



CAUV



Current Agricultural Use Value

Speakers:

Jude Hammond

Brian Jones



Sponsored by:

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Hancock County Auditor

TONIGHTS AGENDA

1. Valuation Cycle
2. CAUV History
3. Who Calculates the CAUV Value?
4. Formula & Inputs
5. Sample Calculations & Savings
6. Year-to-Year Comparisons
7. Questions & Comments



6-YEAR VALUATION CYCLE

All 88 Counties in Ohio are on a 6-Year Revaluation Cycle

2019 – Triennial Update

2022 – Revaluation

2025 – Triennial Update

2028 – Revaluation

* CAUV Values Updated Every 3 Years



CAUV HISTORY- OHIO

60's and early 70's –

- Increasing Loss of Farmland
- Burdensome Taxation on Farmland

1974 - Issue One – Amendment to the Ohio Constitution

- Value Based on Income Potential not “Speculative” Value
- Passed with Overwhelming Support



WHO SETS CAUV VALUE?

AGRICULTURAL ADVISORY COMMITTEE

- Ohio Farm Bureau
- Ohio Farmer's Union
- Farm Service Agency
- Ohio State University Extension Service
- Etc.



OHIO DEPARTMENT OF TAXATION

Order

COUNTY AUDITOR



CAUV FORMULA

(Income – Expenses) / Capitalization Rate

Income

- Crop Yields
- Crop Prices
- Cropping Patterns

Expenses

- Non-Land
Production Costs

Capitalization Rate

- Interest Rates
- 25 Yr Avg of “Total
Rate of Return on
Farm Equity”
- Tax Additor

Crop Yields

Soil yields from 1984:

- Adjusted by 10-year

average of actual yields

per acre for 2015-2024



Crop Yields

CORN

BEANS

WHEAT

2015	153	50	67
2016	159	54.5	80
2017	177	49.5	74
2018	187	56	75
2019	164	49	56
2020	171	55	71
2021	193	57	85
2022	187	55.5	79
2023	198	58	90
2024	177	50	85

10 Year Avg

Average 2015-2024	176.6	53.5	76.2
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1984 Base	118	36.5	44
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Average/1984 base	1.496610	1.465753	1.731818
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% Increase	49.66%	46.58%	73.18%
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Crop Prices

- 7 Year Olympic Averaging
 - 7 Years of data
 - Remove High and Low
 - Average the 5 Remaining Years
- Source of Data: USDA
- For 2025 – Use Data from 2018 - 2024

Crop Prices

USDA, National Agricultural Statistics Service
Crop Values, 2024 Summary, February 2025

Crop Year	Corn	Soybeans	Wheat
2024	\$4.25	\$10.20	\$5.50
2023	\$4.39	\$12.50	\$6.13
2022	\$6.28	\$14.40	\$7.85
2021	\$5.92	\$13.60	\$6.49
2020	\$4.69	\$11.30	\$5.27
2019	\$3.91	\$9.04	\$5.22
2018	\$3.74	\$8.69	\$5.08

2025 Final Price

\$4.46

\$10.90

\$5.53

Cropping Pattern

Single crop pattern for most soils based on five-year average of acres harvested, 2020-2024:

○Corn	37.7%
○Soybeans	56.5%
○Wheat	5.8%

Exhibit B - Acres Harvested, 2020-2024
TY 2025 Crop Rotation

Year	Corn	% of Total	Soybeans	% of Total	Wheat	% of Total	Corn, Beans & Wheat Totals
2020	3,300,000	37.9%	4,920,000	56.5%	490,000	5.6%	8,710,000
2021	3,340,000	38.2%	4,880,000	55.9%	515,000	5.9%	8,735,000
2022	3,180,000	36.4%	5,080,000	58.2%	465,000	5.3%	8,725,000
2023	3,400,000	39.0%	4,730,000	54.2%	590,000	6.8%	8,720,000
2024	3,200,000	36.8%	5,030,000	57.8%	465,000	5.3%	8,695,000
Five Year Average	3,284,000	37.7%	4,928,000	56.5%	505,000	5.8%	8,717,000

Non-Land Production Costs

- 7 Year Olympic Averaging
 - 7 Years of data
 - Remove High and Low
 - Average the 5 Remaining Years
- Source of Data: The OSU
- For 2025 – Use Data from 2019 - 2025

Cost Calculation – Sample Crop Budget

OSU, Ohio Crop Production Budgets



Exhibit D, Production Costs, Tax Year 2025
 Determination of Five Year Average Costs for the Projected Crop Budgets

ITEM		Units	2019	2020	2021	2022	2023	2024	2025	MAXIMUM	MINIMUM	5 Year Avg.	
VARIABLE COSTS	Seed	CORN	1000k	\$3.38	\$3.25	\$3.25	\$3.44	\$3.60	\$3.69	\$3.75	\$3.75	\$3.25	\$3.47
		SOYBEANS	1000s	\$0.43	\$0.39	\$0.39	\$0.41	\$0.43	\$0.44	\$0.44	\$0.44	\$0.39	\$0.42
		WHEAT	1000s	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.04	\$0.03	\$0.03
	Fertilizer	N Corn		\$0.37	\$0.30	\$0.38	\$0.91	\$0.55	\$0.48	\$0.47	\$0.91	\$0.30	\$0.45
			N Wheat	\$0.45	\$0.43	\$0.48	\$1.07	\$0.71	\$0.63	\$0.59	\$1.07	\$0.43	\$0.57
		P2O5, Corn/Soybeans		\$0.50	\$0.38	\$0.59	\$0.91	\$0.77	\$0.76	\$0.77	\$0.91	\$0.38	\$0.68
		P2O5 Wheat		\$0.52	\$0.39	\$0.43	\$0.83	\$0.96	\$0.77	\$0.77	\$0.96	\$0.39	\$0.66
		K2O, Corn/Soybeans		\$0.32	\$0.28	\$0.32	\$0.69	\$0.48	\$0.39	\$0.36	\$0.69	\$0.28	\$0.37
		K2O Wheat		\$0.30	\$0.28	\$0.26	\$0.60	\$0.73	\$0.40	\$0.38	\$0.73	\$0.26	\$0.39
	Chemicals	LIME		\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
		CORN		\$46.22	\$46.22	\$46.22	\$51.03	\$50.00	\$41.75	\$45.00	\$51.03	\$41.75	\$46.73
			SOYBEANS		\$41.99	\$41.99	\$47.76	\$78.07	\$55.40	\$45.80	\$50.00	\$78.07	\$41.99
WHEAT				\$14.65	\$14.65	\$14.65	\$13.18	\$13.18	\$10.50	\$11.50	\$14.65	\$10.50	\$13.43
Fuel, Oil, Grease	CORN	152.1	\$13.56	\$13.75	\$13.75	\$26.13	\$26.35	\$23.05	\$19.76	\$26.35	\$13.56	\$19.29	
		190.1	\$13.56	\$13.75	\$13.75	\$26.13	\$26.35	\$23.05	\$19.76	\$26.35	\$13.56	\$19.29	
		228.1	\$13.56	\$13.75	\$13.75	\$26.13	\$26.35	\$23.05	\$19.76	\$26.35	\$13.56	\$19.29	
	SOYBEANS	45.4	\$11.58	\$11.58	\$11.58	\$22.00	\$20.84	\$19.45	\$16.67	\$22.00	\$11.58	\$16.02	
		56.8	\$11.58	\$11.58	\$11.58	\$22.00	\$20.84	\$19.45	\$16.67	\$22.00	\$11.58	\$16.02	
		68.2	\$11.58	\$11.58	\$11.58	\$22.00	\$20.84	\$19.45	\$16.67	\$22.00	\$11.58	\$16.02	

Cost Calculation – Sample Crop Budget

OSU, Ohio Crop Production Budgets

VARIABLE COSTS

Inputs - 5 Yr. Olympic Average				5 YR. AVG. COST Exhibit D	Costs per Acre	
UNITS	BASE 145 BUSHEL	@ ADD. BUSHEL	BASE 145 BUSHEL		@ ADD. BUSHEL	
SEED		Kernels (1000s)		\$3.47	\$97.16	\$0.38
FERTILIZER						
N	LB.	164.90	0.61	\$0.45	\$74.21	\$0.27
P2O5	LB.	50.50	0.35	\$0.68	\$34.34	\$0.24
K2O	LB.	28.74	0.20	\$0.37	\$10.63	\$0.07
LIME	TON	0.25	0.00	\$25.00	\$6.25	\$0.00

CHEMICALS

\$46.73 \$46.73 \$0.00

FUEL, OIL, GREASE

\$19.29 \$19.29 \$0.00

REPAIRS

\$29.44 \$29.44 \$0.00

CROP INSURANCE

\$22.24 \$22.24 \$0.00

VARIABLE MISCELLANEOUS

\$5.58 \$5.58 \$0.00

DRYING: FUEL & ELECTRIC ONLY

\$0.04 \$5.80 \$0.04

HAULING/TRUCKING

\$0.22 \$31.90 \$0.22

INTEREST on OPER. CAP. *

Rate	Months	(Rate/12)*Months
6.02%	7	3.5%

\$11.36 \$0.03

TOTAL VARIABLE COSTS

\$394.93 \$1.26

FIXED COSTS

LABOR CHARGE

\$40.58 \$40.58 \$0.00

MACHINERY & EQUIPMENT CHARGE

\$105.49 \$105.49 \$0.00

MISCELLANEOUS

\$22.52 \$22.52 \$0.00

TOTAL FIXED COSTS

\$168.59 \$0.00

TOTAL COSTS

\$563.52 \$1.26

Capitalization Rate

Farm Credit Services
25 Year Fixed Rate

Avg Rate of Total Return
on Farm Equity (25 Years)

Capitalization Rate

INTEREST RATE*	
Year	
2019	6.00
2020	4.90
2021	4.27
2022	6.19
2023	7.86
2024	8.55
2025	7.4
Average	6.47

EQUITY RATE**	
Year	
2023	9.22
2022	15.65
2021	13.31
2020	4.27
2019	1.95
2018	1.52
2017	4.49
2016	1.71
2015	-0.78
2014	8.08
2013	8.37
2012	17.04
2011	11.04
2010	12.46
2009	-0.71
2008	4.30
2007	4.60
2006	13.30
2005	18.18
2004	17.32
2003	8.17
2002	-0.57
2001	6.13
2000	8.74
1999	8.12
Average	7.84

CAPITALIZATION RATES USED IN 2019-2025	
TAX YEAR	CAP RATE
2019	8.0%
2020	7.9%
2021	7.8%
2022	7.8%
2023	8.0%
2024	8.2%
2025	8.4%

Sample Soil Value Calculation

	CORN	BEANS	WHEAT
PI DAT yield/acre (1984)	144	52	64
% increased yield	1.50	1.47	1.73
adjusted yield/acre	216	76	111
X Crop Price/Unit	\$4.46	\$10.90	\$5.53
= GROSS INCOME / ACRE	\$963.36	\$828.40	\$613.83

Income

YIELD / ACRE	216	76	111
BASE YIELD	145	45	60
= YIELD ABOVE BASE	71	31	51
X ADDED UNIT COST	\$1.26	\$1.22	\$1.51
ADDED UNIT COST / ACRE	\$89.46	\$37.82	\$77.01
BASE YIELD COST	\$563.52	\$349.55	\$288.28
= TOTAL NON-LAND PROD. COSTS	\$652.98	\$387.37	\$365.29

Expenses

NET RETURN / ACRE	\$310.38	\$441.03	\$248.54
X CROPPING PATTERN	37.7%	56.5%	5.8%
= ROTATIONAL NET RETURN / ACRE	\$117.01	\$249.18	\$14.42

TOTAL ROTATIONAL NET RETURN \$380.61 ← **NOI**

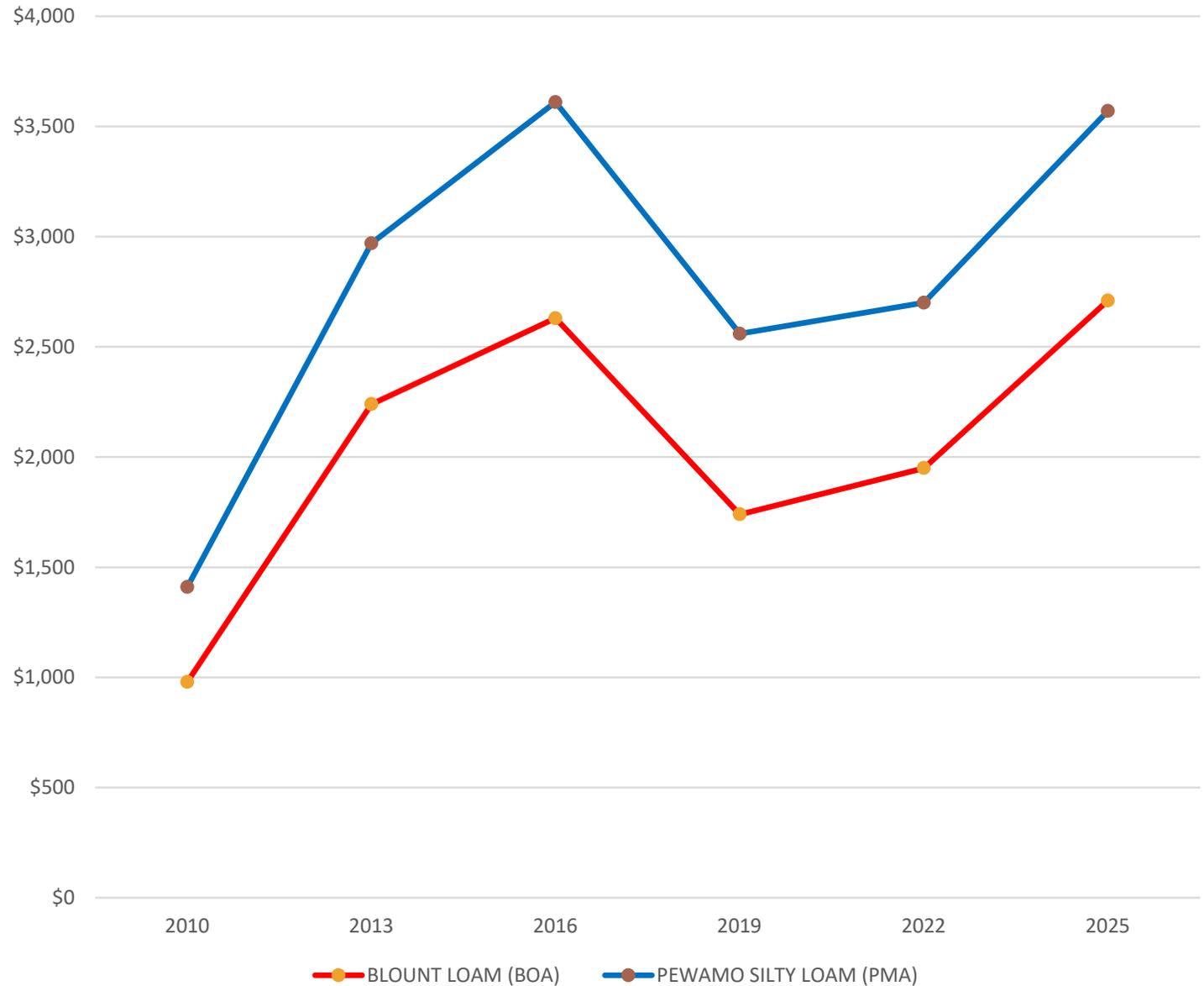
BASE CAP RATE	8.4%
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Cap Rate

VALUE \$4,531.08 *Rounded* **\$4,530**

SOIL VALUE HISTORY

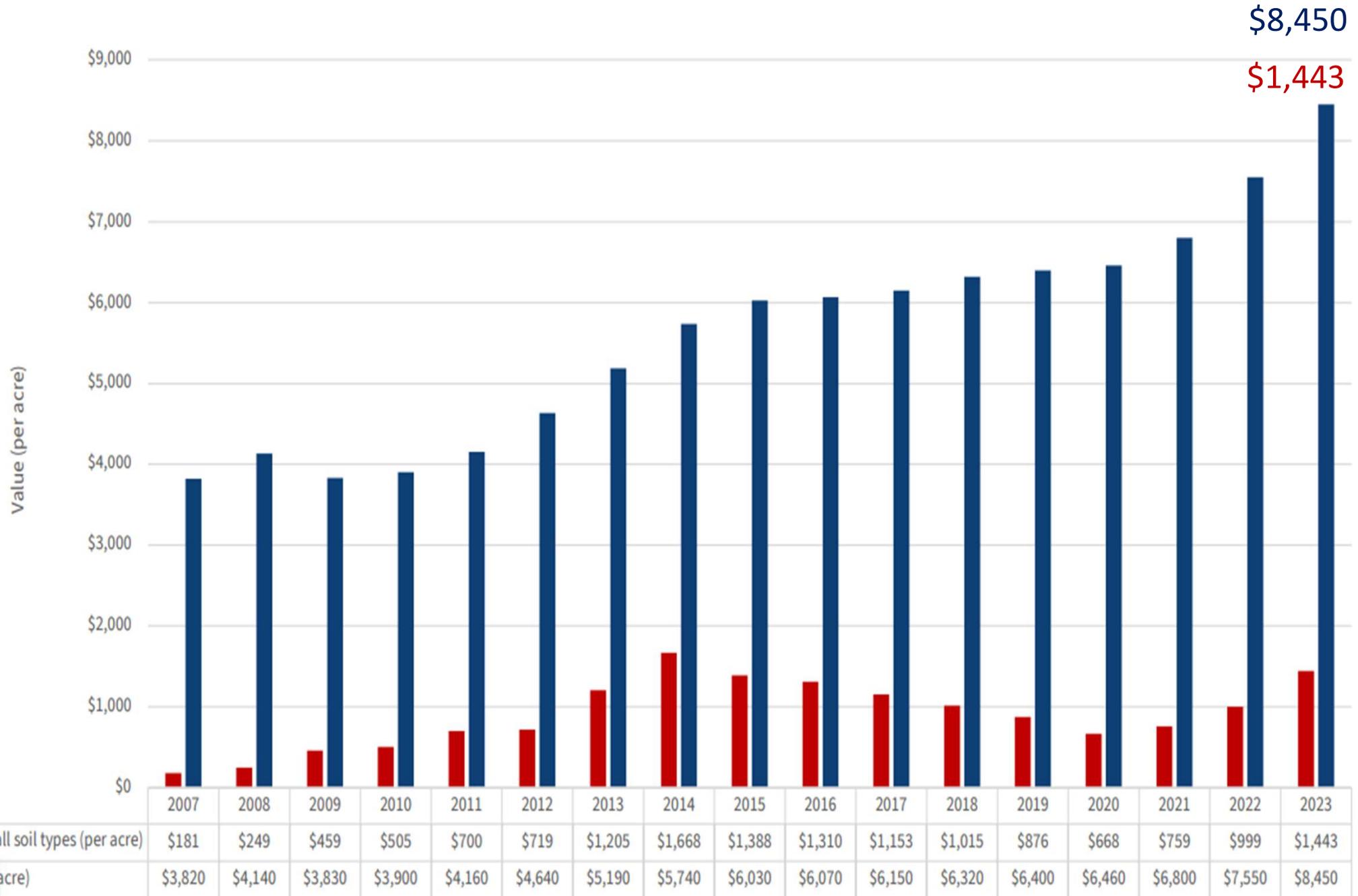
<u>YEAR</u>	<u>BLOUNT LOAM (BOA)</u>
2010	\$980
2013	\$2,241
2016	\$2,630
2019	\$1,740
2022	\$1,950
2025	\$2,710
<u>YEAR</u>	<u>PEWAMO SILTY LOAM (PMA)</u>
2010	\$1,410
2013	\$2,970
2016	\$3,610
2019	\$2,560
2022	\$2,700
2025	\$3,570



WHY DID THE VALUES INCREASE?

		<u>2022</u>	<u>2025</u>	<u>DIFFERENCE</u>	
YIELDS	CORN	167.4	176.6	9.2	
	BEANS	51.8	53.5	1.7	
	WHEAT	72	76.2	4.2	
PRICES	CORN	\$3.77	\$4.46	\$0.69	
	BEANS	\$9.32	\$10.90	\$1.58	
	WHEAT	\$4.75	\$5.53	\$0.78	
COSTS	CORN	\$491.16	\$563.52	\$72.36	
	BEANS	\$317.57	\$349.55	\$31.98	
	WHEAT	\$269.72	\$288.28	\$18.56	
CAP RATE		7.80%	8.40%	0.60%	

Market Value to CAUV Value Comparison



Tax Savings Examples

TOWNSHIP SCHOOL DISTRICT	EFFECTIVE TAX RATE	MARKET VALUE PER ACRE	MARKET TAX PER ACRE	BLOUNT SOIL	CAUV TAX PER ACRE	ESTIMATED SAVINGS PER ACRE
Van Buren - Arlington LSD	47.19	\$6,600	\$100	\$2,710	\$41	\$59
Marion - Findlay LSD	40.20	\$6,600	\$85	\$2,710	\$35	\$50
Jackson - Riverdale LSD	30.52	\$6,600	\$65	\$2,710	\$27	\$38

Property Record Card

X:	<input type="checkbox"/> TTO	LISTER: PJ	DATE: 11/16/2006	TIME: 12:00:00 AM	<input type="checkbox"/> LETTER			
STREET/ROAD	TOPOGRAPHY	PU-UTILITIES-PR	NEIGHBORHOOD	INFLUENCE FACTORS				
<input type="checkbox"/> PAVED <input type="checkbox"/> GRAVEL <input type="checkbox"/> DIRT <input type="checkbox"/> SIDEWALKS <input type="checkbox"/> CURBS	<input type="checkbox"/> LEVEL <input type="checkbox"/> HIGH <input type="checkbox"/> LOW <input type="checkbox"/> ROLLING <input type="checkbox"/> STANDARD	<input type="checkbox"/> WATER <input type="checkbox"/> SEWER <input type="checkbox"/> GAS <input type="checkbox"/> ELECTRIC <input type="checkbox"/> STANDARD	<input type="checkbox"/> IMPROVING <input type="checkbox"/> STATIC <input type="checkbox"/> DECLINING <input type="checkbox"/> OLD <input type="checkbox"/> STANDARD	<input type="checkbox"/> A. NO ROAD <input type="checkbox"/> B. TOPGRHY <input type="checkbox"/> C. EX FRONT <input type="checkbox"/> D. QUANTITY <input type="checkbox"/> E. SZ/SHAPE	<input type="checkbox"/> F. RESTRICT <input type="checkbox"/> G. WOOD LT <input type="checkbox"/> H. VACANCY <input type="checkbox"/> I. WATER FRONT <input type="checkbox"/> J. OTHER/CDU			
LAND COMPUTATIONS								
LAND TYPE	SIZE	M	RATE	C	INF	M	VALUE	C
CR:Crop TOTAL	A 31.3741	8,873	1,105			288,700	40,360	
PA	A 5.3189	8,970	1,330			47,710	7,070	
NPA	A 12.7803	9,490	1,450			121,290	18,530	
NPB	A 12.3386	9,100	1,160			112,280	14,310	
SCB	A .9363	7,930	480			7,420	450	
PO:Pond	A .9205	3,000	2,500			2,760	2,300	
WA:Waste	A .2114	50	0			10	0	
WD:Woods TOTAL	A 10.3190	1,620	230			16,140	2,370	
NPA	A 6.9546	1,510	230			10,500	1,600	
Total Acres: 42.8250						TOTAL	307,610	45,030
VALUATION SUMMARY								
VALUE YEAR (EFF RATE)	2025	2025	2024 (49.91)	2024 (49.91)	2023 (49.16)			
REASON FOR CHANGE	CAUV	RAPP	CAUV	MISC	CAUV			
APPRAISED	LAND	307,610	45,040	222,550	45,040			
VALUE	IMPR	0	0	0	0			
	TOTAL	307,610	45,040 /	222,550	45,040			
ASSESSED	LAND	107,660	15,760	77,890	15,760			
VALUE	IMPR	0	0	0	0			
	TOTAL	107,660	15,760 /	77,890	15,760			
NET GENERAL			726.58 /	726.58	713.54			

Conservation

LAND USED FOR A “CONSERVATION PRACTICE” VALUED

AT THE LOWEST VALUE IN THE SOIL TABLE –

\$230/ACRE

Conservation

“CONSERVATION PRACTICE” DEFINED AS (ORC 5713.30(E):

PRACTICES USED TO ABATE SOIL EROSION AS REQUIRED IN THE MANAGEMENT OF THE FARMING OPERATION, AND INCLUDE, BUT ARE NOT LIMITED TO, THE INSTALLATION, CONSTRUCTION, DEVELOPMENT, PLANTING, OR USE OF GRASS WATERWAYS, TERRACES, DIVERSIONS, FILTER STRIPS, FIELD BORDERS, WINDBREAKS, RIPARIAN BUFFERS, WETLANDS, PONDS, AND COVER CROPS FOR THAT PURPOSE.

Conservation

CONSERVATION CONTRACT

- USDA
- FSA
- SOIL AND WATER

Need: Contract & Map

CONSERVATION PRACTICES - No Contract

Need: Detailed Map & Description of Use

Frequently Asked Questions

- If there are no changes from last year, do I have to return the CAUV Renewal Application?

Yes, the Renewal Application must be completed and returned each year by the first Monday in March.

- This year I received two Renewal Applications, what is the second one?

If your property is in the Agricultural District program, you will receive a second renewal application every five years. Please sign and return both renewal applications.

- What happens if I forget to return the Renewal Application?

Failure to file the Renewal Application will result in removal from the CAUV program. This will result in a recoupment charge and tax increase.

- Is there a penalty if my property no longer qualifies for CAUV?

If the property no longer qualifies for the CAUV program, the law requires that the last three years of savings be recouped. In other words, the owner would have to repay the last three year's worth of savings.

- Will I be notified if my property is to be removed from the CAUV program?

Yes, if property owners fail to return the Renewal or Initial Application, they will be notified in late September or early October (by certified mail) that they will be removed from the CAUV program.

**EXAMPLE OF THE RELATIONSHIP BETWEEN VALUE AND TAXES
TRADITIONAL TAX LEVY EXAMPLE
TAX REDUCTIONS DUE TO HOUSE BILL 920 SINCE 1976**

TAX YEAR 2024 TAX RATES	UNVOTED MILLS	VOTED MILLS	TOTAL MILLS
COUNTY LEVIES	2.00	8.00	10.00
SCHOOL LEVIES	5.00	25.00	30.00
TOWNSHIP LEVIES	2.00	3.00	5.00
CITY LEVIES	1.00	2.00	3.00
JOINT VOC SCHOOLS	0.00	2.00	2.00

SUMMARY	10.00	40.00	50.00
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TAX YEAR 2025 INCREASE FROM REAPPRAISAL	30%
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TAX YEAR 2025 TAX RATES	UNVOTED MILLS	VOTED MILLS	TOTAL MILLS
COUNTY LEVIES	2.00	6.15	8.15
SCHOOL LEVIES	5.00	19.23	24.23
TOWNSHIP LEVIES	2.00	2.31	4.31
CITY LEVIES	1.00	1.54	2.54
JOINT VOC SCHOOLS	0.00	2.00	2.00

SUMMARY	10.00	31.23	41.23
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TAX RATE REDUCTION	17.54%
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TAX PAYER #1 2023 VALUE	\$ 150,000	TAXES '23	\$ 2,625.00
TAX PAYER #1 2024 VALUE	\$ 200,000	TAXES '24	\$ 2,886.15
PERCENTAGE INCREASE	33%		10%

TAX PAYER #2 2023 VALUE	\$ 180,000	TAXES '23	\$ 3,150.00
TAX PAYER #2 2024 VALUE	\$ 200,000	TAXES '24	\$ 2,886.15
PERCENTAGE INCREASE	11%		-8%

NOTE: Exceptions to these examples include Newly Voted Tax Levies or Replacement Levies approved in 2024; School District's at the 20 Mill Floor; Special Assessments are an addition to Property Taxes

**EXAMPLE OF THE RELATIONSHIP BETWEEN VALUE AND TAXES
TWENTY-MILL SCHOOL DISTRICT EXAMPLE**

TAX YEAR 2024 TAX RATES	UNVOTED MILLS	VOTED MILLS	TOTAL MILLS
COUNTY LEVIES	2.00	8.00	10.00
SCHOOL LEVIES	5.00	15.00	20.00
TOWNSHIP LEVIES	2.00	3.00	5.00
CITY LEVIES	1.00	2.00	3.00
JOINT VOC SCHOOLS	0.00	2.00	2.00

SUMMARY	10.00	30.00	40.00
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TAX YEAR 2025 INCREASE FROM REAPPRAISAL	30%
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TAX YEAR 2025 TAX RATES	UNVOTED MILLS	VOTED MILLS	TOTAL MILLS
COUNTY LEVIES	2.00	6.15	8.15
SCHOOL LEVIES	5.00	15.00	20.00
TOWNSHIP LEVIES	2.00	2.31	4.31
CITY LEVIES	1.00	1.54	2.54
JOINT VOC SCHOOLS	0.00	2.00	2.00

SUMMARY	10.00	27.00	37.00
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TAX RATE REDUCTION	7.50%
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TAX PAYER #1 2023 VALUE	\$ 150,000	TAXES '23	\$ 2,100.00
TAX PAYER #1 2024 VALUE	\$ 200,000	TAXES '24	\$ 2,590.00
PERCENTAGE INCREASE	33%		23%

TAX PAYER #2 2023 VALUE	\$ 180,000	TAXES '23	\$ 2,520.00
TAX PAYER #2 2024 VALUE	\$ 200,000	TAXES '24	\$ 2,590.00
PERCENTAGE INCREASE	11%		3%

NOTE: Exceptions to these examples include Newly Voted Tax Levies or Replacement Levies approved in 2024; Special Assessments are an addition to Property Taxes

Thank You

YOUR
QUESTIONS?



*Charity Rauschenberg, CPA
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