

# 2011 Trends in Agricultural Land and Lease Values

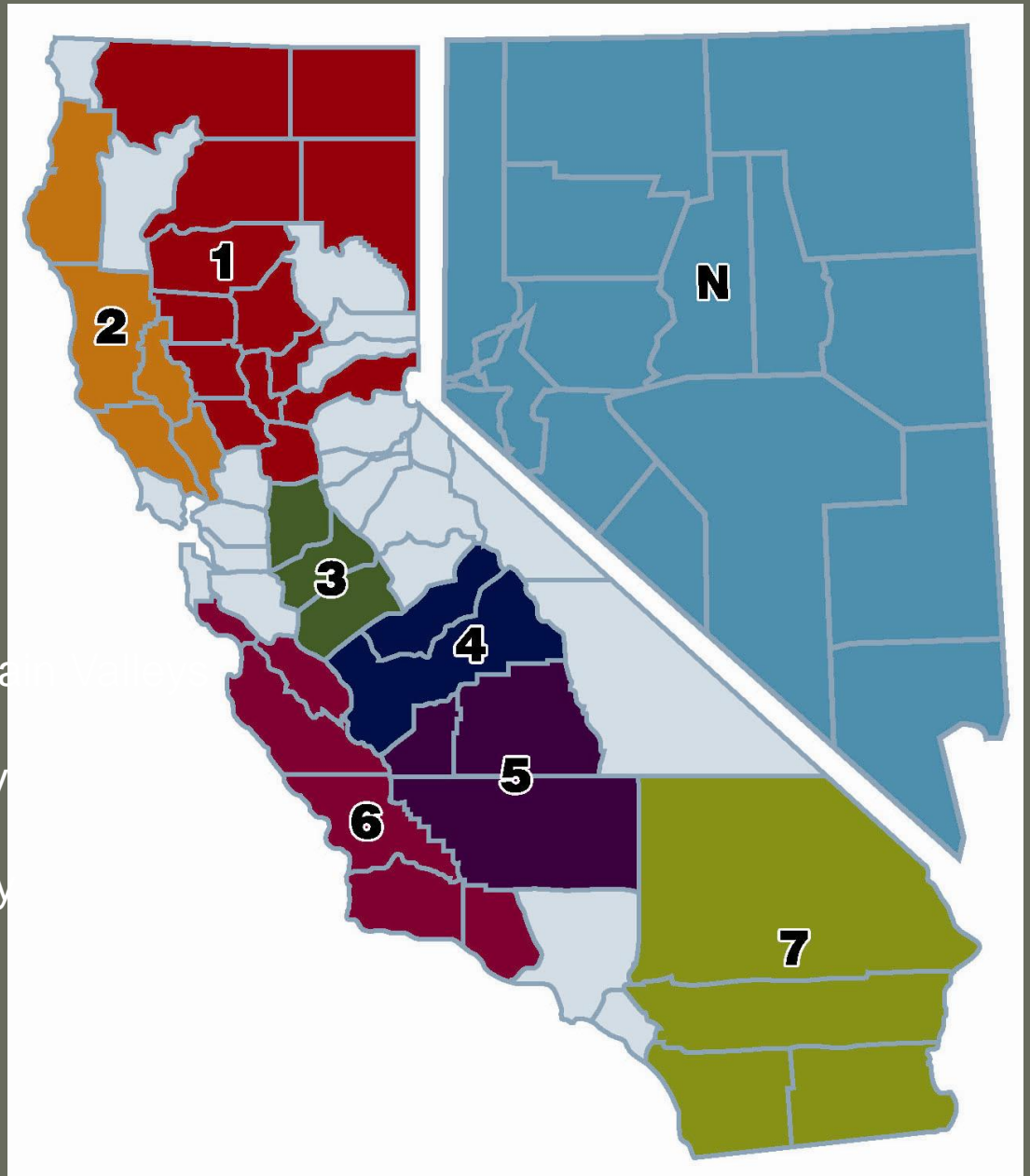
Spring Ag Outlook  
California Chapter of the ASFMRMA  
March 24, 2011



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Runyan Appraisal Service

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[www.calasfrma.com](http://www.calasfrma.com)



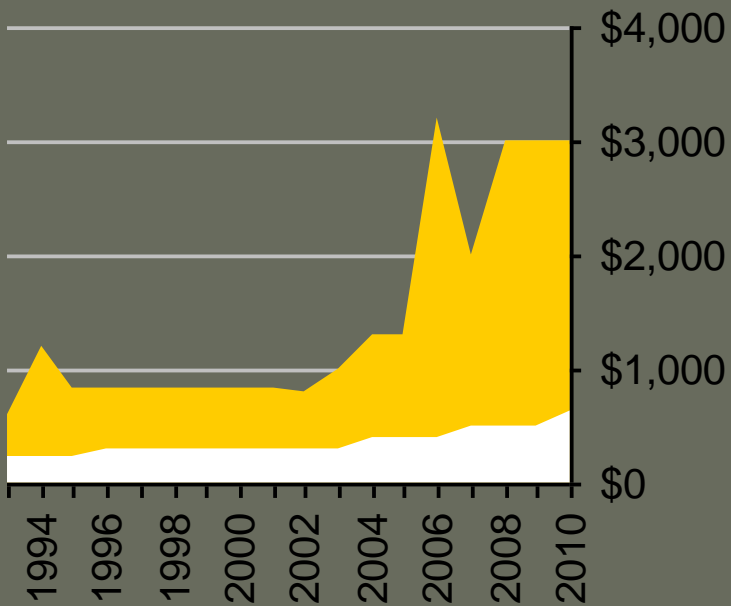
Regions:

- 1 – Sacramento and Intermountain
- 2 – North Coast
- 3 – Northern San Joaquin Valley
- 4 – Central San Joaquin Valley
- 5 – Southern San Joaquin Valley
- 6 – Central and South Coast
- 7 – Inland Empire
- N – Nevada

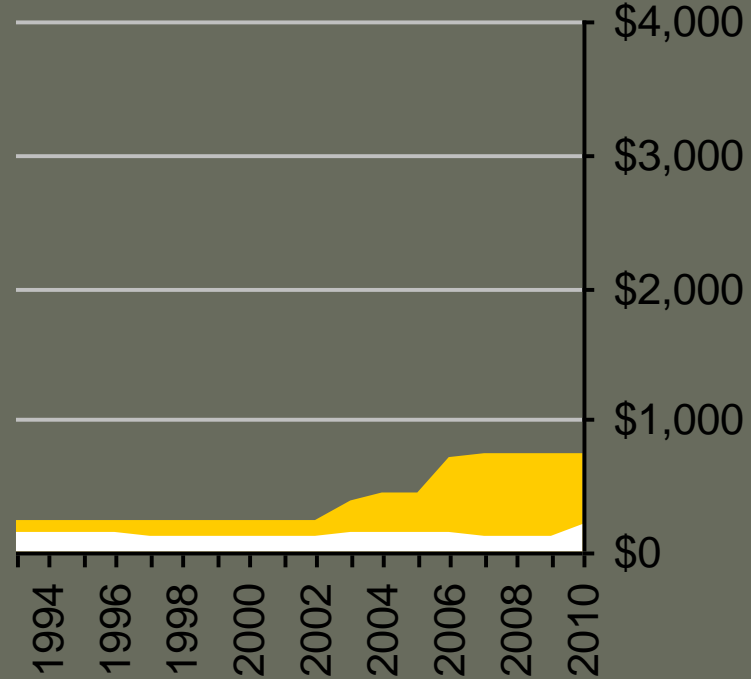
# Sierra Nevada Foothill Rangeland



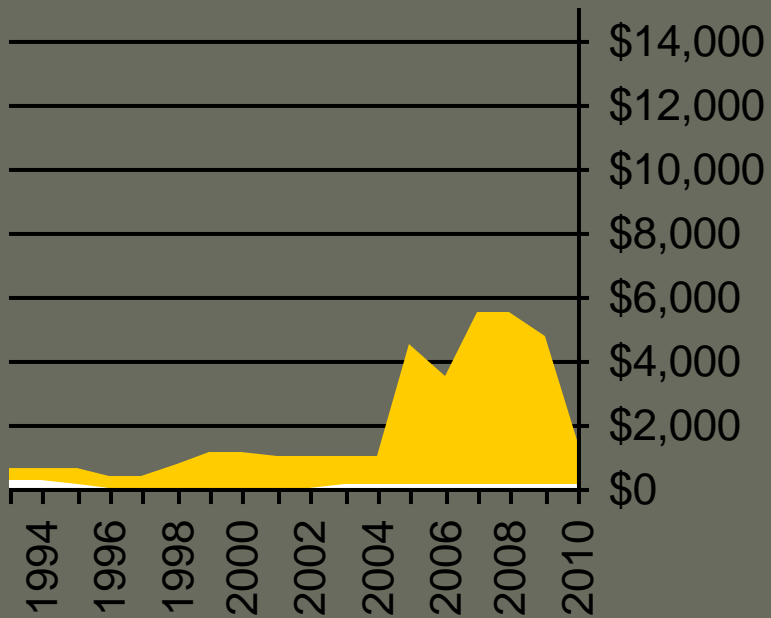
**Fresno & Madera County  
(East)  
Rangeland**



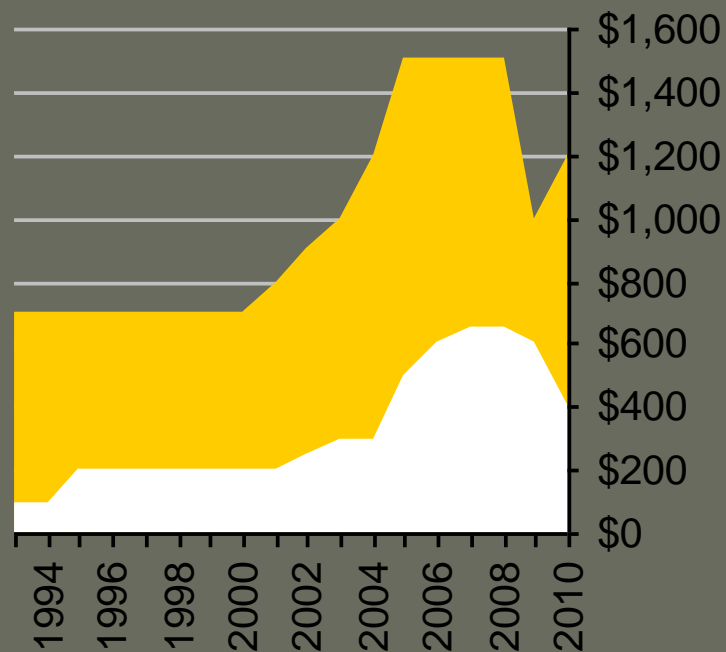
**Fresno County (West)  
Rangeland**



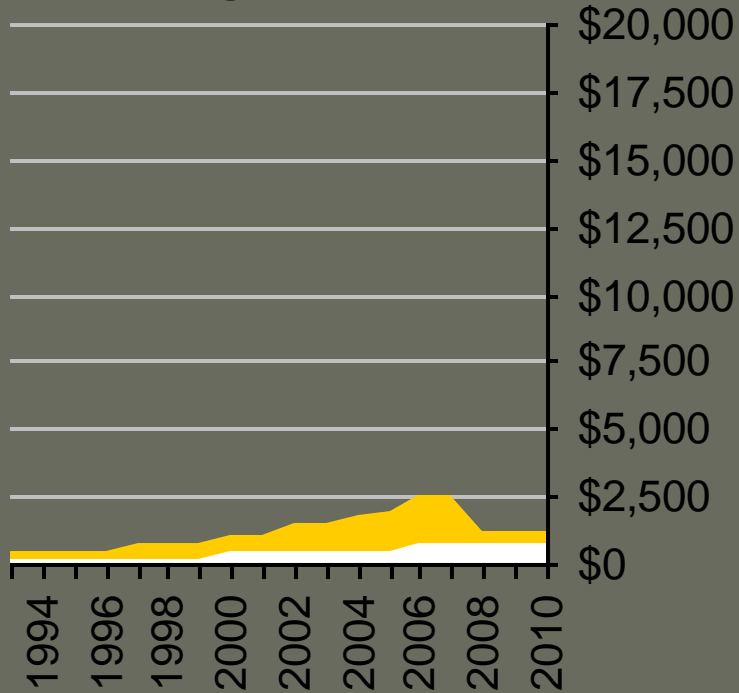
**Colusa, Glenn, Butte & Tehema Counties Rangeland**



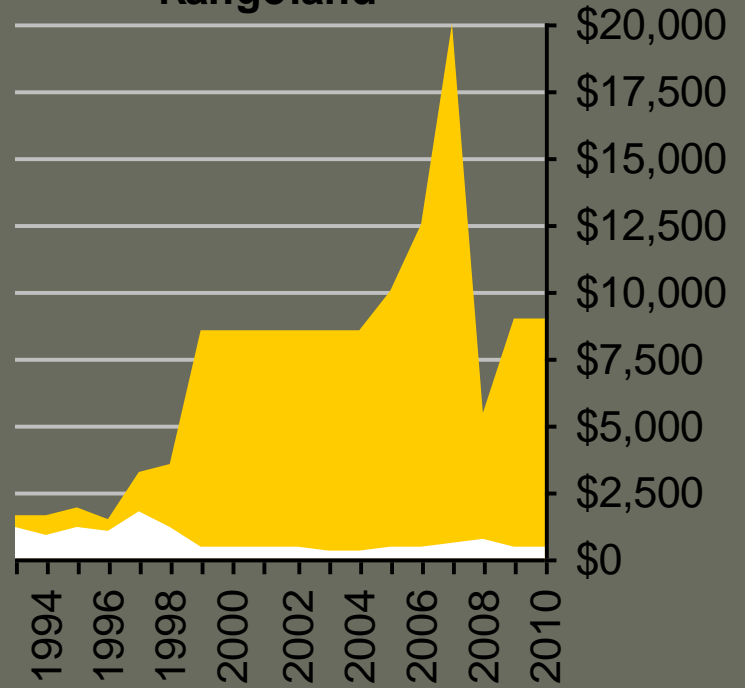
**Tulare & Kern County Rangeland (East)**



### Monterey County Rangeland



### Santa Barbara County Rangeland



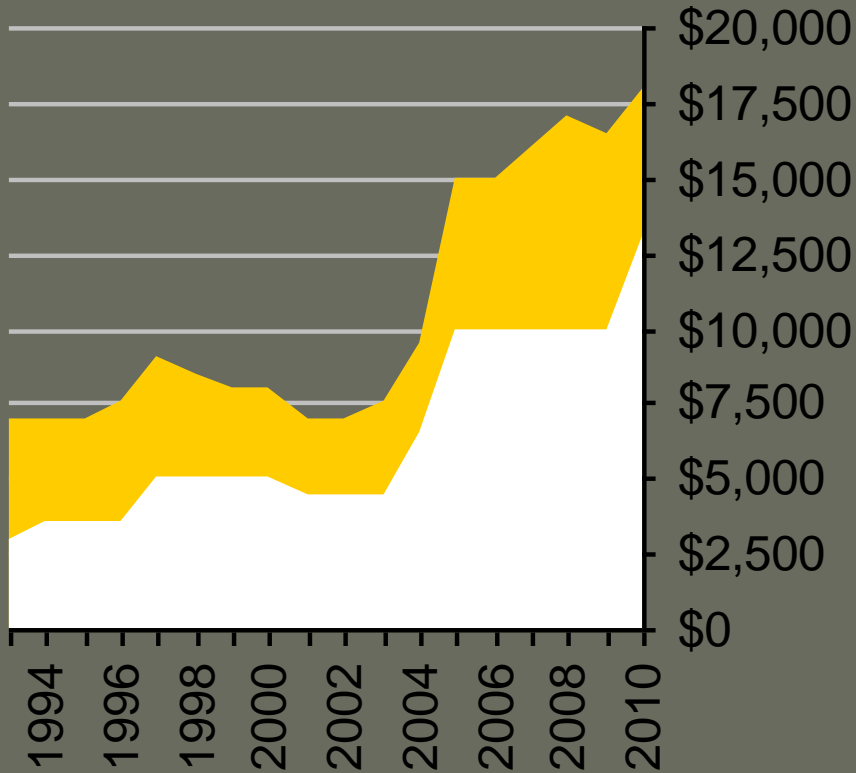
# Sierra Nevada Foothill Rangeland

- Generally declining land values
- Lifestyle buyers from boom days are gone
- Values remain uneconomic for cattle producers, but they are at least looking

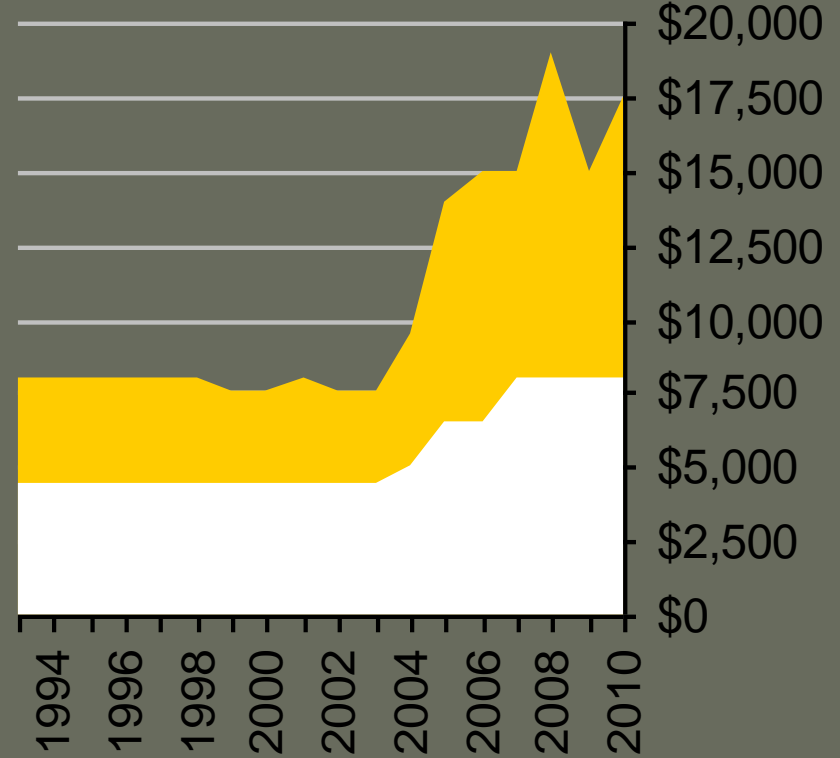
# Almond – Walnut – Pistachio Orchards



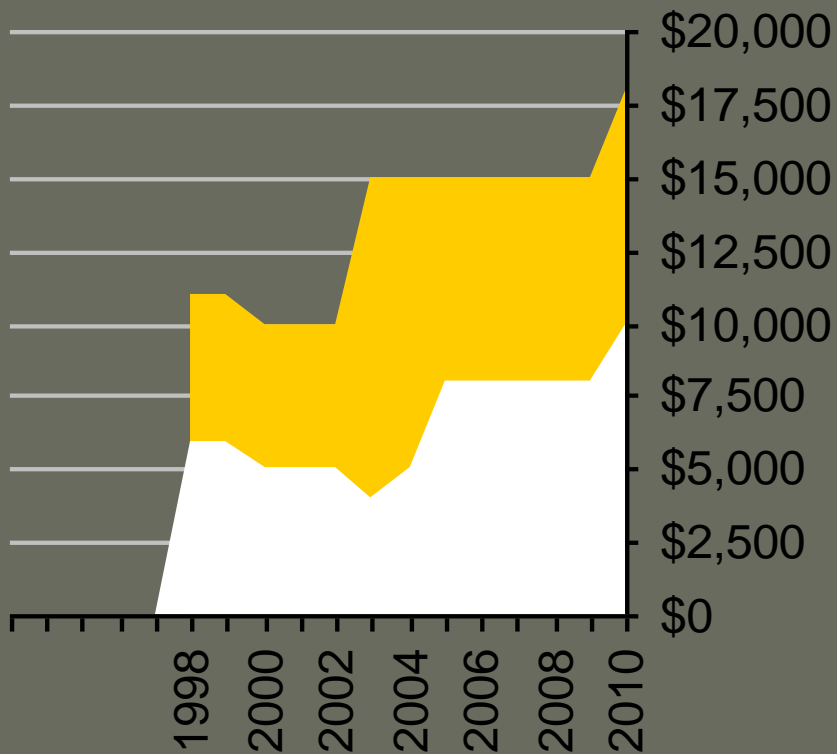
### Kern & Tulare County Almonds



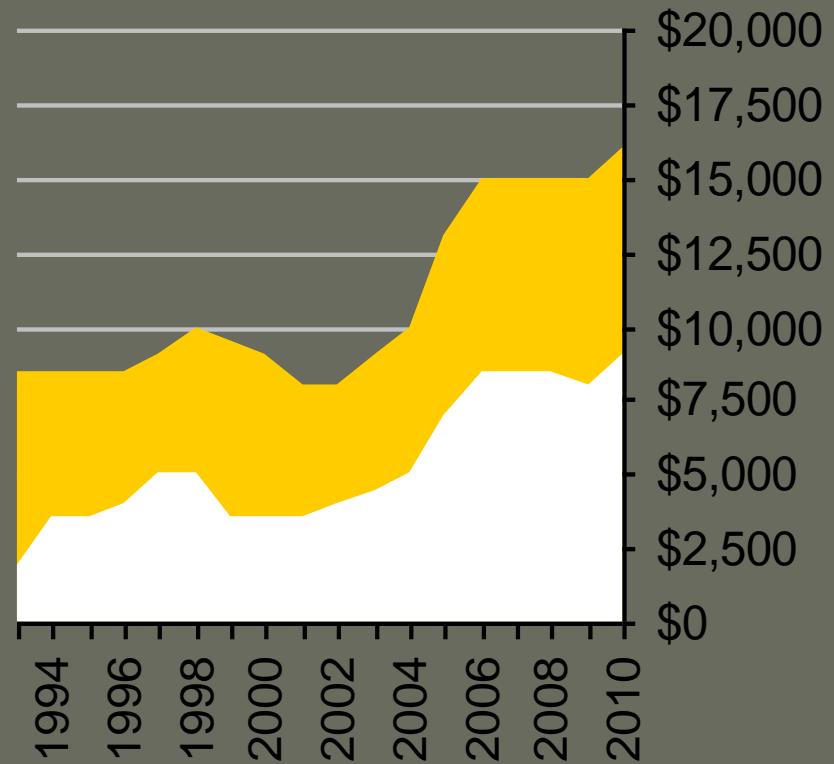
### Tulare & Kings County Walnuts



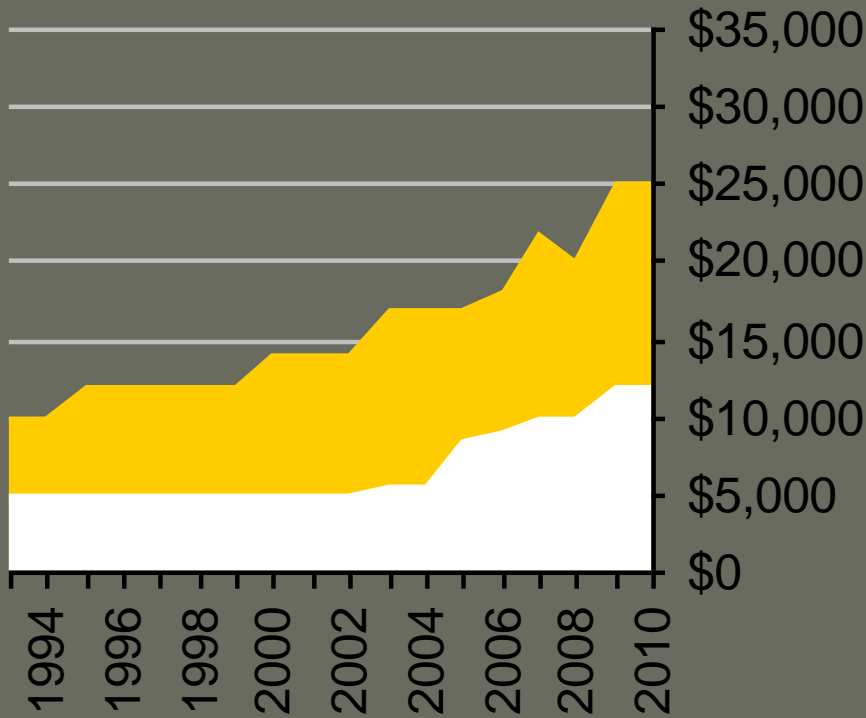
## Fresno & Madera County Pistachios



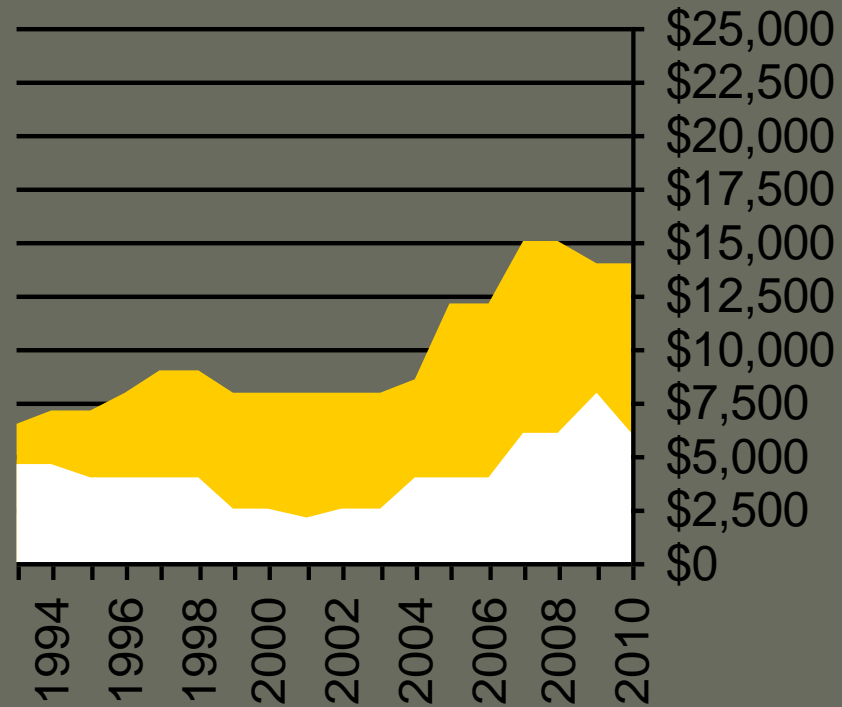
## Fresno & Madera County Almonds



**Merced, Stanislaus, & San  
Joaquin County  
Walnuts**



**Colusa, Glenn, Butte &  
Tehema Counties  
Almonds**



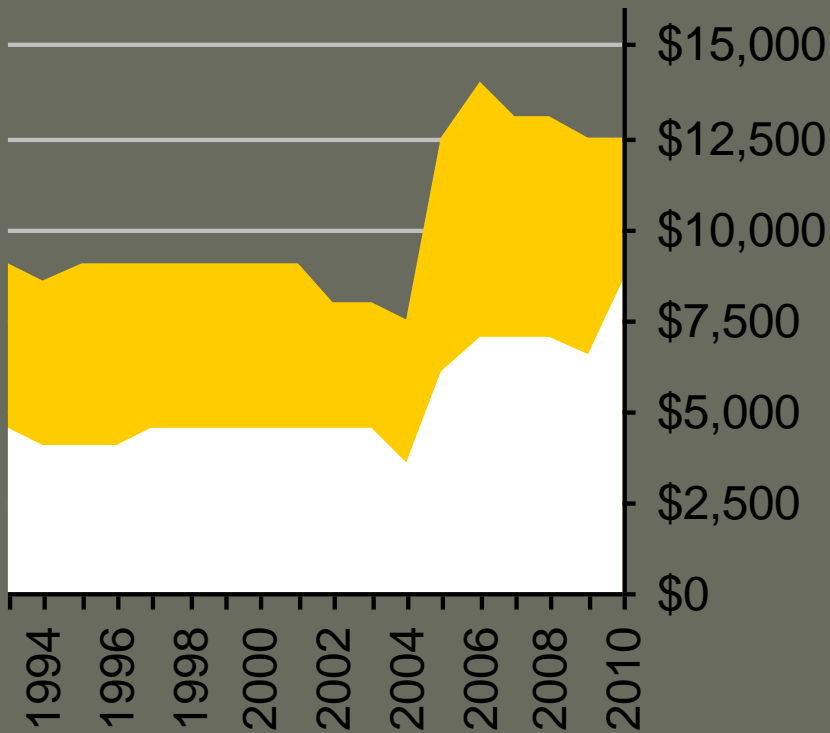
# Almond – Walnut – Pistachio Orchards

- Stable to increasing values for “commercial” orchards, historic highs for almonds and pistachios
- Any weakness generally found in smaller parcels due to lack of interest from rural homesite buyers
- Strong interest by institutional investors

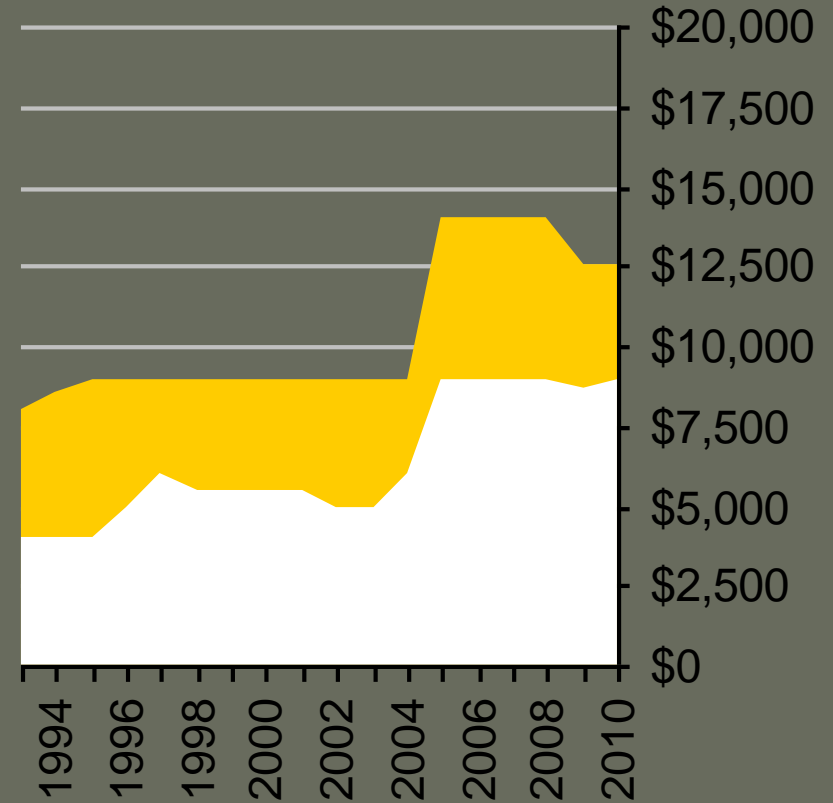
# Tree Fruit Orchards



## Tulare & Kings County Tree Fruit



## Fresno County Treefruit



# Tree Fruit Orchards

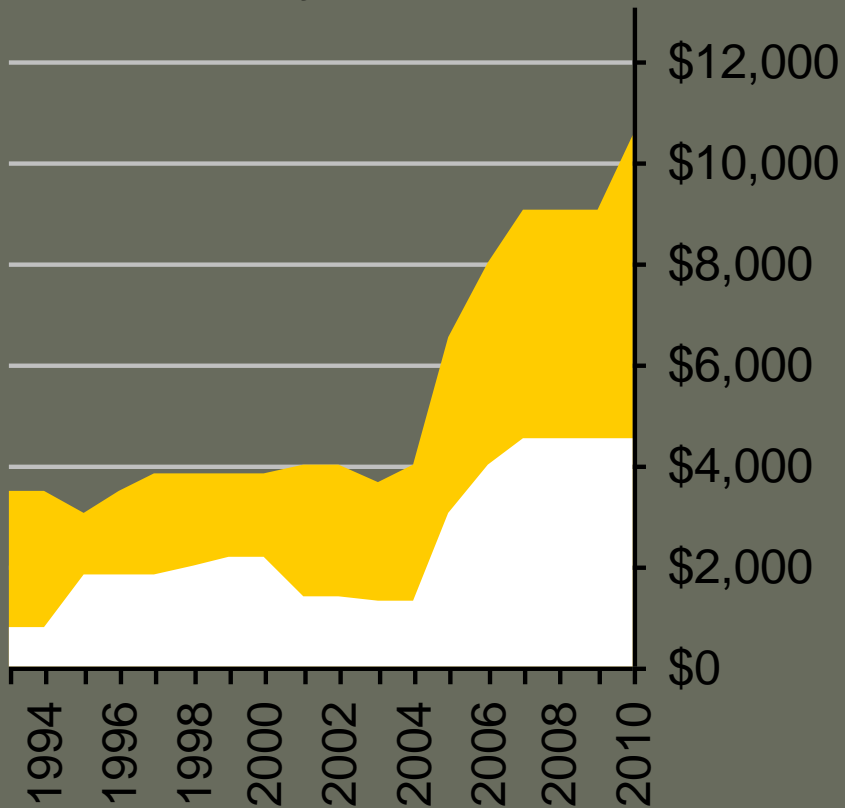
Tulare, Kings and Fresno Counties

- Sharp declines in values and thousands of acres removed in recent years
- Orchard values appear to have stabilized
- Some renewed interest from buyers for good quality orchards

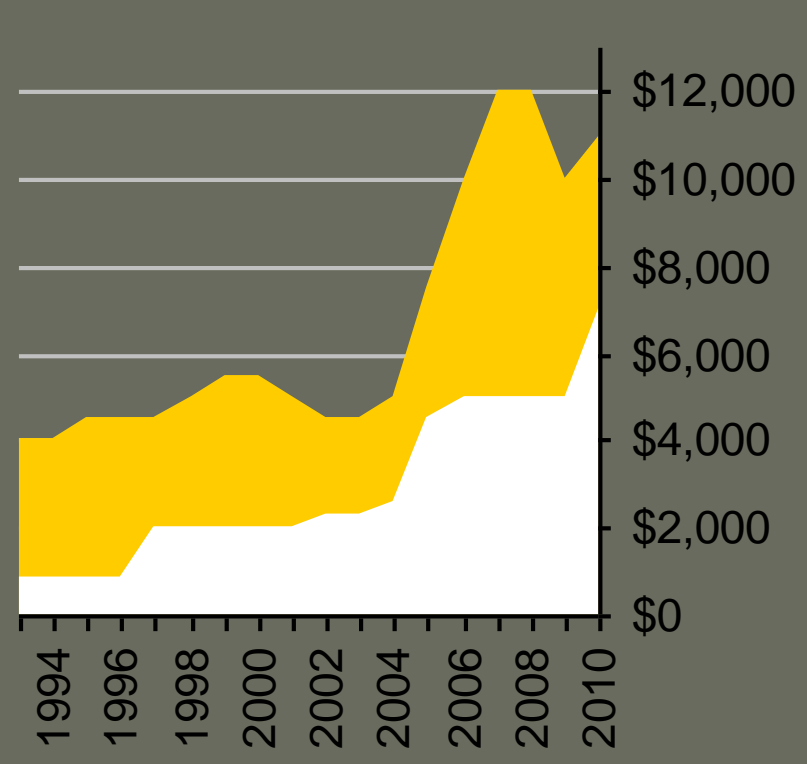
# Irrigated Cropland



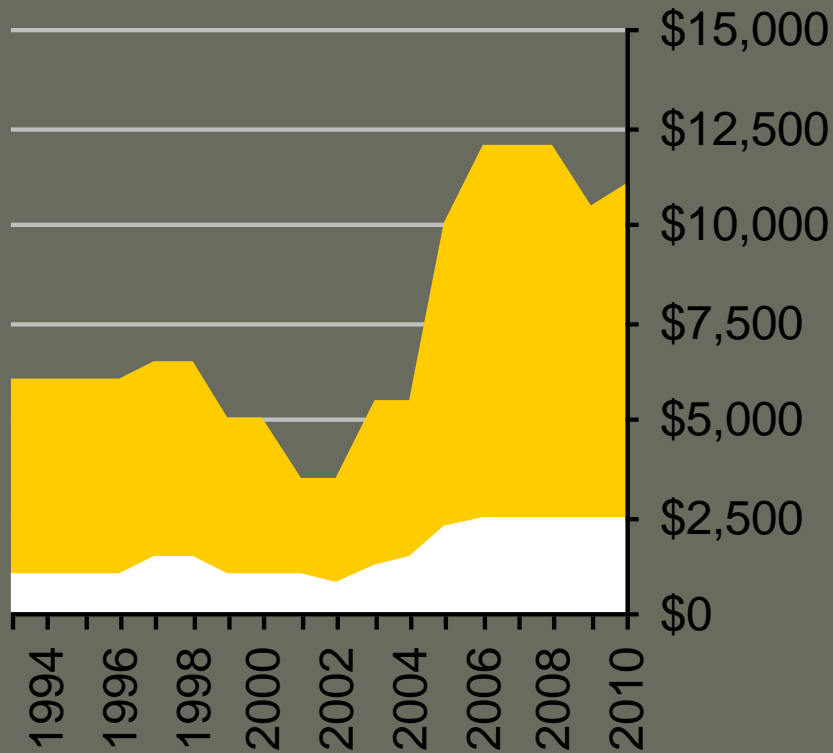
### Kern County Cropland



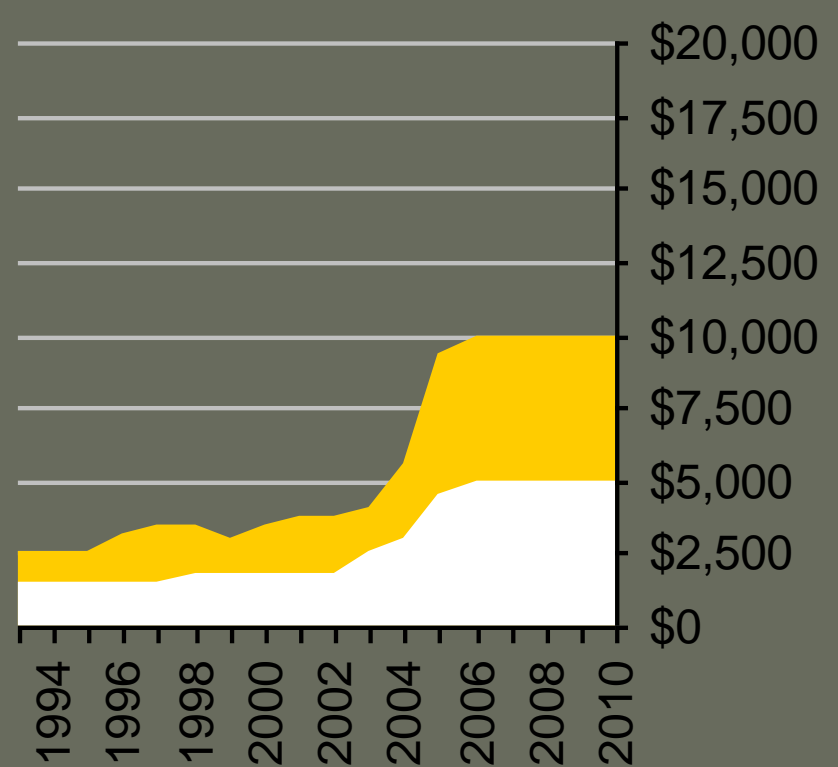
### Tulare County Cropland



### Fresno County Cropland



### Merced County Cropland - Well Water



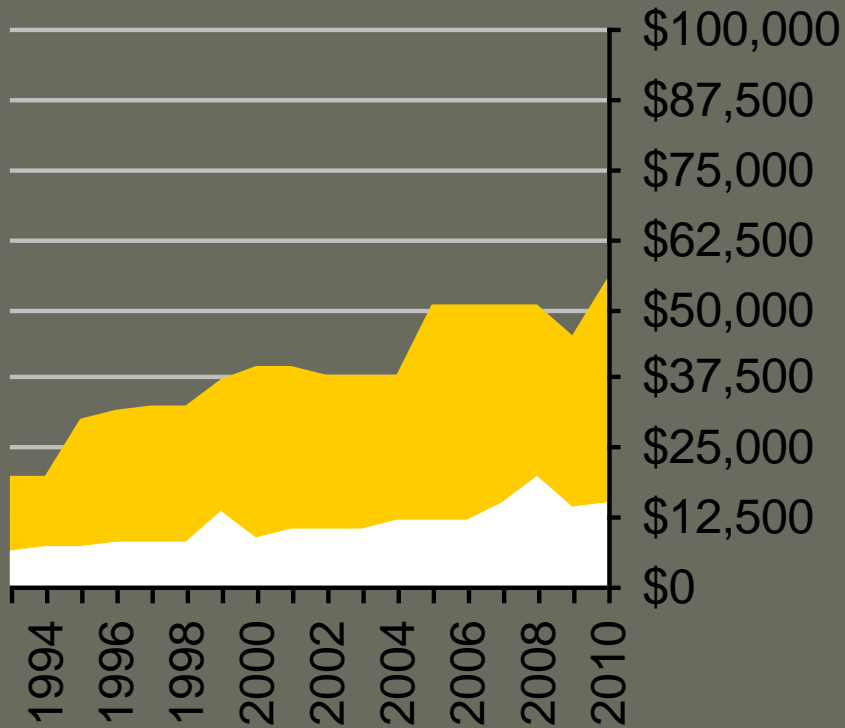
# Irrigated Cropland Central Valley

- Values stable to slightly increasing

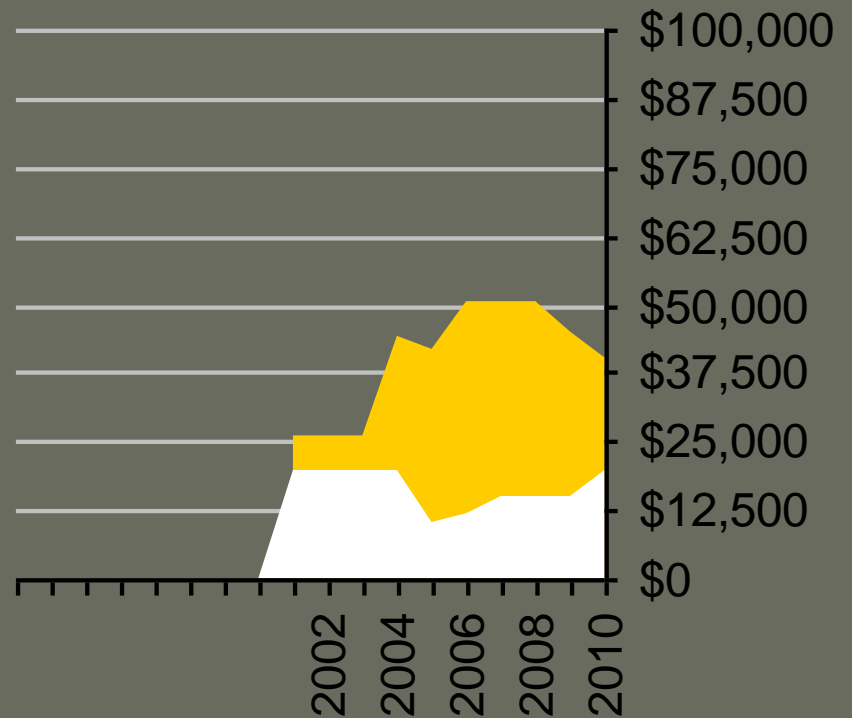
Driven by:

- Sharply improved commodity prices
- Demand for land for orchard development
- Lack of attractive, alternative investments
- Buyers remain focused on water quality and reliability issues

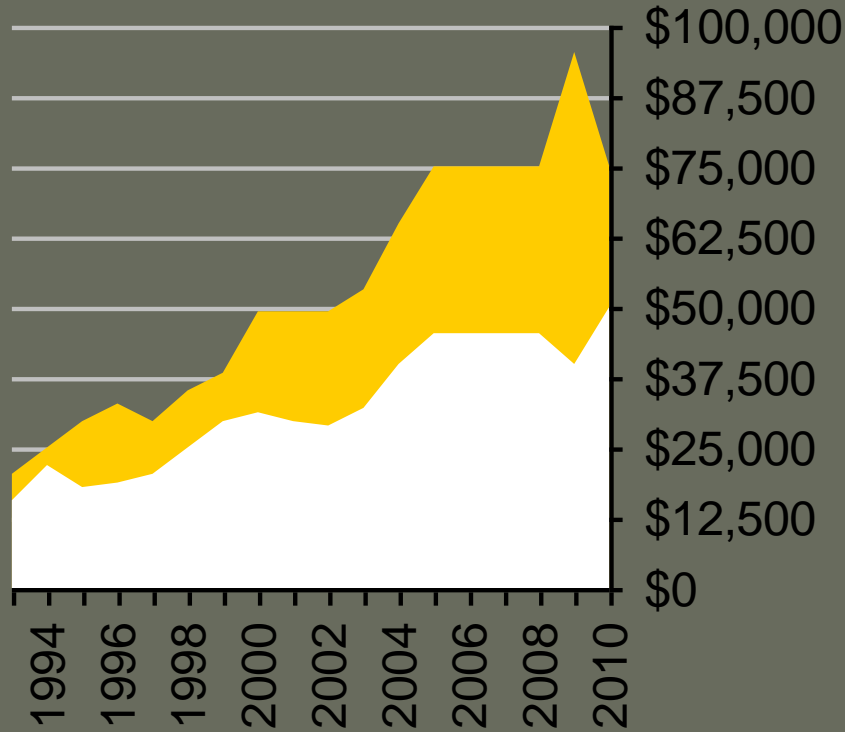
## Monterey County Row Crops



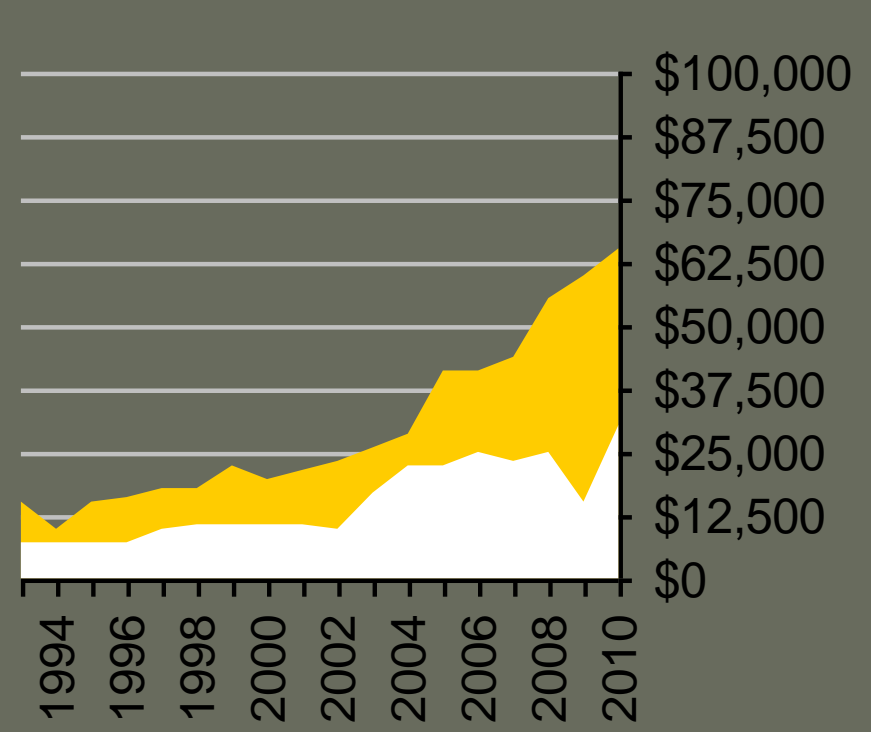
## Santa Cruz County Row Crops



**Ventura County  
Row Crops**



**San Luis Obispo & Santa  
Barbara County  
Row Crops**



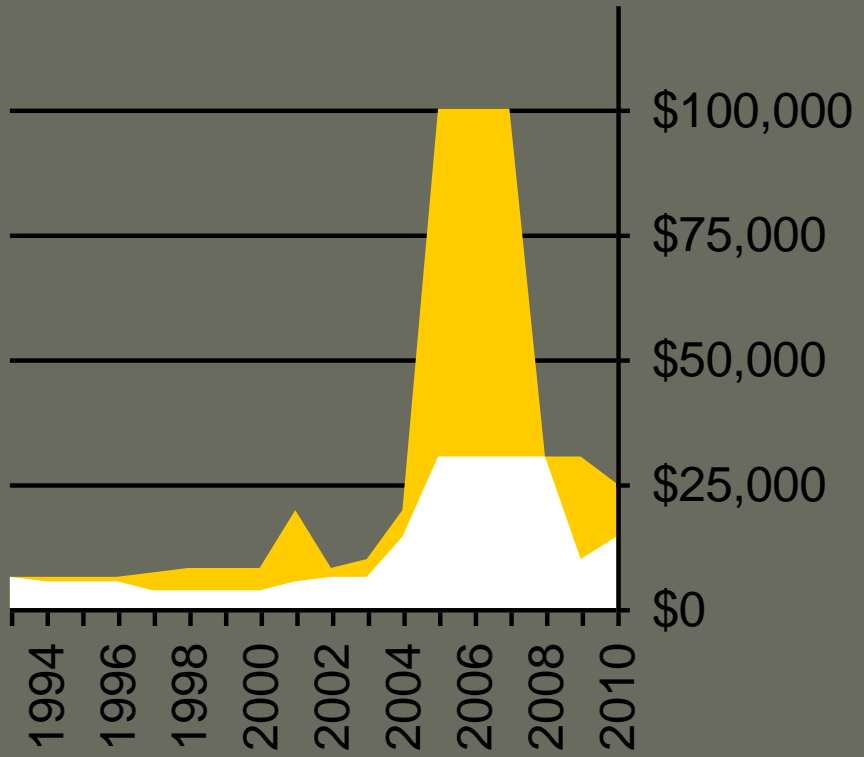
# Irrigated Cropland Central Coast

- Values in some areas have declined from the unusual highs of several years ago
- Some stability to slight increases in values recently noted
- Food safety issues remain strong concerns

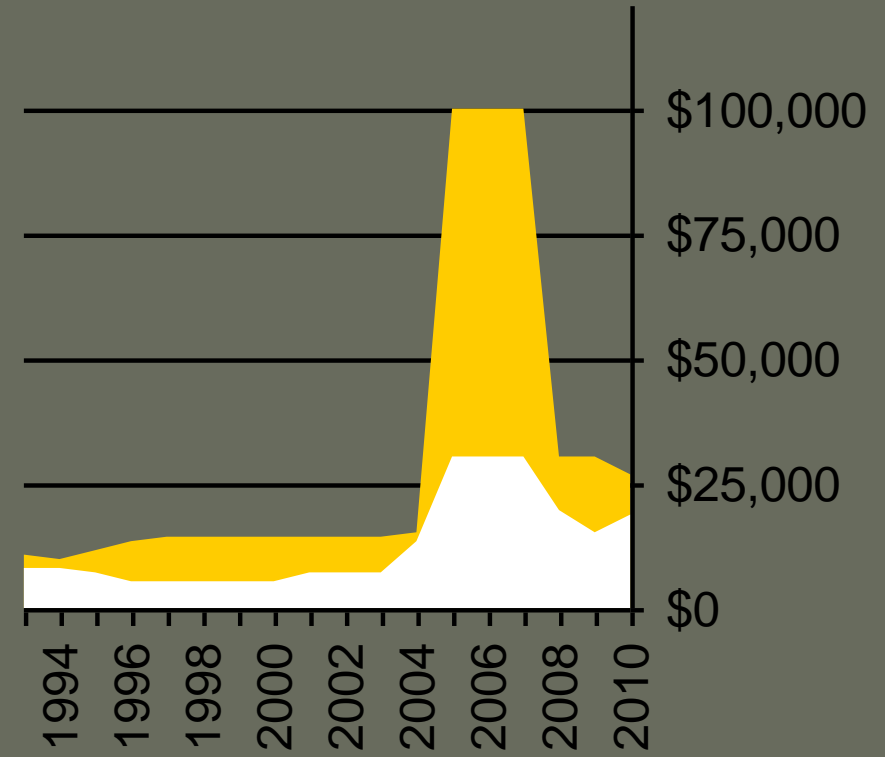
# Coachella & Imperial Valleys



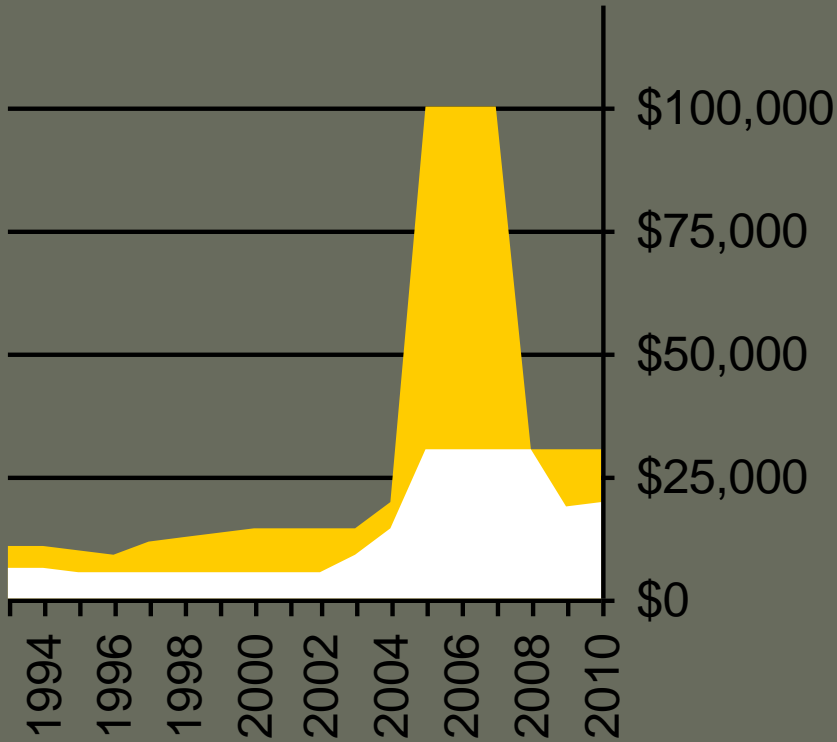
# Coachella Valley Open Land



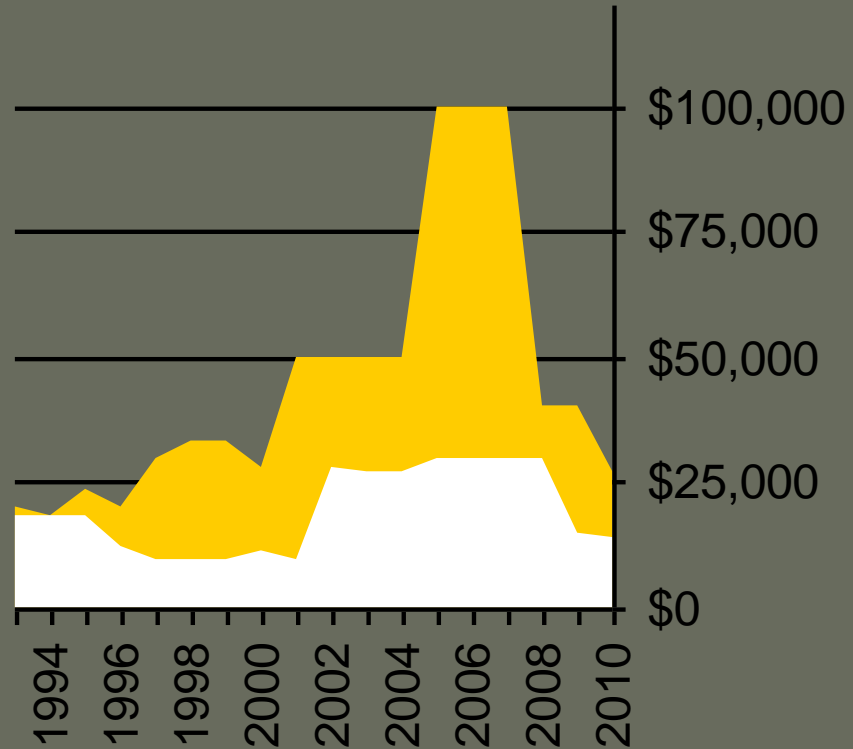
# Coachella Valley Citrus



### Coachella Valley Table Grapes



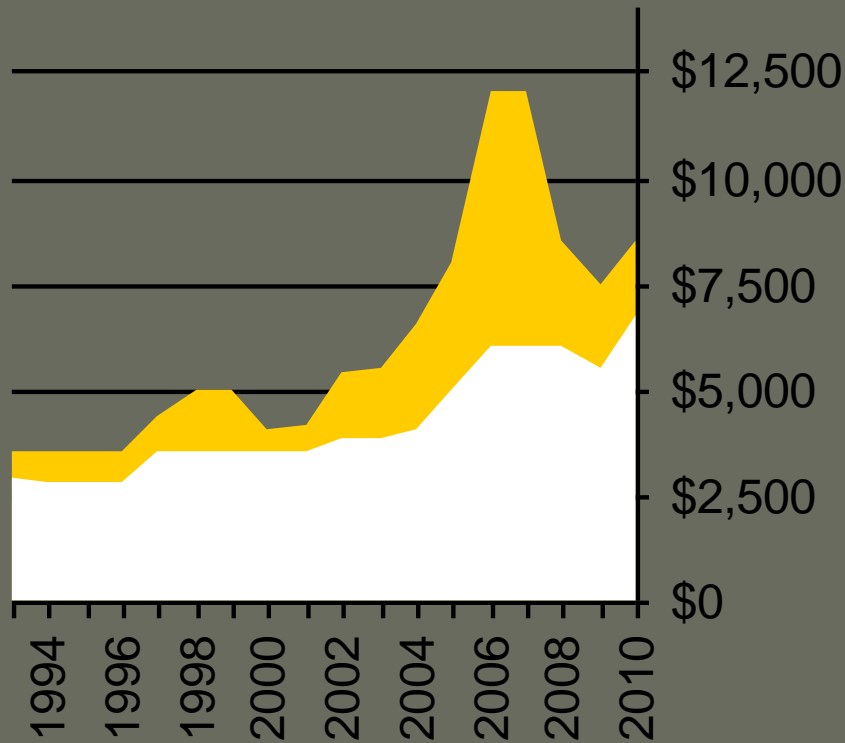
### Coachella Valley Dates



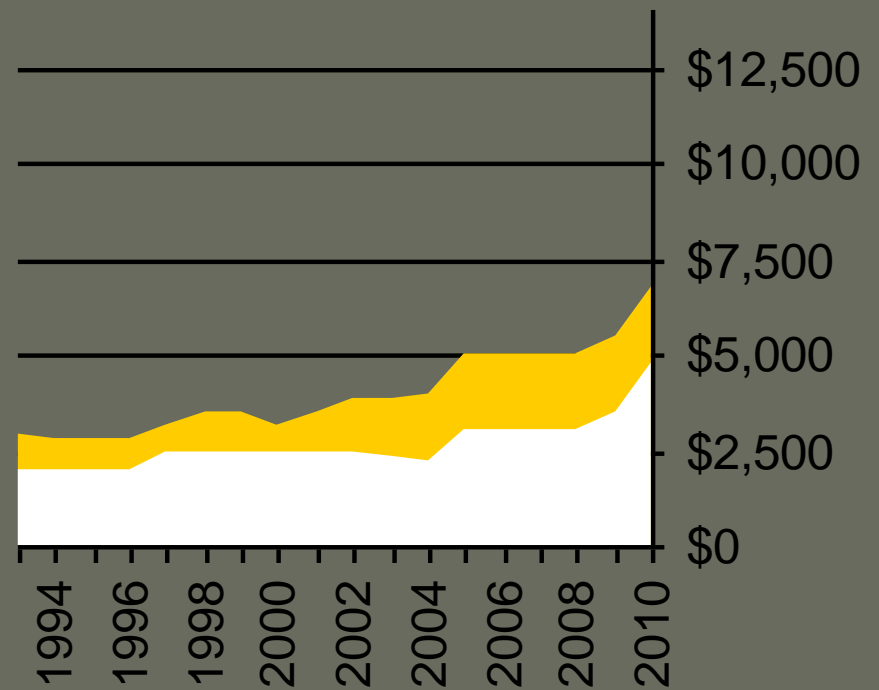
# Coachella Valley

- Coachella Valley values have declined significantly from highs of several years ago
- Values do not appear dependent on use or planting type

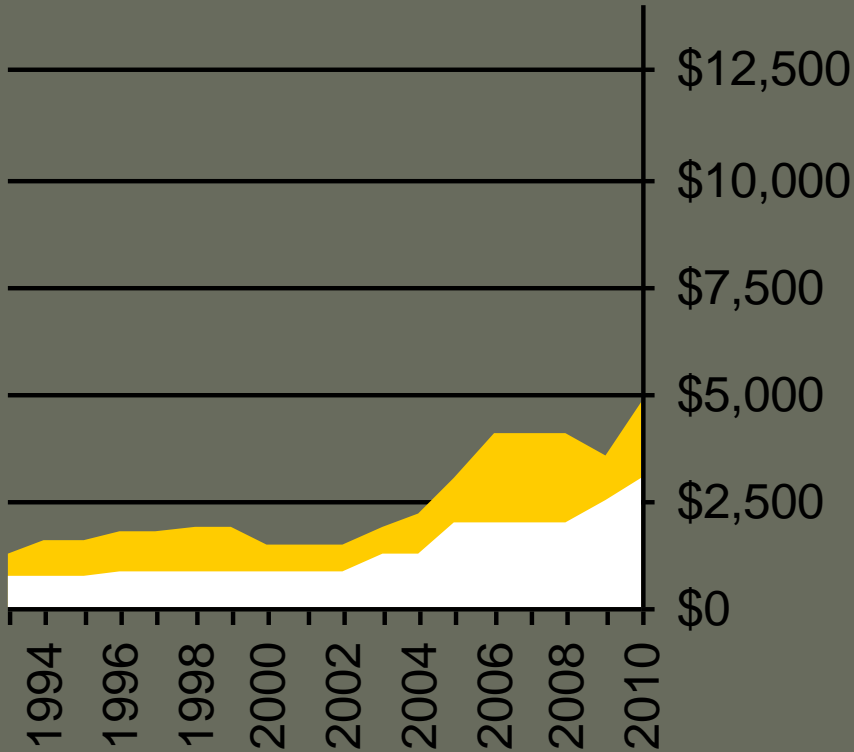
**Imperial Valley  
Good Adaptability (Produce)**



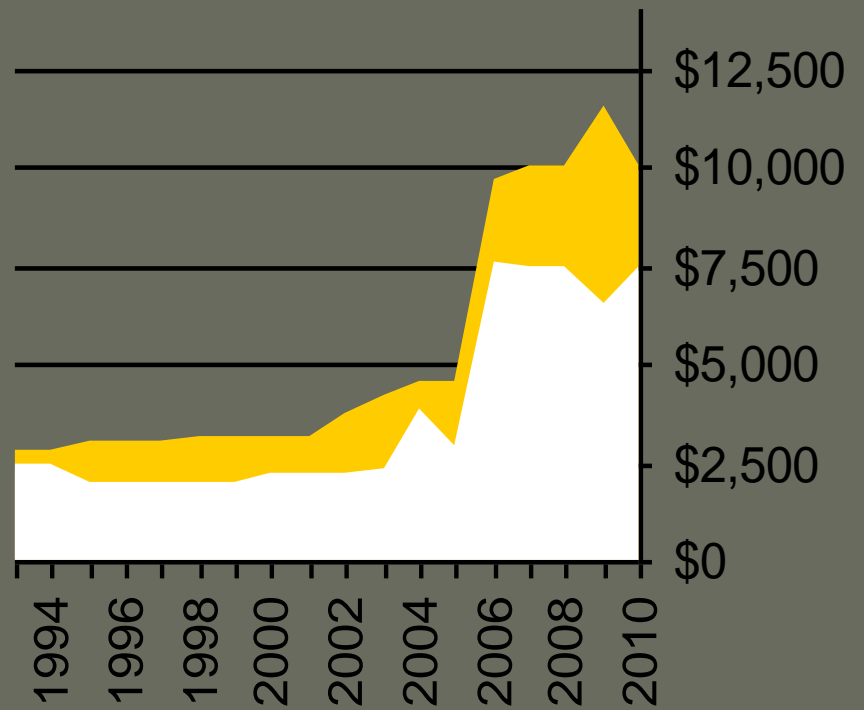
**Imperial Valley  
Average Adaptability  
(Alfalfa)**



### Imperial Valley Limited Adapability



### Palo Verde Valley Irrigation Field Crops/Produce



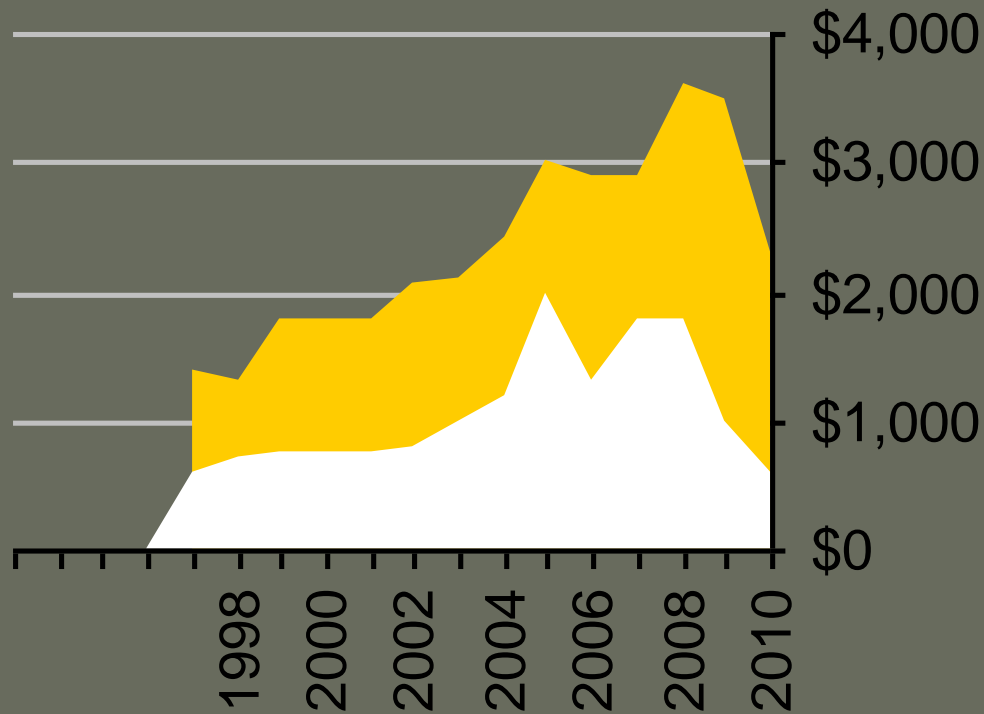
# Imperial Valley

- Land values remain relatively stable since values are driven by ag economy not non-farm factors like Coachella
- Commodity price outlook very favorable
- Water supply/cost factors remain very attractive

# Dairy Industry



**Merced, Stanislaus  
& San Joaquin Counties  
Dairies  
(per milk cow)**



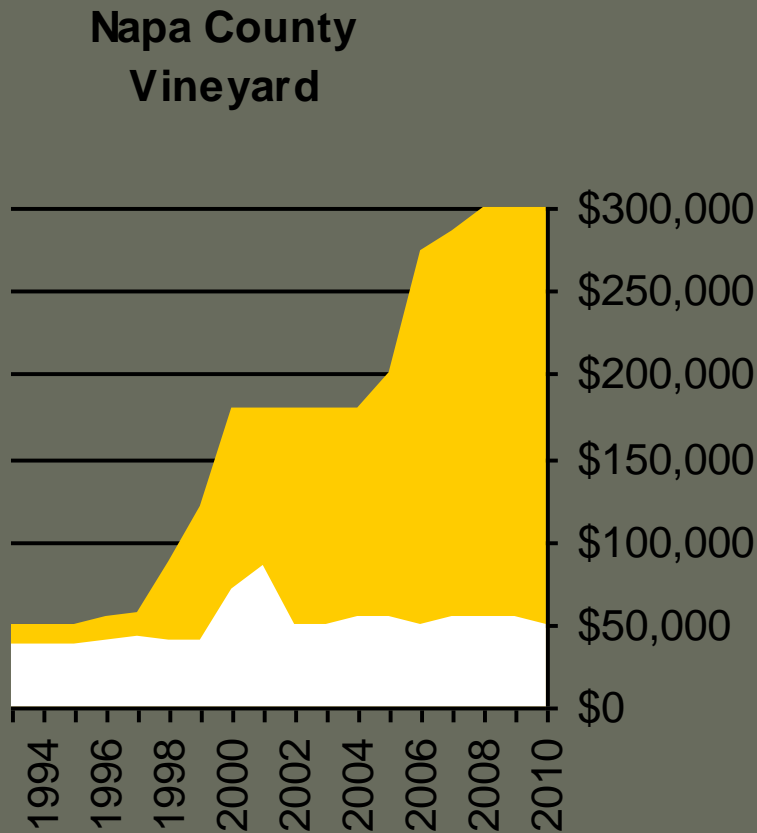
# Dairy Industry

- Loss of equity and financial stress has been significant, making credit more difficult to obtain
- Continued challenges with higher feed costs not being offset by higher milk prices
- Limited sales data but what does exist is showing lower values and an increase in economic obsolescence

# Vineyards

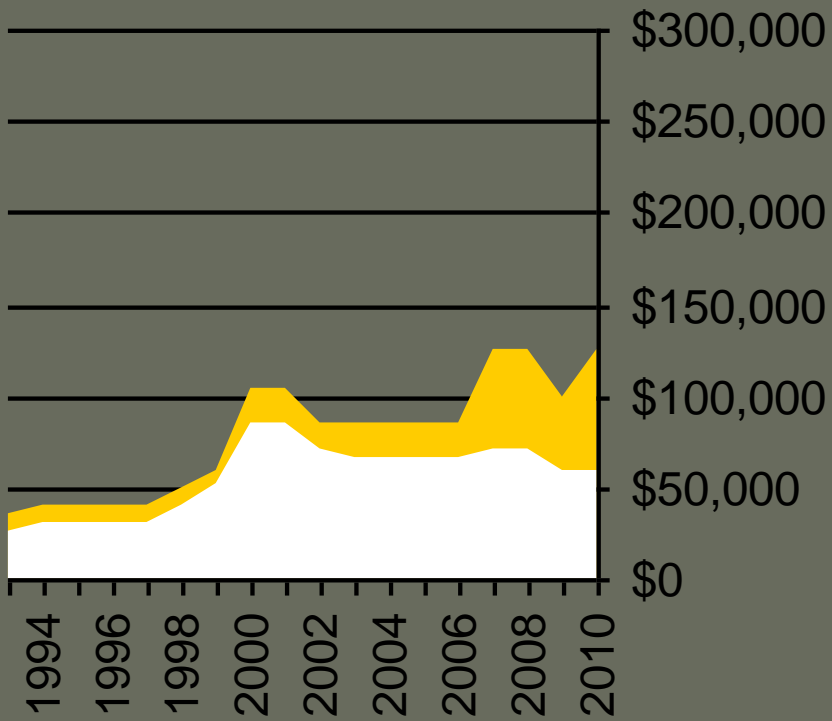


# North Coast Vineyards

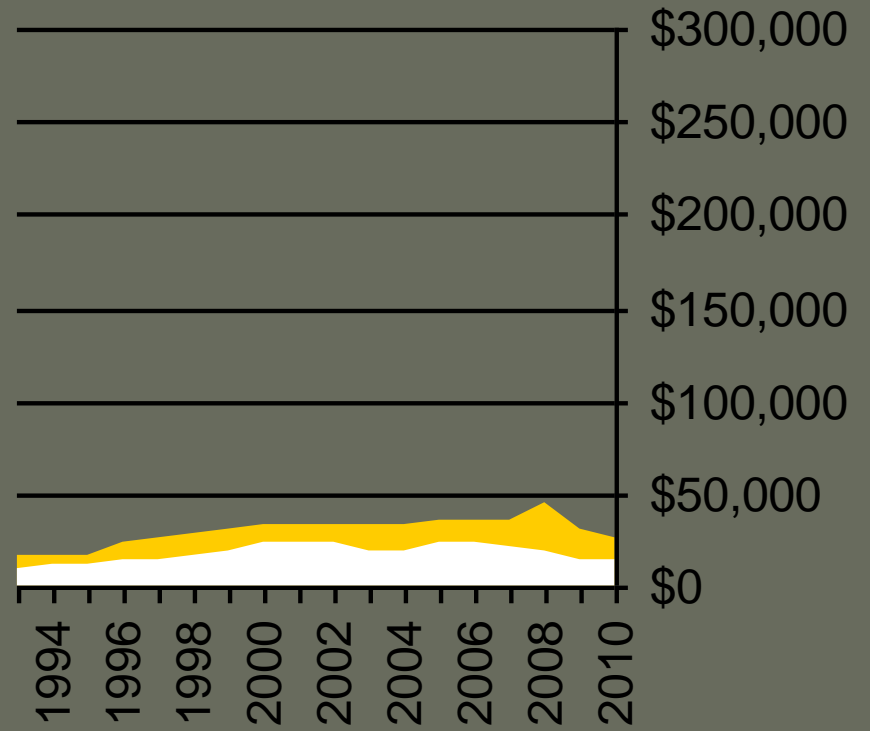


- Sales activity in general is increasing
- Lifestyle buyers are returning to the market
- Weakness or softening in values occurring in less reputable areas

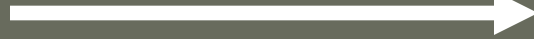
## Sonoma County Vineyard



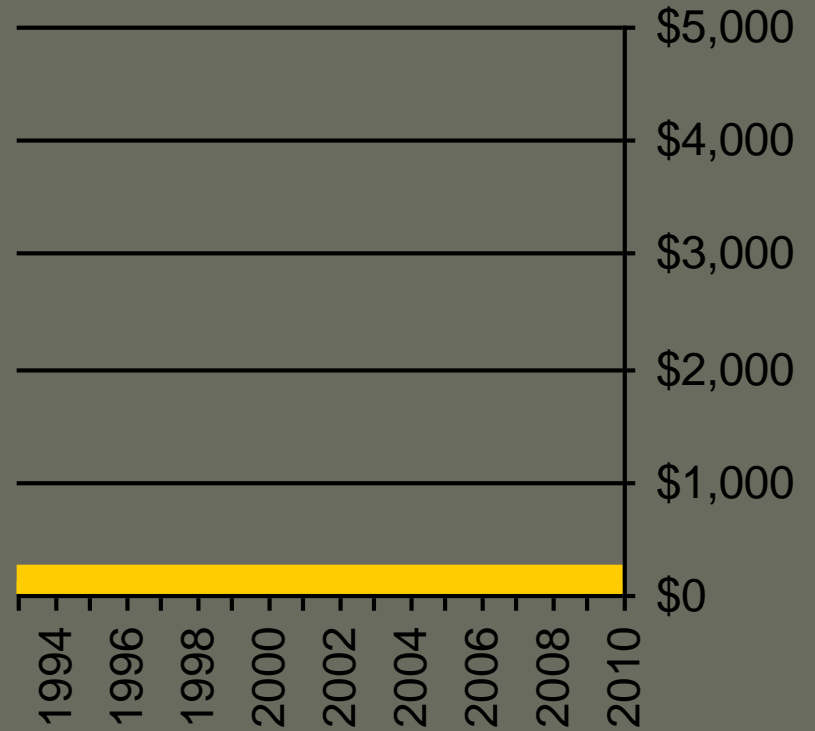
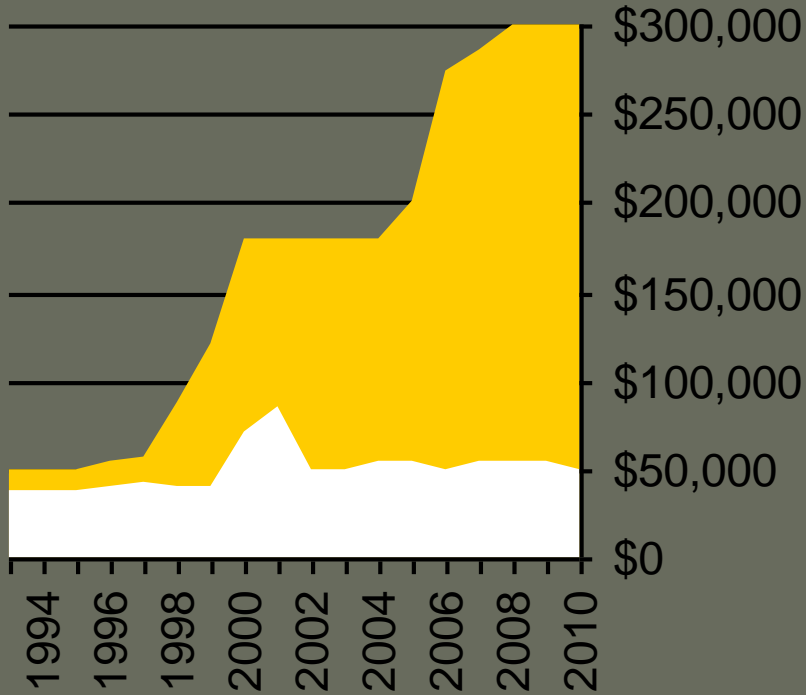
## Lake County Vineyard



### Napa County Vineyard

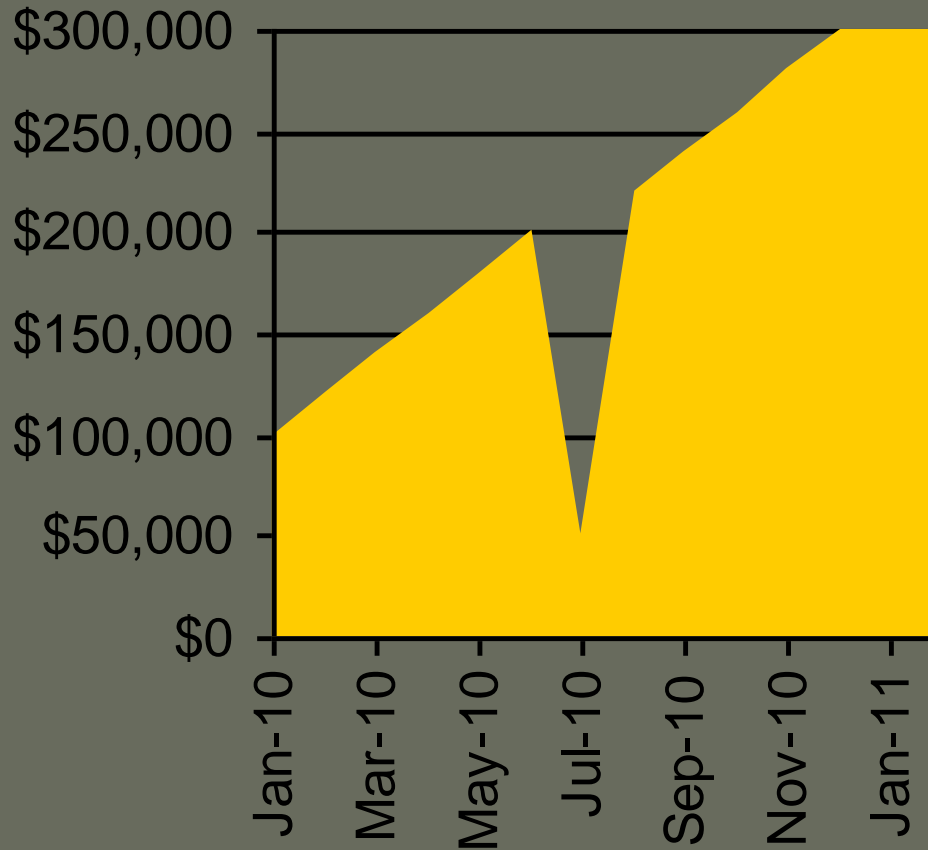


### Napa Baja Vineyard



Steve, is this what you wanted?

## Napa County Vineyard



# Summary

- Except for the dairy industry, commodity prices are strong
- The dairy situation will create some lender problems
- Limited supply of land is meeting with exuberant demand
- Buyer with capital in excess of \$100M to invest are not unusual

# Summary, Continued

- Limited investment alternatives contribute to demand
- Water on the west side of the San Joaquin Valley will still be a challenge, but 2011 looks better than previous years
- Interest rates are still low
- 1031 exchange money is still a factor, but less so than in previous years

## Summary, Continued

Consequently, land values are at least stable and indicating at least some increase in many areas

Questions?