



DAIRY NEWSLETTER

Spring 2018

The California Dairy Industry has been a growing industry over the past 50 years with movements away from the metropolitan areas to more rural areas, enabling growth and expansion. What will the next 50 years bring? The saying, "He who looks in the crystal ball ends up eating glass" certainly applies here. At best one can only guess on the basis of the past and what is happening today!

A few observations looking at it only from a real estate perspective:

- Few new dairies will be built in California as stricter regulations and feed costs will drive new construction to other parts of the U.S.
- The number of dairy facilities will continue to decrease through absorption into urban development and through elimination due to size and inefficiency.
- Dairies located on extremely high quality soil could be purchased by growers of intense and high value crops
- As more land is developed to permanent crops, it will become increasingly difficult to find, let alone purchase, feed crops at economic prices.
- Dairy operators will continue to buy land for growing feed stock.
- New plant uses may be discovered and through yet unknown technology, modified to create commodities for extensive industrial use, taking up countless acres of feed producing farmland.

The possibilities are endless and change is certain. In all the uncertainty, the billions of people on the planet will need to be fed and land with good soil, a reasonable source of water plus excellent natural growing conditions, will always be a great investment to many generations.

"That's the Bottom Line!"

CATTLE ▲ POOL QUOTA ▲ LAND VALUES

DAIRIES ▲ FARMLAND ▲ FEED RANCHES ▲

SPECIAL SERVICES

- Dairy & Farmland Auctions
- Agricultural Investment Properties
- Agricultural Investment Planning
- IRC 1031 - Tax Deferred Exchanges
- Estate / Bankruptcy Sales
- Neighbor to Neighbor Land Sales



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THE MARKET PLACE

FEATURED PROPERTIES

KF Dairy Facility & Home 129.29± Acres El Centro Ca. The property consists of two parcels for a total of 129.29± acs including a 2,300±SF custom home and a complete dairy facility featuring a double 36 parallel milking parlor with Expressway Boumatic stainless steel milking stanchions and 72 Boumatic Integrated Signature auto-detach milking machines on 28" centers to accommodate both Holsteins or Jersey dairy cows.

This property is being sold by process of "Sealed Bid"

Call Ed Camara 559-410-5557

Cross Creek Ranchette 7± Acres Here is your opportunity to live in the country. This 7± ac property borders the Cross Creek in south Hanford and features a 2 bedroom, 1 bath ranch style house and a small work shop.

Call Fernando Santos 559-772-5684

Feedlot and Walnut Orchard - Kings County, CA - This property consists of a 28± acre ranch. With 11± acres currently planted to 3rd leaf Chandler Walnuts on Black Walnut root stock. The remaining acreage contains a Heifer raising facility that is currently in operation and permitted for 1,225± heifers. There are 3 homes on the property one nice 3 bedroom, 3 bathroom 2 story home that is 2,025± sq. ft. and 2 worker's homes that are currently rented for \$750 each per month. *Call Fernando Santos 559-772-5684*





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OUT OF STATE DAIRY RELOCATION

208.36± ac High Plains Dairy

Osceola Co., Iowa

\$9,000,000 (\$43,194/ac)

Dairy - The dairy consists of a 1,935± free stall in 2 sand bedded barns. Barn 1 is 1,020'± x 135'±. Barn 2 is 660'± x 121'± with parlor, connecting crosswalks, holding area and a maternity 50'± x 240'± area. There is also a 72'± x 80'± heated shop. Parlor - Double 24 parallel with sub-way. Currently milking 2,500±, 2.5x. Feed Area - 40,000± ton forage pad, scale, 8 bay commodity shed. Manure Handling - Sand recycling lane, concrete storage pad, 3 stage 30,500,000± gallon lagoon. All pumps included. Agreements - Seller has agreement in place for manure application and forage production.

1,476± ac Morrison Co. Cattle Ranch

Morrison Co., Minnesota

\$3,000,000 (\$2,032/ac)

This is a fully operational central Minnesota cow/calf ranch. It currently supports 400 pairs in 14 separate pastures with good fencing. All pastures are connected to the main ranch site by wide lanes with improved field roads and convenient gates for easy access. The land is mostly clear of trees and excellent for aggressive grass growth with plenty of sun exposure. Average rain fall of 36" per year combined with this good silty loam soil makes for high quality and abundant grass growth during the growing season. Currently there is approximately 200 acres in grass for harvesting and 140 acres used for growing corn for silage and winter feeding. This property is also suited for back grounding and raising heifers for dairy purposes. For winter feeding there are wind break fences in place that offer great south exposure for the cattle. Fence line feeding and portable feed bunks are used during the winter months along with heated waterers and good lighting in place. The four bedroom and three bath house on the main site is an excellent home for the owner or manager. Completely renovated in 2006 and features two large stone fireplaces, main floor laundry, modern open floor plan, and large windows to enjoy the view of the surrounding open pastures.

80± ac North Star Dairy

Kittson Co., Minnesota

\$980,000 (\$12,250/ac)

The Dairy which includes 80± acres, two free stall barns with 1,380 sand bedded stalls, D-24 De laval parlor, two 8,000 gal. bulk tanks and 19,000,000± gal lagoon. All floors are heated in the barns and parlor area. The concrete forage pad has a capacity of 30,000± tons. There is a 40'x80' heated shop and bulk hopper bins for supplements.

299.5± ac Dairyridge

Long Prairie, Minnesota

\$2,937,400 (\$9,808/ac)

Dairy Facility - 1,072± milking stalls, curtain side walls, center flume, mattress stalls, permitted for 2,480± animal units, currently milking 1,100 cows. Parlor - Double 18 with GEA meter and Pulse Nexis pulsation Monitoring. Single 7 sick cow parlor. Feed Storage - Feed on hand January 1, 2018; 552± days BMR, 300± days HMC, 837± days haylage. Other Buildings - As a separate list the cow site is 2± miles away and permitted for 455± animals. Manure Handling - Solids separator liquid storage for 12± months. Application - Manure is applied via underground pipeline to owned land and distributed by center pivots or tool bar. There is 2± miles of underground pipe in place.



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DAIRY RELOCATION

42± ac Plato Dairy Plato, Minnesota

\$2,000,000 (\$47,619/ac)

Dairy Facility - 791± stalls in 2 barns, Barn 1 is a 4 row curtain barn with 482± stalls, 6 calving pens and a single 6 fresh or special needs parlor. Barn 2 is a 6 row curtain barn. Both barns have separated solids bedded mattress stalls and automatic scrapers. Parlor - Double 12 parabone, chiller and a 9,000± bulk tank capacity. ID monitors and dairy comp 305. Feed Storage - There are two large bunkers with 18 month capacity for corn silage and hayage and a 4 bay commodity shed.. Other Buildings - Calf starting facility with protected huts, pens and support pens, and shelters.. Manure Handling - Manure is delivered by flume to a separator and stored in a 7 million gallon earthen lagoon. Application - Manure is applied to all land owned or leased by the dairy all within pumping distance of the pit.

85± ac Waverly Dairy Facility Waverly, Minnesota

\$4,200,000 (\$49,412/ac)

Dairy Facility - 1,135± stalls for milking, 530 stalls for heifers. Barns are tunnel ventilated and sloped to a center flume. Heated shop, 9 bedroom/4 bathroom house for employees and a large dry hay storage. Parlor - Double 20 parallel rapid exit, basement type, updated and well maintained equipment. Monitored by dairy comp. Feed Storage - Pads with bunker walls for 20 months of corn silage and haylage. Manure Handling - Manure is separated, solids are used as bedding on mattress stalls. Application - Manure is applied to all land owned or leased by the dairy.

INVESTMENT PROPERTIES

Orland, CA - Investment Opportunity

A well located property which includes pasture, dairy barn, creamery plant and storage. Currently producing an average of 1,700±lbs. of cheese per month using an average of 300± gallons of milk per week. Pasteurizing twice a week. Currently the plant is at approximately 25% of capacity.

THE MARKET PLACE

DAIRY SPECIALIST



Ed Camara **Senior Sales Associate**

Ed joined Pearson Realty in 2012. Ed has over 31 years of experience in the dairy industry and sales. Ed was a dairy owner/operator for 16 years and is a native of Hanford. He specializes in livestock facilities with an emphasis on dairies, dairy cattle, pool quota, cattle ranches and farmland sales in the Central San Joaquin Valley.

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Fernando Santos **Sales Associate**

Fernando joined Pearson Realty in 2015 and was awarded the “Rookie of the Year” for the farm department for 2015. Fernando has over 15 years dairy experience where he was a partner in his family’s dairy and farming operations. Fernando specializes in live stock facilities, open land and permanent plantings with an emphasis on dairy.

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DAIRY NEWSLETTER

NEW NEWS!

Receive instant updates for new listings and major modifications, such as price reductions!



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THE BACK PAGE

Thank you to all of you who came by and visited with us at the World Ag Expo! It was nice to see old faces and meet new ones! We appreciate you keeping up with us and stopping by.

Inflation/Deflation? Is it possible to have both at the same time? Definitely! Home prices may deflate as interests rate edge up, while commodity related costs such as food, fuel, clothing, equipment keeps inflating.

In 1938 a gallon of gas was 10 cents, a loaf of bread was 9 cents, but a gallon of milk sold for 50 cents. What happened? It's interesting to note that per capita consumption was much higher then, than it is today. How about creating "Mercedes" image of milk and charge double. Nutritionally its certainly worth two to four times the sugar beverages.

Your employees can be your most valuable assets: Most people think of their herds and facilities as being their most valuable assets and, perhaps that is true, but employees can make your assets grow or decline in value. Employees can make your assets grow if you make them a part of the team—make them problem solvers. Many employers are finding that an employee is more likely to commit energy to a problem if that employee is asked to come up with a solution. It is a basic principle of labor management—people will support what they create. The questions should not be what your business can do for the employee but what the employee can do for your business, with financial incentives and bonuses tied into problem solving and creative ability of the employee. Also, make regular employee evaluations part of your HR program.

Investment Thought: Two thousand years ago, an ounce of gold would buy a suit of clothes for a man. Today it still does that. Lesson: When inflation occurs, gold will keep its relative value. In the mean time it does not offer a return on the investment.

When we are losing money day after day, our thoughts often turn negative, which is precisely opposite of what they should be. How can we change that? Undoubtedly and most importantly, an unwavering trust and dependence on God. Secondly, a commitment to our personal best, in everything we do, and learning from others, those things which are helpful to us. Perhaps a couple of quotes will help to inspire: "When you get discouraged, when you cannot seem to make it, there is one thing you cannot do without. It is that priceless ingredient of success called relentless effort. You just never quit!" *N.V.P.-FCL Publ.*
"Failure quits in the face of persistence". *Napoleon Hill*

Thinking of Selling your property? Order your well tests first! You are more likely to get a good offer if your water situation is satisfactory. Getting your well tests after the offer, you run the chance of losing your deal or having to reduce the selling price—or worse yet—begin with a much lower offer.

Women who drink one glass of low fat milk a day reduce their risk of ovarian cancer by 41%. (American Journal of Epidemiology)

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The Ranch Co.
A Dairy Division of Pearson Realty

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