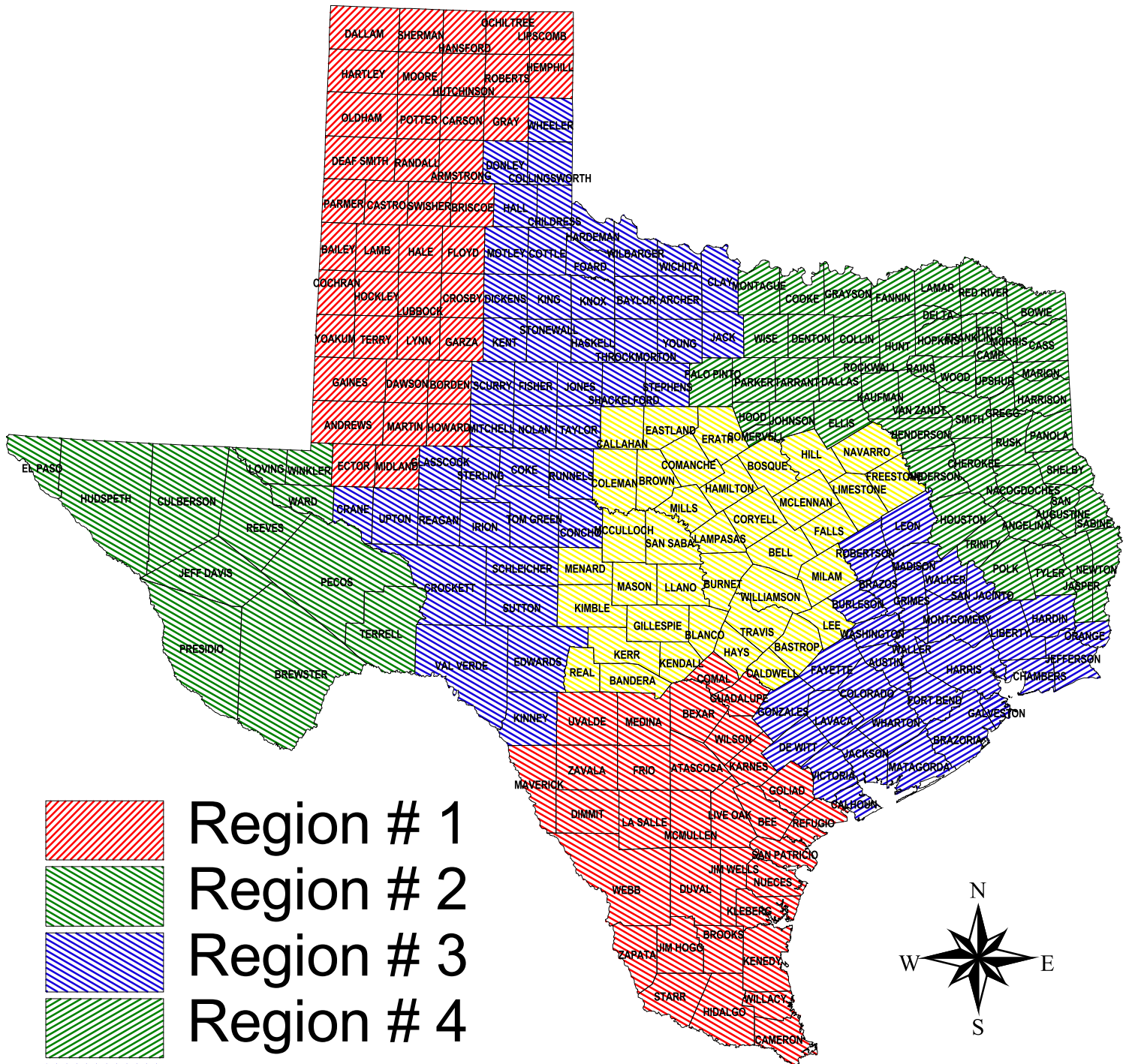




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TRENDS IN TEXAS AGRICULTURAL LAND VALUES
GENERAL MARKET CONDITIONS FOR 2002

TEXAS CHAPTER ASFMRA LAND VALUE SURVEY REPORTING REGIONS



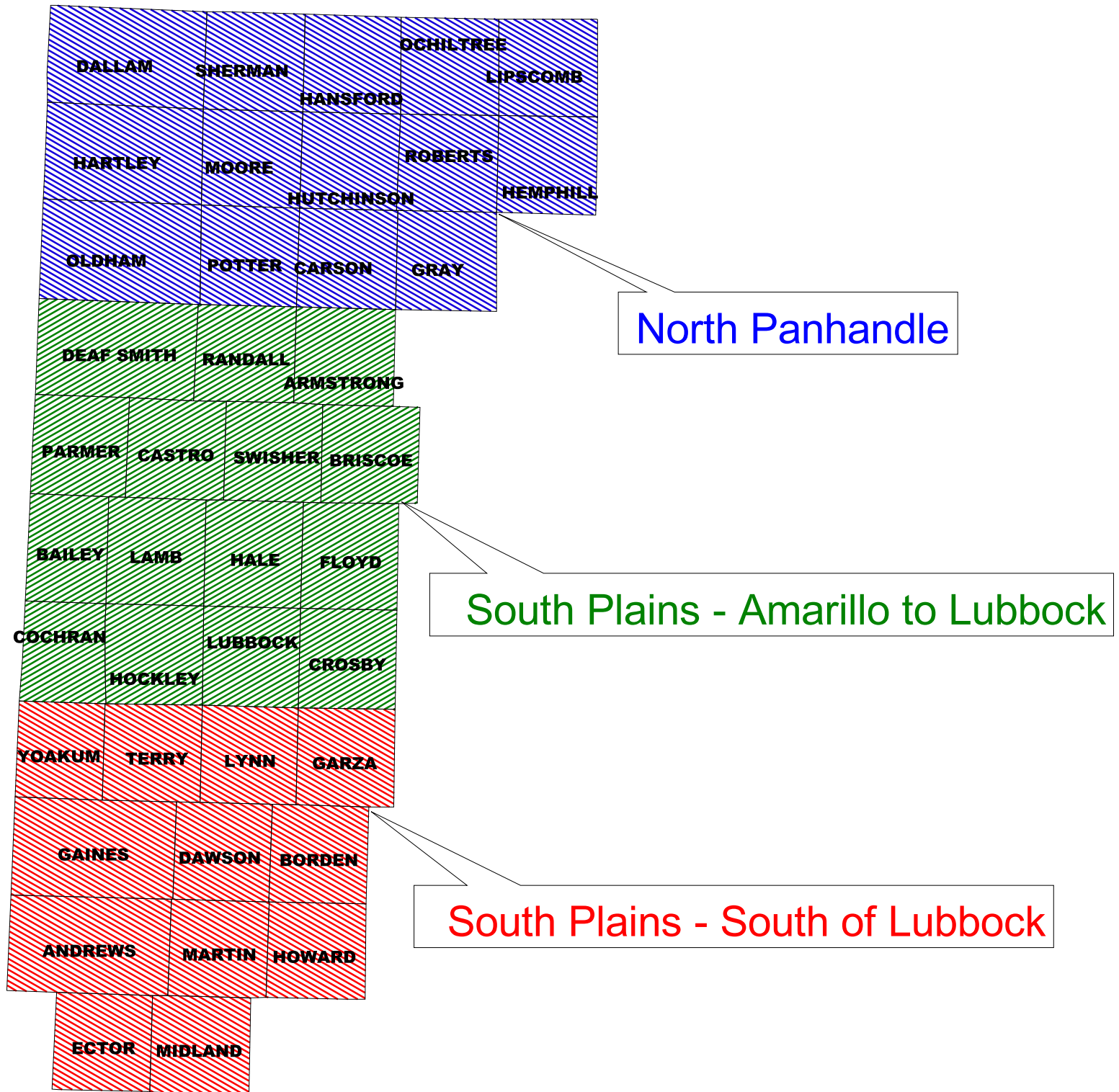
Region # 1
Region # 2
Region # 3
Region # 4
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Region #1



REGION ONE - PANHANDLE AND SOUTH PLAINS

GENERAL MARKET CONDITIONS FOR 2002

Region One, the most northerly region in Texas, is bordered on the west by New Mexico and by Oklahoma on the north and east. The upper third of the region is commonly known as the Panhandle, while the South Plains comprises the balance. Highlights of the overall market precede the brief discussions related to the sub-regions.

- Sales of large ranches, 20,000 acres and above, are still infrequent, with a limited number currently being offered for sale, thus making reliable market trends difficult to establish.
- Hunting and recreational property buyers have increased substantially. Ranches prices and hunting lease rates have increased due to the recreational demand.
- The demand for smaller ranches has increased and there continues to be a demand for the smaller recreational or rural homesite properties located within a one-hour drive of the two major cities – Amarillo and Lubbock.
- The farm bill payments are not a concern to producers and most are pleased with the cotton and peanut programs. There are some problems, however, with the new regulations, i.e., the yearly sign-up being one of them. Crop producers continue to be hampered by high fuel and fertilizer costs coupled with low commodity prices. The inventory of good irrigated land is still in a decline, but prices are continuing to be stable. In the southern portion of the South Plains, land purchases, used to set the peanut base, are selling very well. Values for farms with weak, or marginal, irrigation water have tended to remain relatively stable. Dryland farms appear to have held value throughout the region.
- Dairies continue to move in the North Panhandle and South Plains regions; this is a positive influence for the area agricultural communities. The favorable ecological climate is one of the reasons that dairies are relocating to these areas.
- With lower crop prices and higher production costs, demand for dryland farms is stable. It is noted that some dryland has been purchased to establish base acres for peanuts. The dry cropland is nearly always leased on a crop share basis.

North Panhandle

The North Panhandle includes the following counties – Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson and Gray.

Land sales in the North Panhandle have slowed. Increased cost of production has hurt demand, but land prices have remained stable. There is an active, steady demand for smaller ranches for recreational purposes. Values and lease rates are generally higher in the eastern Panhandle as rainfall and carrying capacity increase. Cash lease for irrigated cropland is common in the northwest Panhandle. Due to continued high fuel and fertilizer costs, cash lease rates are stable. A crop share lease is most prevalent in the eastern Panhandle where the rental market is more stable. Cash lease rates for native rangeland continue to be stable. Range conditions are fair.

South Plains from Amarillo to Lubbock

The north portion of the South Plains includes the following counties – Deaf Smith, Randall, Armstrong, Parmer, Castro, Swisher, Briscoe, Bailey, Lamb, Hale, Floyd, Cochran, Hockley, Lubbock and Crosby.

Crop yields, in the South Plains, were better during 2002. Low cotton and grain prices continue to create a negative affect on farmers' optimism; however, the new farm has helped to raise their optimism. The demand for farms with weaker irrigation water has stabilized; farms, with wells pumping less than 200 GPM, typically sell for approximately the same price as dry cropland located in the same area. Most of the cotton producing counties have boll weevil eradication programs in place. Insects were not as big a concern as they have been in the past years.

Native rangeland is in scattered areas along draws or a band of sandhills and runs southeast across the region; generally, these smaller tracts are utilized in conjunction with adjoining cropland. A crop share lease is the predominate lease arrangement for both irrigated and dry cropland; rental rates and terms remain fairly stable. Absentee landlords are continuing to sell to tenants; this trend continues to increase. Farmers have taken a real interest in drip irrigation; acreage under drip is growing even with the high cost of production. Prices for land enrolled in the Conservation Reserve Program (CRP) have had a slight increase. Sale activity has increased slightly from last year.

South Plains to the South of Lubbock

The lower portion includes the following counties – Yoakum, Terry, Lynn, Garza, Gaines, Dawson, Borden, Andrews, Martin, Howard, Ector and Midland.

This area is composed of a diverse land use mixture. The topography has rolling plains, broad valleys and flood plains. Most of the land in Garza, Borden, Andrews, Midland, Ector and Howard counties is native range that is utilized for cattle grazing. The grazing of sheep and goats is limited in the South Plains because of populations of coyotes. Most cultivated farming utilizes dryland cultural practices due to inadequate ground water. Irrigation practices are predominantly sprinkler due to sandy soil.

Sales of dry cropland, along with land values, have had an increase. The dryland farmers generally had a good year; however, there were some isolated crop failures due to weather conditions, i.e., hail and drought. Farming is localized geographically and is limited by soil types conducive to cultivation. Where there is adequate ground water, crops include cotton, small grains and peanuts. The limited number of farmland buyers is typically composed of local farmers. Values for the better-irrigated farm properties have stabilized. In areas where there is peanut production, values have increased for both irrigated and dryland properties. It is noted that peanut production recovered and that contract acreage for peanuts remains the same as in 2001. Underground drip irrigation acreage continues to increase.

Some smaller recreational properties have sold, but agricultural operations continue to be dominant for most landowners as, generally speaking, the area lacks scenic splendor, geologic uniqueness and varied recreational opportunities.

Region 1 - Panhandle and South Plains of Texas

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Panhandle

Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson and Gray Counties

Irrigated Cropland Good Water	\$800	to	\$1,400	Moderate/Stable	\$70	to	\$120	Limited/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Limited/Stable	\$40	to	\$70	Stable/Stable
Dry Cropland East	\$225	to	\$325	Limited/Lower	25%CropShare			Limited/Lower
Dry Cropland West	\$175	to	\$250	Limited/Lower	25%CropShare			Limited/Lower
Rangeland	\$150	to	\$250	Moderate/Higher	\$4	to	\$6	Stable/Stable
Conservation Reserve Program	\$225	to	\$350	Moderate/Stable	\$30	to	\$39	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - Amarillo to Lubbock

Deaf Smith, Randall, Armstrong, Parmer, Castro, Swisher, Briscoe, Bailey, Lamb, Hale, Floyd, Cochran, Hockley, Lubbock and Crosby Counties

Irrigated Cropland Good Water	\$800	to	\$1,250	Limited/Stable	\$70	to	\$120	Limited/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Limited/Stable	\$40	to	\$70	Stable/Stable
Dry Cropland Wheat	\$250	to	\$300	Limited/Stable	25%CropShare			Limited/Stable
Dry Cropland Cotton	\$300	to	\$400	Limited/Stable	25%CropShare			Limited/Lower
Rangeland	\$150	to	\$300	Moderate/Stable	\$4	to	\$6	Stable/Stable
Conservation Reserve Program	\$325	to	\$400	Moderate/Stable	\$30	to	\$40	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - South of Lubbock

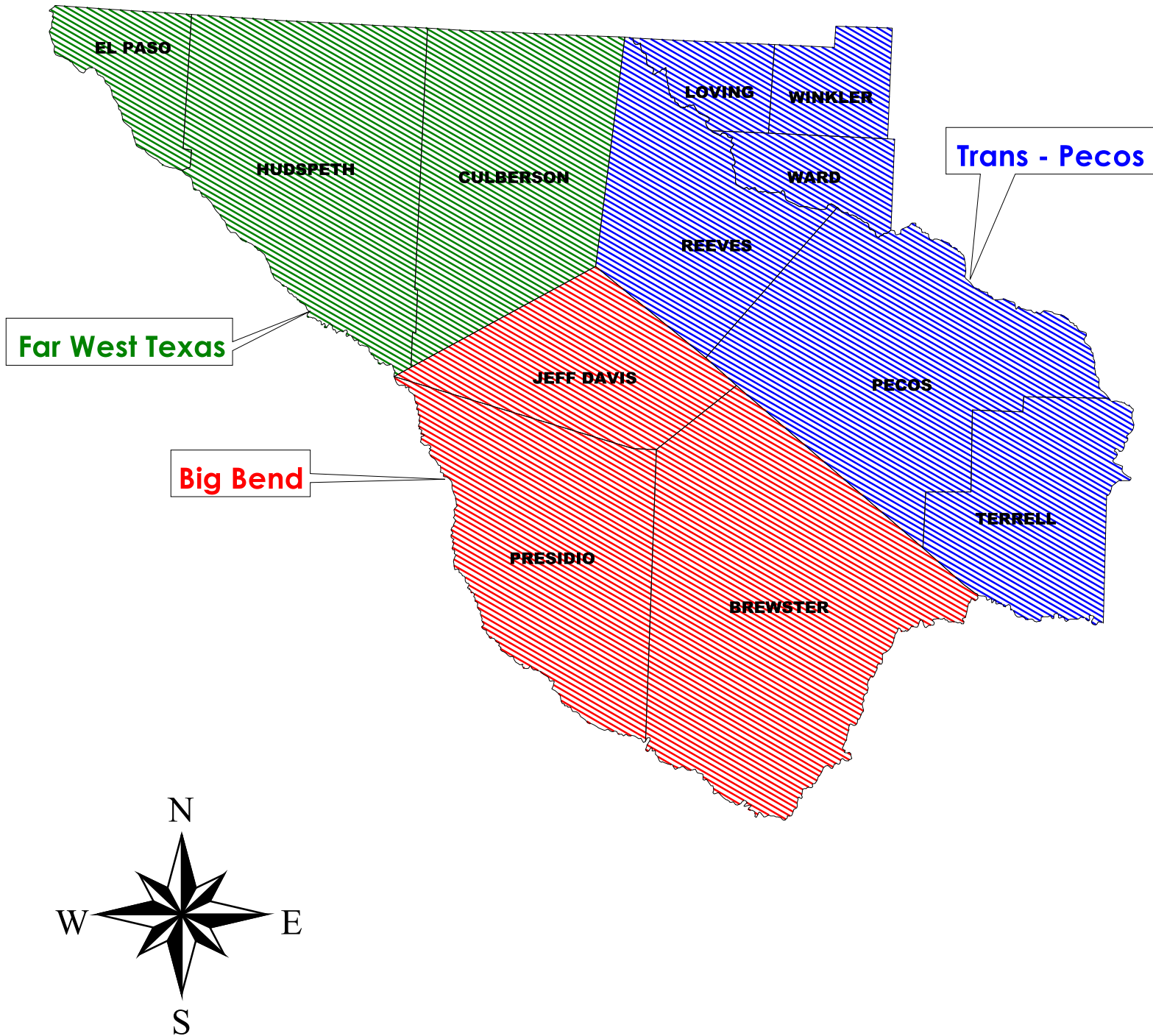
Yoakum, Terry, Lynn, Garza, Gaines, Dawson, Borden, Andrews, Martin, Howard, Ector and Midland Counties

Irrigated Cropland Better Water (Peanuts)	\$800	to	\$1,200	Stable/Stable	\$60	to	\$100	Stable/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Stable/Stable	\$40	to	\$60	Stable/Stable
Dry Cropland Cotton	\$250	to	\$400	Limited/Lower	25%CropShare			Limited/Stable
Rangeland	\$75	to	\$250	Limited/Lower	\$1	to	\$5	Stable/Stable
Conservation Reserve Program	\$300	to	\$350	Limited/Stable	\$30	to	\$40	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

Region #2



REGION TWO – FAR WEST TEXAS, TRANS-PECOS AND BIG BEND

GENERAL MARKET CONDITIONS FOR 2002

Region Two encompasses West Texas and is bound on the north by the State of New Mexico and on the south by the Republic of Mexico. Guadalupe Peak, at 8,749 feet, is the highest point in Texas and is in Culberson County. In terms of land mass, the region includes the four largest Texas counties — Brewster, Hudseph, Presidio and Culberson; Loving County, the least populated county in Texas, is also in this region. Highlights of the overall West Texas market precede brief discussions related to each sub-region.

- The region is composed of a diverse land use mix. The topography is characterized as mountainous with broad valleys and flood plains.
- Most of the land is native rangeland that is utilized for cattle grazing. The grazing of sheep and goats is inhibited by populations of coyotes, mountain lions and eagles.
- Ownership of native rangeland is typically held by established ranching families. Low income levels, from cattle operations, and pressure, from individuals and entities with increasing disposable income derived from non-agricultural sources, have caused changes of property ownerships in several cattle ranches and the creation of *ranchettes* over the last fifteen to twenty years. Continued market pressure is expected.
- Irrigation practices are predominantly by flooding due to the high clay content of the soils and the abundant water volumes. Center pivot sprinkler systems are becoming more common as a result of increasing water pumping costs.
- Supply and demand are generally stable and are dominated by both investors and recreationalists; the cultivated land market is dominated by producers. It is noted that drought, which is common, is a limiting factor.

Far West Texas

This area includes the following counties – Culberson, El Paso and Hudseph.

The area covers approximately 8,765 square miles. A significant amount of the land, located in valley bottoms and flood plains, is cultivated under irrigation practices. Many areas possess abundant supplies of ground water, the quality of which varies greatly. The valley, associated with the Rio Grande, has irrigation districts, which furnish water based on adjudicated water rights.

In the El Paso Upper Valley, the market is generally driven by the investor, with strong urban pressures being present. In the El Paso Lower Valley, moderate urban pressures are felt; again, the investor is the primary force in the market. In the Van Horn and Dell City areas, the market is increasing and is typically producer-oriented. Water volumes in this area are considered to be an attractive factor and are stimulated by water rights speculation for municipal uses.

Big Bend

The Big Bend includes the following counties – Jeff Davis, Presidio and Brewster.

The area covers some 12,284 square miles and topographically is characterized as mountainous with broad upland areas and canyon bottoms. The geology is considered unique; the area regularly attracts more than 350,000 visitors annually. Some lands, in the valley along the Rio Grande, are cultivated and are irrigated utilizing adjudicated water rights from the river. Typical cash crops are alfalfa, onions, carrots and melons. The market for farmland is limited with the major adverse factors being increasing operating costs and decreasing commodity prices along with distances from market centers.

In the area associated with the Davis Mountains, demand for properties is strong, but only a few properties are available; the market is dominated by the investment-driven recreational rancher and/or environmentalist. In the Highland area, the market is driven primarily by investment operators. Around the Desert Mountains, the supply of properties is stable to increasing, with the market driven both by purchase for investment purposes as well as for use as recreational ranches.

Trans-Pecos

This area includes the following counties – Reeves, Loving, Winkler, Ward, Pecos and Terrell.

The area covers approximately 15,191 square miles and is characterized as having rolling plains, broad valleys and flood plains. Prior to the 1970's, significant amounts of land in the Pecos River Valley were cultivated and irrigated. The area possesses abundant supplies of poor quality, ground water and alkaline soils. Agricultural orientation is a factor considered by most landowners as, generally speaking, the area lacks scenic splendor, geologic uniqueness and varied recreational opportunities.

Region 2 - Far West Texas, Trans-Pecos and Big Bend

Land Use or Class	Value Ranges			Activity/Trend	Rental Range			Activity/Trend
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Far West Texas

Culberson, El Paso and Hudspeth Counties

Rangeland	\$50	to	\$80	Stable/Stable	\$0.50	to	\$0.75	Stable/Stable
Dell City Irrigated Cropland	\$300	to	\$500	Stable/Stable	Share Rent			Stable/Stable
El Paso Upper Valley Irrigated	\$5,000	to	\$8,000	Stable/Higher	\$100	to	\$125	Stable/Stable
El Paso Lower Valley Irrigated	\$850	to	\$1,500	Stable/Lower	\$25	to	\$100	Stable/Down
Van Horn Irrigated Cropland	\$300	to	\$415	Stable/Lower	\$25	to	\$50	Stable/Down

Big Bend

Jeff Davis, Presidio and Brewster Counties

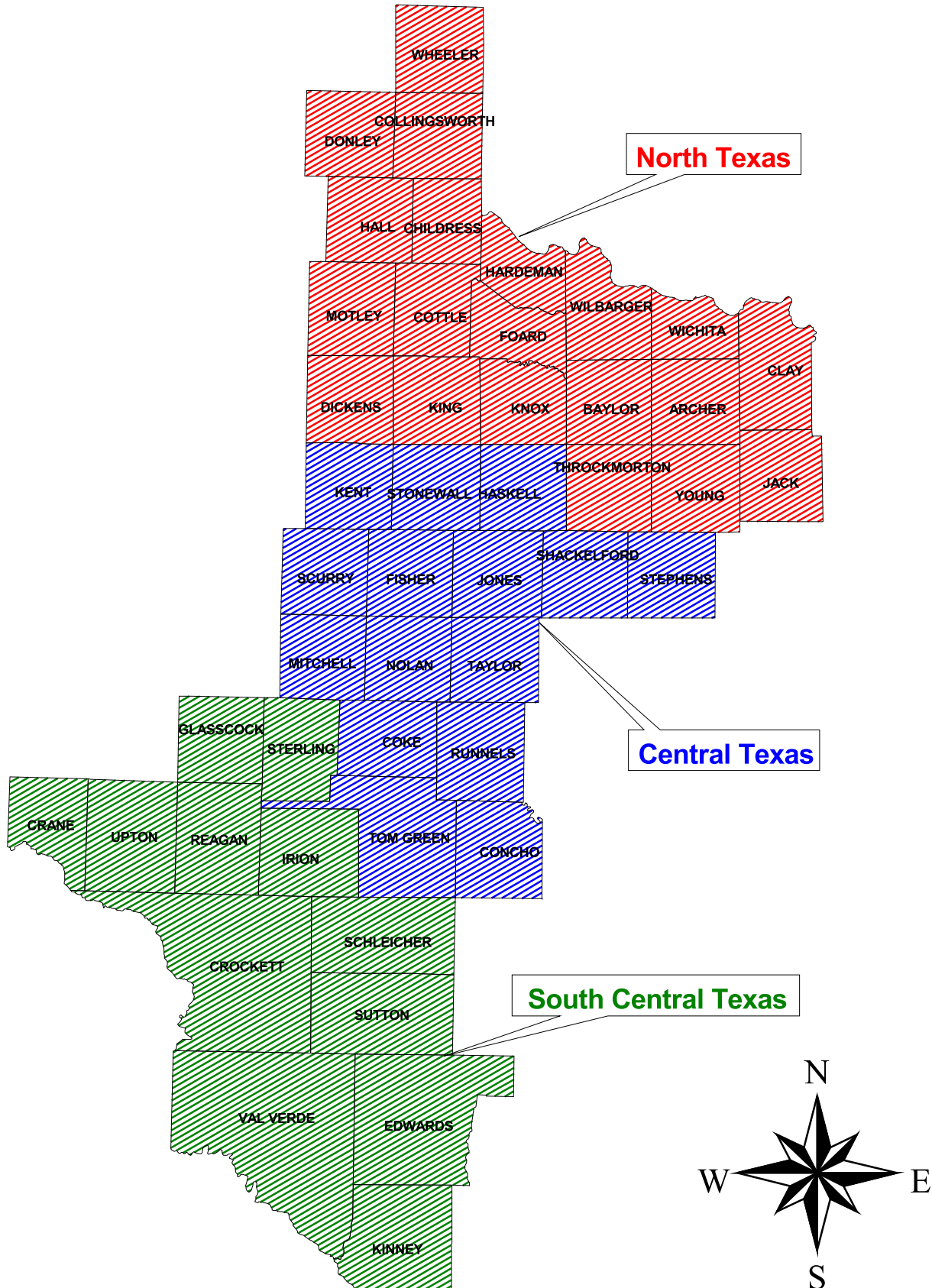
Davis Mountains 500-2000 Ac	\$300	to	\$1,200	Active/Up				
Davis Mountains Rangeland	\$300	to	\$400	Stable/Up	\$2	to	\$3	Stable/Stable
Highlands Rangeland	\$110	to	\$150	Stable/Up	\$1.50	to	\$2	Stable/Stable
Desert Mountains Rangeland	\$65	to	\$85	Stable/Up	\$0.50	to	\$1	Stable/Stable

Trans-Pecos

Reeves, Loving, Winkler, Ward, Pecos and Terrell

Rangeland	\$45	to	\$100	Stable/Up	\$0.25	to	\$0.50	Stable/Stable
Irrigated Cropland	\$150	to	\$250	Stable/Up	\$10	to	\$25	Stable/Stable

Region #3



REGION THREE - NORTH, CENTRAL AND SOUTH CENTRAL TEXAS

GENERAL MARKET CONDITIONS FOR 2002

Region Three covers a broad area that extends from the Texas-Oklahoma border, on the north, to the Rio Grande and Republic of Mexico, on the south. As with the other regions, this area is quite diverse and has been divided into sub-regions. Highlights of the overall North and Central Texas markets precede brief discussions related to each of the sub-regions.

- Generally, the market for rangeland properties has been active and has shown increases in value for the last several years; this increase has been greater for the smaller tracts, which can be purchased by a larger numbers of buyers.
- In the Central and South Central Texas markets, the hunting and recreational potential of the properties continues to be the major market force driving purchasers, with recreational users paying a premium for quality recreational land.

North Texas

The North Texas area includes the following counties – Wheeler, Donley, Collingsworth, Hall, Childress, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Clay, Dickens, King, Knox, Baylor, Archer, Throckmorton, Young and Jack.

Prices paid for “ag” properties were stable to slightly higher. Because of the continued drought and problems with the farm program, dryland prices have remained stable. The market for pastureland has been active. There appears to be some increase for properties in Jack, Young, Throckmorton, Knox and King; these counties are located closer to the population centers of Fort Worth and Dallas. The increase in prices is attributed to the stabilization of the general economy and the increased demand from recreational buyers.

Central Texas

This region includes the following counties – Kent, Stonewall, Haskell, Scurry, Fisher, Jones, Shackelford, Stephens, Mitchell, Nolan, Taylor, Coke, Runnels, Tom Green and Concho.

The market for pastureland was active, with prices moving higher. An interesting aspect is the differences in prices paid for small versus larger tracts. Small tracts (under 640 acres) continued to increase, with large tracts beginning to see similar per acre prices. Properties from 500 to 2,000 acres are not increasing at the rate of the small tracts or those 5,000+ acres. Cropland prices remained stable; some dryland prices have been stable. Irrigated farms, mainly in the east sector of Tom Green County, remained stable and continued to be purchased by neighboring farmers.

South Central Texas

This region includes the following counties – Glasscock, Sterling, Crane, Upton, Reagan, Irion, Crockett, Schleicher, Sutton, Val Verde, Edwards and Kinney.

Pastureland has increased; prices for smaller tracts rose at a greater rate than for larger tracts, due to recreational purchasers requiring smaller tracts for their use. Farmland was stable to slightly increasing, particularly irrigated cropland which is slightly different than the trends noted in the other sub-regions. Dry cropland remained stable; this trend is expected to continue.

Region 3 - North, Central and South Central Texas

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas

Wheeler, Donley, Collingsworth, Hall, Childress, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Clay, Dickens, King, Knox, Baylor, Archer, Throckmorton, Young and Jack Counties

Irrigated Cropland	\$500	to	\$750	Stable/Upward	\$30		\$40	Stable/Upward
Class II & III Dry Crop	\$400	to	\$600	Stable/Stable	\$30		\$35	Stable/Stable
Class IV & V Dry Crop	\$150	to	\$300	Stable/Stable	\$15		\$20	Stable/Stable
Rangeland >2,000 Acres	\$250	to	\$600	Active/Upward	\$5		\$12	Stable/Stable
Rangeland <2,000 Acres	\$300	to	\$600	Active/Stable	\$5		\$12	Stable/Stable
Hunting Lease Rangeland					\$5		\$15	Active/Upward

Rangeland values per animal unit range from \$4,500 to \$6,000

Rangeland lease rates per animal unit year long range from \$125 to \$150

Central Texas

Kent, Stonewall, Haskell, Scurry, Fisher, Jones, Schackelford, Stephens, Mitchell, Nolan, Taylor, Coke, Runnels, Tom Green and Concho Counties

Irrigated Cropland	\$500	to	\$1,500	Stable/Stable	\$25		\$50	Stable/Stable
Class II & III Dry Crop	\$350	to	\$500	Stable/Lower	\$25		\$35	Stable/Stable
Class IV & V Dry Crop	\$250	to	\$350	Stable/Stable	\$15		\$25	Stable/Stable
Rangeland >2,000 Acres	\$250	to	\$700	Active/Upward	\$8		\$13	Stable/Stable
Rangeland <2,000 Acres	\$250	to	\$700	Active/Upward	\$8		\$13	Stable/Stable
Hunting Lease Rangeland					\$5		\$15	Active/Upward

Rangeland values per animal unit range from \$4,500 to \$6,000

Rangeland lease rates per animal unit year long range from \$125 to \$150

South Central Texas

Glasscock, Sterling, Crane, Upton, Reagan, Irion, Crockett, Schleicher, Sutton, Val Verde, Edwards and Kinney Counties

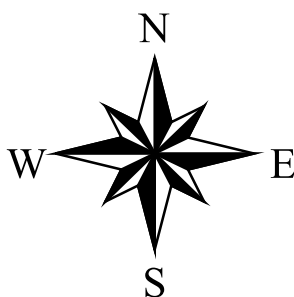
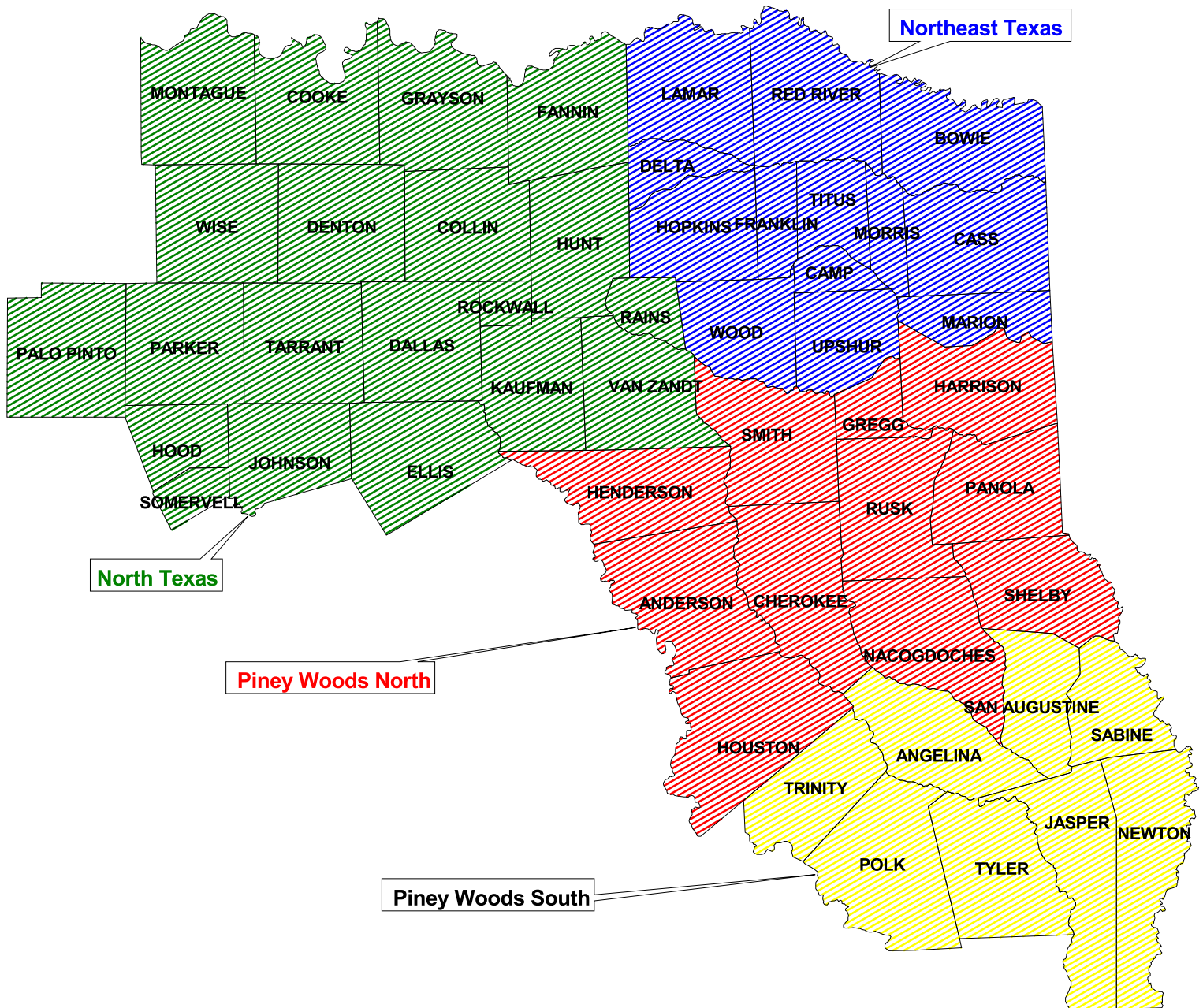
Irrigated Cropland	\$400	to	\$700	Stable/Stable	\$35		\$50	Stable/Stable
Dry Cropland	\$250	to	\$400	Stable/Stable	\$25		\$55	Stable/Stable
Rangeland > 2,000 Acres	\$80	to	\$500	Active/Upward	\$4		\$10	Stable/Stable
Rangeland < 2,000 Acres	\$150	to	\$600	Active/Stable	\$4		\$10	Stable/Stable
Hunting Lease (Rangeland)					\$2		\$15	Active/Upward

Rangeland values per animal unit range from \$4,500 to \$6,000

Rangeland lease rates per animal unit year long range from \$125 to \$150

All indicated property types are considered to have some mineral and royalty included with the surface

Region #4



REGION FOUR - NORTH TEXAS, NORTHEAST TEXAS AND PINEY WOODS

GENERAL MARKET CONDITIONS FOR 2002

On the north and east sides, Region Four is bordered by the states of Oklahoma, Arkansas and Louisiana; the Dallas-Fort Worth metroplex is located in the western quadrant. Highlights of the overall area market precede a brief discussion of each sub-region.

- Pasture demand remains strong, with the demand of properly-priced tracts continuing to outstrip the supply. Almost any tract, that is properly priced, will sell.
- Rental demand is strong for pasture and recreational leases.
- Subdivision of wooded and pasture properties, into rural residential or recreational tracts, has been common for sometime. The number of large tracts is diminishing.
- Wooded tracts, especially those with varied topography, continue to have a very active demand and frequently command the same, or even a higher, price as dry cropland, particularly when smaller than 300 acres.
- The primary demand source, for properties within an eighty mile radius of Dallas and Fort Worth, continues to come from buyers in that metroplex, despite the weaker Dallas economy. As yet, the layoffs in the “tech” sector have not noticeably affected area land markets.

North Texas

This area includes the following counties – Montague, Cooke, Grayson, Fannin, Wise, Denton, Collin, Hunt, Palo Pinto, Parker, Tarrant, Dallas, Rockwall, Hood, Somervell, Johnson, Ellis, Kaufman, Van Zandt and Rains.

The average unit prices are higher in all land classes, but are roughly within the same overall price range as last year. After two years of price gains, the price of typical cropland seems to have stabilized. The buyers still generally fit within three categories – local farmers who already farm good land with high crop bases and low debt service requirements; outside investors who will custom farm or cash rent the land; and farmers relocating from other areas after selling out at higher prices. The rental demand for cropland is stable overall and ranges from high demand, for good land with good crop bases, to very little demand, for marginal land with low crop bases. Uncertainty over the exact payments available under the new farm program seem to have kept many potential buyers on the sidelines.

Pasture tracts of all types are in short supply and demand is fairly strong. Although cattle prices have stabilized at somewhat lower level than last year, the demand for pasture rentals continues to be very strong.

Northeast Texas

This area includes the following counties – Lamar, Delta, Hopkins, Wood, Franklin, Red River, Titus, Bowie, Morris, Cass, Camp, Upshur and Marion.

In general, factors influencing the North Texas area also affect this sub-region, especially in the western part or the first four counties listed above. The buyers, from the metroplex, have been an increasing percentage of the overall market and are exhibiting a new willingness to drive further in exchange for lower unit prices. The east sector is heavily influenced by buyers from Texarkana, Longview and Tyler. There is strong demand for CRP land and not much supply; this is now viewed as a much better investment given the low alternate rates of return in CD's and the stock market.

Particularly in the eastern half of this area, the influence of stumpage values, on the overall value of a wooded tract, has been lessened, except in the good pine timber, as recreation becomes the main reason for purchase.

Piney Woods North

The north portion of the Piney Woods includes the following counties – Henderson, Smith, Gregg, Harrison, Anderson, Cherokee, Rusk, Panola, Houston, Nacogdoches and Shelby.

The Piney Woods land market had a stable demand, with slightly higher prices. There is not enough cropland, in this region, to have a separate classification. Demand for pasture tracts is from both established local ranchers, expanding their operations, and from buyers wanting to move into the area. Buyers from both the Houston and Dallas-Fort Worth metro areas are in the market for hardwood and mixed-use tracts for hunting and for use as weekend retreats; it is noted that purchasers are still very selective and conservative in this area. The investor demand segment for timber land was weaker. Hardwood timber tracts are still influenced, to a large degree, by the demand for recreational and/or hunting property.

Tyler and Longview are the largest cities in this sub-market and land near those cities is about the highest in East Texas. The demand for hunting leases continues to be stable, after several years of strong increases in lease rates.

Piney Woods South

The south sector of the Piney Woods includes the following counties – Trinity, Angelina, San Augustine, Sabine, Polk, Tyler, Jasper and Newton.

The southern Pine Woods land market has also been generally stable, with generally increasing prices. The timberland segment of the market has been impacted by the continued sell-off of land owned by International Paper Company. Clearly, there has been adequate demand to absorb the amount of timberland that was on the market with virtually no adverse impact on land prices. The majority of the timberland being sold is either cut-over or improved with young pine plantations; generally, these pre-merchantable timber stands have been contributing from \$20 to \$30 per acre, per year of growth.

Stumpage prices for large pine sawlogs have stabilized over the past year, i.e., in the \$300 to \$350 per MBF range; however, both pine pulpwood and small pine sawlogs have decline steadily in demand and price. The decline, in this segment of the market, is generally due to an oversupply caused by the large number of industry plantation tracts, the amount of imported lumber and the overall decline in the plywood market; this trend is expected to continue into the foreseeable future. Hardwood pulpwood has been stable with seasonal increases. Hardwood sawtimber has been stable in the common grades, but weakening in the furniture grades.

Region 4 - North and Northeast Texas and Piney Woods North and South

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas

Montague, Cooke, Grayson, Fannin, Wise, Denton, Collin, Hunt, Palo Pinto, Parker, Tarrant, Dallas,
Rockwall, Hood, Somervell, Johnson, Ellis, Kaufman, Van Zandt and Rains Counties

Dry Cropland >400 Acres	\$1,000	to	\$1,500	Stable/Higher	\$15	to	\$30	Stable/Stable
Improved Pasture >400 Acres	\$1,500	to	\$2,000	Active/Higher	\$10	to	\$20	Stable/Stable
Native Pasture >400 Acres	\$1,200	to	\$1,800	Active/Higher	\$8	to	\$15	Stable/Stable
Hardwood Timber >300 Acres	\$400	to	\$1,000	Slow/Stable	\$2	to	\$6	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Northeast Texas

Lamar, Red River, Bowie, Delta, Hopkins, Franklin, Titus, Camp, Morris, Cass, Wood,
Upshur and Marion Counties

Class I Irrigated Cropland	\$700	to	\$900	Stable/Stable	\$35	to	\$50	Stable/Stable
Class II Dry Crop >400 Acres	\$475	to	\$700	Stable/Higher	\$18	to	\$30	Stable/Stable
Class III Dry Crop >300 Acres	\$400	to	\$500	Stable/Higher	\$10	to	\$20	Stable/Stable
Improved Pasture >300 Acres	\$600	to	\$950	Stable/Higher	\$10	to	\$20	Stable/Stable
Native Pasture >300 Acres	\$425	to	\$600	Stable/Higher	\$8	to	\$12	Stable/Stable
Hardwood Timber >300 Acres	\$400	to	\$650	Stable/Higher	\$2	to	\$8	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods North

Henderson, Smith, Gregg, Harrison, Henderson, Cherokee, Rusk, Panola, Houston
Nacogdoches, and Shelby Counties

Improved Pasture >300 Acres	\$700	to	\$1,200	Stable/Higher	\$12	to	\$18	Stable/Stable
Native Pasture > 300 Acres	\$600	to	\$800	Stable/Higher	\$8	to	\$12	Stable/Stable
Upland Pine Timber > 300 Acres	\$500	to	\$800	Stable/Higher	\$4	to	\$11	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$350	to	\$500	Stable/Higher	\$4	to	\$11	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered.

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods South

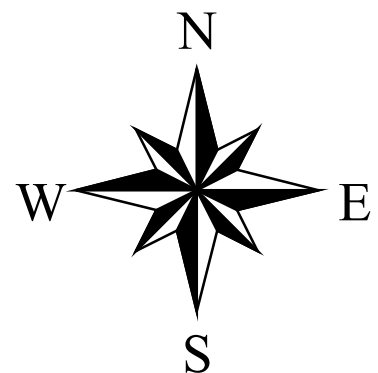
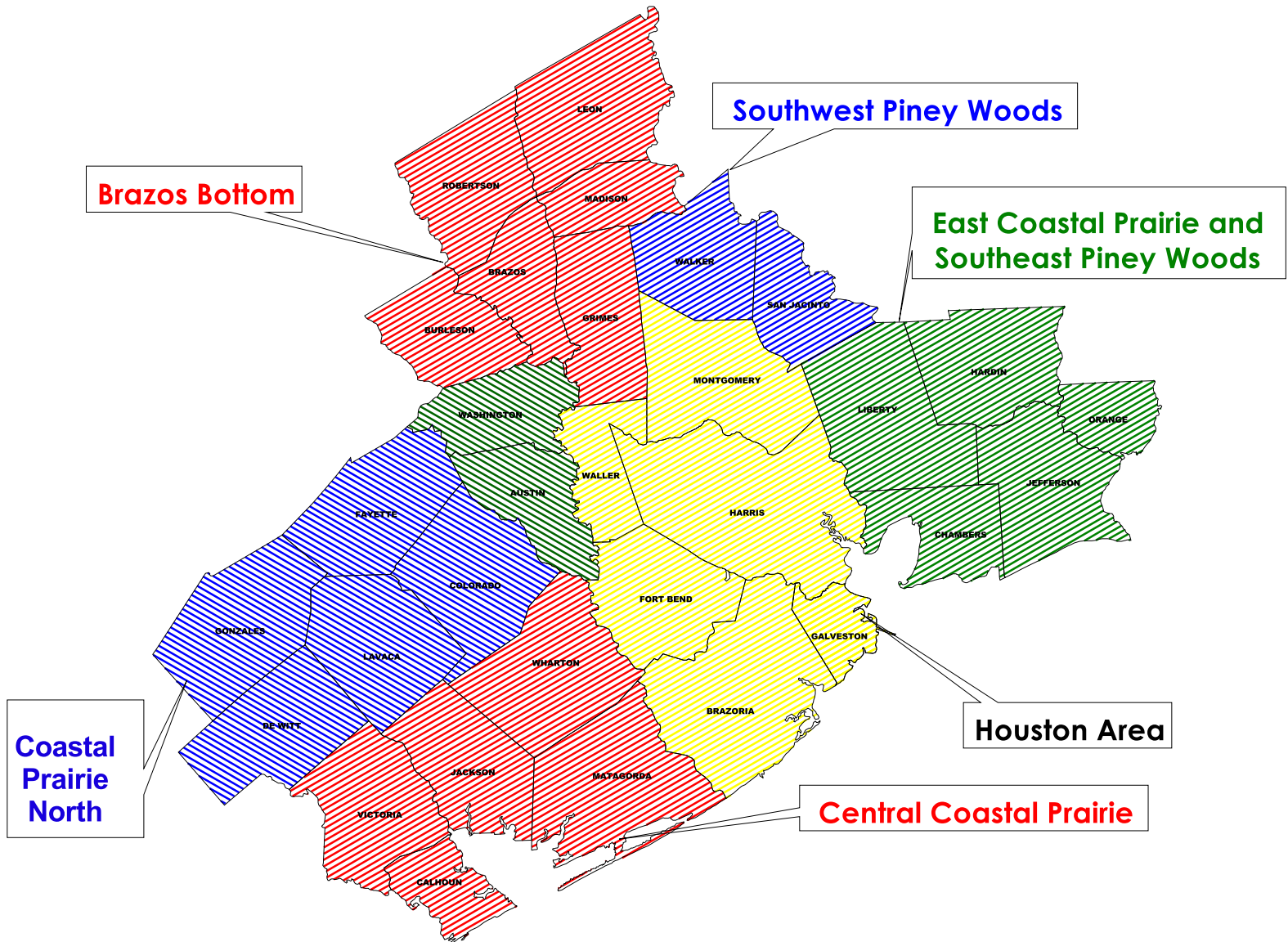
Trinity, Angelina, San Augustin, Sabine, Polk, Tyler, Jasper and Newton Counties

Improved Pasture >300 Acres	\$700	to	\$1,200	Stable/Higher	\$12	to	\$18	Stable/Stable
Native Pasture >300 Acres	\$600	to	\$800	Stable/Higher	\$8	to	\$12	Stable/Stable
Upland Pine Timber > 300 Acres	\$500	to	\$800	Stable/Higher	\$4	to	\$11	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$350	to	\$500	Stable/Stable	\$4	to	\$11	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered.

These Hardwood tracts reflect only fair timber quality and income is from hunting leases

Region #5



REGION FIVE - SOUTHERN PINEY WOODS, COASTAL PRAIRIES AND BRAZOS BOTTOM GENERAL MARKET CONDITIONS FOR 2002

Region Five is one of two regions in the State of Texas that fronts the Gulf of Mexico. Houston, the largest city in Texas, is located in Harris County. Highlights for the overall market for the counties in Region Five precede a brief discussion related to each of the sub-regions.

- A property's proximity to the Houston metropolitan area remains the primary factor influencing land values.
- Demand for urban residential development has continued to have a strong influence on suitable land in counties within a reasonable commuting distance from Houston. As land prices have increased over the last several years, Houston's influence on rural recreational tracts has expanded to include numerous counties. Those tracts adjacent to the major traffic arteries, leading in and out of Houston, are in greatest demand.
- Manufactured housing developments have become much more prevalent over the last few years. It is not uncommon for these developments to have many of the same amenities that are found in traditional subdivisions. Frequently, these developments are located on smaller tracts and lessor traveled traffic arteries than are the traditional subdivisions. These developments are impacting prices on rural tracts over a larger area than the typical large scale residential development. Often times, financing within these developments is provided by the developer.
- Many affluent citizens, residing in the Houston area, have purchased farms and ranches in the outlying counties for investment, recreation and use as a weekend retreat. A primary motivation for the purchase of many of the farm and ranch properties is hunting, i.e., for whitetail deer, bobwhite quail and waterfowl, all of which are plentiful. It is noted that the "quality of life" issues have replaced hunting as the primary motivation for purchasing properties in the more scenic counties in the region, i.e., Austin, Washington, Fayette, Lavaca, Gonzales and northern Colorado.
- Many less affluent residents have sought to purchase smaller tracts, i.e., typically ten to 50 acres, in order to enjoy the benefits of outdoor recreation away from the city. This trend has resulted in upward pressure on wooded, unimproved tracts being purchased by rural land developers for subdivision into smaller tracts. In this sector of the market, properties with manufactured housing has gained ground in recent years.

Eastern Coastal Prairie and Southeastern Piney Woods

This area includes the following counties – Liberty, Hardin, Chambers, Jefferson and Orange.

Prices paid for cropland has seen an increase over the last year, with the market described as being moderately active. A couple of large timber companies are in the process of selling much of their property in East Texas. The prices paid for these tracts tends to suggest that the underlying land value is increasing in relation to the timber contribution.

Following a trend over the last several years, there has been essentially no expansion of active rice and rowcrop farming operations. There is a continued trend toward cropland being converted to

pasture. Often the base acres on these tracts are combined with others to concentrate the base found on acreage that is not sold. Rice farms, with good base acres, have seen a greater price increase than have other farm properties. Numerous properties have been purchased for hunting, i.e., waterfowl; it is noted that waterfowl and deer hunting are important elements on the demand side.

Southwestern Piney Woods

The southwest sector includes the following counties – Walker and San Jacinto.

The market for improved and native pasture has been active, with prices trending upward due to the strong demand. Timberland values have been stable, although as previously mentioned, the underlying land value is often becoming a more significant component in the sales price. The activity that Montgomery County has enjoyed, from Houston residents, has pushed into Walker County. The growth of the Woodlands has allowed more individuals to live farther north and still commute to work.

Brazos Bottom

The Brazos Bottom area includes the following counties – Robertson, Leon, Burleson, Brazos, Madison and Grimes.

The cropland market has been fairly active with prices reported to be stable. Rentals continued to be at the same general levels due to marginal profitability from crop production. Improved pasture and native rangeland markets have been active, with prices moving slightly upward. Unimproved wooded tracts, of all sizes, were in strong demand. Large tracts are being purchased for subdivision into smaller tracts to satisfy buyers in the rural recreational land market. Additionally, the College Station-Bryan area has experienced good growth, which has created an increased demand for lands in the surrounding counties. It is noted that several larger ranch properties sold at strong prices and that buyers seem to be more interested in land investments due to poor returns from alternatives.

Houston Area

This area includes the following counties – Waller, Montgomery, Fort Bend and Harris.

There is very little cropland in the immediate vicinity of the Houston metropolitan area because investors and developers have continued to purchase this type of property. Land prices are reported to be moving upward at a strong rate of interest for all classes of rural land.

Following the trend that has existed the last few years, brokers are reporting difficulty in finding quality rural tracts to sell in this area. Demand has been such that much of the available land has been taken off the market.

Central Coastal Prairie

The central area of the Coastal Prairie includes the following counties – Victoria, Jackson, Wharton, Calhoun, Matagorda, Brazoria and Galveston.

Dry rowcrop acreage was slow; interest in irrigated cropland, used for rice production and with good rice base acres, has increased. Improved pasture and native rangeland markets were reported as being active, with prices increasing due to impact of the recreational buyer.

It is noted that Brazoria and Galveston counties have experienced the greatest demand due to the geographic proximity to Houston. The north and east parts of Wharton County are also enjoying overflow from counties to the north and east.

Coastal Prairie - North

The north portion of the Coastal Prairie includes the following counties – Gonzales, Fayette, DeWitt, Lavaca and Colorado.

Both irrigated and dry cropland markets were reported to be slow, but with stable prices and rental rates. Improved pasture and native rangeland sales have been active, with prices trending upward. Recreational tracts, i.e., in the 50-acre category, are very active, and showed strong price increases. As reported last year, the north sector of Colorado County has probably seen the strongest increase with buyers spilling over from Austin County due to a lack of tracts for sale; similarly, Lavaca and Gonzales counties have seen a rather significant increase in rural recreational tracts.

Bellville and Brenham Area

The area, around Bellville and Brenham, includes the following counties – Washington and Austin.

There is very little cropland in these two counties, except for south Austin County where prices were reported to be generally stable, with slow market activity. No price difference is apparent between native and improved tracts in these two counties; the two categories have been combined. Improved pasture and native rangeland markets have been very active, with prices appreciating at better than ten percent per year. Some brokers report sales slowing somewhat, not due to decrease in demand, but due to a decrease in the supply of tracts available for sale.

The recreational appeal of the rolling hills, to the Houston buyer, has resulted in very strong demand on the part of purchasers for “weekend ranches” in the 100 to 200-acre size. Prices for this type property have risen dramatically over the last several years; the demand for these tracts continues to be strong. Rural development and rural homesite tracts have been in strong demand, with increasing prices. Several large ranches have been divided into 50 to 100-acre tracts, with strict deed restrictions on land use as well as dwelling size and construction; generally, these developments have done very well. While it is noted that prices are continuing to increase, no large scale residential developments have been started in the last couple of years.

Region 5 - Southern Piney Woods, Coastal Prairies and Brazos Bottom

Land Use or Class	Value Ranges		Activity/Trend	Rental Range		Activity/Trend
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Eastern Coastal Prairie and Southeastern Piney Woods Liberty, Hardin, Chambers, Jefferson and Orange Counties

Irrigated Cropland	\$650	to	\$850	Active/Upward	\$20	to	\$40	Stable/Stable
Native Rangeland	\$500	to	\$900	Active/Upward	\$5	to	\$10	Stable/Stable
Bottom Timber	\$300	to	\$500	Slow/Stable	\$2			Hunting Leases
Upland Timber	\$400	to	\$750	Slow/Stable	\$2			Hunting Leases
Marsh	\$200	to	\$350	Active/Upward	\$2.75			Hunting Leases

Southwestern Piney Woods Walker and San Jacinto Counties

Improved Pasture	\$1,800	to	\$2,300	Active/Upward	\$10	to	\$15	Stable/Stable
Native Rangeland	\$1,500	to	\$2,200	Active/Upward	\$8	to	\$12	Stable/Stable
Bottom Timber	\$600	to	\$850	Slow/Stable	\$6	to	\$8	Stable/Stable
Upland Timber	\$1,000	to	\$1,500	Slow/Stable	\$6	to	\$8	Stable/Stable
Recreational Tracts (50 Acres)	\$1,400	to	\$3,000	Active/Upward				

Brazos Bottom Robertson, Leon, Burleson, Leon, Madison and Grimes Counties

Irrigated Cropland	\$1,300	to	\$1,500	Active/Upward	\$60	to	\$80	Stable/Stable
Dry Cropland	\$900	to	\$1,300	Active/Stable	\$40	to	\$50	Stable/Stable
Improved Pasture	\$1,000	to	\$1,800	Active/Upward	\$15	to	\$20	Stable/Stable
Native Rangeland	\$800	to	\$1,300	Active/Upward	\$8	#	\$10	Stable/Stable
Urban Development	\$3,000		\$15,000	Active/Upward				
Recreational Tracts (50 Acres)	\$1,800	to	\$8,000	Active/Upward				

Houston Area Waller, Montgomery, Fort Bend and Harris Counties

Dry Cropland	\$2,000	to	\$2,500	Slow/Stable	\$8	to	\$25	Stable/Stable
Improved Pasture	\$2,000	to	\$3,500	Active/Upward	\$15	to	\$30	Stable/Stable
Native Rangeland	\$2,000	to	\$3,000	Active/Upward	\$10	to	\$15	Stable/Stable
Recreational Tracts (50 Acres)	\$3,000	to	\$10,000	Active/Upward				

Central Coastal Prairie Victoria, Jackson, Wharton, Calhoun, Matagorda, Brazoria and Galveston Counties

Irrigated Cropland	\$800	to	\$900	Slow/Stable	\$40	to	\$70	Stable/Stable
Dry Cropland	\$550	to	\$1,650	Slow/Stable	\$25	to	\$45	Stable/Stable
Improved Pasture	\$900	to	\$2,000	Slow/Upward	\$12	to	\$20	Stable/Stable
Native Rangeland	\$800	to	\$1,800	Slow/Upward	\$8	to	\$15	Stable/Stable
Recreational Tracts (50 Acres)	\$1,500	to	\$3,500	Active/Upward				

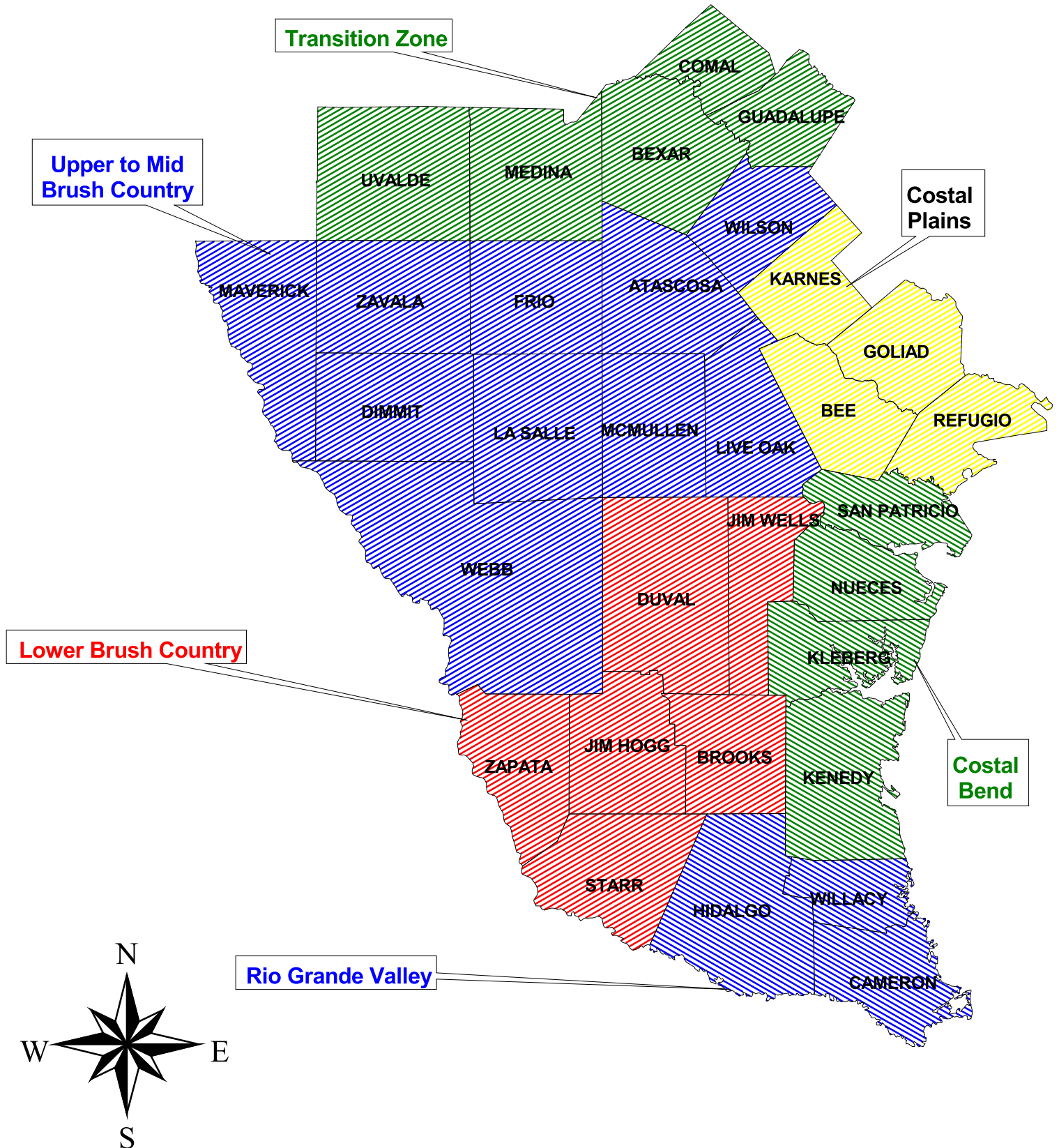
Coastal Prairie - North Gonzales, Fayette, DeWitt, Lavaca and Colorado Counties

Irrigated Cropland	\$800	to	\$900	Slow/Stable	\$15	to	\$40	Stable/Stable
Dry Cropland	\$800	to	\$1,000	Slow/Stable	\$15	to	\$20	Stable/Stable
Improved Pasture	\$1,400	to	\$3,000	Slow/Upward	\$12	to	\$15	Stable/Stable
Native Rangeland	\$1,300	to	\$2,500	Slow/Upward	\$5	to	\$15	Stable/Stable
Recreational Tracts (50 Acres)	\$2,500	to	\$5,000	Active/Upward				

Bellville and Brenham Areas Washington and Austin Counties

Improved/Native Pasture	\$2,500	to	\$5,000	Active/Upward	\$12	to	\$20	Stable/Stable
Recreational Tracts (50 Acres)	\$2,500	to	\$6,000	Active/Upward				
Rural Homesite	\$7,500	to	\$15,000	Active/Upward				

Region #6



**REGION SIX - HILL COUNTRY, SOUTH TEXAS,
COASTAL BEND AND RIO GRANDE VALLEY
GENERAL MARKET CONDITIONS FOR 2002**

Region Six includes the southern fringe of the Edwards Plateau, a portion of the Coastal Plains/Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties included in this region are those between Comal and Cameron Counties, on a north/south basis, as well as those between Refugio and Maverick Counties, on an east/west basis. The region is bound by the Gulf of Mexico on the east and the Republic of Mexico on the west. Region Six is divided into six sub-regions due to the great diversity in land types, uses and values. Overall highlights of the Region Six market precede a brief discussion related to each sub-region.

- The 2002 land market continued to have a good level of demand. The number of sales in the region has decreased due to a shortage of inventory of good available properties. Land prices remain strong. Recreation continues to be the main source of demand for rural land throughout the overall region. Primary rural land investment motives in today's market include recreation, investment and ranch development. The present ranch investor is largely one of three profiles – a recreational motivated buyer who is considered an end user, an investor who makes a “wholesale” buy on a standard ranch and “cleans up” the property so that it is more “turn-key” and attractive to an end user who will pay a “full retail price”, and a ranch developer who buys a ranch and subdivides the property into smaller tracts.
- Investors in most large ranches are from metropolitan areas, while investors in smaller to moderate size ranches may be local. Trophy deer and bird hunting continue to be the primary land acquisition motive in the most notable hunting areas; however, non-hunting recreational users are becoming more common, particularly along the Coast. Funds for recreational ranches continue to be traditional financial institutions, seller financing and, in many cases, cash. A number of investors use the 1031 Tax Free Exchange vehicle to acquire and sell ranches; it is noted that there is a trend toward “reverse” 1031 exchanges. Investors may have sold companies or diverted money out of the stock market. The upper end buyers are very liquid and can move quickly to close a sale. Hunting ranches, with established game management present, continue to command premium. Investors in these ranches want “turn-key” and “ready to go” properties. Water availability (underground and surface) is more of an investment criteria for these buyers.
- Demand for good “turn-key” ranches continues to be good. Active ranch brokers report a number of qualified buyers and a shortage of quality listings, with competition for listings being great. Marketing periods for the good quality ranches have decreased. Reasonably-priced quality ranches typically do not last long in the current seller's market. Many ranches, offered for sale during 2002, sold or at least were under contract at the end of the year.
- After the events of September 11th, in 2001, as well as the downturn in the stock market, some investors pulled cash out of the stock market and re-invested in ranch real estate in anticipation of long term gains. Many buyers want an asset that they can at least “touch” even if it appreciates slowly; in essence, today's investors continue to be cautious.

- Demand for farmland remains stable and is typically purchased by farmers. The current farming economy is flat due to low commodity prices and the uncertainty of the impact of the new farm bill. Certain investors are buying good farmland for a modest and stable return. Water rights speculation has inflated irrigated farmland prices in the farming areas surrounding San Antonio.
- Demand for residential development land near population centers is active as long as the driving distance to employment centers is acceptable. The most active residential subdivision markets are in proximity to the cities of San Antonio, Laredo, Corpus Christi, McAllen and Harlingen.
- Oil and gas drilling and related seismic activity has remained stable.
- Grazing and farmland leases remained stable; hunting lease rates increased.

Transition Zone Between the Texas Hill Country and the Upper Brush Country

This sub-region includes the following counties – Uvalde, Medina, Bexar, Comal and Guadalupe.

Residential subdivision development is the primary land investment motive for large tracts in Bexar and Comal counties, particularly if the property is within an acceptable driving distance from employment centers in San Antonio. Recreational demand is particularly good for “turn-key” properties if live water, good quality improvements and other recreational aspects are present; this follows true in all of the counties in the Transition Zone.

Demand for farmland in Bexar, Comal and Guadalupe counties is stable, but not nearly as great as for well treed properties with subdivision potential. Medina and Uvalde counties generally have less intense land uses; these counties have good recreational appeal. Water rights speculation is positively impacting farmland pricing in Bexar, Medina and Uvalde counties. Certain investors and municipal water entities have acquired large holdings of water rights and irrigated farmland in the Edwards and Carrizo aquifers.

Upper to Mid Brush Country

This sub-region includes the following counties – Maverick, Zavala, Frio, Atascosa, Wilson, Dimmit, La Salle, McMullen, Live Oak and Webb.

Recreational hunting is the primary source of demand for land; this area has an excellent reputation for good trophy deer and upland bird hunting. Since 1999, several landmark transactions have taken place related to major working and recreational ranches, which had not been offered for sale for many years. Demand for mid-size ranches is also great; several large ranches have been acquired by developers and divided, with the mid-size ranches between 2,000 and 10,000 acres. Demand for “turn-key” game-managed ranches (any size) is very strong. The trend toward high-fenced ranches continues as more and more ranches are high-fenced. Hunting leases, (deer and birds), are very strong, especially on ranches with good game management.

Farmland remains stable and is mostly affected by water rights. Oil and gas drilling activity has remained stable.

Lower Brush Country

This sub-region has the following counties – Duval, Jim Wells, Zapata, Jim Hogg, Brooks and Starr.

Demand for land is largely recreational driven with much of the same influences as in the Upper Brush Country. Land prices have escalated, particularly in the “fringe” areas, as long as the recreational appeal is good. Ranch investors are willing to drive further to the good hunting areas with hopes of finding lower land pricing. Farmland pricing is considered to be stable. Oil and gas drilling activity remains stable.

Coastal Plains

This sub-region includes the following counties – Karnes, Bee, Goliad and Refugio.

This area is popular for Houston and Corpus Christi investors; recreational land is the most active category. While good deer and bird hunting are available, the general region is less known than other areas of South Texas. Subdivision of smaller ranches, near Victoria, is transpiring due to the relative short driving distance to employment. Water play is occurring along the Goliad and Refugio county line. Oil and gas drilling activity continues.

Coastal Bend

This sub-region has the following counties – Jim Wells, San Patricio, Nueces, Kleberg and Kenedy.

The highest level of demand is for recreational properties with deer and bird hunting amenities. Demand for farmland is stable, with investors typically producers; the best land rarely becomes available because most farmland ownership is by long-term tenure. Lower lying lands are being acquired for preservation purposes.

Rio Grande Valley

This sub-region includes the following counties – Hidalgo, Willacy and Cameron.

This three-county area is largely production agriculture driven with demand for land being stable. Farmland is typically being purchased by producers or large corporate land trusts; demand for the best irrigated land is typically equal to demand for the best dry cropland. Subdivision development is absorbing existing farmland acreage and citrus groves near the population centers, i.e., especially in Hidalgo and Cameron counties; subdivision development is less prevalent in Willacy County. Recreational ranches in the Valley have good demand. Most land investors are local buyers.

**Region 6 - Hill Country, South Texas,
Coastal Bend/Coastal Plains and Rio Grande Valley**

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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Transition Zone

Uvalde, Medina, Bexar, Comal and Guadalupe Counties

Class I Irrigated Crop	\$1,000	to	\$1,200	Active/Stable	\$60	to	\$90	Active/Stable
Class II Irrigated Crop	\$800	to	\$1,000	Stable/Stable	\$40	to	\$70	Stable/Stable
Class II Dry Crop	\$650	to	\$750	Stable/Stable	\$15	to	\$20	Stable/Stable
Improved Pasture	\$800	to	\$1,250	Stable/Stable	\$100/AU			Stable/Stable
Rangeland <2,000 Acres	\$800	to	\$2,500	Active/Higher	\$100/AU			Stable/Stable
Rangeland >2,000 Acres	\$700	to	\$1,250	Active/Higher	\$100/AU			Stable/Stable
Hill Country Land	\$800	to	\$6,000	Active/Higher	\$100/AU			Stable/Stable
Mature Pecan Orchard	\$750	to	\$1,000	Inactive/Lower				
Hunting Leases					\$8	to	\$12	Active/Higher
Unrestricted Edwards Water Rights - (per acre foot)	\$1,000	to	\$1,700	Active/Higher	\$75	to	\$85	Active/Higher

Value ranges generally reflect partial mineral conveyances. Mineral reservations are more common in Medina and Uvalde Counties. Active water market with speculation on water rights in Bexar, Medina and Uvalde Counties influencing irrigated farmland pricing. Live water features or subdivision development potential increases achievable pricing on ranches >1,000 acres in northern Bexar, Comal, Medina and Uvalde Counties. Some well located ranches in this size range, with San Antonio influence in the counties adjoining Bexar County, are selling between \$2,500 to in excess of \$10,000 per acre depending on development potential, live water features and improvements.

Upper to Mid Brush Country

Maverick, Zavala, Frio, Atascosa, Wilson, Dimmit, La Salle, McMullen, Live Oak and Webb Counties

Class I Irrigated Crop	\$750	to	\$1,000	Stable/Limited	\$40	to	\$50	Stable/Stable
Class II Irrigated Crop	\$650	to	\$800	Stable/Limited	\$30	to	\$45	Stable/Stable
Class II & III Dry Crop	\$500	to	\$600	Stable/Limited	\$15	to	\$20	Limited/Stable
Improved Pasture	\$500	to	\$1,250	Stable/Limited	\$100 to \$120/AU			Stable/Stable
Rangeland < 5,000 Acres	\$600	to	\$1,200	Active/Higher	\$3	to	\$5	Active/Stable
Rangeland > 5,000 Acres	\$550	to	\$850	Active/Higher	\$3	to	\$4	Active/Stable
Hunting Leases (Rangeland)					\$8	to	\$15	Very Active/Higher

Value ranges generally reflect partial mineral or surface only transactions; few tracts sell with significant minerals in this market. The highest end of the value range in the rangeland (less than 5,000 acres) relates to the rural subdivision market immediately south of San Antonio or moderate size "turnkey" hunting ranches.

Lower Brush Country

Duval, Zapata, Jim Hogg, Brooks, Starr and Jim Wells Counties

Dry Cropland	\$450	to	\$550	Stable/Limited	\$10	to	\$20	Stable/Stable
Rangeland <5,000 Acres	\$600	to	\$1,000	Active/Higher	\$3	to	\$6	Active/Stable
Rangeland >5,000 Acres	\$600	to	\$850	Active/Higher	\$3	to	\$6	Active/Stable
Hunting Leases (Rangeland)					\$10	to	\$15	Very Active/Higher

Value ranges generally reflect partial mineral or surface only transactions; few tracts sell with significant minerals in this market.

Coastal Plains
Goliad, Refugio, Karnes and Bee Counties)

Class II & III Dry Crop	\$650	to	\$800	Stable/Limited	\$20	to	\$25	Stable/Stable
Improved Pasture	\$600	to	\$1,350	Stable/Limited	\$120/AU			Stable/Stable
Rangeland <2,000 Acres	\$650	to	\$1,250	Active/Higher	\$3	to	\$6	Stable/Stable
Rangeland >2,000 Acres	\$600	to	\$950	Active/Higher	\$3	to	\$6	Stable/Stable
Hunting Leases (Rangeland)					\$6	to	\$14	Active/Higher

Value ranges generally reflect partial mineral or surface only transactions; few tracts sell with significant minerals in this market. Water play along the Goliad/Refugio County line.

Coastal Bend
San Patricio, Nueces, Kenedy and Kleberg Counties

Class I Dry Crop	\$1,000	to	\$1,200	Stable/Stable	\$50	to	\$60	Stable/Stable
Class II Dry Crop	\$800	to	\$1,000	Stable/Stable	\$30	to	\$50	Stable/Stable
Rangeland	\$650	to	\$1,000	Active/Higher	\$5	to	\$8	Active/Higher
Hunting Leases (Rangeland)					\$10	to	\$15	Active/Higher

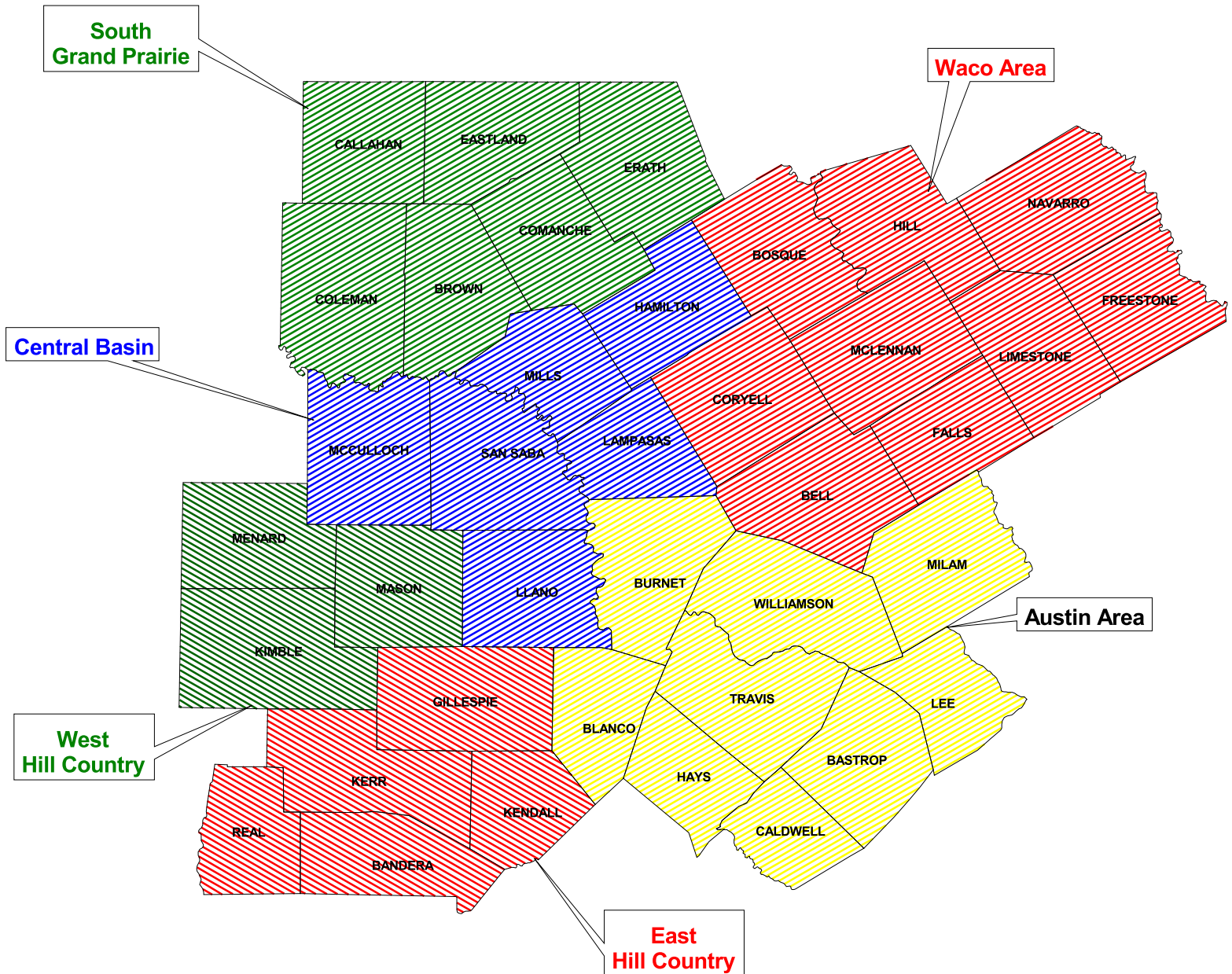
Value ranges generally reflect surface only transactions; few tracts sell with significant minerals in this market. Smaller tracts of rangeland in western Nueces County are commanding pricing in the \$1,000 per acre range.

Rio Grande Valley
Willacy, Cameron and Hidalgo Counties

Class I Irrigated Crop	\$1,100	to	\$1,450	Inactive/Lower	\$50	to	\$75	Stable/Lower
Class II Irrigated Crop	\$650	to	\$1,100	Inactive/Lower	\$40	to	\$50	Stable/Lower
Class I Dry Crop	\$900	to	\$1,200	Stable/Stable	\$55	to	\$65	Stable/Lower
Class II Dry Crop	\$500	to	\$700	Stable/Lower	\$30	to	\$45	Stable/Lower
Permanent Pasture	\$500	to	\$700	Active/Stable	\$10	to	\$20	Active/Stable
Rangeland	\$1,000	to	\$1,600	Very Active/Higher	\$3	to	\$6	Active/Higher
Hunting Leases (Rangeland)					\$10	to	\$15	Very Active/Higher

Value ranges generally reflect surface only transactions; few tracts sell with significant minerals in this market. Rangeland in the Valley has increased in price as well as demand since last year.

Region #7



REGION SEVEN - GRAND PRAIRIE, CENTRAL BASIN, BLACKLANDS, POST OAK BELTS, EDWARDS PLATEAU AND HILL COUNTRY GENERAL MARKET CONDITIONS FOR 2002

Region Seven forms the central core of the State of Texas. The geographic center of Texas is in this region, at a point approximately 15 miles northeast of Brady, the county seat of McCulloch County. Highlights for the overall market for the counties in Region Seven precede a brief discussion related to each of the sub-regions.

- Appreciation rates have slowed as compared to the previous year.
- Recreational uses of land, related primarily to hunting, continue to be a primary influence.
- Buyers from the metropolitan areas of Texas are common and typically come from the cities of Dallas, Fort Worth, San Antonio and Austin.
- Particularly in the Hill Country, aesthetic characteristics of the land, which consider views and live water, are primary factors in the formation of land values.

Southern Grand Prairie

This area has the following counties – Callahan, Eastland, Erath, Coleman, Brown and Comanche.

The rural land market has been active in the area over the past year, with land values showing moderately higher price trends. Cropland and improved pasture land have improved over price levels observed in 2000-2001. The demand for native pasture and recreational properties has been moderately active over the past year, with prices trending higher. Land value trends tend to increase as one moves from west to east, with higher values associated with properties in Erath County.

Central Basin

This area is comprised of the following counties — McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano.

Land values are reported to continue to show upward price trends with demand being moderate in most land classes. Values have shown upward price trends, with the exception of pecan groves which indicate stable to lower value trends. Higher land values, to the northeast and to the south of the area, continue to support trends toward higher values in the Central Basin. Recreational uses, centered around hunting, represent the primary buyer motivation; as a result, the level of demand tends to be directly influenced by regional economic conditions.

Central Blacklands, Grand Prairie and Post Oaks within a 50-Mile Radius of Waco

This area is comprised of the following counties – Bosque, Hill, Navarro, Coryell, McLennan, Limestone, Freestone, Bell and Falls.

Land value trends, within this sub-region, indicate positive value trends for most land classes, including cultivated acreage. Producer and investor interest in cultivated land appears to have increased over the past year, with higher values being noted. Improved and native pasture have

shown stable to modest increases in values, with buyer interest being improved over the preceding year. Properties having recreational appeal, including wooded pasture and river front properties, continue to be in moderate to strong demand with improving prices.

These areas are influenced by the population centers of Dallas, Fort Worth and Austin in addition to locals from Waco, Temple and Killeen. The northern portion of the region represents the area with the strongest demand, which is generated by its location relative to Dallas-Fort Worth buyers seeking recreational land and retirement properties. The southeastern areas tend to provide the lower range of values due to their more remote locations with respect to the major metro centers.

Eastern Edwards Plateau, Central Blackland and Southern Post Oaks (Austin Area)

This area is comprised of the following counties – Burnet, Blanco, Hays, Travis, Williamson, Milam, Caldwell, Bastrop and Lee.

Location with respect to Austin is a primary factor impacting land values in this area. Generally, as one moves further from Austin, land values decline with land values to the west being stronger than to the east. Higher land prices and a deterioration in area employment growth have resulted in moderate buyer activity and stable value trends in the counties in close proximity to Austin, with the outlying counties showing greater buyer interest associated with the lower land values. The level of demand, for properties with above average aesthetic qualities, continued to be strong, with these properties being purchased for recreational uses, weekend homes and outdoor retreats. Recreation motivated land values tended to be stable during 2002.

The Blackland farming area has stable to improving price trends. Buyers from the urban sector, along with some producer interest, has kept prices moving upward, but at lower rates than in the western portion of the region. The number of cultivated properties, offered for sale in the farming areas east of IH 35, continues to be low with many of the sales being sold to neighboring property owners or tenants.

Eastern Hill Country

This area is comprised of the following counties – Gillespie, Kerr, Kendall, Real and Bandera.

The demand for recreational properties and weekend/vacation homes continue to support land values in the region. Land values were generally stable during 2002, with the exception of properties with live water features which continue to improve throughout the Eastern Hill Country. Buyers from the metropolitan areas of the state represent the bulk of land buyers in the area, with these buyers seeking properties with strong aesthetic qualities. The greatest increases in values over the past year have been observed in the more western areas of the region as buyers seek more affordable land.

Western Hill Country

This area is comprised of the following counties – Menard, Mason and Kimble.

Sales activity continues strong in the Western Hill Country, with sales and asking prices increasing. Mason and Kimble counties appear to be included in the acceptable driving distance buyers consider when purchasing properties as a result of higher land values to the east. Area buyers are typical of the buyers throughout the Hill Country in that they seek properties with strong aesthetic and recreational features. Land values are reported to be especially strong for ranches with live water.

**Region 7 - Grand Prairie, Central Basin, Blacklands,
Post Oak Belts, Edwards Plateau and Hill Country**

Land Use or Class	Value Range	Activity/Trend	Rental Range	Activity/Trend
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Southern Grand Prairie
Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties

Dry Cropland	\$700	to	\$1,150	Active/Higher	\$10	\$25	Moderate/Stable
Improved Pasture	\$750	to	\$1,000	Active/Higher	\$10	\$20	Moderate/Stable
Native Pasture - Open	\$450	to	\$750	Active/Higher	\$4	\$10	Moderate/Stable
Native Pasture - Wooded	\$750	to	\$1,200	Moderate/Higher	\$4	\$10	Moderate/Stable
Live Water - Recreational	\$1,000	to	\$1,800	Moderate/Higher	\$5	\$15	Moderate/Stable
Pecan Groves - Improved	\$1,200	to	\$1,800	Moderate/Lower			Owner or shares
Hunting Leases					\$5	\$15	Active/Stable
Lease Rates in \$/Acre							

Central Basin
McCullough, San Saba, Mills, Hamilton, Lampasas and Llano Counties

Dry Cropland	\$600	to	\$1,250	Moderate/Higher	\$7	\$22	Moderate/Stable
Improved Pasture	\$650	to	\$1,400	Moderate/Higher	\$7	\$20	Moderate/Stable
Native Pasture - Open	\$600	to	\$1,400	Moderate/Higher	\$3	\$7	Moderate/Stable
Native Pasture - Wooded	\$800	to	\$1,900	Moderate/Stable	\$3	\$7	Moderate/Stable
Pecan Groves - Improved	\$1,200	to	\$1,800	Moderate/Lower			Owner or shares
Live Water - Recreation	\$2,000	to	\$5,000	Active/Higher	\$10	\$20	Owner dominated
Transitional <50 Acres	\$2,000	to	\$8,000	Active/Stable			
Hunting Leases - Rangeland					\$7	\$15	Active/Increasing

Central Blacklands, Grand Prairie and North Central Post Oaks (±50 Mile Radius of Waco)
Bosque, Hill, Navarro, Coryell, McLennan, Limestone, Freestone, Bell and Falls Counties

Dry Cropland	\$800	to	\$1,200	Active/Higher	\$15	\$30	Moderate/Stable
Dry Cropland - Marginal	\$800	to	\$1,000	Active/Higher	\$10	\$20	Moderate/Stable
Improved Pasture	\$850	to	\$1,200	Active/Stable	\$10	\$20	Moderate/Stable
Native Pasture - Open	\$500	to	\$800	Active/Higher	\$10	\$12	Moderate/Stable
Native Pasture - Wooded	\$600	to	\$1,200	Active/Higher	\$10	\$12	Moderate/Stable
River Properties	\$1,500	to	\$4,000	Active/Higher	\$ 15	\$ 30	Moderate/Stable

Eastern Edwards Plateau, Central Blacklands, and Southern Post Oaks (Austin Area)
Burnet, Blanco, Hays, Travis, Williamson, Milam, Caldwell, Bastrop and Lee Counties

Dry Cropland - Good	\$1,000	to	\$1,800	Active/Higher	\$30	\$50	Moderate/Stable
Dry Cropland - Marginal	\$1,000	to	\$1,500	Active/Stable	\$15	\$30	Moderate/Stable
Improved Pasture	\$1,250	to	\$2,500	Moderate/Stable	\$15	\$25	Moderate/Stable
Native Pasture - Wooded	\$1,500	to	\$3,000	Moderate/Stable	\$10	\$20	Moderate/Stable
Single Family - Utilities	\$8,000	to	\$20,000	Moderate/Higher			
Urban Fringe - No Utilities	\$4,000	to	\$8,000	Moderate/Stable			
Ranchette <50 Acres	\$3,000	to	\$8,000	Active/Higher			

Eastern Hill Country
Gillespie, Kerr, Kendall, Real and Bandera Counties

Recreational w/ Live Water	\$1,500	to	\$4,500	Active/Higher			
Recreational w/o Live Water	\$900	to	\$2,400	Active/Stable			
Rangeland	\$850	to	\$1,500	Active/Stable	\$3	\$6	Active/Stable
Hunting Leases-Rangeland					\$5	\$15	Active/Stable
Lease Rates in \$/Acre							

Western Hill Country
Menard, Mason and Kimble Counties

Native Rangeland >500 <1,500 Acres	\$800	to	\$1,500	Active/Higher	\$2	\$4	Moderate/Stable
Native Rangeland >1,500 Acres	\$600	to	\$1,100	Active/Higher	\$2	\$4	Moderate/Stable
Native Rangeland - Live Water >1,000 Acres.	\$1,500	to	\$3,000	Active/Higher	\$2	\$4	Moderate/Stable
Native Rangeland-Live Water +/- 500 Acres	\$2,500	to	\$3,500	Active/Higher	\$2	\$4	Moderate/Stable
Hunting Leases					\$7	\$12	Active/Stable

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ABOUT THE AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

The American Society of Farm Managers was founded in 1929 by a core of dedicated farm managers from Illinois, Iowa and Missouri who felt that farm management was critical to the future of farming. In 1936, the organization expanded to include appraisers specializing in the valuation of farms and other rural properties and the name changed to the American Society of Farm Managers and Rural Appraisers. Today, members belong to chapters located throughout the United States and Canada.

The basic objective of ASFMRA is to create and maintain a professionally trained group of accredited farm managers, rural appraisers, consultants and review appraisers capable of providing expert guidance and assistance to those who own or have responsibilities associated with farms, ranches and other rural or agri-business properties.

- Farm managers are essential for obtaining, and expanding, returns anticipated and/or expected from the ownership of land. Farm management professionals are available to help owners find land to buy and to manage the day-to-day operations in order to maximize good returns.
- Rural appraiser serve property owners and lenders by providing valuations upon which informed decisions are made. Appraisals may be used for sale or purchase, estate or financial planning, loan collateral, lease and rental provisions, or tax considerations.
- Consultants advise clients on business decisions about the current operation of and future opportunities for their specific enterprise. They may focus on business structure, human relations and personnel management, financial matters, business succession planning, or operations issues.
- Real property review appraisers prepare an in-depth professional review that gives added support to the strength of an appraisal or that identifies any weaknesses and corrections necessary to make the appraisal acceptable.

The American Society includes distinct levels of membership, each with educational standards, ethical requirements, field experience, testing and continuing education. Accredited members are at the top and are highly experienced and educated experts who have earned the designations Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Accredited Agricultural Consultant (AAC) and Real Property Review Appraiser (RPRA).

In addition to the AFMs, ARAs, AACs and RPRAs, there are Professional, Candidate and Student members along with Academic, Affiliate and Retired members in the American Society.

***ASFMRA Members Find Answers Today
for Tomorrow's Challenges in Agriculture***



THE VALUE OF THE ASFMRA

Agricultural production requires an intimate understanding of the land, the single most valuable component of most agricultural enterprises. Understanding the interaction of the land and the forces that influence its markets and products is a job for specialists. This includes specialists who are “finding answers today for tomorrow’s challenges in agriculture”. Meeting these challenges are members of ASFMRA, an international organization of agricultural professionals who provide services worldwide.

Benefits of Working with an ASFMRA Member

- Service provided is of the highest quality
- Assured of working with a professional who is highly educated and is focused on agriculture
- Adheres to high standards of performance, professional conduct and ethics
- Works in client’s interest

Advantages of Being an ASFMRA Member

- Work product standardization that provides a competitive advantage
- Professional dedication and competency
- Professional continuing education
- Networking opportunities with peers
- Business development tools and training

Premiums for Employers of an ASFMRA Member

- An employee that is current with the latest professional development
- Confidence in a high standard of conduct and ethics for participating employees
- Cost-effective method of providing superior training for new employees
- Expenses incurred by the company are returned directly by improved proficiency

ASFMRA ONLINE

For the latest information from the ASFMRA, visit the Internet web site. In addition to finding out about meetings, courses and seminars, individual seeking the services of a professional agricultural consultant, farm manager, rural appraiser or review appraiser can conduct a search online. Search by state now, or by speciality in the near future; member e-mail and web site addresses are included.

<http://www.asfmra.org>

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ASFMRA MEMBERSHIP CLASSIFICATIONS

ACCREDITED MEMBERS

AACs, AFMs, ARAs, and RPRAs have met high field experience, education, and ethics standards. They have taken courses, submitted a passing a demonstration report or farm management plan, have a college degree or its equivalent, and have passed a comprehensive examination.

PROFESSIONAL MEMBERS

Professionals are those who manage, appraise and/or consult rural property belonging to others for a fee or salary, have completed specific education and field experience, have a college degree or its equivalent, and have submitted a passing farm management or appraisal report.

CANDIDATE MEMBERS

Candidate members provide farm management, appraisal and/or consulting services for a fee, or salary, on rural property. A Candidate, if he or she has met the requirements, may apply for accreditation without first advancing to the Professional classification.

STUDENT/AFFILIATE MEMBERS

Full-time students in accredited high schools, colleges or universities may join as Student members so long as they are not providing farm management, rural appraisal, consulting or review appraisal services; they may remain in this classification for one year after graduation.

ACADEMIC MEMBERS

Academics are those whose work is primarily educational and who devote a major portion of their time working at the college/university level in farm and ranch management, consulting, rural appraisal or appraisal review as instructors, researchers, etc. and have held the position for two or more years.

AFFILIATE MEMBERS

Individuals not meeting the requirement of any other membership classification may join as Affiliate members so long as they do not provide consulting, farm management, rural appraisal or review appraisal services.

RETIRED MEMBERS

An Accredited, Professional or Academic member is one who has been a member for ten or more years and who for a fee no longer provides consulting, farm management and/or appraisal services to any significant degree.

HONORARY MEMBERS

This membership classification requires the approval of the ASFMRA Council.

INACTIVE MEMBERS

Individuals that are Accredited, Professional, Candidate or Associate members who are no longer providing services for a fee or salary may apply to the ASFMRA Executive Council for the Inactive membership status. The Executive Council may grant or deny the request with or without cause or reasons.



ABOUT THE ACCREDITED MEMBERS

AFM - Accredited Farm Manager

The AFM is trained to provide professional assistance to:

- owners of properties held as investments
- banks, trustees, attorneys, etc. responsible for rural property belonging to others
- prospective buyers needing professional help in selecting and acquiring farms, ranches and other agri-business properties
- owners needing consultation or special services on problems
- owners desiring accounting assistance

ARA - Accredited Rural Appraiser

The ARA is an expert in developing rural property values for:

- buyers or sellers needing an estimate of current market value
- mortgage loan purposes
- banks and other trustees handling rural real estate belonging to others
- attorneys with cases involving rural and agri-business properties
- owners of rural land involved in an eminent domain taking; inheritance, estate, gift or real estate questions; partition or division of land ownership; litigation concerning land valuation; or the process of incorporating holdings
- anyone needing an accurate measurement of the value of rural real estate

AAC - Accredited Agricultural Consultant

The AAC provides:

- consulting services to financial institutions, agricultural producers, attorneys, CPAs and individuals
- furnishes advice and counsels clients on their financial status and the reasons for it
- advises clients on business decisions about current operations and future opportunities

RPRA - Real Property Review Appraiser

The RPRA is qualified in accordance with Standard 3 of the Uniform Standards of Professional Appraisal Practice to perform technical reviews for:

- banking institutions in federally-related transactions
- governmental agencies
- individuals as well as attorneys, accountants, and other clients



ASFMRA INFORMATION

For information, contact the national office at:

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Denver, Colorado 80222

303-758-3513; fax 303-758-0190

e-mail asfmra@agri-associations.org

URL <http://www.asfmra.org>

Information that is available includes:

- ☐ Accreditation Packet
 - ☐ AFM ☐ ARA ☐ AAC ☐ RPRA
- ☐ Education Catalog
- ☐ Education Schedule Update
- ☐ FMRA News Newsletter
- ☐ Membership Directory
- ☐ Membership Packet and Application

Please complete the following:

Name
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Address
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Facsimile Number
E-Mail Address
Social Security Number

Thank you for your interest in ASFMRA!

