

Understanding Farming, Ranching and Wildlife Management in Texas

Farming and ranching have been the bedrock of the Texas economy ever since it became an independent nation and then a state back in the 1830s and 40s. But as the population of the state continued to increase for the next 100+ years, and as it continues today, the economics of farming and ranching has changed drastically.

More and more people, making more and more money, living on a fixed amount of land has caused the price of land to skyrocket. I remember my father in the 1950s wishing he had had enough to spend \$2.50 per acre for land around where we lived—a price that seems ridiculously low today. But there were plenty of people back then that had that much and more. Thus the price of land has continued to increase.

But the income from farming and ranching has not kept pace with the price of land. Over 60 years ago, the voters of Texas approved the Agriculture Valuation law to help protect land in agriculture use from being taxed at the same rate as commercial- or home-building lots in town. One acre in town can be worth a lot to a builder or a businessman, because they can make a lot of money from that acre. But one acre of ranchland can't make the rancher much money at all—it won't even feed one goat for a year! And it certainly won't make enough to pay the taxes a similar-sized commercial lot in town will require.

Now I have to get up on my soap-box. The Agriculture Valuation is NOT an “Ag Exemption.” The rancher is not “exempt” from paying taxes, his tax rates, for agriculture land, are much lower than land in other uses, more in line with how much the land can make for the rancher or farmer. The rancher also pays the same taxes on his house, barn, etc. as everyone else.

But simply owning land that COULD be in agriculture production does not by itself qualify for the Ag Valuation. The landowner must demonstrate that agriculture use is the primary use of the land, that it is being used at an intensity (think stocking rates) that is typical for the area and that it has been so used for at least 5 of the last 7 years.

Then in 1995, Voters approved a constitutional amendment that added Wildlife Management Use as another use that may qualify for Ag Valuation. This is commonly referred to as Wildlife Valuation.

There are certain requirements for land to be considered for Wildlife Valuation. The first is that the land must presently be in Ag Valuation (thus meet all of the requirements listed above), and in addition the landowner must practice at least three of the seven operations listed below in order to “propagate a sustaining, breeding, migrating, or wintering population of indigenous wild animals.” Among the uses of land for Wildlife Valuation are “bird watching, hiking, hunting, photography and other non-passive recreational uses.”

The seven operations include: habitat control, erosion control, predator control, providing supplemental supplies of water, providing supplemental supplies of food, providing shelters, and making census counts to determine populations.

Finally, each county has minimum acreages that can qualify for Wildlife Valuation.

The taxes on property in Wildlife Management Use are exactly the same as for AG Valuation.

The Wildlife Management Use option has been helpful, not only for those especially interested in doing everything they can to make their habitat wildlife friendly, but also to new smaller landowners with existing Ag Valuation. For many of these landowners, the “typical intensity” requirement of the Ag Valuation forces them to stock their livestock above the carrying capacity and to thus overgraze their land.

It is important to note that the Wildlife Valuation does not prohibit having livestock, and many folks do just that, but it allows them to be much more flexible with the numbers and duration of animal stocking—so they get to have some livestock, and protect the habitat for wildlife at the same time.

Interestingly, many ranchers are now also managing at least somewhat for improved habitat which also makes their deer leases more valuable while still managing livestock as well. So in some cases, landowners with the two different types of valuation are beginning to manage their habitat in similar ways.

Until next time...

Jim Stanley is a Texas Master Naturalist and the author of the books “Hill Country Ecology,” “Hill Country Landowner’s Guide” and “A Beginner’s Handbook for Rural Texas Landowners.” He can be reached at jstmn@ktc.com. Previous columns can be seen at www.hillcountrynaturalist.org .