

SOUTHWESTERN AG. SERVICES

An integrated, full service real estate firm providing brokerage, appraisals and consulting services throughout Arizona.



Members

- Steven D. Pendleton
- William "Mack" McKeon

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ASFMRA AG. FORUM

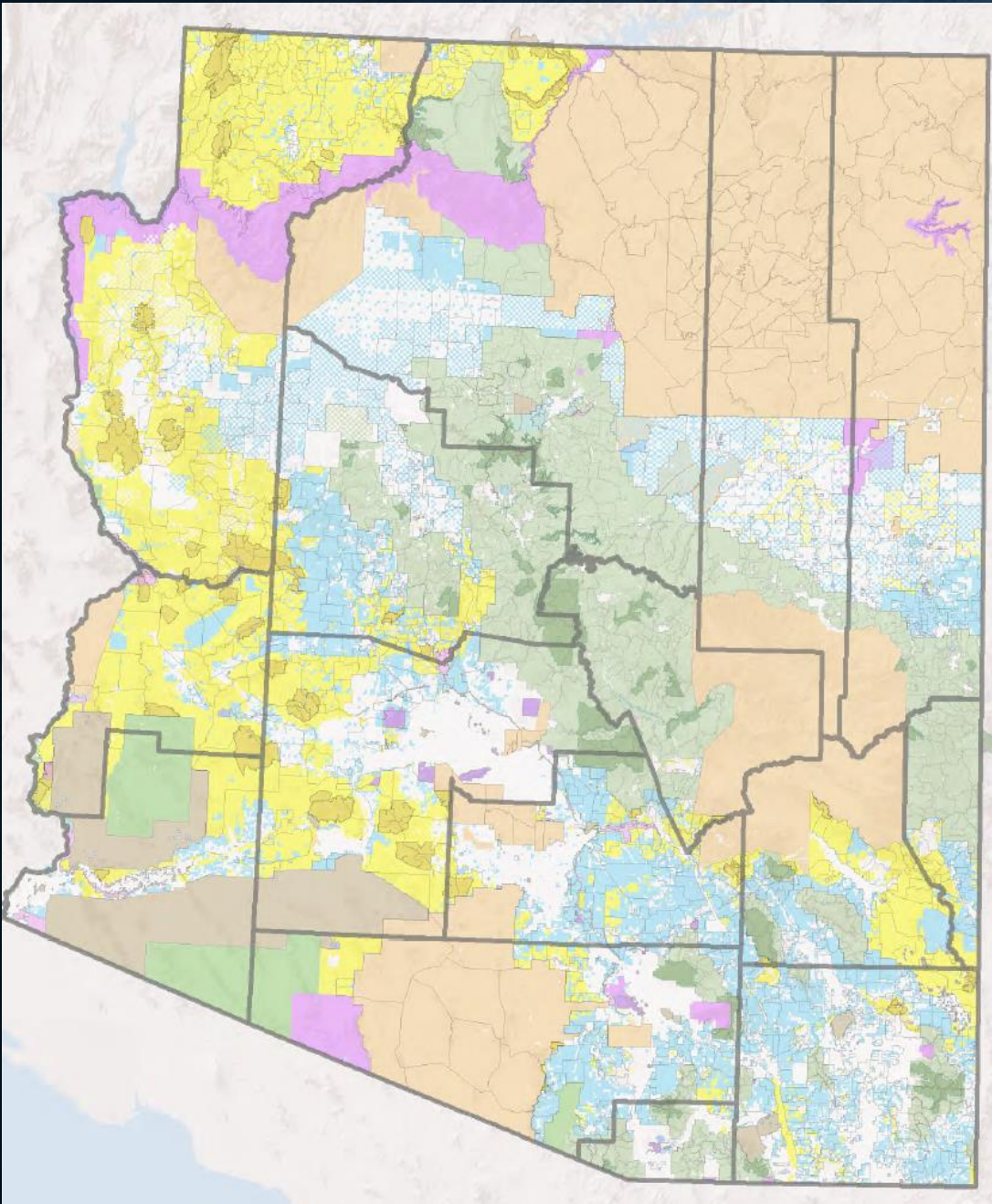
2023 Market Survey Arizona Cattle Ranches

Steven D. Pendleton
Southwestern Ag. Services

ARIZONA CATTLE RANCHES

Arizona Ranches are typically a mix of various land classifications and leases. There are very few “puritan” production ranches with a single land classification. These components included the following:

- Deeded Land
 - Rangeland
 - Irrigated Pasture
 - Riparian
 - Encumbered Deeded Land with a Conservation Easement
- Arizona State Leases
- BLM Permits
- Forest Permits
- Private Leases
- Uncontrolled Deeded/Adverse Possession

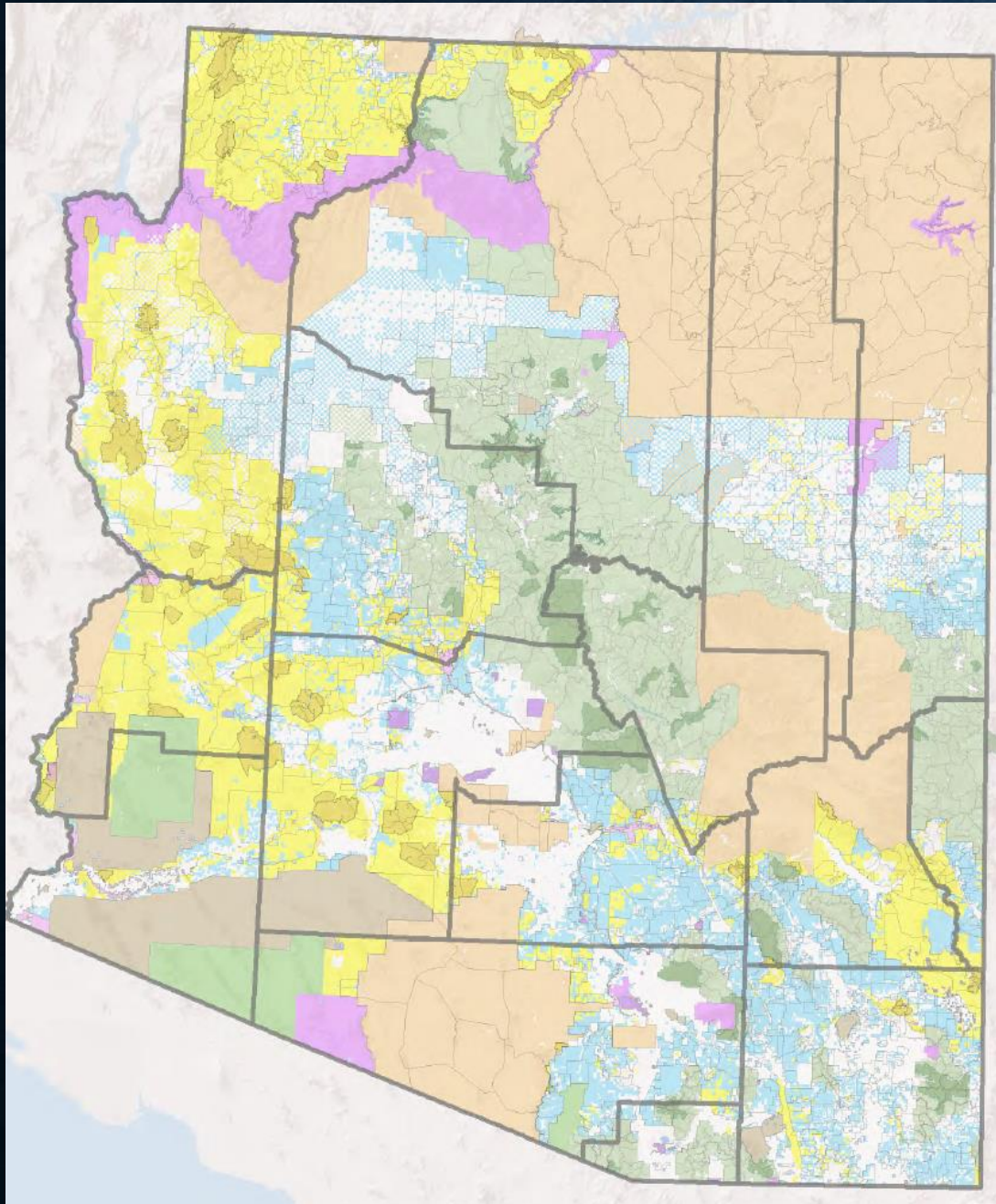


Ranch Land Components

Deeded

- Typically analyzed on a Per Acre Basis
- Large variations in price based on location, size, land classification, access, etc.
- Large percentage deeded ranches primarily along the I-40 corridor and Southeast Arizona

	Yellow	– BLM
	Blue	– State (ASLD)
	White	– Private/Deeded
	Green	– Forest Service (USFS)
	Orange	- Tribal

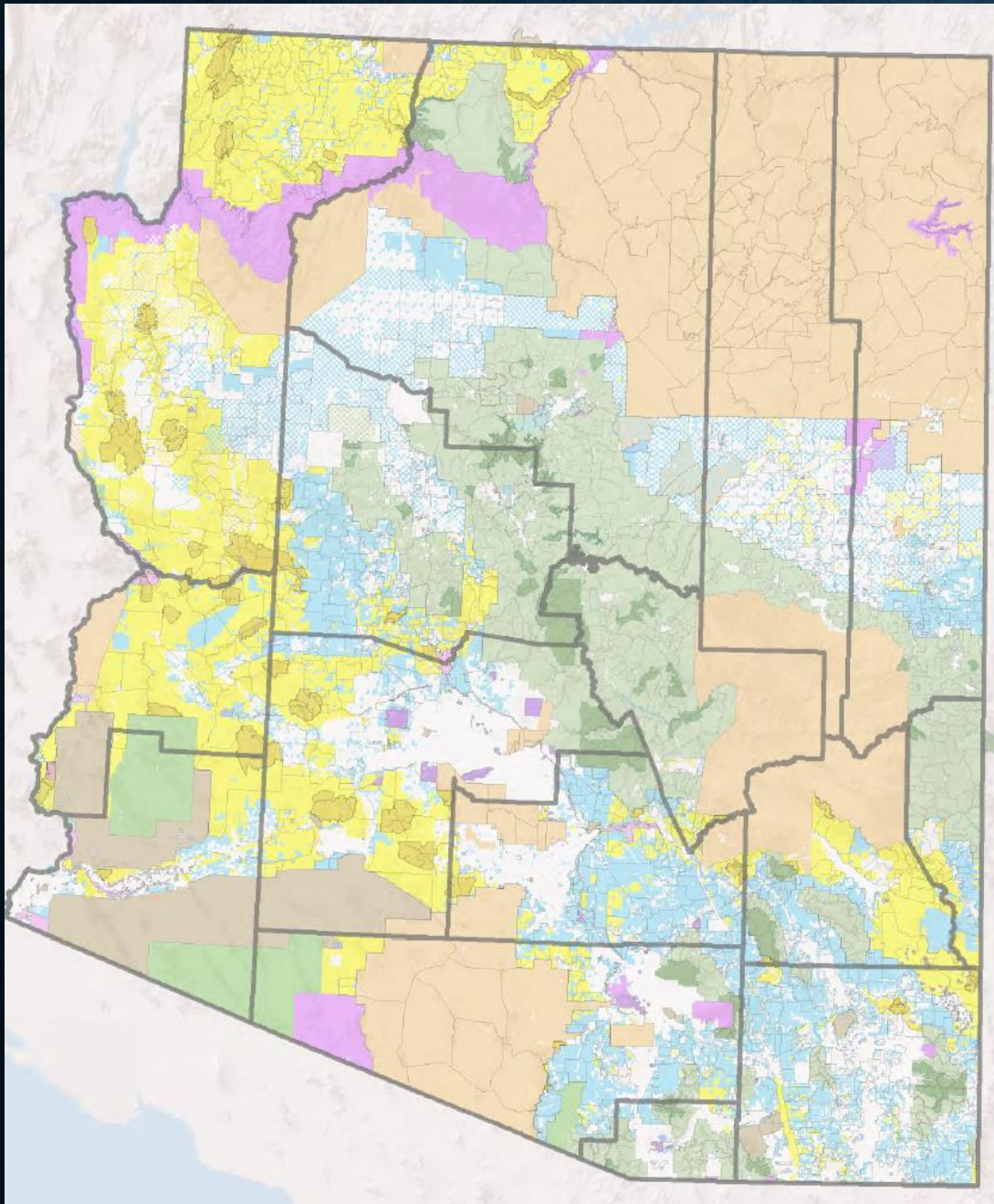


Ranch Land Components

Arizona State Leases

- Typically analyzed on a Per Animal Unit Basis
- Considered most stable
- Lessee owns the improvements
- Throughout the State

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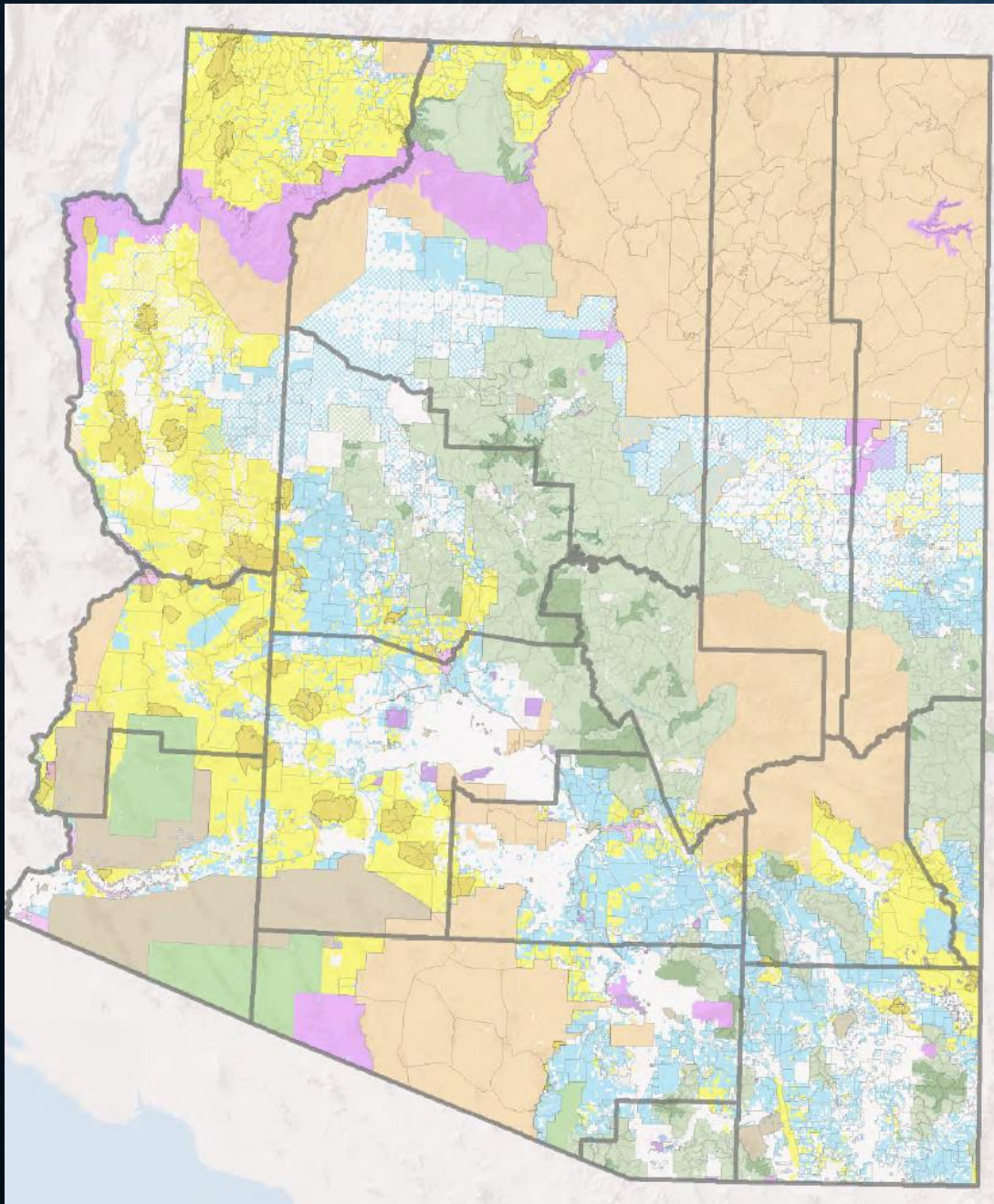


Ranch Land Components

BLM PERMITS

- Typically analyzed on a Per Animal Unit Basis
- Include year-round and ephemeral permits.
- Usually slightly less desirable than State Leases
- Throughout the State but more predominant in the southern and western parts and the Arizona Strip

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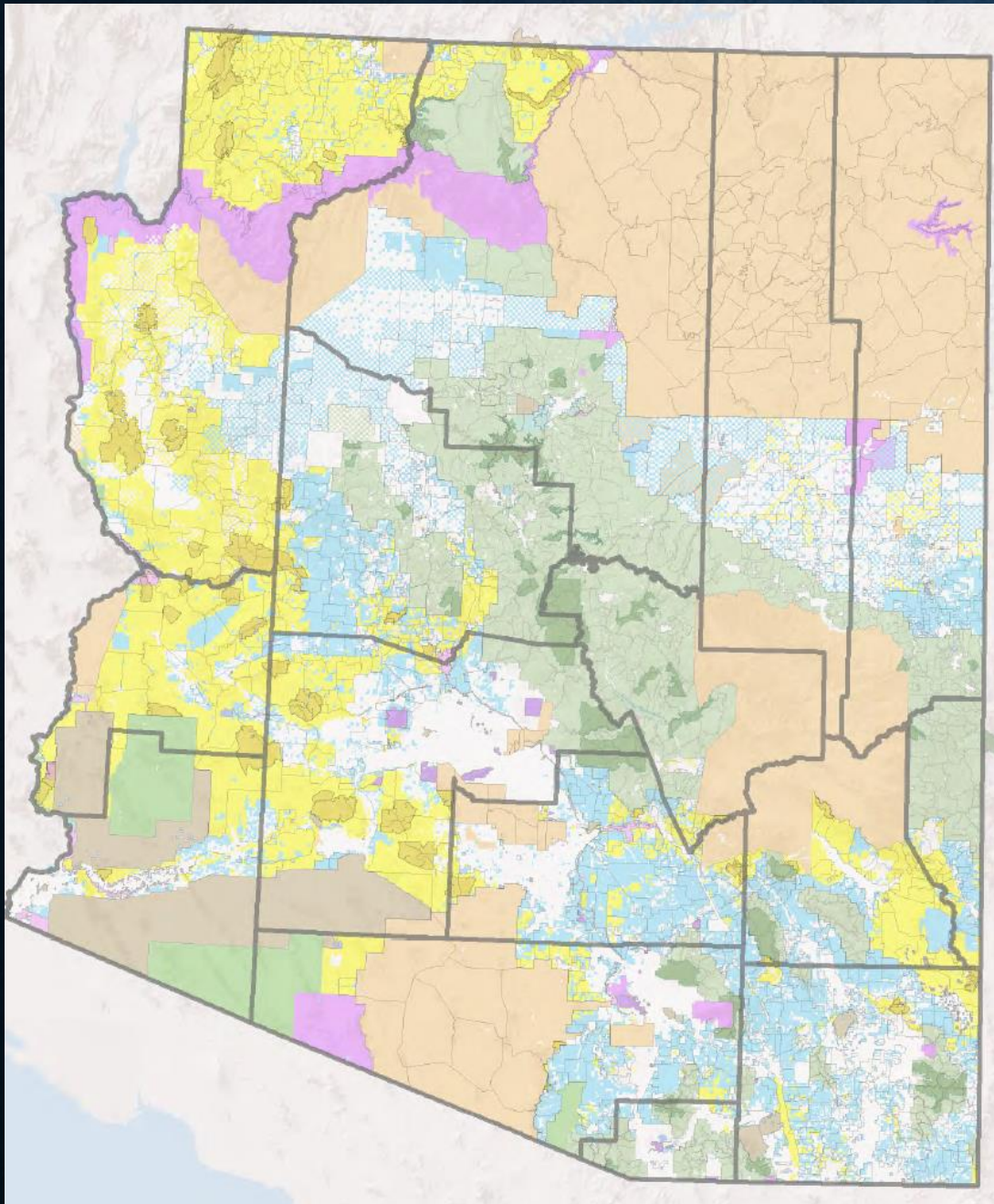


Ranch Land Components

FOREST PERMITS

- Typically analyzed on a Per Animal Unit Basis
- Include year-round and seasonal permits.
- More intense agency management.
- Public access considerations
- Predominantly in southeastern, northern, and central Arizona

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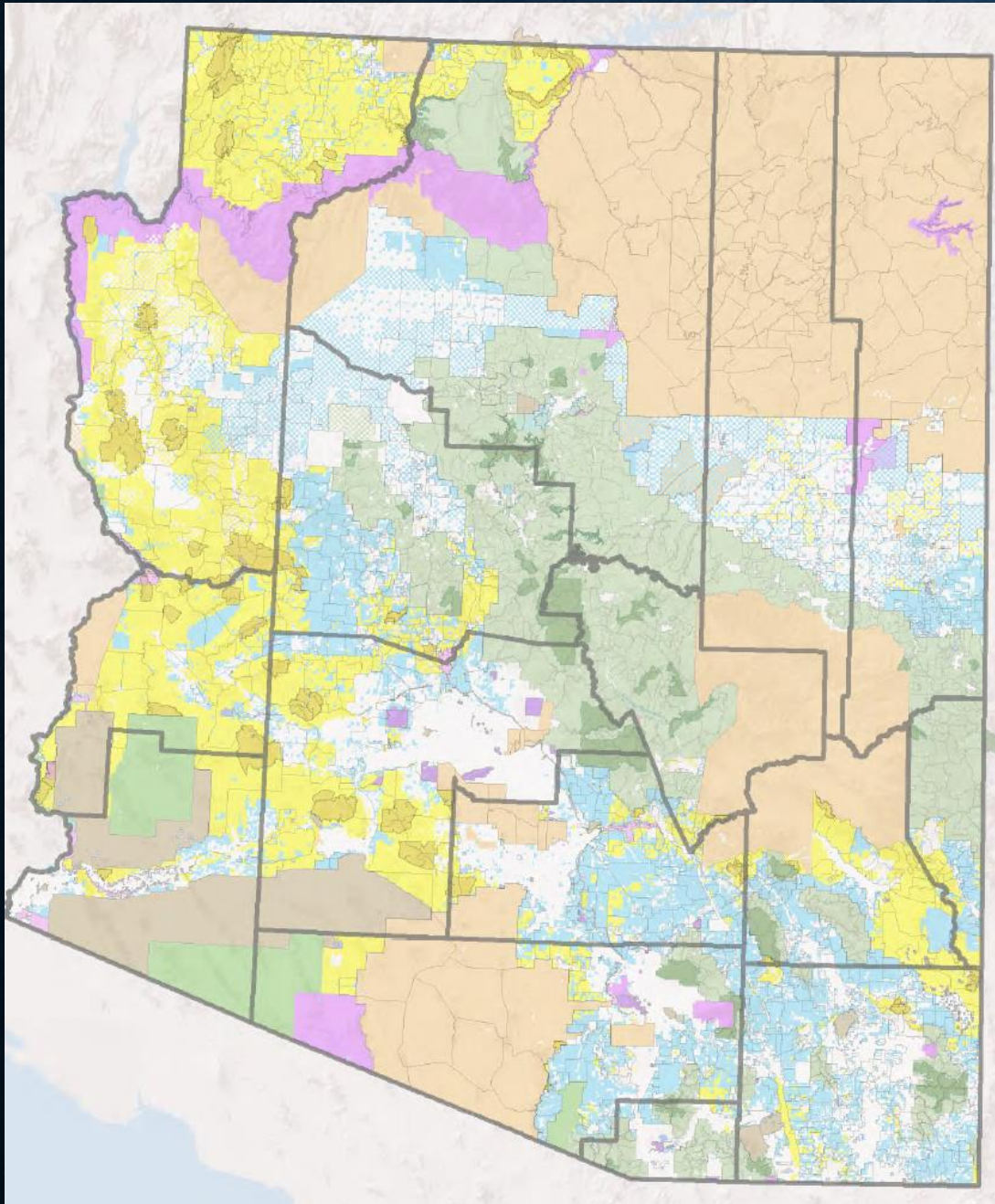


Ranch Land Components

PRIVATE LEASES

- Typically analyzed on a Per Animal Unit Basis
- Landlord include Private Parties, Corporations and Indian Communities
- Throughout the state but Predominantly in Northeastern Arizona



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	Orange	- Tribal



Ranch Land Components

UNCONTROLLED DEEDED/ADVERSE

- Arizona Law allows for grazing on other property until fenced out
- Primarily retained grazing and adverse grazing on 40 acre subdivisions
- Benefits include no grazing fees or taxes
- Detriments include potential loss of capacity as fenced out and management issues dealing with other property owners and public access issues.
- Throughout the state but Predominantly in along the I-40 Corridor

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2023 MARKET SUMMARY

- 35 Sales Reviewed from December 2022 through 2023
- Price ranged \$2,250 to over \$50,000 per Animal Unit
- Most Sales reviewed, approximately 50%, were in the \$5,000 to \$10,000 per Animal Unit range
- Deeded Land contribution ranged approximately \$290 acre to \$12,000+ acre
- State Lease contribution ranged from \$3,000 AU to over \$6,000 AU
- BLM Permits contribution ranged from approximately \$3,000 AU to \$4,500 AU
- Forest Permits contribution ranged from \$2,250 AU to \$6,000 AU
- Private Leases and Uncontrolled Deeded contribution ranged from approximately \$1,050 AU to \$4,400 AU
- Ranch Leases are limited but reported rents are generally in the \$18-\$20 AUM range

FACTORS INFLUENCING CURRENT RANCH MARKET

- Strong Cattle Prices
- Low Ranch Inventory
- FSA Direct Loan and Guaranteed Loan Programs
- Tax Benefits and programs
- Inflation concerns and elevated interest rates
- Ongoing Drought Conditions
- Rain (USDA/PRF) Insurance
 - According to USDA over 40 million acres in Arizona were enrolled in 2023 with payments of approximately 88 million dollars.
 - Since Program was revised in 2015 acreage has increased over 5000% from less the one million acres to over forty million acres.

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