AZ Chapter, ASFMRA
February 24, 2006

Dear Participant:

On behalf of the Arizona Chapter of the American Society of Farm Managers and Rural Appraisers, we would like to welcome you to our *2006 Spring Ag Outlook Forum*. The morning program features keynote speakers covering a wide range of issues including the real estate economy, water issues, and forest management. Outlined in the pages to follow are specific topics covered by each presenter. The afternoon program will feature Chapter members speaking on agricultural land and lease values.

We would like to give special thanks to financial contributors whose support makes this forum possible.

Charlie J. Havranek
Headquarters West, Ltd.
Three Rivers Ag Investments
Finley Appraisal Services, Inc.
Salmon, Lewis, & Weldon P.L.C.
Farm Credit Services Southwest
Aztec Agricultural Group
Chase Bank
Ganado Group
Robert J. Moody, Appraiser

The American Society of Farm Managers and Rural Appraisers was founded in 1929 to create and maintain a professionally trained group of accredited farm managers and rural appraisers capable of providing expert guidance. On a national level, the Society sponsors various educational seminars. Your local chapter of the American Society of Farm Managers and Rural Appraisers has over 50 members capable of assisting property owners and various caretakers on a wide range of services including, real estate appraisals, chattel appraisals, farm management, mortgage brokerage, real estate sales and consulting.

We thank you for your participation and support of this event. If you have any questions or we can be of service to you, please contact any of our chapter members listed on the following pages.

Sincerely,

Shawn Wood
Co-Chair, Ag Forum Committee

Mark Keller, ASA
Co-Chair, Ag Forum Committee

SPRING AG OUTLOOK FORUM

Presented by
Arizona Chapter of the American Society
of Farm Managers & Rural Appraisers
February 24, 2006
2435 South 47th Street
Phoenix AZ 85034
480.894.1600

8:30am
Registration & Refreshments

9:00am
Economic Outlook, Real Estate
and General Economy
Jay Butler, Ph.D.
Director of Center for Real Estate
Arizona State University

9:30am
West Valley Expansion
Greg Vogel
Arizona Land Advisors

10:15am
Groundwater Management Act of 1980
Update
George Frisvold, Ph.D.
University of Arizona

10:45am
Morning Break

11:00am
Pinal County Boom
Jordan Rose, Attorney
Rose Law Group

12:00pm
Catered Lunch

1:00pm
ADOT Update
William Hayden
ADOT

2:00pm
Afternoon Break

2:15pm
Maricopa County Flood Control District
Tim Phillips

3:00pm
AGRICULTURAL LAND & LEASE
VALUE SURVEY

●**Ranches**
Tom Rolston, ARA
Ganado Group, Inc.

●**Dairies**
Thomas Schorr, ARA
Farm Credit Services Southwest

●**Imperial Valley / Blythe, CA**
Thomas Turner, ARA
Farm Credit Services Southwest

●**Southeast Arizona**
Mark Finley, ARA
Finley Appraisal Services

●**Pinal County**
Melvin Young, ARA
Aztec Agricultural Group, Inc.

●**Yuma County**
Bill Moody, Appraiser
Robert Moody Appraisers

●**Maricopa County**
Charlie Havranek, Appraiser
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4:00pm
Close

4:30pm
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National Public Relations Chair: Scott Halver, ARA
National Ethics: Tom Schorr, ARA

Standing Committees:

Appraisal Review
Ethics Committee
Nominating Committee
Governmental Relations

District Accreditation Review
Membership
Education Committee
Candidate Guidance

Ag Forum Committee

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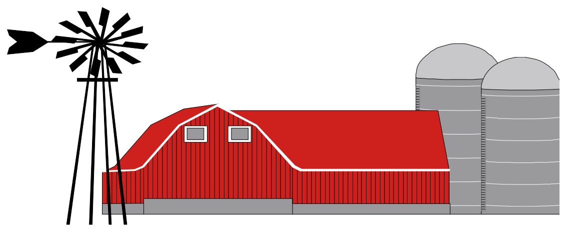

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Dr. Jay Q. Butler is Director of the Arizona Real Estate Center (AREC) and an Associate Professor of Real Estate in the East College at Arizona State University/East. He also holds the Arizona Realtors Professorship in Real Estate. Dr. Butler has been at ASU since 1972. He earned his B.B.A. (1967) and MBA (1969) from the University of New Mexico and his Ph.D. from the University of Washington.

As Director of the Arizona Real Estate Center, he oversees projects that examine all aspects of the Arizona real estate market, with specific interest in the Phoenix metropolitan area. The two main projects are the Phoenix Metropolitan Housing Study (PMHS) and the Phoenix Metropolitan Commercial Studies (PMCS). The PMHS is a quarterly comprehensive analysis of the housing market (single-family, townhouse/condominium, and multifamily) based on 33 housing districts. The PMCS quarterly examines the office and retail markets.

In addition to these projects, AREC also provides information on the Arizona construction industry and residential sales activity and affordability in the Phoenix metropolitan area that appear in Arizona Business and other publications. Dr. Butler has also published in other journals such as Appraisal Journal, Arizona Realtors Digest, Annals of Regional Science, Journal of Real Estate Practice and Education, and Teaching in Higher Education. He is also a frequent guest speaker and instructor in many continuing educational programs. In addition to directing several research projects, he also teaches in the Real Estate Program in the East College. The Real Estate Program integrates creative classroom instruction and real-world application to prepare students for leadership roles in the rapidly changing real estate environment.

AG OUTLOOK FORUM

February 24, 2006

Introduction

- During 2005, the real estate market greatly overshadowed a good economy. Even as the single-family real estate market set records, there are concerns about the future.

- So have the good times are here, but how long will they stay.

- The key disadvantage is how the 2006 real estate will fare when compared to the spectacular growth during 2005.

2006 ECONOMIC CRITICAL ISSUES

- Interest rates and prices
  - Reasons
  - Affordability

- Nature of the job growth
  - Areas of job growth—how related to the housing market
  - Economic Development Clusters
    - Aerospace and Aviation
    - High-tech
    - Advanced Financial and Business Services
    - Bioindustry
    - Software
  - Workforce issues
    - Type of jobs
    - Knowledge Worker/Creative Entrepreneur
    - Outsourcing, downsizing, productivity

- Role of the consumer
  - Income Trap
  - Debt
  - Confidence

- Fiscal Integrity of public entities
- Water
- Traumatic shocks

YEAR	TOTAL WAGE & SALARY EMPLOYMENT	ABSOLUTE CHANGE	PERCENT CHANGE
1994	1,106,500		
1995	1,188,800	82,300	7.4
1996	1,272,500	83,700	7.0
1997	1,344,200	71,700	5.6
1998	1,418,800	74,600	5.5
1999	1,487,000	68,200	4.8
2000	1,541,000	54,000	3.6
2001	1,559,500	18,500	1.2
2002	1,556,900	-2,600	**-0.2**
2003	1,576,600	19,700	1.3
2004	1,630,200	53,600	3.4
2005F	**1,698,700**	**68,500**	**4.2**
2006F	**1,768,400**	**69,700**	**4.1**

HOUSING

Driven by investment demand, the local housing market, in all sectors, set records in price and sales activity. As 2005 drew to an end, there was mounting evidence that the housing market was returning to a normal and more sustainable pattern.

- Key issues
    - Affordability
    - Role of investor
    - Quality
    - Neighborhood revitalization
    - Location: West Valley and Pinal County
- The Past and Outlook for new and resale homes

APARTMENTS

- The main factor in the apartment market has been the conversion of over 10,000 units to condominiums. This has allowed the remaining apartment complexes to reduce concessions and begin to raise rents..
    - There are fewer people in the pipeline to replace those that move onto new homes.
    - Population and economic growth leading to many people, especially young ones, needing roommates or moving home.
    - Condominium conversions that become more rental investment units.

- The Past and Outlook for the apartment market

Commercial Overview

- Economic issues
- Impacted by population growth
- Corporate policy

RETAIL

- While this appears to be the healthiest of the commercial sectors, there are many competitive issues, such as the future context of the supermarket and lifestyle centers.
- The Past and Outlook for the retail market

OFFICE BUILDINGS

- Although the office market continued to show some improvement in 2005, full recovery is still down the road.
- Primary areas of interest are office condominiums and new development along the 101 in Scottsdale on the land of the Salt River Pima-Maricopa Indian Community.
- The Past and Outlook for the office building market

CONCLUSION

- The main icon of 2005 was the surging single-family market that set records, but raised issues of affordability.
- The needed relationship between housing and job centers, especially in an age of raising energy costs.
- The role of new concepts such as the urban lifestyle, lifestyle centers, and condominium conversions.
- What could happen if the economy weakens and or home prices dropp significantly.
- One can no longer just examine a pattern of change, such as the cycle, but must examine how the market might be structurally changing.
- Now the maturing real estate market has become increasingly impacted by decisions made elsewhere, the national and international economies, rapidly changing technological requirements, and more stringent regulatory environment.
- The Greater Phoenix area has become connected to rest of the world and activities elsewhere must be taken into account when examining future of the local real estate market.

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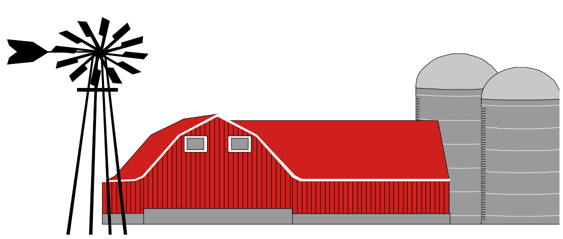

West Valley Expansion

BIOGRAPHY

Gregory J. Vogel

Greg Vogel is the Chief Executive Officer of Land Advisors Organization. Since1987, Greg has been a trusted advisors and broker specializing in large land parcels for master planned communities, homebuilders and investment.

As Chief Executive Officer of the Land Advisors Organization, Greg has led the expansion of the company into multiple markets across the United States. The Land Advisors Organization currently has seven offices (Phoenix, Tucson, Prescott, Dallas/Fort Worth, Houston, and Denver) and has plans to establish an additional eight locations over the next three years. Using a unique blend of agent experience and cutting-edge technology, the Land Advisors Organization is quickly becoming recognized as the first national land brokerage company.

He is a graduate of Arizona State University, earning a B.S. degree emphasized in Real Estate & Finance in 1985, and has held his Arizona Real Estate Brokers License since 1987. He is a member of numerous professional and civic organizations, including the Urban Land Institute (incoming Chair of the Arizona District, leadership of the Community Development Council Blue Flight, and ULI Governor), Valley Partnership, Lambda Alpha, Westmarc, and the Central Arizona Home Builders Association.

PRESENTATION

Presentation materials will be available at the Forum.

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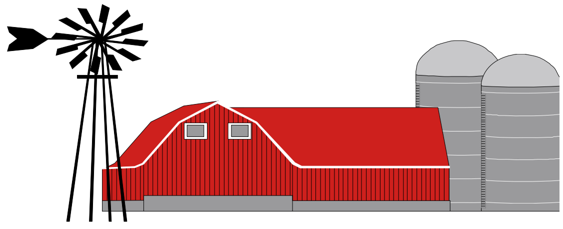

Groundwater Management Act of 1980 – Update

BIOGRAPHY

Dr. George Frisvold, Ph.D.
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PRESENTATION

Trends and projections for agricultural land and water use in Arizona

- Recent Trends
  - Cropping patterns
  - Water use
  - Ag land use

- The Future
  - Irrigator plans to discontinue operation (results from USDA Farm & Ranch Irrigation survey)
  - Plans for future of farming operation (results from USDA policy preference survey)
  - Sales-lease back arrangements for agricultural land
  - Farm policy and Ag land sales decisions (the 2007 farm bill)
  - Rental rate / sales price ratio as measure of development demand

- Riparian amenities, vegetation, and residential property values
  - Riparian buffers and home and lot premiums
  - Does vegetation type affect home sales prices? By how much?
  - Implications for groundwater management

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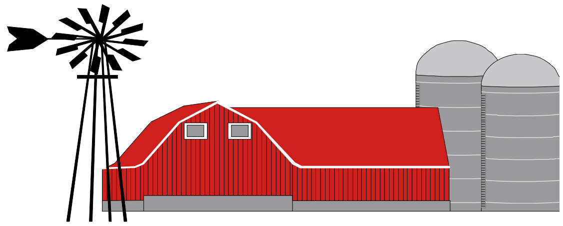

Pinal County Boom

BIOGRAPHY

Jordan R. Rose practices in the areas of municipal issues, land use, zoning, government relations, administrative law and lobbying. Ms. Rose received her B.A. with honors in 1992 from the University of Arizona and her J.D. in 1996 from Arizona State University.

PRESENTATION

- How Pinal County became the “hotbed” of growth
- What does the future hold?
- Future challenges
- Setting your farmland up for best possible future

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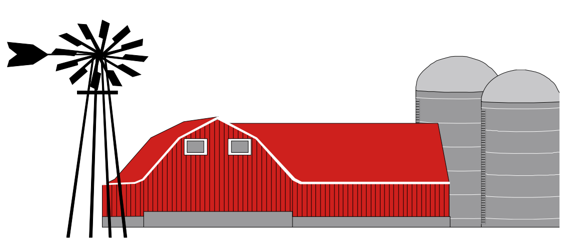

Arizona Department of Transportation Update

BIOGRAPHY

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PRESENTATION

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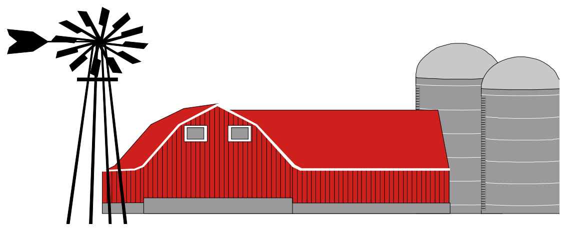

Maricopa County Flood Control District

BIOGRAPHY

Timothy S. Phillips

Mr. Tim Phillips, the Chief Engineer and General Manager for the Flood Control District of Maricopa County, has over 25 years of water resources experience in the irrigation and flood control field. He has worked as a staff engineer, project manager and general manager for several local and regional public water resource agencies within Arizona.

Mr. Phillips received a Bachelors Degree in Civil Engineering from Arizona State University in 1980 and is a registered professional engineer in Civil Engineering in the State of Arizona. He further has a Masters of Arts in Organizational Management and a Masters of Strategic Studies.

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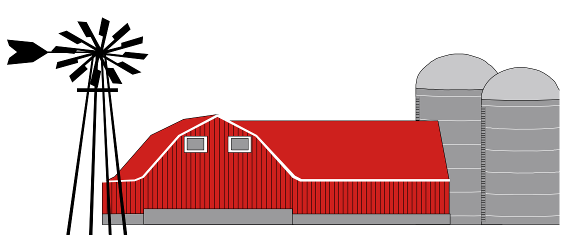
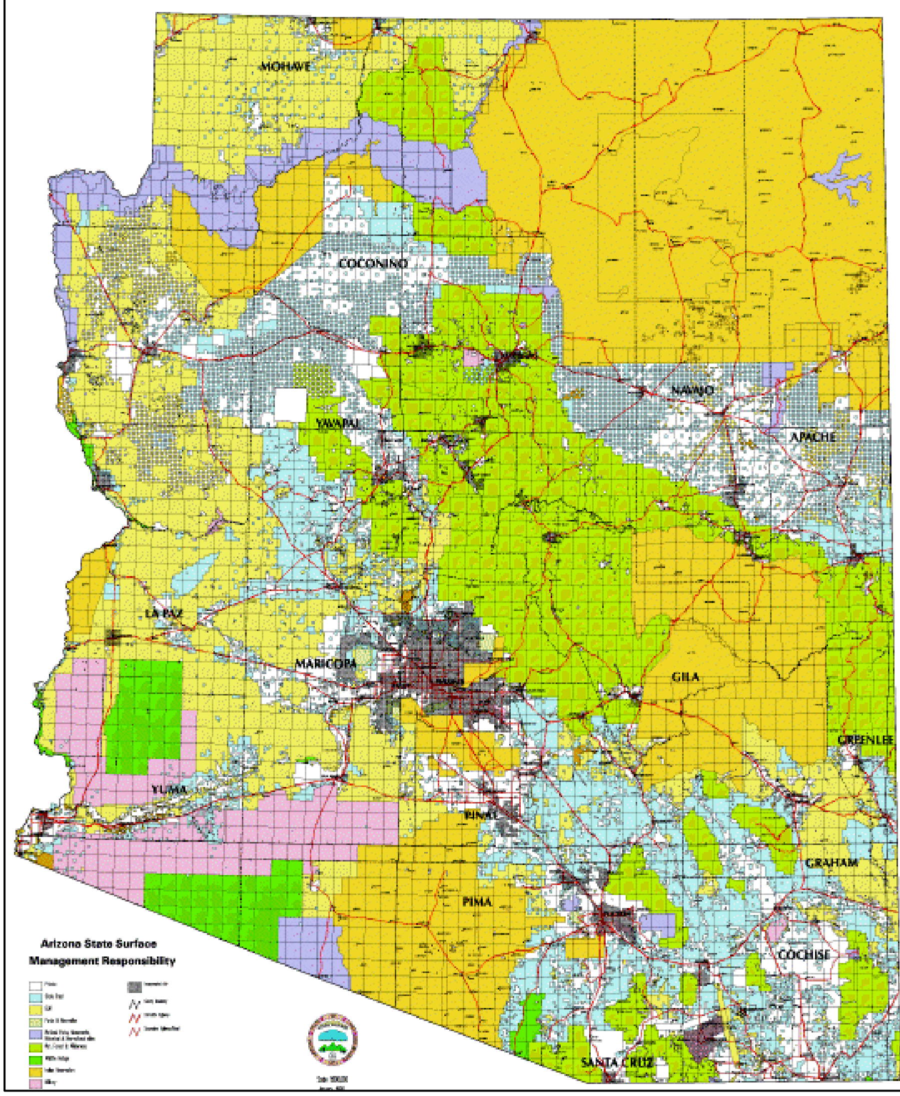


Agricultural Land & Lease Value Survey

[Biographies for Speakers in this Section appear at the end]

RANCHES



Ranch Categories

- **Checkerboard Ranches of Northern Arizona**
- **Seasonal Forest Service Grazing Permits**
- **BLM Allotments**
- **Yearlong Forest Service Grazing Permits**
- **Arizona State Grazing Leases**
- **Southeastern Arizona Ranches**
- **Arizona Strip Ranches**

Checkerboard Ranches

	Value Per Unit	Cap Rate	Activity/Trend
Checkerboard Ranches	5 Year Range $100-$1,000/AC Current Market $250-$1,000		Limited Availabitlity / Increasing Demand
Checkerboard Ranches with 40-acre subdivision & surface grazing	5 Year Range $750-$2,000/AU Current Market $800-$2,000	7.50%	Increasing / Steady

Arizona's checkerboard deeded and state grazing lease ranches extends from Kingman, AZ, east 300 miles to the New Mexico border paralleling the path of the Santa Fe Rail Road construction. Elevation lies between 3,500 and 6,800 feet with the majority ranging from 5,500-6,500 ft; vegetation is Pinion-Juniper Woodland and Plains & Desert Grassland; topography is generally rolling with small areas of mountainous terrain. Rainfall is 7.5-10.5 inches per year; and carrying capacity is 6-9 head per section.

Private grazing lease rates range from $4-12 per head per month for cow/calf pairs depending on the responsibilities of the lessor and lessee. Market rent is considered $5-8/HD/month without care and lessor paying taxes, grazing fees and insurance. This is good year round country that may require some winter supplemental feeding.

The summer forest permits lie in a narrow strip of northern Arizona between Williams and the New Mexico border covering 220 miles of the Mogollon Rim and White Mountains. Elevation is 6,500-9,000 feet; vegetation is Montane- Conifer Forest; topography is generally sloping with some small mountains and deep drainage areas; and the rainfall is 17-21 inches.

The U.S. Forest Service does not allow private subleasing of grazing allotments. There offers good summer gazing from mid-May through mid-October.

Seasonal Grazing Permits

Value per Unit	Cap Rate	Activity Trend
5 Year Range $180-$2,820/AU Current Market $300 - $2,820/AU	N/A	Active Market / Steady Trend

Arizona's year-round Forest Service grazing permits are located in three general areas of the state: central Arizona in the Tonto, Prescott and Coconino National Forests; along the New Mexico border in the Apache National Forest (NF); and in portions of the Coronado National Forest south of Sonoita along the Mexico border.

Yearlong Forest Grazing Permits

	Value per Unit	Cap Rate	Activity/Trend
TONTO NF	5 Year Range $150-$4,700/AU Current Market $200-$3,500/AU	N/A	Increased / Steady
PRESCOTT NF	5 Year Range $300-$8,250/AU Current Market $300-$8,250/AU	N/A	Steady / Steady

The Tonto NF allotments have elevations from 2,000-6,000 feet; vegetation includes Sonoran Desertscrub, Chaparral-Interior Chaparral, Pinion-Juniper Woodland, and Montane Conifer Forest; topography is rolling to mountainous; and rainfall is 15 to 27.5 inches per year. Private subleasing of Forest Service grazing allotments is not permitted. The Tonto NF is the only NF in the United States that allows a yearling carryover. This is due to the low elevation and good to excellent winter/spring forage, instead of requiring all calves to be shipped in the fall they permit the natural increase opt be held over and sold in May as yearlings. This is good yearlong rugged intermountain cow country.

Yearlong Forest Grazing Permits

	Value per Unit	Cap Rate	Activity/Trend
COCONINO NF	5 Year Range $1,300-$3,900/AU Current Market $1,750-$4,000/AU	N/A	Slow / Steady

The Coconino & Prescott NF permits rants, have elevations from 4,500-7,000 feet; vegetation varies from Chaparral-Interior Chaparral to Pinion-Juniper Woodland to Montane Conifer Forest; topography is rolling to steep to mountainous; rainfall is 13.5 to 27.5 inches per year. This is good to excellent year-round grazing.

Yearlong Forest Grazing Permits

	Value per Unit	Cap Rate	Activity /Trend
APACHE / SITGREAVES NF	5 Year Range $500-$1,450/AU Current Market $850-$1,450/AU	N/A	Steady / Steady
CORONADO NF	5 Year Range $650-$7,000/AU Current Market $1,500-$5,000/AU	N/A	Increased / Steady

The Apache NF ranches have an elevation range of 5,000-9,000 feet; vegetation is Encinal & Mexican Oak-Pine Woodland, Pinion-Juniper Woodland and Montane Conifer Forest; topography is mountainous; rainfall is 12-2 inches per year. These ranches are fair to good rough yearlong intermountain operations.

The yearlong Coronado NF permits are south of Sonoita and are situated at 3.500-6,000 feet in elevation; vegetation is Encinal & Mexican Oak-Pine Woodland with a small amount of Montane Conifer Forest; topography is rolling to mountainous; rainfall is 17-20 inches per year. This is a popular area of the state with fair to good cattle grazing.

BLM Grazing Permits

	Value per Unit	Cap Rate	Activity / Trend
WESTERN AZ	5 Year Range $500-$3,000/AU Current Market $500-$3,500/AU	1.43% -3%	Increased / Steady
SAFFORD AREA	5 Year Range $1,200-$6,700/AU Current Market $1,200-$6,700/AU	1.4% - 1.83%	Steady / Steady

The majority of the Bureau of Land Management's controlled grazing allotments lie in western Arizona, and a relatively small area near Safford in southeast Arizona. The western allotments range in elevation from 1,000-3,000 feet; vegetation is Mohave and Sonoran Desertscrub; topography is gently sloping to mountainous; rainfall is 3.5 to 9.25 inches per year; and carrying capacity is ephemeral to 4 head per section. Yearlong private grazing leases are $2.25-$6 per head per month without care and seasonal stocker pasturage rates are $5-7/HD per month with car. This is a harsh desert county with a large portion of the capacity being ephemeral grazing which is totally dependent on seasonal winter rains. Typically the building and range improvements on these ranches are minimal.

The Safford are allotments range in elevation from 3,000-5.000 feet; vegetation is Sonoran Desertscrub and Plains & Desert Grassland; topography is sloping to mountainous; and rainfall is 8.5 to 9.5 inches per year. The private grazing lease between ranchmen in the area are from $6-9 per head per month. This is fair to good yearlong high desert county.

Southeastern Arizona Ranches

	Value per Unit	Cap Rate	Activity / Trend
SE ARIZONA RANCHES OVER 40% DEEDED	5 Year Range $225 - $6,000/AC Current Market $500 - $6,000/AC	0.014% - 1.75%	Active / Upward
SE ARIZONA RANCHES UNDER 40% DEEDED	5 Year Range $770 - $13,500/AU Current Market $1,500 - $14,000/AU	1.10% - 1.87%	Active / Upward

Southeastern Arizona ranches are made up of deeded and state grazing lease lands with some of the operations having additional Forest Service permits. Generally, ranches with more than 50% deeded are sold based on price per deeded acre and ranches with less than 50% deeded are sold based on price per animal unit. The majority of the rangeland lies between 1,500 & 6,000 feet; vegetation is Sonoran Desertscrub, Chihuanhuan Desertscrub, Plains & Desert Grassland, Encinal & Mexican Oak-Pine Woodland and small areas of Montane Conifer Forest; topography is sloping to rolling to mountainous; annual rainfall averages 9.5-17 inches; and stocking rates are 6-12 head per section. Private grazing lease rates fare from $5-12 per head per month depending on he conditions of lease. Market rent is considered $8/HD/ month without care for adult cattle and lessor pays taxes, grazing fees and insurance. The area ranches generally lie in broad open valleys of desert grassland and are good to excellent.

Arizona State Grazing Leases

Type	Value per Unit	Cap Rate	Activity Trend
Mixed Land Tenure	5 Year Range $1,300-$50,000/AU Current Market $1,300-$50,000/AU	1.27% - 7%	Active / Upward
100% State Lease	5 Year Range $1,100-$1,200/AU		Steady /Steady

Arizona Strip Ranches

Value per Unit	Cap Rate	Activity Trend
5 Year Range $900-$2,500/AU Current Market $1,000-$1,500/AU	N/A	Unknown

- This is an isolated portion of the state
- Real Estate Activity is centered in Southern Utah & Las Vegas, Nevada

The Arizona strip lies north of the Grand Canyon and is isolated because of this geographical barrier. Ranches in the area are comprised primarily of BLM Grazing Leases, with inclusions of State Lease and deeded lands. A portion of the Kaibab National Forest lies along the north rim of the Canyon on the Kaibab Plateau and there are some Forest grazing permits associated with it. Elevation of the BLM area lies between 2,000-6,000 feet with the majority being 4,800-5,800 feet; vegetation is Pinion-Juniper Woodland, Plains & Desert Grassland, Mohave Desertscrub and Great Basin Desertscrub; annual rainfall is 10-15 inches.

The north rim Kaibab Forest has an elevation from 5,500-8,5000 feet; vegetation is Mountain Meadow, Spruce-Alpine Fir Forest, Montane Conifer Forest and Pinion-Juniper Woodland.; annual rainfall is 15-25 inches per year.

Real estate activity associated with this area is centered in southern Utah and Las Vegas, Nevada. The limited information that is available from this area suggests the following for ranches comprised of less than 5% deeded land.

40- Acre Subdivisions

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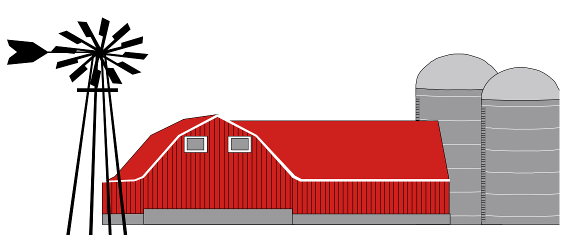


DAIRY DATA SUMMARY

SALES PRICES (600 - 1,750 Cow Facilities)

Price Range 1991-96:	$667 - $1,000/Cow
Price Range 1996-2000:	$1,000 - $1,457Cow
Price Range 2000-2001:	$1,457 - $2,450/Cow

Comments: All sales through 2000 are of 10 - 30 year old facilities purchased by owner operators. The most recent and highest sale in 2001 represents a new facility that is not totally complete in Pinal County. Sale price varies depending on the capacity estimated. No new dairy sales where dairy added value, most are facilities which will be demolished. Dairy values are felt to be stable to increasing due to increasing land and construction costs.

CASH LEASE/CAP RATE SUMMARY

Wet Cow Capacity	Rent/ Cow/Month	Expense Ratios	Vacancy	Cap Rates	Trend
400-3,000	$10 - $17	13 - 19%	Minimal	5-11%	Stable

$15-18 is on like new fan/mist cooled facilities and Saudi Style Facility

OTHER STATISTICS

New Facility Cost: *Net of Land* $2,000 - $3,500+/Cow

Cow Numbers:	1995-2005	+43%	(113,000 to 161,000)
	2004-2005	-3.6%	(167,000 to 161,000)
Production/cow:	2004-2005	+3%	(7,850 Lbs to 18,400 Lbs.)

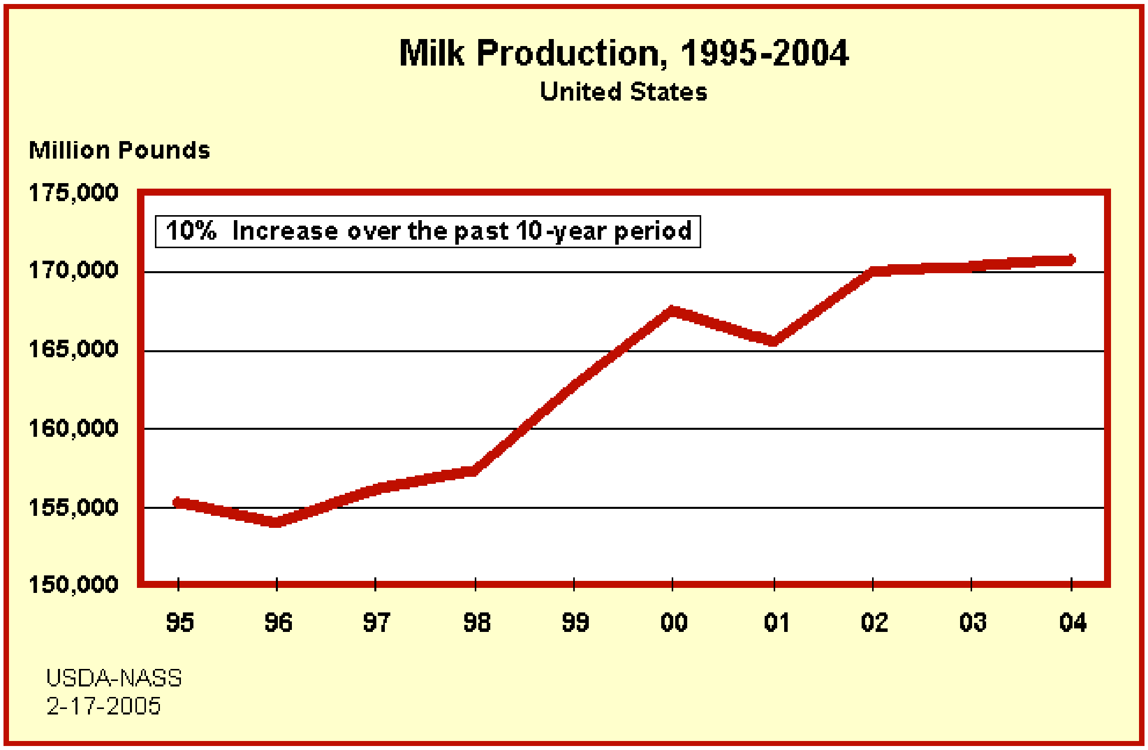
Processors: UDA-Tempe, Maverick & Shamrock-Phx., Sara Farms-Yuma, Dean Foods and Advanced Milk S. Calif.

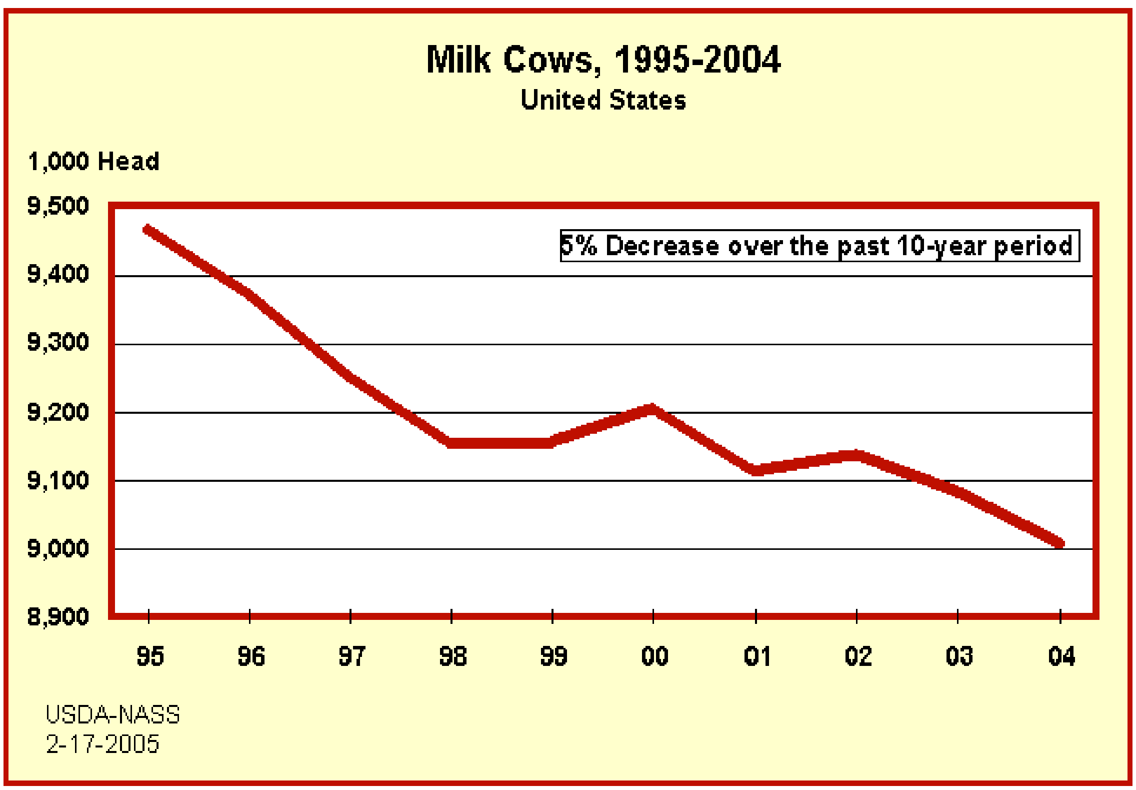
DAIRY FARM STATISTICS (Holsteins)

Reproduced from Clients of M.S. Frazer-Torbet & Genske-Mulder & Co. 2001-'05

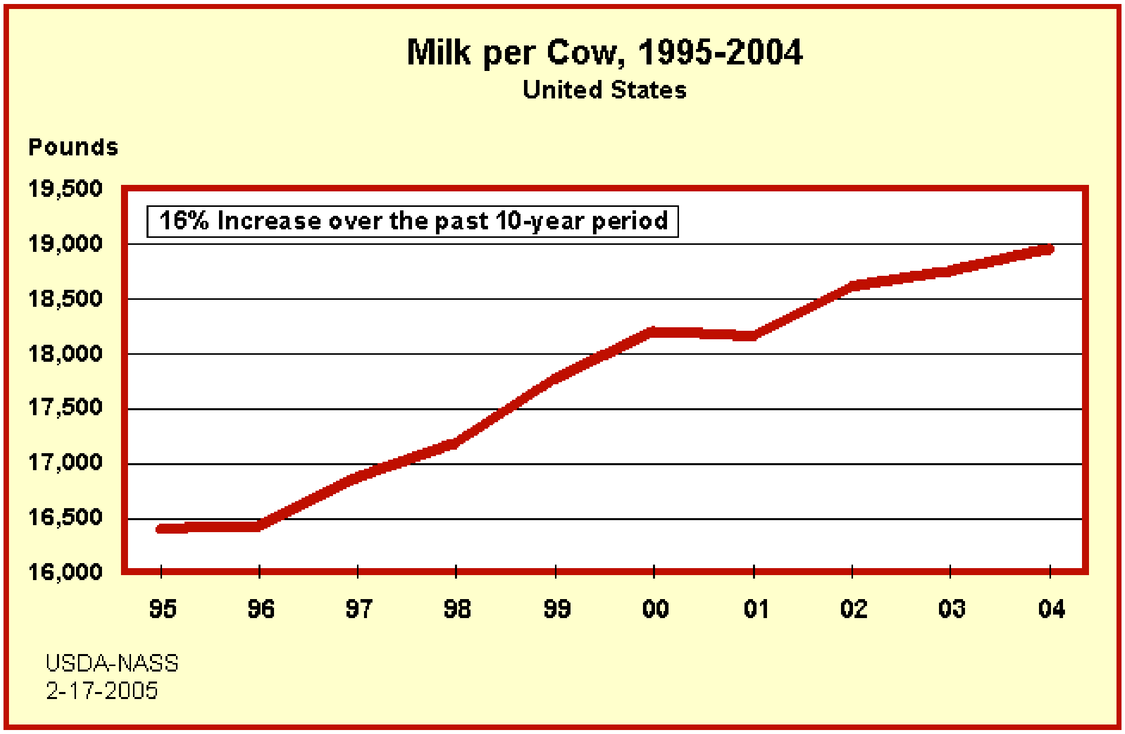
INCOME: (Per Head)	**2001**	**2002**	**2003**	**2004**	**6 Mo. 05**
Milk	$2,776	$2,332	$2,395	$3,195	$1,532
Calves & Other	37	71	63	112	54
GROSS INCOME (Per Cow)	**$2,813**	**$2,491**	**$2,395**	**$3,307**	**$1,586**
EXPENSES:					
Feed	$1,091	$1,165	$1,126	$1,262	$643
Labor	249	247	240	271	141
Herd Replacement	238	330	307	325	153
Other Costs	853	809	846	875	477
TOTAL EXPENSE (Per Cow)	**2,431**	**$2,551**	**$2,519**	**2,733**	**$1,414**
NET INCOME (Per Cow)	**$382**	**($60)**	**($124)**	**$574**	**$172**
NET INCOME (Per Cow/Month-R)	**$32**	**($5)**	**($10)**	**$48**	**$29**
Average Milking Herd Size (Clients)	1,928	2,171	2,073	2,084	2,155
Ave. Milk Production/cow (Pounds)	18,993	20,081	19,500	19,898	12,228

TRENDS: -*2004 &05* Milk prices & Profit/cow good. Prices trended upward through year-end 05. 2005 blended price near $14.38/Cwt down from $15.22 in 2004. Expenses up slightly. 2006 prices projected to be 70 Cents less/CWT ($13.67), feed costs stable but interest cost will be up. In summary 2006 predicted to be less profitable year. Issues of concern include potential farm bill price support changes and increase land and construction costs. -*Production*: Long-term production/cow is increasing to cut per unit costs. Arizona is usually in top 3 in US on a per cow basis. Herd sizes are increasing generally over time, but down from 2004.


Milk Production, 1995-2004
United States
Million Pounds
175,000
170,000
165,000
160,000
155,000
150,000
10% Increase over the past 10-year period
95
96
97
98
99
00
01
02
03
04
USDA-NASS
2-17-2005


Milk Cows, 1995-2004
United States
1,000 Head
9,500
9,400
9,300
9,200
9,100
9,000
8,900
5% Decrease over the past 10-year period
95
96
97
98
99
00
01
02
03
04
USDA-NASS
2-17-2005

United States Department of Agriculture
National Agricultural Statistics Service



NASS Customer Service at nass@nass.usda.gov
or Phone the National Agricultural Statistics Information Hotline at 1-800-727-9540.

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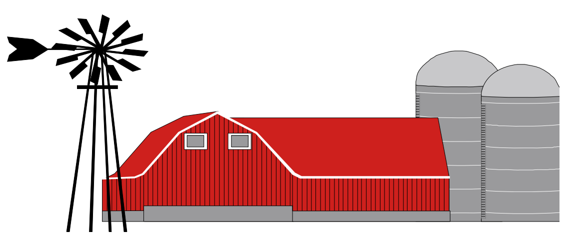

IMPERIAL VALLEY / BLYTHE, CA

Imperial Irrigation District

History:

The Imperial Irrigation District, Imperial County, California, is located in the extreme southeast corner of California. The west side being the Laguna Mountains and San Diego County, Riverside County to the north and the Salton Sea. The west side is the Colorado River and the south side the international border with Mexico. The Imperial Irrigation District provides water to 450,000 irrigated acres through 1,675 miles of ditches. The District was established in 1911 to provide water and hydroelectric power for the county.

Irrigation water in the IID is delivered on demand at a current cost $15.00 per acre-foot. Annual cost of water to a typical farm is approximately $60 - $90 per acre. In addition there is a water availability charge of $3.80 per acre for ditch maintenance and repairs.

Land Value Trends:

Sales of good farmland for row crops has remained upwardly active in trends and value. This is attributed to the lower interest rates; and demand for "1031" type tax exchanges. The farm economy is considered as financially "breakeven," with alfalfa hay being the most profitable overall. Farmland of average ground is also actively upward in value; however activity has only been moderate. By far the largest growth is in the areas surrounding the communities (transitional) where building development is occurring values are now from $50,000 to $80,000 per acre with 12-18 month optional contracts.

A vicinity of interest is the Mesquite Lake area. In years previous the county developed within their general plan what is known as The Mesquite Lake Specific Plan that boundaries Harris Rd to the south, One-quarter mile east of Hwy 111 to the east, Hwy 86 to the west and Carey Rd to the north. Where once this area previously received little interest it now has ground selling at $2,000 to $5,000 per acre.

Summary of Farmland Values for 2005:

Land Use	*Values/Acre*	*Activity/Trend*	*Rent Range*
Good	*$5,000 - $8,000*	*Active/Upward*	*$200 - $300*
Average	*$3,000 - $5,000*	*Minimal/Upward*	*$125 - $200*
Limited	*$2,000 - $3,000*	*Limited/Upward*	*$ 75 - $125*

Summary of Historical Land Value:

Land Use	*1999*	*2000*	*2001*	*2002*	*2003*
Good	*$3,500 - $5,000*	*$3,500 - $4,400*	*$3,500 - $4,200*	*$3,800 - $5,400*	*$3,800 - $5,500*
Average	*$2,500 - $3,500*	*$2,500 - $3,200*	*$2,500 - $3,500*	*$2,500 - $3,800*	*$2,300 - $3,800*
Limited	*$ 800 - $1,900*	*$ 800 - $1,500*	*$ 800 - $1,500*	*$ 800 - $1,500*	*$1,200 - $1,900*

Points of Interest:

The Imperial Irrigation District and developed and implemented a 15-year fallowing plan, allowing the transfer of water to the San Diego Water Authority and the Salton Sea.

The IID on or about 2003 purchased 41,761 acres for $77,258,590 or $1,850 per acre. The purpose of the purchase was; (1) is retire water debt overruns of the Colorado River from previous years; (2) the transfer water to SDCWA and the Salton Sea; (3) maintain their water allotment below the 3.1 million-acre feet cap requirement; (4) promote a farm water efficiency program.

This plan also had a private land-owner voluntary program for owners to lease their land to the district or a maximum of 6/AF per acre. The IID paid $60 per acre-foot for participation. The demand has been 6,000 acres or 32,551 per acre foot for 2003 and 11,968 acres or 55,470 acre foot in 2004. Payment is based on actual water usage on the designated fields; the 2004 usage is 4.6 acre feet or approximately $280 per acre.

In respect to its impact on market values there has been no measurable change to date but a lot of speculation. Most likely the IID will fallow there own ground first and retain any proceeds. Since their purchase the IID has placed what they believe to be surplus land back on the market. This excess land will be placed on the market in phases until a total of 10,538 acres have been sold.

Palo Verde Valley

Summary of Farmland Values for 2005:

Land Use	*Values/Acre*	*Activity/Trend*	*Rent Range*	*Activity Trend*
Field - Produce	*$4,000-$5000*	*Active/Upward*	*$125 - $225*	*Moderate/Stable*

History:

Palo Verde Irrigation District (PVID) basically has essentially three categories of water toll charges: 1) gravity flow water is $52 per acre; 2) gravity flow water, but the property is near a drain and can spill excess water into the drain is $55 per acre; and 3) water that has to be pumped onto the land from a PVID canal is $44.75 per acre. Besides the water toll charge, there is a district assessment on land of $8.17 per $100 assessed value and $1.24 per $100 assessed value for improvements.

PVID has negotiated a Land Fallowing Program with the Metropolitan Water District (MWD). MWD will pay the participating landowner for fallowing their land. In some cases the landowner may share the one time payment or annual payment with the tenant. There was (is) a one-time sign-up payment of $3,170 per acre times the maximum number of acres to be fallowed in a year. Originally a maximum of 29 percent of any one landowner/lessee's irrigated land would be eligible for the sign-up payment. The maximum was changed to 35 percent in order to have the necessary acreage fallowed. The lack of total participation by the landowners made the increase necessary. The participant would then receive an annual payment of $602 per fallowed acre. The annual payment is to be adjusted upward by 2.50 percent each year for the first ten years. For the next the 25 years the adjustment will range from not less than 2.50 percent to not more than 5.00 percent per year based on the Southern California Consumer Price Index. During the term of the agreement MWD may adjust the amount of land fallowed. The agreement states that the average for the 35-year period must be at least 15.86 percent of the maximum amount of land that the participant has stated that they will follow.

There were several land sales prior to the initial payments being disbursed, which after deducting the initial payment the indicated value for average land is in the $4,000 to $5,000 per acre range. Sales of good farmland ranged from $2,800 to $3,100 eighteen to 24 months ago.

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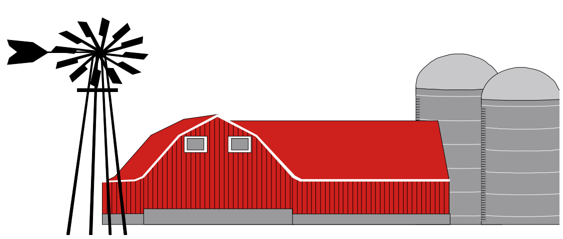


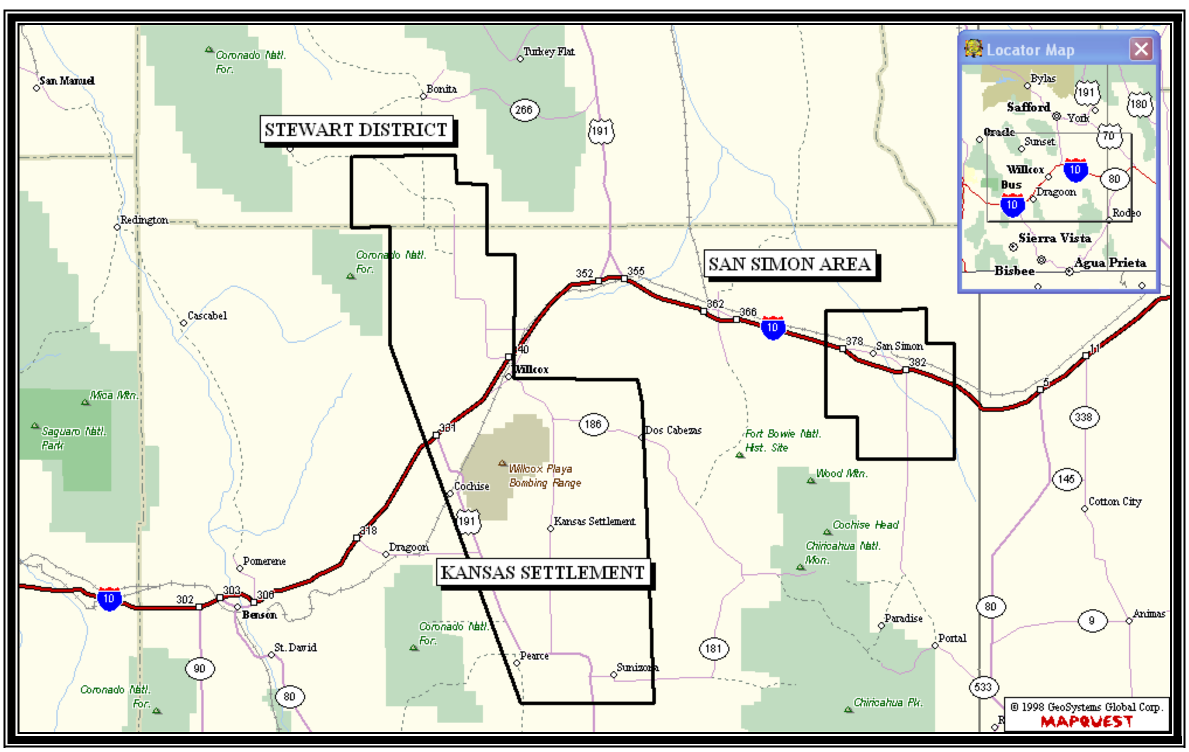
COCHISE COUNTY
CENTER PIVOT IRRIGATED LAND VALUES

PRICES AND RENTS PER WET ACRE

After a long stabilized market, prices started moving upward from about $1,100/wet acre in 2002 in Cochise County. Prices accelerated from about $1,400/wet acre in 2003 to more in 2004 with most sales activity in the area around Kansas Settlement south of Willcox and the Stewart District (including southern Graham County also) north of Willcox. However, 2005 found land values accelerating rapidly. Perhaps the ripple effect of the increasing land values in the Maricopa and Pinal counties areas found its way to Cochise County. Current prices are over $3,000/**total** acre in the Kansas Settlement area and over $2,200/**total** acre in the Stewart District. However, there are no quality farms selling in the Stewart District. There are several quality farms in the Stewart District that are reportedly offered for sale by the owners at over $3,000/acre.

Rents are moving upward by as much as $25 more per irrigated acre and averages are $100 to $125/wet acre presently. There are several alfalfa farm sales at $3,300/acre that required a seller leaseback of the farm for 5 years at $150/wet acre.

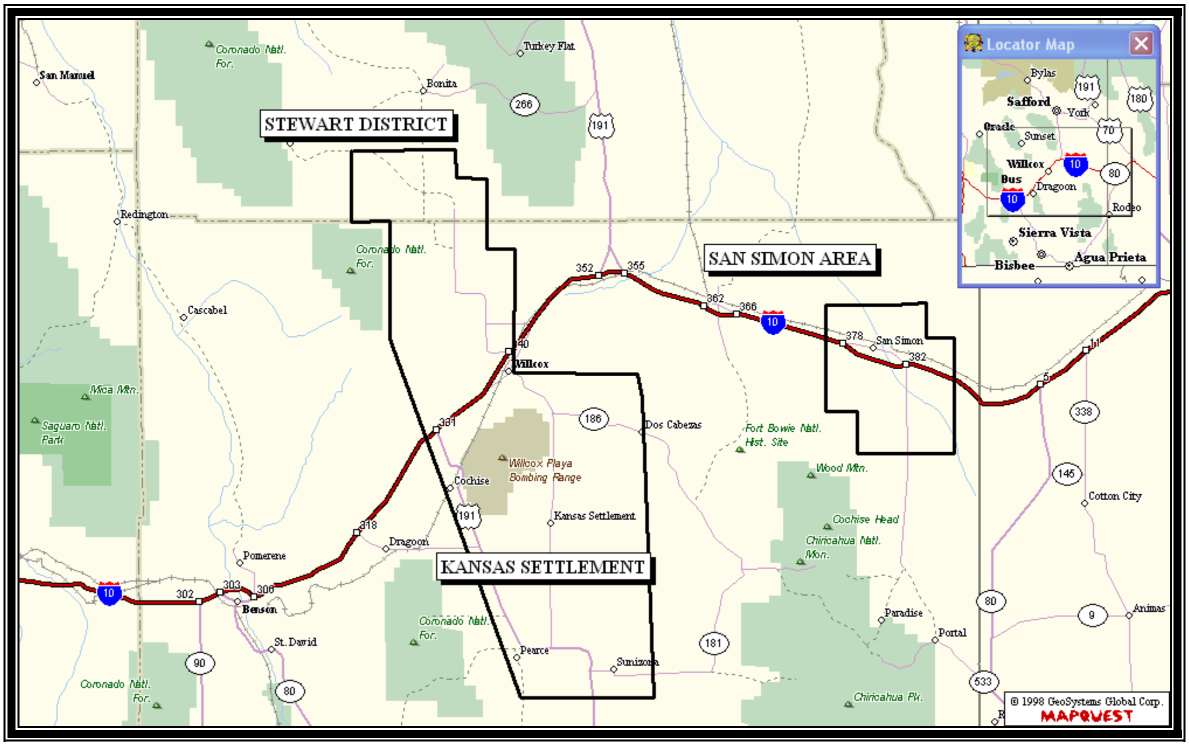
San Simon is waking up as one large purchaser purchased several of the area farms and other buyers entered the San Simon market. Prices varied with the individual farm being purchased, but the range was from about $1,700 to $2,300/total acre depending on condition and improvements. Rents are stable though at $75 -$100/wet acre.



COCHISE COUNTY
FLOOD IRRIGATED LAND VALUES

PRICES AND RENTS PER WET ACRE

There appears to be fewer and fewer flood irrigated land sales as more flood irrigated land is converted to center pivot irrigation. Most of this activity is in the San Simon and Elfrida areas. One large purchaser bought one 160 acre San Simon farm at $750/total acre but it needed well repairs and another sale was for $1,200/acre for an 80 acre productive farm adjoining the buyer's farm. The area north of Willcox in the Stewart District has seen old apple orchard land selling for $1,000 plus per acre and the purchaser converts it to center pivot irrigation. One larger purchaser has purchased several old farms that have not been farmed in years for more than $1,000/acre. Rents are stable at $75/acre in San Simon area for flood irrigated land. There has quite a bit of new sales activity on flood irrigated land in the area between Elfrida and Sunizona in the southern portion of the Sulphur Springs Valley in Cochise County. Prices have jumped to $525 to $1,375/**total** acre on abandoned and idle farms along the U. S. Highway 191 corridor. One property was purchased at $1,563/acre in May and is in escrow for $3,000/acre and it has no well equipment. There is little to no sales activity from Elfrida south. Rents are scarce and vary from $35 to $75/acre.



COCHISE COUNTY
FLOOD IRRIGATED LAND VALUES

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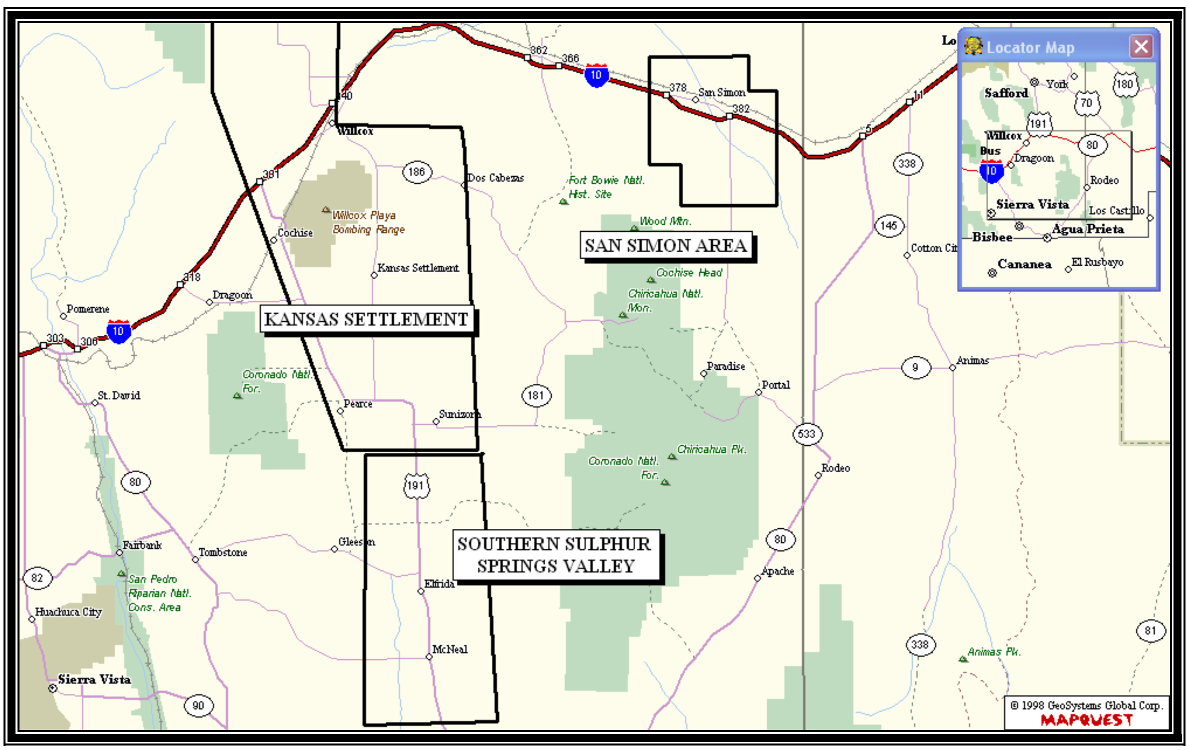

OTHER COCHISE COUNTY AREAS LAND VALUES

Speculation and investment opportunities have driven range land and smaller tracts suitable for residential development up. Land around Pearce and Sunsites has escalated in value from about $1,000/acre in 2004 to over $5,000/acre along the U.S. 191 corridor. Many sales started around the first of 2005 at $1,000/acre, resold for $3,000 or more per acre, and are offered for sale or are in escrow at around $5,000/acre.

Benson is seeing a rush for larger tracts of patented land that can be developed to housing. Several sales of 40 acre and larger tracts that are prime for residential development have sold at prices from $18,000 to $25,000/acre. Speculation on irrigated land along the San Pedro River is rampart and land prices are increasing. This may be due to the fact that there is a large aquifer in the lower San Pedro River Valley that a recent study stated could provide water to some of the water short Sierra Vista areas. Land prices were in the $4000 to $5000/acre range in late 2004. Now those same tracts are selling from $6,000 to $11,000/acre. As Tucson uses up the remaining fee land around it for housing, there are more persons willing to purchase a home and some acreage near Benson and make the 35+/- mile commute to work. The Benson area is becoming a bedroom community to Tucson and demand for the limited amount of fee land in and around Benson continues to increase driving up land prices.

Sierra Vista, the largest city in Cochise County has experienced a population explosion. Housing is in demand and new construction cannot keep up with demand. Several subdivisions advertised a date that lots would be offered for sale and sold out in the first two hours of the first morning. Another subdivision took lottery applications and held a drawing for the available lots. They had over four and one-half applicants for each lot available. The most recent land sale price was $27,000/acre on a 640 acre tract. Water and available fee land are the restricting factors in the Sierra Vista area.

Portal continues to be the undiscovered diamond of Cochise County and land prices are stable at $50,000 to $100,000/acre along the scenic areas adjoining the national forest. There is such limited land, so many potential buyers, and so few sellers that a seller can pretty well ask any price and get it. Some of the land away from the scenic area is up to $10,000/acre also simply due to high demand and little supply.

GILA RIVER VALLEY
GRAHAM COUNTY
FLOOD IRRIGATED LAND VALUES
PRICES AND RENTS PER WET ACRE

There were no new sales to report for 2004. However, this all changed in the last half of 2005 as the ripple effect of the land price increases of the Maricopa and Pinal Counties areas crept into the Gila River Valley. Prices increased to over $3,000/acre for land out of the flood zone and $2,100 on flood prone farmland. Some sales of rangeland are reported at over cropland prices and most of these are for development. Rents remained constant at $100 to $150/ flood irrigated acre in the Lower Gila River Valley. There is no arms length sales activity in Greenlee County in the Upper Gila River Valley. There are not enough arms length rents to obtain a rent range.

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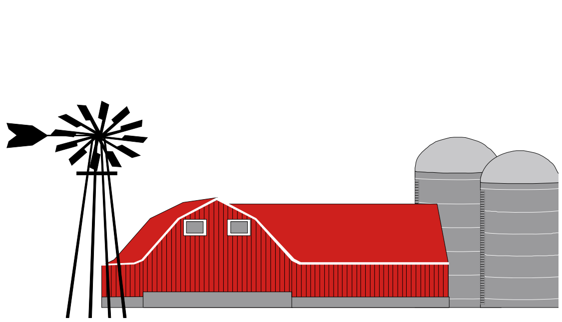
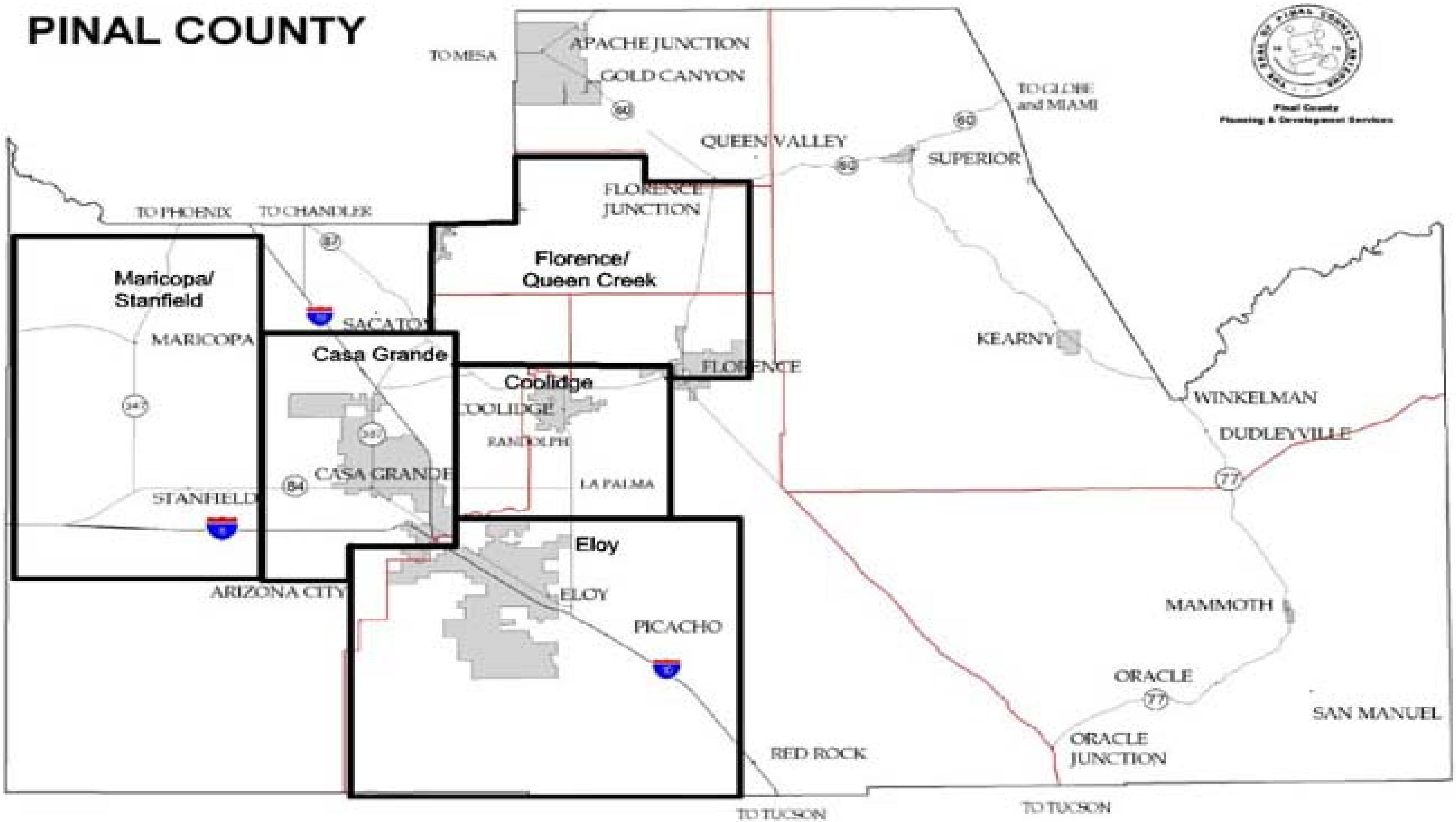


PINAL COUNTY



PINAL COUNTY

WATER COST AND RENTAL RATES BY IRRIGATION DISTRICT

IRRIGATION DISTRICT	2002	2003	2004	2005/06
NEW MAGMA				
Irrigable Acres - 26,900				
Water Assessment	$24	$26	$17.25	$19.39
Water Cost	$32.50	$34.00	$32.00	$31.50
Rental Rates	$85-100	$85-$100	$85-$100	Unchanged
San Carlos				
Irrigable Acres - 45,000				
Water Assessment	$46 (.35-.5 AC. FT.)	$51(.35 AC. FT.)	$51(.6AC. FT.)	$51 (1.0 Ac. FT.)
Water Cost	(C.A.P. -$63)	(C.A.P. -$52)	(C.A.P. -$52) (2005 $40 - $52)	
Rental Rates	$80-$100	N/A Water Shortage	N/A Water Shortage	$75-$100
Hohokam District				
Irrigable Acres - 26,000				
Water Assessment	$25	$25	$25	$25
Water Cost	$27	$32	$25(1AC. FT.) $40($25 + $15 Surcharge)	$34
Rental Rates	$75-$90	$75-$90	$75-$90	Unchanged
Maricopa Stanfield District				
Irrigable Acres - 87,127				
Water Assessment	$26	$26	$26	$26
Water Cost	$34	$35	$41	$41
Rental Rates	$75-$100	$75-$100	$100±	Unchanged
Central Arizona District				
Irrigable Acres - 82,500				
Water Assessment	$21.10	$22.10	$22.10	$25.00
Water Cost	$34.50	$34.50	$42	$43
Rental Rates	$65-100	$65-$100	$100±	Unchanged

PINAL COUNTY

HISTORICAL

LAND VALUES BY LOCATION

IRRIGATION DISTRICT	2002	2003	2004
NEW MAGMA			
Location			
Queen Creek	$12,000- $20,000	$30,000+	$30,000- $35,000
Florence/Coolidge	$5,000- $12,500	$10,000- $15,000	$10,000- 25,000
San Carlos			
Location			
Florence/Coolidge	$3,000- $5,000	$5,000- $8,000	$6,000- $20,000
Coolidge/Casa Grande	$3,000- $10,000	$10,000- $15,000	$6,000- $20,000
SW Casa Grande	$3,000- $10,000	$5,000- $10,000	$8,000- $18,000
Hohokam District			
Location			
Coolidge/Casa Grande	$3,000- $5,000	$5,000- $8,000	$6,000- $20,000
Maricopa Stanfield District			
Location			
Maricopa	$5,000- $12,500	$20,000+	$20,000- $30,000
Stanfield	$2,700- $5,000	$3,000- $10,000	$5,000- $20,000
Central Arizona District			
Location			
Eloy (Close to I-10)	$3,000- $5,000	$5,000+	$5,000- $12,000
South of I-10	$1,500- $2000	$1,500- $2,500	$2,000- $6,000

2005 PINAL COUNTY
LAND VALUE SURVEY
BY LOCATION

Queen Creek/Florence[1]

- 40 Sales reviewed
- Sales ranged from approximately $15,000 per acre to $150,000 per acre with a mean of $51,600.
- Significant appreciation with average price per acre in 2005 more than doubles the average in 2004.
- Location is a significant factor with Sales closer to Queen Creek and current development at the upper end of the range.
- Zoning and infrastructure are also important factors.

Coolidge[1]

- 42 Sales reviewed.
- Sales generally ranged from $10,000 per acre to $50,000 per acre with a mean of $21,919, However there was an unconfirmed sale at over $100,000 per acre and a commercial parcel on Highway 287 reported at $89,000 per acre.
- Significant appreciation with average price per acre in 2005 more than doubles the average in 2004.
- Location is a significant factor with Sales west and north of Coolidge at the upper end of the range and sales at the southern end of the area at the lower end of the range.
- Several large master planned communities are currently in development.

Eloy[1]

- 81 Sales reviewed.
- Sales ranged from approximately $2,000 per acre to $45,000 per acre with a mean of $12,663.
- The Sales at the bottom of the range were early in the year in the far southern portion of the area.
- The Sale at $45,000 per acre was a subdivided site north of the Freeway.
- The majority of the Sales ranged from $7,000 to $25,000 per acre.
- Significant appreciation with average price per acre in 2005 more than doubles the average in 2004.
- Location is a significant factor with Sales north of I-10 at the upper end and sales at the southern end of the area at the lower end of the range.
- This area is driven primarily by speculation and investment.

Casa Grande[1]

- 92 Sales reviewed
- Sales ranged from approximately $6,000 per acre to $130,000 per acre with a mean of $23,669.
- Significant appreciation with average price per acre in 2005 more than doubles the average in 2004.
- Location is a significant factor with Sales closer to Casa Grande and current development at the upper end of the range.
- The Sales at the bottom of the range were generally desert sales south of I-8.
- Zoning and infrastructure are also important factors.

Maricopa/Stanfield[1]

- 50 Sales reviewed
- Sales ranged from approximately $6,500 per acre to $297,000 per acre with a mean of $43,992.
- The Sales generally ranged from $10,000 to $100,000 per acre.
- The Sales above $100,000 per acre were typically sales located within master planned communities.
- Significant appreciation with average price per acre in 2005 nearly tripling the average in 2004.
- Location is a significant factor with Sales close to Maricopa and development at the top of the range.
- Zoning and infrastructure are also important factors.

[1]General Survey of vacant land Sales 40 acres or larger with a Sales Price over $500,000

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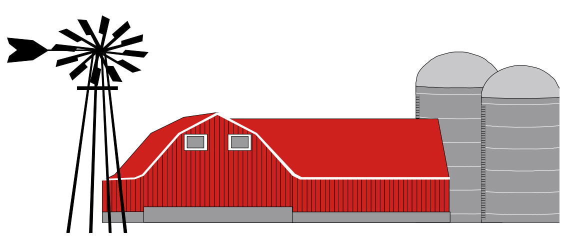


YUMA AREA AGRICULTURE

Yuma County is located in the southwestern portion of the State of Arizona along the Colorado and Gila Rivers. The nation of Mexico borders Yuma County on the south. California lies across the Colorado River to the west. Yuma County encompasses some 5,509 square miles and accounts for about 4.85% of the state's land mass. Within the county, about 8.5% of the land area is in private ownership.

Population of Yuma County totaled 181,470 people in 2004, per Arizona Department of Commerce. The U.S. Census noted that Yuma County, which grew by some 4.1% yearly between 1990 and 2000, was the third fastest growing metropolitan area in the United States.

Agriculture is an integral part of the history of Yuma County. Prior to European exploration, Native Americans raised melons, gourds and grain in the flood plains of the Colorado and Gila Rivers. Traditional farming has been in region since the 1860's, diverting water from both rivers. Today, there are approximately 200,000 acres of irrigated land around Yuma, most of it in seven irrigation districts, all of which rely on Colorado River water delivered through facilities developed by the U.S. Bureau of Reclamation. Location of these irrigated areas is shown on the Yuma Area Projects Map later in the report. The districts are listed below, together with current operation & maintenance fees for irrigation water.

District Name	Size in Irrigable Acres	Operation & Maintenance Fees.
Yuma Project		
Valley Division	50,000	$67.00, includes first 5 acre feet.
Reservation Division	15,000	$63.50, includes first 5 acre feet
Unit 'B'	3,300	$133.68, includes first 10 acre feet
Gila Project		
North Gila Valley	6,000	$32, includes first 5 acre feet
South Gila Valley	12,000	$30, includes first 5 acre feet
Wellton Mohawk	60,000	$64, includes first four acre feet
Yuma Mesa	19,200	$50., includes first 9 acre feet
Total Acreage	165,500	

Yuma County is generally ranked in the top 20 counties nationally in terms of gross agricultural income. Important winter vegetable crops include lettuce, salad greens, cauliflower, broccoli, celery, carrots, and melons in the spring. Field crops include cotton, alfalfa, bermuda, wheat and other grains. Much of Arizona's citrus is produced in Yuma County, some 13,300 acres.

The area has a 12-month growing season, adequate irrigation water at a reasonable cost, and good soil quality. Most of the district farmland is multi-cropped. There is a strong demand for farmland suitable for production of winter vegetables in the valleys. Despite urban encroachment, there remains some demand for irrigated farmland on the Yuma Mesa, which is suitable for citrus; especially lemons, alfalfa, green onions, and vegetable seed crops.

Gross income from agriculture in Yuma County is often the highest in Arizona, depending on prices received. In 2004 the gross income generated by field crops, vegetables and citrus totaled nearly $824 million. Gross income from livestock in 2004 was around $135 million.

Listed below is the contribution in Gross Income to the local economy by general crop types and livestock, as compiled by the Yuma County office of Cooperative Extension.

Crop Type	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Field	$80,788,827	$87,238,261	$70,083,047	$83,037,583	$94,128,964	$83,434,092
Vegetables	$406,077,056	$469,913,600	$606,816,998	$1,074,536,705	$452,274,510	$710,260,860
Tree & Vine	$69,931,741	$51,868,037	$32,103,968	$48,673,344	$44,997,116	$29,038,356
Livestock	$71,883,680	$80,000,000	$82,400,000	$79,196,000	$99,932,774	$134,545,000
Totals	$628,681,304	$689,019,898	$791,404,013	$1,285,443,632	$691,333,364	$957,278,308

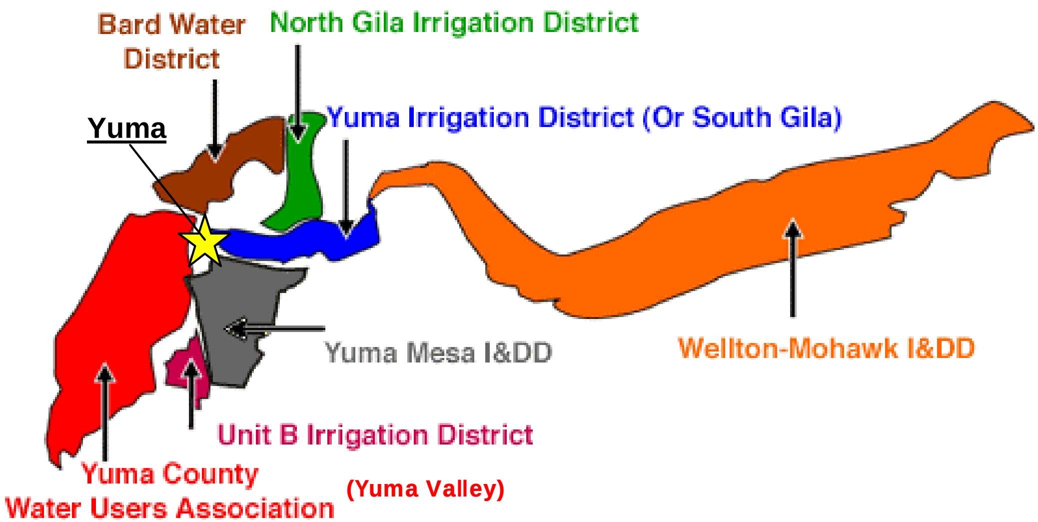
Data compiled by USBR suggests that the Bard Valley, California is estimated to have contributed an additional $60,000,000 gross income that is not included in the statistics compiled by Cooperative Extension.

Gross revenues from field crops, citrus, and livestock have remained generally stable for several years. A substantial portion of our agricultural economy is based on winter vegetables, and this crop type has experienced some increase in revenues. 87,600 acres of lettuce, cauliflower, broccoli and other winter vegetables were produced in 2003. Almost 6,000 acres of cantaloupe, watermelons and honeydews were planted that spring. Most of the lettuce and a significant amount of other winter vegetables consumed in the United States are produced in Yuma County. One source estimated that about 120,000,000 vegetable boxes were produced in the 2002 season, a very profitable year as the above table shows. There are about 26 vegetable cooling facilities in the area; most of the newer facilities include salad mix plants. Package cost to develop such a facility can exceed $100 per square foot.

A specialty crop in the Bard, California area is Medjool dates. Bard Water District reports there are approximately 1,770 acres planted to dates, but this figure may be high, as it also is profitable to growers to sell mature date trees for landscaping. Still, this is the largest producing acreage for medjool dates in the United States. Per the Office of Imperial County Agricultural Commissioner, gross value of date production totaled some $17,410,000 in 2004, based on only 633 harvested acres. Competition for farmland in the Bard area for winter produce, dates and citrus contributes to strong appreciation in price paid for land. Several hundred acres of Medjool dates have also been planted on the South Yuma Mesa outside irrigation project boundaries, irrigated from deep wells under drip irrigation. This acreage is now coming into production.

A major market for alfalfa and wheat is the McElhaney Cattle Company feedlot at Wellton, which can feed over 100,000 head of cattle at one time. Cattle are being shipped each week to a new meat packing plant in Brawley, California, which the McElhaney Co. co-owns.

Irrigated land prices and annual cash rentals in the valleys vary because of location. Sales suggest there has been a marked increase in price paid in the past year. The highest land values have been in the upper part of the Yuma Valley, the North and South Gila Valleys east of Yuma, the western part of the Wellton-Mohawk District known as the Dome Valley, and in the Bard Valley, across the river in California.



Values & Rent Rates for Irrigated Farmland in Yuma County

Location	Value Per Acre	Sale Price Activity / Trends	Annual Cash Rents	Rent Rates Activity / Trends
Upper Yuma Valley	$20,000 - $26,500	Limited / Upward	$600 - $800	Active / Moderate increase
Lower Yuma Valley	$17,000 - $21,000	Limited / Upward	$550 - $700	Active / Moderate increase
North & South Gila Valleys	$17,000 - $25,000	Limited / Upward	$600 - $800	Active / Moderate increase
Yuma Mesa Districts	$12,000 - $14,000	Limited / Moderate	$150 - $200	Limited / Moderate increase
Wellton-Mohawk Irrigation District				
Dome Valley	$15,000 - $22,000	Active / Upward	$500 - $725	Active / Moderate increase
Wellton area	$11,000 - $18,000	Active / Upward	$350 - $525	Active / Moderate increase
Roll area	$9,000 - $12,000	Active / Upward	$250 - $450	Active / Moderate increase
Texas Hill	$7,000 - $10,000	Active / Upward	$250 - $375	Active / Moderate increase
Wellton Mesa	$5,000 - $12,000	Active / Upward	$175 - $225	Limited / Stable
Bard Valley, CA.				
Irrigated Farmland	$16,000 - $22,000	Limited / Upward	$550 - $750	Active / Moderate increase
Medjool Dates	$30,000 - $55,000	Limited / Upward	$.40 - $.50/lb	Active / Stable

<u>CITRUS</u>

CITRUS OUTLOOK '05 – '06

Several sales of citrus groves have occurred this past year in the Yuma Area (Phoenix area beyond citrus values). A lot of "development potential" exists with the sales and the prices being paid. A maximum of around $15,000 per acre is probably justified for prime lemons. Some activity as high as $18,000 per acre has been experienced for lemons but may include a slight premium for its development potential. Sales above this level include a premium for the development potential. **Commodity prices were about the same as last year for lemons but the yields were up for most lemon groves this year.** In talking with one area packing house most growers will probably receive a return from $3 to $4 per F.B. picked- a lot of the yields running from 600 to 700 F.B. per acre on the better groves of lemons. Most growers covered their operating expenses and returned something to the "land" for lemons. It should be noted, the early "window of opportunity" traditionally occurring in late August or early September for extremely high lemon prices in Yuma has been significantly reduced. Mexico and Chile have started to ship a lot of fruit into the United States with the effect of removing some or most of the premium for early fruit. Argentine is still not shipping into the U.S. market because of disease problems which helps the U.S. market. Some packing houses report difficulties in shipping all of their lemons because of global supplies.

Minneola prices are good with it being an "on year" for production (alternate bearing crop, one year on, one year off). Most growers should experience a $5 to $8 return per F.B. in talking with an area packing house. Grapefruit is doing very well with Florida basically out of the market this year due to the hurricanes. Arizona does not have a lot of grapefruit. Oranges are also doing well this year with Florida out of the market. Arizona does not have a lot of oranges but California does and is reaping the benefit.

Since the mid 1990's a significant amount of acreage has been removed in District III (desert- Yuma, Phoenix, & Coachella Valley), partly because of disease but also because of aging groves and urbanization. **"Macrophylla Decline"** and **"Coniopohera"** are being named as the cause of accelerating the decline in older lemons. Macrophylla Decline is described as an incompatibility between Macrophylla rootstock and the bud- particularly Frost New Cellar (Frost New Cellar budded to the rootstock/Macrophylla). Other varieties of lemons do not seem to have experienced the "decline" (tree declines at say 27 yrs of age while others go to say 35 years). Coniopohera is a wind-borne disease. In actuality, two new strains of the disease have been found, **Antrodia** and the other too new to have a name. This wind-borne (may also be transmitted via mechanical tree trimmers) disease affects the limbs of the trees causing premature limb breakage. If caught in time, Coniopohera can be minimized- cut limbs with chain saw. Macrophylla rootstock is still being planted because of its early fruit and high yields. Rough lemon rootstock produces a lower yield but lasts a lot longer. Two varieties of lemons exist, Lisbon and Eureka.

Pricing Summary:

Yuma Mesa	Value Per Acre	Activity Trend	Rent Range	Activity Trend
Young Groves 1-5 Yrs.	$7,000 - $8,000	Limited/Stable	Seldom Rented	Stable
Mid-life 6-15 Yrs.	$7,500 - $18,000*	Limited/Stable	Seldom Rented	Stable
Late-life 16-30 Yrs.	$5,500 - $8,500	Moderate/Stable	Seldom Rented	Stable

Yuma Mesa Irrigation and Drainage District, $60.00 acre for nine acre feet, additional $6.00/acre foot.
Unit B, $125 for 10 acre feet, additional $13/acre foot.
**Prices as high as $25,000 per acre have been observed, but are closer in to Yuma and have a lot of development potential.*

Bard, California	Value Per Acre	Activity Trend	Rent Range	Activity Trend
Young Groves 1-5 Yrs.	$8,000 - $10,000	Limited/Stable	Seldom Rented	Stable
Mid-life 6-15 Yrs.	$8,000 - $15,000	Limited/Stable	Seldom Rented	Stable
Late-life 16-30 Yrs.	$8,000 - $8,500	Limited/Stable	Seldom Rented	Stable

Bard Water District, $45.00, 5 or 8 ac ft depending on soils-loam or sandy, additional $10.50/acre foot
Note: Most older groves are not being replanted with citrus in the Bard area - going to vegetables.

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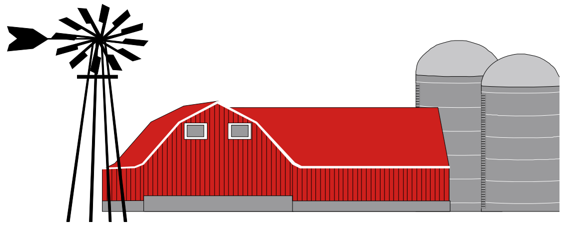

AGRICULTURAL LAND VALUE AND RENTAL RATE TRENDS MARICOPA COUNTY, ARIZONA

General Real Estate Market Comments:

Per published reports, a total of 62,000 housing permits were issued in 2005, an all time record for the Phoenix Metro Area, (the area includes portions of Maricopa and Pinal Counties), and up slightly from 2004's 60,872 permits. Since many, (but not all), of these new subdivisions are built on farmland or dairy sites, there continues to be a large amount of IRC 1031 Exchange funds available to Farmers and Dairymen for re-investment into the more rural farmland areas of the County, or into other areas of the state, or in some cases, in other states.

The rural - farmland areas of the County experienced an a stable to increasing amount of sales activity in 2005, as compared to the prior year, and prices were up strongly from a year earlier. Prices appear to have increased 25 to 50%. The primary purchasers of farmland in the non-metro areas are developers or short term investors acquiring close-in metro fringe parcels; long term investors and developers taking that one step further out of the metro area looking for cheaper land for the next cycle of development; or farmers, long term investors or dairymen purchasing in the more remote rural areas of the County.

As we have seen for the last 8 years, Internal Revenue Code 1031 funds have been a significant source of cash for land acquisitions, both for investors, land developers and agricultural producers. Some farmers are relocating out of the county to other areas of the state, and some are relocating their farming operations out of state. It is hard to find reasonably priced replacement farmland in Maricopa County, and prices are increasing even in the more remote rural areas.

Farmland sales activity for 2006 will probably continue the price trends observed in 2004 and 2005, but early 2006 trends appear to indicate a slight slowing of sales activity. Keep in mind that we are not creating any new farmland, so as we build on the existing farmland, competition for the remainder has kept prices relatively strong.

As we start 2006, cotton and small grain prices are reasonably close to the same price patterns as in early 2005, and these prices are still relatively low. Hay prices are stronger than a year ago, and the demand for hay for dairy, feedlot and horse uses is still strong. Milk prices have been strong for the last twelve months, and are expected to remain strong into mid-2006.

2005 and early 2006 saw a flat to increasing trend in cash farmland rental rates in Maricopa County, and the increasing trend in rental rates is stronger than what has been noted in the last few years. While most of our irrigation districts will have similar water supplies available this year as compared to last year, due to the absorption of cropland for development, rents have shown some increases as tenant farmers compete for the smaller supply of available farmland. Due to the increase in energy prices, pumping costs for district wells or on-farm wells is on the increase.

The following table provides a general or typical farmland sale price and rental rate range and trend for 2004 and early 2005, in the major irrigation districts or farming areas of Maricopa County, as well as current water and assessment charges:

Irrigation District	Water Source/Cost	Sale Price per Acre	Sale Price Activity/Trend	Rent Range per Acre	Rental Activity/Trend
Salt River Project	Surface $11.50/AF Pumped $38.50/AF Spillway – N/A $23/ac. Asses	$75,000 to $250,000+ (Demand for development)	Strong/Up (Non-Ag Influence) Water costs are up.	$150 to $250, Higher end of range indicates use for specialty crops	All Rented /Stable to increasing.
Buckeye I.D. (Southwest Valley Metro Fringe Area)	Surface/Effluent Winter: $9/AF Summer: $13/AF Farm Asses: $2/ac	$10,000 to $115,000+ (Demand for development)	Strong/ Increasing. (Non-Ag Influence)	$175 to $250	All Rented/ Increasing Trend.
Roosevelt I.D. (West Valley Metro Fringe Area)	Pump and Surface $35/AF $15/ac. Assess. Wells: $20-$30/AF	$45,000 to $100,000+ (Demand for development)	Strong/ Increasing (Non-Ag Influence) Water costs are up.	$100 to $175	Stable/Stable to increasing within the range.
Roosevelt W.C.D. (Southeast Valley Metro Fringe Area)	Pump and Surface $27.50/AF Wells: $25-$40/AF $72/ac. Assess.	$100,000 to $250,000+ (Demand for development)	Strong/Up (Non-Ag influence) Water costs are up.	$150 to $200+	All Rented/ Stable to increasing within the range.
Harquahala Valley I.D. (Non Metro Area 65 miles west of Phoenix)	Pump and excess C.A.P. CAP: $36/AF Wells: $25 -$50 $10.25/ac. Assess.	$6,000 to $15,000 (Invest/Spec. Demand)	Static/Increasing prices. (Investor activity is increasing.)	$50 to $150 Varying w/water supplies $65 to $75 is typical.	Stable/Increasing, especially for those farms with adequate well water supplies.
Queen Creek I.D. (SE Valley Metro Fringe Area)	Pump and C.A.P. CAP: $32/AF. Wells: $40 - $60/AF $0/ac. Assess.	$45,000 to $100,000 (Demand for development)	Strong/Up (Suburban – Non-Ag influence)	$60 to $125	Stable/Increasing.
Maricopa Water District (NW Valley Area)	Surface & Pump $28/AF Wells: $35 - $60/AF $0/AC Assess.	$30,000+ w/in Noise Zones; $65,000 to $120,000 out. (Demand for development)	Strong/Up (Suburban Non-Ag influence)	$60 to $125	Stable/Stable
Tonopah I.D. (40 miles west of Phoenix)	Surface & Pump CAP: $29/AF Wells: $30 - $50/AF $1/AC	$12,000 to $25,000+ (Invest/Spec. Demand)	Strong/Up (Suburban Non-Ag influence)	$50 to $100	Stable/Stable
Desert Pump Farms (Non-District, rural – Buckeye to Hyder)	Pump (Shallow to Deep Lift) $10 to $65/AF No Assess.	$1,500 to $20,000 (Varying w/ water costs, supplies & location.)	Strong/Up Investor demand has increased, activity is up.	$35 to $150 Varying w/Gov. payments and water cost, $75 to $125 is typical	Stable/Stable to increasing within the range.
Paloma Irrigation & Drainage District (West of Gila Bend)	Surface Diversions & Pump $26 Now, to increase to $28±/AF Assess. @ $9±/ac.	$6,000 to $15,000 (Invest/Spec. Demand)	Stable/Up. Water costs will increase in 2006.	$25 to $100 Typical is $60 to $85/ac.	Stable/Increasing within the range.

Charles J. Havranek, *Headquarters West, Ltd.*, 602-258-1647

SALT RIVER VALLEY WATER USERS ASSN. (SRP) *MARICOPA COUNTY*

ASSESSMENT: $23/ACRE

WATER COSTS:

STORED/NORMAL FLOW $11.50/AF
DISTRICT PUMP WATER $38.50/AF
SUPPLEMENTAL WATER N/A IN 2006

SALE PRICE RANGE: $75,000-$250,000+/AC
RENTAL RANGE: $175 TO $250+/ACRE

TRENDS & ACTIVITY: ***The entire district is part of the Phoenix metro area, and land prices are based on urban/suburban land uses. Activity has been strong for 12 to 13 years, prices continue to trend upwards. Rents are stable to increasing. District farmland is fully occupied. Water availability in 2006 is projected to be equal to 2005. Water charges and assessments are up in 2006 versus 2005. Assessment payment is credited towards water purchases.***

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT (BID)
MARICOPA COUNTY

ASSESSMENT: ***$2/ACRE***

WATER COSTS: ***WINTER $9/AF***
SUMMER $13±/AF
SALE PRICE RANGE: $10,000-$115,000+/AC
RENTAL RANGE: $150 TO $250+/ACRE

TRENDS & ACTIVITY: ***Sales activity is above prior years; 2005 and early 2006 activity and prices are up, demand is strong for what little acreages are available. Sellers are asking prices in the range of $25,000 in the floodway for sand and gravel properties, to $80,000+ per acre, prices varying with floodplain issues and location in relation to utilities and existing development. District farmland is fully occupied. Water availability will be similar to 2005. Water costs are about equal to 2004 and 2005. Summer rate is an estimate only.***

ROOSEVELT IRRIGATION DISTRICT (RID) *MARICOPA COUNTY*

ASSESSMENT: ***$15/ACRE***

WATER COSTS:

DISTRICT: ***$35/AF***

ON FARM WELLS: ***$20 TO $30/AF***

SALE PRICE RANGE: $45,000-$100,000+/AC

RENTAL RANGE: $100 TO $175+/ACRE

TRENDS & ACTIVITY: The district is in the west Phoenix metro areas of Avondale, Buckeye and Goodyear, and land prices are based on urban/suburban land uses. Activity is very strong, developers, builders as well as investors are very active participants. Prices are up in 2005 and early 2006 over 2004. Rents are stable to increasing slightly within the range, District farmland is fully occupied. Water supplies should be adequate in 2006, and water costs are equal to 2005.

ROOSEVELT WATER CONSERVATION DISTRICT (RWCD)
MARICOPA COUNTY

ASSESSMENT: ***$72/ACRE***
WATER COSTS:
DISTRICT ***$27.50/AF***
ON FARM WELLS: ***$25 TO $40/AF***

SALE PRICE RANGE:$100,000-$250,000+/AC
RENTAL RANGE: $150 TO $200+/ACRE

TRENDS & ACTIVITY: ***The entire district is in the eastern segment of the Phoenix metro area, and land prices are based on urban/ suburban land uses. Activity is very strong, developers, builders as well as investors are very active participants. Activity has been strong in 2005 and into early 2006, prices are continuing to trend upwards. Rents are stable to increasing slightly within the range. District farmland is fully occupied. Water availability will be about equal to 2005. Water costs and assessments in 2006 are higher versus the 2005 year.***

HARQUAHALA VALLEY IRRIGATION DISTRICT (HVID)

MARICOPA COUNTY

ASSESSMENT: ***$10.25/ACRE***
WATER COSTS:
DISTRICT (CAP): ***$36/AF***
ON FARM WELLS: ***$25 - $50/AF***
SALE PRICE RANGE:$6,000-$15,000/AC
RENTAL RANGE: ***$50 TO $150/ACRE***

TRENDS & ACTIVITY: ***District is still outside of urban development influence, but water and land speculation has been very active in this district. Typical buyer is an investor/speculator. Activityand prices have increased in 2005 and early 2006. Rents are stable to increasing, but the higher end of the range represents farms with good well water supplies. CAP water availability will be equal to 2005. CAP allotment is only 1± AF per acre. On-farm wells are available on most farms to supplement district water sources, but not all farms have adequate water supplies for all tillable acres.***

QUEEN CREEK IRRIGATION DISTRICT
MARICOPA COUNTY

ASSESSMENT: ***$0/ACRE***

WATER COSTS:

DISTRICT (CAP) ***$32/AF***
ON FARM WELLS: ***$40 TO $60/AF***

SALE PRICE RANGE: $45,000-$100,000+/AC
RENTAL RANGE: $50 TO $100/ACRE

TRENDS & ACTIVITY: ***Both the Pinal and Maricopa County portions of the District are in urban/suburban influence. Activity is very strong, developers, builders as well as investors are very active participants. Prices have continued to increase in 2005 and into early 2006. Rents are relatively stable. District farmland is fully occupied. Water availability will be normal in 2006, water charges and assessments are the same as 2005.***

MARICOPA WATER DISTRICT
MARICOPA COUNTY

ASSESSMENT: ***$0/ACRE***

WATER COSTS:

DISTRICT ***$28/AF***

ON-FARM WELLS ***$35-$60/AF***

SALE PRICE RANGE: ***$30,000-$120,000/AC***

RENTAL RANGE: ***$60 TO $125+/ACRE***

TRENDS & ACTIVITY: ***District is in urban/ suburban influence of Surprise/Sun City Grand. Activity is very strong, developers, builders as well as investors are very active participants. Prices are continuing to trend upwards in 2005 and into early 2006. Prices at the lower end of the range are impacted by Luke Air Force Base noise/crash zones. Rents are stable to increasing, and vary with suitability for specialty crops. District farmland is fully occupied. Water supplies will be normal this year.***

TONOPAH IRRIGATION DISTRICT
MARICOPA COUNTY

ASSESSMENT: $1/ACRE

WATER COSTS:

DISTRICT (CAP)	***$29/AF***
ON-FARM WELLS	***$30-$50/AF***

SALE PRICE RANGE: $12,000-$25,000/AC
RENTAL RANGE: $50 TO $100+/ACRE

TRENDS & ACTIVITY: ***District is outside of near term urban/ suburban influence of Metro area, but investors and developer activity has heated up in 2005 and early 2006. Prices are continuing to trend upwards. Some current escrows are in the $25,000+ per acre range. Rents are relatively stable, and vary with developed well water supplies. District farmland is fully occupied. Water supplies will be normal this year.***

RURAL – PUMP FARMLAND
(NON-DISTRICT)
SOUTHWEST MARICOPA COUNTY AREAS

ASSESSMENT: ***N/A***
WATER COSTS: ***$10 -$65/AF***
SALE PRICE RANGE:
Gila Bend to Hyder areas: $1,500-$20,000/AC
Cotton Center to Gila Bend: $10,000-$20,000
Rainbow Valley area: ***$15,000 - $60,000***
RENTAL RANGE: ***$35 TO $150/ACRE***
TRENDS & ACTIVITY: ***Some of these farmland areas are outside of the sphere of urban influence, but the Rainbow Valley area is part of the Goodyear-Buckeye area. In the Rainbow Valley area developers, builders and investor/speculators are all very active. In the other areas, investors, speculators and farmers are active buyers. Sales activity has been strong in 2005 and into early 2006. The better farms are fully leased; the poor quality farms may have only portions leased. Quality of water and soils can vary greatly between the different areas.***

PALOMA IRRIGATION & DRAINAGE DISTRICT (PID) - GILA BEND AREA
MARICOPA COUNTY

ASSESSMENT (est.): $7.50 to $9/ACRE

WATER COSTS:
SURFACE OR PUMPED $26 - $28/AF
(District has not set 2006 rates at this time.)

SALE PRICE RANGE:$6,000-$15,000/AC
RENTAL RANGE: $25 to $100/acre. Primarily owner operated on the better ground.

TRENDS & ACTIVITY: This is the former Paloma Ranch. This area is outside of the sphere of urban influence. Sales activity starting in 2002 was minor, but prices are very strong by early 2006. The better farms are occupied; the poor quality farms may have only portions actively cropped. Water supplies should be adequate for 2006 and about equal to 2005. Electric utilities will increase water charges in 2006 over 2005.

Agricultural Land & Lease Value Survey

Speaker Biographies

RANCHES
Tom Rolston, ARA [Ganado Group, Inc.]

DAIRIES
Thomas Schorr, ARA [Farm Credit Services Southwest]

IMPERIAL VALLEY / BLYTHE, CA
Thomas Turner, ARA [Farm Credit Services Southwest]

SOUTHEAST ARIZONA
Mark Finley, ARA [Finley Appraisal Services]

PINAL COUNTY
Melvin Young, ARA [Aztec Agricultural Group, Inc.]

YUMA COUNTY
Bill Moody, Appraiser [Robert Moody Appraisers]

MARICOPA COUNTY
Charlie Havranek, Appraiser [Headquarters West, LTD]

QUALIFICATIONS OF TOM A. ROLSTON

QUALIFICATIONS AND LICENSES

Arizona Certified General Real Estate Appraiser - #30225
New Mexico General Certified Appraiser - #01835-G
Accredited Rural Appraiser (ARA) - #996
Arizona Real Estate Broker's License - #186070816
Arizona Mortgage Broker's License - #14302

EDUCATION

Bachelor of Science in Animal Science - Texas A&M University - 1974

TECHNICAL TRAINING

American Society of Farm Managers and Rural Appraisers
- Advanced Rural Appraisal Course
- Advanced Ranch Appraisal Course
- Advanced Farm Appraisal Course
- Report Writing Seminar
- Conservation Easements Seminar
- Eminent Domain Course
- Highest and Best Use Seminar
- Standards of Professional Appraisal Practice/Code of Ethics
- Rural Business Valuation
- Federal Land Exchanges and Acquisitions Course

Society of Real Estate Appraisers
- Basic Appraisal Course
- Income Property Appraisal Course

First Federal Savings and Loan Association
- Loan Officer Training Program

ORGANIZATIONS

American Society of Farm Managers and Rural Appraisers - Accredited Member
Arizona Chapter of American Society of Farm Managers and Rural Appraisers – Past President
Arizona Cattle Grower's Assoc. - Past Chairman Associate Membership Committee
Arizona National Livestock Show - Past President
Western Art Associates of the Phoenix Art Museum - President
Arizona Agricultural Protection Commission - Committee Member

EXPERIENCE

Ganado Group, Inc., Phoenix, Arizona
President, agricultural and rural real estate service company performing fee appraisals, mortgage brokerage, property management and real estate brokerage - Est. May 1994

Doane Western Company, Phoenix, Arizona
Vice President, having served as Fee Appraiser, Property Manager, Responsible Party for Mortgage Bankers License and Real Estate Broker - 1979 to May, 1994.

First Federal Savings and Loan, Phoenix, Arizona
Residential Loan Officer - 1978-1979

Simms Ranch, Scottsdale, Arizona
Asst. Mgr. of Arabian & Thoroughbred Stock Farm - 1976-1978

Early experience on family ranch near Rocksprings, Texas

PARTIAL LIST OF CLIENTS:

Metropolitan Life Insurance
Farm Service Agency
Coldwell Banker
Western Farm Credit Bank
Gene Autry
X-One Ranch
Bureau of Land Management
Bank One/Valley National Bank
Santa Fe Pacific Railroad Co.
Emerald Homes
Wells Fargo/First Interstate Bank
Crane Homes
Tal Wi Wi Farm
Maricopa Feedyard
U.S. Justice Department
Babbitt Ranches
The Nature Conservancy
The Stockmen's Bank
U.S. Senator Ted Stevens
Farm Credit Services Southwest
Cactus Quarter Horse Ranch
Texzona Cattle Feeders
Simms Arabians
Fort Rock Ranch
Arizona State Land Department
Southside Gin Company
Harris Trust
Pinto Valley Copper Corporation
Southern Idaho Production Credit Assoc.
Desert Hills Equestrian Center
Goswick Cattle Co.
MONY
Grazing Land Valuation Commission
Marley Cattle Company
Pinal Feeding Co.
Malpai Borderlands Group

PARTIAL LIST OF PROPERTIES SOLD:

Pautsell Ranch - Apache Co.
Escondido Ranch - Cochise Co.
Apache Maid Ranch - Coconino Co.
Winters Ranch - Gila Co.
Deer Creek Ranch - Graham Co.
Big Lue Ranch - Greenlee Co.
Crowder Weisser Ranch - La Paz Co.
Big Horn Ranch - Maricopa Co.
Windmill Ranch - Mohave Co.
Aja Ranch – Navajo Co.
U Circle Ranch - Pima Co.
Teacup Ranch - Pinal Co
Indian Rock Ranch - Yavapai Co.
Bodie Farm – Yuma Co.

THOMAS G. SCHORR, ARA

QUALIFICATIONS

Experience:

January 2001 to Present – Appraisal Program Manager - Farm Credit Services Southwest. Tempe, Arizona.

February 1992 to December 2000 - Senior Appraiser with Farm Credit Services Southwest, Tempe, Arizona.

August 1990 to January 1992 - Staff Review Appraiser with First Interstate Bank of Arizona.

January 1987 to July 1990 - Agricultural Real Estate Appraiser with Western Farm Credit Bank of Sacramento, Tempe, Arizona office.

July 1981 to January 1987 - Agricultural Real Estate Appraiser and Loan Officer with Federal Land Bank of Sacramento and Federal Land Bank Association of Arizona in Tempe, Arizona.

Certification:

Accredited Rural Appraiser (ARA) - Certificate #908 (11/1/91). from the American Society of Farm Managers and Rural Appraisers.

Arizona State Certified General Real Estate Appraiser #30-182.

WFCB of Sacramento Accredited #A-526.

Types of Assignments:

Review of both commercial and agricultural fee appraisals.

Writing appraisals which involve market value estimates of irrigated field crop farms, livestock ranches, feedlot dairy operations, urban fringe properties, rural residences, commercial and industrial properties.

These appraisals are performed primarily for new loan and collateral review purposes.

Previous loan officer responsibilities included primarily real estate mortgage loans on agricultural and residential-related properties.

Clients:

Farm Credit Services Southwest, Tempe, Arizona

Bank of America

Wells Fargo Bank-Phoenix

The Western Farm Credit Bank of Sacramento

Bank One, Arizona, NA

Qualifications
Of
Thomas K. Turner

Business Experience:

Credit Manager and Executive Vice President with Farm Credit Services from 1972 to 1990 in Colorado, New Mexico and California.

Real Estate Appraiser with Farm Credit Services Southwest, as primary assignment. July 1990 to Present

Types of Assignments:

Appraisal work has involved preparing market value estimates of western livestock ranches, agricultural facilities, permanent plantings, irrigated and dryland farms since 1972.

Representative Clients:

Appraisal work is primarily done for the Farm Credit System, with occasional work for other lending institutions and accounting firms.

Professional Memberships:

American Society of Farm Mangers and Rural Appraisers, Accredited Rural Appraiser, 1992

Education:

New Mexico State University, Las Cruces, New Mexico, graduated 1972, BS Agriculture.
New Mexico School of Banking, University of New Mexico, completed 1974
New Mexico Highlands University, Las Vegas, New Mexico, graduated 1978, MA Business

Professional training and education through cooperation of American Society of Farm Managers and Rural Appraisers and the Appraisal Institute.

Licenses:

California General Certified Appraiser, #AGO 11407, expires, 9/7/2005Arizona General Certified Appraiser, #31035, expires, 11/30/2006, all continuing education requirements are current.

Mark Finley

APPRAISAL EDUCATION

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

FUNDAMENTALS OF RURAL APPRAISAL 1987
PRINCIPALS OF RURAL APPRAISAL 1988
REPORT WRITING SEMINAR 1988
EMINENT DOMAIN SEMINAR 1988
ADVANCED RURAL APPRAISAL 1989
INCOME APPROACH SEMINAR 1990
STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE AND CODE OF ETHICS 1991
CERTIFICATION PREPARATION 1991
ADMINISTRATIVE APPRAISAL REVIEW 1992
INCOME CAPITALIZATION (LEVERAGED) 1994
HIGHEST AND BEST USE 1994
UPDATE TO USPAP 1994
RANCH APPRAISAL AND PERMANENT PLANTINGS SEMINARS 1996
RURAL BUSINESS VALUATION 2000
ADVANCED RESOURCE APPRAISAL 2001
ADVANCED SALES CONFORMATION AND ANALYSIS 2002

APPRAISAL INSTITUTE

BASIC INCOME CAPITALIZATION 1993
ATTACKING AND DEFENDING AN APPRAISAL IN LITIGATION 2000
CONDEMNATION APPRAISING: ADVANCED TOPICS AND APPLICATIONS 2003

OTHERS

USPAP UPDATE 2002 & 2004

CONTINUING EDUCATION

THE AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS CONDUCTS A MANDATORY PROGRAM OF CONTINUING EDUCATION. I AM CURRENT WITH THE REQUIREMENTS OF THAT PROGRAM.
THE ARIZONA BOARD OF APPRAISAL REQUIRES CONTINUING EDUCATION TO MAINTAIN APPRAISER CERTIFICATION. I AM CURRENT WITH THIS BOARD REQUIREMENT.

EDUCATION

NEW MEXICO STATE UNIVERSITY
BACHELOR OF SCIENCE OF AGRICULTURE-1965
MASTER OF SCIENCE OF AGRICULTURE-1967

PROFESSIONAL ORGANIZATIONS

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

ACCREDITATIONS

ACCREDITED RURAL APPRAISER-1990
REAL PROPERTY REVIEW APPRAISER-1993

COMMITTEES

CO-CHAIR ACCREDITATION COMMITTEE-3 YRS
MEMBER EDUCATION COMMITTEE-2YRS
MEMBER PROGRAM COMMITTEE-3YRS

CERTIFIED APPRAISAL INSTRUCTOR SINCE 1991
COURSE GURU (AUTHOR) FOR THE ASFMRA A-35 "ADVANCED APPRAISAL REVIEW" COURSE
ARIZONA SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS
PRESIDENT 1992-1994
VICE PRESIDENT 1990-1992
ARIZONA CERTIFIED GENERAL REAL ESTATE APPRAISER #30110
NEW MEXICO GENERAL CERTIFIED APPRAISER #02125-G
HUD APPROVED APPRAISER #30110
CO-AUTHOR OF "THE APPRAISAL OF RURAL PROPERTY"*

APPRAISAL EXPERIENCE

APPRAISALS COMPLETED ON HOMES, FARMS, RANCHES, VACANT LAND, DAIRY FACILITIES, POULTRY HOUSES, FORESTRY ENTERPRISES, STATE AND FEDERAL GRAZING LEASES, APARTMENTS, AND RURAL COMMERCIAL PROPERTIES IN NEWMEXICO, ARKANSAS, OREGON, IDAHO & ARIZONA

DESIGNATED APPRAISER FOR FARM SERVICE AGENCY AND ITS PREDECESSOR AGENCIES FROM 1971 TO 2002.

QUALIFIED AS EXPERT WITNESS IN TUCSON, AZ; PHOENIX, AZ; AND PORTLAND, OR. FEDERAL BANKRUPTCY COURTS

*** published 2002 by The American Society of Farm Managers and Rural Appraisers and The Appraisal Institute.***

APPRAISER QUALIFICATIONS OF MELVIN D. YOUNG, ARA

CERTIFICATIONS AND LICENSES

Accredited Rural Appraiser (A.R.A.) Certificate No. 633
Title authorized by American Society of Farm Managers & Rural Appraisers
Continuing Education Certificate, Current through December 31, 2007
Certified General Real Estate Appraiser - Certificate No. 30377
Authorized by the Board of Appraisal, State of Arizona
Arizona Real Estate Brokers License - License No. DB000545900

EDUCATION

Graduate	Kress High School, 1967
Bachelor's Degree, Animal Science	Texas A&M University, 1971
Master's Degree, Animal Science	Texas A&M University, 1974

Science Thesis: Rotational Crossbreeding as a System for Beef Production in the Gulf Coast of Texas

TECHNICAL TRAINING

American Society of Farm Managers and Rural Appraisers
- Advanced Ranch Appraisal Course - 1977
- Advanced Farm-Ranch Management Course - 1977
- Advanced Appraisal (A-30) - 1991
- Report Writing Seminar - 1989; Income Approach Seminar - 1990
- Uniform Standards of Professional Practice - 1991, (A12 Part II) 1995, & 1999
- Eminent Domain (A-25) - 1993
- ASFMRA Code of Ethics (A12 Part I) 1995 & 1999
- Ranch Appraisal Seminar 1996
- Attended Seminars on Conservation Easements, Lease Valuations, etc.
- Voluntary Program of Continuing Education Requirements met through 2007

West Texas State U. Graduate Course - Advanced Real Estate Appraisal 1980
Agricultural Research Services-U.S.D.A. - Personnel Management Training
Mineral Valuation Seminar - Conducted by Texas Real Estate Research Center
Savory Grazing Methods School - Albuquerque, New Mexico 1983
Arizona Mortgage Brokers License educational requirements completed - 1988
Arizona Appraisal Board USPAP Seminar

QUALIFICATION SHEET

William J. Moody

ROBERT J. MOODY, APPRAISERS
224 South Madison Avenue, Yuma, Arizona 85364
(928) 782 – 3141
Fax (928) 782 – 4232
rio_moody@yahoo.com

Experience Twenty-four years appraisal experience of agricultural properties in Arizona and Imperial County, California. Seventeen years experience appraising commercial and industrial properties in Yuma County, Arizona.

Assignments include appraisals used for bank financing, estate planning, estate settlement, asset management, dissolution of marriage and eminent domain. A list of references is available upon request.
Membership *American Society Farm Managers & Rural Appraisers*;
Candidate #2124, since June 1981 (National and Arizona Chapter).

Designation Certified General Real Estate Appraiser State of Arizona #30131
Certified General Real Estate Appraiser State of California AG 020319
Education Bachelor of Science Degree in Education, studying History and
Political Science at Northern Arizona University (August 1980)
Kofa High School, Yuma, Arizona (Class of 1975)

Civic Activities	Member, Historic District Review Commission, City of Yuma Deacon, First Presbyterian Church of Yuma Member, Yuma County 4-H BBQ Committee

Appraisal Courses and Seminars

AIREA 1A1, Real Estate Appraisal Principles (June 1980, San Diego)
AIREA 1A2, Basic Valuation Procedures (June 1982, San Diego)
AIREA 8-2, Residential Valuation (June 1980, San Diego)
ASFMRA Fundamentals of Rural Appraisal (June 1981, Fresno)
ASFMRA Advanced Ranch Appraisal (April 1983, Tucson)
ASFMRA Report Writing Seminar (April 1983, Tucson)
NMHAS Manufactured Housing Appraisal (October 1984, Costa Mesa)
ASFMRA Income Approach Seminar (February 1990, Phoenix)
ASFMRA A-12 Standards of Professional Practice (Feb 1991, Tempe) 20.5
hrs. ASFMRA Arizona Law (February 1991, Tempe) 1.5 hours
ASFMRA A-45, Certification Preparation (February 1991, Tempe) 22.5 hrs.

APPRAISAL INSTITUTE Standards of Professional Practice, Parts A and B (June 1991, San Diego) 27 hours
ASFMRA A-31, Administrative Review of Appraisals (May 1992, Tempe) 16 hours.
ASFMRA A-20, Principles of Rural Appraisal (September 1992,Denver) 44 hrs.
ASFMRA A-25, Eminent Domain (October 1993, Tempe) 20 hrs.
ASFMRA A-30, Advanced Rural Appraisal (October 1993, Tempe) 43.5 hrs.
ASFMRA A-29, Highest and Best Use (March 1994, Tempe) 15 hours
Arizona Board of Appraisal, USPAP and You (April 1996, Phoenix) 7 hours
Appraisal Institute 410 and 420, Standards of Professional Practice, Parts A and B (June 1996, San Diego) 27 hours.
ASFMRA, Permanent Plantings Seminar (Nov. 1996, Tempe) 8 hours
State and Federal Laws & Regulations, a California required seminar September 1998, San Diego) 4 hours.
ASFMRA A-12, Parts I & II, Code of Ethics & National USPAP (Aug. 1999, Tempe) 24 hours. ASFMRA Market Analysis in Contemporary Spreadsheets (Aug. 2001, Phoenix) 8 hours. ASFMRA Advanced Sales Confirmation & Analysis (Aug 2002, Phoenix) 8 hrs. Appraisal Institute, National USPAP Course (May 2003, Phoenix) 15 hours

CHARLES J. HAVRANEK **RESUME OF QUALIFICATIONS**

EDUCATION:

May, 1975 Arizona State University Tempe, Arizona
Bachelor of Science Degree
Major: Crop Production Management
Minor: Horticulture

EXPERIENCE:

1/91 to Present

Headquarters West, Ltd. (602-258-1647) Phoenix, Arizona
FEE APPRAISER/REALTOR/CONSULTANT
Complete appraisals on a variety of agricultural properties, equipment, water rights and crops. Real Estate Sales of farm,
dairy, nursery and ranch properties in the State of Arizona. Brokerage of Water Rights and Nursery Stock.
Performance of consulting duties for Attorneys, Lenders, Trustees, Agricultural Producers and Nursery Operators. Permitted as an expert
witness on Agricultural Valuation and Finance before the U.S. Bankruptcy Court, Arizona District and various County Superior Courts.
Certified General Real Estate Appraiser, State of Arizona Certificate No. 30298.
Licensed Real Estate Salesman, State of Arizona License No. SA031379000

2/87 to 1/91

Doane Western Company Phoenix, Arizona
FEE APPRAISER/REALTOR/CONSULTANT
Complete appraisals on a variety of agricultural properties, equipment, water rights and crops. Real Estate Sales of farm, dairy, nursery and ranch properties in the State of Arizona. Brokerage of Water Rights and Nursery Stock. Performance of consulting duties for Attorneys, Lenders, Agricultural Producers and Nursery Operators. Permitted as an expert witness on Agricultural Valuation and Finance before the U.S. Bankruptcy Court, Arizona District and various County Superior Courts in Arizona.

11/84 to 2/87

USDA/Farmers Home Administration (NKA Farm Service Agency)
Phoenix State Office Phoenix, Arizona
FARMER PROGRAM SPECIALIST
Handled bankrupt and non-performing Farmer Program Loans. Referred to trustee or attorneys for liquidation or litigation. Coordinated handling of farm loan portfolio in bankruptcy with U.S. Attorney's Office, including court appearances. Acted as liaison with other lenders for FmHA's Guaranteed Farm Loan Programs including Approved Lender Program. Provided training and guidance to field staff on complex loan making and appraisals. Handled prior lien foreclosure cases, analyzed financial position and determined course of action to reduce losses or maximize returns. Completed complex appraisals as necessary. Routinely worked with Congressional Representative's Office Staff regarding complaints or inquiries. Reviewed loans for approval as well as post-closing review.

SPECIAL SKILLS & EXPERIENCE:

Loan Making: Single Family Residential . . . Ranch Real Estate . . . Farm Real Estate . . . Equipment . . . Livestock . . . Greenhouses/Nurseries . . . Operating Credit . . . Dairies . . . Poultry Houses.

Loan Servicing and Liquidation: Single Family Residential . . . Agricultural Properties . . . Chattels . . . Livestock . . . Crops . . . Inventories.

Appraisals: Ranch . . . Farm . . . Vacant Land . . . Greenhouses/Nurseries . . . Orchards . . . Poultry Houses . . . Grazing Leases (State, Federal and Railroad) . . . Agricultural Leases . . . Growing Crops . . . Inventory . . . Commercial Aqua Culture Enterprises . . . Cotton Gins . . . Dairies . . .Dairy Cattle . . .Water Rights.

Brokerage: Ranch . . . Farm . . . Vacant Land . . . Greenhouses/Nurseries . . . Orchards . . . Tree Farms . . . Agricultural Leases . . . Growing Inventory . . . Dairies . . . Dairy Cattle . . . Water Rights . . . Bulk Sales of Inventories.