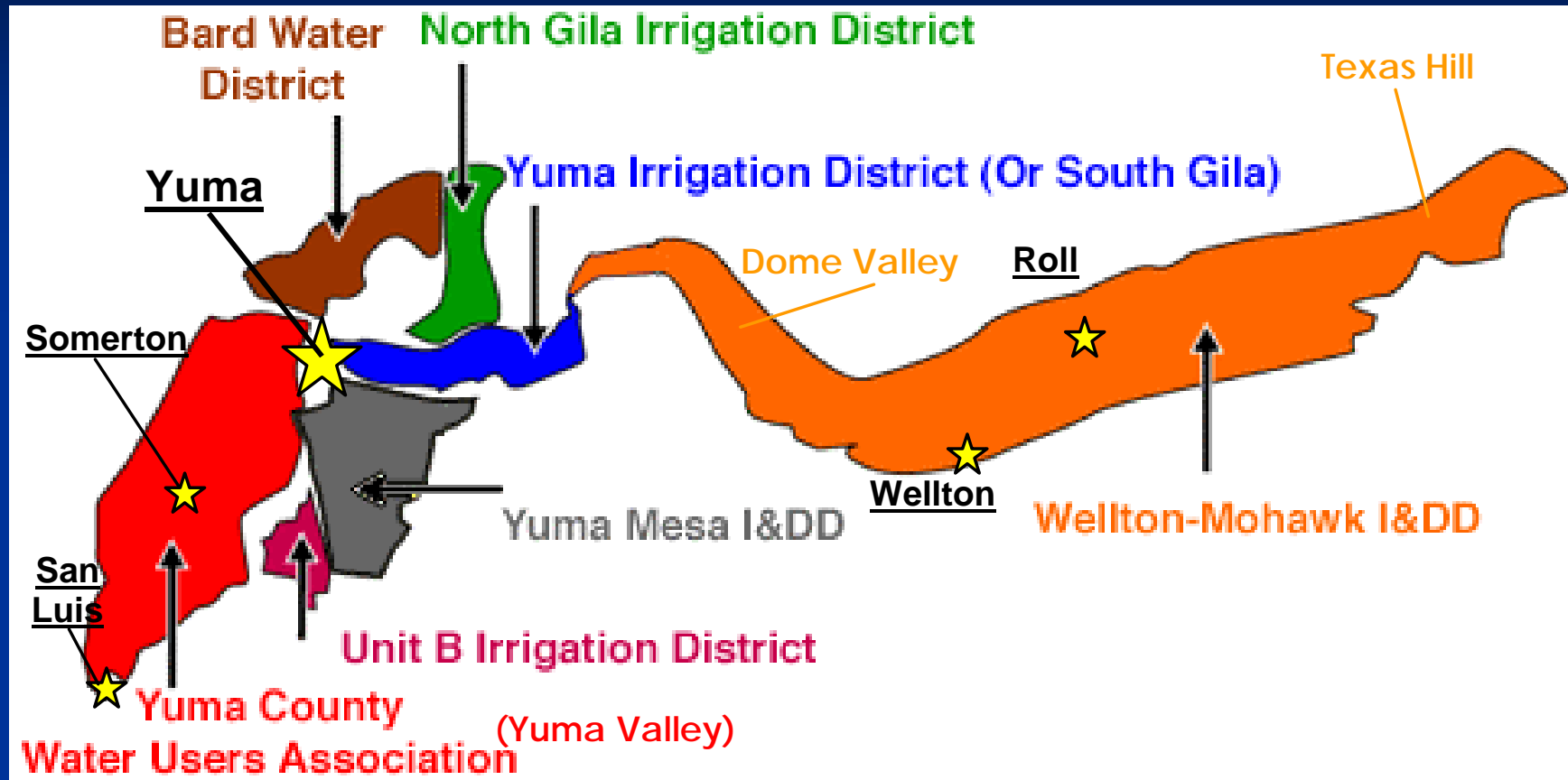


# Bill Moody

## 2012 Yuma Area Ag. Outlook

- 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. The fresh produce industry enjoyed a very profitable 2010-2011 winter season. Acreage planted to vegetables in the current winter season increased from the previous year, although I do not yet know the extent of the increase. Areas that suffered decline in acreage planted to fresh produce (Lower Yuma Valley, Indian Unit of Bard Valley, eastern end of WMIDD) from 2007 to 2009 now enjoy increased demand.

# Irrigation Districts



- In the current season crop prices for fresh produce have remained low and this winter season will be, at best, break even. Such has tempered the bullish attitude that was prevalent last summer, but attitudes remain positive and I do not anticipate reduced plantings next winter season.
- Commodity prices for field crops have been profitable. Looking ahead, crop prices for wheat and cotton are expected to be modestly profitable this year. Alfalfa prices are anticipated to remain high. The demand for farmland for purchase or for lease is much improved from two years ago. Buyers are mostly operators investing profits to increase plantings. Investors have returned to the market. Price paid in prime areas (upper Yuma Valley, Gila Valley) are trending upward. Most farms listed for sale have been sold, with marketing time now reduced to a few weeks or months.
- Rent rates trended upward in Spring and Summer 2011, with intense demand evident in July. In the eastern portion of the Wellton Mohawk District, lower Yuma Valley, or in the Indian Unit of the Bard Valley, rents increased after several years of decline. I anticipate rent rates will continue to trend upward modestly while commodity prices remain profitable.

# Operation & Maintenance Fees

District Name	Size in Irrigable Acres	2012 Operation & Maintenance Fees.
<i>Yuma Project</i>		
Yuma Valley (YCWUA)	50,000	\$88.00, includes first 5 acre feet.
Bard Valley	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	\$45, includes first 5 acre feet
Wellton Mohawk	60,000	\$92, includes first four acre feet
Yuma Mesa	<u>19,200</u>	\$85, includes first 9 acre feet
<b>Total Acreage</b>	<b>165,500</b>	

# Values & Rent Rates For Irrigated Farmland in Yuma County & Bard Valley, February 2012

Location	Value Per Acre	Sale Price Activity / Trends	Annual Cash Rents	Rent Rates Activity / Trends
Upper Yuma Valley	\$23,000 - \$30,000	Active / Upward	\$600 - \$850	Active / Upward
Lower Yuma Valley	\$20,000 - \$24,000	Active / Stable	\$500 - \$725	Active / Upward
North & South				
Gila Valleys	\$25,000 - \$31,500	Active / Upward	\$600 - \$850	Active / Upward
Yuma Mesa Districts	\$12,000 - \$15,000	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 / Stable	\$300 - \$550	Active / Stable
Roll area	\$9,000 - \$13,000	Active / Increasing	\$275 - \$450	Active / Increasing
Texas Hill	\$6,500 - \$10,000	Limited / Stable	\$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	Limited / Stable	\$600 - \$800	Active / Upward
Medjool Dates	\$50,000 - \$100,000	Active / Stable	\$.50 - \$.60/lb	Active / Stable