

Beekeeping is an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination or 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.

**Degree of Intensity for Beekeeping:** Burleson County Appraisal District's degree of intensity standard is set at a minimum of six (6) colonies and five (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 a hive and its equipment and appurtenances including bees, comb, honey, pollen and brood.

For each additional 2.5 acres one additional hive is required. If additional acreage is less than 2.5 acres, no additional hive is required. Minimum hive requirement on 20 acres is 12 hives.

**Qualification Requirements:** Property owners are required to provide documentation of history for agricultural use/beekeeping for any of the five preceding seven years with original applications. The District will accept export, import or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives.

✓ **Productivity Value for Beekeeping:** Under Open-Space productivity valuation, values are calculated using a modified income approach to determine the per acre value. Cash lease rates that are collected each year through surveys mailed to lessees. Cash lease method is uncommon for land on which hives are located. In most instances, a property owner will have hives located on land with open-space valuation on their property. Burleson CAD uses the basic Income/Rate/Value (IRV) formula for developing an income approach to value for beekeeping.

In Texas, it is estimated that a hive will produce an average of 74 pounds of honey per year. With the assistance of local beekeepers the District estimates an average of \$60 per hive of expenses per year. The average wholesale price for honey in 2012 was \$3.78 per pound. The following is Burleson County Appraisal District's 2014 calculation.

Total Income per Hive	74 lbs. x \$3.78 =	\$279.72
Total Expenses per Hive per year		\$ 60.00
Net Operating Income (NOI)	\$279.72 - \$60.00 =	\$219.72
Productivity Value per Hive	\$219.72/.10 cap rate =	\$2,197.20

Degree of intensity is 6 hives on the first 5 acres with 1 hive for every 2.5 acres which would yield a range of 6-12 hives minimum requirement. The productivity value is a per-acre basis; therefore, the following formula was used:

Burleson CAD's minimum requirement on 20 acres is 12 hives. Therefore, the average hives per acre is  $12/20 = .60$  hives. Productivity Value per Acre is  $\$2,197.20 \times .6$  (minimum hives) = \$1,318.32, or \$1,318.00 per acre.