

IMPERIAL COUNTY, CA FARMLAND VALUES & RENTAL RATES

Tom Turner, ARA
Farm Credit Services Southwest

Imperial County Agriculture

- The major commodities produced in the Imperial Valley are alfalfa, sudan, bermuda and other grass hays, sugar beets, small grains, cotton, and a wide variety of winter vegetables and melons, citrus and some dates.
- Early signs for 2011 indicate forage crop prices strengthening over 2010, due to positive trends in recent months on milk and beef prices, and a positive milk price outlook for 2011. Grain prices are very strong as well, due to global consumption and usage. Cotton prices are at historic highs.

Imperial County Agriculture

- Overall farmland sale activity in the Valley slowed from 24 sales in 2008, to 22 sales in 2009, to only 9 sales in 2010.
- Local market participants appear to be more active in the current farmland real estate market, reflecting the generally good crop commodity returns. Out of area buyers are absent from the current market.

Imperial County Agriculture

- There is significant price discrimination between classes of land. Sales of good adaptable farmland (produce quality) slowed, remaining generally stable in trends and value. Land of average adaptability (alfalfa quality) has also slowed with local farmers being the primary purchaser. The market for limited adaptability (low quality) farmland is extremely slow.

Imperial County Farmland Values and Rental Rates

| <i>IMPERIAL VALLEY - 2010</i> | | | | |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <i>LAND USE</i> | <i>PRICE PER ACRE</i> | <i>ACTIVITY / TREND</i> | <i>RENT RANGE</i> | <i>ACTIVITY / TREND</i> |
| Good Adaptability (Produce) | \$6,000 TO \$7,900 | Slow | \$250 - \$350/AC | Steady |
| Average Adaptability (Alfalfa) | \$3,900 TO \$5,999 | Slow | \$165- \$225/AC | Steady |
| Limited Adaptability | \$3,300 TO \$3,899 | Very slow | \$100- \$135/AC | Steady |

Imperial Irrigation District

- The Imperial Irrigation District (IID) developed and implemented a 15-year fallowing plan, allowing the transfer of water from the fallowed acreages to the San Diego Water Authority, as well as preservation of the Salton Sea's ecology.
- This is a voluntary plan, which provides for owners to lease their land to the district for a maximum of 6-acre foot per acre diversion. The 2011-2012 Fallowing Program payment rate will be \$75 per acre-foot with a 6 acre-foot per acre payment cap, as set by the IID Board of Directors. Solicitation announcements and fallowing application forms are being mailed to all IID landowners and tenants and posted online. After the solicitation period concludes, applications are sorted based on a random selection process and screened based on eligibility criteria. Water delivery data is then analyzed to determine conservation payment values and contracts issued according to the order determined by the random selection process.