

March 20, 2025

Current Use Advisory Committee Meeting
Kennewick, Washington in-person and via: Webex

Board Members Present:
Calvin Mercer Brenton Roy Daniel Bosted (Howard Jensen – Absent)

Assessor's Office Members Present:
Rikki Davis Chris Plummer Brenda Crawford

Meeting was called to order @ 9:00 am. The purpose of this meeting was to recommend the values to be used in the 2025 assessment year for 2026 taxes year.

Rikki Davis started by introducing the new cap-rate. The cap-rate is provided by Washington State. This rate is used to calculate the 2025 assessment. The interest rate is 6.58% and the Benton County rate is .88% these are added together for the current cap-rate of 7.46%. This is an increase from the 2024 rate of 6.91%. Rikki explained that seeing an increase in the cap-rate will result in lower land values.

The board then reviewed the Current Use Worksheet.

IRRIGATION SYSTEMS:

Rikki Davis indicated no changes were made from last year and opened things up for discussion. The board had no comments and moved on to the next item.

RIVER CIRCLE IRRIGATED AG LAND:

Rikki Davis said that rental rates for crops grown on circle ground have seen a slight decrease over the past year. The following changes were presented to the board for review:

Potato - \$710 per acre to \$700 per acre

Wheat - \$200 per acre to \$175 per acre

Corn - \$225 per acre to \$200 per acre

Alfalfa - \$250 per acre to \$225 per acre

Other Crops - \$350 per acre to \$325 per acre. The current 5-year average is \$334 per acre.

Daniel Bosted, who represents River Circle Irrigated farms said they have seen a decrease in Onion and Potato ground, but other commodities were unchanged.

DISTRICT - IRRIGATED AG LAND:

Rikki asked what was being seen for rental rates.

Brenton Roy, who represents the District Irrigated Ag-land said he has seen rates falling in his area. He said there is land available on the Roza, but it is not being rented. He feels a 10% reduction in the proposed rate is more in line with what is occurring. This puts the 5-year average at \$323 per acre, up from \$320 per acre in 2024.

DRYLAND WHEAT:

Information provided by the Horse Heaven Grain showed a drop in wheat prices from 2024. Wheat went from \$7.43 per bushel to \$5.46 per bushel. This decrease coupled with the increase in the cap-rate is showing a significant drop in Dry Land Wheat. These are the current changes for this year:

- #1 wheat at \$220 per bushel, down from \$250.
- #2 wheat at \$170 per bushel, down from \$200.
- #3 wheat at \$130 per bushel, down from \$160.
- #4 wheat at \$90 per bushel, down from \$110.
- #5 wheat at \$50 per bushel, down from \$60.

Calvin Mercer stated that Bureau of Land Management (BLM) rental rates have remained unchanged. He said raising cattle has done well over the past year. He said they are starting to see a drop in the Department of Natural Resources (DNR) rental rates.

Daniel Bosted added where he is, in the south end of the county, wheat farmers in the area have approached them asking if they would be interested in renting wheat ground and developing it into irrigated ground.

RED MOUNTAIN:

Rikki Davis stated rental rates in Red Mountain have been running about the same. The board had no comment and moved on to the next item.

OTHER BUSINESS:

Rikki Davis then turned the discussion to permanent crop values. Many farms have been observed not harvesting crops due to market conditions. She stated there have been minimal sales and we are currently seeing a down year on market prices.

Brenton Roy said that apple prices are very low. He said trellis and irrigation costs have remained unchanged, but there is no market for selling the fruit. He estimates that 20,000 – 25,000 acres of apples would need to be removed to correct the apple market. He also discussed how bare ground has decreased by about 40%.

Calvin Mercer brought up the number of vineyards that are being torn out or sitting idle. He wanted to know how taxes are going to reflect this. He wondered if there was a way to use less than the 5-year average to help farmers with orchards and vineyards that are not producing an income.

Rikki said, unfortunately there is nothing we can do about this. The law is very clear that we have to provide either a 5-year or 10-year running average.

The board was asked what they were seeing regarding Hops.

Brenton Roy confirmed that hop market is contracting. He estimates 10,000 acres of hops would need to be removed to correct the hop market. He also addressed concerns regarding available water in the Roza Irrigation District. He said Benton County has experienced draught conditions in 5 of the last 10 years, with 2 to 3 years seeing significant water shortages. If there is not water, the crops will fail and there will be no value. Rikki said this is something that will be monitored moving forward.

There was no further discussion, and the meeting was adjourned at 9:20

Rikki said she would update the worksheet with the information discussed and email it out to the board members.