

## THE BACK PAGE

**Finding less ag property for sale?** It is all about high commodity prices! Growers seldom sell when commodity prices create good profits. More people sell ag land when their income is down, than when it is up. It is just human nature. When good times are here and we are enjoying it, we give no thought to the possibility of a downturn. Consequently few sell during a peak period.

**A dairy producer commented**, "We are in the dairy business and whether we like it or not, we can't sell out. There are no reasonable buyers". This seems to be a good assessment of the industry in California today. The time will come when that will change!

**Sheila Bair of FDIC** said last fall, "Farmland could be the next real estate bubble." The concern seems to come from the fallen values of commercial and residential real estate, expecting that the next decline will be in ag land since the value gain has been 58% in inflation adjusted terms since 2000. Is it possible? Could there be a repeat of the 1980's ag disaster? What is different today? The big difference is that farm debt is much lower and land is not leveraged like it was in the 80's. It could happen if the low leveraged properties are used to finance new acquisitions. Not likely to happen with bank financing as scarce as it is. Remember, people won't quit eating and populations are still significantly increasing while the worlds inventory of basic commodities is extremely low.

### 2010 Tulare County Farm & Ranch Sales

During 2010, a total of 161 parcels (20 acres or more) of farm and ranch properties were sold in Tulare County. Total sales consisted of 16,031 acres. Sales of the past 6 years are shown below:

Year	Number of Parcels Sold	Acreage	Total Estimate Value	Per Acre Value
2010	161	16,031	\$110,952,000	\$6,921
2009	115	9,108	\$81,850,000	\$8,987
2008	182	17,150	\$157,168,000	\$9,164
2007	211	16,417	\$145,878,000	\$8,886
2006	261	23,338	\$173,311,000	\$7,426
2005	398	41,926	\$240,491,000	\$5,736

**Comments:** Sales of farm and ranch land acreage for 2010 were up 57% from the 2009 period of land sales. Annual tabulations have been made since 1985 and the highest number of acres sold during this period was in 1989 with 78,701 acres.

Except for 2009, open land sales (row crop) have always been the largest percentage of the total sales and in 2010 these sales were 33.5% of the total. Rangeland sales were at 26.19%, citrus at 19.7%, nuts at 8.5%, vineyard at 6% and deciduous at 4.9% with the balance in miscellaneous crops.

The value of the land sold during 2010 dropped by \$2,066 per acre. It appears that the higher percentage of range land sold during 2010 may have made a huge difference in the average price per acre for all land sold. Rangeland sells for only 4 to 10% of the value of permanent plantings.

An interesting observation made was that the early 2010 land sales were at a lower price per acre than the sales in the last one-half of the year.



# The Ranch Co.

Agricultural Real Estate Services Since 1965

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## AG EXPO EDITION



## THE BOTTOM LINE

### Prices up - Property hard to find!

How things change! Two years ago, after the 2008 harvest, virtually everyone predicted lower land prices due to the extremely sharp price decline of almost all commodities. What a difference two years can make!

Actually, land prices declined very little and today the better ag properties are bringing premiums. Commodity prices have rebounded, exports are up and forecasts call for more of the same. And that is why there are very few properties on the market, particularly the higher quality properties.

Very few ag properties changed hands during 2009. Last year was a much better year and 2011 has brokers and land buyers scrambling for additional property.

This does not mean that a property with below average production will command a premium but when the water rises, "all the boats float higher".

**"That's the Bottom Line!"**

## SPECIAL SERVICES

- Sales - Dairies and Ag Land
- Ag Property Appraisals
- Neighbor to Neighbor Sales
- Escrow Supervision
- Herd and Quota Appraisals
- Dairy Relocation Services
- Auctions - Ag Land & Dairy
- Tax Deferred Exchanges
- Ag Land & Dairy Leasing
- Financial Consulting
- Estate/Bankruptcy Sales
- Agricultural Investment Planning

## MILK POOL QUOTA

2010 price average - \$442 / #SNF

2011 - January average: \$448; February average: \$435

## DAIRY FACILITIES



**West Fresno Dairy - FOR LEASE** 550 Holstein capacity plus replacement program. Newly remodeled double 10 flat barn. 140 cow sprinkler pen, 4 large corrals with shades and lock-ups. Maternity barn, flush lanes, hay barn, silage area, commodity barn plus three homes including a newer home. Well maintained. Ready for occupancy. S.W. Fresno Location

**Tulare Dairy** - Jersey capacity of 750 head. Complete set-up with freestall barn. 18 stall Trigon herringbone. Wells and pipelined plus T.I.D. Water. 257.71 Acres with some of the finest soils just west of Tulare. Just 1/4 mile west of the existing subdivision. Buy dairy will all the acreage or just the amount you need.

**Moreno Valley Dairy** One of the most efficient dairies in So. Cal. 155 Acres with 1,585 milking capacity and 2,885 self locks. Two double 16 herringbone - (250 per hour). All the milk production equipment plus all rolling equipment. CWT dairy. Call for full particulars. Priced to sell at only \$3,625 per milking cow for a complete turnkey dairy with 2 beautiful 3,600 sq. ft. custom homes!



## LAND

**257.43 Acres** of the finest land located just west of Tulare. If you demand the very best - this is it! T.I.D. and well water. Fully pipelined and class 1 soil. Included a dairy set up that is leased for \$15.50 per head with \$8,525 per month minimum. Total price: \$4,344,000.

**50 Acres** fenced and cross fenced and located near three dairies. Has been used for cattle raising. Well and water system. S/W Tulare Co.

## RANGELAND

**Cattle Ranch** - 1,285 Acres of classic range land with views of Lake Kaweah. 1,300 to 2,600 feet in elevation. Several earthen dams plus a spring and windmill. Ranch roads will take you to the top where you look down 2,000 ft. to Lake Kaweah, for spectacular views. Fenced and cross fenced - runs 100 pairs. Some rustic improvements Just reduced to **\$645 per acre!**

**45.02 Acres** Wilderness Ranch - Located along East Fork of the Kaweah River on the Mineral King Road, 7 miles east of Hwy 198. Elevation: 2634 to 3065 feet. One half mile road frontage.

Wildlife includes: deer, bobcat, wild turkey, wild boar and bear. Reduced to \$195,000

**122.4 Acres** right on the Yokohl Valley Rd. with private gate. 2,450-3,350ft. Elevations. Backs up to Forest Service Land and Wildlife Refuge. Hundreds of acres to enjoy! Lots of wildlife. Located 2.3 miles east of fire station. Ranch has water and is fenced. Loads of recreation for only \$132,000!

**134 Acres** is Mariposa County. Hwy 140 and Indian Gulch Rd. (Cathy's Valley) Lots of road frontage. Stock ponds, seasonal creeks and streams plus well. 2,300 sq. ft, 2 story handcrafted home - 3 bed, 2 bath and large garage. Horse & hay barns \$1,200,000!



## PERMANENT PLANTINGS

**100.7 Acres** planted to Crimson table grapes. Typically harvested early for Crimsons. Ag well with 60HP pump. Shop with 3 roll up doors and fenced equipment yard. Located south of Exeter. Asking \$1,395,000 with possible owner financing.

## SPECIAL PROPERTIES

**27 Acres** of green grass, large shade trees, several stocked fish ponds - the ultimate recreation place! Located on the way to Springville. Currently used for overnight camping - tents, motor homes, etc., plus fishing without license. Also has snack shop. FUTURE: Approved for 25 - 1/2 acres lots in gated community clustered around two beautifully landscaped lakes! \$1,100,000.

**Three Homesites** located on Lort Dr. with breath taking mountain and oak tree views and lots of privacy. NE of Visalia. Abundance of water - 20 to 40 feet deep. #1. **19.16 acres** with upgraded double wide, fenced and in pasture. Just reduced to \$362,000. #2. **4.3 acres** adjacent to #1. No improvements and in pasture. Reduced to only \$95,000. #3. **4.13 acres** and adjacent to #2. Also in pasture. Priced to sell at \$105,000.

**Three Terra Bella Homesites** located at Ave 84 and Old Stage Coach Road. Beautiful area near foothills and adjacent to orange groves. Each property has both irrigation and domestic water from the Terra Bella I.D. with meters installed. Suitable for citrus planting. #1. **6 acres** with frontage on 2 roads - \$85,000. #2. **10 acres** - \$100,000. #3. **10 acres** with old Valencia Oranges plus Mobile home with septic tank - \$145,000.

**9.47 Acres** located next to homes in Alpaugh. Future use? Interesting possibilities.

**9.70 Acres** southwest Tulare County. Water available year-around. Own a parcel of land for a total of only **\$19,460!**



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