



THE BOTTOM LINE

Over the last 40 years the dairy industry has purchased tens of thousands of acres of Tulare County farmland. A lot of dairies have been built on marginal and unproductive soils. Over time and using dairy wastes, soils with the capacity of growing 10 to 15 tons of corn silage have been transformed to produce 35 plus acres of corn silage.

Most of the dairy operations began with a minimum number of acres and expanded over the years with acquisitions of neighboring properties. These properties, once purchased, are not sold except for use with the dairy operation for the life of the dairy facility.

Requests for land suitable for permanent plantings are constant. When driving through Tulare County it would seem that plenty of open land should be available. The fact is that there is not due to the immense number of acres used by dairy operations to grow dairy feed commodities.

“That’s the Bottom Line!”

John

FARMLAND • DAIRIES • QUOTA • FEED RANCHES • GROVES
SPECIAL SERVICES

Fees are based on time involved

- Appraisals - Dairy & Farmland
• Dairy Facilities
• Neighbor to Neighbor Land Sales
• Escrow Supervision
• Herd and Quota Appraisals
• Dairy Relocation Services
• Auctions - Farmland & Dairy
• IRC1031 - Tax Deferred Exchanges
• Farmland & Dairy Leasing
• Financial Consulting
• Estate/Bankruptcy Sales
• Agricultural Investment Planning

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MILK POOL QUOTA

Sales of milk pool quota averaged \$469 per #SNF for the first quarter of 2012. Check with us for the latest prices.

DAIRY FACILITIES

For Lease - 600 cow dairy just east of Hanford. Double 10 flat, 200 lockups, 2 milk tanks and replacement capacity. Owner will consider phase-in growth pricing. Will also consider purchase option or straight purchase.

For Lease - north of Hanford. Double 10 herringbone with corrals for 200-300 cows. Pre-cooler and 2 milk tanks. Priced right at \$8.00 per milking cow per month.

Wanted! We have a client looking for an organic, pasture based operation with cows in a California location.



Oakdale Dairy Facility with permits for over 2,100 milking cows. Four- 440 cow freestalls, double 20 herringbone barn and two 7,000 gallon tanks. Modern set-up built in 1994. Silage slab, four haybarns, commodity barn, shop and truck scale. Residence is 2,900 sq ft with swimming pool. 316+ acres of irrigated cropland and pasture. Asking \$10,500,000.

LAND



Foothill Ranch- 230 plus acres on a classic California cattle ranch with large custom home at Calif. Hot Springs. (east of Ducor) Oak studded ranch with elevations from 2,800 to 3,400 ft. Two springs for cattle and wildlife plus Deer Creek Water. Grazing capacity of 30 pairs. Home has 3 bedrooms and baths and 3 fireplaces. Shop with 3 roll-ups. 3/4 mile road frontage on Hot Springs Dr. A-1 zoning. Asking \$990,000.

Horse Ranch - On the San Joaquin River at Patterson. Used as boarding facility. One barn with 10 stalls, another with 20 stalls and receiving barn with 13 various size pens, 84 -12' x 15' stalls, event area and bleachers and track. \$675,000

317.11 Acres Southwest Tulare County. Fully pipelined and farmed. Nice mobile. Two wells. Asking \$5,500 per acre. **SOLD**

17.91 Acres - Homesite in Southwest Tulare County. District water available. Surrounding property being farmed. 3/4 mile from school. \$85,000.

23.33 Acres with large custom home (3,625 sq. ft.) near Visalia. Fenced and 2 horse barns plus large shop. \$598,000. **REDUCED to \$499,900.**

25 Acres southeast of Dinuba. Well and Alta I.D. water (2011 cost - \$4.10 per acre foot.) This was planted to trees. Excellent for stone fruit or citrus. Asking \$300,000.

80 Acres northeast of Ducor. Property is currently being dry farmed to grain crops. In an area with history of citrus property. Priced at \$4,000 per acre.

PERMANENT PLANTINGS

9.68 Acres of Manzanilla olives. Beautiful custom home just north of Exeter. Four bed, 3 bath, large pebble tec pool. Awesome views from the balcony along 3 upstairs bedrooms. Awesome backyard with small amphitheater. \$550,000. A must see.

61.57 Acres Almonds! S.S.J.I.D. water plus well and solid set sprinklers. 2/3 Carmel, 1/6 Nonpareil/Allrion, 1/6 Neplus, at 20 years old. 3 Acres of Fuyu Persimmons. Two homes - Ripon area (north of Modesto). Asking \$1,870,000.

26.2 Acres of citrus northeast of Ivanhoe. 18 acres of Washington and 6 acres of Atwood Navels. Two wells and fan jet sprinkler system. Two wind machines. This one won't last long! \$425,000 **SALE PENDING**

FEATURED PROPERTY



Plant walnuts, almonds, or ?

The finest class 1 soil, excellent water conditions and great location.
Planted to alfalfa.

47.61 Acres of Cajon & Foster soil series. Irrigation well. Ditch stock available (Farmers). Located southeast of Visalia and in the General Plan designated as use for a park. A close-in property - the kind that build an estate.
Asking \$18,500 per acre.

SPECIAL PROPERTIES

5.06 Acres - West of Terra Bella. Feed storage site with other large haybarns. Graded with decomposed granite and has cyclone fencing - \$194,500.

4.3 Acres on north Ben Maddox. Beautiful 2,500 sq. ft. custom home, 3 bed., 2 bath. Well maintained and upgraded. Pool and awesome entertainment area. Planted to table grapes. Asking \$350,000



Homesites:

19.16 Acres - In an Oak tree studded area with breath taking views and lots of privacy. Plant to trees or vineyard (water at 20-40 feet) and make this a truly estate property in a very prestigious area. \$395,000.

4.13 Acres - In the same area as above (Lort Drive) between Visalia and Exeter - A prime rural residential site plus room for trees or vineyard. \$150,000

4.3 Acres - Also on Lort Dr. Extra privacy and secluded. Finest water and soil plus prestigious area. \$150,000

3.75 Acres north of Woodlake (Elderwood) with large round building for a variety of uses. Great rural residential area. Only 20 minutes to Visalia, Rolling terrain - \$125,000

3.30 Acres just south of the above property. Country setting with great views of pasture, foothills, and mountains. Priced to sell at \$56,000.

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All listings offered in the NEWSLETTER are subject to prior sale, price change or withdrawal from the market.
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To have property listed in THE RANCH CO. NEWSLETTER-Call the office-(559)733-3232.

THE BACK PAGE

What is Land Worth? "In Vietnam, if you're buying land, you don't pay for it in terms of your regular currency, you pay for it in terms of some weight of gold that you agree on with the seller of the piece of property" (James Turk). In the U.S., when our valley land was selling at \$2,500 per acre, gold was \$250 an ounce. Today's gold price of \$1,750 per ounce (an increase of seven-fold) land should be at \$17,500 per acre. It's amazing how both land and gold hold their value during times of world-wide printing of paper currency. In Sioux County, Iowa, a non-irrigated, strictly farmland 80 sold for \$20,000 per acre!

Interest Rates In the early eighties, interest rates ran as high as 20% plus. Historically, interest rates have been averaging in the 7-10% range. Interest rates will go up from where we find them today - guaranteed! There is no way that interest rates will go lower for any length of time. Maybe no rush yet, but a fixed rate of 4-5% is really going to look like a smart move in years ahead. There will be no guarantee that a loan will even be available when the rates begin to rise!

Progressive Farmer reports recent land sales:
Alabama - 400 acre pasture and timber - \$2,000/ac, 244 acres of timber - \$1,517 per acre.
Kentucky - 912 acres - cropland and timber at \$2,449/ac.
Kansas - 360 acres - 181 ac of cropland and 110 acres pasture #2,486/acre.
Illinois - 293 ac with 278 ac farmable \$8,337/ac.
"The problems we face today exist because the people who work for a living are outnumbered by those who vote for a living" - (author unknown).

Ag financing health is much stronger than in the 1980's. USDA projects the ag sector's debt-to-equity ratio for 2011 at 11.6%. In 1986 it was 28.5%. Capacity to repay the debt is very high. The lessons learned in the 1980's have not yet been lost!

2011 Tulare County Farm & Ranch Sales

Agricultural land value in Tulare County continued an upward trend in 2011 with a total of 240 parcels sold (20 acres or more each). Total land sales consisted of 22,284 acres. Sales of the past 6 years are shown below:

Year	Number of Parcels Sold	Acreage	Total Estimate Value	Per Acre Value
2011	240	22,284	\$184,235,000	\$8,268
2010	161	16,031	\$110,952,000	\$6,921
2009	115	9,108	\$81,850,000	\$8,987
2008	182	17,150	\$157,168,000	\$9,164
2007	211	16,417	\$145,878,000	\$8,886
2006	261	23,338	\$173,311,000	\$7,426

Comments: Total ag land sold was up 28% over the previous years, possibly reflecting the demand for land due to higher commodity prices. Price per acre also reflects demand with a 16% increase over 2010. While the price per acres is up over 2010, it remains substantially lower than during 2007-2009. It appears that this may be due to a higher than normal number of sales in the extreme southwest portion of the county.

- The above statistics include all of the 2011 Tulare County land sales of parcels containing a minimum of 19.5 acres each. In addition, smaller acreage of 5 acres to 19.5 acres totaled 134 sales consisting of 1,298 acres.
- Land not planted to permanent crops totaled 8,950 acres (40%) plus 3,623 acres of rangeland (16%). Permanent crops included citrus (16%), vineyard (12%), deciduous (9%), nuts (5%) and the balance in olives, kiwi, etc.
- None of the land appeared to be sold for development use. Bank sales consisted of 21 parcels totaling only 284 acres. Dairy operators purchased only 12 parcels for a total of 1,527 acres. Six dairy facilities were sold on a total of 1,468 acres. Six packing houses transferred ownership plus one golf course.