

SIMPLE USE VALUE FORMULA

- USE VALUE = $\frac{\text{Farm Income}}{\text{Interest Rate}}$
- Production values increase = use values increase (directly proportional)
- Interest rates increase = use values decrease (inversely proportional)

AG USE VALUE METHODOLOGY

- Soils Analysis
 - Land Capability Class by Yield Group
- Crop Production
 - 10-year county average production record from PASS
- Interest rate
 - from Federal Land Banking Sources
- Develop the Crop Profit Margin
 - percent of Net to Gross returns ratio
- Use Values calculated for each county by:
 - Land Capability Class
 - Yield Group

FOREST RESERVE METHODOLOGY

- Calculated with a similar formula by the foresters at DCNR and Penn State
- Average value of timber in a county or particular region
- Weighted average or average of six timber types may be used