



County Auditors' Association of Ohio

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CAUV Formula Factors

Current Agricultural Use Value (CAUV) is calculated using a formula that takes into account various factors related to agricultural production. Here are the key components of the calculation:

1. **Yield Information:** This involves the typical yields of major crops like corn, soybeans, and wheat for different types of soils. The data is updated regularly to reflect current agricultural practices.
2. **Cropping Patterns:** The distribution of different crops (corn, beans, wheat) based on the average harvested acres in Ohio over the past five years.
3. **Crop Prices:** The prices of crops are calculated as a five-year weighted average, where price data is collected for seven years with the highest and lowest eliminated. The prices are weighted based on the statewide production for each year. For 2023 values the seven-year period is 2016 through 2022.
4. **Non-Land Production Costs:** The average costs associated with crop production, excluding land costs, as determined from data taken from the Ohio Crop Production Budgets prepared by The Ohio State University College of Food, Agriculture and Environmental Sciences are considered. These costs are again based on data collected over a seven-year period with the highest and lowest years eliminated.
5. **Capitalization Rate:** This rate is again derived using a five-year averaging method, combining the Farm Credit Service interest rate and the 25-year average of the "total rate of return on farm equity" published by the USDA.
6. **Cropland Values:** The CAUV for cropland is calculated by dividing the rotational net return per acre by the capitalization rate. However, there's a minimum value set, especially for soils with slopes of 25 percent or less.
7. **Woodland and Pasture Values:** The value of woodland is determined by subtracting conversion costs from the cropland value. Pastureland is valued similarly to cropland.
8. **Minimum Values:** There are minimum values set for different types of land based on slope percentages.
9. **Conservation Land:** Farmland in conservation programs or used for conservation practices may have the lowest CAUV value applied.
10. **Impact on Property Valuation:** The CAUV system helps ensure that agricultural land is assessed and taxed at a rate that reflects its use for farming rather than its potential development value. This benefits farmers by reducing the tax burden on their land, making it more financially sustainable for agricultural purposes.