



Gene Walborn
Director

Montana Department of Revenue



Steve Bullock
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Memorandum

To: Revenue and Transportation Interim Committee
From: Shauna Helfert, Property Assessment Administrator
Date: June 25, 2018
Subject: Specialty Crops

The department was requested to provide additional information regarding commodity prices for specialty crops.

Land qualifying for specialty crops are valued at the highest productively level of nonirrigated continuously cropped farm land. The highest productively level of nonirrigated continuously cropped farm land is currently 60 bushels of spring wheat per acre.

The USDA Soil Survey does not contain a land productivity associated with a specialty crop, the only specialty crop with a published price in MT Ag Statistics, from USDA National Agriculture Statistic Service, is cherries.

Difference in Valuation

Current valuation:

- Spring Wheat is valued at \$1,562 per acre.
(\$6.67/bushels x 60 bushels/acre x .25 crop share)/.064 cap rate = \$1,563/acre

60 bushels per acre is the highest productivity in continuously cropped land in the 2015 cycle.

Using cherry price option:

- Cherries - \$2,530 / ton x 1.09 ton/acre = \$10,772 per acre
(\$2,530/ton x 1.09 ton/acre x .25 crop share)/.064 cap rate = \$10,772/acre

For 2015, the average yield per acre according to USDA National Agriculture Statistic Service in Montana was 1.09 tons per acre.