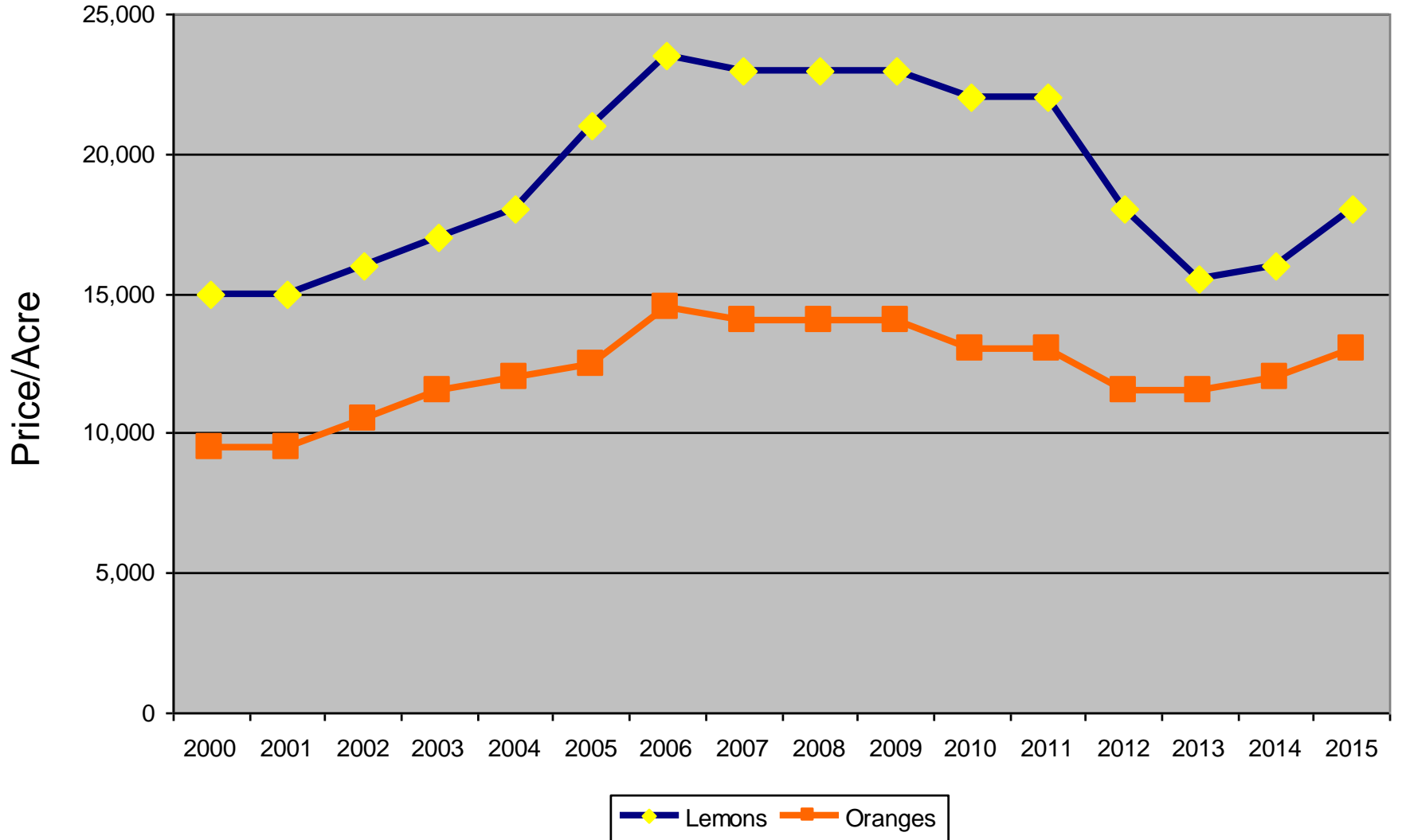


Arizona Citrus Trends

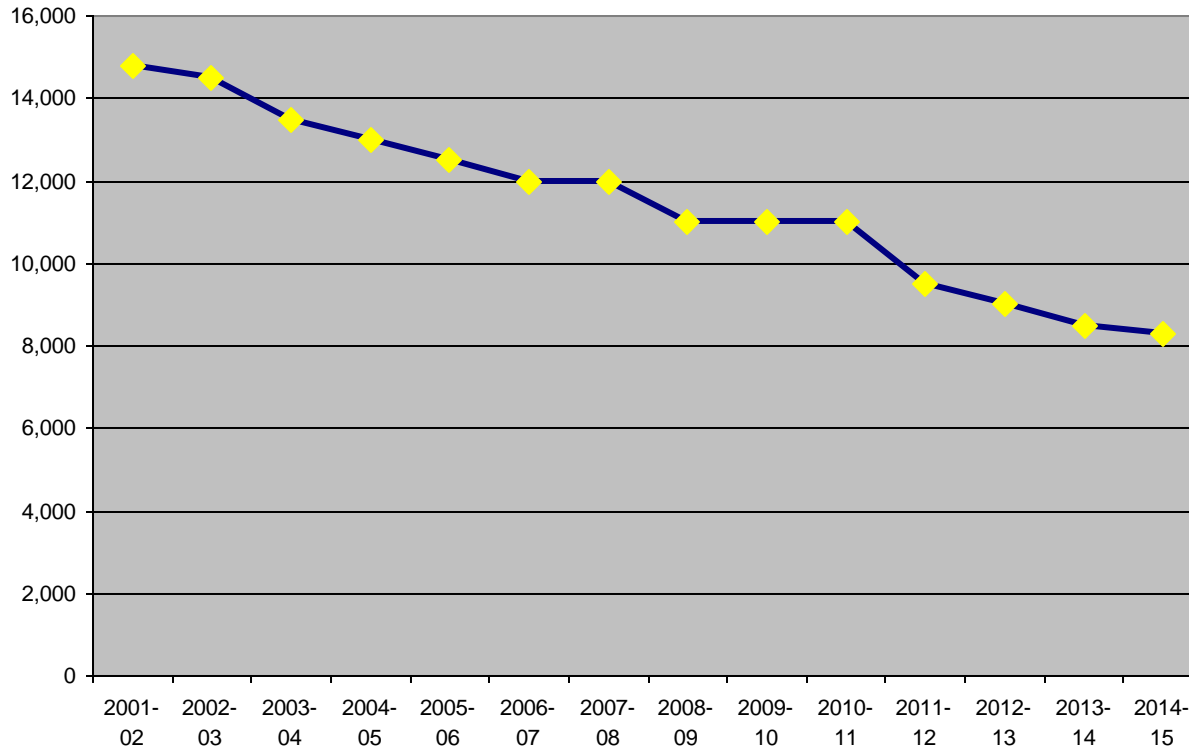
Scott Halver – Appraiser
Ganado Group



Yuma Mesa

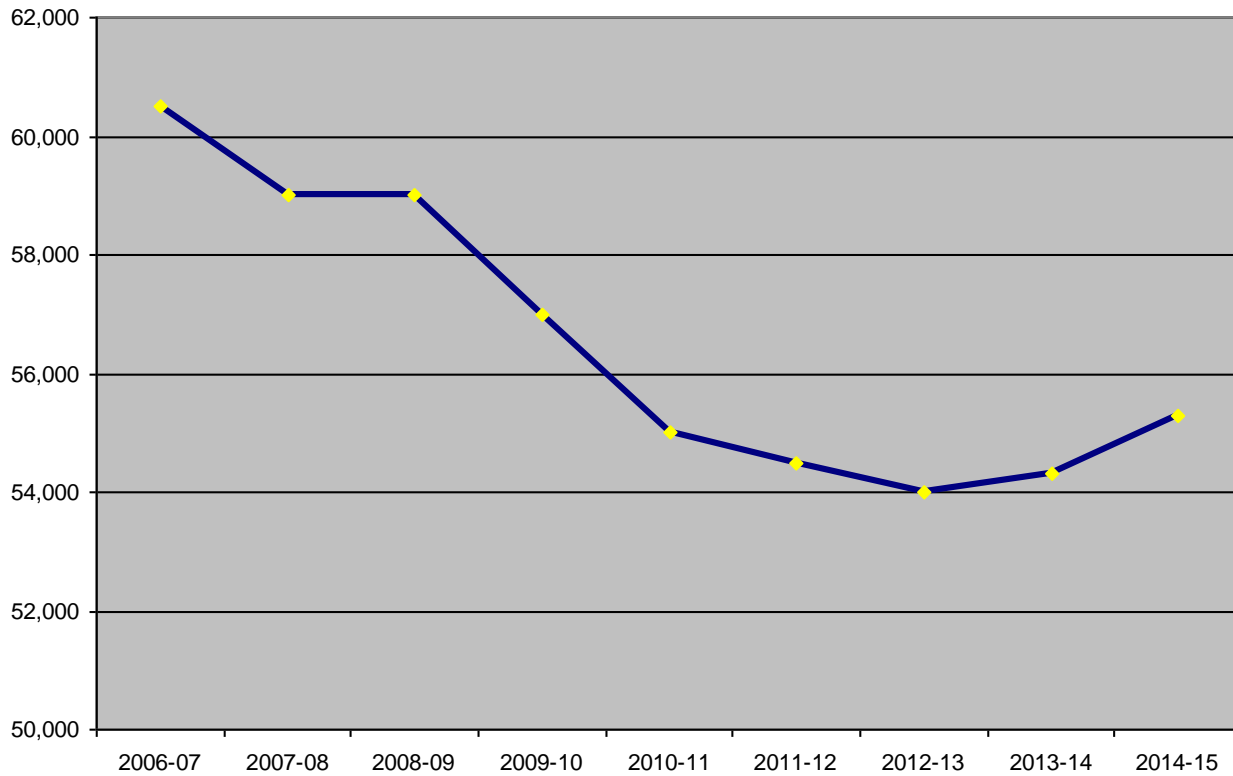


Lemon Acreage - Arizona



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	9,500
2012-13	9,000
2013-14	8,500
2014-15	8,300

Lemon Acreage – United States

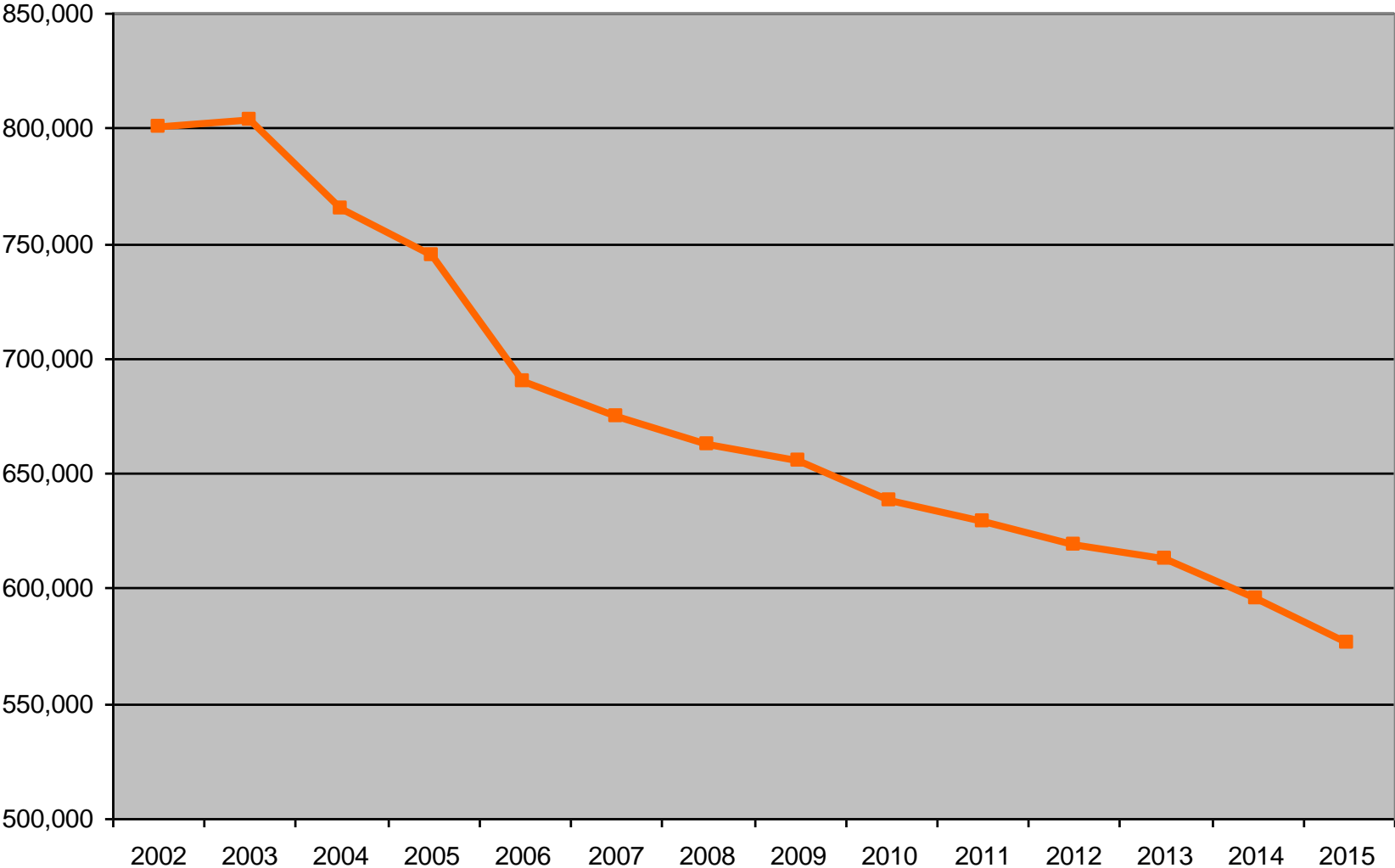


Year	Acres
2006-07	60,500
2007-08	59,000
2008-09	59,000
2009-10	57,000
2010-11	55,000
2011-12	54,500
2012-13	54,000
2013-14	54,300
2014-15	55,300

2011-2014 Numbers adjusted slightly in 2015 by USDA reporting

USDA National Agricultural Statistics Citrus Fruits 2015 Summary

Bearing Acres of Oranges – United States



CITRUS OUTLOOK '15 – '16

- A couple of new citrus sales occurred this past year (2015) in the Yuma area. The sales indicate continued interest in lemons. Allocations are necessary to extract the value of the various components but say \$19,100 per acre for 20–22 year old lemons. Sales of 12-13 year old lemons seldom occur. The \$19,100 sale would indicate an even higher value for “prime” 12-13 year old lemons. Underlying land values are something like \$14,000 to \$15,000 per acre on the mesa depending upon the location. Several citrus sales occurred in 2013, one sale for as much as \$18.6 million. The California sales sold for slightly less per acre but the underlying land value is lower. This past year the best lemon groves yielded from 500 to 600 field boxes with the some growers receiving a net return of something like \$4,500 per acre (desert region). 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 but may have bottomed nationally (preliminary numbers indicating a slight increase in lemon acreage nationally but likely to be revised).
- Note: The contribution value (premium) of citrus tends to get “blurred” as the highest & best use shifts to other uses like commercial or residential development. Those areas with the least amount of outside influence tend to exhibit the greatest premium for the citrus over and above the underlying farm land value.
- Minneolas are expected to have a good size crop depending upon the location (350 – 400 f.b./ac). Commodity prices are expected to be better than last year at from say \$7 to \$8 per field box (last year only \$3.50/F.B. or \$1,400/ac net back to grower to cover growing expenses etc).
- 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. A **quarantine** was put on by USDA for most of the citrus growing areas of the State of Arizona in late 2015. Citrus Greening was first found in Florida in 1998. No infected groves have been found in Arizona 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. Fruit intended to leave the State of Arizona must be washed. In talking with area packing houses the washing of fruit was already being done and as such it does not change business practices too much.
- 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 “**Coniophera**” are being named as the cause of accelerating the decline in older lemons (Antrodia, other variety). 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). Coniophera is a wind-borne disease. If caught in time, Coniophera can be minimized.
- **Fallowing Program per Bureau of Reclamation:** A three-year *Fallowing Program* was implemented in 2014 for up to 1,500 acres on irrigated land in the Yuma Mesa Irrigation District. The water is being “banked” at Lake Mead in an effort to keep the lake from going below certain levels and triggering a rationing of water on the Colorado River system. Growers were paid \$750 per acre for land fallowed the first year and it goes up each year per the CPI.
- **Yuma – I.V. CalifValue Per AcreActivity TrendRent RangeActivity Trend**

Young Groves	1-5 Yrs.	\$8,000 - \$12,000	Limited/Stable	Seldom Rented	Stable
Mid-life	6-15 Yrs.	\$15,000 - \$20,000	Limited/Stable	Seldom Rented	Stable
Late-life	16-30 Yrs.	\$12,000 - \$16,000	Moderate/Stable	Seldom Rented	Stable

Note: The \$8,000/ac for 1 year old lemons is the underlying land unless located farther out, El Centro area.
- Yuma Mesa Irrigation and Drainage District, \$85.00 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)
- *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 1-12-15 by Scott Halver, ARA, MAI @ Ganado Group, Inc.**