

Name: _____

County: _____

Date: _____

**BASIC AGRICULTURAL WORKSHOP
SELF-STUDY TRAINING SESSION**

REVIEW QUESTIONS

1. Which of the following is not true of California?
 - Has eight of the top ten agricultural counties in the nation.
 - Is experiencing a decline in total agricultural acreage.
 - Produces 350 different commodities.
 - Produces 60 percent of the table grapes in this country.

2. Of the following, which is not one of the categories of forces that influence agricultural real estate value?
 - Economic conditions
 - Governmental controls
 - Environmental conditions
 - Water availability

3. Understanding and appreciation of the forces influencing value is essential to the appraisal of agricultural real estate.
 - True
 - False

4. Soil layers are also referred to as:
 - Substratum
 - Structure
 - Profile
 - Horizons

5. The top eight feet of soil is the most important layer and contains a profile broken down into three different layers known as surface soil, subsoil, and substratum.

- True
- False

6. Macro-relief refers to topography of the soil in miniature.

- True
- False

7. Match the following by natural land class:

1	Class A
2	Class B
3	Lower terrace land
4	Higher terrace land
5	Upland

	Land which is mountainous in character and consists of steep slopes.
	Basin land usually situated at the lowest valley floor levels.
	Gently sloping to rolling; occupies higher terrain around the perimeter of valley floors.
	Alluvial fan, or flood plain land, generally situated in valleys.
	Usually associated with the perimeter of valley floors and, typically, gently sloping.

8. On which of the following factors is the Storie Soil Rating Index based?

- a. Physical characteristics
- b. Economic conditions
- c. Potential productivity
- d. Both a and c

9. What water provides the highest quality water for agricultural purposes?

- Class 1
- Class 2
- Class 3
- Rain

10. Match the following water rights:

1	Appropriative
2	Riparian
3	Prescriptive

	Right to use water on contiguous land by an owner of land bordering on a lake, stream, or natural water source.
	Right obtained through open and adverse diversion of water to which others have prior rights.
	Right based on state ownership of the water and constitutes a legal right to water flowing in public waterways.

11. List three forces that have a positive or negative effect on agricultural producers and the consumers of agricultural products.

1. _____

2. _____

3. _____

12. The conveyance of a conservation easement generally constitutes a change in ownership of the property subject to the easement where the primary purpose of the easement is the mere right to enforce restrictions against the grantor.

- True
 False

13. Agricultural producers are permitted to allow unrestricted water runoff from chemically treated fields and burning of farm residues.

- True
 False

14. What are the seven steps in the appraisal process?

1. _____
2. _____
3. _____
4. _____
5. _____

6. _____
7. _____

15. In the preliminary analysis phase, which of the following statements is true.
- A final determination of the property's highest and best use is made.
 - A logistical plan for the appraisal is developed.
 - The contributory value of the land is produced.
16. Which of the following statements is not true when determining a property's highest and best use:
- Surrounding properties may not be indicative of optimal use.
 - Zoning may restrict the properties highest and best use.
 - The current use will always be the highest and best use.
 - An interim use should be taken into consideration.
17. Which of the following statements is true when using aerial photos?
- The center of the photo is the most accurate.
 - The scale is one inch equals 560 feet.
 - The topography does not cause a change in measurements.
 - Camera tilt adjusts for terrain.
18. Both crop rotation and crop varieties have a noticeable effect on yields.
- True
 - False
19. List four common units of comparison used when making an agricultural appraisal.
- 1. _____
 - 2. _____
 - 3. _____
 - 4. _____
20. When valuing agricultural property, the unit of comparison to use is:
- Whatever the market is using
 - Number of acres
 - Type of crop(s) grown
 - Topography

21. In identifying the appraisal unit, which of the following statements is true.
- If it is determined that several parcels make up the appraisal unit, a separate appraisal needs to be made for each parcel.
 - All parcels must be contiguous.
 - It is the unit that persons in the marketplace commonly buy and sell.
 - Three 40-acre parcels purchased should be appraised as a unit even if their highest and best use is as three separate units.

22. Your subject is 350 acres of vineyard ground. It consists of 175 acres of Class I soil; 58 acres of Class II soil; 60 acres of Class III soil; and 57 acres of Class IV soil. Using the following five sale comparables, what value would you place on each soil class and what value would you place on the subject property?

Comparable # 1 – 85 acres of Class II soil, 35 acres of Class III soil, and 70 acres of Class IV soil. No improvements. Sale Price \$1,030,000.

Comparable # 2 - 120 acres of Class I soil and 165 acres of Class III soil. Estimated improvement value \$ 5,000. Sale Price \$2,030,000.

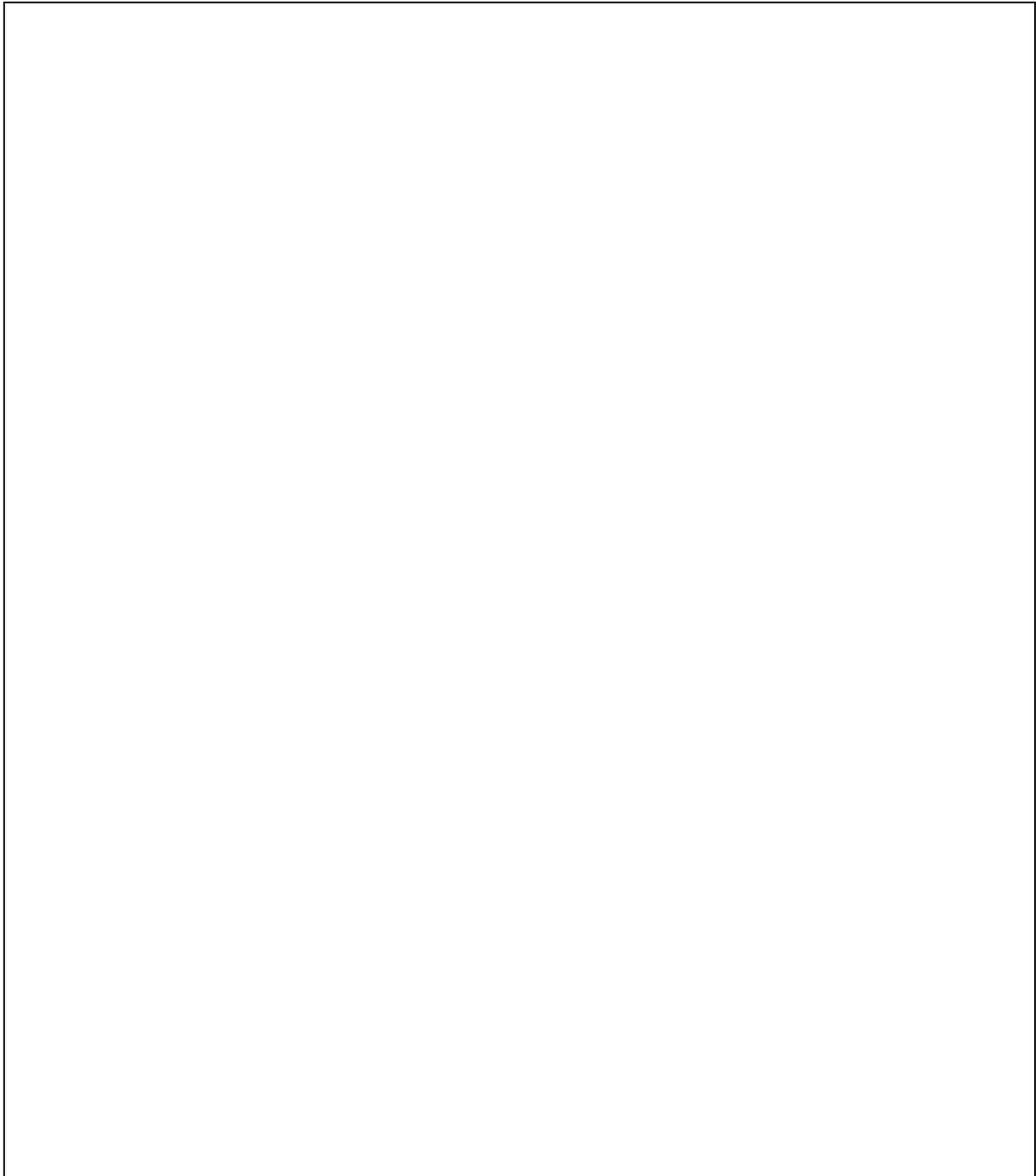
Comparable # 3 – 180 acres of Class II soil. Sale Price \$1,440,000.

Comparable # 4 – 180 acres of Class I soil and 160 acres of Class II soil. Estimated improvement value \$ 105,000. Sale Price \$3,185,000

Comparable # 5 – 185 acres of Class I soil; 120 acres of Class II soil; 10 acres of Class III soil and 55 acres of Class IV soil. No improvements. Sale price \$2,997,500.

Class I:	\$ _____
Class II:	\$ _____
Class III:	\$ _____
Class IV:	\$ _____
Total Property Value:	\$ _____

Workspace for question #22:



23. List the six basic steps in the income approach.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

24. In processing the income to value property, certain expenses are allowed to be deducted from the income stream. Of the following expenses, indicate the allowed expenses.

- Water and irrigation cost
- Capitalized expenditures
- Interest on production loans
- Equipment expenses
- Insurance
- Income taxes either personal or corporate
- Maintenance expenses
- Cultural and growing costs
- Depreciation
- Property taxes
- Labor expenses
- Mortgage expenses including amortization
- Additional principle repaid
- Extraordinary expenses on a non-reoccurring basis

25. Generally, capitalization rates for agricultural properties are higher than the rate for commercial/industrial properties due to non-cash amenities and deferred income from property appreciation.

- True
- False

26. Direct capitalization is a method which converts a single year's income estimate into a value indication in one step, either by _____ the income estimate by a capitalization rate or _____ it by an income factor.

27. What is the indicated net income multiplier for a property that has 200 acres of row crop land that sold for \$4,000/acre and its net income was \$375/acre?

28. When valuing an agricultural property with non-living improvements, usually an area not to exceed two acres is reserved for a farmstead.

True

False

29. Values for the residential portion of an agricultural property unit are determined by application of the cost or summation approach. List the five steps involved.

1. _____

2. _____

3. _____

4. _____

5. _____

30. Barns of many different types and materials will be encountered. They fall into:

One of three categories

One of four categories

One of two categories

One of five categories

31. Materials added solely for land drainage to make land arable, such as underground drainage pipe (concrete, plastic, tile, etc.), sand traps, and observation wells, are classified as:

32. Water demand and correct water application is determined by what three major factors?

1. _____

2. _____

3. _____

33. Cropland includes:

- Orchard land
- Cultivated land
- Vineyard land
- Pasture land
- All of the above

34. What are the three reasons that crop rotation is important?

1. _____

2. _____

3. _____

35. Continued planting of one crop for years begins to _____ annual commodity yields.

36. What is the average annual gross income for the following seven-year crop rotation:

Crop	Years	Production	Income
Sugar Beets	1	30 tons/ac	\$35/ton
Tomatoes	2	32 tons/ac	\$55/ton
Milo	1	5 tons/ac	\$118/ton
Alfalfa	3	6 tons/ac	\$125/ton

\$ _____ per acre

Workspace for question #36

37. Date palms under eight years of age are classified as land.

True

False

38. If an agricultural property receives revenue from the Commodity Credit Corporation, that revenue should be included in the income to be capitalized.

True

False

39. List five types of data that should be collected when processing an appraisal of grazing land.

1. _____

2. _____

3. _____

4. _____

5. _____

40. More land in California is used for _____ than any other agricultural purpose.

41. One animal unit refers to:

- Four mature sheep
- One year old steer 800+ pounds
- Two year old range cow 1000+ pounds
- Three mature sheep

42. What is the difference between green chop and silage?

43. An animal unit in terms of feed requirements is equivalent to:

- 400 pounds of TDN
- 4,800 pounds of TDN
- 3,500 pounds of TDN
- 5,000 pounds of TDN

44. When new orchards or vineyards are planted, the season in which they are planted counts as the first year of the exemption period.

- True
- False

45. Kiwi plants are assessable on the first lien date following planting.

- True
- False

46. Which of the following statements is not true concerning replacement grapevines for grapevines affected by the phylloxera infection or Pierce's Disease:

- The county must have adopted an ordinance.
- The base year value must be the factored base year value of the removed vines.
- The base year value must be enrolled without a new exemption period.
- The removed vines must be less than 15 years of age and replaced on the same parcel as the removed vines.

47. Trees and vines may literally drown when air is completely flooded out of their root zone.

True

False

48. Which of the following statements is not true when looking at climate for trees and vines?

Climate influences the quality of the crop and potential success.

Winter temperatures for sensitive trees and vines must be cold enough to fulfill their dormancy requirements.

Delayed foliation increases crop production.

Temperature and light requirements must be met to adequately mature a crop during the growing season.

49. When looking at irrigation, what specific water concerns must be addressed?

1. _____

2. _____

3. _____

4. _____

5. _____

50. What are the two basic frost protection systems?

1. _____

2. _____

51. In the production and marketing of fruit, which is not a true statement?

Some producers produce crops for both the fresh fruit market and the processing market.

Some growers pre-sell their crops.

Only fruit that meets certain requirements is sold as fresh fruit.

Foreign markets do not really affect our fresh fruit market because fresh fruit is so perishable.

52. Which of the following statements is not true concerning tree and vine cultural practices?

- Closer plantings are typical.
- Rarely are different varieties planted together.
- Occasionally trees are interplanted
- Interplants must be removed.

53. Once a dairy producer buys or sells quota, it is restricted from additional purchases or sales for a three-year period.

- True
- False

54. Special considerations in the appraisal of dairy farms include:

1. _____
2. _____
3. _____
4. _____

55. Dairies products are classed from Class1 to Class 4B with Class 1 being the best. Class 1 (sometimes referred to as Grade A) is used for bottling and human consumption.

- True
- False

56. List four sources of income that are typical from a dairy operation.

1. _____
2. _____
3. _____
4. _____

57. What are the two common changes in highest and best use for agricultural properties?

1. _____

2. _____

58. Consideration must be given to the property's interim use during the development period. Why?

59. The _____ is the most reliable approach to value transitional properties.

60. Transitional properties may include those that are _____ or _____ in value and use.