

SOUTHWESTERN AG. SERVICES

An integrated, full service real estate firm providing brokerage, appraisals and consulting services throughout Arizona.



Members

- Steven D. Pendleton
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ASFMRA AG. FORUM

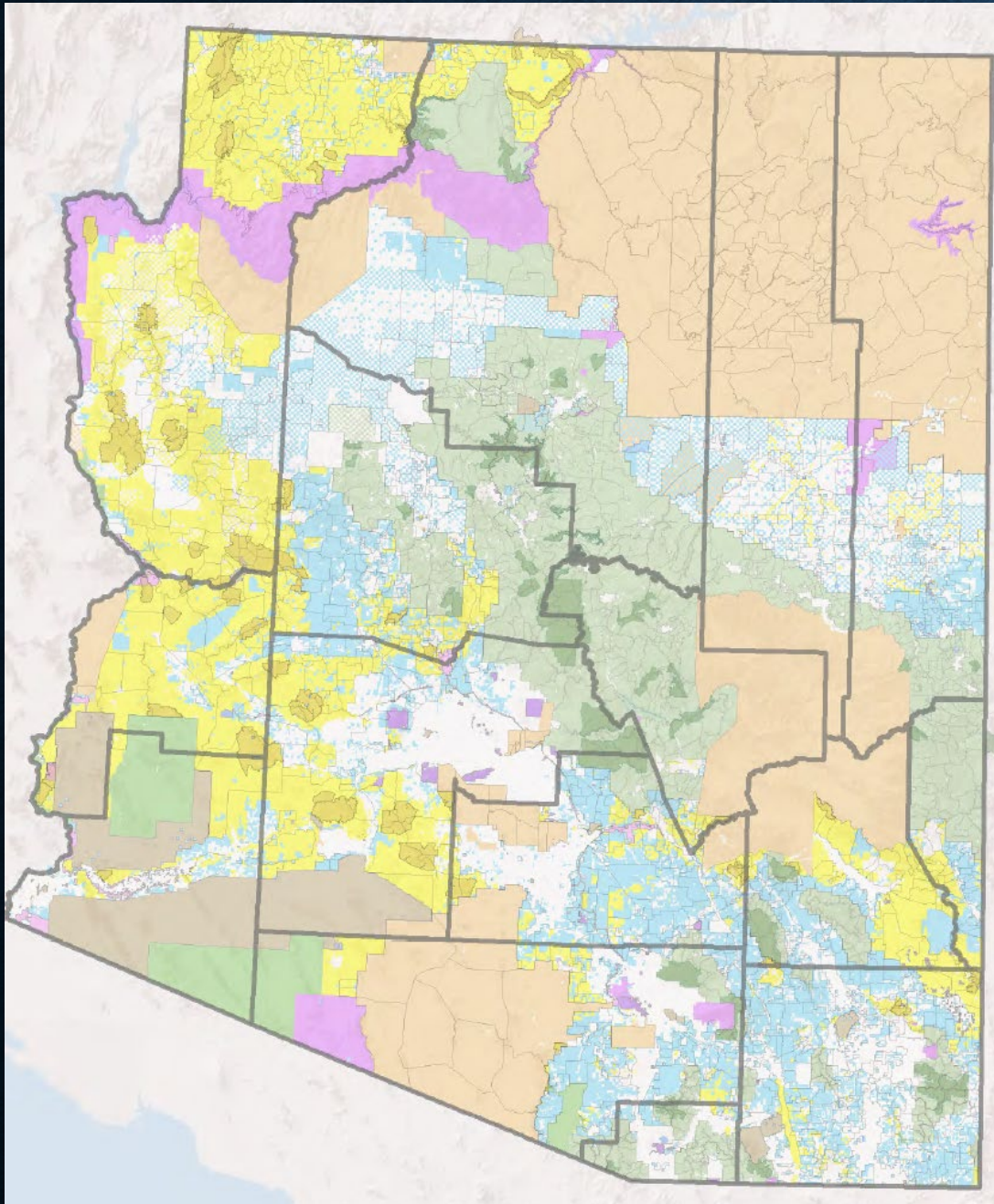
2024 Market Survey Arizona Cattle Ranches

Steven D. Pendleton
Southwestern Ag. Services

ARIZONA CATTLE RANCHES

Arizona Ranches are typically a mix of various land classifications and leases. There are very few “puritan” production ranches with a single land classification. These components included the following:

- Deeded Land
 - Rangeland
 - Irrigated Pasture
 - Riparian
 - Encumbered Deeded Land with a Conservation Easement
- Arizona State Leases
- BLM Permits
- Forest Permits
- Private Leases
- Uncontrolled Deeded/Adverse Possession

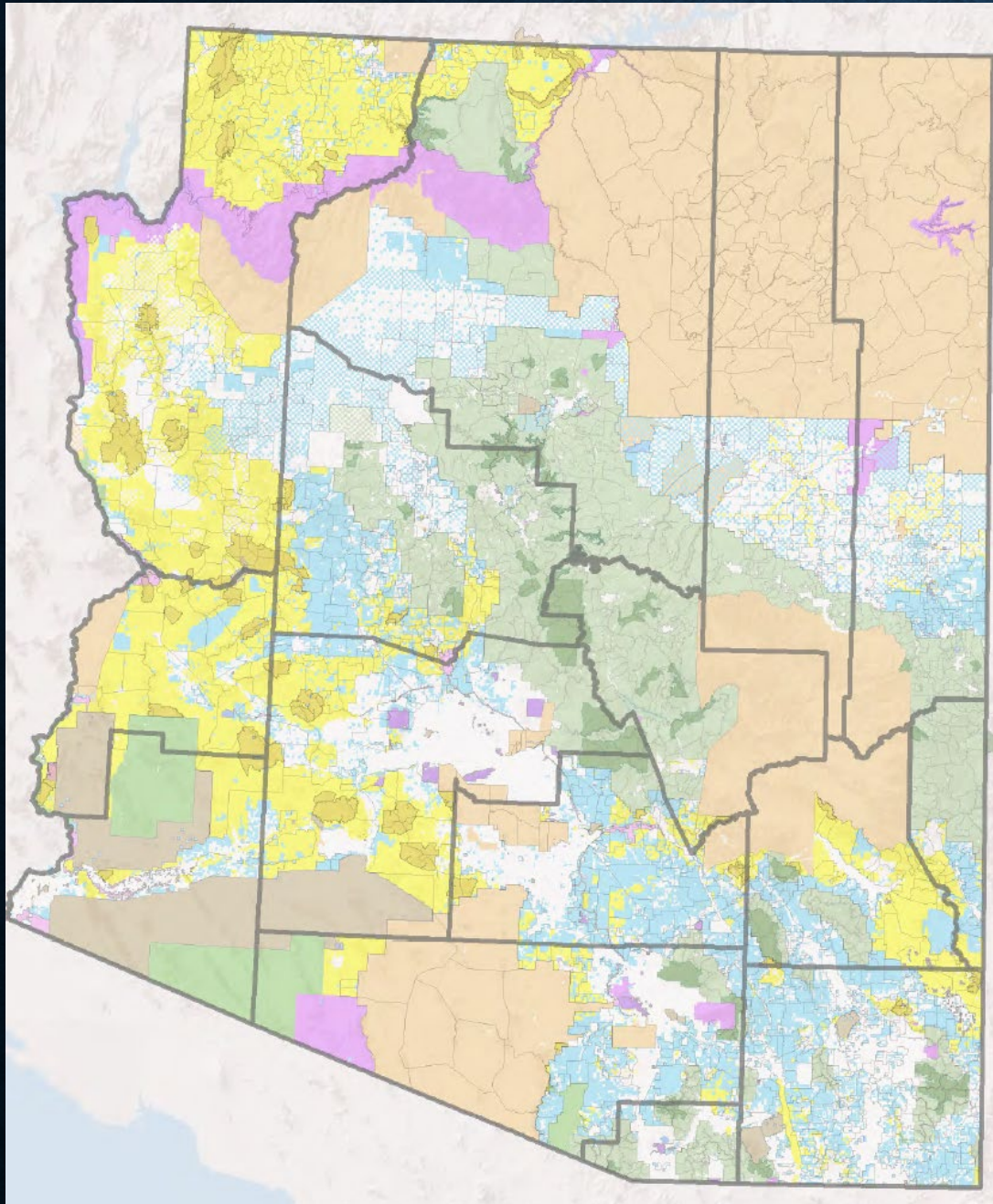


Ranch Land Components

Deeded

- Typically analyzed on a Per Acre Basis
- Large variations in price based on location, size, land classification, access, etc.
- Large percentage deeded ranches primarily along the I-40 corridor and Southeast Arizona

Yellow	– BLM
Blue	– State (ASLD)
White	– Private/Deeded
Green	– Forest Service (USFS)
Orange	– Tribal

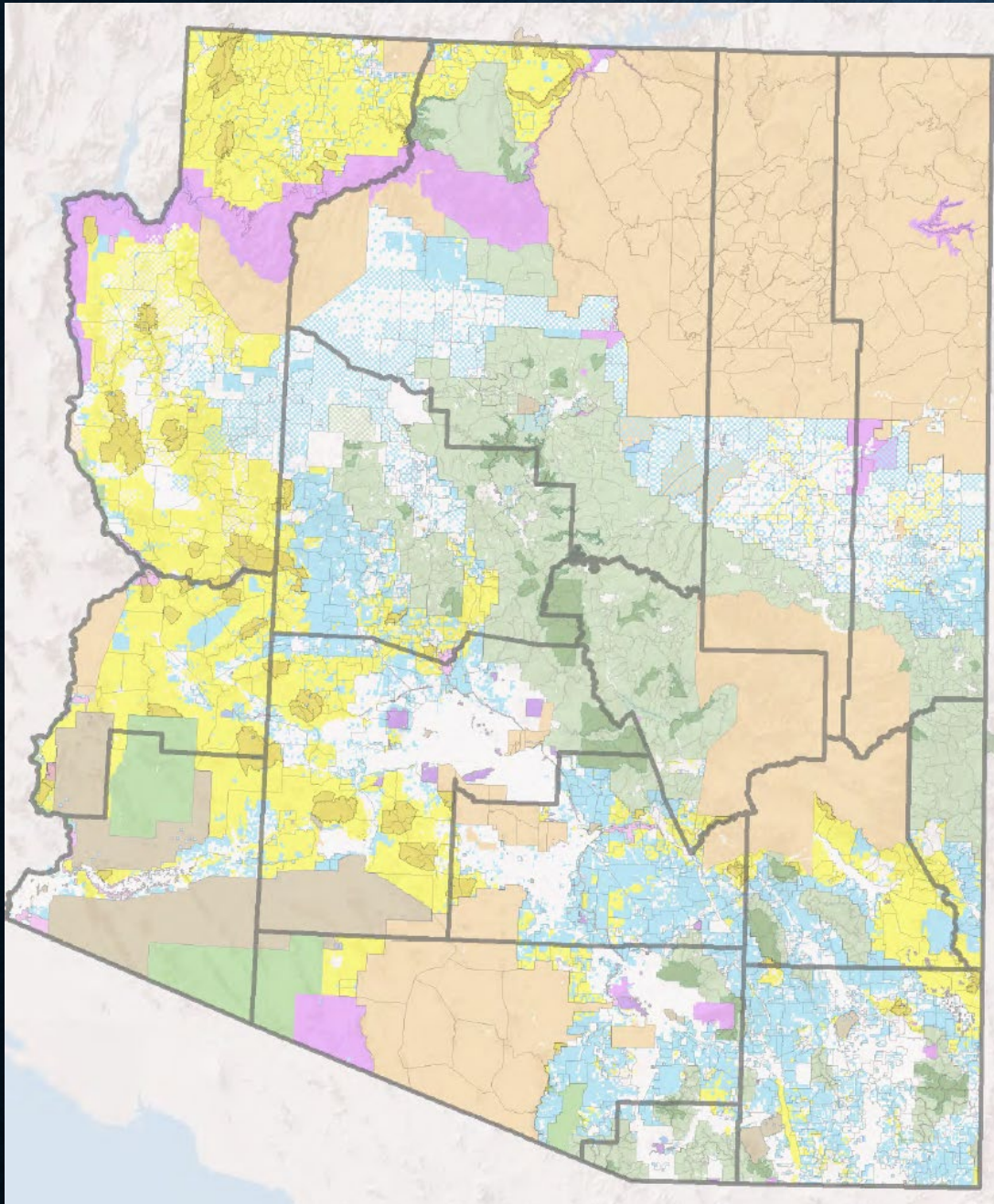


Ranch Land Components

Arizona State Leases

- Typically analyzed on a Per Animal Unit Basis
- Considered most stable
- Lessee owns the improvements
- Throughout the State

Yellow	– BLM
Blue	– State (ASLD)
White	– Private/Deeded
Green	– Forest Service (USFS)
Orange	– Tribal

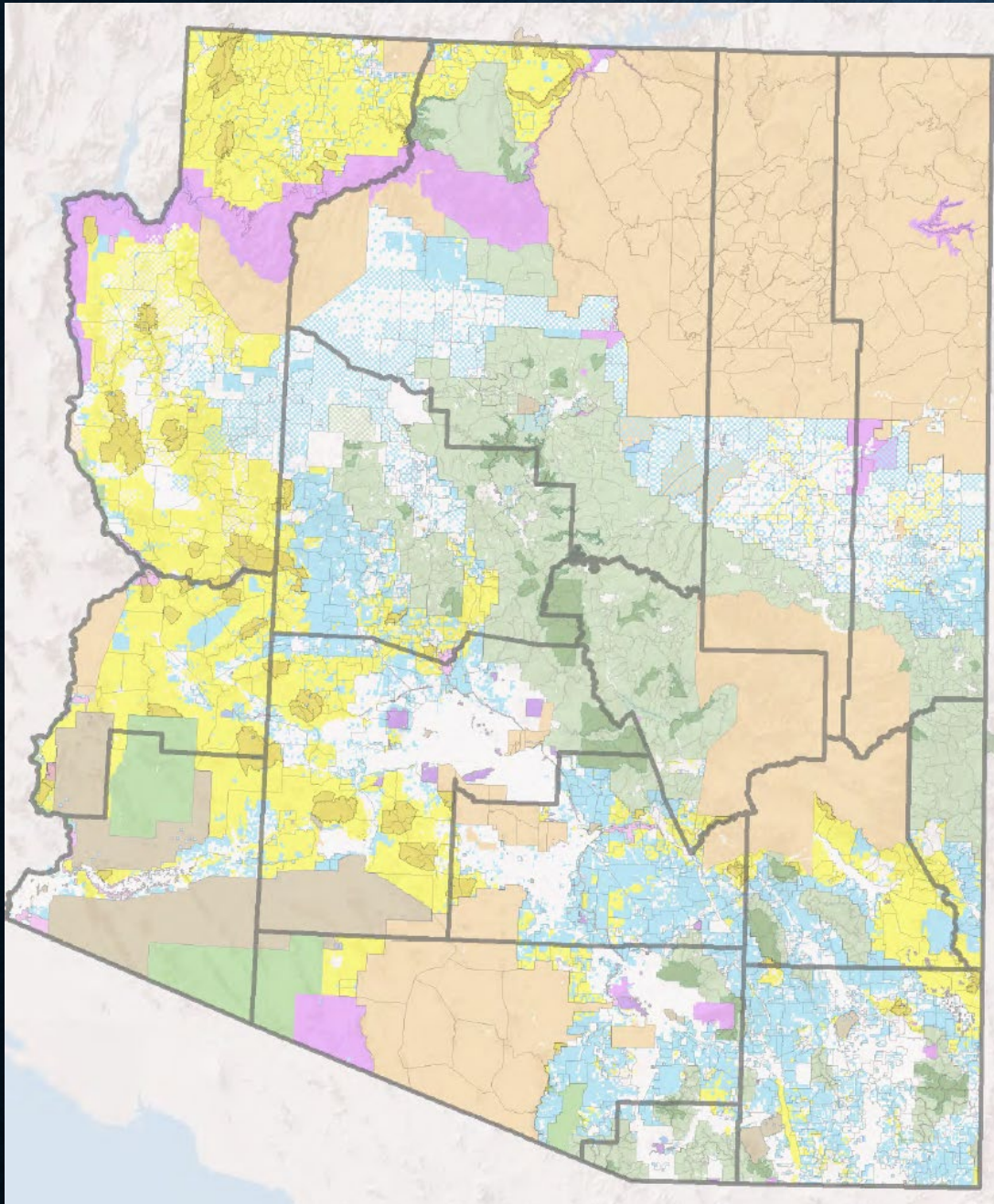


Ranch Land Components

BLM PERMITS

- Typically analyzed on a Per Animal Unit Basis
- Include year-round and ephemeral permits.
- Usually slightly less desirable than State Leases
- Throughout the State but more predominant in the southern and western parts and the Arizona Strip

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White	– Private/Deeded
Green	– Forest Service (USFS)
Orange	– Tribal

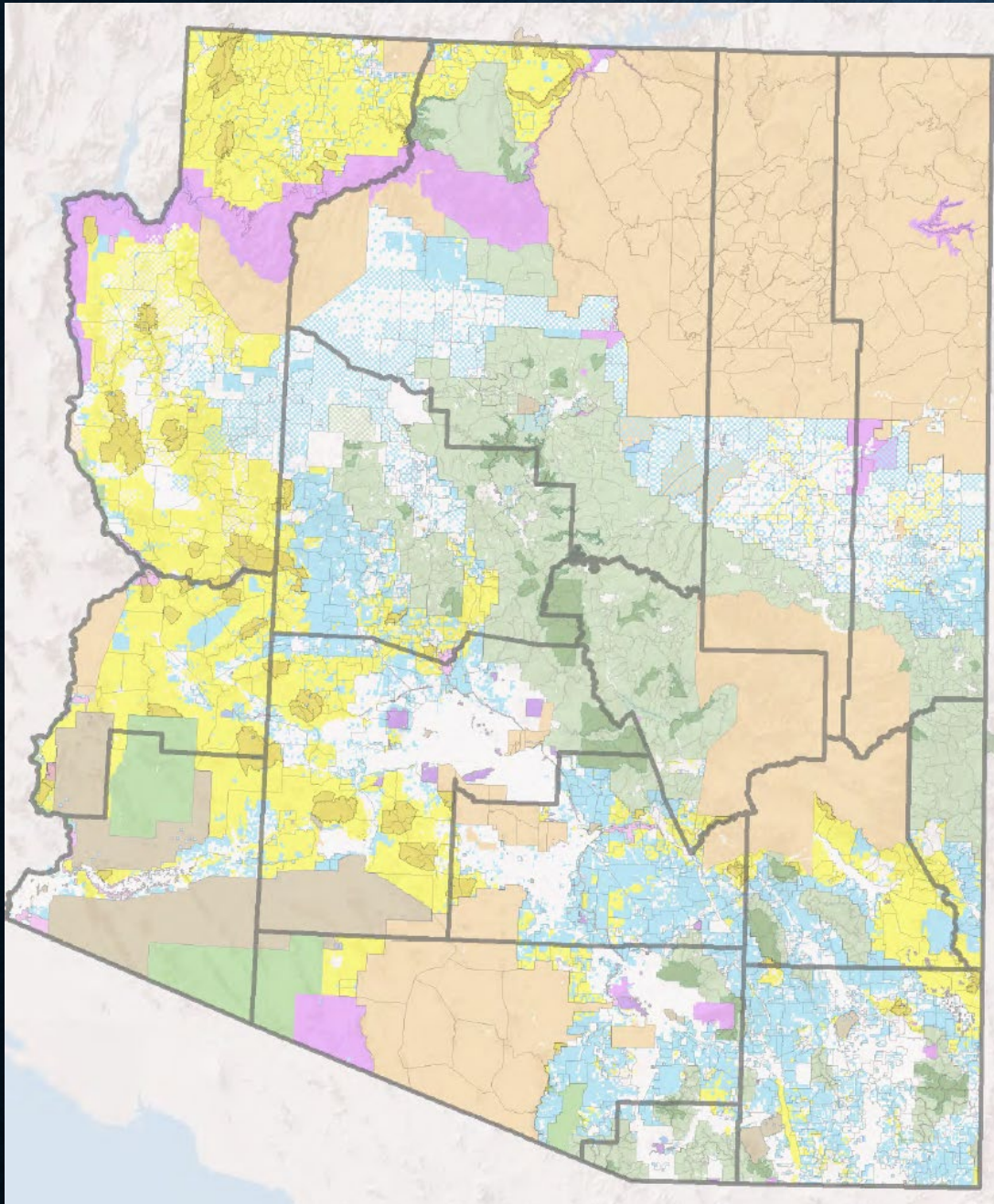


Ranch Land Components

FOREST PERMITS

- Typically analyzed on a Per Animal Unit Basis
- Include year-round and seasonal permits.
- More intense agency management.
- Public access considerations
- Predominantly in southeastern, northern, and central Arizona

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Blue	– State (ASLD)
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Orange	– Tribal

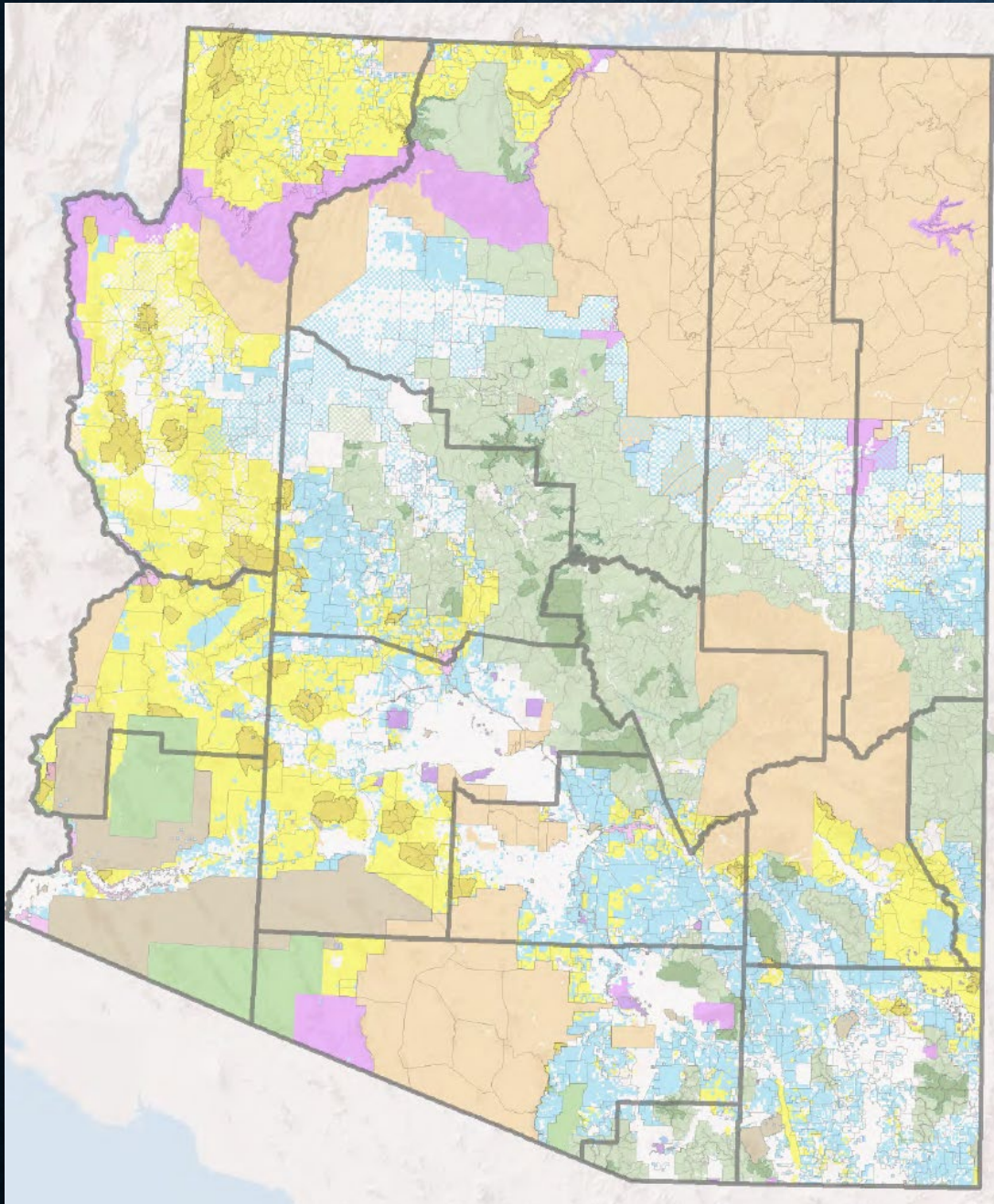


Ranch Land Components

PRIVATE LEASES

- Typically analyzed on a Per Animal Unit Basis
- Landlord include Private Parties, Corporations and Indian Communities
- Throughout the state but Predominantly in Northeastern Arizona

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	Blue	– State (ASLD)
	White	– Private/Deeded
	Green	– Forest Service (USFS)
	Orange	- Tribal



Ranch Land Components

UNCONTROLLED DEEDED/ADVERSE

- Arizona Law allows for grazing on other property until fenced out
- Primarily retained grazing and adverse grazing on 40 acre subdivisions
- Benefits include no grazing fees or taxes
- Detriments include potential loss of capacity as fenced out and management issues dealing with other property owners and public access issues.
- Throughout the state but Predominantly in along the I-40 Corridor

Yellow	– BLM
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Orange	– Tribal

2024 MARKET SUMMARY

- 24 Sales Reviewed from December 2023 through 2024
- Price ranged \$2,650 to over \$100,000 per Animal Unit
- Sales over 100 Animal Units ranged from approximately \$4,000 to \$31,000 per Animal Unit
- Deeded Land contribution ranged approximately \$310 acre to \$9,900+ acre
- State Lease contribution ranged from \$3,000 AU to over \$9,000 AU
- BLM Permits contribution ranged from approximately \$2,600 AU to \$8,550 AU
- Forest Permits contribution ranged from \$2,650 AU to \$6,600 AU
- Private Leases and Uncontrolled Deeded contribution ranged from approximately \$1,000 AU to \$4,400 AU
- Ranch Leases are limited but reported rents are generally in the \$20+ AUM range

FACTORS INFLUENCING CURRENT RANCH MARKET

- Historically High Cattle Prices
- Low Ranch Inventory
- FSA Direct Loan and Guaranteed Loan Programs
- Tax Benefits and programs
- Inflation concerns and elevated interest rates
- Ongoing Drought Conditions
- Rain (USDA/PRF) Insurance

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