



Texas Chapter ASFMRA
6106 Vance Jackson #2
San Antonio, Texas 78230
210.696.8909; fax 210.696.1985
e-mail TexasASFMRA@agri-associations.org

TRENDS IN TEXAS AGRICULTURAL LAND VALUES
GENERAL MARKET CONDITIONS FOR 2004

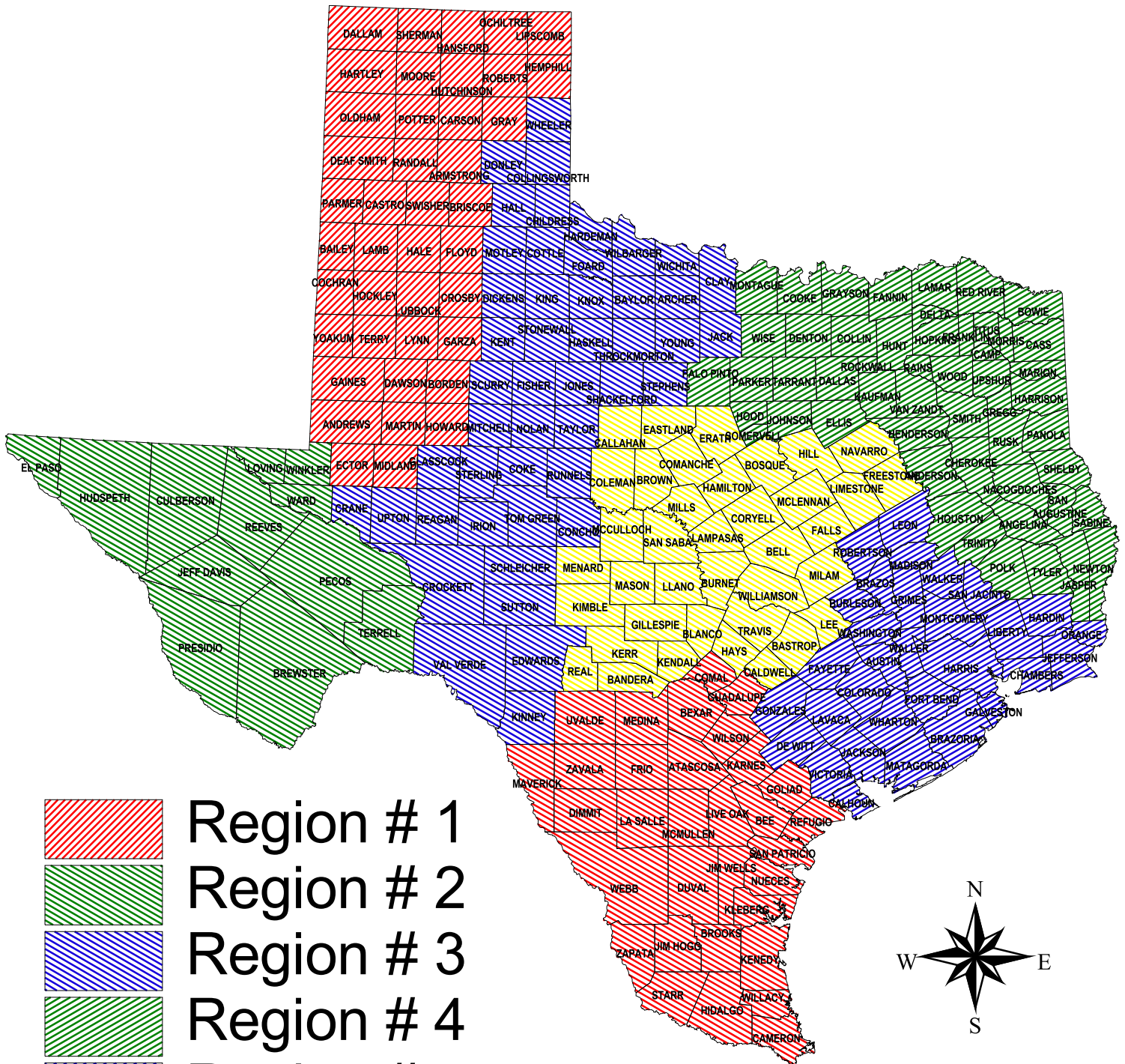
PRESENTED

APRIL 28, 2005

AT THE

15TH ANNUAL
OUTLOOK FOR TEXAS LAND MARKETS

TEXAS CHAPTER ASFMRA LAND VALUE SURVEY REPORTING REGIONS



Texas Chapter ASFMRA
6106 Vance Jackson #2
San Antonio, Texas 78230

210-696-8909; Fax 210-696-1985

E-mail TexasASFMRA@agri-association.org

TRENDS IN TEXAS AGRICULTURAL LAND VALUES

TEAM CAPTAINS

BL JONES III, ARA – REGION ONE

BL 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.

AgTexas Farm Credit Service - Lubbock Office
Post Office Box 3007 - 6502 Caprock Drive - Lubbock, Texas 79452-3007
806-745-4631; fax 806-745-4579; email bjones@agtexas.com

KEITH BARLOW, ARA – REGION TWO

Keith is owner of Barlow Appraisal Associates located in Midland, Texas, and specializes in farm and ranch as well as commercial properties. He joined ASFMRA in 1979 and earned his ARA designation in 1984; Keith has also been awarded the MAI designation presented by the Appraisal Institute. Keith is a Past President of the Texas Chapter ASFMRA; he is also a past District V Vice President of ASFMRA.

Barlow Appraisal Associates
Post Office Box 2135 - Midland, Texas 79702-2135
432.689.9879; 432.689.9429 fax ; email keith@barlowappraisal.com

VICTOR R. PROBANDT, ARA – REGION THREE

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 and commercial, residential as well as farm and ranch properties. Mr. Probandt Vice President of the Texas Chapter ASFMRA \and chairs the chapter's Membership Committee.

Stribling-Probandt Appraisals
502 South Koenigheim, Suite 3B - San Angelo, Texas 76903
325-658-2773; fax 325-659-4192; email victorp@zipnet.us

WILLIAM P. "PAT" MURPHY, ARA – REGION 4

Pat Murphy is an independent fee appraiser and operates PAT MURPHY AND ASSOCIATES in Paris. Mr. Murphy has earned the ARA designation, presented by ASFMRA, and has also been awarded the MAI and SRA designations by the Appraisal Institute. He is certified as a general real estate appraiser by the State of Texas and the State of Oklahoma. Mr. Murphy is a Past President of the Texas Chapter ASFMRA.

Pat Murphy and Associates
712 19th Southeast - Paris, Texas 75460-7513
903-785-0441; fax 903-784-0076; email pmurphy@sbcglobal.net



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 and he Texas Chapter's Public Relations Committee.

Capital Farm Credit
624 F.M. 1791 - Huntsville, Texas 77340
936-439-0379; fax 713-495-9096; email wayne.young@capitalfarmcredit.com

MERRILL E. SWANSON, ARA – REGION SIX

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 of the Texas Chapter ASFMRA.

Dugger, Canaday, Grafe, Inc.
111 Soledad, Suite 800 - San Antonio, Texas 78205
210-227-6229; fax 210-227-8520; email meswanson@dcgappraisers.net

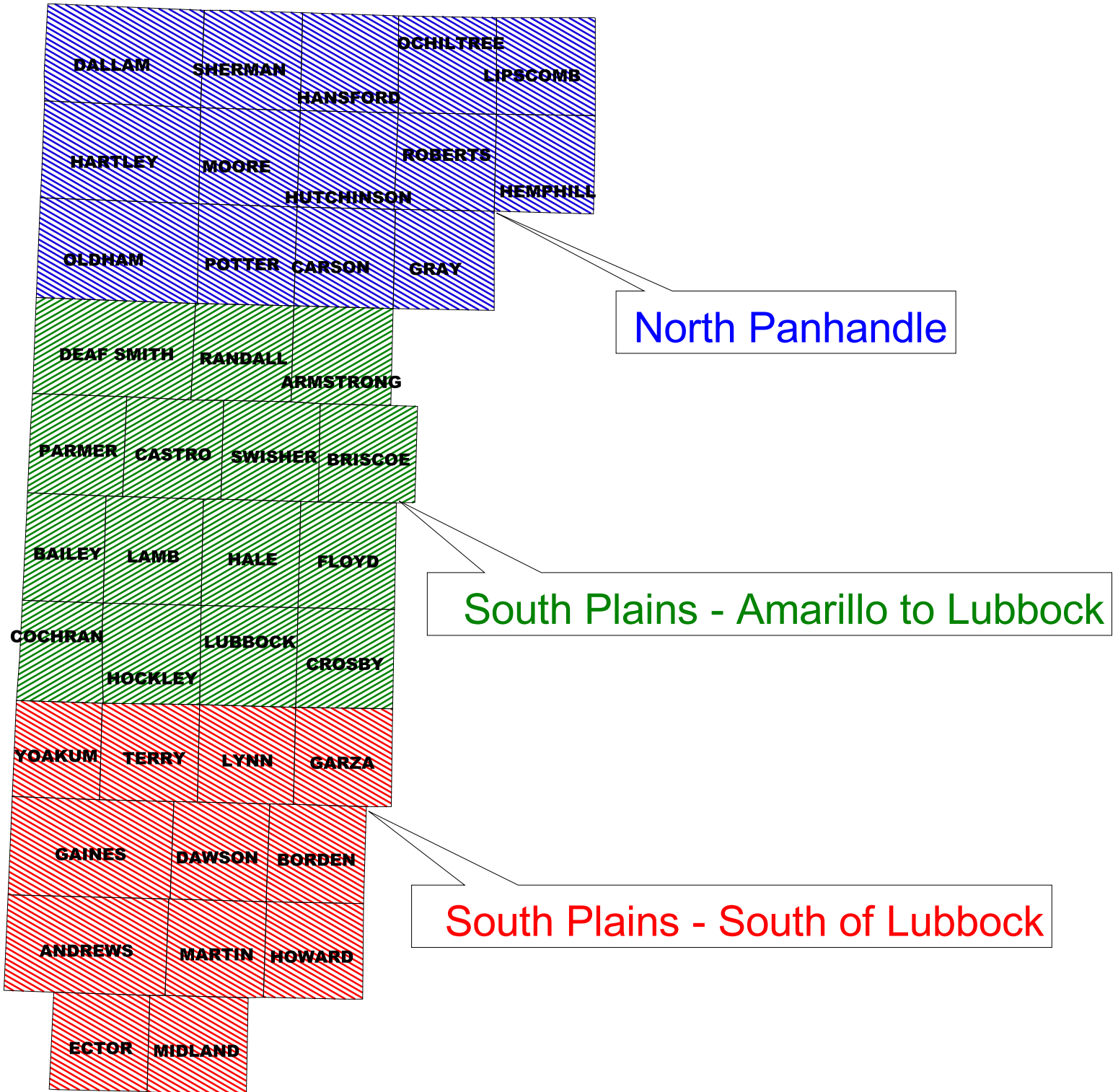
WENDELL C. WOOD – REGION SEVEN

Wendell Wood is an independent fee appraiser and is a partner in KOKEL-OBERRENDER-WOOD APPRAISAL of Georgetown. He is licensed as a Texas state certified general real estate appraiser; he is also a Candidate member of the American Society of Farm Managers and Rural Appraisers. Mr. Wood is a member of the Texas Chapter Land Value Committee.

Kokel-Oberrender-Wood Appraisal
401 West 9th Street, Suite 201- Georgetown, Texas 78626
512-863-6428; fax 512-930-5348; email wendell.wood@att.net



Region #1



REGION ONE – PANHANDLE AND SOUTH PLAINS

GENERAL MARKET CONDITIONS FOR 2004

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 brief discussions related to the sub-regions.

- Sales of large ranches, 20,000 acres and above, are still infrequent, with a limited number of properties currently being offered for sale, thus making reliable market trends difficult to establish.
- Hunting and recreational property buyers are still putting pressure on the market. Ranch prices and hunting lease rates continue to increase due to strong 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 comfortable with the current farm bill. Crop producers continue to be hampered by high fuel and fertilizer costs. The inventory of good irrigated land is still in a decline, and prices are showing some increase. 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 stable.
- A positive influence is that dairies continue to move into the North Panhandle and South Plains and some of the existing dairies are purchasing additional land. The favorable ecological climate is one of the reasons that dairies are relocating to these areas. Construction continues on a cheese plant in Clovis, New Mexico; this factor continues to add jobs in the area.
- 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 increased. 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 good due to the above average rainfall that has been experienced.

South Plains from Amarillo to Lubbock

The north portion of the South Plains is made up of 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 excellent in 2004; above average rainfall really helped the crops. There was so much cotton produced that operators were late in selling their crops. Land sales slowed at the end of the year because of the late cotton sales. 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; staff continues to be cut in area offices. Insects were not a big concern during 2004; small isolated areas experienced crop failures due to hail.

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. Range conditions were good because of rain. 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 selling to tenants; this trend continues to increase. More drip irrigation is being installed, 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; sales activity was light with investors being the main 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. Quite a bit of the native range is leased for hunting. 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 groundwater. Irrigation practices are predominantly sprinkler due to sandy soils.

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 or drought. Farming is localized geographically and is limited by soil types that are conducive to cultivation. Where there is adequate groundwater, 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 the peanut crop was good and that the price was up. The area also had above average 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

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
-------------------	--------------	----------------	--------------	----------------

North Panhandle

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

Irrigated Cropland Good Water	\$800	to	\$1,500	Stable/Higher	\$70	to	\$125	Limited/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Stable/Stable	\$40	to	\$70	Stable/Stable
Dry Cropland East	\$225	to	\$400	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	\$1,500	Moderate/Higher	\$70	to	\$120	Limited/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Moderate/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/Stable
Rangeland	\$150	to	\$350	Moderate/Higher	\$4	to	\$6	Stable/Stable
Conservation Reserve Program	\$325	to	\$400	Moderate/Stable	\$30	to	\$45	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

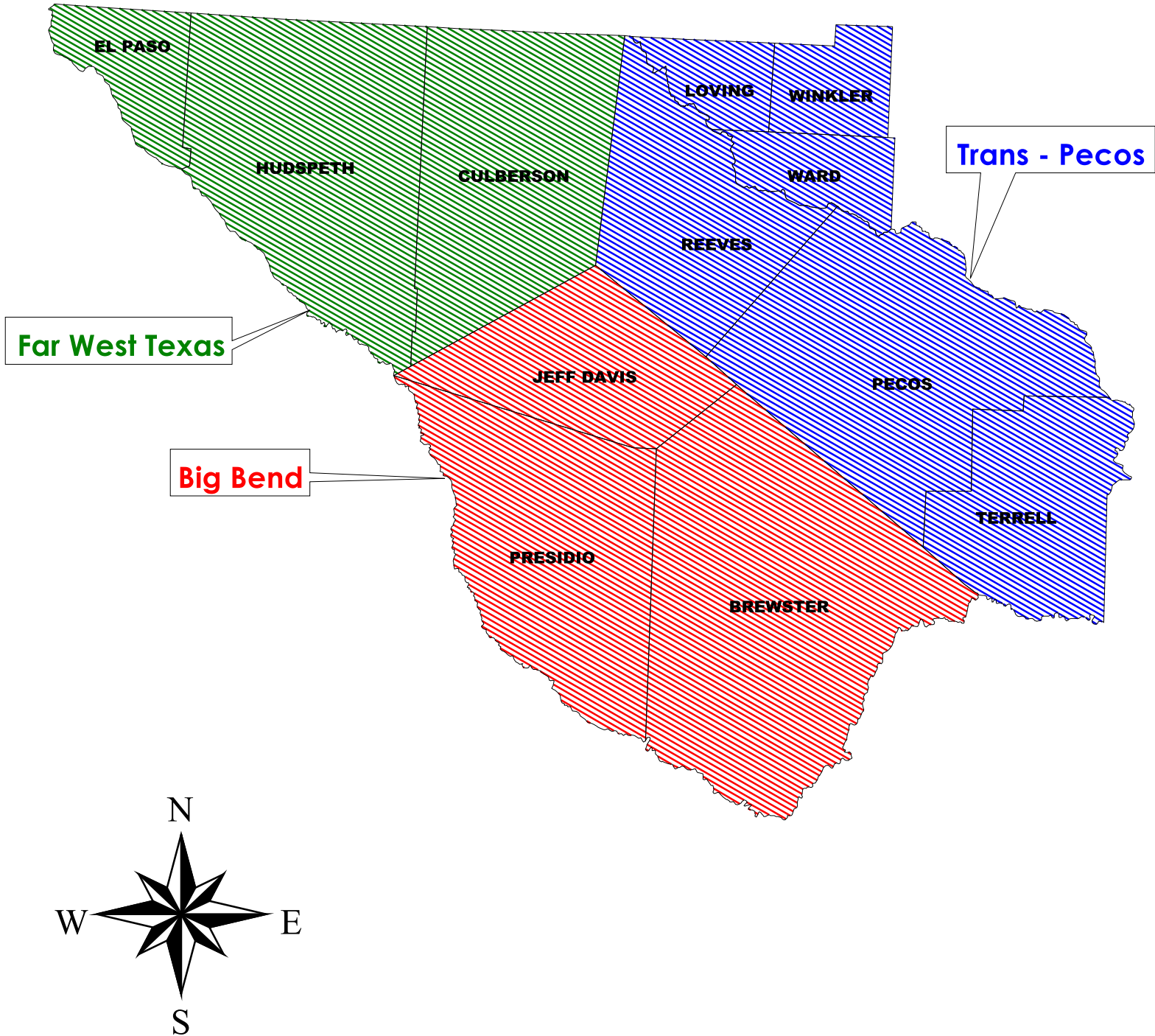
South Plains - South of Lubbock

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

Irrigated Cropland Better Water (Peanuts)	\$800	to	\$1,400	Stable/Stable	\$60	to	\$100	Stable/Stable
Irrigated Cropland Fair Water	\$500	to	\$700	Stable/Stable	\$40	to	\$60	Stable/Stable
Dry Cropland Cotton	\$300	to	\$550	Moderate/Higher	25% CropShare			Stable/Stable
Rangeland	\$100	to	\$350	Limited/Higher	\$1	to	\$5	Stable/Stable
Conservation Reserve Program	\$300	to	\$400	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 2004

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 along with 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 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 groundwater, 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 these areas are considered to be an attractive factor and are stimulated by water rights speculation for municipal uses.

Big Bend

The Big Bend is made up of 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 covers 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, groundwater 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
-------------------	--------------	----------------	--------------	----------------

Far West Texas Culberson, El Paso and Hudspeth Counties

Rangeland	\$80	to	\$125	Increase/Increase	\$0.50	to	\$0.75	Stable/Stable
Dell City Irrigated Cropland	\$300	to	\$500	Stable/Stable	\$85/Acre			Stable/Stable
El Paso Upper Valley Irrigated	\$7,000	to	\$12,000	Stable/Increase	\$85	to	\$125	Stable/Decrease
El Paso Lower Valley Irrigated	\$1,500	to	\$1,800	Stable/Increase	\$50	to	\$75	Stable/Decrease
Van Horn Irrigated Cropland	\$300	to	\$500	Stable/Increase	\$25	to	\$50	Stable/Decrease

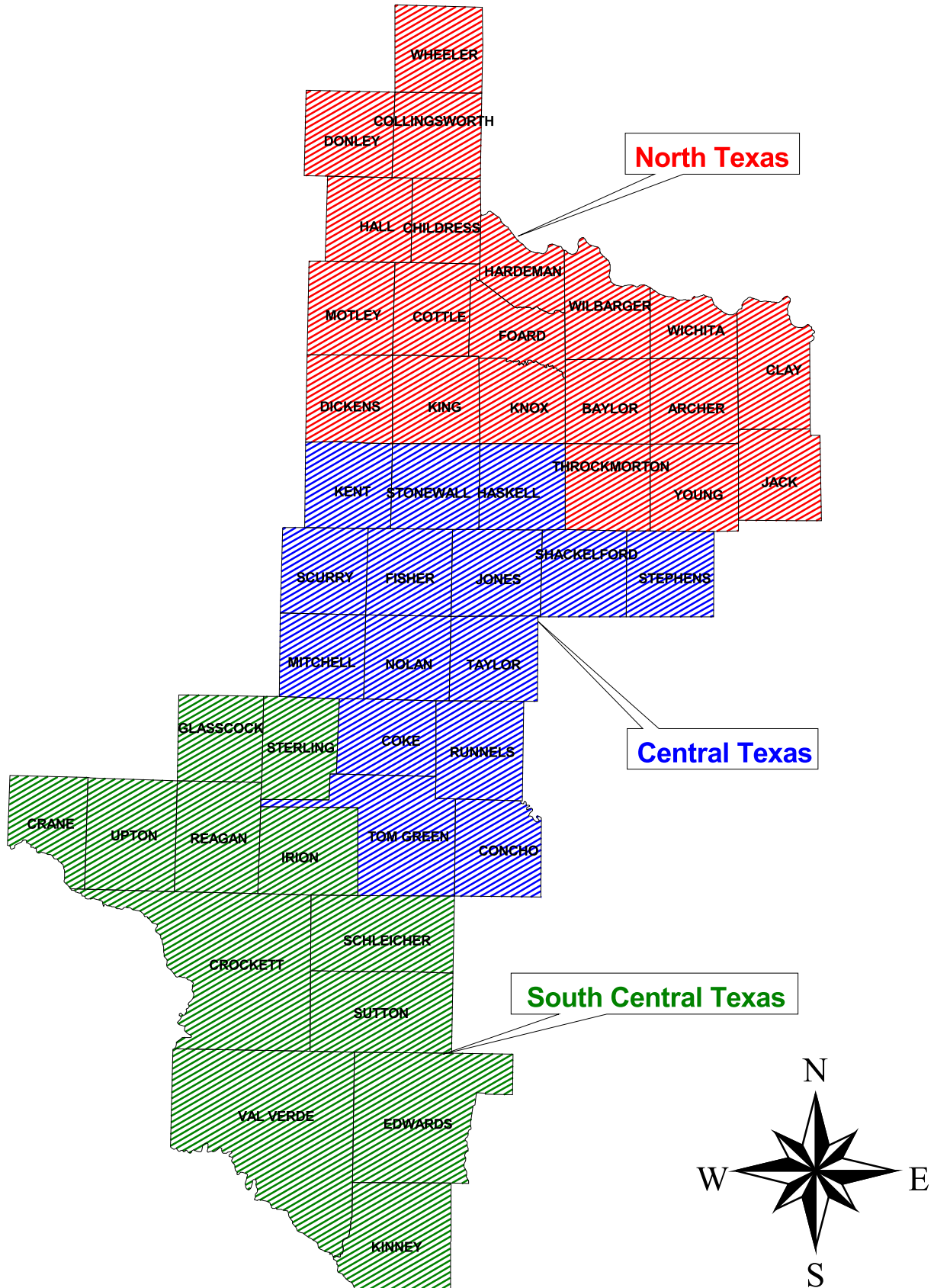
Big Bend Jeff Davis, Presidio and Brewster Counties

Davis Mountains Rangeland	\$325	to	\$430	Stable/Stable	\$3.25	to	\$4.50	Stable/Stable
Highlands Rangeland	\$150	to	\$200	Increase/Increase	\$2.50	to	\$2.75	Stable/Stable
Desert Mountains Rangeland	\$95	to	\$125	Increase/Increase	\$1.25	to	\$1.50	Stable/Stable

Trans-Pecos Reeves, Loving, Winkler, Ward, Pecos and Terrell Counties

Rangeland	\$45	to	\$135	Increase/Stable	\$0.50	to	\$2.00	Stable/Stable
Irrigated Cropland	\$325	to	\$450	Stable/Stable	\$125			Stable/Stable

Region #3



REGION THREE – NORTH, CENTRAL AND SOUTH CENTRAL TEXAS GENERAL MARKET CONDITIONS FOR 2004

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 area market 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. The greatest change has occurred in larger tracts; the prices for these tracts have risen as investors continue to purchase land to subdivide into smaller acreage tracts, which appeal to a greater number of buyers.
- In the Central and South Central markets, the hunting and recreational potential of 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 is made up of 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 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.

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. It has also been noted that some individuals who are selling property in areas in close proximity to major metropolitan areas are purchasing properties 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.

Due to the large cotton crop, there has been an increase in demand for farmland in this area. The farmers have seen a large “jump” in income for 2004 and, as a result, have put their profits back into land.

South Central Texas

This region has 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. 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
-------------------	--------------	----------------	--------------	----------------

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/Stable	\$30	to	\$40	Stable/Upward
Class II & III Dry Crop	\$400	to	\$600	Stable/Stable	\$30	to	\$35	Stable/Stable
Class IV & V Dry Crop	\$150	to	\$300	Stable/Stable	\$15	to	\$20	Stable/Stable
Rangeland >2,000 Acres	\$300	to	\$700	Active/Upward	\$5	to	\$12	Stable/Stable
Rangeland <2,000 Acres	\$400	to	\$1,000	Active/Upward	\$5	to	\$12	Stable/Stable
Hunting Lease Rangeland					\$5	to	\$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	to	\$50	Stable/Stable
Class II & III Dry Crop	\$450	to	\$600	Stable/Stable	\$25	to	\$35	Stable/Stable
Class IV & V Dry Crop	\$300	to	\$400	Stable/Stable	\$15	to	\$25	Stable/Stable
Rangeland >2,000 Acres	\$350	to	\$1,000	Active/Upward	\$8	to	\$13	Stable/Stable
Rangeland <2,000 Acres	\$400	to	\$1,000	Active/Upward	\$8	to	\$13	Stable/Stable
Hunting Lease Rangeland					\$5	to	\$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

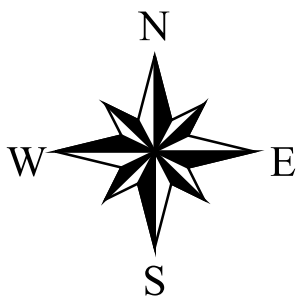
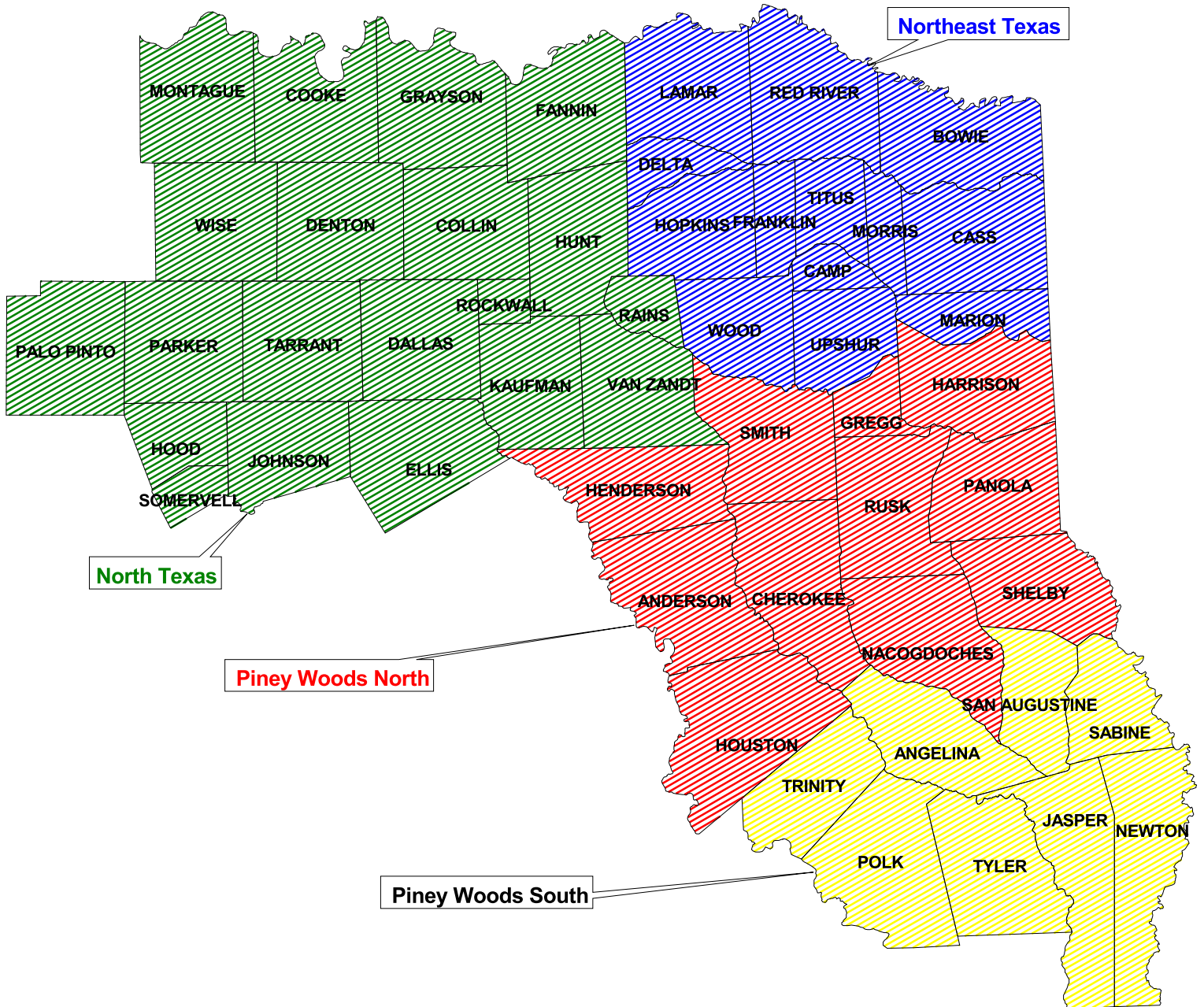
Irrigated Cropland	\$400	to	\$700	Stable/Stable	\$35	to	\$50	Stable/Stable
Dry Cropland	\$250	to	\$400	Stable/Stable	\$25	to	\$55	Stable/Stable
Rangeland >2,000 Acres	\$150	to	\$600	Active/Upward	\$4	to	\$10	Stable/Stable
Rangeland <2,000 Acres	\$200	to	\$900	Active/Upward	\$4	to	\$10	Stable/Stable
Hunting Lease (Rangeland)					\$2	to	\$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 2004

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

- Demand is strong and, as in the past several years, the Dallas-Fort Worth metroplex continued to furnish most of the buyers in the northern half of this region.
- Rental demand was very good for both pasture and recreational leases as well as for good cropland.
- Following the trend set over the last four years, the subdivision of wooded and pasture properties into rural residential or recreational tracts continued to influence rural land prices.
- The demand for large tracts continued to outpace the supply, with the demand being fueled by 1031 tax exchanges.
- It was not unusual to find the prices paid for hardwood tracts, with good scenic and recreational qualities, at the same level as good pasture or dry cropland.

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 can usually be found in Fannin and Montague counties, but it is noted that both of these counties have felt the effect of the Dallas-Fort Worth buyers and that values were much higher. Cropland values were stable to increasing despite the depressed commodity prices; the rental demand for cropland remained strong. The demand for pasture tracts continued to outstrip supply at reasonable prices. Cattle prices continued to hold at high levels; the demand for pasture rentals remained strong. Recreational appeal, whether in wooded tracts or in mixed-use pasture and cropland properties with some woods and scenic appeal, continued to be a prime determinant of value throughout the region.

Over the last two years, interest in the Barnett shale natural gas formation has developed in a fifteen-county area of North Texas. Sources indicate that some ten trillion cubic feet of natural gas may be recoverable from this formation; the area covered centers on Wise, Tarrant, Parker and the surrounding counties. Some 1,200 wells have been drilled and another 400 wells are being drilled, are completed and awaiting permits, or are shut-in waiting for pipeline connections. The completed wells are now producing about 650 million cubic feet per day. Typical lease terms have been \$150 to \$750 per acre in bonus money and with one-fifty royalty. This activity seems to have affected real estate sales in the area. Brokers are reporting that selling acreage without minerals has become extremely difficult; however, sellers are reluctant to give up any of the minerals. In the more speculative areas, there have been fewer large tract sales as a result of this conflict in the market.

Northeast Texas

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

The western portions, primarily Lamar, Delta, Wood and Hopkins counties, continued to be most affected by buyers from the Dallas area. The southern portions, i.e., Marion, Wood and Upshur counties, are heavily impacted by buyers from the Tyler and Longview area. Texarkana is booming and is the primary influence on Bowie, Cass, Morris and east Red River counties.

Titus, Morris, Camp and Franklin counties have been positively affected by buyers from both directions as well as from the tremendous growth of Pilgrims Pride. Pilgrims is building a new corporate headquarters in Camp County, just south of Mr. Pleasant. When the headquarters is completed, more than a hundred new executives, from a unit of Con Agra which they purchased, will move into the area.

There is strong interest in large tracts of cropland and pasture from outside buyers. This trend has been in place since 2003, with buyers coming from the Midwest farm belt and from West Texas. The trend toward irrigation, in this 45-inch rainfall belt, continues from 2003, but at a slower pace. Current prices are at an all-time high for pasture and recreational tracts; dry cropland has not reached the levels of the early 1980's. As in other areas of the region, high asking prices are beginning to slow the market in all land classes.

Piney Woods North

The north portion of the Piney Woods is made up of 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 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 segment for timber land was stronger; hardwood tracts are still influenced, to a large degree, by the demand for recreational and/or hunting property.

It is noted, particularly in the Henderson County area, that several large acreage parcels were purchased and subdivided for rural homesite use and that there were good absorption rates. Anderson and Cherokee counties continued to see increases in recreational demand. Recreational buyers are looking for tracts with good interior roads, good surface water and woodlands conducive for hunting. This type property commands the highest price in this market.

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 Piney Woods land market continued to be active, with generally stable prices. This area has been, and continues to be, 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. Much of this corporate and investor-owned land has now been absorbed by the market and, as such, the activity has somewhat slowed.

Significant increases in pine “chip-n-saw” and pine pulpwood stumpage prices were noted. Pine pulpwood prices increased about thirty percent in 2004; hardwood sawtimber stumpage prices were up by about twenty percent. Much of the increase in stumpage prices can be attributed to the unusually wet weather and heavy competition for timber in areas sufficiently dry to be logged.

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

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
-------------------	--------------	----------------	--------------	----------------

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	\$750 to \$1,500	Stable/Higher	\$15 to \$30	Stable/Stable
Improved Pasture >400 Acres	\$850 to \$2,000	Active/Higher	\$10 to \$20	Stable/Stable
Native Pasture >400 Acres	\$600 to \$1,800	Active/Higher	\$8 to \$15	Stable/Stable
Hardwood Timber >300 Acres	\$650 to \$1,200	Stable/Higher	\$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	\$1,200 to \$1,600	Slow/Higher	\$40 to \$75	Slow/Higher
Class II Dry Crop >400 Acres	\$650 to \$800	Stable/Higher	\$25 to \$45	Stable/Higher
Class III Dry Crop >300 Acres	\$550 to \$700	Stable/Higher	\$18 to \$30	Stable/Higher
Improved Pasture >300 Acres	\$650 to \$1,500	Active/Higher	\$12 to \$25	Active/Higher
Native Pasture >300 Acres	\$550 to \$1,000	Active/Higher	\$8 to \$12	Active/Higher
Hardwood Timber >300 Acres	\$600 to \$1,200	Active/Higher	\$2 to \$8	Active/Higher

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	\$750 to \$1,300	Stable/Higher	\$12 to \$18	Stable/Stable
Native Pasture > 300 Acres	\$750 to \$1,000	Stable/Higher	\$8 to \$12	Stable/Stable
Upland Pine Timber > 300 Acres	\$600 to \$950	Active/Higher	\$4 to \$11	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$400 to \$650	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 South

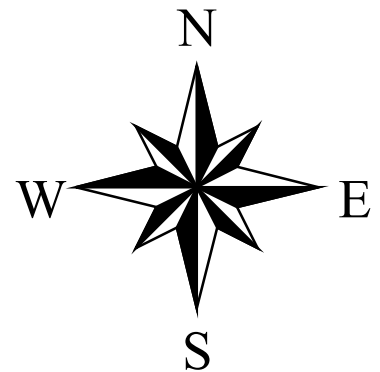
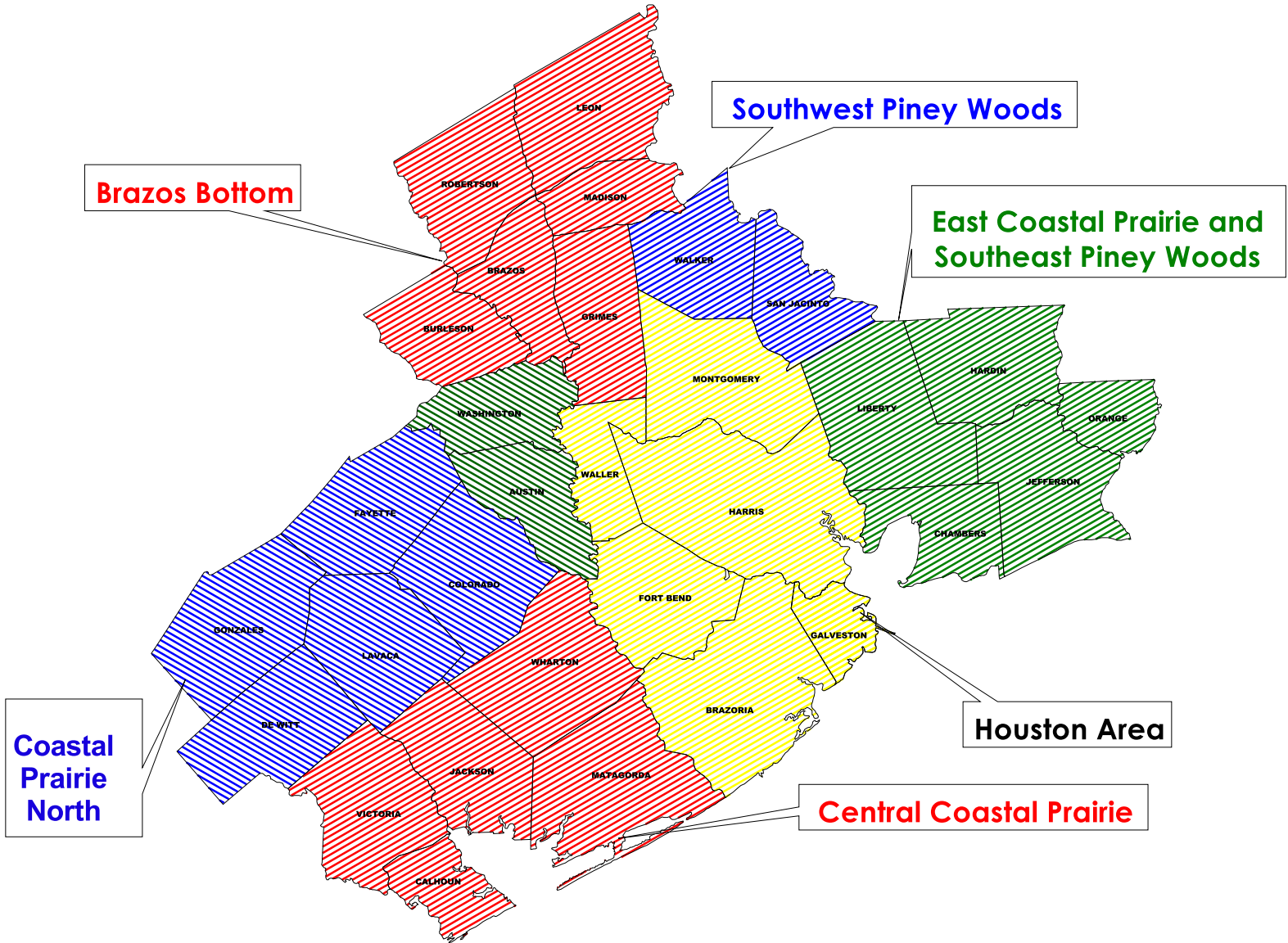
Trinity, Angelina, San Augustine, Sabine, Polk, Tyler, Jasper and Newton Counties

Improved Pasture >300 Acres	\$750 to \$1,300	Stable/Stable	\$12 to \$18	Stable/Stable
Native Pasture >300 Acres	\$750 to \$1,000	Stable/Stable	\$8 to \$12	Stable/Stable
Upland Pine Timber > 300 Acres	\$600 to \$950	Active/Stable	\$4 to \$11	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$400 to \$650	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

Region #5



**REGION FIVE - SOUTHERN PINEY WOODS,
COASTAL PRAIRIES AND BRAZOS BOTTOM
GENERAL MARKET CONDITIONS FOR 2004**

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 and has become the primary focal point of the entire region.

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 major factor influencing land values; however, as the front lines of activity drift further away from Houston, its impact is not as significant as it has been in the past.
- Demand for urban residential development has continued to have a strong influence on land in counties within a reasonable commuting distance of Houston. As land prices have increased over the last several years, Houston's influence on rural recreational tracts has expanded to include numerous counties. The tracts adjacent to the 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 west and northwest of Houston, with several 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 has slowed somewhat from what was occurring in past years.
- Many affluent citizens, residing in the Houston area, have purchased farms and ranches in the outlying counties for investment, recreation and use as weekend retreats. A major motivation for the purchase is hunting, i.e., for whitetail deer, bobwhite quail and waterfowl, all of which are plentiful. However, it is noted that "quality of life" issues appear to 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.
- As the demand for recreational property has increased, the differences associated with different land types and uses, i.e., quality of pasture, etc., are having a lesser impact on the prices that are being paid. In most cases, native and improved pasture prices are tending to 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 have seen an increase over the last year, with the market described as being moderately active. Following a trend that has been established over the last several years, there was 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; 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 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 tracts tends 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 of other types of properties.

Southwestern Piney Woods

The southwest sector is made up of the following counties – Walker and San Jacinto.

Brokers report fewer pasture tracts selling, with some brokers attributing slow pasture sales to an increased supply of timber tracts. As with the Southeast Piney Woods, there has been considerable wooded acreage put on market over the last couple of years. One broker stated he had investors looking to timber as a “safe haven” for money. The activity that Montgomery County has enjoyed, i.e., from Houston, has pushed into Walker County. The growth of the Woodlands has allowed more individuals to live further north and still commute to work. Walker County has seen more benefit from proximity to Houston than has San Jacinto County.

Brazos Bottom

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

The cropland market has been stable with prices reported to be fairly consistent with last year. Rentals continued to be at the same general levels due to marginal profitability from crop production. Improved pasture and native range 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 south and central parts of Grimes County have been very active and are responsible for the considerable increase in the upper end of reported values. Smaller rural homesites and recreational tracts are becoming hard to find at any price.

Houston Area

This area is composed of the following counties – Waller, Montgomery, Fort Bend, Brazoria, Galveston and Harris.

There is very little active cropland in the immediate vicinity of the Houston metropolitan area because investors and developers have continued to purchase these properties. What land 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. The trend has existed for the last few years and brokers are reporting difficulty in finding quality rural tracts to sell. Demand has been such that much of the available land has been sold and is no longer on the market.

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 continued to be slow; interest in irrigated cropland, used for rice production and with good rice base acres, continued to increase. Improved pasture and native rangeland markets were reported as being active, with prices increasing due to the impact of the recreational buyer. It is noted that Houston is having a significant influence on the north and east parts of Wharton County.

North Coastal Prairie

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

Irrigated cropland prices in Colorado County increased this last year. Dry cropland price increases are slower with steady activity; the dry cropland does not appeal to recreational buyers and investors, who 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 a strong increase in demand over the last several years, with buyers spilling over from Austin County due to a lack of properties being for sale and, it is noted, that this area of Colorado County is now in a similar situation with a limited number of tracts for sale. Lavaca and Gonzales counties are benefitting from the lack of available sales in adjoining counties.

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; 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 available properties to sell.

The recreational appeal of the rolling hills, to the Houston buyer, has resulted in a 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, where available, have been in strong demand with increasing prices.

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

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
-------------------	--------------	----------------	--------------	----------------

Eastern Coastal Prairie and Southeastern Piney Woods Liberty, Hardin, Chambers, Jefferson and Orange Counties

Irrigated Cropland	\$800 to \$1,000	Stable/Stable	\$30 to \$45	stable/stable
Native Rangeland	\$900 to \$1,500	Stable/Up	\$8 to \$14	stable/stable
Bottom Timber	\$400 to \$600	Stable/Up	\$5	hunting leases
Upland Timber	\$500 to \$800	Stable/Up	\$5	hunting leases
Marsh	\$250 to \$375	Stable/Up	\$3	hunting leases

Southwestern Piney Woods Walker and San Jacinto Counties

Improved Pasture	\$2,000 to \$2,500	Stable/Up	\$15 to \$20	stable/stable
Native Rangeland	\$1,800 to \$2,300	Stable/Up	\$12 to \$17	stable/stable
Bottom Timber	\$700 to \$1,000	Stable/Stable	\$6 to \$10	hunting leases
Upland Timber	\$1,000 to \$1,500	Stable/Stable	\$6 to \$10	hunting leases
Recreational (50 - 100 Acres)	\$1,800 to \$3,500	Stable/Up		

Brazos Bottom Robertson, Leon, 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	\$1,600 to \$3,100	Stable/Up	\$15 to \$20	stable/stable
Native Rangeland	\$1,000 to \$2,500	Stable/Up	\$8 to \$12	stable/stable
Urban Development	\$5,000 to \$20,000	Stable/Up		
Recreational (50 - 100 Acres)	\$1,800 to \$10,000	Stable/Up		

Houston Area Waller, Montgomery, Fort Bend, Brazoria, Galveston and Harris Counties

Improved Pasture	\$3,000 to \$6,000	Stable/Up	\$12 to \$30	stable/stable
Native Rangeland	\$800 to \$4,000	Stable/Up	\$12 to \$20	stable/stable
Urban Development	\$10,000 to \$20,000	Active/Up		
Recreational (50 - 100 Acres)	\$1,800 to \$10,000	Stable/Up		

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

Irrigated Cropland	\$850 to \$1,200	Slow/Stable	\$40 to \$70	stable/stable
Dry Cropland	\$800 to \$1,200	Active/Up	\$25 to \$45	stable/stable
Improved Pasture	\$1,500 to \$3,000	Active/Up	\$12 to \$15	stable/stable
Native Rangeland	\$900 to \$2,500	Active/Up	\$10 to \$14	stable/stable

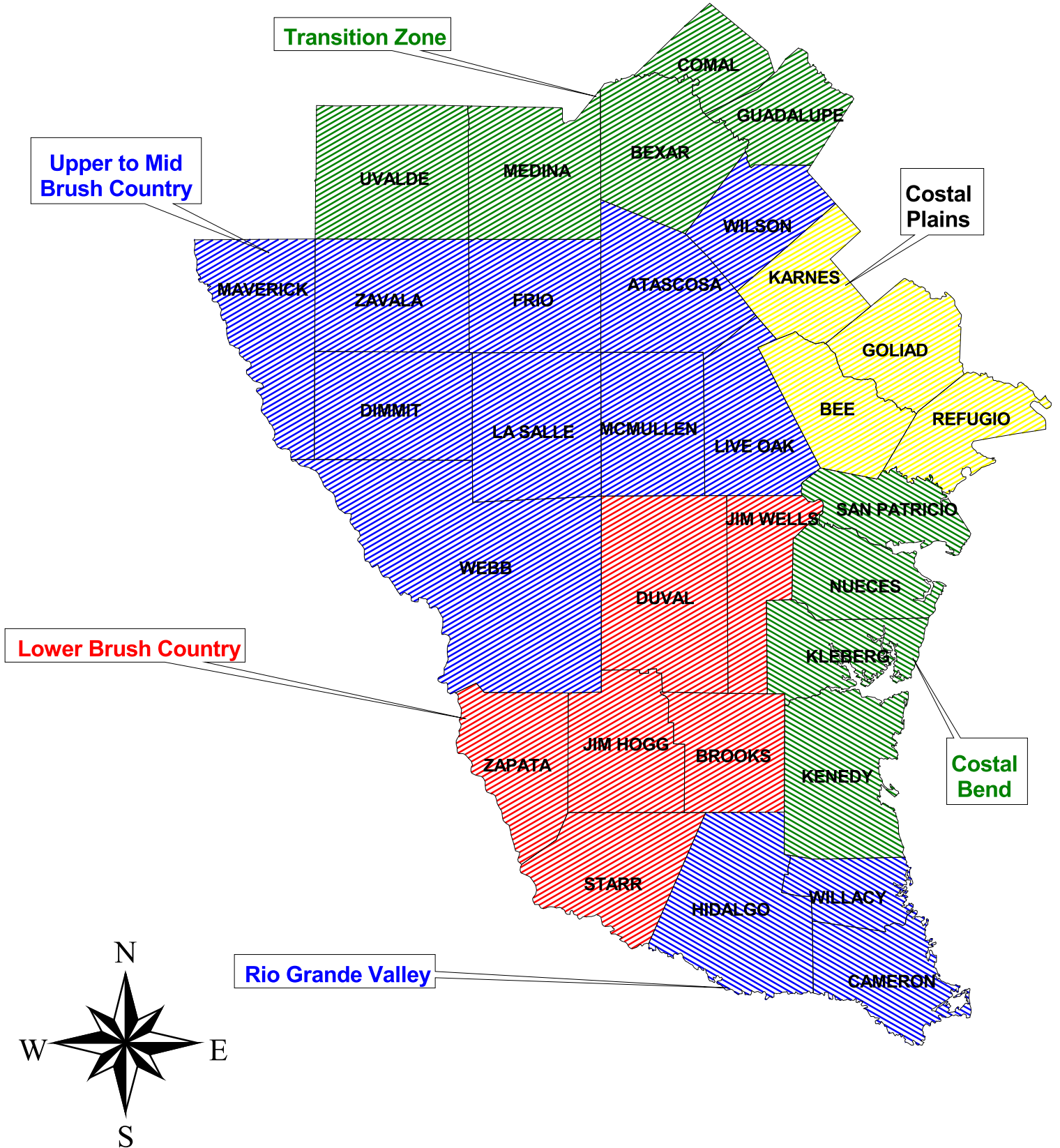
Coastal Prairie - North Gonzales, Fayette, DeWitt, Lavaca and Colorado Counties

Irrigated Cropland	\$850 to \$1,100	Slow/Up	\$20 to \$50	stable/stable
Dry Cropland	\$1,000 to \$1,250	Slow/Up	\$20 to \$30	stable/stable
Improved Pasture	\$2,000 to \$3,000	Active/Up	\$12 to \$15	stable/stable
Native Rangeland	\$1,500 to \$2,500	Active/Up	\$8 to \$12	stable/stable
Recreational (50 - 100 Acres)	\$2,500 to \$5,000	Active/Up		

Bellville and Brenham Areas Washington and Austin Counties

Improved/Native Pasture	\$2,500 to \$5,000	Stable/Up	\$14 to \$20	stable/stable
Bottomland Pasture	\$1,800 to \$2,250	Stable/Up	\$12 to \$15	stable/stable
Recreational (50 - 100 Acres)	\$3,000 to \$6,000	Stable/Up		
Rural Homesite	\$10,000 to \$20,000	Stable/Up		

Region #6



**REGION SIX – HILL COUNTRY, SOUTH TEXAS,
COASTAL BEND AND RIO GRANDE VALLEY
GENERAL MARKET CONDITIONS FOR 2004**

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, on a north/south basis, and between Refugio and Maverick, 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. Highlights of the overall market precede a thumbnail discussion of each sub-region. The South Texas Region is one of the most dynamic land markets in Texas.

- Demand for rural land continued to be good in 2004 with sharply escalating land prices; recreation and investment continue to be the main sources of demand. 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. Traditionally, oil and gas investors have had a strong tie with rural land; with the good oil and gas economy, these investors are back in the market buying ranches. Commercial real estate developers are investing in ranches. Other ranch investors are placing money into rural land due to low stock returns and other mediocre investment alternatives.
- Recreation leads the way in the most notable 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.
- Low interest rates and a diversion of investment dollars into land has increased the demand for “ag” loans. A good level of competition exists in agricultural lending today. Traditional ag lenders are competing with other financial institutions trying to get a “toe hold” in the market. Funds for recreational ranches continue to be traditional financial institutions, seller financing and, in many cases, cash. Many 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.
- 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 to increasing with the land typically purchased by farmers. The current farming economy is stable. Certain investors are buying good

farmland for a steady return and 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 near 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, Eagle Pass, Laredo, Corpus Christi, McAllen and Harlingen. Development in San Antonio and Corpus Christi is on the increase. Development in the Rio Grande Valley and Laredo is exponential. Vast community infrastructure (public water and sewer) is being developed in the Rio Grande Valley; this is the most active development area in South Texas. Eagle Pass is also expanding.
- 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. Some potential buyers are showing resistance to ranches offered surface estate only with heavy oil and gas production (old oil and gas fields), even if the recreational appeal and other amenities are good. However, with such a limited availability of ranches for sale, even ranches with heavy oil and gas production are selling surface estate only to recreational buyers. 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; however, they are not very popular with sellers.
- With all time high oil and natural gas prices, oil and gas drilling, along with the related seismic activity, is increasing. Rig counts are 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 is made up of 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. Active land trading in the region is prevalent. Demand for mid-size ranches is 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. In some cases, new ranch owners are abandoning grazing livestock. Demand for “turn-key” game-managed ranches (any size) continues to be 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 increased.

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. Duval and Zapata counties have taken a “jump” in pricing. Jim Wells, Jim Hogg, Brooks and Starr counties have increased at higher pricing than Duval and Zapata. Ranch investors are willing to drive further to the good hunting areas with hopes of finding lower land pricing; however, the lower priced areas have also come up in pricing as land pricing in the “closer in” areas have sky-rocketed.

Farmland pricing is considered to be stable. Starr County farms in the more remote areas offer certain recreational appeal if they adjoin low fenced brush properties. 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 has a long history of being 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 a shorter drive, when compared to other areas of South Texas. Karnes County typically relates more to San Antonio investors. 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. 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 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. With low stock market returns, farmland is a long term investment alternative with a return. Lower lying pasture land continues to be acquired for preservation.

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 purchased by producers or large corporate land trusts; demand for the best irrigated land is typically equal to demand for the best dry cropland.

A water market has developed for water rights along the Rio Grande to quench the demand on water for development. When land is taken out of agricultural production and developed, the developer must give the municipality water rights. Many cases, the developer must buy water rights on the open market to fulfill this need.

There is a major trend in the Rio Grande Valley for agricultural land close to Edinburg, McAllen, Mission, etc. to be converted into residential developments. The transition from productive land into development acreage 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. There are few available ranches for sale in the Valley due to the large, long held ownerships. Most land investors are local buyers.

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

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
-------------------	--------------	----------------	--------------	----------------

Transition Zone

Uvalde, Medina, Bexar, Comal and Guadalupe Counties

Irrigated Cropland*	\$1,200 to \$1,900	Stable	\$40 to \$85	Stable
Dry Crop/Permanent Pasture	\$850 to \$1,200	Stable	\$15 to \$20	Stable
Improved Pasture	\$1,000 to \$1,500	Active	\$120/AU	Active
Rangeland <2,000 Acres	\$1,250 to \$1,800	Very Active	\$120/AU	Active
Rangeland >2,000 Acres	\$900 to \$1,500	Very Active	\$120/AU	Active
Hill Country Land**	\$1,200 to \$6,500	Very Active	\$100/AU	Active
Mature Pecan Orchard	\$850 to \$1,000	Inactive		
Hunting Lease			\$6 to \$12	Very Active

Value ranges are generally reflective of partial mineral transactions

*Speculation on water rights in Bexar, Medina and Uvalde Counties

**Live water features or subdivision development potential increases achievable pricing on ranches >1,000 acres in north Bexar, Medina and Uvalde counties

Unrestricted Edwards water rights are selling at \$1,500 to \$2,000 per acre foot and lease for \$75 to \$100 per acre foot.

Upper to Mid Brush Country

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

Irrigated Cropland	\$750 to \$1,500	Stable	\$60 to \$150	Stable
Dry Crop/Permanent Pasture	\$550 to \$900	Stable	\$15 to \$20	Stable
Improved Pasture	\$700 to \$1,250	Stable	\$120/AU	Stable
Rangeland <2,000 Acres	\$750 to \$1,800	Very Active	\$3 to \$6	Stable
Rangeland >2,000 Acres	\$700 to \$1,300	Very Active	\$3 to \$6	Stable
Hunting Lease (Rangeland)			\$8 to \$15	Very Active

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market

Lower Brush Country

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

Dry Crop/Permanent Pasture	\$450 to \$850	Stable	\$10 to \$20	Stable
Rangeland <2,000 Acres	\$600 to \$1,600	Very Active	\$3 to \$6	Stable
Rangeland >2,000 Acres	\$570 to \$1,200	Very Active	\$3 to \$6	Stable
Hunting Lease (Rangeland)			\$8 to \$14	Very Active

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

Coastal Plains

Goliad, Refugio, Karnes and Bee Counties

Dry Crop/Permanent Pasture	\$850 to \$950	Stable	\$10 to \$20	Stable
Improved Pasture	\$1,000 to \$1,250	Active	\$120/AU	Active
Rangeland <2,000 Acres	\$950 to \$1,400	Very Active	\$6 to \$10	Stable
Rangeland >2,000 Acres	\$850 to \$1,250	Very Active	\$6 to \$8	Stable
Hunting Lease (Rangeland)			\$6 to \$12	Very Active

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market

Coastal Bend

San Patricio, Nueces, Kenedy and Kleberg Counties

Class I Dry Cropland	\$1,000 to \$1,500	Active	\$60 to \$80	Stable
Class II Dry Cropland	\$900 to \$1,000	Active	\$25 to \$40	Stable
Rangeland	\$800 to \$1,250	Very Active	\$5 to \$8	Active
Hunting Lease (Rangeland)			\$10 to \$15	Very Active

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

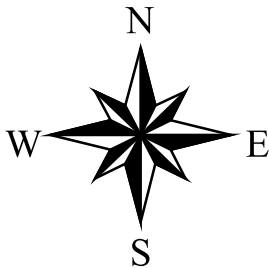
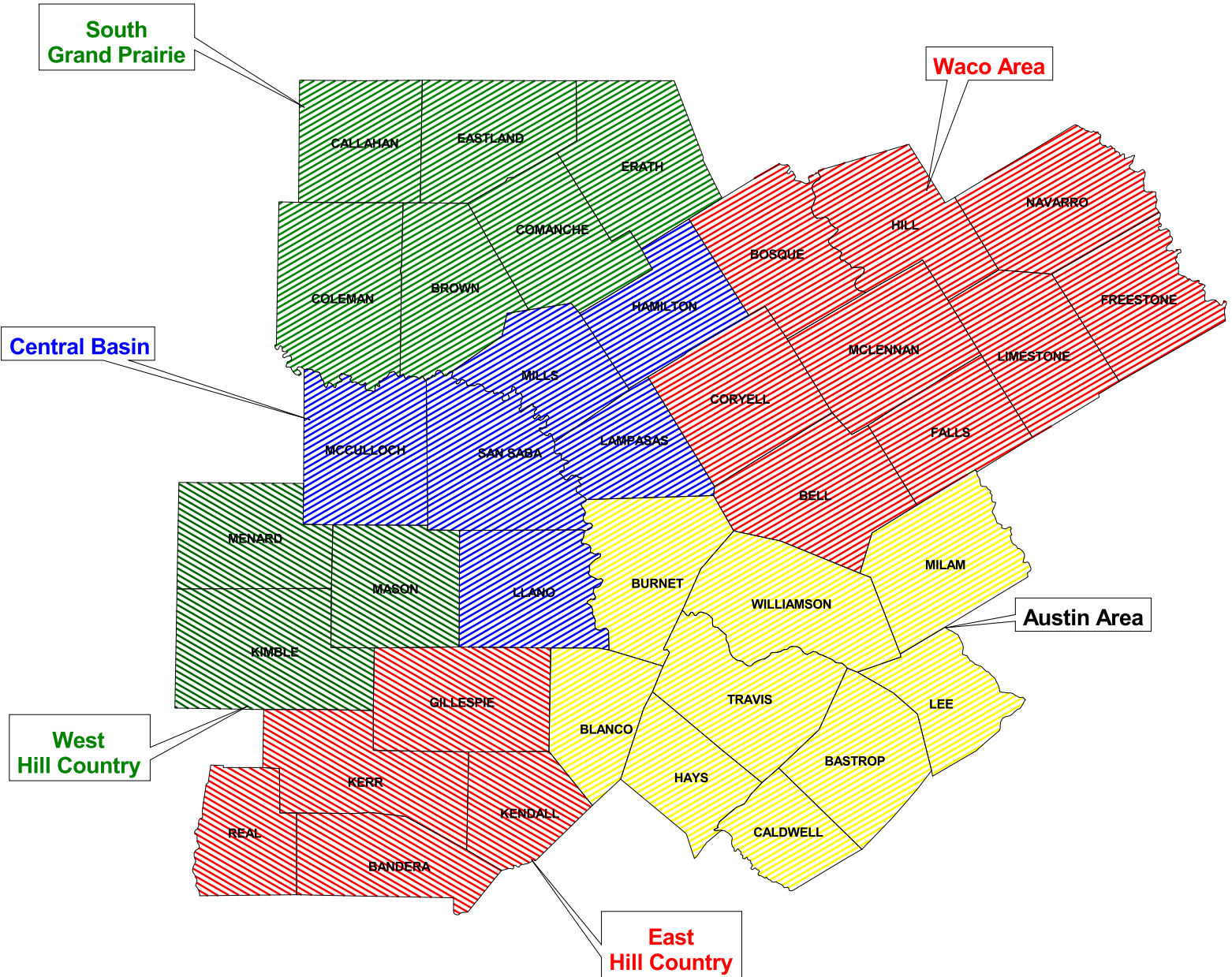
Rio Grande Valley

Willacy, Cameron and Hidalgo Counties

Class I Irrigated Cropland	\$1,450 to \$2,000	Active	\$ 75 to \$ 125	Active
Class II Irrigated Cropland	\$800 to \$1,250	Stable	\$40 to \$50	Stable
Class I Dry Cropland	\$800 to \$1,200	Stable	\$55 to \$65	Stable
Class II Dry Cropland	\$750 to \$900	Stable	\$30 to \$45	Stable
Permanent Pasture	\$750 to \$900	Active	\$10 to \$20	Stable
Rangeland	\$1,000 to \$1,800	Very Active	\$3 to \$6	Very Active
Hunting Lease (Rangeland)			\$10 to \$15	Very Active

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

Region #7



**REGION SEVEN - GRAND PRAIRIE, CENTRAL BASIN, BLACKLANDS,
POST OAK BELTS, EDWARDS PLATEAU AND HILL COUNTRY
GENERAL MARKET CONDITIONS FOR 2004**

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

- Appreciation rates have continued to remain strong over the past 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, the aesthetic characteristics of the land, which consider views and live water, are primary factors in the formation of land values.
- Buyer motivation to purchase and retain rural land seems to be reinforced by diversification of investments and continued confidence that land is a safe investment with long-term appreciation potential.
- Annual returns on investments in most central Texas rural land have become more nominal as land prices move upward. Thus, expectations toward continued appreciation motivates many land investments. Erosion of land market confidence could result in fast downward price adjustments.

Southern Grand Prairie

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

The rural land market has been active over the past year, with land values showing good activity and moderately higher price trends. Cropland and improved pasture have improved over price levels observed in 2000-2003. The demand for native pasture and recreational properties has been active, with prices trending higher. Land value trends tend to increase as one moves from west to east, with higher values being 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 show continued upward price trends with demand being active in most land classes. Values have shown upward price trends, with the exception of pecan groves which indicate stable 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. Higher prices in the east and south Central Basin have helped support higher values to the west as buyers seek more acreage for a similar total expenditure.

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

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

Land value trends indicate positive value trends for most land classes, including cultivated acreage which has been active over the past year and has had increasing prices. Producer and investor interest in cultivated land appears to have increased, with good quality cropland showing strong demand and higher prices while lower quality cultivated acreage has tended to be more stable. Improved and native pasture lands have shown continued buyer interest and have had generally stable price trends. Properties having recreational appeal, i.e., including wooded pasture, properties with small lakes and river front properties, continue to be in moderate to strong demand.

This area is 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 southeast areas tend to provide the lower range of value 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 includes 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 away from Austin, land values decline with land values to the west being stronger than land values to the east. Higher land prices combined with a limited inventory of properties being offered for sale has resulted in active buyer interest and positive value trends in the counties in close proximity to Austin. The outlying counties have shown strong buyer interest due to the lower historic land prices. 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 higher during 2004.

The Blackland farming area experienced higher land price trends during 2004. Buyers from the urban sector, along with some producer interest, has kept prices moving upward. Values in the cultivated areas continue to be substantially lower than those of native pasture land 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.

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 upward land price trends in the region. Land values were generally higher during 2004 throughout most land classes with mostly open range land in the western portion being generally stable. Properties

with live water features continue to be in the greatest demand. Buyers from the metropolitan areas of the State represent the bulk of land buyers in the area. These urban buyers continue to seek 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 per acre prices.

Western Hill Country

This area includes 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 within 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
-------------------	-------------	----------------	--------------	----------------

**Southern Grand Prairie
Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties**

Dry Cropland	\$700 to \$1,250	Active/Higher	\$10 to \$25	Moderate/Stable
Improved Pasture	\$750 to \$1,400	Active/Higher	\$10 to \$20	Moderate/Stable
Native Pasture - Open	\$450 to \$1,000	Moderate/Stable	\$4 to \$10	Moderate/Stable
Native Pasture - Wooded	\$750 to \$1,400	Active/Higher	\$4 to \$10	Moderate/Stable
Live Water - Recreational	\$1,000 to \$2,000	Active/Higher	\$5 to \$15	Moderate/Stable
Pecan Groves - Improved	\$1,200 to \$1,800	Moderate/Stable		
Hunting Leases			\$5 to \$15	Moderate/Stable

**Central Basin
McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano Counties**

Dry Cropland	\$650 to \$800	Moderate/Stable	\$15 to \$25	Moderate/Stable
Improved Pasture	\$800 to \$1,800	Active/Higher	\$7 to \$20	Moderate/Stable
Native Pasture - Open	\$850 to \$1,800	Moderate/Stable	\$6 to \$8	Moderate/Stable
Native Pasture - Wooded	\$850 to \$3,500	Active/Higher	\$6 to \$8	Moderate/Stable
Pecan Groves - Improved	\$1,200 to \$3,000	Moderate/Stable		
Live Water - Recreation	\$1,600 to \$4,000	Active/Higher	\$6 to \$15	Owner dominated
Transitional <50 Acres	\$2,000 to \$8,000	Active/Higher		
Hunting Leases - Rangeland			\$5 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	\$800 to \$1,700	Active/Higher	\$30 to \$60	High Demand
Dry Cropland - Marginal	\$600 to \$1,200	Moderate/Higher	\$10 to \$35	Moderate Demand
Improved Pasture	\$850 to \$1,500	Moderate/Higher	\$15 to \$25	Good Demand
Native Pasture - Open	\$650 to \$2,000	Moderate/Higher	\$10 to \$15	Good Demand
Native Pasture - Wooded	\$750 to \$2,500	Moderate/Higher	\$5 to \$12	Moderate Demand
River Properties	\$3,000 to \$5,000	Moderate/Higher	8 to 12	Moderate Demand

**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	\$1,200 to \$2,200	Active/Higher	\$35 to \$50	Moderate/Stable
Dry Cropland - Marginal	\$1,100 to \$1,800	Active/Higher	\$15 to \$30	Moderate/Stable
Improved Pasture	\$1,250 to \$3,000	Moderate/Stable	\$15 to \$25	Moderate/Stable
Native Pasture - Wooded	\$1,500 to \$5,000	Active/Higher	\$10 to \$20	Moderate/Stable
Single Family - Utilities	\$10,000 to \$24,000	Active/Higher		
Urban Fringe - No Utilities	\$4,000 to \$20,000	Active/Higher		
Ranchette <50 Acres	\$3,000 to \$8,000	Active/Stable		

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

Recreational w/ Live Water	\$2,500 to \$10,000	Active/Higher	\$7 to \$10	Moderate/Stable
Recreational w/o Live Water	\$1,200 to \$2,500	Active/Higher	\$7 to \$10	Moderate/Stable
Rangeland	\$1,200 to \$2,000	Active/Higher	\$3 to \$6	Active/Stable
Hunting Leases-Rangeland			\$5 to \$15	Active/Stable

**Western Hill Country
Menard, Mason and Kimble Counties**

Native Range >500 <1,500 Acres	\$1,000 to \$1,750	Moderate/Higher	\$2 to \$4	Moderate/Stable
Native Range >1,500 Acres	\$1,000 to \$1,500	Moderate/Higher	\$2 to \$4	Moderate/Stable
Native Range - Live Water >1,000 Acres	\$1,500 to \$3,250	Active/Higher	\$2 to \$4	Moderate/Stable
Native Range - Live Water +/- 500 Acres	\$3,000 to \$4,000	Active/Higher	\$2 to \$4	Moderate/Stable
Hunting Leases			\$8 to \$15	Active/Higher

**TEXAS CHAPTER ASFMRA MEMBERS
CONTRIBUTING TO THE PREPARATION
OF THE 2004 LAND VALUE TRENDS**

Contributors for Region One

Team Captain – B L Jones III, ARA 806.745.4631; fax 806.745.4579
bjones@agtexas.com
Keith Barlow, ARA 432.689.9878; fax 432.689.9429
keith@barlowappraisal.com
L. Sam Middleton, ARA 806.763.5331; fax 806.763.1340
sam_middleton@chassmiddleton.com
Mickey Nixon 806.281.1789; fax 806.799.6999
mnixon@agmoney.com

Contributors for Region Two

Team Captain – Keith Barlow, ARA 432.689.9878; fax 432.689.9429
keith@barlowappraisal.com
Karl F. Armstead, ARA 432.336.8455; fax 432.336.8462
armstead@netwest.com
Victor R. Probandt, ARA 325.658.2773; fax 325.659.4192
victorp@zipnet.us

Contributors for Region Three

Team Captain – Victor R. Probandt, ARA 325.658.2773; fax 325.659.4192
victorp@zipnet.us
James M. Cowsert 940.422.4931; fax 940.422.4460
cowsertj@westex.net
A.E. “Butch” Nelson, Jr., ARA 325.698.3374; fax 325.698.3381
aenelson2@earthlink.net
David G. Springer, ARA 940.723.6615; fax 940.723.6622
DSpringer2443@aol.com

Contributors for Region Four

Team Captain – William P. “Pat” Murphy, ARA 903.785.0441; fax 903.784.0076
wpmurphy@sbcglobal.net
Ronnie Harris 903.723.2120; fax 903.729.2998
ronnie@harrisrealestateco.com
Mark A. Lewis, ARA 936.632.4230; fax 936.637.3964
mark@dickerson-seely.com
James K. Norwood, ARA 817.284.2222; fax 817.595.2549
norwood2@charter.net
Charles S. “Scott” Seely, ARA 936.632.4230; fax 936.637.3964
scott@dickerson-seely.com
David G. Springer, ARA 940.723.6615; fax 940.723.6622
DSpringer2443@aol.com

Contributors for Region Five

Team Captain – Wayne T. Young, ARA 936.439.0379; fax 713.495.9096
wayne.young@capitalfarmcredit.com
Mark A. Lewis, ARA 936.632.4230; fax 936.637.3964
mark@dickerson-seely.com

Contributors for Region Six

Team Captain – Merrill E. Swanson, ARA 210.227.6229; fax 210.227.8520
meswanson@dcgappraisers.net
David L. Maxwell 830.663.2845; fax 830.663.2509
david.maxwell@swtaca.com
James B. “Nardie” Vine, Jr., ARA 210.696.8909; fax 210.696.1985
jbvine@att.biz
Fred Wells, ARA 830.665.5773; fax 830.665.5773
fr.wells31@sbcglobal.net

Contributors for Region Seven

Team Captain – Wendell Wood 512.863.6428; fax 512.930.5348
wendell.wood@att.net
Aaron Bierschwale 325.446.3052; fax 325.446.3237
aaron_bierschwale@yahoo.com
Paul Bierschwale, ARA 325.446.3052; fax 325.446.3237
pbier@ctesc.net
Larry D. Kokel, ARA 512.863.6428; fax 512.930.5348
kokel@gtwn.net
Sam D. McAnally, ARA 325.597.1391; fax 325.597.0475
mcanally@classicnet.net
Robert A. Moran, ARA 830.896.3433; fax 830.895.4678
morans@ktc.com
A.E. “Butch” Nelson, Jr., ARA 325.698.3374; fax 325.698.3381
aenelson2@earthlink.net
Ronald E. Roberts, ARA 254.582.5307; fax 254.582.9159
centex@hillsboro.net
Tom Sammons 915.286.4325; fax 915.286.4325
tllss@centex.net

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 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



ASFMRA INFORMATION

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

Please complete the following:

Name
Company/Firm
Address
City, State and Zip Code
Telephone Number
Facsimile Number
E-Mail Address
Social Security Number

Thank you for your interest in ASFMRA!

