

Current Use Board
2023 Public Forum Notes

NH Fish and Game, 225 Main Street, Durham - Wednesday, November 8, 2023

Board: Chuck Souther, Anton Bekkerman, Representative Josh Yokela, Mark Beauchesne, and Larissa Robinov

Public: Bill Hunt, Ray LaRoche, Erick Sawtelle, Katy Raynor, Robert Johnson, NH Farm Bureau, Carl Bartlett, Northfield, John Fernald III, Tyler Comte

The public forum began at 6:00 p.m.

Chuck Souther briefly explained the statutory requirement to hold three public forums annually to accept general comment on proposed forest land and farmland assessment ranges, proposed rules, and the current use program. The Board is holding four forums this year due to presentation of the proposed agricultural land assessment model. The Board has been working on this model for a number of years and with the assistance of Dr. Bekkerman from UNH, a model has been developed and is being brought forward to the public to provide an explanation and receive input. The comments will be reviewed and considered by the Board who will then determine whether to adopt the new model and move forward with the proposed farmland assessment range or if more time and consideration is needed.

Dr. Bekkerman provided a review of the information and considerations included the proposed model.

Q: Question || **A:** Answer || **C:** Comment || **R:** Response

- Q:** As the number of dairy farms continues to decrease and encouragement to grow our own food increases, the number of vegetable farms will become more common. Are vegetable or other crops considered in the model?
- A:** Currently, NH data shows the representative crop continues to be a mix of corn and hay production. At this time, vegetable production is not a predominant use of the land. If and when that changes, adjustments may need to be made in the model.
The income from fruits and vegetables would be greater than the income from corn and hay, so this model is not penalizing those that do produce fruits and vegetables.
- Q:** Would the use of data from farms less than 10-acres that produce more than \$2,500 of fruits and vegetables skew the data?
- A:** The average farm size in NH is 141 acres so some of those smaller farms could skew the data and inputs. It is a balance of how much information to include and the cost of getting the necessary data or it becomes too difficult to track and defend.
- C:** The goal is to decouple farm income from a commodity crop. Soil is the universal measure of potential land value. What land can produce that is durable over time can be tied to income, and soil maps are an important consideration. Other information that should be considered in this determination is agricultural policies, the use of updated information, and the benefits of the land for both production and public good.

R: Dr. Bekkerman explained the SPI is currently applied to the range for specific properties. The most common way to determine agricultural land value is to consider the productivity of the land, what is being produced on that land, and how much the market values that product. That is what is model is based on. He added that he is not aware of a way to tie soil quality directly to market value which is necessary to determine land value. If that does become a viable option it could certainly enable another model to incorporate those soil values more directly.

C: More information should be made available about SPI, what it is, what it is used for, and how to attain it. The Department of Revenue Administration's site is not where most people would start looking.

Q: What is unproductive agricultural land?

A: The Board has discussed this question including the differences between agricultural land and pasture land and how to deal with it. One suggestion was to create another category to represent pasture land. From an assessing standpoint there are currently a lot of variables with current use land and adding another could make things more complicated rather than simpler. The goal of this model is to provide a transparent and defensible process to value agricultural land. How to consider pasture land is something the Board will continue to discuss.

The key here is that this is based on land productivity potential. This is trying just look at the potential for productivity of the land and assess the land that way, not what your choices are as a producer. If another farmer was to farm your land with a different crop, the value of the land would be the same because the value is based on the potential productivity, not what is grown

Q: What is the assessor supposed to do when they go to identify the potential value of the land; are they working within that lower and upper range?

A: That is what they are doing now, they are working within the \$25-\$425 range.

C: The rules state in the absence of SPI, the value shall be determined at the discretion of the assessing official. That is not transparent. Is there a default town's use? In comparison, RSA 79-D, Discretionary Easements, the town can adopt a reduction in the tax value between 25-75% and there hasn't been an answer whether or not a town can do that with current use. If the intent is to make the process more transparent and defensible, should we be looking at how, in the absence of SPI, those values are determined by the assessor? The use of SPI is low and with the model's proposed assessment range, the values will double the tax assessment on land. The concern is for those landowners who have a fixed income and whether or not they will be able to adjust to this increase or have to sell their property? Most assessors don't know about agricultural or how slope affects productivity. Should there be a standardized formula for properties that do not use SPI for the assessors to explain how they interpret and value the different attributes or detriments to the land?

R: The DRA provides a matrix, modeled after the forest land matrix, to use to describe the property attributes of location, grade and site quality, including descriptions of what good, average and poor represents. An assessor can use this information to determine the value within the range based on those characteristics. The matrix can be completed by assessing officials and/or landowners.

C: The issue is not using the SPI. There needs to be more incentive for landowners to use it and the new assessed values might provide that incentive to get it. Another consideration is what training or on-line tools are available and what more can be done to promote it.

- R: Chuck Souther responded it was his understanding that the SPI is purely a scientific assessment of the production capability of the soil, and there are over 300 soil types in NH. That might be something that is appropriate to do. The number of parcels that use the SPI is extremely low and that could be because towns are treating landowners fairly and don't need to do anything.
- C: Relating to the use of corn prices from Pennsylvania and New York, is there consideration that those states are 2-3 times larger than NH and their growth and yield potential is phenomenally better than NH in its best year?
- R: Dr. Bekkerman agreed. There are multiple ways one can attempt to approximate that price such as adding a freight price to it however that is a good point and could require more consideration. The issue is that it is always going to be an approximation and errors will be made. It could be this is a larger error than using another method. The challenge is what is the trade-off between being very accurate and precise versus being able to update this model on an annual basis with information anyone can access. It could be that a private survey could be done but the cost there is that it reduces transparency because we could not publish those data because of financial information. The only thing being approximated is corn for silage price, all other information is from NH, and it is likely this price is underestimating the price in NH.
- Q: Is there significant variability between PA and NY?
- A: Dr. Bekkerman responded the range between NY and PA may be 20-30 cents a bushel. Within those states, it is fairly small. That data does exist, and we could take a look.
- C: If there are reasons people are not using SPI, it would be interesting to know why. Are assessors doing a reasonable job assessing the land and there is no incentive or there are hurdles to get the SPI and how can we make it more accessible.
- C: The cost in Strafford County is \$40 and it can be done on-line using soil maps, so it is not really a time issue. I don't think that there has been an incentive because the assessors have been reasonable.
- C: To build the SPI into the formula versus putting the burden on the landowner would seem more productive than individual owners having to go get it.
- C: Part of the issue is that people do not know it is available. Information does not go out to landowners like it used to. It would be interesting to know why conservation districts were charged with doing the SPI. Education could be enhanced. Maybe an effort should be made for all agricultural landowners to get an SPI for the transparency part of it if nothing else.
- C: There are many people who want to see the current use program go away. It is important to educate society about the importance and benefits of keeping this land open, how it is used, the penalties for changing its use, and the ramifications if the program were to go away.
- C: Concern with the low rate going from \$25 to \$312 and the percentage increase difference from the high value going from \$425 to \$657.
- C: In terms of assessors, I'm wondering what is there thinking about what figure to put on a property and how it will be determined. Using the SPI may be the only way for them to do that. As a

landowner, if I was going to be tagged the high end of the new rate, I think I would argue that, and I'd ask the assessor what criteria my land value was based on.

R: Mr. Souther responds to this question by telling landowners to talk with their assessor and ask their questions. The assessor should be able to explain it. You just need to go in and talk. The assessors on the Board are in favor of using the SPI because it takes the pressure off of them and is defensible. I think assessors feel, to a degree, that the current use program works, they understand open space is valuable and they can make more money from their town assessing other projects in town rather than dealing with current use. They want it to be easy, to be able to value it and defend the value because they know the towns are not making a lot of money off of it. That is the benefit for everyone, for this program to be easily and transparently administered and defensible.

C: In terms of the increase in values, the assessors understand this methodology. People should understand how we manage the land, in particular the pasture of unproductive land, for public benefit.

R: The matrix is for landowners to complete and submit to the towns and there are guidelines to the attributes. The assessor's association has been shown the model likes the transparency it provides.

C: The use of the term "unproductive" devalues the stewardship that is happening on the land, and it is important at some level to help people understand, whether rocky or wet, there is agricultural value for managing that land. People should understand how we think about managing this land for public benefit to help explain the value of the program.

Durham forum ended at 7:40 p.m.

North Country Resource Center, Lancaster - Wednesday, November 9, 2023

Board members: Chuck Souther, Norm Bernaiche, Representative Josh Yokela, Mark Beauchesne

Public: Robert Johnson, Stan Kneckt, Chris Brady, Joyce Brady, Carl Bartlett, Scott Burns, Jason Call, Craig Mayo, S.P.A.C.E., Charles Levesque, S.P.A.C.E., Keven Clement

The public forum began at 6:00 p.m.

Chuck Souther briefly explained the statutory requirement to hold three public forums annually to accept general comment on proposed forest land and farmland assessment ranges, proposed rules, and the current use program. The Board is holding four forums this year due to presentation of the proposed agricultural land assessment model. The Board has been working on this model for a number of years and with the assistance of Dr. Bekkerman from UNH, a model has been developed and is being brought forward to the public for review and comment. The comments will be reviewed and considered by the Board who will then determine whether to adopt the new model and move forward with the proposed assessment range or if more time and consideration is needed.

Chuck Souther stated the proposed forest land rates for 2024-2025 are as follows:

Forest Land (Per acre)		Forest Land w/Documented Stewardship (Per acre)	
White Pine	\$122 - \$184	White Pine	\$74 - \$110
Hardwood	\$67 - \$101	Hardwood	\$40 - 60
All Other	\$39 - \$59	All Other	\$24 - \$36

Wetland	\$24
Unproductive	\$24

Mr. Bernaiche provided a review of the information and considerations in the proposed model.

Q: Question || **A:** Answer || **C:** Comment || **R:** Response

The following comments were provided by Stan Kneckt:

C: He applauded the effort of the Board to come up with formula to establish agricultural land values and asked that the Board provide more time for the agricultural community to study the proposal and provide input on it before being adopted as permanent policy.

The proposed range appears to be a substantial increase in the assessed values and the five year phase-in is appreciated. Although not understanding all of the factors used to determine the range, in livestock production, in particular dairy and beef, the price of hay and corn typically results in a lower net income. Due to this and its impact on livestock production, he asked the Board to consider the impact on the net income if prices were to increase.

Typically, the farming community tends to think in terms of rental value per acre and we look at a value of the land based on a type of capitalization of the rental value. It would be interesting to me if a methodology could be developed to compare rental values to the figures the model came up with to see if there is a correlation. If the farming community could see that there is a direct correlation between paying a certain amount for rent and the proposed value, it may be easier for the model to be accepted.

Concerning forestland and the current methodology, is there a way to insert a factor into the equation to consider the carbon credits to answer current questions. And, permanent pasture, how this methodology considers land incapable of producing crops.

R: Relating to the rental suggestion, Chuck Souther stated the Board has discussed this idea and because rental data is all over the place, information is too variable, and getting the information would be difficult, it was not considered a path they wanted to take. The Board will be learning about carbon credits going forward and discuss potential adjustments.

R: Relating to pasture land, the Board has had discussions about how to define it and the increase in the lower value. A suggestion of adding it as a separate category has been considered but no decisions have been made. It would certainly have a low SPI and it may be a conversation to have with your local assessor.

- C: The model is based off of corn silage and hay and you have explained the numbers. There are less and less dairy farms and more and more livestock farms coming in which means we have more pasture. It might be more productive for corn silage but that is not what it is being used for. The Board may want to consider that times are changing, we have fewer dairy farms and more land being used for dry hay or cattle, sheep as pasture. Is this rate based on the potential production or the actual production?
- R: It is based on the potential production.
- C: All the land is worth more to an orchard or corn but that is not what is.
- R: Chuck Souther explained what the Board tried to do is create a model based on the soil's inherent capability to produce a crop and stay away from specific crops, which is why we used corn silage and hay because that is the most common crop in NH. More farmers are buying combines and stocking more grains. With this model, we can take that into consideration once we start counting that production however right now, no one is officially counting it.
- C: \$312 for a low end for pasture is pretty steep. I understand it has not been done for a while and things have to go up and I understand we need a good basis to explain it but one thing we are lacking is the education to the public of the benefit of current use. You can explain how these rates are developed but all people see is that we are paying less in taxes. I know numbers have been worked on to show the other side, if we take this land and put it into houses, it does create more revenue but also creates more expense and at the end of the day, taxes are lower because land is in current use and as this is proposed and settled on, I think we as a community need the education to show this program saves people money on taxes. I don't think the low end considers the mixed use or unproductive nature of the land.
- C: Jason Call, an assessor, understands there are people who do not like current use and see it as a program benefiting rich people or people who support current use to help farmers. As an assessor, he defends the program. Relating to the model, simple is better to administer and defend, and the values and phase-in seem reasonable.
- C: There are concerns about the low end, that the model relies on dated information, particularly dairy farms which may be 10 or 15 years old, and we have less than half the number of dairy farms today than we did in 2010. There is still some misunderstanding about what this model does. This model is an attempt to not only make this easy and understandable but to find the middle. Permanent pasture on the low end, Christmas trees and orchards on the high end and in the middle you have hay and corn silage. Pasture land is creeping up in the number of acres and needs to be reflected.
- C: Another concern relates to rented land. Landowners are battling with the Nature Conservancy who are buying farmland with money donated to them. When the values go up, so much that the person owning the land cannot pay the increase in taxes because rental increases cannot justify them, the Nature Conservancy is waiting to buy the land.
- C: Norm Bernaiche stated that if we had market driven rental data excluding caveats like public parking or maintenance we could estimate a value like we do with commercial property. Unfortunately, that information is not available.

- C: Charlie Levesque began by stating that S.P.A.C.E. has not come to a conclusion about this model. As a landowner, he congratulated the Board for coming up with a professional way to determine agricultural values. He hoped the Board will consider all the comments received from farmers and look at the details before moving forward with it and that it be left open for tweaking as time goes on. A discounted cash flow is the right way to do this, and it will be defensible if this law ever gets in court. As negativity around the program increases, it is important to have sound rules based on economic principles and that is what this model is. This is not a tax break for landowners, similar to market value, it is an equally valid way to assess land under the law and constitution. Without this program, both the farm and forestry industries in NH will fall.
- C: It was noted that soil types can be found on-line however to apply it to a property, a document from the conservation district is required. If provided, an assessor is required to apply it.

Lancaster forum ended at 7:12 p.m.

NH Fish and Game, 15 Ash Brook Court, Keene - Monday, November 13, 2023

Board members: Chuck Souther, Representative Josh Yokela, Larissa Robinov, Anton Bekkerman, Barbara Richter, Mark Beauchesne, Norm Bernaiche, Tom Chrisenton

Public: Frank Linnenbringer, Lisa Post, Charlie Post, Lyndeborough, Maury Collins, Laurie Burt, Anson Burt, Perry Sawyer, Westmoreland, Gary Phelps, Troy, Carl Bartlett, Northfield, Jean Rudolph, Westmoreland, Tom Beaudry, Walpole, Peter deVilliers, Bronwen deVilliers, Langdon, Dan Langille, Keene, Meade Cabot, S.P.A.C.E., Sam Greene, DRA.

The public forum began at 6:00 p.m.

Chuck Souther briefly explained the statutory requirement to hold three public forums annually to accept general comment on proposed forest land and farmland assessment ranges, proposed rules, and the current use program. The Board is holding four forums this year due to presentation of the proposed agricultural land assessment model. The Board has been working on this model for a number of years and with the assistance of Dr. Bekkerman from UNH, a model has been developed and is being brought forward to the public to provide an explanation and receive input. The comments will be reviewed and considered by the Board who will then determine whether to adopt the new model and move forward with the proposed farmland assessment range or if more time and consideration is needed.

Proposed Forest Land Assessment Ranges, with and without Documented Stewardship

Forest Land (Per acre)	
White Pine	\$122 - \$184
Hardwood	\$67 - \$101
All Other	\$39 - \$59

Forest Land w/Documented Stewardship (Per acre)	
White Pine	\$74 - \$110
Hardwood	\$40 - 60
All Other	\$24 - \$36

Wetland	\$24
Unproductive	\$24

No comments were received.

Dr. Bekkerman provided a review of the information and considerations included the proposed model.

Q: Question || **A:** Answer || **C:** Comment || **R:** Response

There were brief discussions about SPI and how that impacts value; when the values may be implemented, the unproductive category and how to categorize pasture land.

C: Concern with the percentage of change between the low value from \$25 to \$312 and the high value from \$425 to \$657, which is significantly different.

C: Concern about the unproductive category of \$24 per acre and the low farmland value going to \$312.

R: It was noted it is not necessarily apples to apples. You can have a farm and still have unproductive land on it. We are not talking unproductive to produce agriculture. It is a different meaning to have unproductive land than it is unproductive agricultural land because that land could probably still produce trees if you let it grow out and that is probably what would happen.

Q: How do I define where the wetland boundary is on a field because it could make a huge difference on the tax rate.

R: You would say it was wet and less productive rather than wetlands. What I think you are describing is a wet agricultural area where it will not produce much. A wetlands designation has to be provided by the State.

Discussion continued about the unproductive land value of \$24 and the low unproductive agricultural value of \$312. Soil maps are available to indicate the different soil types. For land that may be unclear in which category it should be designated, landowners should make an appointment to discuss their specific property with the assessor.

C: The following situation was described:

Landowner owns 10.8 acres. Their home and barns remove 1.5 acres leaving 9.3 acres. This 9.3 acres is used for rotational graze and is managed intensively. The landowner has attempted to enroll that land into current using the \$2,500 exemption but was denied because it is used for grazing.

Keeping and feeding the animals in the barn, mowing and baling that land would result in more than \$2,500 worth of hay. He wants to know what I can do. There is 8.5 acres on the other side of the road, very similar to his property, that he doesn't own but has kept track of the bales for a number of years which produces between 110 and 130 big round bales every year. He cannot count this land as he does not own it, but the monetary production would be well above the \$2,500 requirement.

R: The rules specify that the crop needs to be grown in the ground and the \$2,500 has to be from the sale of the product, verified by receipts.

C: The crop is grown in the ground; it is just harvested differently. Because I graze this product rather than mow or bale it and feed it to the animals on my property rather than sell it I cannot enroll this land in current use. It is the same amount of grass whether I sell it or use it.

R: Currently, that is the rule, which can be changed by the Board. This will be in the notes and discussed by the Board.

R: For the administration of this, the rule requires that you have to make \$2,500 four out of five years and verify the sales of the product with receipts.

Q: Has there been a court decision about this?

R: Norm Bernaiche suggested the landowner appeal the municipality's decision through the BLTA based on this argument. He believes it is a straightforward issue and the administrative rule holds weight.

C: One of the things I learned about agriculture in 1981 was the reason there was dairy in this state was because our native rich grass and the cool-tempered climate is exceptional. Going back to the 1800s when the state was a sheep farm, the woods were grazed by sheep. The Board should consider basing the formula on something natural that can be enhanced with inputs. Using just the hay production potential would be cleaner than using data from other states which is less reliable.

Keene forum ended at 7:34 p.m.

NH Department of Revenue Administration, Concord - Tuesday, November 14, 2023

Board members: Senator Ruth Ward, Representative Josh Yokela, Rick Evans, Commissioner Shawn Jasper, Larissa Robinov, Anton Bekkerman, Barbara Richter, Mark Beauchesne, Norm Bernaiche, Tom Hughes, Tom Chrisenton, Tom Thomson, Chuck Souther

Public: Lisa Morin, Belknap County Conservation District, Pam Gilbert, Grafton County Conservation District, Laura Bartlett, Robert Johnson, NH Farm Bureau, Stephen Wood, Representative Keith Erf, Paul Franklin, Don Floyd, Charlotte Harding, Carl Bartlett, Jasen Stock, NHTOA, Matt Leahy, Forest Society, Patrick Hackley, NH Division of Forests and Lands

The public forum began at 1:00 p.m.

Chuck Souther briefly explained the statutory requirement to hold three public forums annually to accept general comment on proposed forest land and farmland assessment ranges, proposed rules, and the current use program. The Board is holding four forums this year due to presentation of the proposed agricultural land assessment model. The Board has been working on this model for a number of years and with the assistance of Dr. Bekkerman from UNH, a model has been developed and is being brought forward to the public to provide an explanation and receive input. The comments will be reviewed and considered by the Board who will then determine whether to adopt the new model and move forward with the proposed farmland assessment range or if more time and consideration is needed.

No comments were received on the proposed forest land assessment ranges with and without documented stewardship

Dr. Bekkerman provided a review of the information and considerations included the proposed model.

Q: Question || **A:** Answer || **C:** Comment || **R:** Response

Q: There is one crop for corn but there could be three crops of hay. Is that represented in the model?

R: The USDA provides one number to account for the total yield in a production year.

Q: Are taxes included in the expenses?

R: Dr. Bekkerman stated taxes are not included in the fixed costs.

Q: Did you look at other farm credit rates that are used as opposed to FSA which tend to be lower than the other market rates in the agricultural field?

R: Dr. Bekkerman responded that he did. The FSA is most often used in these types of models because it is a guaranteed rate. That is the most common denominator and if we start going to different lenders and looking at their different rates, it could have significant impact on the values. You could get a better rate but using the highest or maximum loan rate is conservative.

Norm Bernaiche noted that unless you have been to the conservation district to get an SPI, the assessed value is probably at the higher range to begin with. If you have never provided information to the assessor about slope or other characteristics on the property, the default was probably at the high-end of the range. In this situation, under this model, you may not see much of a change.

The SPI provides specific differences in the land productivity of a property. Currently, it is unknown exactly how many properties use an SPI but an estimate of 50% or less was suggested.

C: Paul Franklin: This is critical, and the Board is going in the right direction. In the market value arena, the Constitution requires municipalities value anew every five years and if there is any criticism of the current use program, it is that this has not occurred in agricultural category until now. This makes current use more defensible, transparent, and updatable and he strongly supports the model.

C: Steve Wood: Credits the Board and work they have done. This is where the changes and adjustments need to be made rather than in the law.

C: Carl Bartlett: RSA 79-A:1, Declaration of Public Interest, uses the term “open space” six times. The program is called current use, but the intent is to preserve open space. With that in mind, the current values have not been changed in 50 years and my hay fields and trees pay 150% of what I use in town, county and state services. When it comes to farming and soil, unlike a commercial building, it is what it is and the only way that it has any productivity is if someone is toiling to make it work. Regarding the inputs, lime, fertilizer, running the tractors, planting the seed and that is probably why we are only making 10 cents an acre in revenue. Are commercial assessments made based on the productivity or profitability or net income of the business that is in them?

R: Mr. Bernaiche explained the assessments are not based on the business, they are based on what an owner could rent a property for or sell for based on net income. This model functions the same as the model assessors use for the income approach but uses different inputs. It doesn't matter what the property is, Wal-Mart or a drug store, what matters is what a tenant is going to pay to rent the space based on the expenses, net income and capitalization under current conditions.

Q: So, their taxes go down when their tenant moves out?

R: No, not necessarily.

C: Understanding the calculation and need for a formula, the output is still a guess. The only consistent crop in NH is the native grasses and even that takes a considerable amount of soil amendments, cost, expenses, and effort to make a harvest. Current use is not designed to make an assessment so that I can sell my farm at so many dollars per acre because it does not fit the open space concept for the need of open space. The current ranges make sense and there is no need to change them.

Q: How many acres are actually assessed at \$25 per acre?

R: The DRA does not receive information that detailed.

C: I'm not worried about the \$25-\$312, that is what these methods produce, it still strikes me as a highly rational way to assess the land to conserve open space.

Rob Johnson, NH Farm Bureau and the Federation's Policy Director, thanked the Board for holding four public forums this year and Dr. Bekkerman who presented the PowerPoint to their leadership. This information was provided early enough to be included in their publication.

There is no program more important to working lands in NH than the current use program. We support the method be undertaken here; it is needed for the integrity of the program. There are a few suggestions we would like the Board to consider relating to the average farm, the low-end value of the proposed range, SPI and the FSA loan rate.

Mr. Johnson believes the intent of the formula is to find the middle. He provided a handout of USDA data showing a breakdown of NH acreage compared to what the state has for information. There are approximately 15,000 acres that the state accounts for that the USDA does not and he believes it to be idle land which means the figure of 92,750 acres does not include pastureland. He has made an inquiry to the USDA to verify the discrepancy.

The state has a little over 90,000 acres of hay land, silage, and fruits and vegetables. There are approximately 30,000 acres of pastureland, which is land machinery cannot be used on due to being rocky, wet or has trees. The USDA questionnaire includes permanent pasture and range land, wooded pasture, and other pasture and grazing land, rotational pasture that could have been used for crops without additional improvement.

High value crops account for approximately 22,750 acres. This includes corn silage, vegetables, Christmas trees, fruit, nursery, floriculture and grains. Grass Forage crops accounts for 69,000 acres. This includes grass, legumes, dry hay, haylage, grass silage, and green chop. This is also where the idle land would be. Pastureland approximately 30,000 acres.

The grass forage crops were affected this year by the rain which will likely increase the haylage numbers and decrease the dry hay. The data provided is mostly from 2017. New data will be coming out early next year.

There is concern relying on dairy numbers, which was what the old formula did. The number of dairy farms has decreased by more than half in the last 20+ years and continues to decrease. The one increase in the state is beef cattle. We ask that you look at removing the silage piece and use forage as the middle ground going forward. It is simple, it covers the most land used for agriculture, and there is local data that can be used rather than using information from other states.

About the low-end going from \$25 to over \$300. If you apply the percentage increase of the high value, which is 65%, to the low value, it coincides with the low end of the forest range. We suggest looking at tying the low-end of the farmland range to the forest all other category which reflects wet, rocky pasture and land with trees.

With regards to the FSA loan rate, there may be limited eligibility to who can get that rate based on income and if that is the case, should it be used? You may want to consider a rate all farmers are eligible for.

The SPI was discussed at all four forums and there are people who would like to see it mandated. There are reasons people do not use it. They may be political or personal. In some cases, the savings is very minimal and not worth the cost. It is voluntary and should remain that way.

Board Response.

Relating to the suggestion to replace silage with grass forage, the law requires values to be based on the income-producing capability of the land, not what is most common. Replacing the silage with forage grass would be doing the opposite, so why not use the higher value crop?

Mr. Johnson replied that is not what is being used now. Using the hay silage would find the middle ground and it would simplify the process. We are asking that the values be based on the middle ground, which is the forage. It is the vast majority of acreage and is not being used.

A concern was expressed that the increase in the low end value will force owners with pastureland to stop managing the land so that it will grow into forest and become eligible for the lower forest land value.

Dr. Bekkerman cautioned about using percentages because a percentage of a higher number is going to lead to a higher number and the same percentage of a lower number is going to lead to a much smaller change. With regards to the productivity, there has to be some consideration to the higher value crops to capture the median of what the land could be producing and the majority of the distribution.

Stacy Luke, District Manager of the Merrimack County Conservation District, offered that in the years she has been doing the SPI, there has never been an SPI of zero. The SPI takes into consideration climate and what agriculture can actually be grown on the land. Getting an SPI is a voluntary process and the effort to educate landowners on its benefits has slowed down. There are many properties with an SPI that were done years ago or property owners who thought the town had an SPI on file. There is a cost to getting an SPI in most counties, the exceptions are Belknap and Merrimack.

Q: How is SPI broken down?

Ms. Luke stated SPI is done by agricultural lot. A 10-acre field could have four different soil types (each soil type has its own SPI in the USDA Conservation Service). They use a formula to determine a factor based on the number of acres with a specific soil type.

Mr. Johnson restated at situation that was brought up by a landowner in Keene relating to eligibility of land under current use. The landowner has 9.2 acres of land that he uses for his cattle to graze. Because he cannot prove an income of \$2,500, the land does not qualify for current use. The Cub rules recognize pasture as a crop yet harvesting the crop with animals instead of a tractor is not recognized and there should be language added to provide for that.

C: The most important thing to remember is the values generated must be supportable and defensible against the perception that rich people are getting a tax break.

Concord forum ended at 2:49 p.m.

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COMMENTS BEFORE THE NEW HAMPSHIRE CURRENT USE BOARD, LANCASTER, NH NOV. 9, 2023

My name is Stan Knecht and I live here in Lancaster where my wife and I have a small beef and hay farm and some woodland. I would like to thank the Current Use Board for making your annual journey north of the notches. We appreciate it.

I would like to briefly outline how current use serves the farm and forestland that my wife and I own, and then I would like to ask some questions and make some suggestions to the board. I do not expect answers to my questions tonight, I would just like to see the board address them during your meetings.

My wife Sally and I farm hayland, both owned and rented. We also have land that grows a great crop of rocks that we use for permanent pasture for our beef cattle. Finally, we have several hundred acres of forestland that we manage for wildlife as well as for timber harvesting.

The comments and questions that I have for the board are as follows:

1. I applaud the board for developing a formula for establishing agricultural land values. I would ask the board for more time for those of us in the agricultural community to study this proposal and provide input on it, prior to it being adopted as permanent policy. On first glance, these seem like fairly substantial increases in the assessed values for corn and hay land.
2. Although I do not completely understand all the factors that you have used to determine the final range of values, I would like to point out that in livestock production, specifically dairy and beef, higher prices of corn and hay typically lead to a lower net farm income. And since net farm income is the primary factor in the new methodology I would like to ask the Current Use Board to address this.
3. I would also like to ask if there is a way that the board could develop a methodology to compare actual on farm rental costs for corn and hayland to the model that you have developed. The purpose of this would be to see if there is a direct correlation between the two figures. This would be helpful in convincing farmers of the assessment values that are being proposed to be applied to their farmland.
4. Concerning forestland and the current methodology for coming up with forestland values, I would like to ask if there is a way to insert a factor for carbon credits into the equation that would better reflect an accurate assessment for that land where carbon tax credits is the main source of revenue from the land.
5. Finally, because we have permanent pasture on our land I would like to hear how the proposed methodology would create a value for permanent pasture land.

Thank you very much for the research that the board has done and for coming up here to allow us to give local input into your findings.