Whether looking to become a rural land owner, buy that ideal hunting property or finance your farm or ranching operation—with Capital Farm Credit, you're covered. We even have special programs for beginning farmers and veterans. Because we're a cooperative, your goals are our goals. And our patronage dividend program means we share our profits and put money back in your pocket.

capitalfarmcredit.com | 877.944.5500
NMLS493828
Whether looking to become a rural land owner, buy that ideal hunting property or finance your farm or ranching operation—with Capital Farm Credit, you’re covered. We even have special programs for beginning farmers and veterans. Because we’re a cooperative, your goals are our goals. And our patronage dividend program means we share our profits and put money back in your pocket.
When quoting this publication — You may, on an occasional basis, disseminate portions of the Texas Rural Land Value Trends for noncommercial purposes to a limited number of individuals, provided you include all copyright and other proprietary rights notices with such portion of the publication in the same form in which the information appears. The phrase, “Used with permission from the Texas Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA)” must be included. You may not modify any information from this publication and you shall be fully responsible for any consequences resulting in such use of the Texas Rural Land Value Trends data. Moreover, the data contained herein is intended to be used for informational purposes only. The information contained herein does not constitute valuation analysis, and data regarding changes in land values shall not be used or applied to any specific property without support from subject property specific market data or paired sales analysis. Solely relying on this data for valuation purposes could generate flawed results.
The Texas Chapter of the American Society of Farm Managers and Rural Appraisers is pleased to present the 2017 edition of Texas Rural Land Value Trends.

Our report is presented annually to the 400 plus attendees of the Annual Outlook for Texas Land Markets held by the Real Estate Center at Texas A&M University. We are grateful for our long-standing relationship with the Center and the opportunity to provide invaluable information to agriculture and real estate professionals on timely trends throughout the 7 market regions of Texas.

This publication would not be possible without the dedication of many people, who lend their time, effort and expertise. Many thanks to the regional captains and committee members for compiling the necessary data to create a quality report. Special thanks to chapter members Kyle Amos, AFM, Bill Thompson, AFM, Mike Lansford, AFM, Wayne Young, ARA and Andrew Sirman, ARA for their insights and contributions. And, as always, thanks to our Chapter Secretary/Treasurer, Carmen Bierschwale, who coordinates all aspects of this endeavor.

A successful publication is equally attributable to the financial support of numerous individuals and companies for their advertisements and sponsorships, especially premier sponsors Capital Farm Credit, Heritage Land Bank and CBRE. We could not do this without you!

This year our member highlight honors Dr. Charles Gilliland, Research Economist at the Real Estate Center. Charles is the Center’s land market expert. He holds M.S. and Ph.D. degrees from Texas A&M University. He has been studying land prices since the 1980s and is known throughout the state as the man to go to if you have questions about Texas land. In 2010, he was inducted into the Farm Credit Bank of Texas Hall of Honor for his “significant contributions to agriculture.” Charles joined the ASFMRA in 1999 as an Academic member. We are proud to know him as a friend and colleague.

The Texas Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA) was chartered in 1978 as an affiliate of the national organization. Throughout our 40-year history, our objective has been to promote, without profit to itself, the professions of farm management and rural appraisal by holding meetings for the exchange of ideas, by conducting schools and other devices for disseminating information, and by building and maintaining a code of business and professional ethics.

It has been an honor to serve as the Texas Chapter President this year and I encourage you to contact any of our members with questions about the report and the services they provide. If you are a real estate professional and are interested in joining our organization, please contact us. For more information about ASFMRA, please visit the national website at www.ASFMRA.org or our Texas Chapter website at www.TXASFMRA.com.

Mickey Nixon, ARA
President, Texas Chapter ASFMRA
VISION
To be the most trusted resource for rural property professionals and the clients they serve.

MISSION
ASFMRA is the premier organization for rural property professionals, focused on advancing the standards of the disciplines we represent through an unparalleled level of expertise and integrity. We empower our members to provide best-in-class service with an invaluable balance of education, accreditation and support.

VALUES
Integrity: ASFMRA values ethical and professional service - ultimately holding the disciplines we represent to a higher standard
Expertise: ASFMRA is the conduit through which our members learn, maintain standards of professional service and ultimately advance their careers.
Support: ASFMRA connects members to a network of trusted and respected colleagues, providing expanded opportunities for professional and personal growth.

ABOUT ASFMRA:
The American Society of Farm Managers and Rural Appraisers® (ASFMRA®) is the largest professional association for rural property land experts, boasting over 2100 members in 31 chapters throughout the United States. Over 40 percent of ASFMRA’s members hold a designation as an Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) or Accredited Agricultural Consultant (ACC).

ASFMRA was founded in 1929 and the average member has been part of the organization for over 17 years. Our Farm Managers and Agricultural Consultants are in strong demand, with over 40 percent of farmland in the United States currently being rented. Our Farm Managers and Agricultural Consultants on average manage 55 to 75 farms, consisting of 14,000 to 20,000 acres. They also have influence over more than just the farms they manage as a typical professional farm manager will work with a farm operator who is farming additional land. Farm Managers and Consultants typically work with 50 to 70 landowners, family members and their beneficiaries. Our Farm Managers and Consultants have influence on input and other production and marketing decisions on acreage representing millions of dollars.

ASFMRA’s Appraisers and Review Appraisers represent individuals who have taken additional training beyond what is required, in order to gain specialized expertise in appraising rural and agricultural properties. Many of them are familiar with complex appraisal situations including eminent domain, conservation easements as well as appraising poultry facilities, grain elevators, wind farms, dairies, greenhouses and vineyards. When you utilize an ASFMRA trained appraiser or review appraiser know that they have been trained on the most up-to-date technologies and methodologies associated with valuation.

ASFMRA truly represents The Most Trusted Rural Property Professionals and is the organization for individuals who provide management, consultation, and valuation services, as well as real estate services on rural and agricultural assets. The land experts who hold membership in ASFMRA work under a professional code of ethics, which includes continuing education requirements. You can rest assured that if you’re working with someone who is an accredited member of the Society, you are truly working with a competent land expert and agricultural professional who can assist you with all of your property, land and asset needs.

ASFMRA Accredited Designations
AAC Accredited Agricultural Consultant
AFM Accredited Farm Manager
ARA Accredited Rural Appraiser
RPRA Real Property Review Appraiser

BENEFITS OF MEMBERSHIP
As a member of the American Society of Farm Managers and Rural Appraisers (ASFMRA), you join a select group of professionals who share your passion for agriculture and the rural landscape – and for helping others understand and capture the value of the land and rural assets.

ASFMRA is the only professional society focused on the development and advancement of professionals in agricultural property management, appraisal and consulting. ASFMRA maintains high ethical and educational standards for its members, and, as a result, our members are The Most Trusted Rural Property Professionals.

Membership Includes:
• Access to the highest quality Management, Appraisal and Consulting Education at discounted member rates.
• A competitive advantage in the marketplace with ASFMRA Accreditations, providing you with the differentiation that you need in order to increase your client base and better serve your existing clients.
• Opportunities for Continuing Education to maintain licensure and/or your designation.
• Vast network of professionals via the ASFMRA Community and ASFMRA Members. ASFMRA members share comparable sales information and have access to data and expertise that you can’t find via any other society or organization!
• National, regional and local leadership opportunities through education, conferences, chapters and committees.
• Membership Directory listing to strengthen industry contacts and gain access to other rural land expertise, including wide distribution to assist you in developing new business leads.
• Find a Land Expert Listing to provide landowners and potential clients the ability to find you and your expertise.
• Up-to-date industry information delivered weekly to your inbox via Weekly AgNews and Land Trends
• Access to individuals in your area via your National and Chapter membership.
• Access to The Journal of ASFMRA for information and or the opportunity to gain acclamation via article publications.
• Recognition of professional achievement through ASFMRA Awards, including Farm Manager of the Year, Appraiser Professional of the Year, the Early Career Award and more!
• Representation in Washington, DC – keeping you abreast of issues affecting our industry, working to strengthen your presence on Capitol Hill via lobbying efforts and keeping you informed on industry, law, tax and legislative issues via Weekly AgNews.

You should join ASFMRA if YOU:
• Have a passion and commitment to agriculture and the rural landscape.
• Are driven to be the best you can be at what you do.
• Want to distinguish yourself from others in the industry and prepare yourself for advancement in your career.
• Are just getting started in the business and want to improve your skills.
• Want to clearly demonstrate your commitment to self-improvement, high ethical standards and professional development.
• Enjoy being among peers in the industry – and having a nationwide network of professionals at your fingertips
• Value relationships with other industry professionals and enjoy networking opportunities to build your business.
• Would like the opportunity to share your industry on a state and national level.
Membership Classifications

- **Accredited Members** — Persons who have obtained the Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) and/or Accredited Agricultural Consultant designation(s).

- **Associate Members** — Persons, who manage, appraise or provide related valuation services, review appraisals, and/or consult for a fee that are working towards Professional or Accredited status and do not yet meet the additional criteria for those membership classifications.

- **Affiliate Members** — Persons and/or organizations who are not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others, but desire to be affiliated with the American Society of Farm Managers and Rural Appraisers.

- **Academic Members** — Persons whose work is primarily educational and who are devoting most of their time working at a college or university, in the agricultural consulting, farm and ranch management, rural appraisal and/or review appraisal field as an instructor, researcher, extension worker or administrator and have held that position for two or more years.

- **Student Members** — Persons who are full-time students or graduated and/or terminated their college enrollment within the past year. And who are currently not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others for a fee or salary.

- **Retired Members** — Persons who have been members of ASFMRA and held the Accredited, Professional, Associate or Academic membership status for at least ten (10) years and who are no longer providing management, consulting, appraisal, valuation or appraisal review on property belonging to others for a salary or fee.

- **Honorary Members** — Those members nominated by their Chapters whose service to their Chapter and the Society, as determined by and at the sole discretion of Council, merit special membership classification consideration.

- **Inactive Members** — Those members who no longer provide farm and ranch management, agricultural consulting, rural appraisal or related valuation services, and/or appraisal review services. Members need to return to active status within three years.

**TENNC ASSFMRA**
The Texas Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA) was chartered in 1978 as an affiliate of the national ASFMRA organization. The Texas Chapter is a non-profit 501(c)(6) corporation. It supports the educational, ethical and professional standards set by national.

The **object** of the Chapter is to promote, without profit to itself, the professions of farm management and rural appraisal by holding meetings for the exchange of ideas, by conducting schools and other devices for disseminating information, by building and maintaining a code of business and professional ethics, and by other means approved by the Board of Directors.

---

**2017 RURAL LAND VALUE TRENDS SPONSORS**

- **Capital Farm Credit** - 2 & 3
- **Texas A&M Real Estate Center** - 8
- **Clift Land Brokers & Auctions** - 17
- **Highfield Farm Asset Services** - 19 & 37
- **Chas. S. Middleton and Son** - 20
- **Farmers National Company** - 20
- **Superior Land Services** - 21
- **KA Highland Realty of Texas** - 23
- **Omega Appraisals** - 23
- **Western Appraisal** - 23
- **Stribling - Probantd Appraisals** - 25
- **Lone Star Ag Credit** - 26
- **Jim Cowsert Appraisals** - 26
- **Lewis & Seely Appraisals** - 28
- **Texas A&M Timm Honor Registry** - 31
- **Texas A&M Undergraduate Degrees** - 32

- **HomeLand Properties** - 37
- **Gardner Appraisal Group** - 42
- **Valbridge Property Advisors** - 43
- **California Chapter ASFMRA** - 43
- **John C. Hodges, ARA** - 43
- **TexAg Real Estate Services - Kokel** - 47
- **TexAg Real Estate Services - Leps** - 47
- **Bierschwale Land Company** - 48
- **Kokel - Oberrender - Wood Appraisal** - 48
- **Robby Vann, ARA** - 49
- **ASFMRA - Leadership Institute** - 49
- **ASFMRA - Annual Conference** - 49
- **Texas A&M - Rural Entrepreneurship Program** - 53
- **Shweiki Media** - 57
- **CBRE** - 63
- **Heritage Land Bank** - 64
Rebounding activity in the oil patch reinvigorated the statewide land market. Posting a surprisingly strong year-end result at $2,644 per acre, a 4.46 percent expansion from 2016 prices and the strongest growth since 2014. The 6,272 reported sales topped 2016 totals by 577 sales. Driven in part by remarkable developments in energy-dominated areas, overall Texas statewide results continued to post price increases. However, market conditions in some regions varied where weak results pointed to market adjustments in three areas. The Panhandle and South Plains, West Texas, and Austin-Waco-Hill Country where prices ebbed for various reasons.

Far West Texas: Fueled by unexpected strong demand for sand mining operations in this area, prices in this region soared to unheard of levels. Ranch purchases at extremely high prices to establish 23 operations to supply frac sand for the Permian Basin drilling boom pushed the regional price to a record high of $791 per acre, an enormous 32.5 percent increase. Very high bonus payments for mineral leases and purchases of land to secure water rights for municipalities added to the pressure on prices.

South Texas: Battered by the remarkable drop in oil prices, this region, home to the most lucrative Eagle Ford shale play, saw prices ebb for several years. However, markets appear to have turned the corner by posting a strong 12.1 percent price rise in 2017. New energy activity in the Eagle Ford may be responsible for this strong result producing a price of $3,824 per acre with an expansion of activity to 581 sales.

Northeast Texas: In Northeast Texas, prices grew 6.72 percent in 2017 reaching an all-time high of $3,969 per acre. Strong fundamental in the D/FW economy supported robust demand for land throughout the area. The 2,234 sales marked a 22 percent increase over 2016 volume.

Gulf Coast – Brazos Bottom: The optimism energizing the oil patch boosted prices in this area a substantial 5.22 percent despite the aftermath of hurricane Harvey. However, the $5,727 price per acre still failed to match levels in of 2015 markets. Sales volume of 6,456 trailed 2016 totals.

Panhandle and South Plains: A second quarter increase halted the retreat in prices logged for the first quarter. However, the third quarter faltered slightly only to melt into a substantial retreat in the fourth when price plummeted 6.02 percent in year-to-year comparisons. At $1,089 per acre, the fourth quarter fell below both the first and the third quarter prices. Volume expanded to 394 sales, up substantially from 314 in 2016. The lack of a consistent trend in this area reflects the fact that experiences differed with type of land. For example, good quality irrigated land with strong water still sees strong demand, nearby dryland acreage not so much.

West Texas: Markets in 2017 registered price declines dropping 3.80 percent below 2016. While prices declined, the sales volume increased to 688 sales. This market gave up all of its 2017 gains, settling below the 2016-second quarter levels. The decline produced a price of $1,416 per acre.

Austin—Waco – Hill Country: The three-quarter long central Texas market retreat continued but at a reduced rate at the end of 2017. The 1.08 percent drop indicated a nearly flat market overall and likely resulted from an increased focus on land at the furthest distances from Austin and San Antonio. The $3,466 per acre represents the lowest regional price since the end of 2015. Sales volume expanded 6 percent to 1,692 sales.

Charles E. Gilliland, Ph.D.
REGION 1
Fred H. Awe, AFM
Awe Agricultural Services
PO Box 490
Dalhart, TX 79022
phone: (806) 249-6555
fax: (806) 249-6557
aweag1@outlook.com

V. Keith Barlow, ARA, MAI (Captain)
Barlow Appraisal Associates
PO Box 2135
5817 Grassland Ct 79707
Midland, TX 79702-2135
phone: (432) 689-9878
fax: (888) 677-4541
cell: (432) 631-8512
kbarlow@suddenlink.net

Bryan Bednarz, ARA
Capital Farm Credit, ACA
PO Box 6520
Lubbock, TX 79401
phone: (806) 281-1789
fax: (806) 799-6999
cell: (806) 789-7297
bryan.bednarz@capitalfarmcredit.com

Tom Benton
TxPan Appraisal (Clift Land Brokers)
PO Box 561
Borger, TX 79008
phone: (806) 336-9105
tbenton@bentonauction.com

Aaron D. Bierschwale, ARA
Bierschwale Land Company, LLC
PO Box 154 | 517 College Street
Junction, TX 76849
phone: (325) 446-3052
fax: (325) 446-3237
aaronbierschwale@gmail.com

M. Chad Dugger, ARA
Chas. S. Middleton & Son
1507 13th Street
Lubbock, TX 79401
phone: (806) 763-5331
fax: (806) 763-1340
chad@csmandson.com

Mickey R. Nixon, ARA
Capital Farm Credit, ACA
PO Box 6520
Lubbock, TX 79493
phone: (806) 786-9958
fax: (806) 799-6999
mickey.nixon@capitalfarmcredit.com

Clayton Yantis
Associate Member
Stout Advisory
1000 Main Street, Suite 3200
Houston, TX 77002-5768
phone: (713) 221-5156
cell: (512) 777-8043
claytis@stoutadvisory.com

REGION 2
Karll F. Armstead, ARA-Retired
KA Highland Realty of Texas, Inc.
PO Box 358
Fort Stockton, TX 79735
(432) 336-8455
fax: (432) 336-8462
karl@armsteads.us

S. Kris Armstead
Omega Appraisals, LLC
PO Box 358
Fort Stockton, TX 79735
(432) 336-8455
fax: (432) 336-8462
karmstead@rocketmail.com

V. Keith Barlow, ARA, MAI
Barlow Appraisal Associates
PO Box 2135 | 5817 Grassland Ct 79707
Midland, TX 79702-2135
(432) 689-9878
fax: (888) 677-4541
kbarlow@suddenlink.net

Paul V. Loeffler (Captain)
Superior Land Services, LLC
PO Box 1407 | 1501 W Fort Davis Street
Alpine, TX 79831
(432) 386-3101
fax: (432) 837-2635
superiorlandservicesllc@gmail.com

Colin McVaugh, ARA
Fart Credit of New Mexico
251 Stone Drive
Mesilla Park, NM 88047
(575) 528-7106
csmcvaugh@gmail.com

John P. (Tooter) Robertson, Jr., ARA
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
(210) 227-6229
fax: (210) 227-8520
jrobertson@valbridge.com

Janna D. Stubbs
Superior Land Services, LLC
PO Box 2091
Alpine, TX 79831
(432) 661-0717
janna_79831@yahoo.com

REGION 3
V. Keith Barlow, ARA, MAI
Barlow Appraisal Associates
P.O. Box 2135
Midland, TX 79702-2135
(432) 689-9878 | (432) 631-8512
kbarlow@suddenlink.net

Bill S. Beams, ARA
Western Appraisal, LLC
1250 Petroleum Drive, Suite A-100
Aibilene, TX 79602
(325) 437-7600 | (325) 668-4712
bill@westernappr.com

REGION 4
James M. Cowsert, ARA
P.O. Box 9
Munday, TX 76371
(940) 256-0708
cowsertj@valornet.com

Alvin E. (Butch) Nelson, Jr., ARA, ASA
Nelson Farm & Ranch Properties
P.O. Box 5051
Abilene, TX 79608
(325) 698-3374
nelsonfarmandbranch@gmail.com

Victor R. Probandt, ARA (Captain)
Stribling-Probandt Appraisals
502 South Koenigheim, Suite 3B
San Angelo, TX 76903
(325) 658-2773 | (325) 656-7766
victor.probandt@suddenlinkmail.com

Daniel P. Barnett, ARA
Lone Star Ag Credit
1321 Forrest Drive
Canton, TX 75103
phone: (903) 348-8656
daniel.barnett@lonestaragcredit.com

Andrew A. Harris, MAI
Harris Real Estate Company
1003 N. Mallard Street
Palestine, TX 75801
phone: (903) 948-7022
andrew@harrisrealestateco.com

Mark A. Lewis, ARA, RPRA
Lewis & Seely Appraisals, Inc.
308 East Lufkin Avenue | PO Box 877
Lufkin, TX 75902-0877
phone: (936) 632-4230
fax: (936) 637-3964
mark@lewisseely.com

William (Pat) Murphy, ARA, MAI, SRA
Pat Murphy & Associates
5295 Clarksville Street
Paris, TX 75462-2632
phone: (903) 785-0441
fax: (903) 784-0076
pat@pmaappraisal.com

Scott Seely, ARA, MAI (Captain)
Lewis & Seely Appraisals, Inc.
308 East Lufkin Avenue | PO Box 877
Lufkin, TX 75902-0877
phone: (936) 632-4230
fax: (936) 637-3964
scott@lewisseely.com

Andrew M. Sirman, ARA
Capital Farm Credit, ACA
2896 Greene Sanders Road
Pollok, TX 75969
phone: (936) 853-4845
fax: (936) 853-4851
cell: (936) 674-7357
andrew.sirman@capitalfarmcredit.com
REGION 5

Wade L. Kubecka, ARA (Captain)
Capital Farm Credit, ACA
1807 N Mechanic
El Campo, TX 77437
phone: (979) 543-2078
fax: (979) 543-8120
wade.kubecka@capitalfarmcredit.com

Andrew M. Sirman, ARA
Capital Farm Credit, ACA
2896 Greene Sanders Road
Pollok, TX 75969
phone: (936) 853-4845
fax: (936) 853-4851
cell: (936) 674-7357
andrew.sirman@capitalfarmcredit.com

Wayne T. Young, ARA
Capital Farm Credit, ACA
624 FM 1791
Huntsville, TX 77340
phone: (936) 439-0379
cell: (936) 436-0192
wayne.young@capitalfarmcredit.com

REGION 6

Clinton (Clin) J. Bendele, ARA, MAI
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
phone: (210) 227-6229
cbendele@valbridge.com

Justin Bierschwale, ARA, MAI
Bierschwale Land Company, LLC
PO Box 154 | 517 College Street
Junction, TX 76849
phone: (325) 446-3052
cell: (325) 446-3237
jbierschwale@gmail.com

Derry T. Gardner
Gardner Appraisal Group, Inc.
10 Ledge Lane
San Antonio, TX 78212
phone: (210) 732-1321
fax: (210) 732-6554
derryg7@aol.com

Ryan C. Healy, ARA
6702 Berg Blvd.
San Antonio, TX 78256
phone: (210) 385-2999
ryan@healy.pro

John C. Hodges, ARA
John Hodges RE Appraisals
PO Box 1213
Uvalde, TX 78802
phone: (830) 278-5221
fax: (830) 278-5024
jchodges2295@sbcglobal.net

John P. (Tooter) Robertson, Jr., ARA (Captain)
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
phone: (210) 227-6229
fax: (210) 227-8520
jrobertson@valbridge.com

Kyle Schroeder, ARA, MAI
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
phone: (210) 227-6229
cell: (512) 557-3837
kschroeder@valbridge.com

Billy D. Snow, ARA
TexAppraise, Inc.
231 Earl Garrett, Suite 200
Kerrville, TX 78028
phone: (830) 896-2177
fax: (830) 895-4678
bdsnow@texappraise.com

Merrill E. Swanson, ARA
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
phone: (210) 227-6229
cell: (830) 257-8520
mswanson@valbridge.com

REGION 7

Justin Bierschwale, ARA, MAI
Bierschwale Land Company, LLC
PO Box 154 | 517 College Street
Junction, TX 76849
(325) 446-3052
fax: (325) 446-3237
jbierschwale@gmail.com

Larry D. Koke, ARA, MAI
Kokel-Oberrender-Wood Appraisal, Ltd.
404 West 9th Street
Suite 201
Georgetown, TX 78626
(512) 863-6428
fax: (512) 930-5348
michael@k-o-woodappraisal.com

Mark A. Mancally, ARA, MAI
Texas General Land Office
1700 North Congress Avenue, Room 111
Austin, TX 78701-1495
(512) 463-5304
mancally@lonestaragcredit.com

Wendell C. Wood, ARA, MAI (Captain)
Kokel-Oberrender-Wood Appraisal, Ltd.
404 West 9th Street, Suite 201
Georgetown, TX 78626
(512) 863-6428
fax: (512) 930-5348
wendell@k-o-woodappraisal.com
UPCOMING EVENTS 2018

TEXAS CHAPTER SPRING MEETING & CONTINUING EDUCATION
YELLOW BOOK | USPAP | RURAL LAND VALUES WORKSHOP
February 20-23, 2018
Fort Worth, Texas

28TH ANNUAL OUTLOOK FOR TEXAS LAND MARKETS
April 26-27, 2018
San Antonio, Texas

ASFMRA SUMMER EDUCATION WEEK
June 24-29, 2018
Des Moines, Iowa

ASFMRA CHAPTER LEADERS DAY
August 2-3, 2018
Denver, Colorado

ASFMRA LEADERSHIP INSTITUTE
September 10-14, 2018
Washington, DC

TEXAS CHAPTER FALL MEETING & CONTINUING EDUCATION
October 3-5, 2018
College Station, Texas

AGRONOMICS / ASFMRA 89TH ANNUAL MEETING
October 29-November 2, 2018
Chandler, Arizona

Check out the website, www.txasfmra.com, for a complete listing of course offerings and registration information.

BOARD OF DIRECTORS 2018

OFFICERS:

PRESIDENT
Mickey Nixon, ARA
(806) 786-9958
mickey.nixon@capitalfarmcredit.com

IMMEDIATE PAST-PRESIDENT
Patricia Weber, ARA, MAI
(254) 496-1137
patricia.weber@lonestaragcredit.com

PRESIDENT - ELECT
Wayne Young, ARA
(936) 439-0379
wayne.young@capitalfarmcredit.com

VICE PRESIDENT
Justin Bierschwale, ARA, MAI
(325) 446-3052
jbierschwale@gmail.com

SECRETARY-TREASURER
Carmen Bierschwale
(325) 446-3052
ckbierschwale@gmail.com
info@txasfmra.com

DIRECTORS:

BRYAN BEDNARZ, ARA
(806) 281-1789
bryan.bednarz@capitalfarmcredit.com

AARON BIERSCHWALE, ARA
(325) 446-3052
aaronbierschwale@gmail.com

R. MIKE LANSFORD, AFM
(817) 884-4414
mlandsford@farmersnational.com

DANIEL BARNETT, ARA
(903) 348-8656
daniel.barnett@lonestaragcredit.com

JAMES COWSERT, ARA
(940) 256-0708
cowsertj@valornet.com

ROBERT MORAN, ARA
(830) 896-3433
morans@ktc.com
### Market Regions

**Region 1**
- North Panhandle
- South Plains

**Region 2**
- Far West Texas
- Big Bend
- Trans-Pecos

**Region 3**
- North Texas
- Central Texas
- South Central Texas

**Region 4**
- Eastern Coastal Prairie
- Southeastern Piney Woods
- Southwestern Piney Woods

**Region 5**
- Northeast Texas
- Pinney Woods North
- Pinney Woods South

**Region 6**
- Transition Zone
- Upper South Texas
- Lower South Texas

**Region 7**
- Southern Grand Prairie
- Central Basin
- Central Blacklands

### County Guide

**Region 1**
- Andrews
- Armstrong
- Bailey
- Borden
- Briscoe
- Carson
- Castro
- Cochran
- Crosby
- Dawson
- Deaf Smith
- Ector
- Floyd
- Gaines
- Garza
- Gray
- Hale
- Hansford
- Hartley
- Hemphill
- Hockley
- Howard
- Hutchinson
- Lamb
- Lipscomb
- Lubbock
- Lynn
- Martin
- Midland
- Moore
- Ochiltree
- Oldham
- Parmer
- Potter
- Randall
- Roberts
- Sherman
- Swisher
- Terry
- Yoakum

**Region 2**
- Archer
- Crane
- Culberson
- El Paso
- Hudspeth
- Jeff Davis
- Loving
- Pecos
- Presidio
- Reeves
- Terrell
- Ward
- Winkler

**Region 3**
- Anderson
- Angelina
- Bowie
- Camp
- Clay
- Concho
- Coke
- Collingsworth
- Concho
- Cottle
- Crockett
- Dickson
- Donley
- Edwards
- Fisher
- Foard
- Glasscock
- Hall
- Hardeman
- Haskell
- Irion
- Jack
- Jones
- Kent
- King
- Kinney
- Knox
- Mitchell
- Motley
- Nolan
- Reagan
- Runnels
- Schleicher
- Scurry
- Shackelford
- Stephens
- Sterling
- Stonewall
- Sutton
- Taylor
- Throckmorton
- Tom Green
- Upton
- Val Verde
- Wheeler
- Wichita
- Wilbarger
- Young

**Region 4**
- Austin
- Brazoria
- Brazos
- Burleson
- Calhoun
- Chambers
- Colorado
- DeWitt
- Fayette
- Fort Bend
- Galveston
- Gonzales
- Grimes
- Hardin
- Harris
- Jackson
- Jefferson
- Lavaca
- Leon
- Liberty
- Madison
- Matagorda
- Montgomery
- Orange
- Robertson
- San Jacinto
- Victoria
- Walker
- Waller
- Washington
- Wharton

**Region 5**
- Aransas
- Atascosa
- Bee
- Bexar
- Brooks
- Cameron
- Comal
- Dimmit
- Duval
- Frio
- Goliad
- Guadalupe
- Hidalgo
- Jim Hogg
- Jim Wells
- Karnes
- Kenedy
- Kleberg
- La Salle
- Live Oak
- Maverick
- McMullen
- Medina
- Nueces
- Refugio
- San Patricio
- Starr
- Uvalde
- Webb
- Willacy
- Wilson
- Zapata
- Zavala

**Region 6**
- Bandera
- Bastrop
- Bell
- Blanco
- Bosque
- Brown
- Burnet
- Caldwell
- Callahan
- Coleman
- Comanche
- Coryell
- Eastland
- Erath
- Falls
- Freestone
- Gillespie
- Hamilton
- Hays
- Hill
- Kendall
- Kerr
- Kimble
- Lampasas
- Lee
- Limestone
- Llano
- Mason
- McCulloch
- McLennan
- Menard
- Milam
- Mills
- Navarro
- Real
- San Saba
- Travis
- Williamson
Impact of Cotton Being Reintroduced to the Farm Program as a Title I Commodity

William J. Thompson, AFM
Texas AgriLife Extension Service, San Angelo, TX

Introduction

Texas is the largest cotton producing state in the nation, averaging 55% of the planted U.S. Upland cotton acres over the last decade. Texas Upland cotton acreage has averaged 5.9 million acres since 2008. Cotton production is the second most valuable commodity produced in Texas behind only cow/calf and stocker cattle production. What affects U.S. cotton, greatly affects Texas Agriculture and Texas real estate.

The dropping of cotton as a covered commodity in the 2014 Farm Bill has had a negative impact on Texas Cotton producers. This paper will estimate the Texas impact of cotton regaining Title I commodity status.

WTO Case

In 2002, Brazil filed a claim with the World Trade Organization claiming U.S. cotton subsidies violated agreements the U.S. made during the Uruguay Round of Agreements on Agriculture. The WTO deemed the structure of the cotton subsidies to be market distorting. In 2014 the U.S. and Brazil agreed on a mutually acceptable solution that avoided tariffs being placed on several U.S. products. The Brazilian Cotton Institute received a large cash settlement and U.S. policy makers had to restructure domestic cotton programs. As a result, cotton was largely dropped as a covered commodity in the 2014 Bill.

2014 Farm Bill

The 2014 Farm Bill eliminated Direct Crop Payments (DCP) and Counter-Cyclical Payments (CCP) for all crops. All crops except for cotton, were given a choice between two new safety net programs; Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC). PLC is similar to the counter-cyclical payments of earlier farm bills. If the market year average (MYA) price of a commodity is less than an established reference price, a PLC payment will be due. The ARC program established a method of calculating an average gross revenue for each covered commodity. The average gross revenue figure is calculated with rolling averages of both market year average price and average yields. A payment is due if calculated revenue for a commodity is less than 86% of the average revenue.

With the 2014 legislation, producers were also given the opportunity to reallocate base acres between all covered commodities other than cotton. Cotton base acres were frozen and deemed to be generic base acres. A large percentage of Texas crop base acres were signed up in the PLC program in 2014. Producers were also given the ability to update program yields, again for all crops except cotton.

Where other covered commodity crops were given a choice of ARC or PLC to replace the DCP and CCP programs cotton producers were presented with an area or county-wide crop revenue insurance program. This policy was intended to provide coverage above a producer’s standalone crop insurance policy, or be stacked upon the existing crop insurance policy, thus the name STAX. Participation in the STAX program has never been close to what policy makers had hoped for when it was introduced.

In 2014, cotton prices on the International Cotton Exchange (ICE) decreased 34 percent by the end of the year and remained depressed through all of 2015 and most of 2016. Texas cotton producers found themselves producing cotton for depressed global market without much of a financial safety net.

Bipartisan Budget Act of 2018

The Bipartisan Budget Act of 2018 among other things, made seed cotton a Title I commodity, making it eligible for federal farm programs. Seed cotton is defined as unginned upland cotton. For the 2018 crop, cotton producers can participate in one of the two safety net programs that were created in the 2014 Farm Bill; PLC or ARC. At sign-up producers will be given the opportunity to update their program yields, allocate their generic base and then decide which program they want to enroll their seed cotton into. A PLC reference price for seed cotton was established at $0.367/pound.

Impact to Texas

The National Cotton Council (NCC) has estimated 7,204,325 acres of generic base in Texas. Cotton plantings in Texas averaged 6.15 million acres between 2009 and 2012, or 85% of the total number of generic acres. When the sign-up for the new seed cotton program begins, producers will have two options to allocate their generic base acres to program crops, including seed cotton on a FSA farm number by farm number basis. It is assumed that collectively, producers will allocate 85% of the generic base to seed cotton. Cotton producers will also get the opportunity to update program yields for each FSA farm number. For this analysis, program yields are assumed to be 90 percent of the 2008-2012 yield per planted acre. Since most Texas producers signed their crop base acres into the PLC program in 2014, the impact of the seed cotton program in Texas will be measured assuming that the seed cotton acres are also enrolled into the PLC program.

The Agriculture and Food Policy Center (AFPC) at Texas A&M has calculated that the Market Year Average (MYA) price for seed cotton in 2014, 2015 and 2016 ($0.316, $0.325 and $0.342 respectively) was below the established PLC reference price. Table 2 estimates the PLC program payment made to Texas cotton producers if the seed cotton program had been in the 2014 farm bill.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Estimated Value (Billion $)</th>
<th>Estimated Economic Impact (Billion $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef Calves and Stocker Cattle</td>
<td>$4.98</td>
<td>$9.60</td>
</tr>
<tr>
<td>Cotton:Lint + Seed</td>
<td>$3.01</td>
<td>$5.29</td>
</tr>
<tr>
<td>Feed Beef</td>
<td>$2.03</td>
<td>$3.92</td>
</tr>
<tr>
<td>Milk</td>
<td>$1.71</td>
<td>$3.05</td>
</tr>
<tr>
<td>Nursery Crops</td>
<td>$1.88</td>
<td>$2.96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13.62</strong></td>
<td><strong>$24.83</strong></td>
</tr>
</tbody>
</table>

Source: Texas A&M AgriLife Extension

Table 1. Top Ranked Commodities by Economic Impact of Agricultural Production, 2016

<table>
<thead>
<tr>
<th>Commodity</th>
<th>MYA Seed Cotton Price</th>
<th>PLC Payment Rate</th>
<th>Irrigated Estimated Texas PLC Payments</th>
<th>Non-Irrigated Estimated Texas PLC Payments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 $0.316</td>
<td>$0.051</td>
<td>$146,487,136</td>
<td>$72.05</td>
<td>$94,867,388</td>
<td>$23.19</td>
</tr>
<tr>
<td>2015 $0.325</td>
<td>$0.042</td>
<td>$120,636,465</td>
<td>$59.33</td>
<td>$78,126,084</td>
<td>$19.10</td>
</tr>
<tr>
<td>2016 $0.342</td>
<td>$0.025</td>
<td>$71,807,419</td>
<td>$53.32</td>
<td>$46,503,622</td>
<td>$11.37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$338,931,020</strong></td>
<td><strong>$219,467,094</strong></td>
<td><strong>$558,428,114</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Estimated PLC Payments to Texas Cotton Producers If Seed Cotton Program Was Part of the 2014 Farm Bill.

Summary

Producers would prefer to generate their gross income (and net income) directly from the market. However, in periods of low prices or reduced yields, American farm policy has programs in place to provide financial stability or sustainability. The 2014 farm bill removed most of that safety net from U.S. cotton producers. The downturn in prices between 2014 and mid-2016 highlighted the need for a financial safety net for U.S. Cotton Producers. The 2018 Bipartisan Budget Act of 2018 brought seed cotton back under the umbrella of federal farm programs. If the current program had been in place since 2014, Texas cotton producers would have collected over $558 million in PLC payments. Future program payments will depend on how Texas cotton farmers actually enroll their acreage into the program and how prices react to global events. But moving forward, cotton producers, lenders and input suppliers know that there is once again a program in place to help cotton producers weather any adverse times.
Owning rural property is a unique experience, whether you inherited the farm or ranch, or purchased it as an investment. This type of asset combines cash and appreciation returns, as well as consumptive use and enjoyment. Investments in rural property can compare favorably to other types of investments, but provide a diversification in risk management, and a hedge against inflation. Many times rural land ownership is much more than just an investment. It is a family legacy and a heritage that is passed down through the generations. Inherited farms and ranches are sometimes referred to as “Heart String” assets because there is so much family history and emotion attached. Careful planning should be considered as the current owner plans for the future, and the succession of ownership. The legal alternatives, conveyance vehicles, and testamentary issues will not be addressed here. However, consulting with an attorney who specializes in this discipline is recommended as a vital part of the planning for ownership succession. This article will however, shed light on items to consider when planning for the transition of rural property. Farming and ranching families who do not plan for succession and transition, statistically have a higher percentage of going out of business. As a result, the property is typically acquired by or absorbed into a neighboring operation, or is converted to another use.

Rural land can be a large portion of one’s overall portfolio value. According to the Real Estate Center at Texas A&M University, the Nominal Median Price per Acre of Rural Land in Texas was $424 in 1977. This value increased to $2,644 in 2017. That represents an average annual increase of 13.1% over this 40 year period.

It is a very common situation for aging parents to look to their children for help in managing their financial affairs. If a farm or ranch is included in their portfolio, the complexities of land ownership can sometime be overwhelming. Recent studies estimate that 10% of our nation’s farmland is expected to transfer to the next generation over the next five years. That represents approximately 91 million acres that will change hands. To put that much land in perspective, 91 million acres is 54% of the total land area of the State of Texas.

In addition to an ownership change at some point in the future, there will also be the transfer of knowledge, or worse, a lack of knowledge transfer. Many of the Baby Boom Generation left the home place, went to war or college, got married, and moved to a metropolitan area for a career and raise a family. Most of this generation did not return to the family farm or ranch. Even fewer of the Gen X and Millennial generations live on the family land. As a result, the knowledge base for caring for, nurturing and improving the family land is declining. Things that were common knowledge for the WWII Generation may be a foreign topic to a Millennial, and visa versa. Therefore, as you plan for the future and lay the groundwork to pass your heritage property to the next generation, proactive planning and open communication is a requirement.

Necessary functions such as negotiating and preparing farm leases, grazing leases, hunting leases, as well as negotiating and documenting surface damages, easements and pipeline right of ways, can be very challenging for some one that just inherited property with no experience. Required forms from crop insurance companies, USDA offices, county appraisal districts, as well as Conservation Reserve Program (CRP) contracts can also be confusing. Same applies to selling or forward contracting grain, marketing cotton, selecting replacement heifers, purchasing herd sires, marketing the annual calf crop, developing a feed or mineral ration, developing a plan for pasture rotations, etc. There is much to know in addition to the gate combination.

Discuss and write down your goals for the property. A written goal is much more successful than one that is only verbally discussed. Start keeping good records, or provide access to current or historical records. Encourage the next generation to spend time on the property, and to be a part of planting, harvest, working and/or weaning. Even though the next generation does not have decision authority or legal ownership, allow them to be a part of the process and develop a pride of ownership that will come. A list of contacts should be written and accessible. This would include consultants, lessees, service providers, and government agencies, that worked with the owners in the past.

Suggested contacts include:

- Lessee (all types)
- FSA/NRCS Office
- Insurance Agent
- Contractors (all types)
- Grain Elevators/Coops/Gins’
- Order Buyers/Feedlot Managers/Sale Barn Manager
- Purebred Breeders
- Custom Applicators/Harvesters
- Appraisers
- Surveyors
- Farm Managers

The death of a parent or relative is an emotional time for everyone. On top of that you add the stress of legal and financial matters that require attention. Then if the estate includes real property, additional responsibilities, without current knowledge of rural property ownership issues, pile on and pile up. The solution doesn’t have to be SELL THE FARM! Third party management is available to carry on the legacy and operate a property under the owners’ goals and objectives, even after the property has passed to the next generation. Rural land is a very special thing in Texas. It can provide income, increase in value over time, and provide a diversifying factor to one’s overall portfolio. It always out performs the stock market from an emotional perspective. This is especially true when family heritage is involved. My former boss and mentor, Walter C. Richburg, once said “you can’t watch the sun go down over a stock/bond portfolio”.

R. Mike Lansford, AFM
Farmers National Company
(817) 884-4414
mlansford@farmersnational.com
Landowners may ultimately return cashflows to themselves in a variety of ways. One profitable alternative is to reinvest those cash flows, or a portion thereof, back into the asset in the form of land improvements or operational improvements. We all know these activities as “Capital Expenditures” or CapEx.

What is it?
CapEx may take many forms, but it usually occurs as something like an irrigation improvement, drainage upgrade, fencing and land clearing. It could also include a new building, grain storage, grain processing, above ground fuel storage, etc.... What these items have in common is the potential to increase income and efficiency for whomever is operating the farm. That increase in income will then be realized by the landowner as increased cashflow from rent and/or property appreciation.

Why do it?
The benefits are economic and for the public good. They include increased rent, increased yield, lower cost of production, competitive tenant pool, IRS accelerated depreciation, capital gains basis increase, water security, conservation and stewardship.

Landowners may influence the production capabilities of their property. Today’s professional farm operators, whether they are growing cotton or背景下着牛犊，都是深深地感兴趣的。They are aware of increased labor costs, energy costs, water regulations, the importance of cultural practice fit?

To yield? Provide habitat for wildlife and (paying) sportsmen? Finally, is it a regional best practice or cultural practice fit?

When?
The timing may be appropriate during a hull in commodity prices or a non-aggressive leasing period. Relevant to our place in the current commodity business cycle, it is human nature to delay or defer capital expenditures during times of depressed returns, low appreciation periods and general periods of uncertainty. Market illiquidity often accompanies these periods of the business cycle, further aggravating the capital expenditure decision process. Also, there seems to be a property appreciation lag, whereby it takes some time for the capex to ‘bake in’ and increase the value of the property.

Perhaps in these times we could benefit from the old adage of “when everyone is running away, we should be running in”. CapEx costs can be historically underpriced during these periods.

In Closing, the philosophy of capital reinvestment is similar to that of Berkshire Hathaway, Amazon, or even Texas Pacific Land Trust. These companies, with a few exceptions, generally do not pay out a dividend. They choose to reinvest their cash flows back into their businesses. The result is the return of wealth to shareholders through appreciation of share price as a result of increased earnings.

There are very appropriate times within the farmland cycle to return cashflows to the farm as capex. CapEx must qualify by increasing productivity and therefor, be of benefit to landowners, businesses and other Texans along the way.

As a part of NCREIF Directed Research, Dr. Chinmoy Ghosh said, "(As) we analyze the relationship between capital expenditures and performance we find persistently strong positive relationship between capital expenditures and cumulative returns.”

"Persistently strong positive relationship" should get everyone's attention. With some experience and thoughtful planning, CapEx is a lucrative decision.
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.

- In 2017, Texas High Plains farmers produced one of the largest crops in the region’s history according to the National Agricultural Statistics Service December report. Estimates for the region were 5.5 million bales. About 3.2 million bales were produced in the Southern High Plains and 2.2 million in the Northern High Plains (up almost 50% from 2016). Yields per acre were 679 pounds in the SHP and 927 in the NHP. This region produced about 27% of the nationwide crop.

- Despite the large cotton crop on the Texas High Plains, producers faced numerous weather-related setbacks ranging from early season hailstorms, which require re-planting and cool, wet weather which affected lint grade, quality and ultimately prices.

- The inventory of good irrigated land for sale appears to be in balance through most of 2017, but declined sharply at end of the year to near breakeven levels.

- Most of the purchase activity is driven by end-users expanding their operations, but a few investors are still in the market for prime irrigated farmland, but on a limited basis. Strong water is the target investment for several years, these buyers have been the primary market makers in some areas of the Panhandle and to a significant extent in the northwest sector of the South Plains. Milk prices remained stable in the northwest sector of the South Plains. Milk prices remained stable for market makers in some areas of the Panhandle and to a significant extent in the northwest sector of the South Plains. Milk prices remained stable for most of 2017, but declined sharply at end of the year to near breakeven levels.

- In 2017, Texas High Plains farmers produced one of the largest crops in the region’s history according to the National Agricultural Statistics Service December report. Estimates for the region were 5.5 million bales. About 3.2 million bales were produced in the Southern High Plains and 2.2 million in the Northern High Plains (up almost 50% from 2016). Yields per acre were 679 pounds in the SHP and 927 in the NHP. This region produced about 27% of the nationwide crop.
North Panhandle
Carson, Dallam, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Potter, Roberts and Sherman Counties
Sales activity was stable for cropland in 2017. Water volume and commodity prices continue to be the most important factor impacting irrigated farm land prices in this market. Water awareness has significantly increased with the North Plains Water District’s imposition of the 1.5 acre foot limit on Ogallala pumping and that the limitation was, at least partially, responsible for the increased impact that water volume seems has had on land prices. There has been increased drilling to the Santa Rosa formation to supplement irrigation water that is being pumped from the Ogallala formation.

The panhandle dairy industry has been stable after the recovery that began in 2013. Most dairies operated at above breakeven levels until late 2017 when milk prices dipped. Lower commodity and forage costs have helped mitigate the drop in milk prices.

Most acreage was planted to corn, wheat, sorghum and cotton. As expected, cotton plantings in the region jumped more than 50% from 847,000 acres to 1.3 million acres. Ginning capacity has been a limiting factor; however several gins have expanded and a couple of proposed construction projects are reportedly being planned.

Cash leases for irrigated cropland are common in the northwest quadrant of the Panhandle and declined somewhat during 2017. The decline is directly attributable to the low commodity prices. A crop share lease is most prevalent in the eastern sector of the Panhandle.

Cash lease rates for grazing and hunting on native rangeland continued to be stable. Range conditions were average due to average rainfall. Ranchers continue to increase their herds.

South Plains from Amarillo to Lubbock
Armstrong, Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Floyd, Hale, Hockley, Lamb, Lubbock, Parmer, Randall and Swisher Counties
Due to timely rains, crop yields on dryland were up throughout the region. Irrigated cotton brought in good yields. The market price for cotton experienced a moderate increase but risk increases as inputs such as cottonseed increases. The land market for good irrigated farms was generally stable. The demand for farms with weaker irrigation water has declined.

Native rangeland is in scattered areas along draws or a band of sand hills and runs southeast across the region; generally, these are smaller tracts utilized in conjunction with adjoining cropland. Range conditions were average due to the timely rainfall.

Crop share leases are the most common lease arrangement for both irrigated and dry cropland; rental rates and terms remain stable.

Drip irrigation continued to be installed but has slowed some. Prices for land enrolled in the Conservation Reserve Program (CRP) are generally stable with moderated demand. Tracts are being purchased for conversion to cattle grazing upon expiration of CRP contracts. Fertilizing former CRP grass improves gains if rainfall cooperates, and some operators considering using light water irrigation properties with older pivots for grazing purposes.

South Plains to the South of Lubbock
Andrews, Borden, Dawson, Ector, Gaines, Garza, Howard, Lynn, Martin, Midland, Terry and Yoakum Counties
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 was leased for hunting. Most cultivated farming utilizes dryland cultural practices due to inadequate groundwater. Irrigation practices are predominantly sprinkler due to sandy soils.

There is still demand for dryland but to a lesser degree than previous years. Crop yields in 2017 were good due timely rainfall. The improvement in cotton prices offset much of the losses that were experienced in previous years. 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. Some expired CRP acreage being placed back into production, especially those with irrigation potential. Much of this land is being utilized to grow organic peanuts. Oil & gas lease activity was stable.

The rural or agricultural land market in the southern portion of the South Plains has been slow since the fall of oil prices in the fall of 2014, and land prices have been stable through 2016 in this area. Rural lands in Midland and Ector Counties are still impacted by rural development potential (RV Parks, Industrial tracts or rural residential); and by oil companies buying 80 acres to 640 acres for oil production. An overall range of oil price purchases are $2,500 to $6,000 per acre. There is optimism in the land markets as the Permian Basin is the “place to be” for oil and gas exploration and production with continued success of fracking, the existence of several stacked producing formations and lower costs. This new activity will increase land sales activity and land prices if oil and gas prices remain favorable.
### North Panhandle

<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>Irrigated Cropland Good Water</td>
<td>$2,800 to $4,000</td>
<td>Stable/Increasing</td>
<td>$150 to $250</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Average Water</td>
<td>$1,800 to $2,800</td>
<td>Stable/Stable</td>
<td>$125 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$900 to $1,700</td>
<td>Decreasing/Declining</td>
<td>$75 to $125</td>
<td>Stable/Declining</td>
</tr>
<tr>
<td>Dry Cropland East</td>
<td>$750 to $1,500</td>
<td>Stable/Stable</td>
<td>$30 to $45</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland West</td>
<td>$350 to $650</td>
<td>Stable/Declining</td>
<td>$15 to $35</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$600 to $1,200</td>
<td>Stable/Stable</td>
<td>$7 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$500 to $1,000</td>
<td>Stable/Stable</td>
<td>$30 to $45</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>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Cropland Good Water</td>
<td>$2,250 to $4,000</td>
<td>Stable/Stable</td>
<td>$150 to $200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,100 to $1,750</td>
<td>Stable/Declining</td>
<td>$100 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Drip Irrigation</td>
<td>$1,600 to $3,000</td>
<td>Stable/Stable</td>
<td>n/a</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Wheat</td>
<td>$600 to $900</td>
<td>Stable/Stable</td>
<td>$25 to $45</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$600 to $900</td>
<td>Stable/Stable</td>
<td>$25 to $45</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$400 to $1,100</td>
<td>Stable/Stable</td>
<td>$7 to $10</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$500 to $800</td>
<td>Stable/Stable</td>
<td>$30 to $45</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 (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>Irrigated Cropland Better Water</td>
<td>$1,500 to $2,000</td>
<td>Stable/Declining</td>
<td>$150 to $185</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,100 to $1,500</td>
<td>Stable/Declining</td>
<td>$75 to $125</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$650 to $1,200</td>
<td>Stable/Stable</td>
<td>$25 to $45</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$350 to $1,200</td>
<td>Stable/Stable</td>
<td>$4 to $7</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$500 to $800</td>
<td>Stable/Stable</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
Proactive, Comprehensive Management

Farm • Ranch • Timber

Farmers National Company provides local, comprehensive services supported by the nation’s leading landowner management and real estate company.

For additional information, contact these FNC land professionals:

Mike Lansford, AFM/Area Vice President
(817) 884-4414 or (817) 308-0456 • Fort Worth, Texas
MLansford@FarmersNational.com • www.FarmersNational.com/MikeLansford

Amanda Bogart
Farm Manager/Agent
Hereford, Texas
Business: (806) 786-8503
ABogart@FarmersNational.com
www.FarmersNational.com/AmandaBogart

John Menzies
Farm Manager/Agent
Fort Worth, Texas
(817) 884-4241 or (817) 291-7961
JMenzies@FarmersNational.com
www.FarmersNational.com/JohnMenzies

James Houser, Vice President
Forest Resource Management
Jacksonville, Texas
(903) 586-9375 or (903) 721-1713
JHouser@FarmersNational.com
www.FarmersNational.com/JamesHouser

Ethan Smith/AFM
Accredited Farm Manager/Agent
Fort Worth, Texas
(817) 884-4413 or (308) 325-0630
ESmith@FarmersNational.com
www.FarmersNational.com/EthanSmith

Our professional farm and ranch management includes:
- Investment analysis
- Commodity marketing
- Annual farm budgets
- Lease negotiation
- Property visits
- Project analysis/implementation
- Written reports

Our professional forest management includes:
- Reforestations
- Complete management plans
- Timber cruising
- Timber marketing
- Consulting
- Appraising all types of timber losses

www.FarmersNational.com
Farm and Ranch Management • Real Estate Sales • Auctions • Appraisal • Insurance • Consultation
Oil and Gas Management • Forest Resource Management • National Hunting Leases • Lake Management • FNC Ag Stock
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. Andrews County forms a small portion of the region’s north boundary and Ector County forms the northerly portion of the region’s east boundary; both of these counties are in Region One (Panhandle and South Plains). The counties of Upton, Crockett and Val Verde; located in Region Three (South Central Texas), form the balance of the region’s east boundary.

Guadalupe Peak, at 8,749 feet, is the highest point in Texas and is in Region Two, in Culberson County. In terms of land mass, the region includes the four largest Texas counties – Brewster, Hudspeth, Presidio and Culberson. It is noted that Loving County, the least populated county in Texas, is also in Region Two.

Highlights of the overall West Texas market precede brief discussions related to each sub-region.

- The region has a diverse land use mix. Topographically, the terrain ranges from mountainous expanses to broad valleys, rolling uplands and flood plains.
- The land area is predominately native rangeland and is utilized for cattle grazing. The grazing of both sheep and goats is inhibited by predator populations and the increased labor input required.
- Native rangeland has typically been held by established ranching families. However, over the last several decades, low average income levels from cattle operations, an increased demand for recreational land use and pressure from individuals (and entities) with increasing disposable income from non-agricultural sources, have all served to effect changes in property ownership.
- Another development has been the creation of “ranchettes”, primarily for recreational purposes. It is expected that market pressure for these type of subdivisions will continue in certain areas.
- Where practiced, irrigation of crops is by various methods including flooding, sprinkler and subsurface drip. The quantity and quality of the irrigation water supply, as well as the soil type of the land, are the primary factors determining the irrigation type. Center pivot sprinkler and buried drip systems have become more common and can be attributed to the ever increasing costs of pumping water and the necessary water conservation practices.
- Supply and demand are often quite variable as the result of economic conditions in other regions, but are mostly dominated by both investors and recreationalists, with the market for cultivated land being driven by water rights acquisitions by producers, public entities and oil companies.
- It is noted that drought, which is common, is a limiting factor throughout the region.

Far West Texas
Culberson, El Paso and Hudspeth Counties

The sub-region identified as “Far West Texas” covers approximately 9,400 square miles. Decreasing amounts of acreage in the river valley bottoms and flood plains are cultivated under various irrigation practices. Many areas possess abundant supplies of groundwater, but the water quality varies greatly. The valley that is associated with the Rio Grande has irrigation districts and furnishes water based on adjudicated water rights.

In the El Paso Upper Valley, the market is generally driven by the investor with strong urban development pressure present. In the El Paso Lower Valley, there is moderate urban pressure and the investor is again the primary market force with some producer acquisition impact. Reported sales in these areas in 2017 were insufficient in number to statically indicate market trend.

In the areas around Van Horn and Dell City, the market has been relatively stable and is typically producer-oriented. Water volumes in these areas remain an attractive factor, allowing another contributor for water rights to be speculation and acquisition for municipal uses by public utility entities. The number of properties available for purchase in these areas is the primary factor in the limited amount of data available.

Big Bend
Brewster, Jeff Davis and Presidio Counties

The Big Bend area encompasses some 12,313 square miles and topographically is characterized as mountainous with broad rolling upland areas and canyon bottoms. The geology of the Big Bend is unique, as is the scenery and vegetation. Annually, the area attracts more than 350,000 recreational visitors.

Some lands in the valley along the Rio Grande were historically cultivated under irrigation utilizing adjudicated water rights from the river. Typical cash crops were alfalfa, onions, lettuce and melons. The amount of farmed acreage has steadily decreased over the last two decades due to reduced water supply, increased labor costs and decreased market availability. The farmland market continues to be very limited, with the major adverse factors being those mentioned previously, as well as increased operating costs and decreasing market pressure from individuals (and entities) with increasing disposable income from non-agricultural sources, have all served to effect changes in property ownership.

Paul V. Loeffler
PO Box 1407 | (432) 386-3101
Alpine, TX 79831 | PVL913@yahoo.com
State Certified General Appraiser
Certified Professional Range Management

Janna D. Stubbs
PO Box 2091 | (432) 661-0717
Alpine, TX 79831 | janna_79831@yahoo.com
State Certified General Appraiser
commodity prices.

In the areas that are associated with the Davis Mountains, demand for properties has remained strong; however, it is noted that only limited properties are generally available for purchase. The market has continued to be dominated by the investment-driven recreational buyer and/or conservationist. In the Highland’s grassland area, the market is driven primarily by investment operators. Within the Desert Mountains, the market continues to be influenced by purchase for investment purposes, as well as for use as recreational properties. It is noted that no new (2017) sales were reported in the Desert Mountains sub-region.

Trans-Pecos
Crane, Loving, Pecos, Reeves, Terrell, Ward and Winkler Counties
This multi-county sub-region covers approximately 12,905 square miles and is characterized as having rolling plains, broad valleys and flood plains.

Prior to the 1970’s, significant acreage in the Pecos River Valley was cultivated under irrigation. The area possesses abundant supplies of relatively poor quality underground water, along with large areas of relatively fertile alkaline soils. Numerous factors have contributed to the historic decline in farming operations; however, a very slight resurgence in crop production has occurred in the last decade. Most of the real estate transfers of agricultural properties are found in Pecos and Reeves Counties and involve lands currently or formerly cultivated under irrigation practices. The specific agricultural base is a factor considered by most landowners in the area, as generally speaking, the area lacks scenic splendor, geologic uniqueness and varied recreational opportunities. The native rangelands in the higher elevations above the Pecos River are generally utilized for livestock grazing. A major market impact in these areas is the exploration and production of oil and gas resources. All facets of this industry, from the leasing of mineral rights to the varied surface impacts involved, are a critical part of every land transaction. The price of domestic oil and gas, and the future of such prices, have a significant effect on the area’s market. A unique factor has become a significant market influence on land prices in certain areas of Cane, Ward and Winkler Counties in the past year. This factor is the presence of significant quantities of surface or subsurface sand that meets the standards of the fracking operations now a major part of the oil and gas industry. Prices paid for those properties possessing adequate supplies of acceptable sand far exceed those paid for agricultural use properties.

### Far West 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>Rangeland*</td>
<td>$300 to $500</td>
<td>Decrease/Increase</td>
<td>$0.65 to $1.05</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dell City Irrigated Cropland**</td>
<td>$1,200 to $1,200</td>
<td>Decrease/Decrease</td>
<td>$85 to $120</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Upper Valley Irrigated**</td>
<td>$12,000 to $14,500</td>
<td>Decrease/Increase</td>
<td>$100 to $125</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Lower Valley Irrigated**</td>
<td>$2,500 to $4,500</td>
<td>Decrease/Increase</td>
<td>$65 to $85</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Van Horn Irrigated Cropland**</td>
<td>$500 to $525</td>
<td>Decrease/Increase</td>
<td>$25 to $50</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

*Very limited (2017) data
**No new (2017) data available.

### Big Bend

<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>Davis Mountains Rangeland*</td>
<td>$900 to $1,850</td>
<td>Stable/Decrease</td>
<td>$3.50 to $5.00</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Highlands Rangeland*</td>
<td>$500 to $700</td>
<td>Stable/Decrease</td>
<td>$2.50 to $2.75</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Desert Mountains Rangeland**</td>
<td>$200 to $300</td>
<td>Decrease/Decrease</td>
<td>$1.25 to $1.50</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

*Very limited (2017) data
**No new (2017) data available.

### Trans-Pecos

<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>Rangeland</td>
<td>$275 to $850</td>
<td>Increase/Increase</td>
<td>$0.50 to $1.25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland</td>
<td>$1,100 to $2,600</td>
<td>Increase/Increase</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

American Society of Farm Managers & Rural Appraisers

The most trusted rural property professionals.
Region Three encompasses a large area and stretches from the Texas-Oklahoma border, on the north, to the Rio Grande and Republic of Mexico, on the south. With the exception of Region Five, all of the other reporting regions abut at least a portion of Region Three. General highlights of the overall regional market are as follows.

General highlights of the overall regional market are as follows.

- Farmland prices continue to be stable. The irrigated farmland in all three areas remained stable from 2016 to 2017. The exception would be South Central Texas, which saw a slight increase on the lower quality irrigated cropland. It should also be noted that the lower quality dryland cropland has seen some increase as indicated by the bottom end of the value ranges. However, the upper end of the dryland farmland has also remained stable. There was a slight amount of increase in the North Texas on the Class IV and V dry cropland. It appears that farmers are purchasing lower quality land at a slightly increased price, rather than buying the better quality farmland at a much higher per acre price. Row crop farmers are suffering due to low commodity prices and dry weather.
- Rangeland properties appear to be stable. As with the dryland cropland, some of the rangeland prices have increased on the lower end, particularly in Central Texas. However, the top end of the range remained stable from 2016 to 2017.
- There continues to be interest in both solar and wind leases throughout this region. Numerous wind and solar projects are either coming onboard or increasing in size as new phases are being completed.
- Baby Boomers have gotten older and have moved out of the market. The younger generation is not filling in this gap.

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

Prices for irrigated cropland and Class III and IV dryland cropland were stable. Class IV and V dry cropland increased slightly, and it is believed that this is due to the high prices for the better quality land and a flight to cheaper land to continue farming.

The rangeland prices were stable from 2016 to 2017. This was for both rangeland sales greater than 2,000 acres and those smaller than 2,000 acres. It appears that larger rangeland sales are receiving slow demand, while smaller tracts, particularly those under a $1 million continue to receive some interest. However, the interest has not resulted in an increase in prices.

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

Irrigated farmland prices were stable from 2016 to 2017. This was also the case for Class II and III dry cropland. However, Class IV and V dry cropland saw some increase from the lower end of the value range from $650 per
acre to $700 per acre. As with North Texas, the higher range of values for cropland has remained stable.

Rangeland prices have remained stable and this has been for properties of all sizes. While there has been some increase on the bottom end of the value range, the top end has not increased from 2016 to 2017. As with North Texas, larger properties, particularly those over 5,000 acres, received little interest. The activity on smaller tracts is better but does not result in an increase in overall prices.

**South Central Texas**

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

Farmland continues to be stable as prices and demand are also stable. As with the other regions, the bottom end of the irrigated cropland and dry cropland values have increased slightly, while the top of the range has remained stable. Irrigated farmland in this area is minimal. The dry cropland is limited primarily to Glasscock, Reagan and Schleicher Counties.

Rangeland values for large tracts as well as small tract remained stable. It appears that demand is also stable with less demand on larger ranches than smaller tracts under the $1 million price range.

There have been a few sales in Crane County that have been purchased for the sand. This sand is being used in the fracking process. Prices for these properties are outside the range for typical properties.

### North 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>Irrigated Cropland</td>
<td>$1,200 to $1,850</td>
<td>Stable/Stable</td>
<td>$40 to $90</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$900 to $1,600</td>
<td>Stable/Stable</td>
<td>$30 to $50</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Class IV &amp; V Dry Crop</td>
<td>$700 to $900</td>
<td>Stable/Stable</td>
<td>$15 to $30</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$550 to $1,500</td>
<td>Stable/Stable</td>
<td>$8 to $12</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$600 to $2,000</td>
<td>Active/Stable</td>
<td>$8 to $15</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Hunting Lease Rangeland</td>
<td></td>
<td></td>
<td>$6 to $15</td>
<td>Active/Stable</td>
</tr>
</tbody>
</table>

Yearly rangeland lease rates range from $150 to $200 per animal unit

### 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>Irrigated Cropland</td>
<td>$1,500 to $4,500</td>
<td>Stable/Stable</td>
<td>$50 to $125</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$750 to $3,000</td>
<td>Stable/Increasing</td>
<td>$35 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class IV &amp; V Dry Crop</td>
<td>$700 to $1,500</td>
<td>Stable/Stable</td>
<td>$20 to $35</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$750 to $1,800</td>
<td>Stable/Stable</td>
<td>$5 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$900 to $2,000</td>
<td>Stable/Stable</td>
<td>$5 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease Rangeland</td>
<td></td>
<td></td>
<td>$6 to $15</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Yearly rangeland lease rates range from $150 to $200 per animal unit

### 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>Irrigated Cropland</td>
<td>$800 to $1,600</td>
<td>Stable/Stable</td>
<td>$50 to $75</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland</td>
<td>$700 to $900</td>
<td>Stable/Stable</td>
<td>$25 to $55</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$400 to $1,400</td>
<td>Stable/Stable</td>
<td>$4 to $10</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$500 to $2,000</td>
<td>Stable/Stable</td>
<td>$4 to $10</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td>$2 to $15</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yearly rangeland lease rates range from $150 to $200 per animal unit
CONTINUING THE TRADITION OF
FAMILY VALUES

FINANCING FOR:
RECREATIONAL PROPERTY
RURAL HOMES • RURAL REAL ESTATE
EQUIPMENT • FARM OR RANCH OPERATIONS
AGRIBUSINESSES

JIM COWSERT, ARA
Farm & Ranch Appraisals

cowsertj@valornet.com
PO Box 9
Munday, Texas 76371
Office (940) 422-4931
Mobile (940) 256-0708

www.JimCowsertAppraisals.com
State Certified General Appraiser
Accredited Rural Appraiser

FINANCING YOUR PIECE OF TEXAS

LONE STAR
AG CREDIT
FINANCING YOUR PIECE OF TEXAS

LoneStarAgCredit.com

CONTINUING THE TRADITION OF
FAMILY VALUES

FINANCING FOR:
RECREATIONAL PROPERTY
RURAL HOMES • RURAL REAL ESTATE
EQUIPMENT • FARM OR RANCH OPERATIONS
AGRIBUSINESSES

JIM COWSERT, ARA
Farm & Ranch Appraisals

cowsertj@valornet.com
PO Box 9
Munday, Texas 76371
Office (940) 422-4931
Mobile (940) 256-0708

www.JimCowsertAppraisals.com
State Certified General Appraiser
Accredited Rural Appraiser

FINANCING YOUR PIECE OF TEXAS

LONE STAR
AG CREDIT
FINANCING YOUR PIECE OF TEXAS

LoneStarAgCredit.com
On the north and east sides, Region Four is bordered by the states of Oklahoma, Arkansas and Louisiana. The Dallas-Fort Worth metropolitan area is located in the northwest quadrant of the region; the Houston metropolitan area is located approximately eighty miles south of the region’s southern boundary. Due to the diverse nature of the area, Region Four has been divided into four sub-regions.

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

- In most counties, prices have begun to increase. Real estate brokers reported marketing time had lessened to a more reasonable days on the market. Many reported during 2012, seller’s expectation of price exceeds a buyer’s willingness to pay. They reported in 2013 and 2014, this expectation had lowered and more properties were available at more reasonable asking prices. In 2016 and 2017 demand has increased in the recreational areas near Dallas and north of Houston. Demand has decreased in the cropland areas of the northeast quadrant.
- Rental demand for pasture and recreational leases exceeded the supply.
- In many counties, the continuing subdivision of wooded and pasture tracts into rural residential or recreational tracts, almost eliminated sales that were larger than 300 acres. This subdivision has slowed, but well located tracts with substantial road frontage continue to be sold for subdivision.
- wooded tracts, with good recreational qualities, consistently commanded prices on par with good pasture land.
- In the North and Northeast Texas areas, most buyers were from the Dallas-Fort Worth metropolis.
- In the Piney Woods, the influence of the International Paper and Louisiana Pacific & Temple-Inland sell-offs has now moved to long term or end users with TIMOs (Timberland Investment Management Organizations) owning large timber tracts and acquiring others. Some of these end users have now re-sold their tracts at higher prices. In some areas, there were slight Increases; generally 5% or less.

**North Texas**

* Cooke, Ellis, Fannin, Grayson, Hunt, Kaufman, Montague, Rains, Somervell, and Van Zandt Counties*

In that there is a total lack of rural lands in Dallas, Tarrant, Collin, Denton, Wise, Parker, Rockwall, Hood, and Johnson counties, these counties were not considered in the development of the sub-region’s value trends. Transitional land sales along the Highway 75 to the future Dallas North Tollway Corridor in Grayson County have also not been reported due to developmental influences. These fringe counties are becoming an extension of the Dallas-Fort Worth metropolis.

In the North Texas land market, overall land values continued their trend of strong gains over the previous year with total number of sales being up. Land tracts smaller than 100 acres make up the bulk of the market within the North Texas sub-region accounting for nearly 90 percent of all transactions in 2017 according to MLS data. Values and number of sales for tracts less than 100 acres continued their upward trend in 2017 with continued strong demand. Land tracts larger than 100 acres showed strong value increases also, as well as a spike in number of transactions over the previous 5 years. Supply of actively listed large tracts has continued its downward trend dating back from 2013 in North Texas, even though demand for large tracts remains strong.

The North Texas land market is generally dominated by investors from the Dallas-Fort Worth metropolis in all segments and across all property types. Local producers provide a secondary market base which must compete with metropolis investors. Land values of the region are principally a function of proximity to the Dallas-Fort Worth metropolis or interstate and major highway corridors for ease of access to and from the metropolis. Secondly, investors commonly pay premiums for properties with enhanced recreational appeal in the form of above average topography, live water creeks, springs, lakes, or suitability to develop lakes and other surface water on the site. The emphasis on aesthetic and recreational appeal has negated the use of traditional land classes based on productivity. Highest value rural land in this market will typically have a mixture of multiple land types allowing the owner several different uses of the property. Production type properties which are exclusively cropland or open pasturage commonly lack aesthetic or recreational characteristics and therefore are the least desirable within the market. For these property types, sales activity has remained stable and value trends have shown moderate increases, keeping with the general market.

Buyer motivation is typically for recreational pursuits and rural residential on either a permanent or temporary basis, coupled with investment. Most buyers will also conduct some sort of small scale agricultural operation as a hobby farm or lease to an area producer to maintain tax exemptions. Rental rates for land is varied with many landlords requiring only property upkeep and maintaining the agricultural exemption while others report cash rates within the reported ranges.

Although occurring throughout the fringe area, major growth trends of the metropolis continue to be north along the Highway 75 and Preston Road corridors. Growth in this area is driven by population and job growth brought in part by economic growth and continued corporate relocations into the northern metropolis. These areas tend to contain the highest amount of value growth with developers and investors being the primary drivers of that market. Recreational and full/part time residential users are forced to seek suitable properties outside of those corridors.

**Northeast Texas**

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

The Dallas-Ft. Worth metropolis, Longview, Tyler, and Texarkana are still the primary source of new buyers in the smaller end of the pasture and the recreational markets. The number of sales in some counties decreased, not because of a decline in demand, but due to a lack of listings.

The demand for good cropland was stable with very few large sales. The sales that have occurred are still showing stable prices. The buyers range from local farmers to out-of-town buyers on 1031 exchanges. There are a few big farms on the market and two are under contract but the details are not yet available. One buyer is reportedly from out-of-state and the other is a foreign buyer.

There is definitely some downward pressure on land prices from the low commodity prices but the crop prices were offset by record crop yields, courtesy of an abundance of moisture though the growing season. The resurgence of cotton also helped stabilize land values as well as lease rates in the Lamar, Fannin, Delta, Hunt, Red River, and Hopkins Counties as over 50,000 acres were planted and prices were relatively good as compared to other commodities.

Lease rates on good farms were stable after most rents declined in 2015 and 2016.

While cattle prices remain well off their 2015 peak, interest in pasture tracts is very strong and prices are increasing with very little product on the market at reasonable prices. The strong demand for pasture tracts should continue even as cattle prices drift lower, especially if the tracts have some recreational appeal as well.
Large timber sales are always scarce, demand is stable, and prices were stable. As in the past few years, demand for recreational tracts of all sizes continued to be the most active segment of the rural land market. Varied terrain, rolling topography, surface water, flowing creeks or rivers and the availability of at least electricity are all positive factors. Having some production land either pasture, hay meadow, or crop land enables the tract to maintain a tax exemption. Recreational land values increased through the year and large bodies of surface water are a definite plus for their appeal.

**Piney Woods North**

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

The Piney Woods North land market activity increased during 2017, with prices continuing to increase.

Brokers reported good listing volume of good properties but sellers have continued to have high price expectations. Some sellers are willing to negotiate but others remain steadfast which causes sales not to happen.

The northern portion of this sub-region has easier access to the Dallas area, and prices are higher than in the southern counties of this sub-region. The market for the southern portion compares favorably to the Piney Woods South sub-region.

There is not enough cropland in the Piney Woods North to have a separate reporting classification.

Demand for pasture tracts continued to be primarily from Dallas-area investors that was coupled with some local market participants. The areas closer to the Dallas-Fort Worth metroplex experienced the higher prices and also higher demand. In the northwest portion of this region, proximity and ease of access from the Dallas area have caused increased activity and also increased prices. The recreational buyer is probably the predominant buyer in this area.

Hunting and recreation dominate this region’s rural land market. Purchasers continued to seek tracts of timberland with good interior roads, good surface water and woodland conducive to hunting. In the northwest part of this region, demand exists for land for weekend homes primarily from the Dallas area purchaser.

This strong demand, coupled with the decreasing number of acres available for lease, caused hunting lease rates to generally increase.

**Piney Woods South**

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

The demand for pasture tracts in this region is from both out of the area and local. Demand for pasture remains strong; however, the supply of available tracts, in excess of 500 acres is limited. Both upland and bottomland pastures are in demand with mixed tracts being in particular demand. Large-acreage homestead use for pasture units in the northern part of the region is influencing prices.

The Piney Woods South market activity increased slightly during 2017, with prices showing a slight increase. Activity has increased for properties less than 3,000 acres, but activity has remained slow for properties in excess of 3,000 on up to the very large tracts. This is not a lack of demand but rather a lack of owners of these large tracts being willing to sell at prices which buyers are willing to buy. Depressed timber prices have caused buyers to consider some of these tracts over-priced. The demand for high quality recreational properties declined with the decline in oil prices. Some of these type buyers have returned to the market but not to the extent previously enjoyed. The base land value for timberland has shown some increase. Sellers continue to ask higher prices; however, brokers report a higher number of quality, reasonably priced listings for tracts less than 3,000 acres.

The demand for properties in the Piney Woods South continued to be primarily from the Houston area buyer, and hunting and recreation dominate this region’s rural land market. Purchasers continued to seek tracts of timberland with good interior roads, good surface water and woodland conducive to hunting. Owners who lease hunting land report an increase in the lease rates and report a preference in multi-type timber properties. Properties with upland...
### North 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>Dry Cropland &gt; 200 Acres</td>
<td>$2,200 to $4,500</td>
<td>Increase/Increase</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture &gt; 200 Acres</td>
<td>$2,500 to $4,500</td>
<td>Increase/Increase</td>
<td>$15 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 200 Acres</td>
<td>$2,200 to $4,500</td>
<td>Increase/Increase</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hardwood Timber &gt; 200 Acres</td>
<td>$1,500 to $2,500</td>
<td>Increase/Increase</td>
<td>$6 to $12</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Dallas, Tarrant, Collin and Denton Counties - Not included in development of value trends due to there being almost a total lack of rural lands within the counties.

### Northeast 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>Class II Dry Crop &gt; 400 Acres</td>
<td>$1,850 to $2,500</td>
<td>Stable/Stable</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class III Dry Crop &gt; 300 Acres</td>
<td>$1,500 to $1,650</td>
<td>Stable/Stable</td>
<td>$40 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture &gt; 300 Acres</td>
<td>$2,000 to $2,850</td>
<td>Stable/Increase</td>
<td>$30 to $40</td>
<td>Stable/Increase</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$1,800 to $2,100</td>
<td>Stable/Increase</td>
<td>$15 to $25</td>
<td>Stable/Increase</td>
</tr>
<tr>
<td>Hardwood Timber &gt; 300 Acres</td>
<td>$1,500 to $1,850</td>
<td>Stable/Stable</td>
<td>$6 to $10</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

### Piney Woods North

<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>Improved Pasture &gt; 300 Acres</td>
<td>$2,200 to $5,000</td>
<td>Increase/Increase</td>
<td>$15 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$2,000 to $3,500</td>
<td>Increase/Increase</td>
<td>$12 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Pine Timber &gt; 300 Acres</td>
<td>$1,500 to $2,500</td>
<td>Increase/Increase</td>
<td>$6 to $12</td>
<td>Stable/Increase</td>
</tr>
<tr>
<td>Bottomland Hardwood Timber &gt; 300 Ac</td>
<td>$1,200 to $2,000</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Increase</td>
</tr>
</tbody>
</table>

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

<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>Improved Pasture &gt; 300 Acres</td>
<td>$2,500 to $3,500</td>
<td>Increase/Increase</td>
<td>$15 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$2,200 to $3,200</td>
<td>Increase/Increase</td>
<td>$12 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Pine Timber &gt; 300 Acres</td>
<td>$1,500 to $2,200</td>
<td>Increase/Increase</td>
<td>$6 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Bottomland Hardwood Timber &gt; 300 Ac</td>
<td>$900 to $1,300</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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.
and bottomland tend to command the highest lease rates. Multi species properties also tend to increase lease rates. When turkey and duck potential is added to the typical deer and hogs, the lease rate increases.

In this sub-region, there are significant timberland holdings which are controlled by Timberland Investment Management Organizations (TIMO’s). The TIMO's typically identify and market portions of their ownerships which have a higher and better use than silviculture (HBU tracts).

**Timber**

Particularly for the southern Piney Woods North and all the Piney Woods South sub-regions, timber is an important component of value. The table to the right is a comparison of general stumpage prices for merchantable timber products in these sub-regions from 2016 to 2017.

Pine Sawtimber prices have generally been in decline since 2008, with years which show some increases. The above information indicates all timber types show a decline from 2016 to 2017. There is some indication that timber prices began to increase in late 2017 and early 2018. As long as timber prices remain at these low rates, the overall price of land and timber likely will remain relatively stable.

**EAST TEXAS TIMBER TRENDS**

Timber prices were down during 2017, remaining well below the highs of a decade ago. Even as the housing market recovered in recent years, timber prices have not followed suit. Timber prices for all five major products (pine sawtimber, pine chip-n-saw, pine pulpwood, hardwood sawtimber, and hardwood pulpwood) were down in 2017. Pine sawtimber fell again in 2017 to a level approaching its ten-year low of $23.12 in 2012. Hardwood sawtimber, a bright spot during the past four years, also appears to be cooling off with the first significant decline observed since 2011. Likewise, pulpwood prices have declined, but at greater relative declines than sawtimber, as hardwood fell for the third year in a row, and pine reversed its positive trend experienced over the past four years.

It is interesting to note that while timber stumpage prices declined across the board during 2017, prices increased for the major forest product categories of pine and hardwood lumber, pine plywood and OSB, hardwood pulp and pine pulp. Demand and rising prices for finished products has resulted in a number of announcements of new pine sawmills or upgrades and expansions of existing facilities across the South. Improvement in the housing market has increased demand for building products, which is evidenced by the strong expansion plans, especially in the South among southern pine manufacturers. Additionally, export markets for southern pine have strengthened over 2017, creating further demand for pine logs and lumber produced in Texas and across the South. At some point, this demand should trickle down and have a positive effect on timber prices.

**Source: TimberMart South Annual Averages**

<table>
<thead>
<tr>
<th>Product</th>
<th>2016 $/Ton</th>
<th>2017 $/Ton</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Sawtimber</td>
<td>$29.59</td>
<td>$27.01</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Pine Chip-n-Saw</td>
<td>$15.15</td>
<td>$13.52</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Pine Pulpwood</td>
<td>$8.69</td>
<td>$8.93</td>
<td>0.4%</td>
</tr>
<tr>
<td>Hardwood Sawtimber</td>
<td>$37.37</td>
<td>$28.79</td>
<td>-23.0%</td>
</tr>
<tr>
<td>Hardwood Pulpwood</td>
<td>$9.70</td>
<td>$8.64</td>
<td>-10.9%</td>
</tr>
</tbody>
</table>

**Source: Texas A & M Forest Service Annual Averages**

<table>
<thead>
<tr>
<th>Product</th>
<th>2016 $/Ton</th>
<th>2017 $/Ton</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Sawtimber</td>
<td>$28.21</td>
<td>$26.90</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Pine Chip-n-Saw</td>
<td>$12.63</td>
<td>$9.71</td>
<td>-23.1%</td>
</tr>
<tr>
<td>Pine Pulpwood</td>
<td>$9.04</td>
<td>$7.98</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Hardwood Sawtimber</td>
<td>$42.04</td>
<td>$25.92</td>
<td>-38.3%</td>
</tr>
<tr>
<td>Hardwood Pulpwood</td>
<td>$11.71</td>
<td>$9.90</td>
<td>-15.5%</td>
</tr>
</tbody>
</table>

**Pine sawtimber:** $22 to $28 per ton<br>
**Pine chip-n-saw:** $11 to $14 per ton<br>
**Pine pulpwood:** $5 to $11 per ton<br>
**Hardwood sawtimber (mixed):** $23 to $34 per ton<br>
**Hardwood pulpwood:** $6 to $11 per ton
Recognizing alumni of the Department of Agricultural Economics whose commitments to excellence in their fields and in their communities demonstrate fearless integrity and service.

Join us in saluting the following ASFMRA members who have been inducted into the Tyrus R. Timm Honor Registry:

Keith Barlow '76, ARA, MAI
Stan Bevers '89, AFM
Justin Bierschwale '02, ARA, MAI
Paul Bierschwale '75, ARA
Charles Gilliland '83, PhD
Larry Kokel '76, ARA, MAI
Ivan Schmedemann '67, PhD (deceased)

http://agecon.tamu.edu/ http://tyrurstimmregistry.org/

Department of Agricultural Economics
600 John Kimbrough Blvd | 2124 TAMU
College Station, TX 77843-2124
An **undergraduate degree** through Texas A&M’s Agricultural Economics, Finance and Real Estate Option provides 80% or more of the curriculum hours required through the Texas Appraiser Licensing and Certification Board.

**APPROVED HOURS**

- Trainee: 60 Hours
- Licensed Residential: 135 Hours
- Certified Residential: 170 Hours
- Certified General: 276 Hours

Appraiser Qualifications Board (AQB) approved

Undergraduate Office
Department of Agricultural Economics
College of Agriculture and Life Sciences
2124 TAMU College Station, TX 77843-2124

979-845-4911  AgEcoUG@agecon.tamu.edu
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 within the region, in Harris County. The City of Houston, along with the Woodlands and Katy areas dominate the region.

Highlights for the overall market for the counties in Region Five precede brief discussions related to the each of the sub-regions.

- As has been the case for many years the City of Houston and nearby densely populated areas impact all properties within Region Five to a significant degree. In general as you move north, northwest and west the most probable use of land, in the counties adjacent to Harris County, is end-user rural residential and holding for residential development. There are traditional agricultural areas east and southwest from Houston and the timber industry impacts the northeast, however not to the degree it has in the past.

- Due to the extremes found in land prices in both Harris and Galveston counties, they have not been included in the value/trend grid as has been the case for some time. While they have not been excluded from the analysis those counties that join Harris and Galveston Counties have become increasingly difficult to include in the analysis due to extremes in prices. The areas in those counties, with good proximity to employment centers, command prices that are certainly reflective of suburban areas. Over the last few years the variance in land prices has tended to increase. In most cases it is more a factor of proximity to Houston than a wider dispersion within any land class. For example the value of pasture in any one location is not necessarily selling for a wider range, but pasture near Houston is appreciating faster than similar pasture in a more remote part of the area, thus the extremes from high to low.

- As the demand for recreational property in out-lying areas has increased, the differences associated with land types and uses, i.e., quality of pasture, etc., are having less impact on price. In most cases, native and improved pasture prices are tending to overlap significantly. While the individual factors are difficult to isolate, in aggregate they do have impact on price. More and more recreational properties can best be divided into poor, average and good. Factors that impact a properties appeal change from area to area and the challenge, from an appraisal standpoint, is to know what combination creates the greatest value in the area you are working. In general those tracts with varied topography, water features, trees, and good access establish the upper end and those tracts that are flat, open with poor access establish the lower end.

- Individuals in and around Houston have purchased farms and ranches in out-lying counties for investment, recreation and use as weekend retreats. Historically a major motivation for the purchase was hunting, and while that is still a significant factor, “quality of life” issues have replaced hunting as the primary motivation for purchasing properties in the more scenic counties in the region.

- Pasture lease rates have remained essentially constant over the last several years and appear to be disconnected from land value. Cropland prices and lease rates which had both increased along with commodity prices from 2012 through 2014 have now somewhat stabilized at current rates. The decline in commodity prices since 2014 suggests lease rates would start to come down as farmers can no longer afford to pay the higher price per acre based on crops which yield 30-40% less in gross sales. However, the “logical” decrease in cropland prices and lease rates due to lower commodity prices continues to appear to be lagging behind as rental rates for the 2017 crop year showed the first signs of some marginal decreases in those numbers which has somewhat stabilized in 2018 rental rates.

- The discussion above has remained essentially unchanged for the last several years. As mentioned earlier, Houston and the surrounding area is the primary driver of values in this region of the State. As goes Houston, so goes the region. Typically if anything changes it is the radius of impact.

- The uncertainty in 2016 over the presidential election which resulted in inventories of properties for brokers subsided in 2017 with the inauguration of the new administration. Inventories of properties available for sale have decreased and stabilized near “normal” levels for the area.

- Overall, the rural land outlook for this region is stable with a vigilant eye on the oil and gas industry. Concerns about, and issues arising from, layoffs and decreased income were cited more frequently in some portions of the region in 2016 with some of the oil and gas service industry businesses opting to close their doors in the face of lean economic projections. Going forward into 2018 demand for residential/agricultural tracts will likely continue to be impacted by a prolonged downturn in the price of oil.

### Eastern Coastal Prairie and Southeastern Piney Woods

**Chambers, Hardin, Jefferson, Liberty and Orange Counties**

“Rural Residential/Agricultural” accounts for most of the tracts typically considered a small-to-large lifestyle farm. This type of property has been gaining in popularity as Houston continues to move east and Beaumont moves west. Drainage is often a critical factor in this category as much of the area is low lying.

The booming downstream refining and petrochemical industries east of Houston have seemed to taper off. Momentum from rapid growth in the fracking boom has largely dissipated after two years of no job growth; the eastside petrochemical boom is ending; and upstream drilling jobs are not yet returning. However, demand for real estate in the area has remained relatively stable.

Cropland sales are very scarce and are not in the trend grid. Most of the tracts that were historically rice farms have been converted to pasture. It is noted there are a few transactions each year with existing producers expanding operations. Some of the mid to smaller size timber tracts are being cut over or selectively cut and are then being sold as ranchette/recreational tracts.

The slowdown of the petro chemical industry has had a slight influence over 2016. There doesn’t appear to be quite as many cash deals taking place but demand does appear to relatively stable. With regard to recreational land, as Houstonians look west and north for land there is competition from the San Antonio, Austin and the Dallas Metroplex. Growth will continue in this direction as there is still a considerable supply of “new land” that appears to be selling at reasonable prices relative to other areas.

### Southwestern Piney Woods

**San Jacinto and Walker Counties**

Price differential can seldom be attributed to improved pasture versus native. If there is a price difference, the buyers and sellers will likely say it was “prettier” as opposed to it had better grass. As mentioned earlier typically the purchase decision is a “quality of life” issue. There are very few large pasture tracts that sell in either county. It is difficult to establish a trend in pasture prices and for all practical purposes most pasture tracts would fit in the rural residential/ag category. Growth and commercial development along I-45 in and near Huntsville has been significant compared to years past. There was general improvement with essentially all categories of land in the area at the bottom end of the range. The upper end moved little.

The estimated contribution, if any, of standing timber continues to be difficult. It boils down to a highest and best use decision. If the area market and the size of the tract supports timber production then the young timber will contribute value as a future income stream. But in areas that are becoming more recreational in nature and the tracts get smaller the trees are more of an aesthetic feature inherent in the land value. Some buyers show
equal motivation for future appreciation and/or hunting as compared to timber prospects. Most tracts where timber is a deciding factor range from 150 and larger in acres. There is continued sentiment that timber is a “safe haven” for money.

The growth of the Woodlands and the surrounding area allows more individuals to live further north and still commute to work. The new and proposed residential developments near the Woodlands, Conroe and Huntsville will benefit this area as new residents search out residential and rural recreational tracts. The south end of the county in and around New Waverly is feeling the influence of Montgomery County and the Woodlands area most noticeably. Walker County has seen increased demand in comparison with San Jacinto County.

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

The Bryan / College Station area has seen increased development throughout the last few years in part influenced by the construction of significant healthcare facilities, particularly the Baylor Scott & White Hospital completed in August 2015. The five-story, 143-bed hospital is located along the Highway 6 corridor in south College Station. Significant commercial, multi-family, and residential subdivision growth has also been observed in this area, further spurring demand for agricultural/ rural residential tracts and lifestyle farms in Brazos County. The growth in Brazos County along with decreasing supply has positively influenced outward demand for “cheaper” rural residential / agricultural properties in surrounding counties (Grimes, Robertson, Burleson), as premium land prices required in Brazos County are becoming too expensive for the average buyer.

Both the dry land and irrigated cropland markets are situated predominantly along the Brazos River Bottom and eastern Burleson County. Historically there has been very little activity in the bottom with land seldom changing hands. A majority of cropland transaction in this area occurs between family families and / or adjoining property owners. The cultivated market has been reasonably stable, with the prices represented by the few arms-length transactions being fairly consistent. Rents are for the most part at the same general levels, with a few higher rents noted for better quality, irrigated farms.

A majority of rural land transactions in the area is concentrated in the pasture land and rural residential / agricultural categories. Minimal price differences are observed in the area when comparing native pasture versus improved pasture, although a price premium for improved pasture is observed in few instances likely due to their more scenic qualities. Increasing activity accompanied by an increasing value trend for improved pasture and native range markets have been observed from the beginning 2015 thru the present, most notably for tracts comprising above-average scenic qualities, rolling topographical features with hilltop homesites, an ideal mix of wooded pasture land to open pasture land, and desirable water features. The most active rural land market with recent price increases is represented by the rural residential / agricultural category. This category represents 50 acre to 100 acre tracts suitable for residential and recreational uses. Brazos and Grimes Counties account for most of the higher priced land in this category, with tracts closer in proximity to Bryan/College Station typically requiring a premium as compared to areas surrounding Brazos County as noted in the introduction. Increasing demand followed by an increasing value trend for rural residential / agricultural properties have been observed in Robertson and Burleson Counties over the last several years as the premium prices required in Brazos County are becoming too expensive for the average buyer. The trends outlined above are expected to continue throughout 2018, which could be magnified by a continuing rebound in oil prices experienced since the latter part of 2016.

Houston Area
Brazoria, Fort Bend, Montgomery and Waller Counties

Land in this area is essentially one land class. Price is more a factor of location than type and aesthetic appeal determines whether a tract sells high or low.

There is essentially no cropland in the immediate vicinity of the Houston metropolitan area and, where it exists, it typically sells for prices more reflective of rural residential use or lifestyle farms. Rural land in this area tends to be classed as native land or land that has been “cleaned up” or improved. This could include interior roads, fences, improved pasture, selective clearing, ponds, etc. The more aesthetically appealing tracts, that have been somewhat “fixed up” or maintained, continued to command a premium. All other types tend to fall into a different land class that is at lower price.

Fort Bend County and the far northern portions of Brazoria County continue to be a hot bed of residential development and urban expansion for the six counties included in this part of the study. The US Highway 59 corridor in the area of Richmond/Rosenberg has seen substantial new commercial development over the previous four year period and single family residential subdivisions continue to show signs of new construction and development. However, for much of the remaining portions of these counties, the focus is on rural acreage homesites in the Needville, Beasley, Fulshear and Rossharon communities.
Brazoria County total sales volume increased in 2016, up substantially from the reduced volume experienced in 2015. The demand for good quality tracts with strong aesthetic appeal continues to be strong and prices are increasing with the upward trend in demand. Although buyers expressed some degree of uncertainty leading up to the presidential election in November 2016 which contributed to a slowdown in terms of market transaction, the year closed out over the last two months with increased sales volume that appears to continue trending into 2017.

Waller County continued to show steady growth with most of the demand being for rural acreage home sites. Most of the activity was in proximity to FM 359 and also in the northern part of the county. Prices appear to be gradually increasing as they have been for several years.

Montgomery County continued to show strength for the same reasons as in the past. There are relatively few tracts greater than 50 acres in Montgomery County. When a large block sells it typically sells as a future development.

Central Coastal Prairie
Calhoun, Jackson, Matagorda, Victoria and Wharton Counties
For the first time in recent memory, brokers indicated they had inventory of cropland tracts available for sale in mid-late 2016. Conversations with those brokers indicated they had approached some of their previous buyers of large blocks of cropland, however these same buyers were not in the market to make those same purchases toward the later part of 2016. Whether it was the decline in overall commodity prices since 2014, or the financial markets uncertainty heading into the November 2016 Presidential Election, or possibly the increased price per acre fueled by 4 straight years of high demand for any and all cropland tracts…it very well may have been that all three scenarios contributed to cropland tract inventories which were not selling toward the later part of the year. However, in the final two months of 2016 following the Presidential Election, some of those cropland tracts began to trade hands at prices which appear to have stabilized near the market values established throughout 2015 and early 2016. As discussed in previous years, the logic which suggested farmers could not continue to pay the higher cash rental rates and receive 40% less for their crops due to decreased commodity prices resulted in a stabilization of rental rates. Many of the area farmers are being forced to lean on previous years’ profits to continue operating in the face of low prices for their crops and many have tried to renegotiate lease rates which were established on the heels of the commodity price increases of 2012-2014. Buyers from the mid-west still see this region of the state as an attractive location to replace their farms which they are selling for large dollar amounts per acre and see this as a very reasonably priced investment alternative where they can “park” their capital.

Farmers looking for irrigation water along the Lower Colorado River Authority system continue to be in short-term limbo in terms of agricultural irrigation water for this area. However, LCRA’s long-term solution to the shortage known as the Lane City Reservoir Project is aimed at supplementing irrigation water for local farmers along the LCRA canal system in Matagorda and far southern Wharton Counties through the construction of a 100,000 acre-foot (90,000 acre-feet of “firm water”) per year off-channel reservoir which is designed to be fed by periods of high rainfall in the basin below the Highland Lakes recharge basin that currently feeds the LCRA irrigation system. The Lane City Reservoir Project

### Eastern Coastal Prairie and Southeastern Piney Woods

<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>Rural Residential/Ag 50–150</td>
<td>$2,200 to $7,850</td>
<td>Active/Up</td>
<td>$10 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$1,250 to $3,200</td>
<td>Stable/Up</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Bottom Timber</td>
<td>$900 to $1,650</td>
<td>Active/Up</td>
<td>$5</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Timber</td>
<td>$1,400 to $3,000</td>
<td>Stable/Up</td>
<td>$5</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Marsh</td>
<td>No Sales in 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Southwestern Piney Woods

<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>Rural Residential/Ag 50–150</td>
<td>$4,000 to $7,500</td>
<td>Active/Up</td>
<td>$10 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$3,150 to $7,000</td>
<td>Active/Up</td>
<td>$10 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Bottom Timber</td>
<td>$1,300 to $1,950</td>
<td>Stable/Up</td>
<td>$5</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Timber</td>
<td>$1,900 to $4,500</td>
<td>Stable/Up</td>
<td>$5</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

### Brazos Bottom

<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>Irrigated Cropland</td>
<td>$2,700 to $3,300</td>
<td>Stable/Stable</td>
<td>$100 to $130</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland</td>
<td>$2,200 to $2,900</td>
<td>Stable/Stable</td>
<td>$60 to $110</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$2,900 to $9,000</td>
<td>Active/Up</td>
<td>$15 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rural Residential/Ag 50–100</td>
<td>$3,400 to $14,000</td>
<td>Active/Up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Houston Area

<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>Improved and Native Pasture</td>
<td>$4,000 to $25,000</td>
<td>Active/Up</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rural Residential/Ag 50–100</td>
<td>$3,700 to $30,000</td>
<td>Active/Up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Harris and Galveston Counties - Removed from grid as there is essentially no open land not impacted by development.
began construction in 2016 and is scheduled to begin supplying irrigation water to area farmers in the 2018 crop year. However, this reservoir will also be subject to the demands for residential water use from the central Texas lakes as well as the TCEQ monitored flow of fresh water into the bay systems near the mouth of the Colorado River near Matagorda. As total numbers of rice production acres for this area continue to diminish, it remains to be seen if this new irrigation project will increase demand for irrigated cropland tracts along the canal system. For now though, the tracts with heavy enough soils to support dry cropland farming are keeping pace in terms of purchase prices, while the lighter soil tracts continue to see very little sales activity.

In the southern part of this five county area, two industrial plants in Calhoun County (Alcoa and Invista which are in the aluminum manufacturing industry) initiated large layoffs for a total of 800+ lost jobs to the nearby communities in early 2016. Some of the workforce has been able to find new jobs in the area with plant expansions at Formosa and other area plants, while others were relocated to another Alcoa plant in the Midwest. Additionally, with continued low prices for oil there have recently been a number of oilfield service companies based in Victoria and Jackson Counties who shut their doors in 2016. While there has been more activity from investors purchasing larger tracts to hold for future development. Total sales volume for this area has increased over the previous couple of years and it slowed considerably in 2015 and 2016. The total sales volume has remained relatively stable in this area, however, prices continue to be strong, especially for high quality tracts with good aesthetic appeal and recreational hunting potential.

Following a trend from previous years, it is noted that Houston is having a relatively significant influence on north and east Wharton County, most notably in the Hungerford and East Bernard areas. Wharton County is located along the U.S. Highway 59 corridor (future Interstate 69) and has shown a marked increase in the overall price per acre for acreage tracts within the immediate vicinity of this corridor, similar to what Fort Bend County (adjacent on its northeast border) has experienced over the previous 5-8 year period. Construction progress along the roadway continues to increase urban expansion influence throughout the area and is expected to be felt onward to Victoria in the coming years. The area around Sealy is predominantly flat, with less tree cover; this area historically sells for less than the lands to the north. However due to proximity to I-10, and the expansion of the Katy area, Sealy and the surrounding area has seen the biggest increase in activity along with values to pay a premium for well maintained or “ready to go” properties. After pairing area sales, a desirable recreational tract can sell for twice as much as an adjoining property due to aesthetics. The Region Five grid has a scenic category that combines some or all of the characteristics. Overall, this area has remained relatively stable in regards to total sales volume, however, prices continue to be strong for each land type.

The improved and native range category is again combined. Many brokers from surrounding areas, where property available for sale is limited, continued to come into this area.

### Central Coastal Prairie

<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>Irrigated Cropland</td>
<td>$2,600 to $4,400</td>
<td>Stable/Up</td>
<td>$50 to $90</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland</td>
<td>$3,000 to $3,500</td>
<td>Stable/Up</td>
<td>$45 to $90</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$2,800 to $5,400</td>
<td>Active/Up</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rural Residential/Ag 50–100</td>
<td>$2,500 to $9,000</td>
<td>Active/Up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### North Coastal Prairie

<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>Irrigated Cropland</td>
<td>$1,800 to $2,300</td>
<td>Stable/Up</td>
<td>$20 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland</td>
<td>$1,800 to $2,500</td>
<td>Slow/Up</td>
<td>$20 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$3,500 to $8,500</td>
<td>Stable/Stable</td>
<td>$15 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rural Residential/Ag 50–100</td>
<td>$4,500 to $17,000</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Bellville and Brenham Areas

<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>Scenic Recreational Land</td>
<td>$7,000 to $15,000</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Residential/Ag 50–100</td>
<td>$5,500 to $17,000</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved and Native Pasture</td>
<td>$6,500 to $10,000</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sealy Area</td>
<td>$7,500 to $19,500</td>
<td>Stable/Up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Knowledge
Experience
Professionalism
PROVEN

936-295-2500

We are in business to create value for the landowner.

Trusted Partner in Management | Dedicated To Landowners

Farm Management
Consulting
Investment Sales

806.316.5055 | info@HighfieldFAS.com | 501 Graham Road, College Station, Texas, 77845
The following highlights the South Texas market.

- **Region Six** is the geographical region of Southern Texas. This area includes the southern fringe of the Edwards Plateau, portions of the Coastal Plains and Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties within this region lie between Comal and Cameron Counties, on a north/south basis, and between Refugio and Maverick Counties, on an east/west basis. Region 6 is bound by the Gulf of Mexico along the east and the Rio Grande River/Republic of Mexico along the west/southwest.

- The following highlights the South Texas market.

  - **Market Activity** – Immediately following the election in late 2016 and into early 2017, it appeared that the South Texas land market saw an increase in activity. Reputable land brokers reported increased inquiries, showings and deal consummations. Buyers, it seems, had a somewhat renewed confidence that has not been observed in some time. However, as 2017 progressed, it appeared that the land market returned to steady transaction volumes more similar to that of 2015 and 2016.

  - **Eagle Ford Shale activity increased in 2017.** In the early months of the year, oil prices were in the range of $40 to $50 per barrel; however, in the late months of the year, oil climbed to the range of $50 to $60 per barrel. Drilling permit numbers were up by approximately 1,000 permits in 2017 compared to 2016 and increased drilling rigs were noted primarily in established production areas.

  - **Weather Conditions – 2017 was a good rainfall year for Region 6.** Weather conditions were mostly favorable with the exception of the warmer months.

  - **Land Values/Land Pricing – Most land class values in the region were stable in 2017.** Similar to past two to three years, if a listing was perceived as overpriced in the marketing period, however, properties with pricing aligned with market value sold within a reasonable time frame.

  - **Sellers** – Mostly long-term owners and investors.

  - **Buyers** – End users continue to be the most prevalent land buyers. Some buyers may have sold a ranch and were looking for a replacement property. Certain “ag” land owners in transition areas sold high-priced land and re-invested in replacement land in lower-priced areas. Most buyers continue to viewland as a “safe haven” as opposed to other investments.

  - **Energy funded buyers remain in the market; however, most of these buyers are more cautious and discerning than in years past when oil and natural gas prices were higher.

  - **Ranch investors are in the market offering cash and a quick close but expecting a discounted price.** Some of these transactions have taken place; however, investor activity may have slowed slightly due primarily to stable pricing. Investors are still actively looking for ranches to divide, enhance and resell but these buyers are looking for a good deal that may be hard to find.

  - **Demand for Ranches** – Recreational demand accounted for most of the activity in 2017. Demand for recreational ranches with good amenities outside of the Eagle Ford Shale and within moderate driving distance of South Texas cities remains better than the more remote ranches. Hunting ranches with improvements and established game management continued to be most desirable. As such, top end ranches with all the amenities may have sold while other more standard ranches are still for sale. Most active ranch brokers report qualified buyers in 2017.

  - **Demand for Farmland** – Institutional investors/agricultural REIT’s requiring a return continue to show interest in farmland. The positive investment returns provided by cropland with income, possible appreciation and potential tax benefits related to depreciation has positively impacted the demand for farmland. Buyers of farmland continue to be farmers, absentee investors and institutional investors. Farmland pricing and rents in Texas has mostly remained stable over the past many months.

  - **Demand for Subdivision Development Land** – This market segment is generally active. National home builders continue to develop new projects and buyer demand for the end product appears to be good.

  - **Financing** – Interest rates remain attractive to farm and ranch buyers and credit is available with strict underwriting criteria. Interest rates were relatively stable for the first six months of the year; however, a slight upward rate trend was noted for the last six months of the year. Projected rate increases by the Federal Reserve are likely in the future.

  - **Proposed Border Wall/Potential NAFTA Change** – There continues to be some concern along the Rio Grande River and in South Texas Border Towns related to the impact from a potential border wall and suggested changes to NAFTA. However, it is understood that the concern has weakened compared to months immediately following the change in administration.

  - **Minerals have historically been difficult to acquire in the heart of the Eagle Ford Shale and other areas in Region 6.** Most sellers in South Texas are reluctant to convey any minerals particularly in established mineral areas known for significant production. In 2017, in marginal mineral areas where leases have expired or were never negotiated, there has been a trend of minerals conveying with the surface estate. If minerals are offered with the surface, the minerals raised the overall price per acre and decrease the marketing time of farms and ranches. The boundaries of the Eagle Ford Shale have become narrowly defined thus allowing certain buyers to acquire minerals. Drilling activity in the Eagle Ford, according to the Texas Railroad Commission is detailed as follows: 26 drilling permits issued in 2008, 94 in 2009, 1,010 in 2010, 2,826 in 2011, 4,143 in 2012, 4,416 in 2013, 5,613 in 2014, 2,315 in 2015, 1,116 in 2016 and 2,122 in 2017.

  - **Water – Region 6 has three major water sources which influence the rural land market.** Each water source is unique to the sub-regions which comprise Region 6.

  - The Edwards Aquifer, the only fully adjudicated ground water resource in the state occupies the bulk of the Transition Zone and is the primary source of both drinking and irrigation water.

  - The Carrizo Wilcox Aquifer underlays the bulk of both the Upper and Lower South Texas zones and although not adjudicated like the Edwards is regulated by 12 individual Ground Water Conservation Districts (GCD’s) each with different rules and requirements. The Carrizo is the primary aquifer for this entire sub-region, but the Frio and Nueces Rivers are also a factor in the water picture for the area. An active water market is yet to emerge in this sub-region relative to the Carrizo aquifer.

  - The Coastal Plains and Coastal Bend sub-regions are principally dependent on the Gulf Coast Aquifer system for the bulk of its water needs. Corpus Christi receives a significant portion of its water needs from the Nueces River via Lake Corpus Christi and Choke Canyon Reservoir. The principal regulatory entities for the sub-region are the nine GCD’s which regulate the ground water and the Nueces River Authority which regulate the surface water use. Nueces County is not in a GCD and hence is unregulated as to groundwater issues. An active water market is yet to emerge in this sub-region relative to the Gulf Coast aquifer.

  - The Rio Grande Valley sub-region is the only area of the region which is mostly dependent on surface water for both drinking and agriculture which is supplied by the Rio Grande River. The waters of the Rio Grande are fully

---

**REGION 6**

Region Six is the geographical region of Southern Texas. This area includes the southern fringe of the Edwards Plateau, portions of the Coastal Plains and Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties within this region lie between Comal and Cameron Counties, on a north/south basis, and between Refugio and Maverick Counties, on an east/west basis. Region 6 is bound by the Gulf of Mexico along the east and the Rio Grande River/Republic of Mexico along the west/southwest.

The following highlights the South Texas market.

- Region Six is the geographical region of Southern Texas. This area includes the southern fringe of the Edwards Plateau, portions of the Coastal Plains and Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties within this region lie between Comal and Cameron Counties, on a north/south basis, and between Refugio and Maverick Counties, on an east/west basis. Region 6 is bound by the Gulf of Mexico along the east and the Rio Grande River/Republic of Mexico along the west/southwest.
however, with the discovery of chronic wasting disease deer breeders are more cautious. Many ranches have M.L.D. (Managed Lands Deer Permits) through Texas Parks and Wildlife which allow for extended hunting seasons and give land owners time to achieve wildlife numbers management goals. The deer operations are used to positively enhance trophy buck quality. Hunting lease prices remain level, especially for ranches with good game management.

The Eagle Ford Shale is the primary economic generator in South Texas and in this area. The development of the Eagle Ford Shale formation notably increased leasing, mineral exploration and production in the area. However, with lower oil prices, the oil and gas industry in South Texas slowed down. Most recently, the price of oil has begun to trend upward and there has been a slight increase in Eagle Ford Shale activity in portions of South Texas.

Farmland pricing is generally stable in Upper South Texas.

**Lower South Texas (Lower Brush Country)**

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

Lower South Texas has a similar source of demand as Upper South Texas. This is one of the most popular hunting areas in South Texas. Land prices remained stable in 2017. Ranch investors are willing to drive further to these good hunting areas, with hopes of finding lower land pricing and large blocks of native land. Most all the area has experienced adequate demand for good quality ranches.

Farmland pricing is also considered to have remained stable. Farms adjoining low fenced brush properties offer limited recreational appeal.

This area is south of the Eagle Ford Shale formation. However, there is oilfield activity out of other formations in the historic oil and gas producing areas.

**Coastal Plains**

Aransas, Bee, Goliad, Karnes and Refugio Counties

This area is popular with Houston and Corpus Christi investors, with recreational lands being the most active category. Many Houston investors look closely at this area because of a shorter drive when compared to other portions of South Texas. The blend of live oaks and South Texas brush found in this area is very appealing to a large market segment.

Bee and Goliad are the most active counties in this market. Karnes County mostly relates to local or San Antonio investors. It appears that land pricing has generally become consistent for the live oak covered portions of the area, from Bee and San Patricio Counties up to Jackson and Lavaca Counties (just north/northeast of Victoria). The market for land along the coast is stable.

**Coastal Bend**

Kenedy, Kleberg, Nueces and San Patricio Counties

The primary demand for rural land is for recreation and agricultural purposes. Only limited land holdings sale in the lower portion of this area due to large and closely held ownerships.

For much of early and mid-2017 the demand for farmland continued to be stable. The 2017 crop yields for this region were better than average and it is reported that demand increased in the later part of the year due to local farmers interested in acquiring more land. There were only a small number of farmland tracts of significance which traded throughout the year but those that did confirmed stability that has characterized the row crop farmland market for much of the state. Investors typically are producers or agricultural investment groups. The best land rarely becomes available because most of the farmland ownership is by long-term tenure. Demand for large blocks of

---

**Transition Zone between the Texas Hill Country and the Upper Brush Country**

Atascosa, Bexar, Comal, Guadalupe, Medina, Wilson and Uvalde Counties

Residential subdivision development, ranch division and recreation are the primary investment motives for large tracts within proximity to San Antonio and in counties adjoining Bexar County. Uvalde County is less influenced by subdivision pressure due to its more rural location being over one hour west of San Antonio and typically considered out of commuting range. Overall development activity throughout this area continues to be active. National residential development companies continue to have lot inventories and new house construction is ongoing.

Demand for recreational land is stable in the outlying areas. Weekend recreational ranches are common in the Transition Zone due to the short driving distance to San Antonio. Live water features, improvements and proximity to San Antonio are the driving forces for these properties located along the edge of the Texas Hill Country. Irrigated and dry farmland historically known for dove hunting, mostly in Medina County, has been in high demand and experienced higher levels of pricing.

Demand for farmland in Bexar, Comal and Guadalupe Counties is also stable. Open farmland, in the San Antonio area is desirable for high density residential development if public utilities are nearby. Overall, western Medina County and Uvalde County generally have less intense land uses and good recreational appeal. Irrigated farmland has a good level of demand.

A clearly defined water rights market overlays the Edwards Aquifer area, with transferrable water rights selling separately from the land and the base water rights. The non-Edwards aquifers, with a few exceptions, have not seen significant water rights sales or marketing activity, which in part has been due to the lingering question regarding the authority of groundwater districts to restrict the export of water beyond the boundaries of the district. However, the Carrizo Sands Aquifer has become more popular with irrigated farmland buyers.

Edwards water rights price levels have remained mostly level, around the $5,000 to $5,500 per acre foot for unrestricted water rights in larger blocks. Smaller amounts of 1 to 10 acre feet currently trade in the $8,000 to $12,000 per acre foot range. Leasing activity remains stable.

**Upper South Texas (Upper to Mid Brush Country)**

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

Recreation is the primary source of demand for land – this area has an excellent reputation for good trophy deer and upland bird hunting. Land stewardship practices are more focused on the balance of livestock, wildlife and oil and gas production. However, some new ranch owners are abandoning traditional grazing of livestock and concentrating strictly on wildlife.

A number of ranches are high fenced and game managed. Deer breeding programs, along with trap and transport programs are popular (T.T.T.); however, with the discovery of chronic wasting disease deer breeders are more
farmland is good, but there is a limited supply of “top shelf” quality farmland, especially in large tracts. As an alternative to securities, farmland is viewed as a long-term investment that has a return and some appreciation potential. Cotton pricing was higher in 2017 than the prior two years; however, it appears that gain pricing was similar to 2015 and 2016 levels. Rental rates for the Coastal Bend have remained stable. Many farmers have an interest in crop share leases as opposed to cash rents due to volatile commodity prices. There has been an increase in demand for farmland in the Coastal Bend from buyers with wealth created from the Eagle Ford Shale and there has been a noted transition in farmland located near the Port of Corpus Christi for industrial uses.

**Rio Grande Valley**
*Cameron, Hidalgo and Willacy Counties*

The rural portion of this tri-county area is largely production agriculture driven. Irrigated and dry farmland experienced a slight decrease in pricing and rents in the past; however, it appears that pricing has been stable in 2017. The farmland is generally purchased by producers or large institutional investors; demand for the best irrigated land is typically equal to demand for the best dry cropland.

The volume of sales activity, in the irrigated property classes, which had recovered from the past, has remained low. The higher quality row crop farms continue to be very closely held. Sale activity in the larger farms in 2017 was limited. The bulk of the sales were smaller tracts, mostly 40 to 80 acre tracts, and were often purchased as rural homesites.

Typically, less than one or two quality dryland farms, of 300 acres or over, change hands in a year, even in boom periods. Most realtors report numerous clients wanting to acquire farmland, but most observe that there was little inventory of quality larger irrigated or dryland properties.

While the market for Rio Grande water rights continued to be active, the pace of activity has slowed. Municipalities are a major purchaser of water rights in the area. In some cases, a municipality will buy farmland to gain water rights, only to sell the land as dryland. Water rights sales generally ranged around $2,500 per acre for Class A rights and $2,250 for Class B rights. Mining water lease rates settled in the $125 AF range for larger amounts and with small amounts of 10 to 20 AF much higher, but spotty. Agricultural water was in the $25 to $40 per AF range averaging just over $31 AF.

The primary source of irrigation water for the Valley is the Rio Grande River. The water is supplied to the farming community through individually-held water rights or through water districts, which purvey water to land owners within the water district. Water is transported by a mix of above-ground ditches and underground pipes; the pipes emanate at diversion points on the river and gravity flow to the north away from the river delta.

Irrigation is critical to agricultural endeavors in the Rio Grande Valley. From 1993 through early 2004, the level of water storage in Amistad and Falcon, the two reservoirs serving the Rio Grande Valley, suffered significantly. This situation caused considerable damage to irrigated farming communities due to curtailments. The water situation is of great importance and is continually monitored.

Recreational ranches continued to have demand; however, both activity and prices are mostly stable. It is noted that many of the Rio Grande Valley land investors are local buyers.

### Transition Zone

<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>$2,750 to $8,000</td>
<td>Stable/Stable</td>
<td>$75 to $200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$1,700 to $3,000</td>
<td>Stable/Stable</td>
<td>$20 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Permanent Pasture</td>
<td>$2,000 to $3,500</td>
<td>Stable/Stable</td>
<td>$180/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt;2,000 Acres</td>
<td>$1,500 to $10,000</td>
<td>Stable/Stable</td>
<td>$165/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt;2,000 Acres</td>
<td>$1,400 to $4,750</td>
<td>Stable/Stable</td>
<td>$165/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Development Land</td>
<td>$4,000 to $40,000</td>
<td>Stable/Stable</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Transferable Edwards Aquifer Water Rights</td>
<td>$5,000 to $5,500</td>
<td>Stable/Stable</td>
<td>$100 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease</td>
<td>$5 to $25</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value ranges are generally reflective of partial mineral transactions. Properties with water rights, live water features or turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.

### Upper South Texas - Upper to Mid Brush Country

<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>$2,000 to $5,000</td>
<td>Stable/Stable</td>
<td>$50 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$2,000 to $3,000</td>
<td>Stable/Stable</td>
<td>$50 to $125</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II and III Dry Crop</td>
<td>$1,500 to $2,000</td>
<td>Stable/Stable</td>
<td>$20 to $40</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Permanent/Improved Pasture</td>
<td>$2,000 to $2,500</td>
<td>Stable/Stable</td>
<td>$180/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$1,200 to $3,500</td>
<td>Stable/Stable</td>
<td>$150/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$1,200 to $2,500</td>
<td>Stable/Stable</td>
<td>$150/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market. Properties with irrigation and turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.
## Lower South Texas - Lower Brush Country

<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>$1,200 to $3,000</td>
<td>Stable/Stable</td>
<td>$20 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$1,200 to $2,500</td>
<td>Stable/Stable</td>
<td>$150/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$1,200 to $2,500</td>
<td>Stable/Stable</td>
<td>$150/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td></td>
<td></td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.

## Coastal Plains

<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 II &amp; III Dry Crop</td>
<td>$2,000 to $2,500</td>
<td>Stable/Stable</td>
<td>$30 to $65</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Permanent/Improved Pasture</td>
<td>$2,000 to $3,500</td>
<td>Stable/Stable</td>
<td>$175/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt;2,000 Acres</td>
<td>$2,000 to $5,000</td>
<td>Stable/Stable</td>
<td>$175/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt;2,000 Acres</td>
<td>$2,000 to $3,500</td>
<td>Stable/Stable</td>
<td>$175/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td></td>
<td></td>
<td>$8 to $15</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.

## Coastal Bend

<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 Dry Crop</td>
<td>$2,000 to $3,500</td>
<td>Stable/Stable</td>
<td>$65 to $90</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$1,600 to $2,500</td>
<td>Stable/Stable</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$2,000 to $3,000</td>
<td>Stable/Stable</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td></td>
<td></td>
<td>$8 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.

## Rio Grande Valley

<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>$3,400 to $4,400</td>
<td>Stable/Stable</td>
<td>$60 to $160</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$1,800 to $3,200</td>
<td>Stable/Stable</td>
<td>$40 to $100</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class I Dry Crop</td>
<td>$1,650 to $2,300</td>
<td>Stable/Stable</td>
<td>$50 to $80</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$1,300 to $1,550</td>
<td>Stable/Stable</td>
<td>$30 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Permanent Pasture</td>
<td>$1,500 to $2,500</td>
<td>Stable/Stable</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$1,750 to $4,000</td>
<td>Stable/Stable</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td></td>
<td></td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.
SPECIALIZING IN FARM AND RANCH APPRAISALS

South, Central and West Texas Properties

APPRAISALS FOR:

Estate Planning & Estate Tax Filings
Limited Partnership Valuations
Ranch Partitioning
Buying & Selling Properties
Various Litigation Needs

RANCH BROKERAGE SERVICES

Ranch sales with the unique perspective of the appraiser’s knowledge of value

OVER 45 YEARS OF EXPERIENCE

in valuing and appraising the Texas ranch market

REAL ESTATE APPRAISERS, CONSULTANTS & RANCH SALES

Derry T. Gardner
San Antonio, Texas
210 737-1321
210 288-4492 (mobile)

Visit our website to see some of the ranches GAG has appraised and properties that we have for sale.

www.gardnerappraisalgroup.com
TRUST THE EXPERTS.

TRENDS®

in Agricultural Land & Lease Values

Your number one resource for extensive, accurate land and lease value data for agricultural properties in California and Nevada.

Valbridge
PROPERTY ADVISORS
San Antonio

MERRILL E. SWANSON, ARA
mswanson@valbridge.com

JOHN P. "TOOTER" ROBERTSON JR, ARA
jrobertson@valbridge.com

CLINT J. BENDELE, ARA, MAI
cbendele@valbridge.com

KYLE R. SCHROEDER, ARA, MAI
kschroeder@valbridge.com

9901 IH-10W, Ste 1035 • San Antonio, Texas 78230
210 227 6229 office • 210 227 8520 fax

www.valbridge.com/sanantonio

John C. Hodges, ARA
REAL ESTATE APPRAISER / CONSULTANT/BROKER
P.O. BOX 1213 - UVALDE, TEXAS 78802

AREAS COVERED:

<table>
<thead>
<tr>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Texas</td>
</tr>
<tr>
<td>South Texas</td>
</tr>
<tr>
<td>Central Texas</td>
</tr>
<tr>
<td>Texas Hill Country</td>
</tr>
</tbody>
</table>

Over 30 years of appraisal/brokerage experience!

PHONE (830) 278-5221  CELL (830) 279-5093
jchodges2295@sbcglobal.net

calasfmra.com
(209) 368-3672
Region Seven forms the central core of the State of Texas. The geographic center of the state lies within Region 7 which is also home to the Austin-Round Rock MSA along with the Killeen-Temple and the Waco MSA’s.

Highlights for the overall market for the counties in Region Seven precede a brief discussion related to each of the sub-regions.

- The level of sales activity during 2017 was similar to lower in most areas as compared to 2016 with increased activity at the end of the year.
- Sales prices in 2017 were generally stable for most land classes throughout the region with some weakness observed in select land types/locations. Value trends overall were sensitive to location relative to population centers in the region. Sales prices for cultivated acreage have remained stable over the past two years with weak grain prices having an influence on the available funds for new purchases by producers. Despite lower commodity prices, market priced cropland continued to be in demand.
- Productivity characteristics come into play in the market for cultivated lands and improved pasture. The number of cultivated properties offered for sale remains low with investor demand replacing some of the demand from farmers. Improved pasture has good demand with rental rates on improved pasture holding steady for the year.
- Recreational properties were mostly stable to higher nearer to the urban areas within the region. Recreational uses of land, primarily hunting, continue to be a primary influence in the minds of buyers. Investment demand varies across the region with a decline in buyer interest found in the western portion of the region. Prices of smaller acreage ranchette properties have increased during the past several years giving some motivation for subdivision especially nearer to the Austin area. The demand for acreage suitable for division into small acreage home sites was strong during 2017.
- The demand for urban fringe properties continued to be high during 2017 as the demand for home sites in the Austin area continues to be strong. The land available for near term development is limited. Land with immediate access to all utilities continued to be in strong demand with the supply remaining limited. The prices for urban fringe properties increased during 2017.
- Buyers are demanding some minerals and control of the surface with the lack of control over the mineral ownership impacting marketability in the region.

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

The Southern Grand Prairie experienced a generally stable market in 2017. The survey participants indicated stable price trends with prices the highest in the eastern counties of Erath and Comanche with lower per acre prices further west. The demand for pasture land has remained stable with higher trends noted in the eastern counties where the urban influence is the greatest. Recreational properties continued to be active with those properties having live water and strong recreational attributes being in the greatest demand. Price trends are reported to be mostly stable to modestly higher in the recreational and acreage home site motivated market. Buyers from the Dallas-Fort Worth area continue to represent a significant portion of the recreational market and are the reason that land values tend to increase as one moves from west to east within this area. Erath County enjoys the benefits of its proximity to Fort Worth along with Stephenville area residents looking for recreational and acreage home sites.

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

Recreational users remain the primary drivers for land transactions in the Central Basin, with similar buyer pressure from the Dallas-Fort Worth Metroplex and the Austin area. Drive time from these urban centers is consistently noted as a strong buyer consideration in purchase decisions. Central Basin buyers are primarily looking for hunting tracts or weekend getaways. Live water properties demand significant price premiums over their upland counterpart parts. The Colorado River bisects the Central Basin, forming at least one county line boundary for all counties in this area except Hamilton County. The main basin feeds the Highland Lakes starting with Lake Buchanan in northeastern Llano County. The remaining Highland Lakes within the Central Basin include the constant-level Inks Lake and Lake LBJ. Properties near these lakes remain attractive to Austin buyers due to proximity. Other desirable water features in the area include the Llano, San Saba, Lampasas, Leon and North Bosque Rivers. Throughout the rest of the Central Basin, tracts with good land diversity, tree cover and elevation changes remain most desirable over properties dominated by one land type or relatively flat terrain.

Area-wide land sales activity for 2017 remained stable. Llano, Lampasas and Hamilton Counties continue to lead in transaction volume for this sub-region. There was a slight increase in sales of large acreage properties as compared to 2016 activity with the most notable being the sale of the ±32,000 acre Ford Ranch in McCulloch County. Price levels remain relatively stable with some counties in the sub-region showing slight decreases in price per acre, likely due to the influence of more total acres selling in 2017 versus 2016. Inventories of high quality live-water properties with topographical diversity continue to be in short supply. Rainfall for most areas across the Central Basin was below average during 2017, impacting property conditions and aesthetics for showings. Recreational motivations continue to dominate buyer profiles throughout the sub-region with stable to increasing price trends for properties possessing good wildlife habitat and aesthetic qualities. Production oriented property types indicate steady to moderate activity with stable prices fueled by area producers looking to expand agricultural operations.

Central Blacklands, Grand Prairie and Post Oaks within a 50-Mile Radius of Waco
Bosque, Hill, Navarro, Coryell, McLennan, Limestone, Freestone, Bell and Falls Counties

The central Texas area is primarily influenced by buyers from the Dallas-Fort Worth Metroplex and Austin MSA, in addition to residents from Waco, Temple and Killeen. The northwestern portion of the region continues to see the strongest demand due to its location in closer proximity to Dallas-Fort Worth buyers seeking recreational land and retirement properties. Price levels nearer to the major cities continue to climb pushing buyers further into the more rural portions of the region. The eastern area of this sub-region tends to offer the lower range of values due to their more distant locations with respect to major urban centers.

In general, land values within this sub-region tend to be higher west of Interstate 35 in Bosque, Coryell, McLennan and Bell Counties. Market activity for smaller acreage home site and recreational tracts was active with price levels increasing in most of the area. The most notable increases in prices were noted in the western portion of the region in the market for smaller acreage tracts. Sales prices within the larger acreage market tended to be more stable with similar sale volumes as compared to the prior year. Properties with recreational uses, especially good views and live water, greatly influence land values and continue to be in the highest demand. A limited supply of these type properties results in those commanding higher prices. The Central Blacklands and Grand Prairie areas are noted as containing significant areas of cultivated acreage; however there has been a decline in the number of cropland tracts being offered on the market. Despite weaker commodity prices, those cropland tracts that have sold have commanded steady prices. Cash lease demand remained strong although the trend in rental rates for cultivated acreage stabilized. Overall, the demand for pasture and recreational properties with good aesthetic qualities has provided an upward price trend over the last year.
East Edwards Plateau, Central Blackland and South Post Oakes – Austin Area

Burnet, Blanco, Hays, Travis, Williamson, Milam, Caldwell, Bastrop and Lee Counties

This sub-region includes the Austin MSA and, as a result, significant urban influence is present in Travis, Williamson and Hays counties with the adjacent counties being influenced by trends in the urban development of land around Austin and adjacent cities. Location, with respect to Austin and the primary cities in the region, is a primary factor impacting land values in this area. Generally, as one travels further from Austin, land values decline, with land values to the west being stronger than land values to the east. The IH 35 corridor counties of Travis, Hays and Williamson have the strongest urban concentration of the nine county area.

The economy and demand for land generated within the Austin MSA continued to be strong through 2017 as the demand for housing in the Austin area remained high. Employment and economic conditions continued to be favorable toward residential and consumer demands on land use. Asking prices continued to escalate during the past two years. The inventory of competitively priced land offered for sale remains limited. The Austin sub-region represents a diversity of land types ranging from black clay soils in eastern Travis County, Williamson County and most of Milam and Caldwell Counties to sandy soils in the majority of Lee and Bastrop Counties. The western counties in the sub-region comprised of Burnet, Blanco and the western portion of Hays, Travis and Williamson Counties are more typical of Hill Country lands with rolling to rugged and shallow soils. As a general observation, the Edwards Plateau rangeland is dominated by home site and recreational buyers with this land setting the highest prices for rural land within the region. The demand from recreational and home site buyers continued to be strong with higher prices nearer to Austin encouraging buyers to move further east, west and toward the north in search of lower per acre prices.

Cultivated land within the region typically attracts more productivity oriented buyers and generally represents the lower priced land for the Austin area. Grain prices continued to be depressed in 2017 while yields were generally favorable. The continued weakness in commodity prices has continued to impact financial stress in the farm sector. Producers who were actively seeking land 3 to 5 years ago have demonstrated more caution and are more selective in their acquisitions. To date, the lower returns have not measurably increased the number of farms being offered for sale. Cropland rental income from share leases stabilized in 2017 relative to 2016 while cash rental rates have remained relatively stable. Few sellers have specifically cited lower rental rates as their motivation to sell. The declining rental income has thus far not impacted the number of farms offered for sale. Urban influence is anticipated to provide a supply of willing buyers for competitively priced cropland.

Consumer demand for recreational home sites has increased as buyers appear more geared toward purchases using a combination of equity and borrowed funds. Home sites, recreation and investment diversity appear to enter into the recreational driven ranch market. Land price levels in the western portions of the region have typically resulted in livestock production being only a secondary consideration in the purchase decision. The demand for ranchette properties remained strong during 2017 with prices increasing in this small acreage tract market. In response, the demand for larger properties suitable for division and resale as small acreage tracts has increased. The properties in demand for subdivision tend to have ample road frontage as small acreage tract developers seek to minimize development costs. Small acreage tract subdivision activity appears to be most common on marginal cropland which has lower prices that allow for affordable ranchette pricing. The availability of public water supplies has also tended to influence subdivision motivated buyer interest.

The demand for urban development land remains strong with active residential development underway along the periphery of Austin. Growth in the north Travis County and southern Williamson County is especially active with multiple new residential developments being in the initial phases of construction. The availability of water and wastewater capacity continues to directly affect new residential development. The immediate availability of water and wastewater capacity is limited with more land being developed using municipal utility districts (MUDs). Urban growth is expected to continue to place upward pressure on prices in these counties within the Austin MSA.

East Texas Hill Country

Gillespie, Kerr, Kendall, Real and Bandera Counties

Home to some of the most scenic areas of the state, East Texas Hill Country land continues to be a prized commodity among market participants who seek convenience of proximity to city employment centers and strong aesthetic qualities. Buyer profiles in this sub-market are heavily influenced by the San Antonio urban center supplemented by demand pressure from the Austin-Round Rock MSA. Land resources in greatest demand include live water, hardwood tree cover and dramatic elevation changes, affording views of the surrounding neighborhood. The area’s varied terrain forms multiple creeks and streams which contribute water to the Pedernales, Guadalupe and Frio Rivers. While land production characteristics in the area are generally of secondary concern to market participants, an exception is found in vineyard and winery motivated buyers. The U.S. Highway 290 corridor in eastern Gillespie County serves as the epicenter for the Texas wine industry, as ground previously used for crop production and peach orchards transitions into viticulture. The neighborhood towns of Fredericksburg and Kerrville offer rural community atmosphere with suitable medical and shopping amenities. With San Antonio’s outward growth, the communities of Boerne and Bandera represent viable commuter options. Demand for estate ranches and acreage home sites in this five county area will continue shaping land use patterns and promoting upward price movement on area land values as smaller average tract size leads to a higher price per acre.

Sales activity during 2017 remained active with survey participants indicating higher prices across most land types. The limited supply of available recreational tracts with live water has resulted in higher price trends for this highly desired land class. Recreational tracts without live water features encountered moderate activity throughout the year with prices for this property type trending higher with similar sales volumes as observed in 2016. Native rangeland properties indicated moderate sales activity for 2017 with sale prices being relatively stable as compared to price ranges observed in 2016.

West Hill Country

Menard, Mason and Kimble Counties

Sales activity was slow to bracket the overall year, with strong volume during the middle part of the year. The total number of sales was similar to the amount seen during the previous year, with around 90% of the sales being less than 500 acres in Kimble County. This trend holds true in Mason and Menard Counties, as well. As prices continue to rise, the total amount able to be spent by an average buyer continues to keep driving the acreage per transaction downward.

Properties under 500 acres had a median size of 70 acres, with an average size of around 120 acres. The median price of these properties was $4,350 in 2017, up from $3,900 in 2016. This rise in median price per acre can be attributed to a growing number of buyers moving further west of the eastern hill country. The median price per acre for sales greater than 500 acres was around $2,550 per acre. The median size of properties continues to decrease, as does the average size, which was substantially lower in 2017 than in previous years. Properties with live water continue to top the market. Overall, prices throughout the area continue to increase at a moderate rate for properties under 500 acres, and a slower rate for larger acreage properties. The divide in price per acre between properties in the eastern portion of the region and the western portion of the region is beginning to grow slimmer, as influence from the desirable Gillespie and Kerr County markets push buyers further west.

Buyers of properties in the region continue to desire properties with strong Hill Country characteristics. Price levels for properties with aesthetically-pleasing views and recreational features continue to drive the high end of the market. The lower tier of properties still has quality hunting and some aesthetics, but buyers are aware of the differences in the two tiers when purchasing, thus driving the demand for the higher tier properties. Buyers are also continuing to recognize the growing cost of amenities when purchase decisions are made. The cost of water wells, electricity and brush management continues to rise. The majority of buyers in the area are still purchasing land for investment and recreational purposes, with very little new subdivision of larger tracts.
## Southern Grand Prairie

<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>$1,200 to $2,400</td>
<td>Steady/Stable</td>
<td>$15 to $40</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$1,600 to $3,500</td>
<td>Steady/Stable</td>
<td>$10 to $35</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Native Pasture - Open</td>
<td>$1,600 to $3,500</td>
<td>Active/Stable</td>
<td>$4 to $10</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$1,600 to $4,000</td>
<td>Active/Stable</td>
<td>$4 to $12</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Live Water - Recreational</td>
<td>$2,500 to $6,000</td>
<td>Active/Stable</td>
<td>$5 to $15</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Pecan Groves - Improved</td>
<td>$2,500 to $6,000</td>
<td>Slow/Stable</td>
<td>$10 to $20</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Hunting Leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Central Basin

<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>$1,300 to $2,500</td>
<td>Steady/Stable</td>
<td>$20 to $30</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $2,800</td>
<td>Moderate/Stable</td>
<td>$15 to $30</td>
<td>Active/Higher</td>
</tr>
<tr>
<td>Native Pasture - Open</td>
<td>$1,500 to $3,000</td>
<td>Moderate/Stable</td>
<td>$8 to $10</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$1,500 to $4,500</td>
<td>Moderate/Stable</td>
<td>$8 to $15</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Pecan Groves - Improved</td>
<td>$2,000 to $10,000</td>
<td>Slow/Stable</td>
<td>$7 to $25</td>
<td>Owner or Shares</td>
</tr>
<tr>
<td>Live Water - Recreational</td>
<td>$5,000 to $10,000</td>
<td>Active/Higher</td>
<td>$10 to $25</td>
<td>Owner Dominated</td>
</tr>
<tr>
<td>Transitional &lt; 50 Acres</td>
<td>$3,500 to $10,000</td>
<td>Active/Higher</td>
<td>$7 to $25</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Hunting Leases - Rangeland</td>
<td></td>
<td></td>
<td>$7 to $25</td>
<td>Moderate/Stable</td>
</tr>
</tbody>
</table>

## Central Blacklands, Grand Prairie and North Central Post Oaks

<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 - Good</td>
<td>$2,400 to $4,000</td>
<td>Moderate/Stable</td>
<td>$40 to $70</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Dry Cropland - Marginal</td>
<td>$1,700 to $2,800</td>
<td>Moderate/Stable</td>
<td>$30 to $50</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$2,000 to $3,500</td>
<td>Moderate/Stable</td>
<td>$15 to $30</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Pasture - Open</td>
<td>$1,800 to $3,000</td>
<td>Moderate/Stable</td>
<td>$7 to $15</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$2,500 to $6,500</td>
<td>Active/Higher</td>
<td>$7 to $15</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>River Properties</td>
<td>$3,200 to $7,500</td>
<td>Active/Higher</td>
<td>$15 to $30</td>
<td>Moderate/Stable</td>
</tr>
</tbody>
</table>

## East Edwards Plateau, Central Blacklands, and Southern Post Oaks – Austin Area

<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 - Good</td>
<td>$3,200 to $4,400</td>
<td>Moderate/Stable</td>
<td>$50 to $80</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Dry Cropland - Marginal</td>
<td>$2,500 to $3,500</td>
<td>Moderate/Stable</td>
<td>$30 to $60</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$3,000 to $4,500</td>
<td>Slow/Stable</td>
<td>$20 to $40</td>
<td>Active/Stable</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$2,600 to $10,000</td>
<td>Moderate/Higher</td>
<td>$8 to $20</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Single Family - Utilities</td>
<td>$30,000 to $60,000</td>
<td>Moderate/Higher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Fringe - No Utilities</td>
<td>$7,500 to $25,000</td>
<td>Moderate/Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ranchette &lt; 50 Acres</td>
<td>$5,000 to $20,000</td>
<td>Active/Higher</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Eastern Hill Country

<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>Recreational with Live Water</td>
<td>$6,000 to $30,000</td>
<td>Active/Higher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational without Live Water</td>
<td>$2,800 to $10,000</td>
<td>Moderate/Higher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rangeland</td>
<td>$2,500 to $6,000</td>
<td>Moderate/Higher</td>
<td>$4 to $12</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Hunting Leases - Rangeland</td>
<td></td>
<td></td>
<td>$10 to $30</td>
<td>Moderate/Stable</td>
</tr>
</tbody>
</table>

### Western Hill Country

<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>Native Rangeland &gt; 500 &lt; 1,500 Acres</td>
<td>$1,650 to $3,000</td>
<td>Moderate/Higher</td>
<td>$3 to $7</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Rangeland &gt; 1,500 Acres</td>
<td>$1,500 to $2,750</td>
<td>Moderate/ Stable</td>
<td>$3 to $7</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Rangeland Live Water &gt; 1,000 Acres</td>
<td>$2,500 to $5,500</td>
<td>Moderate/ Stable</td>
<td>$5 to $10</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Native Rangeland Live Water &lt; 1,000 Acres</td>
<td>$3,500 to $7,500</td>
<td>Moderate/ Stable</td>
<td>$5 to $10</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td>Hunting Leases</td>
<td>$15 to $25</td>
<td>Moderate/ Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Bierschwale Land Company, LLC is a full service appraisal, brokerage and consulting firm established in 1982. Through the years, our office has provided valuation expertise, litigation support and consultation services to our clients throughout the nation. Our background in real property valuation provides a unique perspective to clients in search of brokerage services. Learn more about how our office can assist you in all your real property needs.

KOKEL-OBERRENDE-WOOD APPRAISAL, LTD.

Real Estate Appraisals and Consultation:
- Rural Properties
- Estate Planning
- Partitions
- Water Rights
- Litigation
  - Eminent domain
  - Bankruptcy
  - Tax Issues
  - Divorce
  - Valuation Issues
- Commercial
- Industrial

Larry D. Kokel, ARA, MAI – State Certified – General
larry@k-o-wappraisal.com

David W. Oberrender, MAI – State Certified – General
david@k-o-wappraisal.com

Wendell C. Wood, ARA, MAI – State Certified – General
wendell@k-o-wappraisal.com

Michael D. Mays, ARA, MAI – State Certified – General
michael@k-o-wappraisal.com

Denise Rhea – State Certified – General
denise@k-o-wappraisal.com

Taylor Orsag – Appraiser Trainee
torsag@k-o-wappraisal.com

404 W. 9th Street, Suite 201; Georgetown, Texas 78626
Georgetown: 512/863-6428
Austin: 512/930-3499
FAX No.: 512/930-5348
E-mail: realestate@k-o-wappraisal.com
Website: www.k-o-wappraisal.com

Business Established in 1983
LEADERSHIP INSTITUTE
SEPTEMBER 10 - 14, 2018
IN WASHINGTON, DC

A powerful development experience for managers, appraisers and consultants!

DEVELOP YOUR LEADERSHIP SKILLS.
DISCOVER WHAT MAKES CAPITOL HILL TICK.
GAIN EXPERIENCE AND TOOLS TO ENHANCE YOUR PROFESSIONAL GROWTH.

• Meet influential government officials and key staffers
• Discuss key industry issues with policymakers
• Receive top-notch communications & advocacy training
• Visit the offices of your state’s congressional leadership

MARK YOUR CALENDAR
SEPTEMBER 10 - 14, 2018
Washington, DC

ASFMRA ANNUAL CONFERENCE
OCTOBER 29 – NOVEMBER 2, 2018
IN CHANDLER, ARIZONA

The largest gathering of rural property land experts in the United States.

The ASFMRA Annual Conference is THE must attend event for anyone involved in purchasing and selling agricultural property or managing, appraising and valuing rural property and rural assets.

THIS IS YOUR OPPORTUNITY TO:
• Network with the best and brightest land experts
• Learn from experts in farm management, rural property and review appraisal and consulting
• Participate and gain in-depth knowledge from an Ag tour
• Obtain education and CE credits to acquire and maintain your specialized accreditation

MARK YOUR CALENDAR
OCT. 29 – NOV. 2, 2018
Sheraton Grand at Wild Horse Pass in Chandler, AZ

20831 South Hwy 183
Lampasas, Texas 76550
Mobile (512) 423-8112
Robby@csmandson.com

Chas. S. Middleton and Son LLC
www.ChasSMiddleton.com
Farm-Ranch Sales & Appraisals

Robby Vann, ARA
General Certified Appraiser (TX)
Real Estate Salesman (TX)

20831 South Hwy 183
Lampasas, Texas 76550
Mobile (512) 423-8112
Robby@csmandson.com

Chas. S. Middleton and Son LLC
www.ChasSMiddleton.com
Farm-Ranch Sales & Appraisals
Dr. Charles Gilliland, a native of Colorado, grew up on a cattle ranch and graduated from Regis College in Denver, Colorado with a B.A. degree in English in 1969. After undergraduate school, he served as office manager at the Hidalgo and Cameron Counties Water Control and Improvement District Number 9, an 80,000 acre irrigation district headquartered in Mercedes, Texas. Later he moved to College Station where he served as chief deputy appraiser with A&M Consolidated Independent School District. He joined the Real Estate Center as a researcher in 1977.

Dr. Gilliland earned his M.S. and Ph.D. degrees from Texas A&M University. He completed his Ph.D. from A&M in 1983, majoring in resource economics, econometrics, and real estate. He completed a thesis entitled, "Econometrics in Real Estate Appraisal." His dissertation, "An Analysis of the Wealth Effects of Property Tax Reform," addressed reallocation of property taxes following tax reform. His work on the dissertation resulted in Dr. Gilliland testifying to the Ways and Means Committee of the Texas House of Representatives. The testimony prompted legislators to craft measures to provide tax relief to homeowners and rural land owners and led to further studies to guide reform measures.

Since arriving at the Real Estate Center Dr. Gilliland has worked in a variety of research and teaching capacities. He currently holds an appointment as a Research Economist with the Real Estate Center in the Mays Business School and an appointment as Adjunct Associate Professor of Agricultural Economics, both at Texas A&M University. He has authored numerous articles for publications such as The Appraisal Journal and Tierra Grande, the quarterly magazine published by the center. He presents his research frequently to industry insiders, such as real estate investors and builders.

In addition, Dr. Gilliland is the Helen and O.N. Mitchell Fellow of Real Estate and a Clinical Professor of Finance teaching real estate investment analysis for the Master of Real Estate program in the Mays Business School. As a professor, Dr. Gilliland has supported the MRE program and its predecessor, the Land Economics and Real Estate (LERE) degree. He has developed the Center’s research program studying Texas Land Markets. Current published reports provide information on Texas market developments since 1966. “The land cost is an important component of residential development and
“Dr. Gilliland’s well-earned reputation among real estate students and real estate professionals is built on a solid research career. He has numerous publications, but his reputation is further enhanced because of the many presentations he makes to real estate professionals throughout the state. Certainly, his appointment as a Mitchell Fellow is a fitting recognition of his role in Texas real estate teaching and research.”

Wayne Etter, Mays professor emeritus of Finance

its financial feasibility,” says Cydney Donnell, Executive Professor of Finance and Director of Real Estate programs at Mays. “Dr. Gilliland is the leading authority on Texas land prices and is able to bring his unique knowledge about trends in land prices to the classroom.”

Wayne Etter, Mays professor emeritus of Finance, also had high praise for Gilliland. “Dr. Gilliland’s well-earned reputation among real estate students and real estate professionals is built on a solid research career. He has numerous publications, but his reputation is further enhanced because of the many presentations he makes to real estate professionals throughout the state. Certainly, his appointment as a Mitchell Fellow is a fitting recognition of his role in Texas real estate teaching and research.”

Dr. Gilliland is a name synonymous in Texas with rural land values. If you Google “rural land values” the leading result is “Texas Rural Land Prices - Real Estate Center”. Dr. Gilliland has been the name associated with tracking and analyzing land prices at the center since the early 80’s. If you review rural appraisals or market studies in Texas you have seen reference to his work. Typically, you will run across a sentence starting with, “According to Dr. Gilliland at the Real Estate Center...”. I would venture a guess his name is the most recognized in the rural land arena in the State and possibly in the nation.

You cannot help but notice that Dr. Gilliland’s education and research are almost entirely associated with Texas A&M, but on at least one occasion he did admit to a welcome helping hand from another prominent university within the state. In his words: Once upon a time when Proxima projectors came in huge, wheeled suitcases, I was scheduled to speak at a meeting in Midland. The ASFMRA group asked me if I could bring a projector for my presentation, and I assured them there would be no difficulty with that. Being one who plans at least 15 minutes ahead, I found myself tossing things in a brief case and rushing to the airport just in time to catch my flight. As we took off, I stretched out and relaxed, completely oblivious to the fact that the Proxima was safely locked in my office on campus. In Midland, it dawned on me that I was going to be in deep trouble the next day, and Proximas rented for north of $1,000 per day. I frantically called the local Realtors association looking for a loaner. No luck. Finally, in desperation I phoned the business school at UT-Permian Basin. I explained my predicament and pleaded for help. They graciously agreed to provide a projector for the entire day and I was relieved that I would not be doing a hand puppet show with an overhead projector. Sometimes that burnt orange looks OK.

The American Society of Farm Managers and Rural Appraisers have hosted Dr. Gilliland countless times since the Midland trip. Recognizing his contributions to the industry, the Society bestowed its Golden Quill Award on Dr. Gilliland in 2009. The award is presented to the authors of the most outstanding article published during the year in the Journal of the American Society of Farm Managers and Rural Appraisers.

Continued on page 52
Continued from page 51

In 2010, The Farm Credit Bank of Texas inducted Dr. Gilliland into the Academy of Honor for significant contributions to agriculture. The Academy of Honor is the highest award presented by the Farm Credit Bank of Texas. “As an expert in rural land valuation and property taxes, Dr. Gilliland has contributed more to Farm Credit’s understanding of rural real estate issues than any other individual,” FCBT Board Vice Chairman Jimmy Dodson said, in presenting the award. “For two decades, Farm Credit Bank of Texas and its affiliated lending cooperatives have depended on Dr. Gilliland’s analysis of essential land value data to track real estate trends and understand events that impact our business.”

Dodson noted that Gilliland is respected throughout the U.S. appraisal industry and rural real estate sector for his in-depth research on rural land markets, appraisal issues, property taxation, property rights issues and land development matters. He has provided testimony to the U.S. Senate and the Texas Legislature and is sought out as a consultant to law firms, private businesses and trade associations. “His ability to explain complex issues in simple terms has made him the ‘go to’ person for Realtors, the media, government, corporations and others who have questions about rural land,” added Ralph W. Cortese, FCBT board chairman.

In addition, he has advised the Institute for Professionals in Taxation (IPT), a national corporate taxpayer association. The IPT has recognized Dr. Gilliland for significant contributions to its mission. In addition, IPT named his article on “Inception and Evolution of the Unit Rule Appraisal of Complex Properties in Ad Valorem Taxation” Property Tax Article of the Year in 2010.

Dr. Gilliland has contributed expert testimony before the United States Senate, Texas Senate, and Texas House of Representatives. He has an extensive publication record, including a book entitled Buying Rural Land in Texas published by the Texas A&M University Press in 2012.

In the book, he outlines the process of buying rural land. He demonstrates that buyers of all types whether a farmer, rancher, sportsman, or nature enthusiast can and should arm themselves with knowledge about the land-buying process, potential problems involved, and the resources available to ensure a successful outcome.

In Buying Rural Land in Texas, he outlines the four phases of buying rural land: identifying what you want, locating a suitable property, valuing the property, and completing the transaction. He is able to offer personal insight and incorporate real life examples into the guide, taking readers step-by-step through the land-buying process. He also provides checklists, maps, professional tips, and information about how to tap additional sources of information and advice. After reading this book, potential land-buyers will feel confident and informed about the land-buying process.

Most of us that have heard Dr. Gilliland, Chuck or Charlie to most of us, speak know he has identified a rather obscure relationship between rural land prices and...wait for it, race horses. About fifteen years ago, Chuck read Sea Biscuit and it rekindled a love of horses from his early years on the ranch. That led to identifying a link between his research and sales of thoroughbred yearlings. “Analysis of historical prices for horses at the fabled Keeneland September Yearling Sale suggest that price trends for these select thoroughbreds may indeed provide a guide to future Texas land prices,” he said...or it may have been he found a way to justify his love of following the racing industry. You have to give him credit; he gets to go to the horse races in the name of research.

In addition to following race horses Chuck has another passion worthy of recognition. He is an active member of the Bryan Rotary Club and is the Rotary Youth Exchange local coordinator. A recent article in the Insite Magazine recognized the group’s activities. The program allows students to build lifelong friendships with students from other countries. The host family and the visiting student both benefit from learning about other cultures.

“It expands their world view,” Gilliland says. “It changes a lot of attitudes. They begin to realize that the stereotypes they had at home are not accurate. From that perspective, I believe this is a very effective tool of diplomacy to improve international relations.”

Charlie has been married to his wife Diane for just short of 50 years and they live in College Station, Texas.

From Wayne Young:

In putting this article together, I borrowed from many “bios” from the numerous awards and recognitions Chuck has received over the years. Chuck’s work has become a fixture to me and anyone involved in valuation of land in Texas. I did not realize how long we, as an industry, have had the benefit of his expertise. In visiting with a colleague, it hit home when I said, “Well, he was my professor in Special Topics in the Appraisal of Land Used by Pipelines and Public Utilities in 1985 and that was only 33 years ago. Man, we’re getting old”. It has been a privilege knowing Chuck all these year. I have been able to contribute to a small degree, as many of you have, to the land value study he conducts. My guess is nearly all land appraisers and brokers, at some point have referenced his work. We owe him a great deal.

In putting this article together, I borrowed from many “bios” from the numerous awards and recognitions Chuck has received over the years. Chuck’s work has become a fixture to me and anyone involved in valuation of land in Texas. I did not realize how long we, as an industry, have had the benefit of his expertise. In visiting with a colleague, it hit home when I said, “Well, he was my professor in Special Topics in the Appraisal of Land Used by Pipelines and Public Utilities in 1985 and that was only 33 years ago. Man, we’re getting old”. It has been a privilege knowing Chuck all these year. I have been able to contribute to a small degree, as many of you have, to the land value study he conducts. My guess is nearly all land appraisers and brokers, at some point have referenced his work. We owe him a great deal.
4 out of 10 students entering college today plan to start a business or change the world with an invention (2016 Gallup-HOPE index)

Rural Entrepreneurship Program
with a minor in Agribusiness Entrepreneurship open to all majors

http://agecon.tamu.edu/entrepreneurship/

Bridging the Gap | Investing in Dreams | Daring to Soar!

College of Agriculture and Life Sciences
Department of Agricultural Economics
600 John Kimbrough Blvd, Suite 211 | 2124 TAMU
College Station, TX 77843-2124

Contact: Dr. M. Edward Rister ’74
Professor and Associate Department Head
979-845-3801 e-rister@tamu.edu

Contact: Merritt Weeks
Assistant Director
979-862-8362 mjweeks@tamu.edu

@agbu.entrepreneurship
The Texas Chapter is proud to spotlight four of our newly accredited members. During the 2017 ASFMRA National meeting held in Savannah, Georgia, these individuals received either the Accredited Farm Manager designation or the Accredited Rural Appraiser designations.

An Accredited Farm Manager possesses the skills, experience and education to provide land investment analysis and management of day-to-day operations for ag enterprises. The AFM designation is awarded to those individuals that demonstrate experience and complete a rigorous education program to enhance professional skills and knowledge of land management and production agriculture.

The Accredited Rural Appraiser conducts valuation work on wide range of property types that exist in rural parts of the country. These properties are often among the most complex properties from a valuation standpoint and require a sophisticated valuation expert to properly appraise them. An ARA has demonstrated through course work, experience, work review and a comprehensive exam that they have the expertise required for these complex valuation assignments.

Travis Anderson, ARA, has over 10 years of experience in the valuation of all types of real estate. As Senior Appraiser at Heritage Land Bank, he specializes in rural and/or agriculturally related properties. Travis is responsible for the Bank’s internal evaluations, appraisal reviews, and provides consultations. Past assignments include properties throughout the State of Texas, with primary focus on the East and Northeast Texas markets. Areas of expertise include lightly to highly improved farms and ranches, acreage home sites, rural residences, and vacant rural, suburban or urban tracts of land. Travis graduated from Tarleton State University in 2007 with a Bachelor of Science degree in Agribusiness. He and his wife, Holly, have one son. The Andersons are active members of Cross Brand Cowboy Church in Tyler, Texas.

Ethan Smith, AFM grew up on a farm and ranch in Southwestern Nebraska. He attended the University of Nebraska-Lincoln where he majored in Agricultural Economics with a minor in Animal Science. Following graduation, Ethan started with Farmers National Company as an Assistant Farm Manager, working in Nebraska, Kansas, Colorado, and South Dakota. In 2015, Ethan moved to Texas to join the Farmers National Company team in Fort Worth, TX. He now works with clients managing farmland and ranchland assets across the state. Ethan is also serving as the Young Professionals Network representative for the Texas Chapter ASFMRA.
Kyle Schroeder, MAI, ARA has been employed by Valbridge Property Advisors | San Antonio since August 2009. After receiving his undergraduate degree from Texas A&M University in 2000, he went on to earn his Masters of Business Administration from California Polytechnic State University in 2003 in San Luis Obispo, California. He earned his MAI from the Appraisal Institute in 2013 and his ARA from the American Society of Farm Managers and Rural Appraisers in 2017. He is actively involved in several real estate related organizations including the South Texas Chapter of the Appraisal Institute and the local International Right-of-Way Chapter(IRWA). Schroeder was born in Lockhart and continues to be active in the family farming and ranching operations.

Clinton J. Bendele, MAI, ARA has been employed by Valbridge Property Advisors | San Antonio since December 2004, where he is a partner and acts as a managing director. Clint earned his MAI designation from the Appraisal Institute in August 2016 and his ARA from the American Society of Farm Managers and Rural Appraisers in 2017. Clint is a member of the International Right of Way Association and Appraisal Institute, and is involved in all types of valuation assignments including commercial, farm and ranch, right of way, etc. Bendele was born in Hondo, raised in Kingsville and now resides in New Braunfels, Comal County with his wife and four children.
Anderson County
Andrew A. Harris, MAI
John M. Harris, ARA

Angelina County
Mark A. Lewis, ARA, RPRA
Scott Seely, ARA, MAI
Andrew M. Sirman, ARA

Bastrop County
Deborah Caughron Jones, AM

Bexar County
Clinton (Clint) J. Bendele, ARA, MAI
Bradley Bujan
Derry T. Gardner
Ryan C. Healy, ARA
Samuel Noble, CRE
John P. (Tooter) Robertson, Jr., ARA
Philip A. Sadler
John W. Schmedemann
William R. Schott, AFM, ARA
Kyle Schroeder, ARA, MAI
Merrill E. Swanson, ARA
William C. Thompson

Bosque County
Don R. Whitney, ARA

Brazos County
Kyle Amos, AFM
Steven M. Beck, ARA, MAI, SR/WA
Charles E. Gilliland, Ph.D.
Erin M. Hardin, Ph.D.
Ronald D. Kay, Ph.D.
Chad McLaren
James Connor Smith, ARA-Retired, MAI

Brewster County
Paul V. Loefller
Janna D. Stubbs

Cherokee County
Daniel P. Barnett, ARA
Collin County
Nathan Adams

Comal County
Ronny W. Johnson

Coryell County
Patricia Weber, ARA, MAI

Dallas County
Fred H. Awe, AFM
John B. Whatley, Jr.

De Witt County
Kenneth G. Kaiser, ARA-Retired

Deaf Smith County
Mandy Bogart

Denton County
James R. Ahrenholz, Ph.D.

Ellis County
David M. Davlin

Erath County
James Synatzske, ARA

Fayette County
W. Clyde Cantrell, ARA-Retired

Harris County
Justin Die, AFM
William R. Phelps, AFM-Inactive
Joseph L. Torzewski
Clayton Yantis

Hill County
Hayden Whittle

Hood County
Kelly W. Jennings, ARA

Hutchinson County
Tom Benton

Kendall County
Lonnie Marquardt
Jon W. Mask, ARA

Kerr County
T. Beck Gipson
Robert A. Moran, ARA
Margaret B. Schneider, ARA
Billy D. Snow, ARA

Kimble County
Aaron D. Bierschwale, ARA
Carmen Bierschwale
Justin Bierschwale, ARA, MAI
Paul E. Bierschwale, ARA, CRE
Nathan L. Tonne, MAI

Knox County
James M. Cowser, ARA

Lamar County
William (Pat) Murphy, ARA, MAI, SRAa

Lampasas County
Robby B. Vann, ARA

Live Oak County
Richard L. Dockery, ARA-Retired, SRA, MRICS

Lubbock County
Bryan Bednarz, ARA
M. Chad Dugger, ARA
B. L. Jones III, ARA-Retired
L. Sam Middleton, ARA
Mickey R. Nixon, ARA
Charles (Chuck) B. Wilson, AFM

Mason County
Reagan Bownds, ARA
Pamela Kruse
Mattson Schmidt

McCulloch County
Sam D. McAnally, ARA-Retired
Tom J. Sammons, Jr.

Medina County
David Maxwell, ARA
James M. Mullen

Midland County
V. Keith Barlow, ARA, MAI

Milam County
Rebecca McWilliams, ARA

Nacogdoches County
Mark Davis, RPRA-Retired

Parker County
Colt Jones, MAI, SRA

Pecos County
Karl F. Armstead, ARA-Retired
S. Kris Armstead

Randall County
Brad J. Cottrell
Russell Patrick

San Jacinto County
Susan T. Morris, ARA

Smith County
Travis Anderson, ARA

Tarrant County
R. Mike Lansford, AFM
W. Clayton (Clay) Miller
Ethan L. Smith, AFM

Taylor County
Bill S. Beam, ARA
Clint W. Bumguardner, ASA, MAI
Alvin E. (Butch) Nelson, Jr., ARA, ASA

Tom Green County
Kevin J. Halfmann, ARA, MAI
Victor R. Probandt, ARA
William J. Thompson, AFM

Travis County
Stanley S. Johnson
Mark A. McAnally, ARA, MAI
Daniel V. Serna
Bradley (Brad) W. Swinney, MAI, AI-GRS
Jodie W. Rapp

Uvalde County
John C. Hodges, ARA

Victoria County
J. Colby Winzer

Walker County
Wayne T. Young, ARA

Wharton County
Wade L. Kubecka, ARA

Wheelers County
David J. Cross, ARA

Wichita County
Stephen Turner

Williamson County
James J. (Jim) Jeffries, ARA, MAI
Larry D. Kokel, ARA, MAI
Michael Daryl Mays, ARA, MAI
Denise Rhea
Andrew Rollins
Wendell C. Wood, ARA, MAI

Wise County
Vanessa Orrison, ARA

Outside of Texas:
Arkansas – Ted L. Glaub, AFM, ALC
Michigan – Mark A. Williams, ARA
New Mexico – Colin McVaugh, ARA
New York – Daniel Domino

Outside of the USA:
Canada – Robert A. Berrien, ARA-Retired, FRICS
Nathan Adams
Associate Member
PO Box 6575
McKinney, TX 75071-5115
phone: (813) 362-3468
nadams8489@aol.com

James R. Ahrenholz, Ph.D.
Retired Member
5805 Youngworth Drive
Flower Mound, TX 75028-3879
phone: (972) 335-2169
cja68@mail.com

Kyle Amos, AFM
Accredited Member
Highfield Farm Asset Services
4301 Target Court
College Station, TX 77845
phone: (806) 316-5055
fax: (806) 553-1136
cell: (806) 316-0889
kamos@highfieldfas.com

Travis Anderson, ARA
Accredited Member
Heritage Land Bank
4608 Kinsey Drive
Tyler, TX 75703
phone: (903) 363-4777
travis.anderson@heritagelandbank.com

Karl F. Armstead, ARA-Retired
Retired Member
KA Highland Realty of Texas, Inc.
PO Box 358
Fort Stockton, TX 79735
phone: (432) 336-8455
fax: (432) 336-8462
karl@armsteads.us

S. Kris Armstead
Associate Member
Omega Appraisals, LLC
PO Box 358
Fort Stockton, TX 79735
phone: (432) 336-8455
fax: (432) 336-8462
karmstead@rocketmail.com

Fred H. Awe, AFM
Accredited Member
Awe Agricultural Services
PO Box 490
Dalhart, TX 79022
phone: (806) 249-6555
fax: (806) 249-6557
aweag1@outlook.com

V. Keith Barlow, ARA, MAI
Accredited Member
Barlow Appraisal Associates
PO Box 2135
5817 Grassland Ct 79707
Midland, TX 79702-2135
phone: (432) 689-9878
fax: (888) 677-4541
cell: (432) 631-8512
kbarlow@suddenlink.net

Daniel P. Barnett, ARA
Associate Member
Lone Star Ag Credit
1321 Forrest Drive
Canton, TX 75103
phone: (903) 348-8656
daniel.barnett@lonestaragcredit.com

Bill S. Beam, ARA
Accredited Member
Western Appraisal, LLC
1250 Petroleum Drive, Suite A-100
Ablene, TX 79602
phone: (325) 437-7600
fax: (325) 437-7601
bill@westernappr.com

Steven M. Beck, ARA, MAI, SR/WA
Accredited Member
JMP Land Services
7607 Eastmark Drive, Suite 112
College Station, TX 77840
phone: (979) 485-8840
fax: (979) 696-2143
texag87@gmail.com

Bryan Bednarz, ARA
Accredited Member
Capital Farm Credit, ACA
PO Box 6520
Lubbock, TX 79493
phone: (806) 281-1789
fax: (806) 799-6999
cell: (806) 789-7297
bryan.bednarz@capitalfarmcredit.com

Clinton (Clint) J. Bendele, ARA, MAI
Accredited Member
Valbridge Property Advisors I San Antonio
9901 West Interstate 10, Suite 1035
San Antonio, TX 78230
phone: (210) 227-6229
fax: (210) 227-8520
cbendele@valbridge.com

Tom Benton
Associate Member
TxPan Appraisal (Clift Land Brokers)
PO Box 561
Borger, TX 79008
phone: (806) 336-9105
tbenton@bentonauction.com

Robert A. Berrien, ARA-Retired, FRICS
Retired Member
Berrien Associates Ltd.
PO Box 578
Okotoks, AB T1S-1A7 CANADA
phone: (403) 938-2000
fax: (403) 938-6229
alzona@telus.net

Aaron D. Bierschwale, ARA
Accredited Member
Bierschwale Land Company, LLC
1321 Forrest Drive
Canton, TX 75103
phone: (903) 348-8656
aaronbierschwale@gmail.com

Carmen Bierschwale
Affiliate Member
Bierschwale Land Company, LLC
Texas Chapter ASFMRA
PO Box 154 | 517 College Street
Junction, TX 76849
phone: (325) 446-3052
fax: (325) 446-3237
ckbierschwale@gmail.com

Shweiki Media
4954 Space Center Dr.,
San Antonio, TX 78218
210.804.0390
www.shweiki.com
In the Spring 1998, the Texas Chapter ASFMRA met with Dr. Gilliland at Texas A&M University to see what we could do to enhance the Annual Outlook for Texas Land Markets. The attendance had been dropping. The program had transitioned to more academics and less “real world”. The Chapter proposed that in addition to Dr. Gilliland's macro report, the Chapter could do a more micro-type report based on input from the appraisers in each of the regions. Initially, the idea was not a hit. With some additional discussion, the Real Estate Center agreed. In the fall of 1998, during the Texas Chapter meeting, we had the first land value discussions for each of the areas. We adjusted the regions with input from all. The members from each region filled out worksheets and the Team Captains wrote the narrative portions. Together, Nardie and Lynda Vine prepared the maps and transferred the hand-written worksheets to Excel. Lynda created the cover and assembled the Texas Rural Land Value Trends. This document was forwarded to Dr. Gilliland for inclusion in the conference workbook. The Texas Chapter then printed reports to supply the chapter members as well as being available to anyone who wanted a copy. In the Spring of 1999, the Team Captains presented the report during the Outlook Conference and it was a real hit! The rest is history! Over the years, the information has developed into an invaluable resource tool for the industry with data compiled by experts who work in the field day-to-day, experiencing first hand valuation changes and the reasons behind them. The annual full color publication includes charts and comprehensive editorial coverage. The publication encompasses all of Texas’ 254 counties.

THE FACTS

“Land Trends is a valuable source of state-wide information that is utilized by a variety of rural land professionals, reaching users in and out of Texas. ASFMRA members work diligently to present an accurate overview of market conditions.”

Patty Weber, ARA, MAI
Texas Chapter Past President

SPACE IS LIMITED

It is our goal to maintain a balanced ratio of editorial and sponsorships. Space is Limited.
RESERVE SOON!
(see the next page for contract)

For more information, contact Carmen Bierschwale
Secretary/Treasurer
(325) 446-3052

Space Reservation, Payment & Artwork
DEADLINE
MARCH 15, 2019

USERS

Accountants • Agricultural Groups
Agricultural Assessors
Agricultural Commissioners
Appraisers • Attorneys
Commercial Agribusiness Operations
Commodity Organizations
Consultants • Corporations
County Farm Bureaus
Educators • Engineering Firms
Farm Managers • Farm Service Agencies
Farmers & Ranchers • Financial Advisors
Government Agencies
Investors • Land Trusts
Lenders • Real Estate Brokers
Outlook for Texas Land Markets Attendees
Students • Transportation Agencies

DISTRIBUTION

Each year, new readers are exposed to the Texas Rural Land Value Trends publication. Our reach widens through our targeted effort to news outlets, investors, businesses, finance and real estate helping to promote this publication to the agricultural and agribusiness markets. With 1,000 printed copies in circulation and access to the publication on-line, the number of requests for the publication continues to grow year after year.

Promote your business to service in the Texas Rural Land Value Trends. It is the one publication intent on providing extensive, accurate land and lease value data for agricultural properties in Texas.
**DEADLINE**  
Space Reservation, Payment & Artwork  
**MARCH 15, 2019**

**PUBLISH DATE**  
**APRIL 2019**  
At the Annual Outlook for Texas Land Markets  
in San Antonio

**SUBMIT**  
MAIL  
Texas Chapter ASFMRA  
P.O. Box 154  
Junction, TX 78849  
**FAX** (325) 446-3237

**CONTRACT 2019 FOR THE 2018 TEXAS RURAL LAND TRENDS PUBLICATION**

<table>
<thead>
<tr>
<th>Advertising Sponsor</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City/State/Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telephone (please include area code)</th>
<th>E-Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Notes/Instructions | |
|--------------------||

**PAYMENT (deadline MARCH 15, 2019)**

VISA  MasterCard  Discover  AmEx  Check payable to TX Chapter ASFMRA

<table>
<thead>
<tr>
<th>Credit Card Number</th>
<th>Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name on the Card</th>
<th>CVI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Billing Address for Card (if different from address listed above)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**2018 TEXAS RURAL LAND TRENDS**

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
<th>Qty</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside Front Spread</td>
<td>$3,000</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Back Cover</td>
<td>$2,000</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Inside Back Cover</td>
<td>$1,500</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Inside Full Page</td>
<td>$1,000/$500</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Half Page</td>
<td>$500/$250</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Quarter Page</td>
<td>$250/$150</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Business Card</td>
<td>$150/$50</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>TOTAL ENCLOSED</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

**INDICATE PREFERRED REGION**  
(see map above)

[ ]

There is a 3% credit card processing fee. Please include payment with completed contract. Please include payment with completed contract.
CBRE understands Texas rural real estate values. Through our industry leading Valuation & Advisory Services, including expertise in rural appraisal, we provide reliable values for Texas farm and ranch properties. How can we help transform your real estate into real advantage?

For more information contact or visit:

San Antonio:
Brad Bujan, Senior Appraiser
+1 210 253 6010
brad.bujan@cbre.com

cbre.us/services/valuationadvisory
We finance quiet country mornings.

After a week full of deadlines, meetings and rush hour traffic, welcome to a quiet country morning. It’s just one of the rewards that comes with owning your own piece of rural Texas property. If you’re looking to buy land in Texas, Heritage Land Bank is the lender that can help make it happen. Ready to buy? Talk to a Heritage lender today.