TRENDS IN TEXAS AGRICULTURAL LAND VALUES
GENERAL MARKET CONDITIONS FOR 2003

PRESENTED

APRIL 29, 2004

AT THE

14TH ANNUAL
OUTLOOK FOR TEXAS LAND MARKETS
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 continue to increase due to recreational demand.

- The demand for smaller ranches is still strong 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.

- Most producers are taking a “wait and see” approach to the current farm bill, as we are in the early stages of the program and most producers are uncertain as to the overall effect. Crop producers continue to be hampered by high fuel and fertilizer costs. 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, irrigated land is still in demand. Values for farms with weak, or marginal, irrigation water have tended to remain relatively stable. Dryland farms appear to have held value and have even increased in some areas.

- A positive influence is that dairies continue to move into the North Panhandle and South Plains. The favorable ecological climate is one of the reasons that dairies are relocating to these areas. It is noted that a new cheese plant is being built in Clovis, New Mexico to utilize the increase in the area’s milk production.

- With higher production costs, demand for dryland farms is still stable, with some areas showing a slight increase. 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 costs of production have continued to hurt demand, but land prices have remained stable and dry cropland in the eastern part of the area appears to be moving upward. 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 leases for irrigated cropland are 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 2003. Cotton prices were up from last year. Adverse weather, i.e., little rain coupled with hail, hurt much of the area around Lubbock; however, it is noted that dryland cotton farms were relatively unaffected by the hail and had good yields. 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. The boll weevil eradication programs are still in place and the count is down, with some staff having been cut in area offices. Insects were not a big concern during 2003.

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. More drip irrigation is being installed on area farms, but this is on a limited basis due to the high cost of installation. Prices for land enrolled in the Conservation Reserve Program (CRP) are stable and sales activity was light with investors being the primary purchasers.

**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 irrigated properties. It is noted that peanut production was down in 2003 due to the lack of rainfall. 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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North Panhandle</strong></td>
<td>Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson and Gray Counties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrigated Cropland Good Water</td>
<td>$800 to $1,400</td>
<td>Moderate/Stable</td>
<td>$70 to $125</td>
<td>Limited/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$500 to $700</td>
<td>Limited/Stable</td>
<td>$40 to $70</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland East</td>
<td>$225 to $400</td>
<td>Limited/Lower</td>
<td>25% CropShare</td>
<td>Limited/Lower</td>
</tr>
<tr>
<td>Dry Cropland West</td>
<td>$175 to $250</td>
<td>Limited/Lower</td>
<td>25% CropShare</td>
<td>Limited/Lower</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$150 to $250</td>
<td>Moderate/Higher</td>
<td>$4 to $6</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$225 to $350</td>
<td>Moderate/Stable</td>
<td>$30 to $39</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Deaf Smith, Randall, Armstrong, Parmer, Castro, Swisher, Briscoe, Bailey, Lamb, Hale, Floyd, Cochran, Hockley, Lubbock and Crosby Counties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrigated Cropland Good Water</td>
<td>$800 to $1,250</td>
<td>Moderate/Stable</td>
<td>$70 to $120</td>
<td>Limited/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$500 to $700</td>
<td>Moderate/Stable</td>
<td>$40 to $70</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Wheat</td>
<td>$250 to $300</td>
<td>Limited/Stable</td>
<td>25% CropShare</td>
<td>Limited/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$300 to $400</td>
<td>Limited/Stable</td>
<td>25% CropShare</td>
<td>Limited/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$150 to $350</td>
<td>Moderate/Stable</td>
<td>$4 to $6</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$325 to $400</td>
<td>Moderate/Stable</td>
<td>$30 to $45</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Value for irrigated cropland typically includes center pivot sprinklers.

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### South Plains - South of Lubbock

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yoakum, Terry, Lynn, Garza, Gaines, Dawson, Borden, Andrews, Martin, Howard, Ector and Midland Counties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrigated Cropland Better Water (Peanuts)</td>
<td>$800 to $1,200</td>
<td>Stable/Stable</td>
<td>$60 to $100</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$500 to $700</td>
<td>Stable/Stable</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$300 to $550</td>
<td>Moderate/Higher</td>
<td>25% CropShare</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$75 to $250</td>
<td>Limited/Lower</td>
<td>$1 to $5</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$300 to $400</td>
<td>Limited/Lower</td>
<td>$30 to $40</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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 TWO – FAR WEST TEXAS, TRANS-PECOS AND BIG BEND
GENERAL MARKET CONDITIONS FOR 2003

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, Hudsepth, 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 Hudsepth.

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 posses 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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Range</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Far West Texas</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Culberson, El Paso and Hudspeth Counties</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Rangeland</td>
<td>$50 to $80</td>
<td>Stable/Stable</td>
<td>$0.25 to $0.50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dell City Irrigated Cropland</td>
<td>$300 to $500</td>
<td>Stable/Stable</td>
<td>$85</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Upper Valley Irrigated</td>
<td>$4,000 to $7,000</td>
<td>Stable/Stable</td>
<td>$125 to $200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Lower Valley Irrigated</td>
<td>$1,000 to $3,000</td>
<td>Stable/Stable</td>
<td>$125 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Van Horn Irrigated Cropland</td>
<td>$300 to $500</td>
<td>Stable/Stable</td>
<td>$85</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td><strong>Big Bend</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Jeff Davis, Presidio and Brewster Counties</td>
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<td></td>
</tr>
<tr>
<td>Davis Mountains Rangeland</td>
<td>$325 to $430</td>
<td>Increasing/Increasing</td>
<td>$3.25 to $4.50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Highlands Rangeland</td>
<td>$125 to $135</td>
<td>Increasing/Increasing</td>
<td>$2.50 to $2.75</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Desert Mountains Rangeland</td>
<td>$85 to $110</td>
<td>Increasing/Increasing</td>
<td>$1.25 to $1.50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td><strong>Trans-Pecos</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Reeves, Loving, Winkler, Ward, Pecos and Terrell</td>
<td>$35 to $135</td>
<td>Stable/Increasing</td>
<td>$0.50 to $2.00</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland</td>
<td>$325 to $450</td>
<td>Stable/Stable</td>
<td>$125</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>
Region Three – North, Central and South Central Texas
General Market Conditions for 2003

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. The price increases are occurring more in the western counties as buyers are moving to the west to purchase more reasonably priced tracts.

- In the Central and South Central 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, while farmland has been stable. The overall cost to farm and the continued commodity price stagnation have resulted in a relative balance between supply and demand. The market for pastureland has been active.

As stated, there appears to be some price increases for properties in the more western counties as buyers continue to move west where lands are more reasonably priced. Also, persons selling property in areas in close proximity to major metropolitan areas are purchasing tracts further west in tax-free exchanges.

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 of the land market is the differences in prices paid for smaller versus larger tracts. Small tracts (under 640 acres) continued to increase, with large tracts beginning to see “per acre” prices similar to the smaller tracts. It is noted that properties from 500 to 2,000 acres are not increasing at the rate of the small tracts or those over 5,000 acres.

Cropland prices remained stable. Irrigated farms, mainly in the east 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.

The prices for pastureland has continued to increase, with prices for smaller tracts rising at a greater rate than for larger tracts. Again, this is due to recreational purchasers requiring smaller tracts for their use. As with the northern region, the recreational buyers are continuing to move west and this has resulted in increased prices in areas that have not risen significantly in the past.

Farmland was stable to slightly increasing, particularly for 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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North Texas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheeler, Donley, Collingsworth, Hall, Childress, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Clay, Dickens, King, Knox, Baylor, Archer, Throckmorton, Young and Jack Counties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrigated Cropland</td>
<td>$500 to $750</td>
<td>Stable/Upward</td>
<td>$30</td>
<td>$40 Stable/Upward</td>
</tr>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$400 to $600</td>
<td>Stable/Stable</td>
<td>$30</td>
<td>$35 Stable/Stable</td>
</tr>
<tr>
<td>Class IV &amp; V Dry Crop</td>
<td>$150 to $300</td>
<td>Stable/Stable</td>
<td>$15</td>
<td>$20 Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt;2,000 Acres</td>
<td>$250 to $600</td>
<td>Active/Upward</td>
<td>$5</td>
<td>$12 Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt;2,000 Acres</td>
<td>$300 to $700</td>
<td>Active/Upward</td>
<td>$5</td>
<td>$12 Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td></td>
<td>$5</td>
<td>$15 Active/Upward</td>
<td></td>
</tr>
</tbody>
</table>

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 $550 | Stable/Stable | $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 | $300 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/Upward | $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 Four is bordered by the states of Oklahoma, Arkansas and Louisiana on both the north and east sides. It is noted that the Dallas-Fort Worth metroplex is located in the western quadrant of this region.

Highlights of the overall area market precede a brief discussion of each sub-region.

- Pasture demand remains strong, with the Dallas-Fort Worth metroplex continuing to furnish most of the buyers in the northern half of this region.

- Rental demand continues to be strong for pasture and recreational leases, but there has also been a renewed interest in leasing cropland in the northern tier of the region.

- Subdivision of wooded and pasture properties, into rural residential or recreational tracts, has been common for sometime and continues to influence rural land prices.

- Overall, there is a scarcity of large tracts in the region with the scarcity being more pronounced in the more populated counties.

- Wooded tracts, especially those with varied topography, continue to have active demand.

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.

This area experienced higher land prices in all land classes. The most inexpensive land in this region can be found in Fannin and Montague counties, but it is noted that activity in both counties has surged upward.

Cropland continues to increase in value buoyed by high commodity prices. The rental demand for cropland increased in the latter half of the year, but cash rents were stable with farmers preferring a crop share arrangement.

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.

Recreational property, which is primarily noted in the hardwood timber classification but also includes the pasture tract with some woods and scenic appeal, continues to be very active and that prices are trending upward. These tracts are being purchased for their recreational benefits and not for their actual agricultural production potential and that motivation appears to be true throughout the region.
**Northeast Texas**
This area includes the following counties – Lamar, Delta, Hopkins, Wood, Franklin, Red River, Titus, Bowie, Morris, Cass, Camp, Upshur and Marion.

The western portions of this area, primarily Lamar, Delta and Hopkins counties, are most affected by buyers from the Dallas area, with Red River County beginning to entice those buyers as well. These types of buyers seem to be increasingly willing to trade travel time for lower unit prices. Wood and Upshur counties are heavily impacted by buyers from the Tyler and Longview area.

Titus, Morris and Franklin counties have been positively affected by recreational buyers from both directions. There is a shortage of land, particularly in Titus County, due to the holdings of several large ranches, urban development around its lakes and the coal field. Texarkana is the largest city in the area and its buyers affect property throughout Bowie County as well as in Morris and Cass counties.

There was a strong upsurge in demand in cropland in the last half of 2003. This surge was primarily due to the high prices for corn and soybeans. Buyers are coming from local sources as well as the Midwest farm belt and West Texas. There was a renewed interest in irrigation after three straight years of dry conditions during the growing season. Blackland farms are being irrigated with both furrow and sprinklers from surface reservoirs. There are several irrigated farms under contract that will set new price records, if they close.

There was much interest exhibited in ranches in excess of 1,000 acres, but these buyers are fairly cautious after the “mad cow” incident. The buyers for these larger ranches tend to be interested in production and investment goals as opposed to the recreational and small tract buyers, as a result, there are fewer sales of these larger properties.

**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 an active 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. The investor demand segment for timber land was stronger. 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 seemed to stabilize, 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 was active, with generally stable to increasing prices. This area has been impacted by the highly publicized sale of land owned by International Paper Company and Louisiana-Pacific Corporation. In addition to the well known large sales, International Paper and numerous investors have also been selling smaller parcels throughout the area. At this time, there appears to be adequate demand to absorb all the land that has been placed on the market.

Stumpage prices for large pine sawlogs have stabilized over the past year, however, both pine pulpwood and small pine sawlogs have declined in both 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. 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 grade hardwoods.
Region 4 - North and Northeast Texas and Piney Woods North and South

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
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<tbody>
<tr>
<td>Dry Cropland &gt;400 Acres</td>
<td>$700 to $1,500</td>
<td>Stable/Higher</td>
<td>$15 to $30</td>
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<tr>
<td>Improved Pasture &gt;400 Acres</td>
<td>$800 to $2,000</td>
<td>Active/Higher</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
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<tr>
<td>Native Pasture &gt;400 Acres</td>
<td>$600 to $1,800</td>
<td>Active/Higher</td>
<td>$8 to $15</td>
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<tr>
<td>Hardwood Timber &gt;300 Acres</td>
<td>$650 to $1,000</td>
<td>Stable/Higher</td>
<td>$2 to $6</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

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

| Class I Irrigated Cropland | $900 to $1,200 | Stable/Stable | $35 to $50 | Stable/Stable |
| Class II Dry Crop >400 Acres | $550 to $800 | Stable/Stable | $18 to $30 | Stable/Stable |
| Class III Dry Crop >300 Acres | $500 to $750 | Stable/Higher | $10 to $20 | Stable/Stable |
| Improved Pasture >300 Acres | $600 to $1,500 | Stable/Higher | $10 to $20 | Stable/Stable |
| Native Pasture >300 Acres | $500 to $1,000 | Stable/Higher | $8 to $12 | Stable/Stable |
| Hardwood Timber >300 Acres | $500 to $1,000 | Active/Higher | $2 to $8 | 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

| Improved Pasture >300 Acres | $700 to $1,200 | Stable/Stable | $12 to $18 | Stable/Stable |
| Native Pasture >300 Acres | $700 to $900 | Stable/Stable | $8 to $12 | Stable/Stable |
| Upland Pine Timber >300 Acres | $600 to $800 | Active/Higher | $4 to $11 | Stable/Stable |
| Bottomland Hardwood Timber >300 Acres | $350 to $500 | Active/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 North
Henderson, Smith, Gregg, Harrison, Henderson, Cherokee, Rusk, Panola, Houston Nacogdoches, and Shelby Counties

| Improved Pasture >300 Acres | $700 to $1,200 | Stable/Stable | $12 to $18 | Stable/Stable |
| Native Pasture >300 Acres | $700 to $900 | Stable/Stable | $8 to $12 | Stable/Stable |
| Upland Pine Timber >300 Acres | $600 to $800 | Active/Higher | $4 to $11 | Stable/Stable |
| Bottomland Hardwood Timber >300 Acres | $350 to $500 | Active/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.

Piney Woods South
Trinity, Angelina, San Augustine, Sabine, Polk, Tyler, Jasper and Newton Counties

| Improved Pasture >300 Acres | $700 to $1,200 | Stable/Stable | $12 to $18 | Stable/Stable |
| Native Pasture >300 Acres | $700 to $900 | Stable/Stable | $8 to $12 | Stable/Stable |
| Upland Pine Timber >300 Acres | $500 to $800 | Active/Higher | $4 to $11 | Stable/Stable |
| Bottomland Hardwood Timber >300 Acres | $350 to $500 | Active/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 Five - Southern Piney Woods, Coastal Prairies and Brazos Bottom
General Market Conditions for 2003

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 in Harris County and is the primary focal point for the sub-region.

Highlights for the overall market for the counties in Region Five precede brief discussions 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 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 surrounding and nearby counties. The tracts adjacent to major traffic arteries, leading in and out of Houston, are in greatest demand. The large scale residential development market appears to be showing most strength to the west and northwest of Houston, with several developments currently in the planning and/or development stage.

- 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. It appears expansion in this segment did slow somewhat from what was experienced in 2002.

- 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 of the less affluent Houstonians have purchased land, i.e., smaller tracts typically ten to 50 acres, so that they too can enjoy the benefits of outdoor recreation away from the city. This trend has resulted in upward pressure on wooded, unimproved properties, with the lands being bought by rural land developers, who subdivide the properties into smaller acreage tract developments.

- As the demands for recreational property have increased in this area, the differences associated with land types and uses, quality of pasture, etc. are having less impact on prices that are being paid. In most cases, it appears that native and improved pasture prices overlap significantly.
**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; the market is described as being moderately active. 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 lands. Often the base acres on these tracts are combined with other properties to concentrate the base found on the acreages that are 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 recreation and hunting, i.e., waterfowl; it is noted that waterfowl and deer hunting are important elements on the demand side.

A couple of large timber companies are in the process of selling much of their property in East Texas. The activity in the Big Thicket region has been especially active with considerable subdivision taking place. A good number of the tracts have either no timber or young timber. The prices paid for these lands tend to suggest that the underlying land value is increasing in relation to the timber contribution. While the prices for timber tracts are up from a year ago, they have not seen the increases observed with other types of properties.

**Southwestern Piney Woods**
The southwest sector includes the following counties – Walker and San Jacinto.

Brokers report fewer pasture tracts are selling. Some brokers attribute slow pasture sales to an increased supply of timber tracts. As with the region above, there has been considerable wooded acreage put on the market over the last couple of years. One broker stated that he had an investor looking to timber as a “safe haven” for money.

The activity that Montgomery County has enjoyed, from Houston, has pushed into Walker County. The growth of the Woodlands has allowed more individuals to live farther north and still commute to work. Walker County has seen more benefit from its proximity to the Houston metroplex than has San Jacinto County.

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

The cropland market has been stable with prices reported to be consistent with last year. 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. The Brazos County area and the southern and central parts of Grimes County have been very active and are responsible for the considerable increase in the upper end of the reported values. Smaller rural homesites and recreational tracts are becoming hard to find at any price.

**Houston Area**
This area includes the following counties – Waller, Montgomery, Fort Bend, Brazoria, Galveston and Harris.

There is very little active cropland in the immediate vicinity of Houston because investors and developers have continued to purchase this type of property. The land that is still in production is
awaiting future development. Land prices are reported to be moving upward at a strong rate for all classes of rural land. The reported values are outside active development areas. There are several thousand acre blocks of land trading in excess of $10,000 an acre in areas currently being developed.

Following the trend that has existed the last few years, brokers are reporting difficulty in finding quality rural tracts to sell. Demand has been such that much of the available land has sold and is no longer on the market.

This year, Brazoria and Galveston counties were added to this sub-region. As demand has spread, proximity to Houston has become the overriding factor in both of these counties.

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

Following last year’s trend, dry rowcrop acreage was slow. It is noted that 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 from the recreational buyer.

The City of Houston has a significant influence on the north and east parts of Wharton County and, as stated, both Brazoria and Galveston counties were moved from this sub-region into the Houston area sub-region.

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

Irrigated cropland prices in Colorado County increased in 2003; dry cropland price increases were slower, but with steady activity. The dry cropland does not appeal to recreational buyers and investors are looking to the irrigated rice land with good base acres due to government payments. 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. The north sector of Colorado County has seen strong increase in demand over the last year, with buyers spilling over from Austin County due to a lack of tracts for sale.

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. No price difference is apparent between native and improved tracts in these two counties; the two categories have been combined. The demand for improved pasture and native rangeland tracts has been and is very strong. Sales activity has decreased considerably due to a lack of tracts available for sale. Brokers from this area are moving into surrounding counties looking for property to market.

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, when available, have been in strong demand and with increasing prices.
### Region 5 - Southern Piney Woods, Coastal Prairies and Brazos Bottom

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<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
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<tr>
<td><strong>Eastern Coastal Prairie and Southeastern Piney Woods</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Liberty, Hardin, Chambers, Jefferson and Orange Counties</td>
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<tr>
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<td>Active/Upward</td>
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<td>Hunting Leases</td>
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</table>

| **Southwestern Piney Woods** | | | | |
| Walker and San Jacinto Counties | | | | |
| Improved Pasture | $2,000 to $2,500 | Stable/Upward | $15 to $20 | Stable/Stable |
| Native Rangeland | $1,500 to $2,500 | Stable/Upward | $12 to $17 | Stable/Stable |
| Bottom Timber | $600 to $850 | Active/Stable | $6 to $10 | Stable/Stable |
| Upland Timber | $1,000 to $1,500 | Active/Stable | $6 | Stable/Stable |
| Recreational Tracts (50 Acres) | $1,700 to $4,000 | Active/Upward | | |

| **Brazos Bottom** | | | | |
| Robertson, Brazos, Burleson, Leon, Madison and Grimes Counties | | | | |
| Irrigated Cropland | $1,300 to $1,500 | Stable/Stable | $60 to $80 | Stable/Stable |
| Dry Cropland | $900 to $1,300 | Stable/Stable | $40 to $50 | Stable/Stable |
| Improved Pasture | $1,000 to $3,000 | Active/Upward | $15 to $20 | Stable/Stable |
| Native Rangeland | $800 to $2,300 | Active/Upward | $8 to $10 | Stable/Stable |
| Urban Development | $5,000 to $20,000 | Active/Upward | $50 | Stable/Stable |
| Recreational Tracts (50 Acres) | $1,800 to $10,000 | Active/Upward | | |

| **Houston Area** | | | | |
| Waller, Montgomery, Fort Bend, Brazoria, Galveston and Harris Counties | | | | |
| Dry Cropland | $2,500 to $3,000 | Slow/Stable | $8 to $25 | Stable/Stable |
| Improved Pasture | $2,500 to $4,500 | Active/Upward | $15 to $30 | Stable/Stable |
| Native Rangeland | $2,300 to $3,500 | 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, and Matagorda Counties | | | | |
| Irrigated Cropland | $850 to $1,100 | Slow/Stable | $40 to $70 | Stable/Stable |
| Dry Cropland | $700 to $1,000 | Slow/Stable | $25 to $45 | Stable/Stable |
| Improved Pasture | $1,000 to $2,500 | Active/Upward | $12 to $20 | Stable/Stable |
| Native Rangeland | $900 to $2,000 | Active/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 | $850 to $1,100 | Stable/Upward | $15 to $40 | Stable/Stable |
| Dry Cropland | $800 to $1,000 | Slow/Stable | $15 to $45 | Stable/Stable |
| Improved Pasture | $1,500 to $3,000 | Active/Upward | $12 to $15 | Stable/Stable |
| Native Rangeland | $1,400 to $2,500 | Active/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 | Stable/Upward | $12 to $20 | Stable/Stable |
| Recreational Tracts (50 Acres) | $2,500 to $6,000 | Stable/Upward | | |
| Rural Homestead | $7,500 to $15,000 | Stable/Upward | | |
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 and 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 thumbnail discussion of each sub-region.

- Demand for rural land in 2003 continued to be good with increasing land prices. Recreation and investment continue to be the main sources of demand for rural land. Today’s ranch investor is largely one of three profiles – a recreational end user, an investor or a ranch developer who subdivides properties into smaller tracts.

- Recreation leads the way in the most notable hunting areas for good trophy deer and bird hunting opportunities. Recreational demand is present even in the less notable recreational areas as long as there is “some” native game or other recreational opportunity. Non-hunting recreational users are becoming more common, particularly along the Coast.

- A good level of competition exists in agricultural lending today. Low interest rates and a diversion of investment dollars into land has increased the demand for “ag” loans. Traditional ag lenders are competing with other financial institutions trying to get a “toehold” in the market. 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.

- Demand for “finished” 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 2003, sold or at least were under contract at the end of the year.

- Hunting ranches, with established game management present, continue to command premiums. Investors in these ranches want “ready to go” properties. Water availability (underground and surface) is more of an investment criteria for these buyers.

- Demand for farmland remains stable and the land is typically purchased by farmers. The current farming economy is stable. Certain investors are buying good farmland for the farm program benefits. In South Texas, properties with Conservation Reserve Program (CRP) payments are in demand. Water rights speculation has inflated irrigated farmland prices in the farming areas surrounding San Antonio.
• Demand for residential development land near population centers continues to be good 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.

• Long-term ranch owner/tenant operator relationships are changing. As land pricing has increased to its current level, multi-generation owners of ranches are deciding to sell, thus displacing their grazing tenants. Grazing and farmland leases remained stable; hunting lease rates increased.

• Reservation by sellers of all or part of the mineral estate on most ranches continues to be prevalent in this region. Ranch buyers in mineral producing areas most likely will acquire the surface estate only or very nominal minerals. Potential buyers are showing resistance to ranches offered surface estate only and with heavy oil and gas production (old oil and gas fields), even if the recreational appeal and other amenities are good. Surface use protection agreements are becoming popular among surface owners to protect their surface interests. These agreements bind future oil and gas lessees and are between the mineral owner and the surface owner.

• Oil and gas drilling, along with the related seismic activity, has remained stable to increasing. High oil and gas prices have spurred increased mineral exploration; rig counts have been up.

**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.

In Bexar, Comal, Guadalupe and Medina counties, residential subdivision development is the primary land investment motive for large tracts within an acceptable driving distance of San Antonio. Uvalde County is less influenced by residential subdivision pressure.

Demand for recreational land is good in all of these counties. Live water features are a driving force for the counties along the edge of the Texas Hill Country. Weekend recreational ranches are common in the Transition Zone due to the short driving distance to San Antonio.

Demand for farmland in Bexar, Comal and Guadalupe counties is stable, but not nearly as great as for recreational or investment land. Overall, Medina and Uvalde counties generally have less intense land uses; these counties have good recreational appeal.

Water rights speculation has positively impacted 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 the late 1990's, several landmark transactions have taken place related to major working and recreational ranches, which have not been offered for sale in decades. 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 5,000 acres. Land stewardship practices have changed and are more focused on balancing the blend of livestock and native game. 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 lease prices are very strong, especially on ranches with good game management. As a result of increasing hunting lease rates, a number of upper end hunting lessees have decided to buy their own ranches.

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

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

Demand for land is largely recreationally 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 to increasing.

**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. A number of Houston investors are looking more closely at this area because of the shorter driving distance to Houston, when compared to other areas of South Texas. 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 relatively short driving distance to employment.

Water play is occurring along the Goliad and Refugio county line. Oil and gas drilling activity continues to be present.

**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 being producers; the best land rarely becomes available because most farmland ownership is by long-term tenure. Demand for large blocks of farmland is good; however, there is a limited supply of “top shelf” quality farmland for sale, especially in large tracts. Lower lying pastureland is 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

#### Transition Zone
Uvalde, Medina, Bexar, Comal and Guadalupe Counties

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<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
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<td>$1,000 to $1,300</td>
<td>Active/Stable</td>
<td>$50 to $85</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$800 to $900</td>
<td>Stable/Stable</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$550 to $600</td>
<td>Stable/Stable</td>
<td>$15 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$650 to $1,250</td>
<td>Stable/Stable</td>
<td>$120/ AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt;2,000 Acres</td>
<td>$900 to $1,500</td>
<td>Active/Higher</td>
<td>$120/ AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt;2,000 Acres</td>
<td>$650 to $1,150</td>
<td>Active/Higher</td>
<td>$120/ AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hill Country Land</td>
<td>$1,000 to $6,000</td>
<td>Active/Higher</td>
<td>$120/ AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Mature Pecan Orchard</td>
<td>$750 to $1,000</td>
<td>Inactive/Lower</td>
<td>$1,500 to $2,000</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Unrestricted Edwards Water Rights - (per acre foot)</td>
<td>$1,500 to $2,000</td>
<td>Active/Higher</td>
<td>$75 to $100</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Value ranges generally reflect partial mineral conveyances. Speculation on water rights in Bexar, Medina and Uvalde counties is 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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Irrigated Crop</td>
<td>$1,000 to $1,500</td>
<td>Stable/Limited</td>
<td>$80 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$700 to $1,000</td>
<td>Stable/Limited</td>
<td>$60 to $125</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$500 to $750</td>
<td>Stable/Limited</td>
<td>$15 to $20</td>
<td>Limited/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$500 to $1,200</td>
<td>Stable/Limited</td>
<td>$120 to $150/ AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 5,000 Acres</td>
<td>$675 to $1,300</td>
<td>Active/Higher</td>
<td>$3 to $5</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 5,000 Acres</td>
<td>$650 to $1,100</td>
<td>Active/Higher</td>
<td>$3 to $4</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Hunting Leases (Rangeland)</td>
<td>$8 to $20</td>
<td>Very Active/Higher</td>
<td>$10 to $20</td>
<td>Very Active/Higher</td>
</tr>
</tbody>
</table>

Value ranges generally reflect partial mineral or surface only transactions; few tracts sell with significant minerals in this market. The highest end of the range in the rangeland (less than 5,000 acres) relates to good hunting ranches or rural development tracts immediately south of San Antonio. Irrigated cropland categories include wells and pivot irrigation systems and reflects price per per irrigated acre.

#### Lower Brush Country
Duval, Zapata, Jim Hogg, Brooks, Starr and Jim Wells Counties

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Cropland</td>
<td>$450 to $750</td>
<td>Stable/Limited</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt;5,000 Acres</td>
<td>$650 to $1,000</td>
<td>Active/Higher</td>
<td>$3 to $6</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Rangeland &gt;5,000 Acres</td>
<td>$600 to $900</td>
<td>Active/Higher</td>
<td>$3 to $6</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Hunting Leases (Rangeland)</td>
<td>$10 to $20</td>
<td>Very Active/Higher</td>
<td>$10 to $20</td>
<td>Very Active/Higher</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Value Range</th>
<th>Activity/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$650 to $750</td>
<td>Stable/Limited</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$650 to $1,250</td>
<td>Stable/Limited</td>
</tr>
<tr>
<td>Rangeland &lt;2,000 Acres</td>
<td>$800 to $1,350</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Rangeland &gt;2,000 Acres</td>
<td>$750 to $950</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Hunting Leases (Rangeland)</td>
<td>$6 to $14</td>
<td>Active/Higher</td>
</tr>
</tbody>
</table>

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

Coastal Bend  
San Patricio, Nueces, Kenedy and Kleberg Counties

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Value Range</th>
<th>Activity/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Dry Crop</td>
<td>$1,000 to $1,200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$800 to $1,000</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$650 to $900</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Hunting Leases (Rangeland)</td>
<td>$10 to $15</td>
<td>Active/Higher</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Value Range</th>
<th>Activity/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Irrigated Crop</td>
<td>$1,100 to $1,450</td>
<td>Inactive/Lower</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$650 to $1,100</td>
<td>Inactive/Lower</td>
</tr>
<tr>
<td>Class I Dry Crop</td>
<td>$900 to $1,200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$500 to $700</td>
<td>Stable/Lower</td>
</tr>
<tr>
<td>Permanent Pasture</td>
<td>$650 to $800</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$1,000 to $1,600</td>
<td>Very Active/Higher</td>
</tr>
<tr>
<td>Hunting Leases (Rangeland)</td>
<td>$10 to $20</td>
<td>Very Active/Higher</td>
</tr>
</tbody>
</table>

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 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 Region Seven market precede a brief discussion of each sub-region.

- 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 – 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, with land values showing moderately higher price trends. Cropland and improved pasture have improved over previous price levels. The demand for native pasture and recreational properties has been moderately active over the last 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, with the exception of pecan groves which indicate stable to lower value trends. Recreational uses, centered around hunting, represent the primary buyer motivation for area properties; as a result, the level of demand tends to be directly influenced by regional economic conditions.

Higher land values, to the northeast and to the south of the area, continue to support trends toward higher values in the Central Basin. Additionally, higher prices in the eastern and southern parts of the Central Basin have helped support higher values to the west as buyers seek more acreage for the same money.

**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 stable to slightly higher values being noted. Few properties are noted as being offered for sale, in all land classes, and few better quality cultivated properties are being marketed. Both improved and native pasture have shown stable to modest increases in values, with buyer interest being up over the preceding year. Properties with recreational appeal, i.e., wooded pasture, properties with small lakes and river front properties, continue to be in moderate to strong demand.

The area is influenced by the population centers of Dallas, Fort Worth and Austin in addition to local buyers from Waco, Temple and Killeen. The northern portion of the region represents the area with the strongest demand because of 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, again because of location which in this case is 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, weekend home and outdoor retreat uses. Recreation motivated land values tended to be stable during 2003.

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 properties, offered for sale in the farming areas east of IH 35, has increased over the past year as higher prices have encouraged some selling by long-term owners in the area.

**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 2003, 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 area land buyers, again 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 to be 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

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Range</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
</table>

### Southern Grand Prairie
*Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties*
- **Dry Cropland**: $700 to $1,200 Active/Stable; $10 to $25 Moderate/Stable
- **Improved Pasture**: $750 to $1,100 Active/Stable; $10 to $20 Moderate/Stable
- **Native Pasture - Open**: $450 to $800 Active/Higher; $4 to $10 Moderate/Stable
- **Native Pasture - Wooded**: $750 to $1,250 Active/Higher; $4 to $10 Moderate/Stable
- **Live Water - Recreational**: $1,000 to $2,000 Moderate/Higher; $5 to $15 Moderate/Stable
- **Pecan Groves - Improved**: $1,200 to $1,800 Moderate/Lower; $5 to $15 Active/Stable
- **Hunting Leases**: $5 to $15 Active/Stable

### Central Basin
*McCullough, San Saba, Mills, Hamilton, Lampasas and Llano Counties*
- **Dry Cropland**: $600 to $1,150 Moderate/Stable; $7 to $22 Moderate/Stable
- **Improved Pasture**: $650 to $1,500 Moderate/Higher; $7 to $20 Moderate/Stable
- **Native Pasture - Open**: $600 to $1,400 Moderate/Stable; $3 to $7 Moderate/Stable
- **Native Pasture - Wooded**: $800 to $2,000 Moderate/Higher; $3 to $7 Moderate/Stable
- **Pecan Groves - Improved**: $1,200 to $1,800 Moderate/Stable
- **Live Water - Recreation**: $2,000 to $8,000 Active/Stable; $10 to $20 Owner dominated
- **Transitional <50 Acres**: $2,000 to $8,000 Active/Stable; $7 to $15 Active/Stable
- **Hunting Leases - Rangeland**: $7 to $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 - Good**: $1,100 to $1,900 Active/Higher; $30 to $50 Moderate/Stable
- **Dry Cropland - Marginal**: $800 to $1,400 Moderate/Higher; $15 to $30 Moderate/Stable
- **Improved Pasture**: $850 to $1,200 Moderate/Higher; $10 to $20 Moderate/Stable
- **Native Pasture - Open**: $550 to $1,000 Moderate/Higher; $10 to $12 Moderate/Stable
- **Native Pasture - Wooded**: $800 to $1,200 Moderate/Higher; $10 to $12 Moderate/Stable
- **River Properties**: $1,500 to $4,000 Moderate/Higher; $15 to $30 Moderate/Stable
- **Single Family - Utilities**: $8,000 to $20,000 Moderate/Stable
- **Ranchettes <50 Acres**: $3,000 to $8,000 Active/Stable
- **Urban Ranges - Utilities**: $4,000 to $10,000 Active/Higher

### 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**: $1,100 to $1,900 Active/Higher; $30 to $50 Moderate/Stable
- **Dry Cropland - Marginal**: $800 to $1,400 Moderate/Higher; $15 to $30 Moderate/Stable
- **Improved Pasture**: $850 to $1,200 Moderate/Higher; $10 to $20 Moderate/Stable
- **Native Pasture - Wooded**: $1,500 to $4,000 Active/Higher; $10 to $20 Moderate/Stable
- **Urban Ranges - Utilities**: $4,000 to $10,000 Active/Higher
- **Ranchettes <50 Acres**: $3,000 to $8,000 Active/Stable
- **Hunting Leases**: $8 to $15 Active/Stable

### Eastern Hill Country
*Gillespie, Kerr, Kendall, Real and Bandera Counties*
- **Recreational w/ Live Water**: $1,500 to $4,500 Active/Stable
- **Recreational w/o Live Water**: $1,000 to $2,400 Active/Stable
- **Rangeland**: $1,000 to $1,500 Active/Stable; $3 to $6 Active/Stable
- **Hunting Leases - Rangeland**: $5 to $15 Active/Stable

### Western Hill Country
*Menard, Mason and Kimble Counties*
- **Native Rangeland <50 Acres**: $900 to $1,600 Moderate/Higher; $2 to $4 Moderate/Stable
- **Native Rangeland >50 Acres**: $650 to $1,200 Moderate/Higher; $2 to $4 Moderate/Stable
- **Native Rangeland - w/ Live Water >1,000 Acres**: $1,500 to $3,000 Moderate/Higher; $2 to $4 Moderate/Stable
- **Native Rangeland - w/ Live Water 500/- Acres**: $2,700 to $3,700 Moderate/Higher; $2 to $4 Moderate/Stable
- **Hunting Leases**: $8 to $15 Active/Stable
TRENDS IN TEXAS AGRICULTURAL LAND VALUES

TEAM CAPTAINS

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B L Jones is from Lubbock and is a senior appraiser for AGTEXAS FARM CREDIT SERVICE. He has earned the ARA designation and is licensed by the State of Texas as a state certified general real estate appraiser. Prior to joining Ag Texas, BL was an independent fee appraiser for over twenty years; he continues to specialize in both rural and commercial properties. Mr. Jones is a Past President of the Texas Chapter ASFMRA.

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Victor Probandt is a principal in STRIBLING-PROBANDT APPRAISALS, with an office in San Angelo. In addition to being certified as a general real estate appraiser by the State of Texas, he has the ARA designation awarded by ASFMRA. Mr. Probandt is an independent fee appraiser, who specializes in condemnations, commercial, residential as well as farm and ranch properties. Mr. Probandt serves on the Texas Chapter ASFMRA Board of Directors and chairs the chapter’s Ethics Committee.

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Mark Lewis is co-owner of DICKERSON-SEELY & ASSOCIATES, INC., a full service appraisal company based in Lufkin, Texas. He has over fifteen years of experience in the appraisal of a wide variety of agricultural and special use properties. Mr. Lewis holds the ARA designation, presented by ASFMRA, and is a state certified general real estate appraiser in both Texas and Mississippi. Mr. Lewis is Vice President of the Texas Chapter ASFMRA and chairs the Membership Committee.

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WAYNE T. YOUNG, ARA – REGION FIVE
Wayne Young lives in Huntsville and is employed as an appraiser for Capital Farm Credit. He has earned the ARA, awarded by ASFMRA and is certified by the State of Texas as a state certified general real estate appraiser. His areas of expertise include rural properties in both the east and central regions of the state as well as along the Gulf Coast. Mr. Young instructs courses and seminars for ASFMRA, is a member of the Texas Chapter ASFMRA Board of Directors and chairs the Public Relations Committee.

Capital Farm Credit
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Merrill Swanson works as a real estate appraiser and is associated with the firm of DUGGER, CANADAY, GRAFE, INC. of San Antonio. He was presented his ARA designation at the 1998 Annual Meeting of the American Society of Farm Managers and Rural Appraisers; he is also a Texas state certified general real estate appraiser. Mr. Swanson specializes in the valuation of rural properties in Central, South and West Texas. Mr. Swanson is President-Elect of the Texas Chapter ASFMRA.

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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 the 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.

http://www.asfmra.org

or for additional information

950 South Cherry Street, Suite 508
Denver, Colorado 80246-2664
303-758-3513; fax 303-758-0190
e-mail asfmra@agri-associations.org
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. 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 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
For information, contact the national office at:
950 South Cherry Street, Suite 508
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

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Thank you for your interest in ASFMRA!