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Agricultural Use Guidelines and Standards for 2026

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Introduction

In 1966 voters approved the first agricultural appraisal law for ad valorem (property) taxes in the State of Texas. This first law, known as I-d, intended to protect the family farm from being taxed out of existence as Texas became more urbanized and market prices of agricultural land steadily rose. Section 1-d is very restrictive as it applies only to land owned by families or individuals. Under 1-d, agriculture must be the owner's primary occupation and primary source of income. As Texas became more urbanized and the number of agricultural producers began to drop, a new section was added to the Texas Constitution by voters in 1978. The law was amended to allow a second, more liberal agricultural appraisal law known as 1-d-1. Section 1-d-1 substantially expanded eligibility for productivity appraisal by individuals as well as corporations. Income and primary occupation do not apply under 1-d-1. In 1996 Wildlife Management Use was added as a subsection of 1-d-1 which allows the management of native species, using state guidelines, as a qualification for productivity value.

The following is a set of guidelines to explain qualifications for agricultural productivity valuation under 1-d-1 Agricultural Use for Kerr County. Due to the variability of types of agriculture operations only the most common for the county will be discussed in these guidelines. Unique or other operations will be considered on a case by case basis.

Application

A property owner must file an Application for 1-d-1 (Open-Space) Agricultural Appraisal between January 1st and April 30th of the tax year. The application must be filed with the Chief Appraiser of the Appraisal District where the property is located. Property owners may obtain an application from the Appraisal District Office. If more time is needed an extension to the deadline may be granted by the Chief Appraiser if the request is in writing, shows good cause for an extension, and is received before May 1st. Late applications may be submitted after the April 30th deadline and up until the Appraisal District's certification of the property appraisal rolls (typically about July 20th). However, late applications which are approved will be assessed a 10% penalty for late filing (see example of late penalty on page 11). If a person fails to file a valid application before certification of the property appraisal rolls, the land is ineligible for an agriculture appraisal in that year. Once the application is submitted to the Appraisal District and approved, the land continues to receive agriculture appraisal until ownership of the land changes, the land's eligibility changes, or the Chief Appraiser requests a new application. Ownership changes include transferring land to another party, transferring land into a trust, adding a party to the ownership, or deleting a party from the ownership.

Qualification of Land

The Texas Constitution permits special agricultural appraisal only if land and its owner meet specific requirements defining farm and ranch use. Land won't qualify simply because it is rural or has some connection with agriculture. Neither will it qualify because it is open land that has no other possible use. The law does not guarantee a tax break for everyone who makes a living from the land. Casual use does not really constitute agricultural use.

To qualify their land for agricultural appraisal, the property owner must show the chief appraiser that his land meets the standard for the county. To do so, the property owner must apply for the appraisal. The owner must give the chief appraiser all the information he needs to determine whether the land qualifies. The district will then make an on site inspection to verify the application. The property owner must also inform the chief appraiser of any changes in the status of his land.

Agricultural appraisal applies only to land. Only to the acreage that is used in the agricultural operation may qualify for agriculture use valuation. Improvements (such as buildings, barns, homes, silos, etc.) are appraised separately at their market value. Minerals (oil, gas, and hard minerals) are appraised separately at market value. Agricultural products (livestock, fruit, vegetables, grains, etc.) in the hands of the producer are generally exempt from taxation due to other provisions of the Texas Constitution. Also, farm and ranch equipment designed and used primarily for agriculture (implements of husbandry) are exempt from taxes. Some man-made alterations of, or additions to, agricultural land (fences, canals, water wells, roads, stock tanks, etc.) are valued as part of the land and not separately appraised.

Tests for Agricultural Use

In addition to having qualified land to receive agricultural valuation, the agricultural operation must pass four separate tests. These standards include:

1. primary use,
2. current use,
3. intensity,
4. time period tests.

To show the land meets the qualifications the owner must apply and must give the Chief Appraiser all the information needed to determine whether the land qualifies. **The burden of proof is the responsibility of the landowner.** All tests must be passed to qualify for agricultural valuation and each test is explained below.

Primary Use Test

According to the statute, land must be devoted principally to an agricultural use. If the land is used for more than one purpose, the most important or primary use must be agriculture. For example, pleasure gardening isn't the principal use of residential land. Other uses do not prevent land from qualifying if the primary use is agriculture. For example, land used to graze cattle could also be leased for hunting. Leasing land for hunting is compatible with a primary use of land for cattle grazing. The chief appraiser must determine which use is primary. If another use replaces agriculture as the primary use of the land, then the land is no longer principally devoted to agriculture use and cannot qualify for agricultural appraisal. Small tracts of land that have been developed for residential use and are of inadequate size to support an economically feasible agriculture activity will not typically qualify for agriculture use valuation.

Current Use Test

The land must be in agricultural use as of January 1st of the tax year. In the event that agricultural use is not evident on January 1st, the chief appraiser should grant agricultural use only if the owner shows that they intend to put the land into agricultural use and that agricultural use will be the primary use of the land for the bulk of the calendar year covered by the application.

Intensity of Use Test

The degree of intensity test measures whether the land is being farmed or ranched to the extent typical for agricultural operations. To receive a productivity appraisal the land must be used to the degree of intensity typical in the area. This test is intended to exclude land on which token agricultural uses occur in an effort to obtain tax relief.

Time Period Test

According to the statute, land must have been used principally for an agricultural use for any five of the preceding seven years. If an owner shows the required five-year history through previous applications and supporting documentation, they would be eligible for agricultural valuation in the sixth year.

Types of Agricultural Operations

There are numerous types of agricultural operations in Kerr County. Some properties also have more than one operation being run on the property. Agricultural operations include grazing operations, farming operations which include tilling the soil, orchard and vineyard operations, livestock breeding operations, hoofed exotic breeding operations, beekeeping

operations, equine breeding operation, ratite operations, and wildlife management operations. Each of these operations except wildlife management requires the same criteria for eligibility for agricultural appraisal. Wildlife management contains additional criteria, which will be discussed in its section of these guidelines. Variations of the above listed operations and "fad" operations will be handled on a case by case basis by the appraisal district.

Cow and Calf Operation

This type of operator is in the business of raising beef for sale to either processors or other operators as breeding stock. These operations can have purebred or commercial stock. **Typical requirements in Kerr County include at least two animal units, which may include cows or bulls of breeding age that are bred annually.** Some small operators may lease or borrow a bull to impregnate their cows rather than keeping a bull full time. One cow and calf pair or a mature breeding age cow is considered to be equivalent to one animal unit.

Stocker and Feeder Calf Operations

This operation is in the business of raising beef for processors or feedlots. This operation involves acquiring calves at a certain weight from cow and calf operators or the livestock auction and raising the calves until they grow large enough for the feedlot, slaughter, or replacement heifers. Both heifers and steers are found in this type of operation. One animal unit is equal to two calves. **A typical operation in Kerr County would involve a minimum of four stocker or feeder calves.**

Sheep Operations

This type of operation is in business to produce wool and meat. Sheep operations can be either purebred or commercial operations. **A typical operation in Kerr County would consist of at least twelve head of ewes and at least one ram.** One animal unit equals five head of ewes or rams.

Goat Operations

These operations are in the business of producing meat, mohair, and/or milk. Typical mohair production is usually limited to angora goats, although there also are cashmere goats. Nubian goats are typically involved in milk producing operations. Most other breeds of goats (including Spanish and Boer) are involved in meat producing operation. Some owners of purebred operations provide replacement stock to other producers for breeding. **A typical herd of goats includes a minimum of twelve breeding age nannies and at least one mature**

billy goat. One animal unit equals six head of goats. Miniature and dwarf goats follow the same guidelines as regular goats, but the animal unit equivalency is different.

Equine Operations

Equine operations are limited to breeding operations. A breeding operation involves having brood mares and either a stud on location or using artificial insemination for breeding the mares. The operation may include any breeds of horses, donkeys, or other equines. A breeding age horse, donkey, or mule equals 1.25 animal units. A miniature horse or donkey is 0.5 animal units**. At least three head of breeding age mares or jennies are required to be considered a typical breeding operation in Kerr County**. Supplemental feeding is a given fact of a breeding horse operation. **Breeding associations have suggested that a minimum amount of acreage for a typical breeder is fifteen to twenty acres**.

Exotic Animal Operations

This type of operation involves the raising of non-native animals not listed in the preceding sections. Exotic animal producers raise the animals (including exotic deer, antelope, and ratites) for production of meat or other commercially viable products such as leather, feathers, or byproducts used in cosmetics or for medicinal purposes. Some exotic animal operations produce breeding stock for other exotic operations. Proof of commercial use is required to qualify for agriculture use valuation with exotic animals. Hunting is not considered a commercial product of exotics; it is considered a recreational activity. This type of operation requires a “deer-proof” high fence. Animal unit equivalents for exotics depend on the size of the animal. The Animal Unit Equivalency Chart located in the appendix lists the more common exotic animals found in Kerr County.

Wildlife Management Operations

Wildlife management is the latest major change to occur in agriculture use qualifications in recent history. The first criterion of wildlife management use is the land must currently be under agricultural use valuation to be eligible for wildlife management use. Second, the landowner must be actively using the land that at the time the wildlife management began was appraised as qualified open space land in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

(A) habitat control;

(B) erosion control;

(C) predator control;

(D) providing supplemental supplies of water;

(E) providing supplemental supplies of food;

(F) providing shelters; and

(G) making census counts to determine population.

The minimum acreage to be considered for qualification on property that has been divided the previous year is: 20 acres for an individual parcel; and 14.5 acres for a parcel within a wildlife management cooperative or association.

Additional information is also required when a landowner is attempting to qualify their land under wildlife management use. Annual Reports are expected to be filed by the landowner. The Kerr Central Appraisal District has another booklet, which contains more information on qualifying under wildlife management use.

Beekeeping

Beekeeping is an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination of for the production of human food or other tangible products having a commercial value. (Sec. 23.51(2) Tax Code)

Acreage Requirement: The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use. The hives must be active and on the property for a minimum of 7 months of the year.

Our degree of intensity standard is set at a minimum of five (5) colonies and 5 acres. The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition of an apiary, which is a place where six or more colonies of bees or nuclei of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen and brood.

For each additional 5 acres one additional hive is required. If additional acreage is less than 5 acres, no additional hive is required. For example, if a property owner has 14.6 acres of land used for beekeeping six hives would be needed to qualify.

First 5 acres	5 hives
Additional 7.5 acres	1 hives
Remaining 2.1 acres	0 hives

Total Hives required 6 hives

When property owners initially qualify for agricultural appraisal, they must show proof of history for agricultural use/beekeeping for any of the five preceding seven years. One way to do this is to ask for export, import or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives.

Under Open-Space productivity valuation, values are calculated using a modified income approach to determine the per acre value. This is done using cash lease rates that are collected each year through surveys mailed to lessees. The challenge with determining a productivity value for beekeeping using the cash lease method is usually beekeepers do not lease the land on which the hives are located. In most instances, a property owner who has hives located on his land has an open-space valuation on their property.

Using the basic Income/Rate/Value (IRV) formula for developing an income approach to value, we developed a productivity value in beekeeping.

KCAD's degree of intensity is 5 hives on the first 5 acres with 1 hive for every 5 acres up to 20 acres. This would give you a range of 5-8 hives minimum requirement. The productivity value is applied on a per-acre basis; therefore, the following formula was used.
KCAD's minimum requirement on 20 acres is 8 hives. Therefore, the average hives per acres is 8/20 = .40 hives.

References:

Mary Reed
Chief Apiary Inspector
State of Texas
979-845-2516

Todd Younglbood
Youngblood Honey
830-334-4430

Clint Walker
Walker Honey Farms
254-721-0096

Kenny Reed
Reed Honey Co
936-449-4188

Example of Appraisal District Bee Guidelines:

Bees may qualify on tracts of land from 5-20 acres

Minimum of 5 mainframe hives

8 mainframe hives at 20 acres

Bees can be used to establish history with supporting documentation

Hives must be maintained and kept alive

Flowering plants must be planted to support hives if the hives are in areas where there is limited vegetation that requires pollination

Appraisal district will grant agricultural use on the total acreage, not just the area where the hives sit

Bees and Honey - Colonies, Production, Price and Stocks, Texas: 2005 – 2009

	All Honey					
Year	Colonies	Yield Per Colony	Production	Average Price Received by Farmers (per Pound)	Value of Production	Honey Stocks on Hand December 15
	1,000	Pound	1,000 pounds	Cents	1,000 dollars	1,000 pounds
2005	84	71	5,964	87	5,189	954
2006	82	70	5,740	91	5,223	976
2007	105	82	8,610	96	8,266	1,550
2008	77	64	4,928	134	6,604	1,380
2009	74	63	4,662	138	6,434	886

Cropland Operations

Cropland operations can be classed as small grain crops, sorghum hay, improved pasture hay, and row crop. The most common type of cropland operation in Kerr County is the small grain and sorghum hay. These two types of operations are usually part of a grazing operation, but not in all cases. Improved pastureland is usually improved with a permanent grass such as coastal Bermuda or Klein grass. This type of land is usually baled in the spring and early summer if irrigation is not available. If the land is irrigated, the land may be baled until early fall. Cropland in Kerr County requires supplemental fertilization and is usually a part of the typical farming operation. Much of the land that is not irrigated is grazed during part of the year, usually during the winter months. Small grain and sorghum hay operators will normally plant their fields on an annual basis and combine the grain or bale hay for at least one cutting. Landowners should follow the practices that are typical for Kerr County. Row crop farming is done on a very limited basis in Kerr County and the typical crops are wheat, oats, or Milo. A typical size field in Kerr County has a minimum of five acres.

Orchard and Vineyard Operations

These operations are in the business of cultivating trees or grapevines that produce nuts or fruits (such as pecans, peaches, grapes, and apples) which are sold commercially. Typically these operations have a regular schedule of pruning, spraying, and cultivation as well as

keeping the area around the trees or vines mowed. A typical size orchard or vineyard in Kerr County has a minimum of three acres.

Truck Farming Operations

This type of operation is in the business of cultivating the soil for planting vegetables. This type of operation depends on a good source of water for irrigation purposes. It is typical for this type of operation to utilize some type of irrigation system. There are some crops (such as okra) that do well in dry land areas and may not require irrigation, so each operation should be considered separately. Examples of crops grown in truck farming operations include tomatoes, squash, potatoes, peppers, and carrots. A minimum size of three acres is considered typical for this type of operation in Kerr County.

Government Program Operations

Currently, the only program that will qualify for 1-d-1 productivity valuation on its own is the Conservation Reserve Program (CRP). Other governmental programs such as brush or cedar control or crop subsidies are normal and prudent ranch management practices and those programs will not qualify the land for agriculture valuation on their own.

Leases and Cooperative Agreements

Leases are an acceptable agricultural use for the owner of the property provided the lessee is using the land to the standards of agricultural use for Kerr County and the lessee has enough contiguous land (either owned or leased) to suffice the minimum standards of size. An owner applying for agricultural use valuation using a lease agreement needs to include with the application a copy of the lease if a written lease is used. If there is an oral agreement in place then the lessee needs to provide a letter stating the kind of agricultural use, the number of livestock run on the property or acres planted, and duration of the lease.

A cooperative agreement allows a landowner that doesn't own enough land to use adjoining land to qualify for agricultural use. All of the land in the cooperative agreement must be used for the same purpose and used as one unit of land. Cooperative agreements must be in writing and contain signatures of all landowners whose land is involved in the agreement.

Example of Penalty for Late Filing

When a property owner files for agriculture use valuation after the April 30th deadline but before the certification of the appraisal record (typically July 20th) then they are subject to a late filing penalty. If the late application is approved the owner must pay a penalty equal to ten percent of the difference in taxes between agricultural productivity value and market value.

Example: One acre of land has a market value of $2,000 and agricultural productivity value of $80. The example tax rate is $1.75 per $100 of valuation.

Taxes for one acre of land at ag productivity value = $80 x $1.75 / $100 = $1.40

Taxes for one acre of land at market value = $2,000 x $1.75 / $100 = $35.00

Late penalty on one acre of land = ($35 - $1.40) x .10 = $3.36

Example of 1-d-1 Rollback Tax Penalty

Landowners need to be aware that if land receiving agricultural productivity valuation changes use to a non-agricultural use, then a roll back tax may be imposed. The rollback tax is a penalty for taking agricultural land out of production. Rollback taxes will be assessed for the previous three years, if the land received agricultural productivity values for all three years. The rollback tax is the difference in actual taxes paid based on productivity value and taxes that would have been paid on market value. There is also a five-percent (5%) annual interest penalty added to each of the three years.

Example: A twenty-acre tract is removed from agricultural production in 1999. The agricultural productivity taxes remained at $1.40 per acre for the previous three years. The market value taxes remained at $26.25 per acre for the previous three years. Total taxes paid for the tract were $28 per year based on productivity value. Market value taxes were $525 per year for the tract.

Year	Tax Paid	Tax on Market Value	Difference	Interest	Rollback and Interest Total
1998	$28	$525	$497	$24.85	$521.85
1997	$28	$525	$497	$49.70	$546.70
1996	$28	$525	$497	$74.55	$571.55
					$1340.10

Total rollback tax and interest due is $1,340.10

Stocking Rate

Stocking rates are measured in terms of animal units. An animal unit is equal to 1000 pounds of live animal weight. The amount land required to support one animal unit depends on the soils of the land. Typically, **in Kerr County one animal unit requires thirty to forty acres of native range during years of normal rainfall**. A prudent manager would typically stock their land to the animal unit capacity to maximize their production.

Animal Unit Equivalency Chart

Animal Type	Animal Units
Cow or Cow and Calf	1.00
Mature Bull	1.25
Weaned Calf to 1 Year	0.60
Steer (one year old)	0.70
Steer (two years old)	0.90
Horse	1.25
Miniature Horse	0.50
Donkey or Mule	1.25
Miniature Donkey/Burro	0.75
Bull Elk	0.60
5 Ewes	1.00
4 Rams or Buck Sheep	1.00
8 Lambs (weaned to 1 year)	1.00
6 Nanny Goats or Does	1.00
5 Billy Goats or Bucks	1.00
10 Kid Goats (weaned to 1 year)	1.00
6 Mature Mutton Goats	1.00
5 Axis or Fallow Deer	1.00
5 Aoudad or Mouflon Sheep	1.00
7 Sika Deer	1.00
2.5 Red Deer	1.00
3 Oryx	1.00
1 Eland	1.00
3 Emus	1.00
2 Ostriches	1.00
7 White-tailed Deer	1.00
10 Blackbuck Antelope	1.00
3 Llamas	1.00
2 mini cattle (Cow or Cow & Calf)	1.00