



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

May 15, 2009

TO: All County Assessors *Kathy Beith*
FROM: Kathy Beith, County Performance and Administration Manager
Property Tax Division
SUBJECT: 2008 AVERAGE WHEAT PRICE

In late 2007 and early 2008, wheat prices were unusually high. Wheat prices rose very quickly and then dropped quickly as well. In reviewing wheat prices both before and after this time period, it is apparent that those prices were anomalous.

The Department of Revenue is studying this situation to determine the best way to address it in the long term. In the meantime, we believe it is appropriate for you to take this anomaly into consideration as you value wheat land for the 2009 assessment year. We understand that some of you may have already completed the valuation work for 2009. If that is the case, we do not expect you to revise your assessments.

RCW 84.34.065 requires use of productive capacity averaged over not less than five years. The Department provided you with a five-year average wheat price on December 1, 2008. That average included the abnormally high wheat prices. While some counties use the average price we provided, others may use average wheat prices based on local data. Use of local data may address the impact of the unusual wheat prices. Using a longer timeframe in averaging wheat prices is another way to mitigate the impact of these unusual wheat prices on the value of property. To assist you with this issue, we are providing you with a ten-year average wheat price in addition to the five-year average we provided in December 2008.

5-Year Average Wheat Price ———→ \$5.53 per bushel

10-Year Average Wheat Price ———→ \$4.37 per bushel

If you have any questions or concerns, please contact Dave McKenzie at (360) 256-2125 or DaveM@dor.wa.gov.

KB:slc