The Great Central Valley of California

With $17 Billion of Total Agricultural Production...

If we were a country, we would be the 5th largest Ag Economy in the WORLD
Almonds

USA vs. World
Total Almond Production

USA 77%
World 23%
California Almonds
Total Production vs. Price per Pound

Total Production (Million #s.)

Price per Pound

$0.50

$1.00

$1.50

$2.00

$2.50

$3.00


High Values for Almond Orchards

$8,000

$14,000

$16,000

$9,000

$8,500

$7,500
Kern County Almonds

Wine Grapes and Raisins
Two Buck Luck?

Extreme Value Wines:

• Are they Good for the Industry?
• Or Bad?
• Are they Sustainable?

Here we go, again (?!)

Last year, we asked:
“Are we on the verge of another wine boom?”

St. Helena Star, Thursday, April 8, 2004

The answer, today, is clearly;

YES!!!
San Joaquin County Wine Grapes

Vineyard Values vs Average Grape Prices


Fresno County Wine Grapes

- Rubired
- French Colombard

California Raisins
Average Price per Ton, Raisins

- Reserve Tonnage
- Free Tonnage
Central Valley Removals

• Old, or UN-Contracted Wine Grape Vineyards
• Raisin Vineyards (Thompsons)
• Old Table Grape Vineyards
  (Mostly Thompsons)

Vineyard Removals
1998 - 2004
Total: 89,872 Acres
Open Land, and Dairy Influence

Butte, Colusa, Glenn, and Tehama
Open Land

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<td>Value</td>
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Citrus  Tree Fruit
Table Grapes  Rangeland

Kern County Citrus

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<th>Year</th>
<th>Citrus Revenue</th>
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<tr>
<td>1994</td>
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<tr>
<td>1995</td>
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<tr>
<td>2004</td>
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Summary

- Values are increasing in almost all markets, but driven by market demand, not necessarily Income.

Farm Real Estate Values Have Risen Faster than Net Cash Farm Income since 1987


- Inflationary environment for real estate, (driven by flight from stock market and traditional investment vehicles ?).

Farm Real Estate Values Growing Faster Than Inflation

Source: Farm Real Estate Values: USDA, NASS, as of Jan. 1; Consumer Price Index: Federal Reserve.
Summary

• Numerous cash buyers, including major institutional investors, and §1031 exchangers, but few sellers, in most markets.

• **CHEAP** money and weak US dollar have supported values.

• Forecast?? What’s your guess??

• Or is this a “bubble”?