

Land Investment Monthly — October 2014

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The Land Investment Monthly is a round-up of articles and headlines published by the farm press, business media and financial publications with insights into buying, selling or investing in farmland, recreational ground or development ground. Follow Steve Bruere [@SBruere](#) on Twitter and find Peoples Company on [Facebook](#) for the latest land listings, auction results, upcoming events and real estate news. Subscribe to my monthly updates or request access to a hard copy of my Land Investor newsletter by sending an email to Steve@PeoplesCompany.com and including “Land Investment Monthly” in the subject line.

African Root

Veteran ag broadcaster Ken Root recently returned from Southern Africa, where it is early spring and he had been filing reports for the past week while traveling with photographer Michael McClean and investment analyst Maurice Clark. The U.S. team travelled with Susan Payne, executive chairman of EmVest, and were meeting with local farmers while taking a close look at agricultural potential in three countries: South Africa, Mozambique and Zambia. Check out Ken’s initial observations and register for the 2015 Land Investment Expo to learn more.

[Read more.](#)

Iowa Prime

Forbes contributor Joshua Rogers points to indexes of land values in Iowa as a prime example of why institutional investors and high-net-worth individuals are flocking to an asset class that’s solidly beaten the stock markets since the late 1990s. His in-depth look includes thoughts on the capital appreciation investors

can receive, in addition to annual incomes generated by productive farmland.

[Read more.](#)

Growing Research

National Geographic Magazine points to calls for greater public support and renewed investments in agricultural research in order to double crop production, keep up with rising demand for grain to feed peoples and animals, and to meet the needs of a worldwide population that's expected to grow by about one-third by 2050. With biotechnology and better seeds providing "a key piece of the puzzle," overcoming the challenge of increasing yields while protecting the environment will also require putting knowledge in the hands of farmers and creating "leverage points" in places such as as sub-Saharan Africa and southern Asia.

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Tide Line

Farmland has emerged as an attractive investment class due to many positive fundamentals, yet a mere fraction of investor demand has been met due to aggressive farmer bidding and buying. With the tide turning and the investor's share trending back up, Ron Beach on the Peoples Company blog explores the outlook of farmers who – amid a lack of profits, shrinking working capital and the recent leveling off of land values in some areas – are becoming more cautious.

[Read more.](#)

Looking North

Farmland prices in Canada grew slowly or held steady in 2014 with some areas of the country still seeing record increases. CBC News reported that prices rose in parts of Ontario and Alberta, with lows of \$950 an acre in Saskatchewan to highs of \$63,000 an acre in British Columbia. The outlook on ag remains positive, despite dipping commodities prices, and farmers are reportedly taking a long-term view as low interest rates entice producers considering an increase in crop acres.

[Read more.](#)

Lands of London

London property values reached a new level this summer, and over the past decade increased 135 percent in value. But farmland far outperformed the prime residential sector there, growing at twice the rate during the same period – by 270 percent – and making it three times the price of ag real estate in America, and 15 times the price of similar farmland in Australia. Long hailed as an input for farmers and hedge against inflation for investors, The Economist magazine takes a look at farmers who've benefited from a global surge in commodity price.

[Read more.](#)

Big Eight

Eight states, including Iowa, Nebraska, South Dakota and North Dakota, Minnesota, Kansas, Indiana and Illinois, among other states, fueled huge gains in US farmland values from 2005 to 2013. Citing a blogger's comments on climate, commodities, ethanol and crop insurance, Ag Web Editor Ben Potter breaks down the numbers and reports on significant increases across the Midwest and Plains regions. Only one geographic region, the Chesapeake Bay area in the northeastern United States, saw a minor decline in farmland values during the same period.

[Read more.](#)

Long View

The declining grain markets present an opportunity to refocus attention on the most important aspect of the total return to ownership, and land value appreciation. Randy Luze discusses on the Peoples Company blog why investors should balance their desire for an annual cash return with land improvements that will maximize returns over the long run.

[Read more.](#)

Big Questions

Peoples Company is hosting a November 3 meeting intended to shed light on “Big Questions” facing landowners and farm producers with presentations regarding the future of land values and the Farm Bill. The seminar, beginning at 5:30 p.m. at the West Des Moines Marriott on Jordan Creek Parkway, will also cover cash rents and maximizing returns. Appetizers will be served. The event is free. RSVP to Becky at Becky@PeoplesCompany.com.