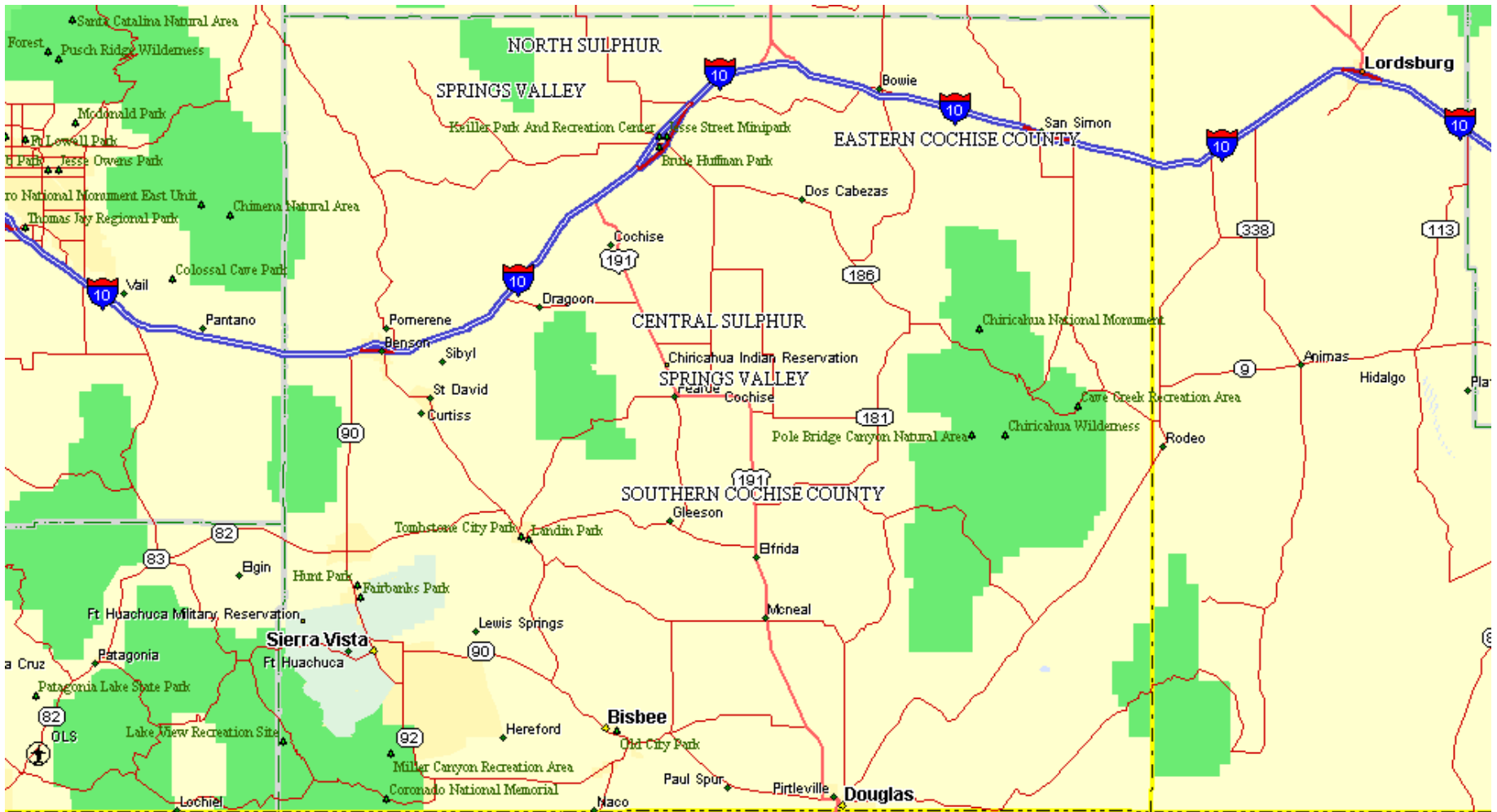


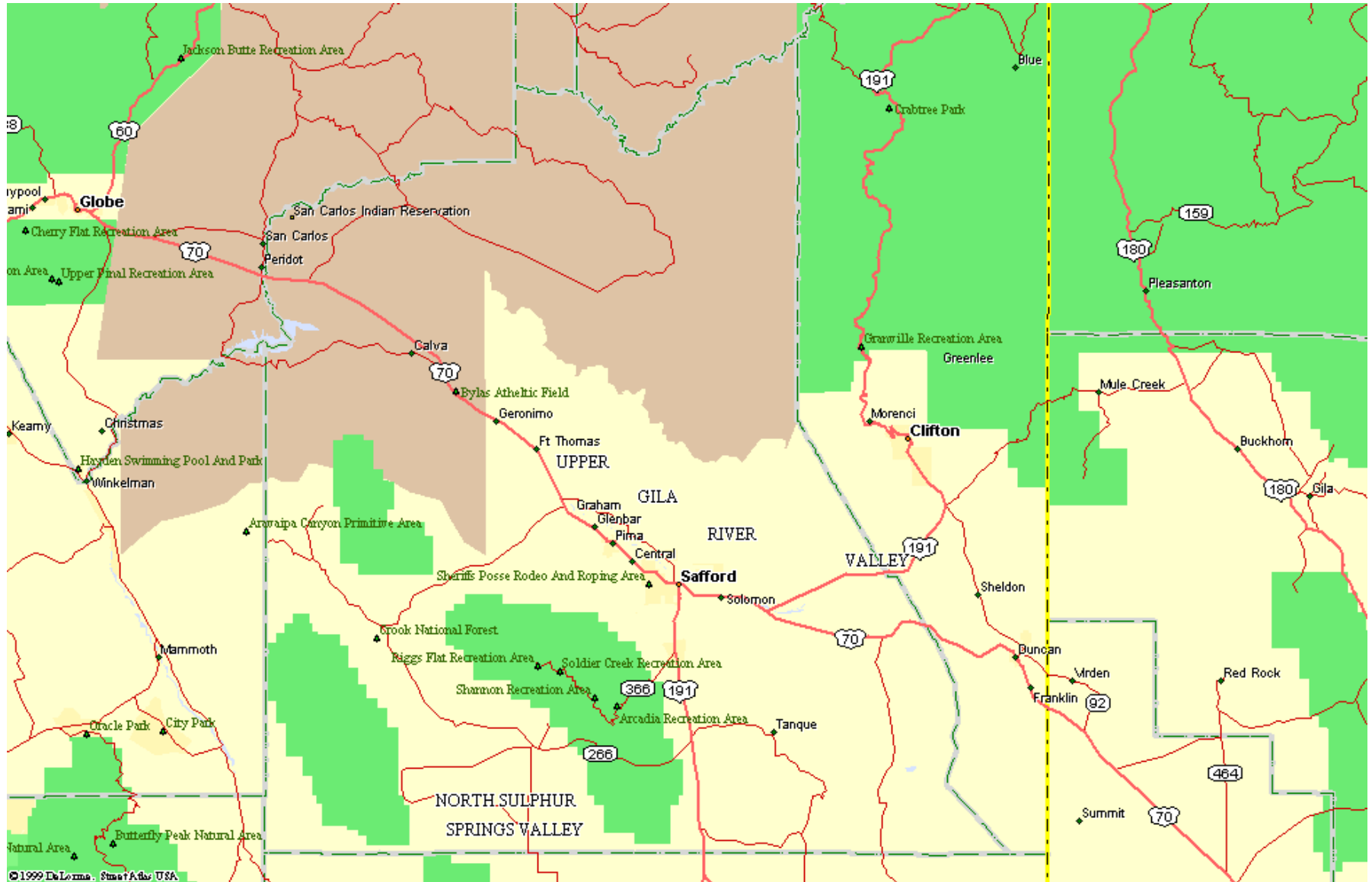
*SOUTHEASTERN
ARIZONA
2001*



NORTH & CENTRAL SULPHUR SPRINGS VALLEY

FARM TYPE	2000 PRICES/ wet acre	2001 PRICES/ wet acre	2000 RENT/ wet acre	2001 RENT/ wet acre
CENTER PIVOT	\$1,000- \$1,600	\$1,000- \$1,600	\$75-\$125	\$75-\$125
FLOOD IRRIG.	\$550- \$1,300	\$550- \$1,300	\$50-\$75	\$50-\$75

Since January 2000, the market appeared to stabilize. The few 2001 sales were in line with the 2000 sales prices. We seem to continue on a plateau on sales and sales prices. Rents have stabilized also with better farms with good and newer pivots still in good demand. Flood irrigated rents remain constant with long-term tenants. Greenhouse construction is at a standstill. In 2001 there were two sales of cleared apple orchards for around \$1,000/acre in Southern Graham County with the buyers intending to place a center pivot sprinkler system on the property. U Pick operations are declining although one operation sold in 2001. Smaller and abandoned farm sales are for residential purposes.



SOUTHERN & EASTERN COCHISE COUNTY



FARM TYPE	2000 PRICES/ wet acre	2001 PRICES/ wet acre	2000 RENT/ wet acre	2001 RENT/ wet acre
CENTER PIVOT	\$800- \$1,100	\$800- \$1,100	\$40-\$75	\$40-\$75
FLOOD IRRIG.	\$400- \$800	\$400- \$800	\$35-\$50	\$35-\$50

Very limited sales activity in 2001 with only a few farms selling for to area farmers for expansion. Trend appears to be even more of a stable market since the sales are few and there is not enough data to indicate an upward or downward trend. Several old abandoned and non-productive farms have sold for residential sites. The lettuce greenhouse proposed between Elfrida and Douglas is still pending.

UPPER GILA RIVER VALLEY (GRAHAM COUNTY)

FARM TYPE	1998 PRICES/ wet acre	2001 PRICES/ wet acre	1998 RENT/ wet acre	2001 RENT/ wet acre
NON-FLOOD PRONE	\$1,200- \$3,000	\$1,200- \$3,000	\$100- \$150	\$100- \$150
FLOOD PRONE	\$650- \$1,200	\$650- \$1,200	\$75-\$100	\$75-\$100

This market has not shown any appreciable change since Phelps – Dodge Corporation began purchasing land for water rights at above market prices. There have been only a scattered handful of sales between individuals, mostly related. Since Phelps – Dodge stopped purchasing land few properties offered for sale have sold been. Price remains higher in line with the Phelps – Dodge purchase prices and local farmers seem unwilling to pay that price for farmland. This area has generally been one of the most stable agricultural land markets in the state. Adding to the problems of area farmers, a new lawsuit was filed on behalf of the Native Americans downstream on the Gila River. This lawsuit is in relation to underground water rights, not surface rights of previous lawsuits.