

Imperial County Market Trends

TODD MENVIELLE – SR. APPRAISER
FARM CREDIT WEST



2019 Crop Summary

Crop '000s Omitted	2014	2015	2016	2017	2018	2019
Apiary Products	\$4,441	\$4,779	\$4,357	\$5,837	\$8,461	\$6,619
Field Crops	\$530,849	\$422,319	\$381,181	\$365,819	\$507,849	\$498,165
Fruits & Nuts	\$95,909	\$83,277	\$80,098	\$85,186	\$83,909	\$75,636
Livestock & Dairy	\$410,512	\$502,065	\$468,176	\$452,708	\$532,130	\$522,309
Seed & Nursery	\$93,818	\$107,673	\$123,057	\$137,286	\$109,210	\$113,690
Vegetable & Melon Crops	\$723,260	\$805,021	\$1,006,345	\$1,018,764	\$984,472	\$799,424
Total	\$1,858,789	\$1,925,134	\$2,063,214	\$2,065,600	\$2,226,031	\$2,015,843

Source: Imperial County Agricultural Crop & Livestock Report, Agricultural Commissioner
(most recent available figures)



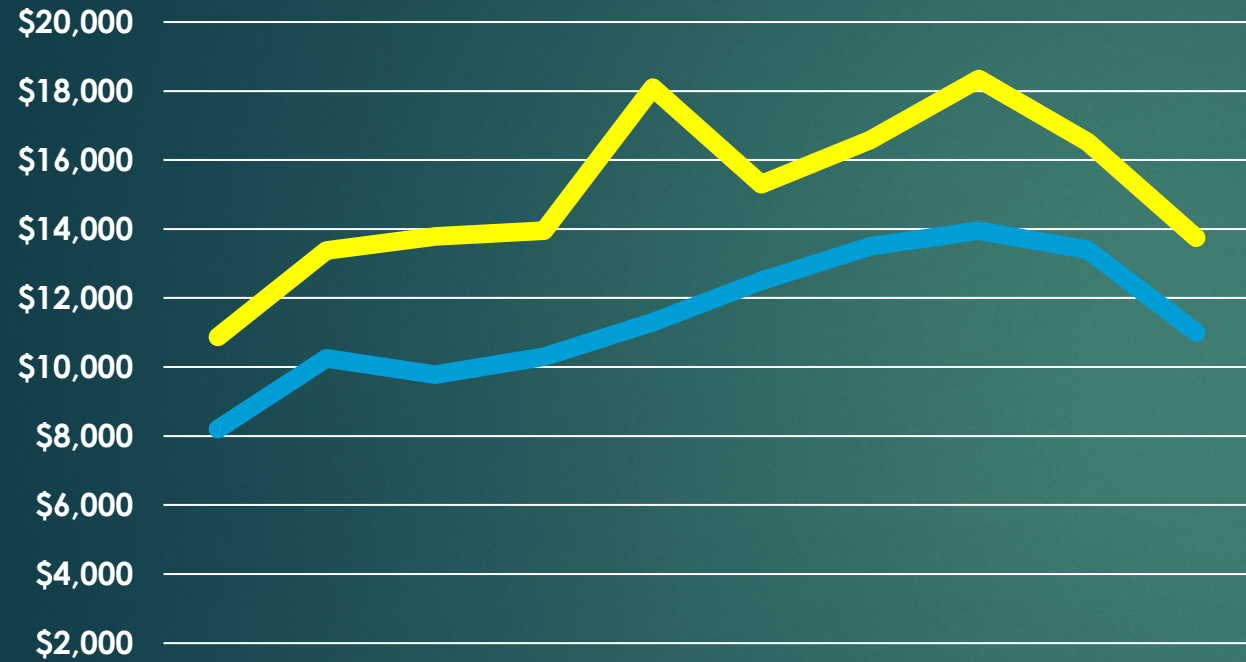
Top 10 Commodities

2019 Ranking	Commodity	Sales	2018 Ranking
1	Cattle	\$449,021,000	1
2	Alfalfa	\$217,446,000	2
3	Leaf Lettuce	\$109,502,000	3
4	Broccoli	\$105,521,000	5
5	Head Lettuce	\$102,970,000	4
6	Bermuda Grass	\$83,597,000	7
7	Carrots	\$65,798,000	10
8	Sugar Beets	\$62,050,000	12
9	Romaine Lettuce	\$60,307,000	11
10	Spinach	\$57,928,000	8



Good Adaptability

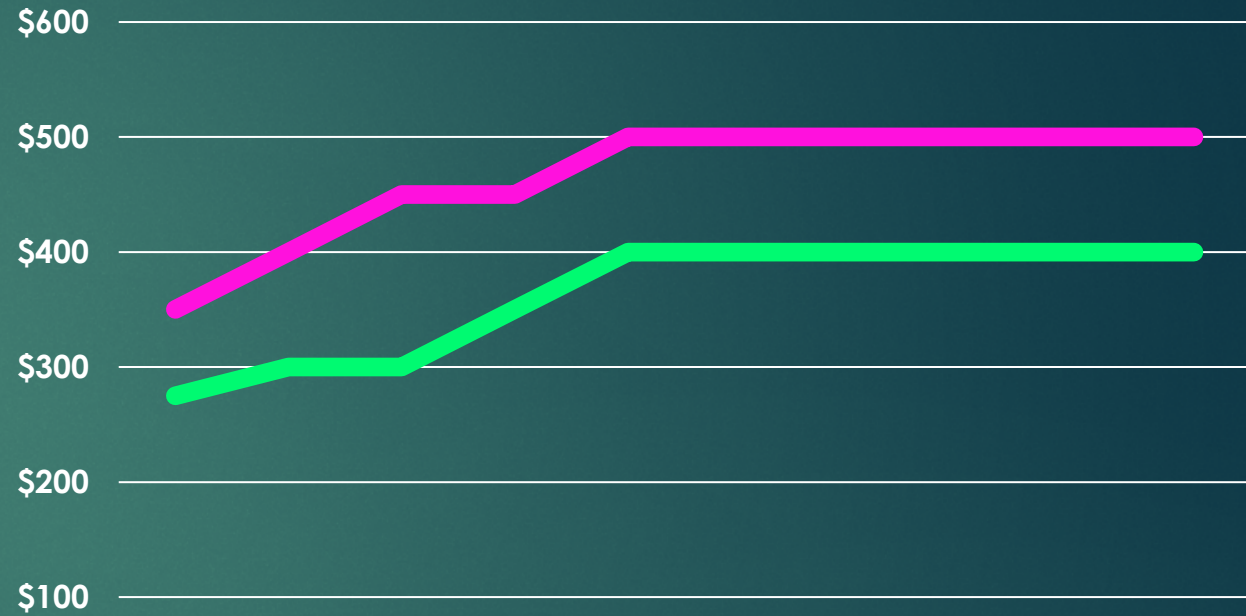
Price/Net Acre



\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$8,200	\$10,250	\$9,780	\$10,300	\$11,300	\$12,500	\$13,500	\$13,950	\$13,400	\$11,000
High	\$10,875	\$13,375	\$13,785	\$13,950	\$18,100	\$15,300	\$16,575	\$18,345	\$16,525	\$13,750

Low High

Rent/Net Acre



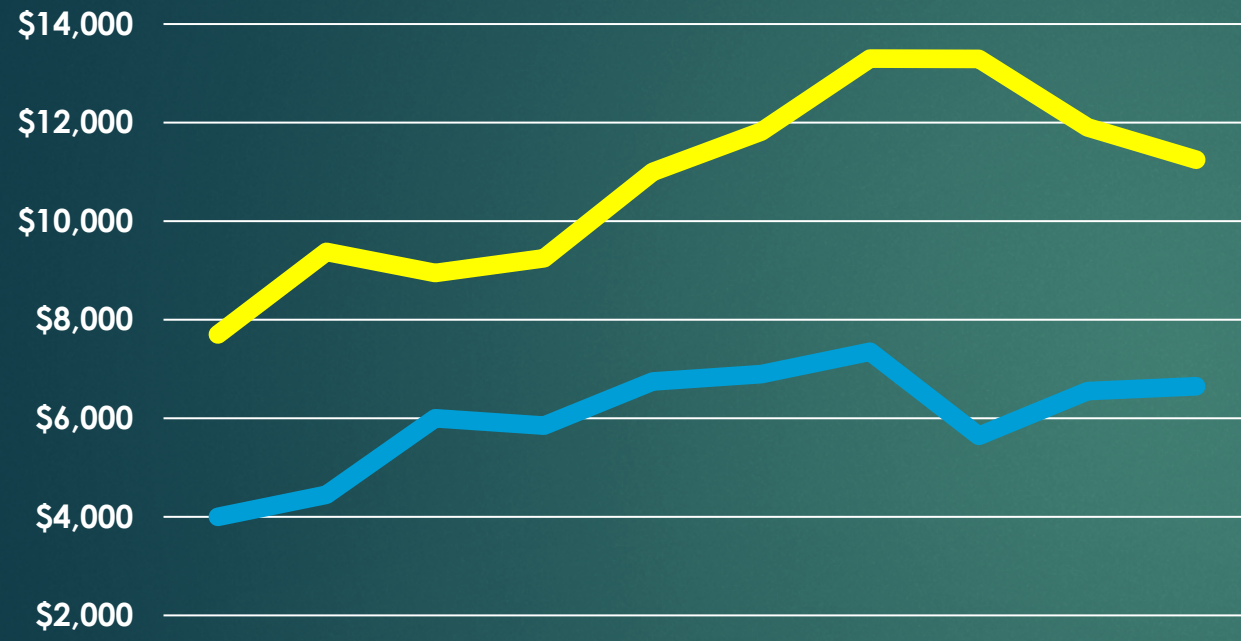
\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$275	\$300	\$300	\$350	\$400	\$400	\$400	\$400	\$400	\$400
High	\$350	\$400	\$450	\$450	\$500	\$500	\$500	\$500	\$500	\$500

Low High



Average Adaptability

Price/Net Acre



\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$4,000	\$4,450	\$6,000	\$5,850	\$6,750	\$6,900	\$7,350	\$5,642	\$6,550	\$6,650
High	\$7,700	\$9,380	\$8,950	\$9,250	\$11,000	\$11,815	\$13,300	\$13,295	\$11,900	\$11,250

Low High

Rent/Net Acre



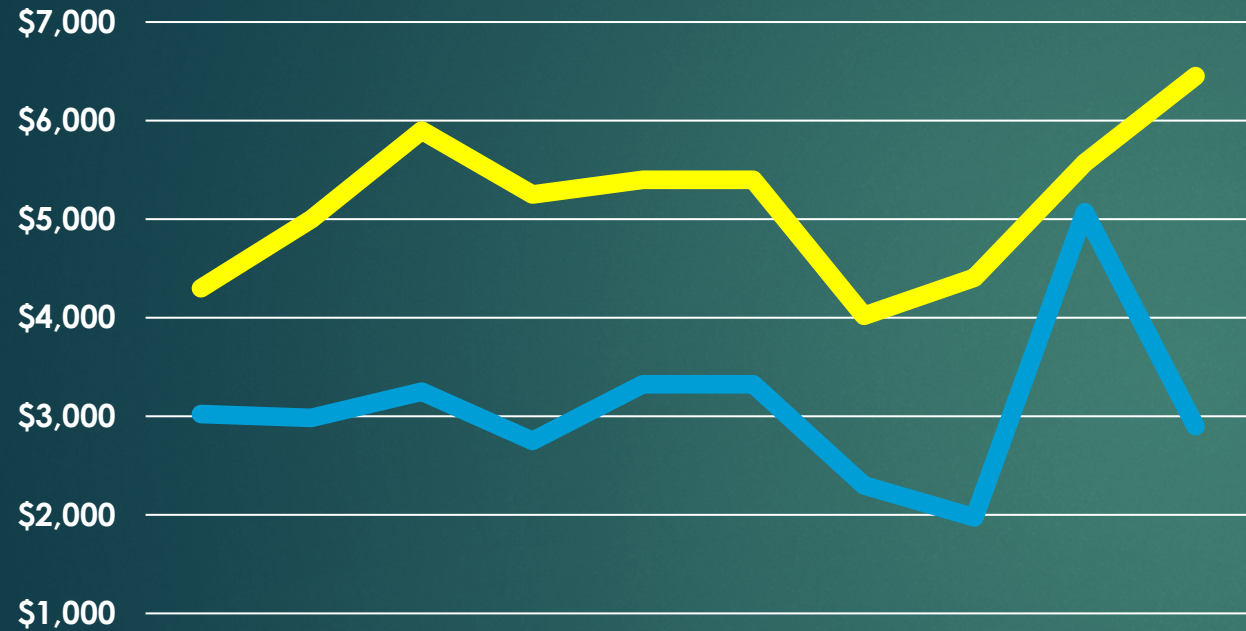
\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$225	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
High	\$300	\$350	\$350	\$350	\$400	\$400	\$400	\$400	\$400	\$400

Low High



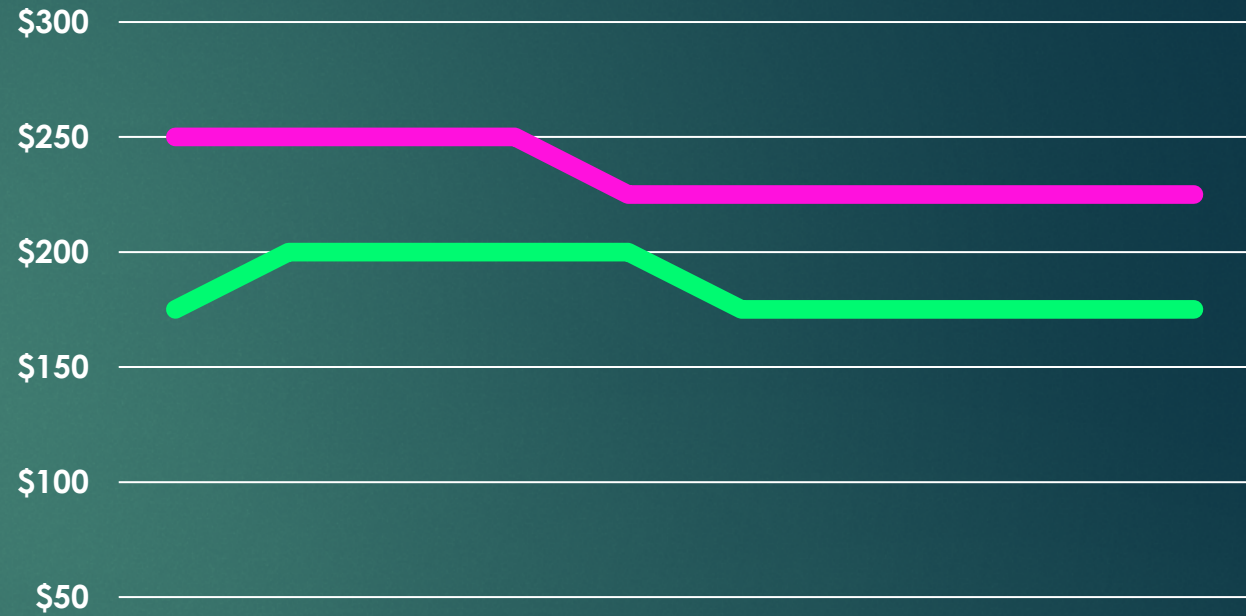
Limited Adaptability

Price/Net Acre



Low High

Rent/Net Acre



Low High

\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$3,024	\$2,985	\$3,250	\$2,750	\$3,325	\$3,325	\$2,300	\$1,976	\$5,070	\$2,900
High	\$4,300	\$5,000	\$5,900	\$5,250	\$5,400	\$5,400	\$4,021	\$4,405	\$5,571	\$6,450

\$0	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Low	\$175	\$200	\$200	\$200	\$200	\$175	\$175	\$175	\$175	\$175
High	\$250	\$250	\$250	\$250	\$225	\$225	\$225	\$225	\$225	\$225



Summary

➤ Imperial County has historically been a stable farming area with steady land values and rental rates on tightly held land. Water is supplied from the Colorado River which serves approximately 40 million people and 6,300 square miles of farmland in the US and Mexico. Irrigation water is delivered to area farms through the Imperial Irrigation District. Cost is \$20 per acre foot with an annual water availability charge of \$3.80 per acre. The current drought cycle has the possibility of having a very large, negative economic impact on the communities it serves. If the drought continues, water supplies could be reduced to some users. Fortunately, the Imperial Irrigation District has senior rights to Colorado River water which places Imperial County in a favorable position over some other water users should a reduction occur.

➤ **Good-Quality Land:** Capable of growing all crops in the Imperial Valley including vegetables. Activity, prices and rents have been stable to slightly decreasing. The decrease in value can be attributed to a couple bad years of vegetable production in the area. Prices paid for good-quality land range from \$11,000 to \$13,750 per net acre and rents range from \$400 to \$500 per net acre.

➤ **Average-Quality Land:** Mainly able to support forage crops with some of the better-quality ground being able to support limited vegetables. This type of farmland has been the most active of the three categories. Prices paid for average-quality land have remained stable and range from \$6,650 to \$11,250 per net acre. Rents are also stable, ranging from \$250 to \$400 per net acre.

➤ **Limited-Quality Land:** Able to support forage crops. There have been few sales with prices remaining stable. Prices paid for limited-quality land range from \$2,900 to \$6,450 per net acre. Rents are also stable, ranging from \$175 to \$225 per net acre.

➤ **Organic Farmland Rent:** Sales are limited. Historically, organic ground does not sell for a premium. Rental activity is stable to slightly decreasing. Some less adaptable organic ground in less desirable locations is being converted back to conventional ground. Rents paid for organic farmland range in the area of \$450 to \$550 per net acre.

