farm land** – the basis of productivity is bushels of spring wheat per acre (bu/Ac). Although a wide variety of crops can be grown, we use spring wheat for determining the estimated productivity of these

lands because of its statewide production potential. For land to be considered as continuously cropped farm land, the practice of farming the land year after year after year is the accepted and common practice for the area. The productivity figure displayed on the photomap is the weighted average production for the particular field.

Forest Land

T = Commercial forest land – the basis of productivity is the number of board feet per acre (bf/Ac). A Roman numeral (I, II, III, IV, V) indicates the “grade” of the forest land. Each grade reflects a certain range of forest land production. Grade I (excellent) = more than 400.1 board feet per acre (bf/ac); Grade II (very good) = 325.1 to 400 bf/ac; Grade III (good) = 250.1 to 325 bf/ac; Grade IV (average) = 175.1 to 250 bf/ac; and Grade V (fair) = 100 to 175 bf/ac.

Your Review and Input

If you believe our information is not accurate, please call or visit your local DOR office. Tell us your concerns using the photomaps. We will investigate your concerns and notify you of the results.

Your Appeal Rights

After receiving an assessment notice in June of 2009, if you believe the information is in error you can:

- Contact the local appraisal office and review the property with them. NOTE: This informal review process can resolve many issues without the need for a county tax appeal;
- Ask for a review by the local County Tax Appeal Board (CTAB) for each county in which you own property;
- Appeal to the State Tax Appeal Board (STAB) if you are dissatisfied with the CTAB decision;
- Appeal to state district court if you are dissatisfied with the STAB decision.