

YUMA AREA AGRICULTURE

Mr William Moody

General Agricultural Market

- Agriculture is a major contributor to the economy of Yuma County, accounting for about 40% of our economic base. Winter vegetable production (various forms of lettuce, salad greens, broccoli, cauliflower, cabbage) is the major component of the agricultural industry, and so it is vegetables that drive the market in terms of price and rent paid for farmland. Strong market prices in Fall 2009 improved attitudes among growers, and there was cautious optimism throughout 2010. As such, acreage planted to vegetables in the current winter season remains about the same as the previous winter season, ending an annual policy of reduction in acreage planted to vegetables that was evident over the past three seasons. A period of profitable crop prices in Fall 2010, and in Winter 2011 has extended this optimism among vegetable growers.

General Agricultural Market

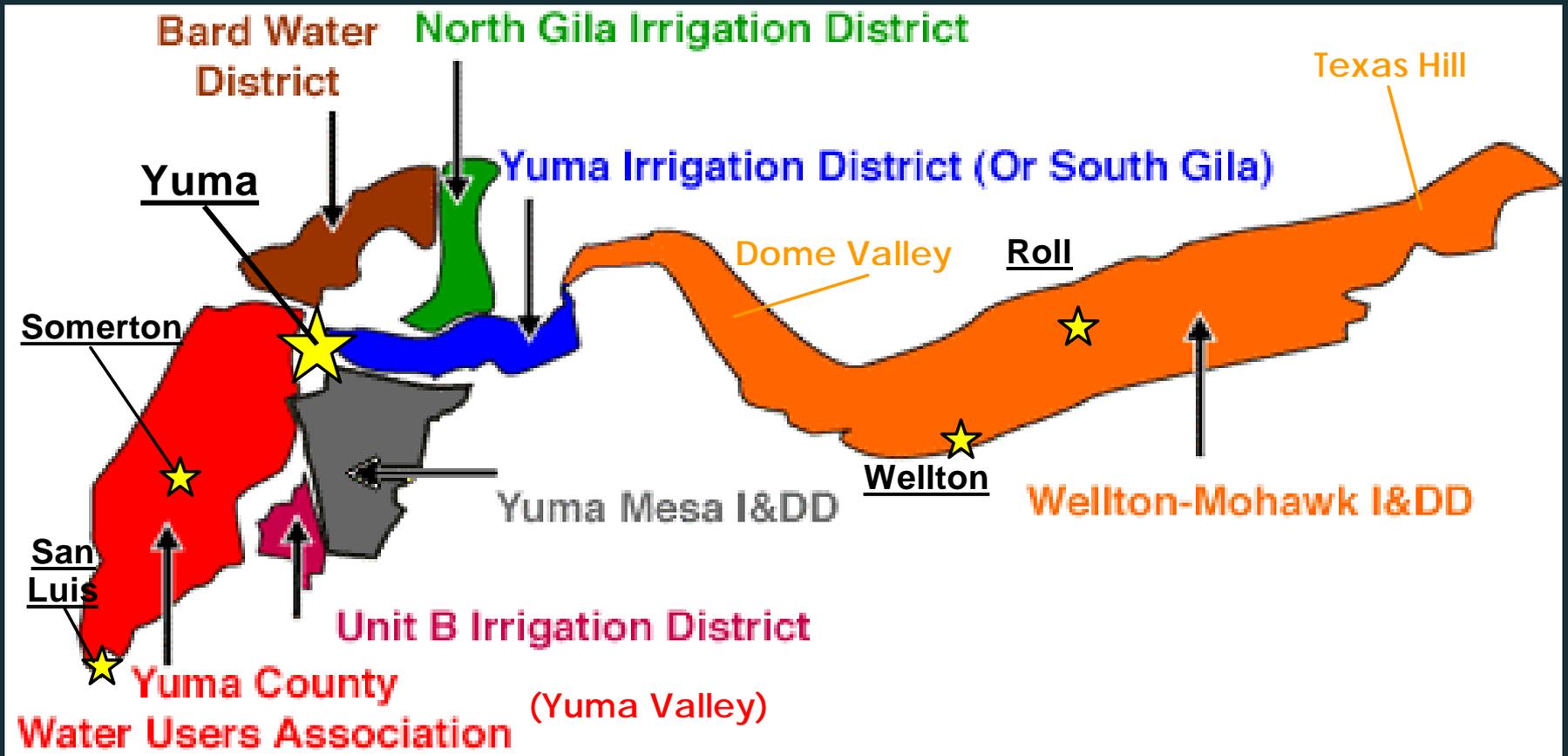
- Crop prices also improved for field crops, and in the past six months crop prices for cotton have been unusually high. Looking ahead, crop prices for wheat and cotton are expected to be profitable this year. Alfalfa prices are anticipated to remain profitable. Again, there exists an attitude of cautious optimism among farm operators, apparent in some increase in demand for farmland that has stabilized the market, whether for purchase or for lease. There were more farm sales in 2010 than the two previous years combined. Investor interest has returned to some extent, but in most cases farmland purchases involved a neighboring operator or the lessee. Buyers remain cautious, there are several farms for sale and some have been listed for over a year. We know of two listings that expired in 2010 after a year or so on the market.



Rental Rates

- Rent rates are stable and generally unchanged from the previous year, with a few examples of modest increase in the Gila Valley and in the upper portion of the Yuma Valley. Understand that in the eastern portion of the Wellton Mohawk District, lower Yuma Valley, or in the Indian Unit of the Bard Valley, rents stabilized at lower rates than experienced in those areas three years ago. As of mid February, I am aware that several growers are pursuing additional farmland to lease for the coming winter season.

Map of Yuma Co Irrigation Districts



Yuma Co. Irrigation Districts

District Name	Size in Irrigable Acres	2011 Operation & Maintenance Fees.
<i>Yuma Project</i>		
Valley Division (YCWUA)	50,000	\$86.00, includes first 5 acre feet.
Reservation Division (Bard)	15,000	\$67.50, includes first 5 acre feet
Unit 'B'	3,300	\$163.68, includes first 10 acre feet
<i>Gila Project</i>		
North Gila Valley	6,000	\$55, includes first 5 acre feet
South Gila Valley	12,000	\$40, includes first 5 acre feet
Wellton Mohawk	60,000	\$84, includes first four acre feet
Yuma Mesa	<u>19,200</u>	\$85, includes first 9 acre feet
Total Acreage	165,500	

Values & Rent Rates For Irrigated Farmland in Yuma County & Bard Valley, February 2011

Location	Value Per Acre	Sale Price Activity / Trends	Annual Cash Rents	Rent Rates Activity / Trends
Upper Yuma Valley	\$20,000 - \$26,500	Active / Stable	\$600 - \$800	Active / Stable
Lower Yuma Valley	\$19,000 - \$23,000	Limited / Decline	\$500 - \$725	Active / Stable
North & South				
Gila Valleys	\$18,000 - \$26,500	Limited / Stable	\$600 - \$800	Active / Stable
Yuma Mesa Districts	\$14,000 - \$20,000	Limited / Decline	\$100 - \$175	Limited / Stable
Wellton-Mohawk Irrigation District				
Dome Valley	\$20,000 - \$25,000	Limited / Stable	\$500 - \$750	Active / Stable
Wellton area	\$12,000 - \$18,000	Limited / Decline	\$300 - \$550	Active / Stable
Roll area	\$9,000 - \$13,000	Active / Stable	\$250 - \$450	Active / Stable
Texas Hill	\$7,000 - \$10,000	Limited / Decline	\$250 - \$300	Active / Stable
Wellton Mesa	\$5,000 - \$8,000	Limited / Decline	\$175 - \$225	Limited / Stable
Bard Valley, CA.				
Irrigated Farmland	\$20,000 - \$23,000	Active / Stable	\$550 - \$750	Active / Stable
Medjool Dates	\$50,000 - \$100,000	Limited / Decline	\$.50 - \$.60/lb	Active / Stable