

# **Investor Summary & Valuation of Mature Pecan Orchard**

*Southwestern Arkansas — 1,700 Native Pecan Trees*

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## **Property Overview**

This mature pecan orchard consists of approximately **1,700 native pecan trees** located in southwestern Arkansas. The orchard produces between **254,000 and 386,000 pounds** of in-shell pecans, with high-quality Grade A soil and minimal zoning restrictions, allowing for flexible use and potential expansion.

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## **Valuation Methods**

### **1. Replacement Cost Valuation**

- The mature replacement cost for a single pecan tree is estimated at **\$2,850** (Texas A&M AgriLife Extension).
- This cost reflects the full expense of purchasing, planting, and nurturing a pecan tree to maturity, typically over 8 to 10 years.
- For 1,700 trees, the total replacement value is:

1,700 trees × 2,850 USD/tree = **\$4,845,000**

This replacement value represents the **intrinsic asset value** of the orchard's existing mature trees and the substantial time and investment needed to reestablish the orchard from scratch.

### **2. Income-Based Valuation (10x Income Rule of Thumb)**

- The orchard yields an estimated **254,000 to 386,000 pounds** of in-shell pecans annually.
- Current farm-gate prices range from **\$1.50 to \$1.80 per pound** (2025)
- Annual gross revenue is estimated between:

Gross Revenue Estimates Based on current market prices:

Low Estimate: 254,000 lbs × \$1.50 = \$381,000

High Estimate: 386,000 lbs × \$1.80 = \$694,800

- Applying a conservative 10x multiplier to reflect orchard income capitalization, the income-based valuation range seen below.

This approach captures the orchard’s **recurring income potential**, positioning it as a valuable income-producing agricultural asset.

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**Valuation Summary Chart**

Valuation Method	Calculation	Estimated Value (USD)
Replacement Cost	1,700 trees × \$2,850/tree	<b>\$4,845,000</b>
Income-Based Valuation (10x)	\$381,000 to \$694,800 × 10	<b>\$3,810,000 – \$6,948,000</b>

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**Mature Pecan Orchard – Southwestern Arkansas**  
**1,700 Native Pecan Trees | Prime Agricultural Asset**

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**Property Highlights**

- **Location:** Southwestern Arkansas, on fertile Grade A soil with minimal zoning restrictions—offering flexibility for agricultural and potential development uses.
- **Size:** Approximately 1,700 mature native pecan trees.
- **Annual Production\*:** Between 254,000 and 386,000 pounds of in-shell pecans.
- **Unique Feature:** Mature orchard with established income stream and significant replacement value.

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**Market Opportunity**

Pecan demand remains strong globally, fueled by increasing consumer interest in healthy nuts and expanding export markets. This orchard represents a rare opportunity to acquire a **fully mature, income-producing pecan asset** with substantial growth potential.

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Financial Summary

Valuation Method	Calculation	Estimated Value (USD)
Replacement Cost	1,700 trees × \$2,850/tree	\$4,845,000
Income-Based Valuation (10x)	\$381,000 to \$694,800 × 10	<b>\$3,810,000 – \$6,948,000</b>
<ul style="list-style-type: none"><li>• <b>Total Estimated Market Value:</b> \$3.8 million to \$7 million</li><li>• <b>Source:</b> <u>Texas A&amp;M AgriLife Extension, industry market pricing (2024–2025)</u></li></ul>		

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Investment Rationale

- **Income:** Annual pecan production\* generating \$381K to nearly \$700K in gross revenue, depending on USA wholesale pricing per pound.
- **\*Annual Pecan Production** – may vary year to year.
- **Replacement Value Security:** High intrinsic value due to costly and lengthy tree maturation process.
- **Development Flexibility:** Minimal zoning laws akin to rural Texas development models; potential for expansion or diversification.
- **Sustainable Agriculture:** Native pecan trees adapted to local climate, reducing maintenance costs and environmental impact.