



The Ranch Co.

AG NEWSLETTER

Volume 36 Number 4 - 2011

Agricultural Real Estate Services Since 1965



THE BOTTOM LINE

U.S. Budget / Family Budget

Play with the U.S. budget numbers a bit and by taking 8 zeros from the U.S. budget, it gets you down to an existing U.S. low income family budget. Here's what it will look like:

- Total yearly income for the family: \$21,700
- Amount spent by the family: \$38,200
- New debt added to credit card for the year: \$16,500
- Outstanding debt on the credit card: \$142,710
- Family agreement for budget cut for the year: \$385

Difference between the U.S. and the family: The U.S. can print money!

That's the Bottom Line!

John

Figures as per Michael Pento of Euro Pacific Capital

FARMLAND • DAIRIES • QUOTA • FEED RANCHES • GROVES

SPECIAL SERVICES

Fees are based on time involved

- Appraisals - Dairy & Farmland
- Dairy Facilities
- Neighbor to Neighbor Land Sales
- Escrow Supervision
- Herd and Quota Appraisals
- Dairy Relocation Services
- Auctions - Farmland & Dairy
- IRC1031 - Tax Deferred Exchanges
- Farmland & Dairy Leasing
- Financial Consulting
- Estate/Bankruptcy Sales
- Agricultural Investment Planning

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MILK POOL QUOTA

The average price of milk pool quota sold during the first 6 months of the year was \$444 per # SNF. July sales topped the average at \$448. August price on one transfer was \$364 and September came in at \$450 for 2 transfers.

We have quota buyers. Check for latest prices.

DAIRY FACILITIES

Best deal in California!

Beautiful Southern California dairy just reduced to a price of \$2,208 per milking cow capacity.

Here's what you get:

- Considered one of the best and most efficient dairies in So. Cal. on 155 acres
- 1,585 head milking capacity plus replacements with 2,885 self-locks
- Two double 16 herringbones
- Two gorgeous 3,600 sq. ft. custom homes
- Ready for your occupancy - fully permitted; plus a brand new well
- All for \$3,500,000! In Southern California!



LAND

317.11 Acres located in the Southwest part of Tulare County. Large ag well plus fully pipelined with valves. A 1,580 sq. ft. manufactured home on a permanent foundation with at 60'x16' covered patio. Electronic and propane services. Home is 7 years old. The soils have been extensively improved on the ranch over the past 7 years.

17.91 Acres in southwest Tulare County. Just 3/4 mile from school. Irrigation water available. All surrounding properties are being farmed. On paved road. \$85,000. **SALE PENDING!**

PERMANENT PLANTINGS

21.71 Acres of Citrus. Four 5 acre blocks, all planted since 2006. Rush TI, Cara Cara, Powell and Chislett. Picturesque area near foothills. Orange Cove ID plus well. Micro Sprinklers and wind machines. The future is in a young grove like this! **SALE PENDING!**

20 Acres located just north of Ivanhoe and in the Ivanhoe Irrigation District. Fully planted to Manzanillo olives. Irrigation well and flood system. San Joaquin loam soil. Three bedroom 2 bath home and extremely well maintained. On the other end of the property is a 2 bedroom, 2 bath mobile home with full landscaping and a great clean look. Asking price \$360,000.

20 Acres Citrus and open located just north of Orosi. 5.5 acres of 3rd year Rush T.I. early navels. Great sandy loam soil and Alta I.D. water plus irrigation well. Just Reduced: \$255,000!

SPECIAL PROPERTIES

Country Living Large beautiful 3,625 sq. ft. home with 5 bedrooms, 4 baths. Quiet secluded living with home located well off the paved road. Long list of home amenities you just have to see. **23.33** acres with horse stables, shop and barn. Entire property is fenced and has well for irrigation and domestic use. Also included are a tractor, horse trailer, etc. Located north of Visalia. Owner will consider financing. Asking \$695,000.

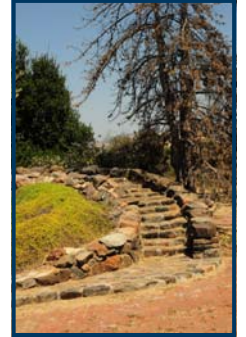


Country Homesite Build your home in the Elderwood area just 20 minutes from Visalia. 3.75 acres in a great country setting with beautiful views of pastureland, foothills and mountains. Priced to sell at \$125,000.

9.44 Acres in foothill setting at Elderwood and currently used as "Christians in Action" headquarters.

Here's what you get:

- Administrative building - 7,222 sq. ft., 18 offices plus bathrooms, conference rooms and kitchen. Built in 1992
- Meeting building - 2,320 sq. ft., fireplace and kitchen
- Home - single story 2,064 sq. ft., 4 bed, 2 bath
- Pool - 33,000 gallon kidney shaped
- Shop - with covered work area
- Three mobile homes



Beautiful country setting only 20 minutes from Visalia.

Uses: Retreat, training facility, large office complex or corporate headquarters Priced at \$699,000.

NEED LISTINGS!

Just two months ago we literally had more listings than we could print in the Newsletter. Currently, we stretch it to fill just over one half of a page. Our sell rate has been outstanding, and if the good times indicate it is time to sell, then this is your opportunity to take advantage of the market!

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All listings offered in the NEWSLETTER are subject to prior sale, price change or withdrawal from the market.
All property information is from sources believed reliable, however not guaranteed.
To have property listed in THE RANCH CO. NEWSLETTER-Call the office-(559)733-3232.

THE BACK PAGE

Mineral Rights - Do you own them? In 1862 the Homestead Act gave 160 acres of land to eligible applicants for ag development. In 1916, the Stock Raising Homestead Act raised the acreage limit to 640 acres but it also separated the surface rights from the subsurface rights. With the US govt. retaining the subsurface rights. If your property happens to be in the latter category, the Mining Law of 1872 would allow anyone to enter your property and stake a claim. A 1993 amendment to the law spells out the procedure of filing a claim but the bottom line is that someone could possibly enter your property and stake a claim.

Today this has not become an issue and the numerous environment impact laws along with a very lengthy permitting process will make it highly unlikely that your place will be targeted. But who knows? Its not just oil, silver or gold but how about the rare earths?

Just be aware that you may own the surface rights on your property but do you own your own mineral rights. You may wish to check your Title Insurance Policy.

Farming was once the heart of the world economy. Over the decades, it has been viewed almost as a relic of the old economy. That view is rapidly changing on Wall Street. Several managers of huge funds have personally purchased farm land with one individual trading his job at Blackrock, managing \$36 billion, for a 2,300 farm which he now personally operates.

Rise in Midwest farmland prices hit a 32 year high according to agrinong.com with farmland prices in major ag states such as Illinois and Iowa soaring 16%, year on year, in the first quarter of 2011.

One often hears that the definition of "insanity" is repeating the same action while expecting a different result. One of the best illustrations of this has to be the various dollar coin series of the US treasury. After the Eisenhower dollar(1967) lost popularity, the Susan B Anthony, the Sacagawea and the Presidential series were produced. All have been huge failures and today more than a billion of these \$1 coins sit idle in Federal Reserve Vaults around the country.

We are paying taxes so that our employees (govt. workers) can earn more than we do. Is it time to roll things back to equalize the payment to govt. employees and private sector employees? Perhaps the savings would equal being able to balance city, county, state and other govt. budgets. We're not for cutting people's pay but when huge inequities exist something needs to be done other than just raising fees and taxes.

Ag Land Auctions have not been a popular method of selling land in the West. In the Midwest land auctions are very common and during times of high commodity prices it becomes the preferred method of selling. One recent property sale consisting of several thousand acres actually auctioned at one-third over the broker's estimated selling price.

Thoughts on Real Estate (Doug Casey)

"Remember that through most of US history, residential real estate was not viewed as an investment. You didn't buy a home to make yourself wealthy selling it to someone else. It was viewed as an expensive consumer good that depreciated. You bought or built a home to live in it, just as you bought clothes to wear or a horse to ride (or car to drive). It was just a part of life - a necessity, a convenience, but an expense."

"You don't own your property. Try not paying your real estate taxes for a year or two, you'll find out who really owns your property."