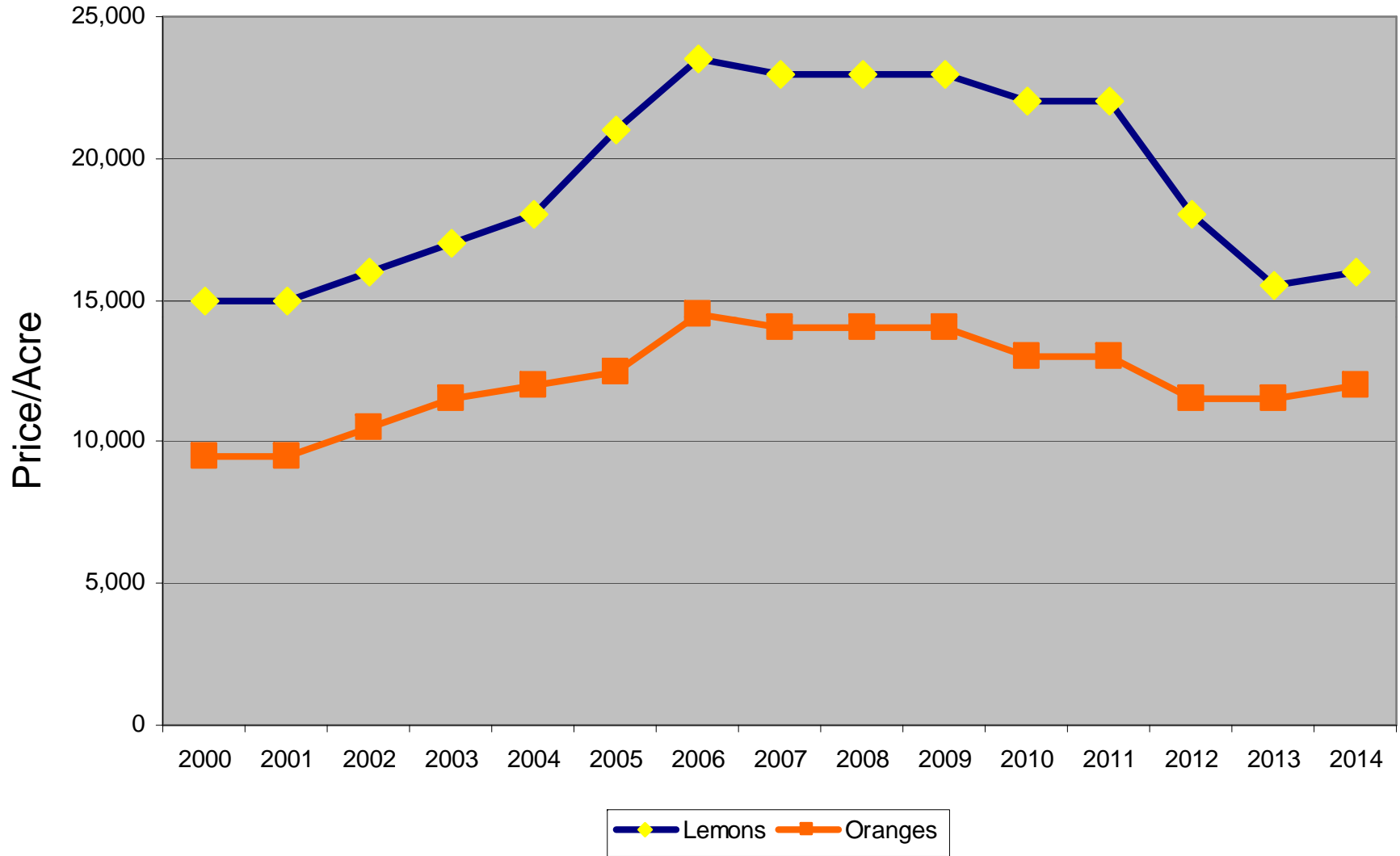


Arizona Citrus Trends

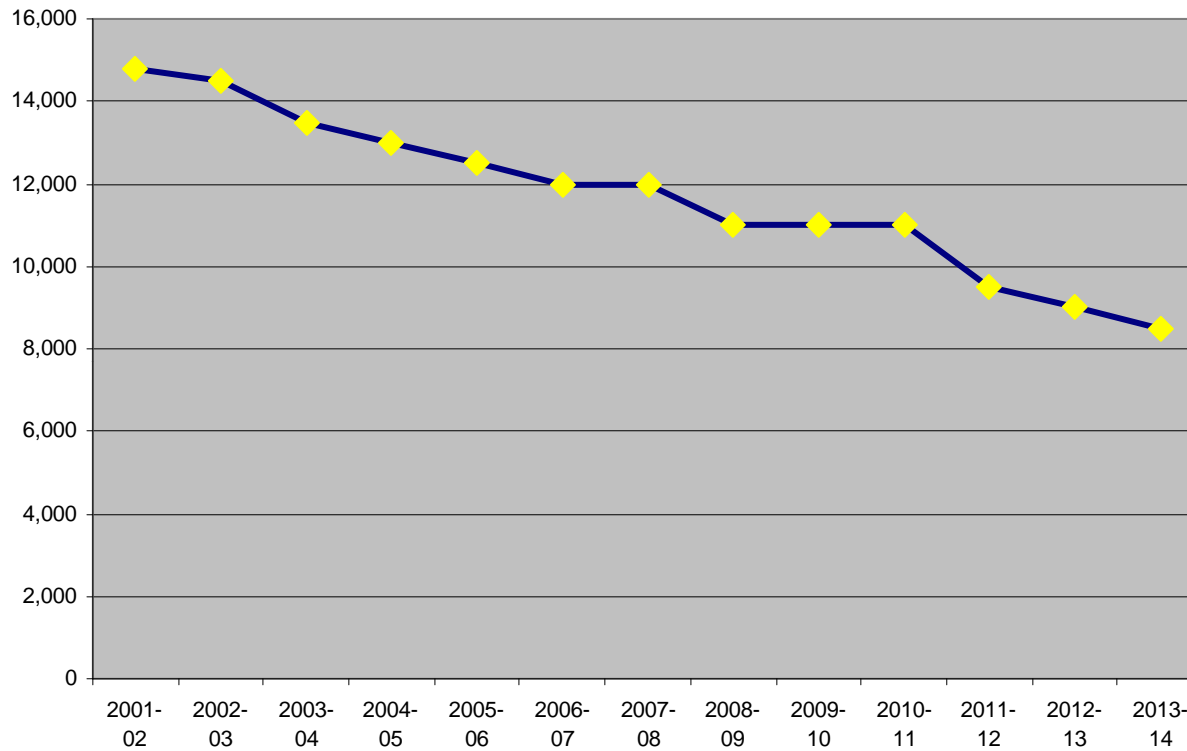
Scott Halver – Appraiser
Ganado Group



Yuma Mesa

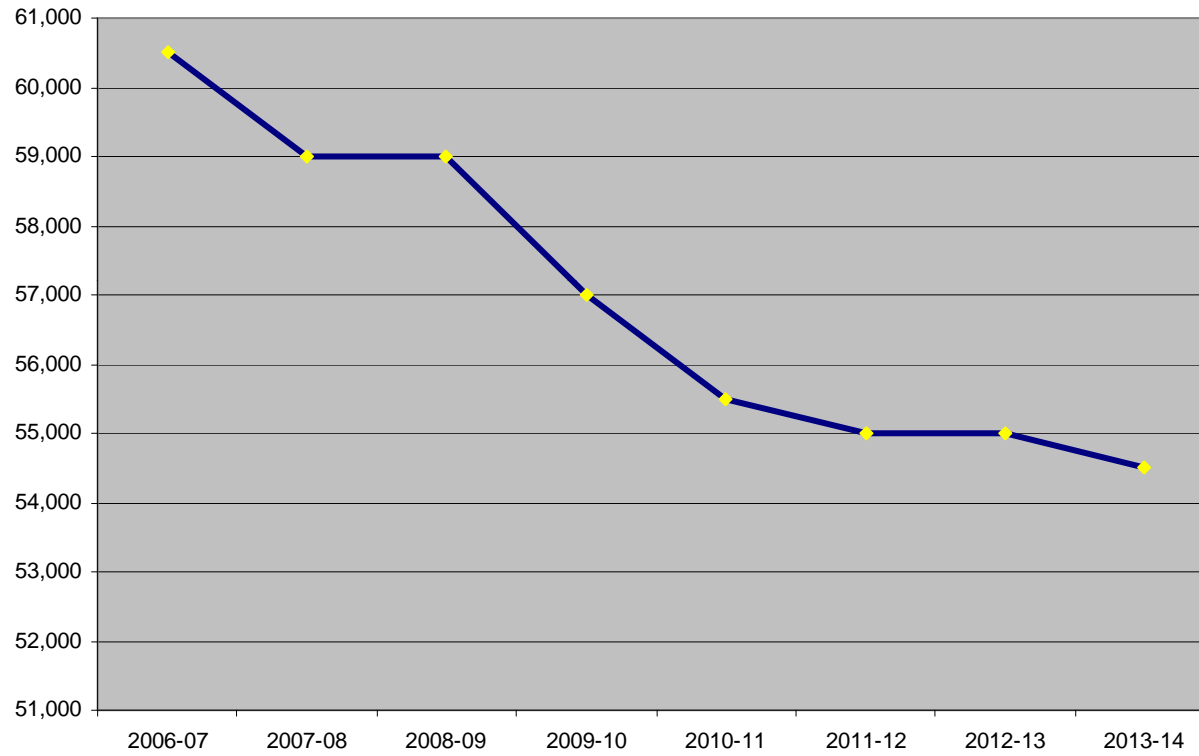


Lemon Acreage - Arizona



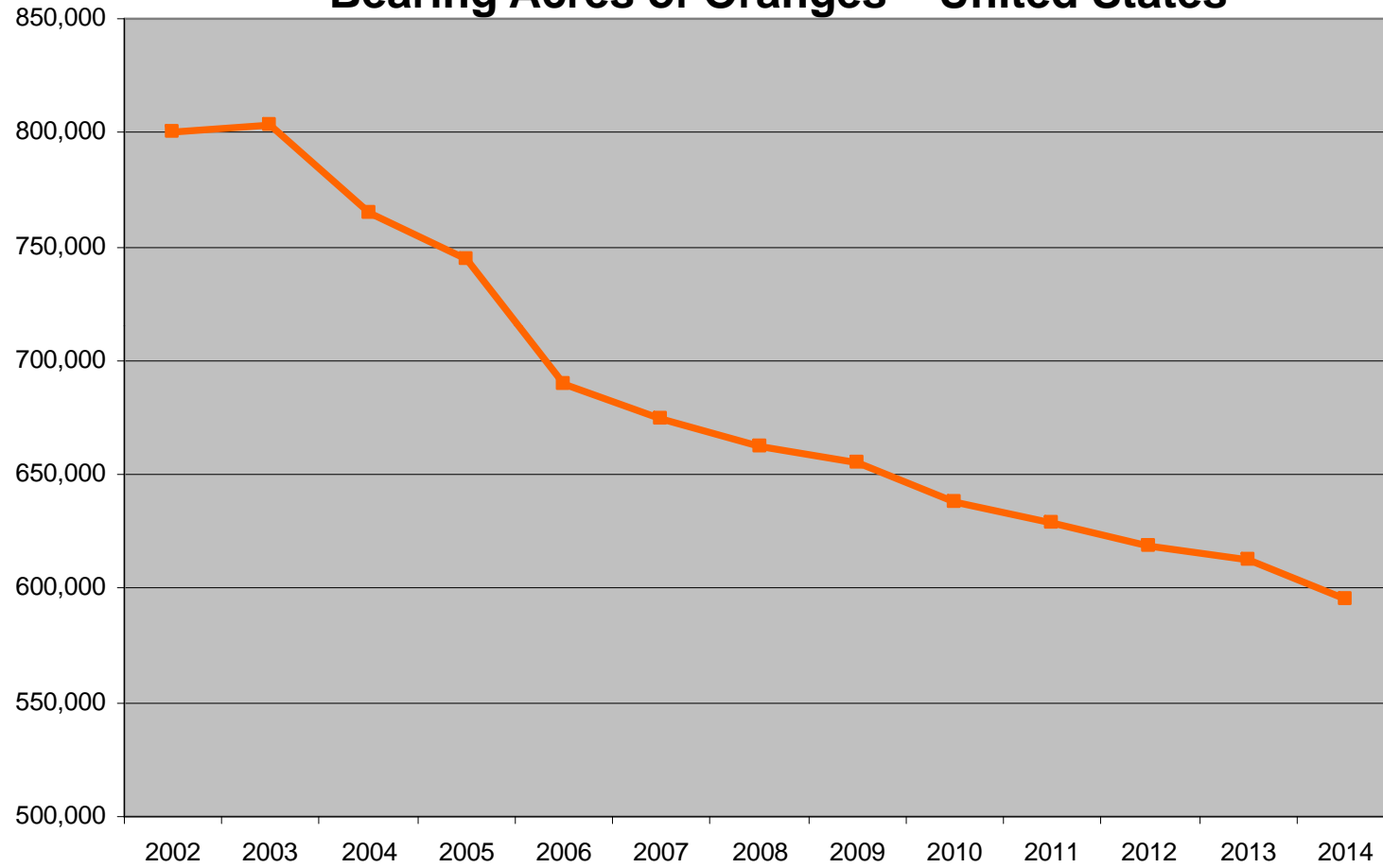
Year	Acres
1994-95	16,100
2000-01	14,800
2001-02	14,800
2002-03	14,500
2003-04	13,500
2004-05	13,000
2005-06	12,500
2006-07	12,000
2007-08	12,000
2008-09	11,000
2009-10	11,000
2010-11	11,000
2011-12	9500
2012-13	9000
2013-14	8500

Lemon Acreage – United States



Year	Acres
2006-07	60,500
2007-08	59,000
2008-09	59,000
2009-10	57,000
2010-11	55,500
2011-12	55,000
2012-13	55,000
2013-2014	54,500

Bearing Acres of Oranges – United States



CITRUS OUTLOOK '14 – '15

A couple of new citrus sales occurred this past year (2014) including one for \$8.5 million in Imperial Valley of California. In 2013 a large citrus sale occurred in Yuma for \$18,600,000 including an aged packing facility. The California sales ranged from \$9,000 to \$18,500 per acre depending upon the variety and condition of the citrus while the Arizona sales ranged from approximately \$15,000 to \$17,000 per acre. In January of 2011 Yuma experienced a severe freeze. Most of the crop was lost for the fall of 2011. The following year (fall 2012) production was at from 70% to 80% of "normal". The fall of 2013 was thought to be a record year with some growers receiving from \$4,000 to \$6,000 per acre. This past year (fall 2014 into January 2015) was even better. The best groves yielded in the range of 600 to 700 field boxes per acre with returns expected to be as much as \$15/f.b., net of picking & packing costs. Obviously a number of groves did not do as well but still returned a significant profit to the landowner. The lemon acreage continues to decline in Yuma and nationally.

Minneolas are expected to have a good size crop depending upon the location (400 – 600 f.b./ac). However, commodity prices are expected to be a lot lower at say \$4/f.b. Demand for grapefruit has been fair to good with past freezes in Texas and Florida. A significant amount of Medjool dates are being planted in the Yuma area- approaching 10,000 acres. Prices have been good for Medjool dates, but the future supply is increasing significantly.

The Asian Citrus Psyllid or Citrus Greening Disease is the newest to impact the citrus industry. Citrus Greening was first found in Florida in 1998. No infected groves have been found in the Yuma area to date. The insect carrying the disease, citrus psyllid has been found but not the disease. The disease is characterized by blotchy mottle on the leaves, alters the fruit taste, and in some cases the fruit tends to "green back-up" after partially maturing/coloring. The disease is transmitted by the Psyllid and/or by grafting infected trees. Previously nursery stock (young citrus trees) could not be transported and sold outside the quarantine area. Those restrictions have been lifted. The USDA in concert with the University of California Riverside is expected to release two different parasitic wasps in an attempt to control the citrus psyllid- biological control, not chemical.

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 "Coniophora" 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). Coniophora 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, Coniophora 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.

Yuma – I.V. Calif	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.	\$12,000 - \$18,000	Limited/Stable	Seldom Rented	Stable
Late-life 16-30 Yrs.	\$10,000 - \$15,000	Moderate/Stable	Seldom Rented	Stable

Note: The \$8,000/ac for 1 year old lemons is the underlying land unless located farther out. In years past the market has differentiated between idle farmland and farmland planted with 1 yr old citrus. Idle farmland worth say \$14,000/ac on the mesa in Yuma has demonstrated a premium or \$17,000 to \$18,000 per acre if planted with 10-15 year old lemons in prime production (comments subject to change over time).

Yuma Mesa Irrigation and Drainage District, \$60.00 acre for nine acre feet, additional \$6.00/ac ft (paying \$750/ac for idling selected acreage- water sale).

Unit B, \$125 for 10 acre feet, additional \$13/acre foot. (west side of mesa)

*Prices as high as \$23,500 per acre have been experienced in the southern end of the mesa w/ development 5 to 10 years off

Bard, California previously reported on but essentially few groves exist- planted with vegetable

Bard Water District, \$45.00, 5 or 8 ac ft depending on soils-loam or sandy, additional \$10.50/acre foot

Written as of 1-30-15 by Scott Halver, ARA, MAI @ Ganado Group, Inc.