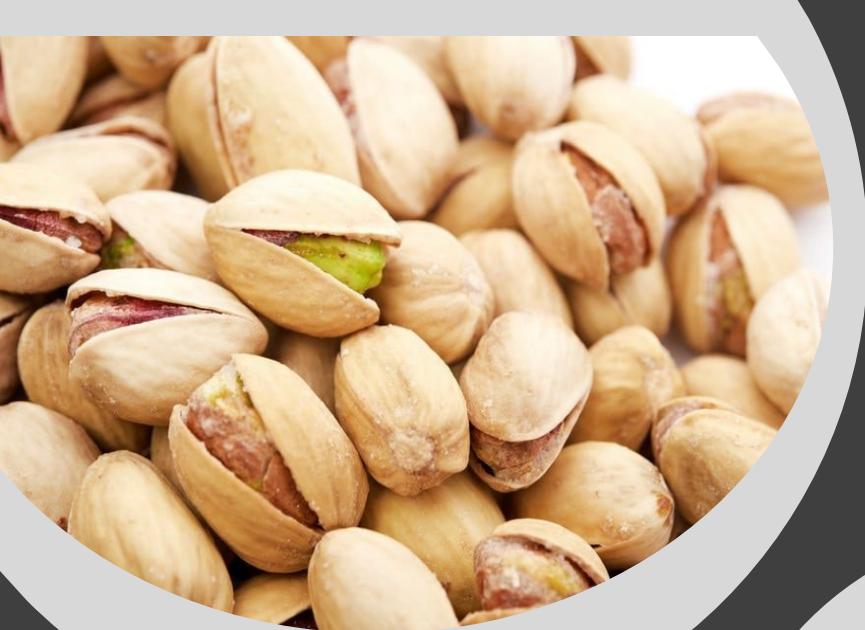


2024 Mohave County and Pistachio Industry Update

Janie Gatzman, ARA

Gatzman Appraisal





Key Topics:

- Solar Development Limitations
- Groundwater Management
- Pistachio Market

Solar Management

Solar Development Moratorium

- October 2023 – Mohave County enacts 240-day moratorium on new renewable energy projects on private land (pausing approval of energy overlay re-zoning designations)
 - Primary concerns: conversion of desert landscape, increased groundwater usage, wildlife impacts
- June 2024 – Mohave County Board of Supervisors approves allowing renewable energy projects **ONLY** on properties zoned “Light Industrial,” lifting moratorium.
 - Development Services Dept and the Planning Commission had recommended allowing utility-scale energy projects on almost any zoning, with a $\frac{1}{2}$ mile buffer from other uses
 - Utility-scale solar is no longer a permitted use on private lands zoned Residential-Agriculture (predominant zoning where solar developers have purchased land). Developers must apply for change in zoning designation before renewable energy projects can be developed.

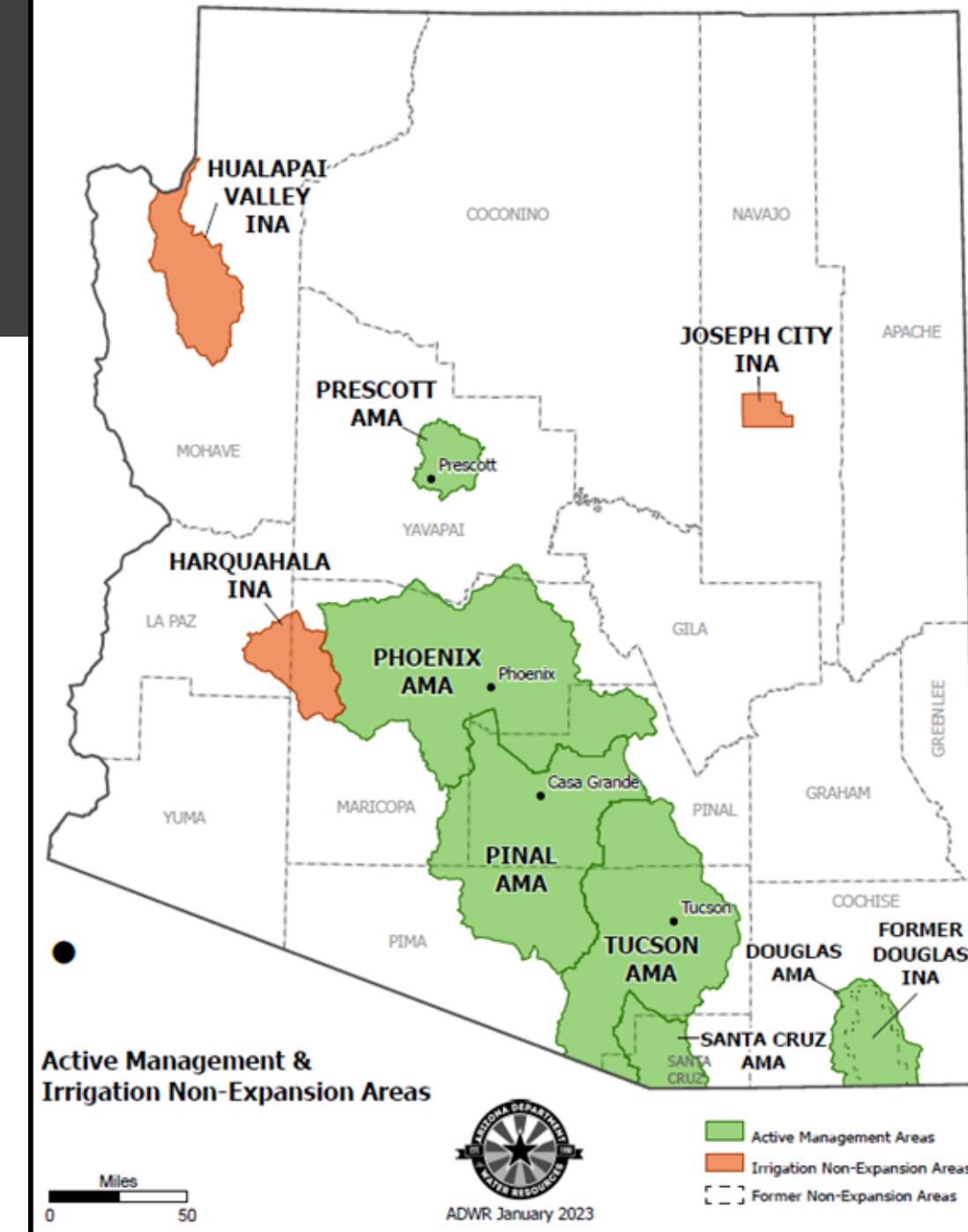


Groundwater Management

Hualapai Valley INA:

ADWR establishes Hualapai Valley INA effective as of October 12, 2022

- ADWR is granting Irrigation Authority to area farms based on NET irrigated acres between 10/12/17-10/12/22 (no well sites, roads, wash areas, farmsteads counted), regardless of 'substantial capital investment' claims



Groundwater Management



Market Activity since INA:

Only three fallow farmland/pasture sales since INA:

- 1,900 ac @ \$1,683/ac closed 02/2023: one section was abandoned pistachio rootstock, one section level, one section mountains; solar buyer
- 640 ac @ \$2,031/ac closed 03/2023: level, non-irrigated; solar buyer
- 200 ac @ \$1,596/ac closed 12/2024 – mostly wash area, non-irrigated

Back to 2017-2018 value range for fallow farmland/pasture

Groundwater Management



Market Activity since INA:

- No irrigated land sales since INA
- Two large farm listings
 - One is reportedly pending and was scheduled to close in December 2024, but closing was delayed. Many sections, some with historical irrigation, none currently irrigated, Irrigated Authority status unknown
 - One has multiple offers, may be pending. Many sections currently irrigated with Irrigated Authority. IA status pending for current non-irrigated sections that were historically irrigated.

Buyers are cautious; pistachio market is down and Irrigated Authority status must be known

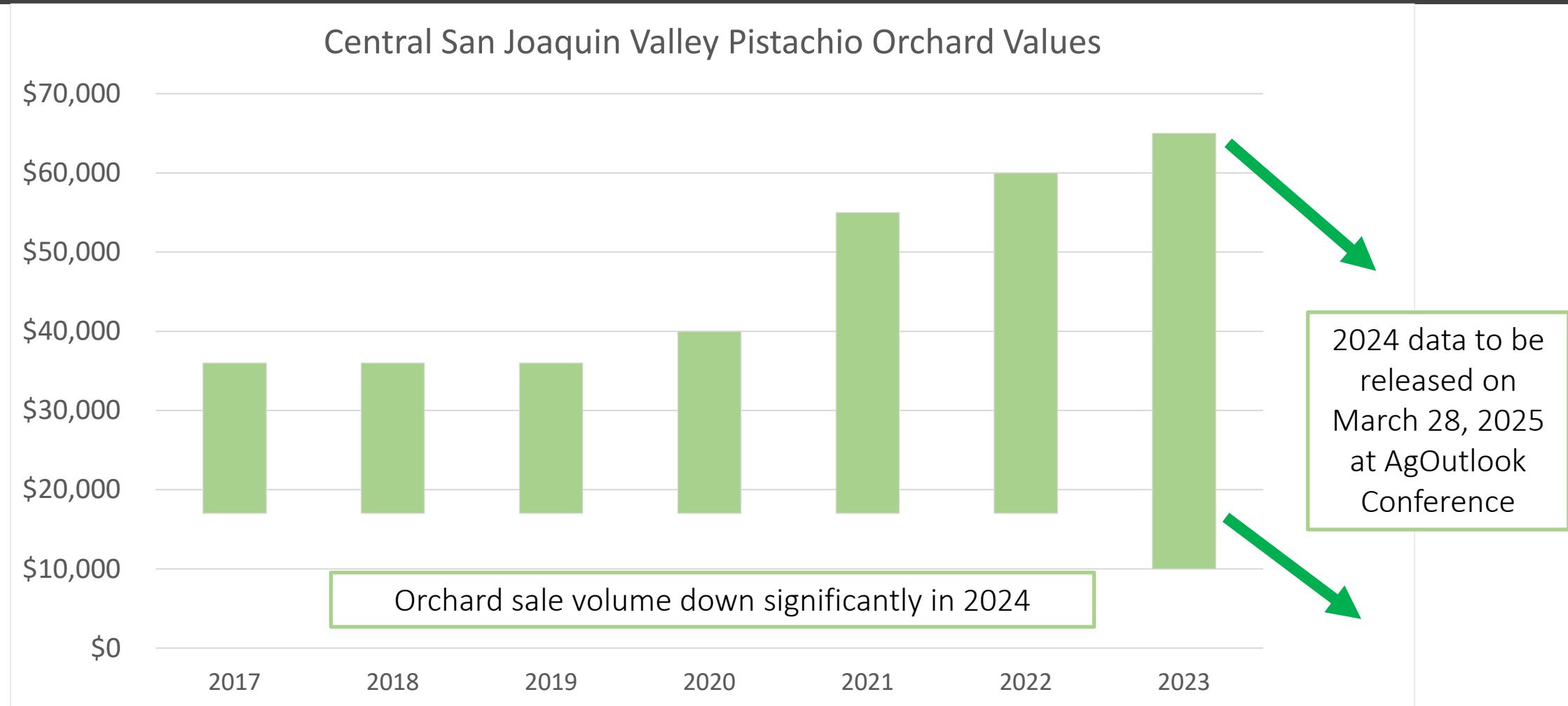


Pistachio Market

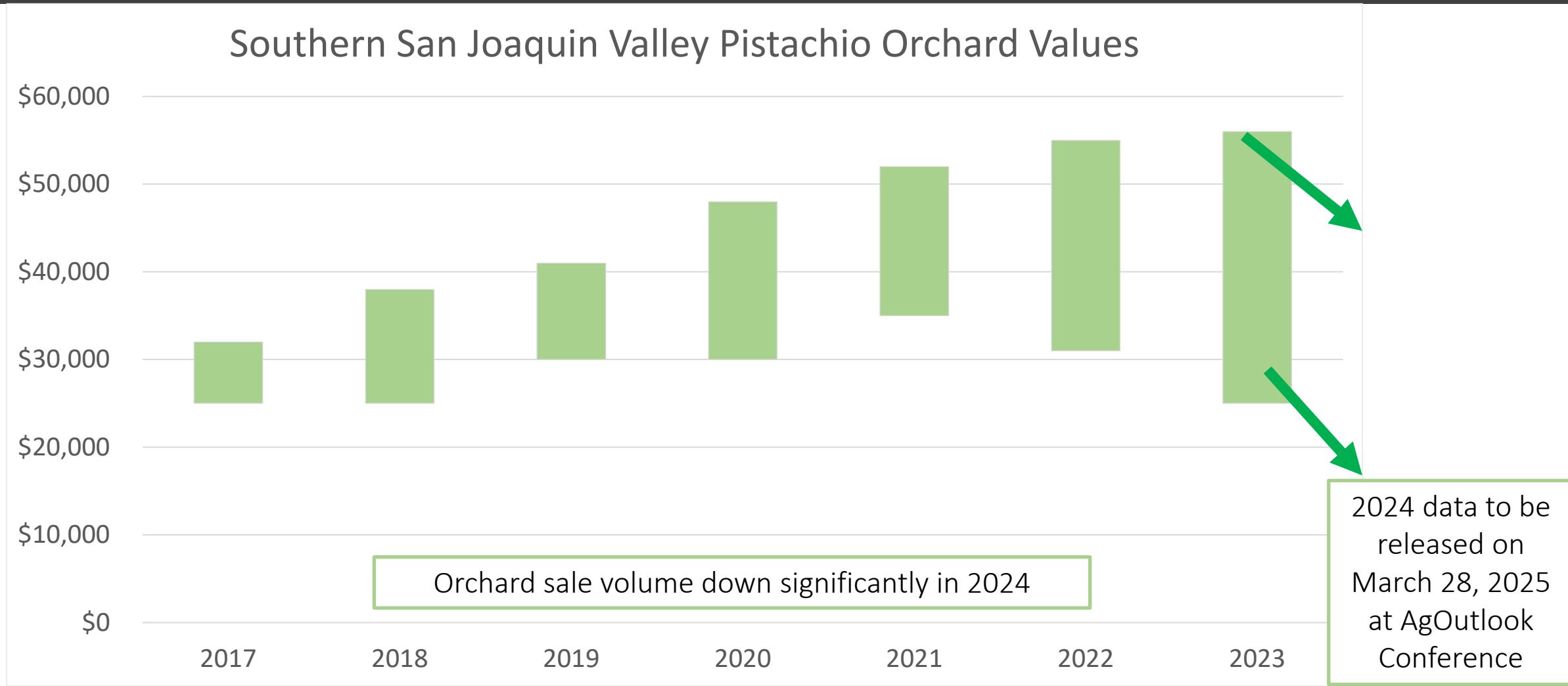
Pistachio Orchard Sales in AZ

- 2017 sales: \$10,700 to \$14,700 per acre
- 2019 sales: \$14,500 to \$30,700 per acre
- 2021 sale: \$15,300 per acre
- No significant new orchard sales found since 2021

Trends in Agricultural Land & Lease Values – California Chapter, ASFMRA

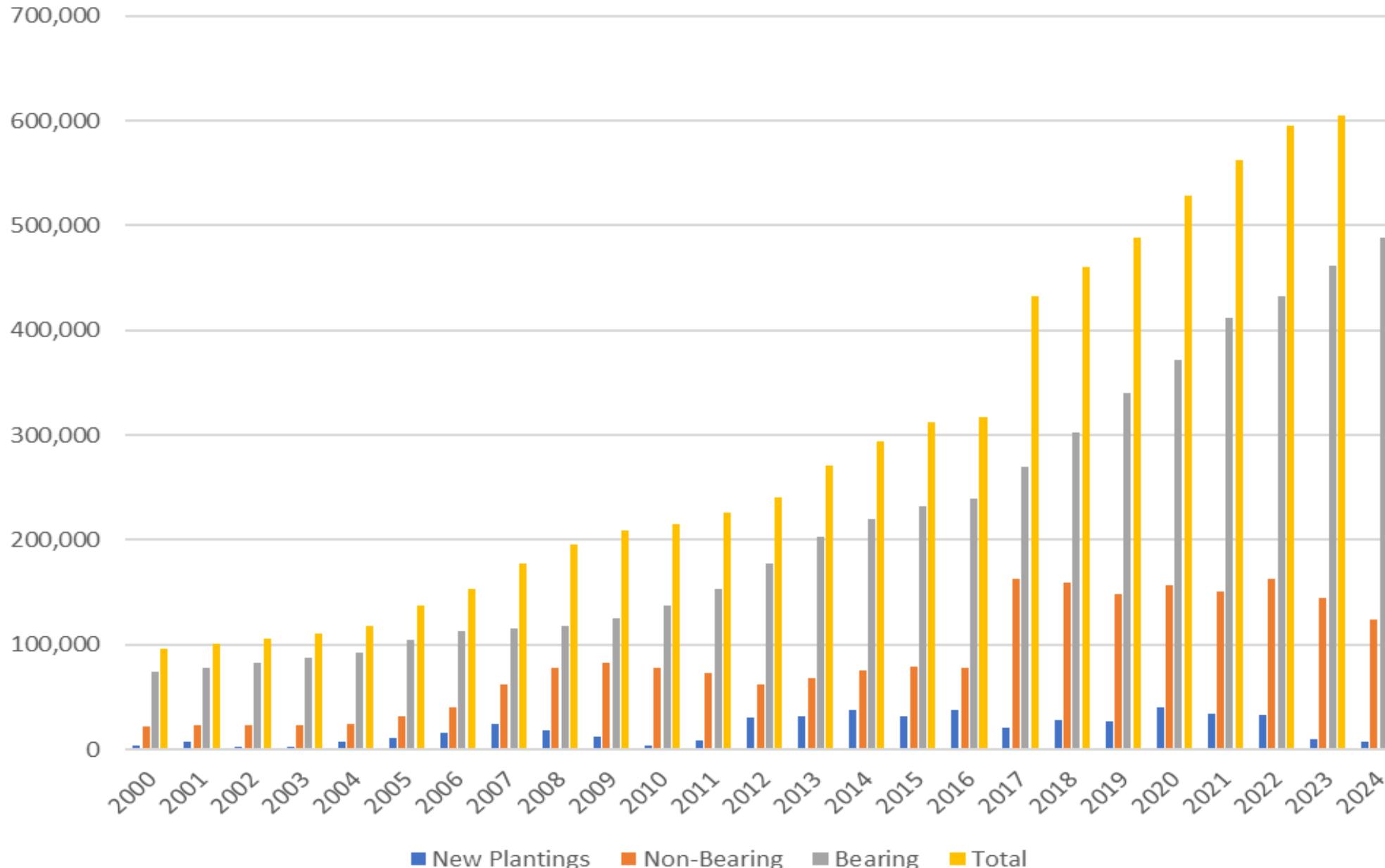


Trends in Agricultural Land & Lease Values – California Chapter, ASFMRA

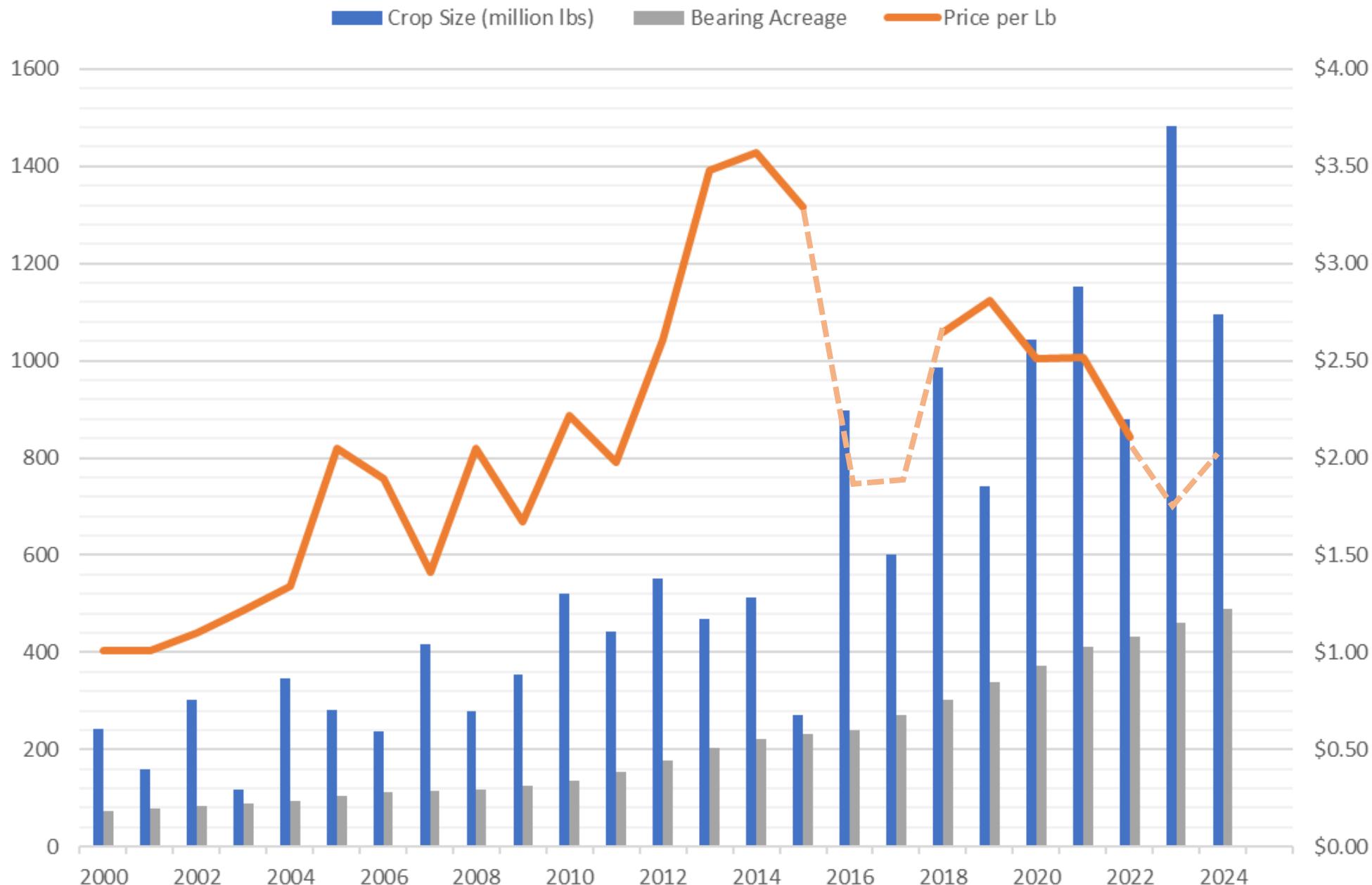


CA Pistachio Plantings

Source: Administrative Committee for Pistachios



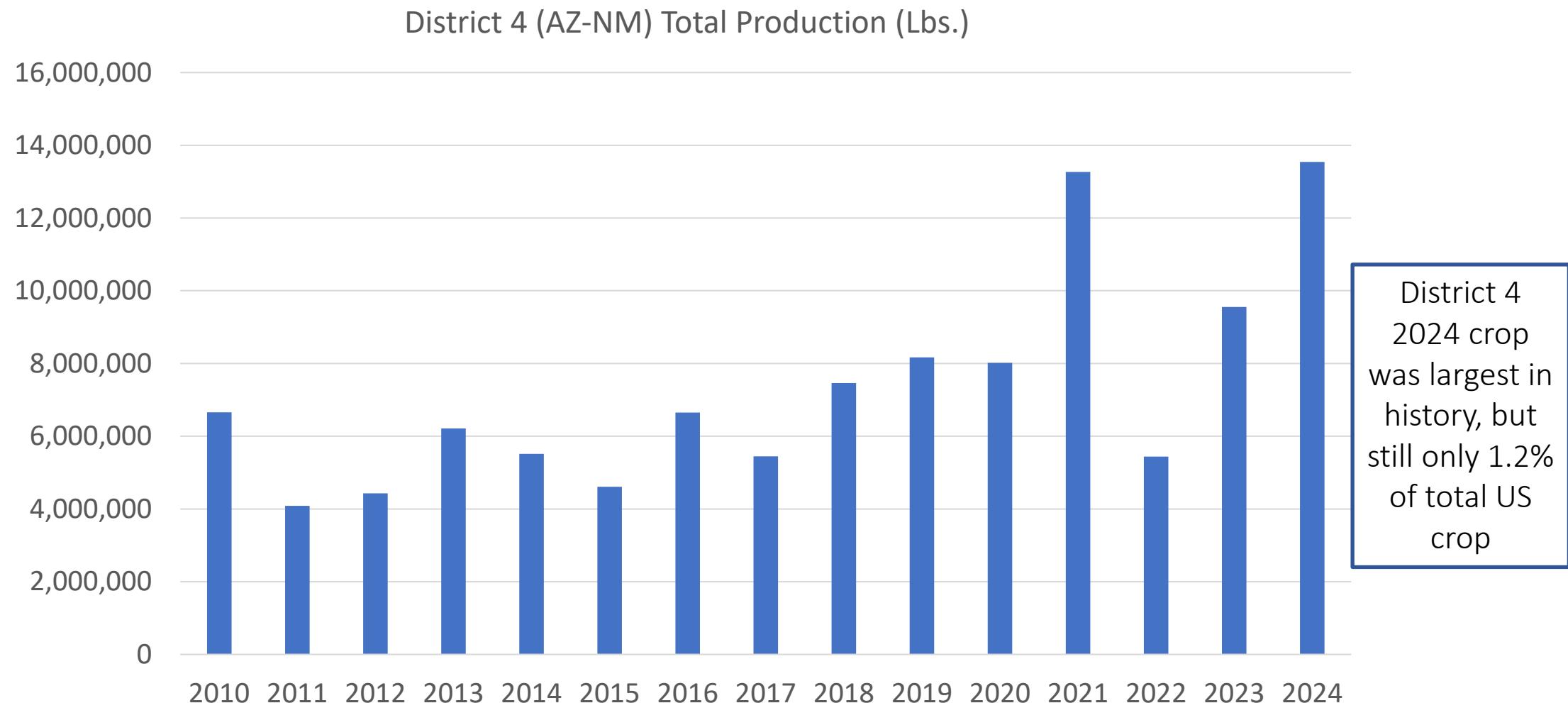
Historical Crop Size vs. Farm Price - Pistachios



Administrative Committee for Pistachios: 2024 Data

County	Bearing Acres	% of Total	Total Production (lbs)	Yield/Bearing Ac
Kern	147,637	30.2%	324,249,735	2,196
Fresno	131,454	26.9%	327,037,885	2,488
Tulare	71,328	14.6%	126,317,022	1,771
Madera	54,461	11.1%	119,224,346	2,189
Kings	46,601	9.5%	130,693,309	2,805
Merced	19,425	4.0%	38,280,820	1,971
Other (15 Counties)	17,624	3.6%	30,084,909	1,707
California Total	488,530		1,095,888,026	2,243
District 4 (AZ-NM Total)			13,355,137	1.20% AZ-NM
Total US Crop			1,109,243,163	98.80% CA

Administrative Committee for Pistachios



Pistachio Industry: 2024 & Beyond

- CA Pistachio Board reports 613,000 acres planted in CA in 2024; Land IQ reported 622,500 acres planted in 2023, so CPB numbers appear **low**
- Bearing acreage is evenly split between Kerman & Golden Hills, but non-bearing acreage is heavily Golden Hills; CA will produce more Golden Hills than Kermans within 5 years
- 20% of the current planted acreage is non-bearing, indicating crop size will continue to grow strongly in the next 5 years
- CA's 2023 crop was the largest in history (1.48 billion lbs.); the 2024 crop, despite being an off-year, was the 3rd largest in history (1.096 billion lbs.) and nearly matched the 2nd-largest (1.15 billion lbs. in 2021).
- *CA's 2025 crop could reach 2 billion pounds*
- *Total cumulative crop over the next 5 years is likely to be at least 8 billion pounds—Can industry maintain demand?*
- Wonderful in 2024 warned “it will be a challenge for the industry to maintain a \$2/lb. average price over the next 5 years”
- Wonderful finalized the 2024 crop at \$1.97/lb. on average (\$2.04/lb. for split in-shell, \$3.10/lb. for kernels)

Thank you!

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