

# Land Investment Monthly â€™ November 2015

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## On Saik

Rob Saik, the founder and CEO of Agri-Trend Group, will kick off the 2016 Land Investment Expo with an energetic challenge of the conventional thinking on GMOs. A serial entrepreneur who has an array of experiences in farming and global agribusiness, Saik is geared up to share his thoughts on genetic engineering and other crop-production technologies as they relate to improving soils, making efficient use of water, and sustaining the world's food supply. The [Ninth Annual Land Investment Expo](#) is scheduled for January 29, in West Des Moines, Iowa.

[Read more.](#)

## The Fed

Demand for short-term financing was up in the third quarter as both the number and volume of operating loans originated increased. While loan-to-deposit ratios have returned to more historical levels, concerns over future financial stress have intensified among some agricultural producers in the face of increased debt leverage and reduced liquidity. The Kansas City Federal Reserve Bank reports that banks originated \$88 billion in non-real estate loans to farmers, the highest volume originated in the third quarter since 1997, after adjusting for inflation. Farm sector interest rates, in general, have trended lower in 2015. Land values have been mixed. Profitability at agricultural banks has generally remained strong.

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## Charged Up

Peoples Company Land Manager Mollie Aronowitz offers her take on reductions in Iowa farmland rents as corn-and-soybean prices have been down from record-high prices during the past few years. The article examines issues of fairness to the farm operator and competitive nature of the local renter market. In 2014, many operators decided to wait a year before renegotiating in hopes that the market might turn. But can you

afford to wait?

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### **From the Hill**

“How can we meet the world’s growing demand for food with limited resources while minimizing our environmental footprint?” Iowa Farm Bureau President Craig Hill ponders the question, alongside the innovations and focus on continuous improvement that have allowed for tremendous growth in food production. Hill’s editorial examines the progress made and challenges associated with the creation of efficient systems aimed at improving stewardship – and harnessing the power of innovation to meet global demand.

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### **Food Venture**

Venture capitalists in 2015 have already invested more than \$1.4 billion in agriculture-related technologies while syndicates are being formed to put more money into new innovations. That’s more than double the amount invested in 2014, and more than 17 times the amount invested in 2011. The Chicago Tribune digs into how food deals stack up in the Midwest, compared with other parts of the nation.

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### **New Deal**

Farmland Partners Inc. is set to acquire approximately 22,300 acres of farmland in Illinois. The company announced that a purchase agreement is in place for the \$197 million deal, which is expected to close in early 2016. Farmland Partners, increasing its acreage from 74,400 to nearly 100,000, intends to negotiate new lease agreements with the tenants who are currently farming the properties. The additional assets are expected to generate more \$6 million in revenue annually.

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### **Prairie Strip**

The Prairie on Farms Project, in collaboration with the University of Northern Iowa’s Tallgrass Prairie Center, works to help reduce nutrient loss and interrupt sediment movement via the incorporation of prairie strips and cover crops on farms. AgriNews’ Jean Caspers-Simmet reports on a fall workshop the Luze farm – operated by Peoples Company Land Manager Randy Luze – near Dysart, where 7 acres of prairie strips have been incorporated into an 80-acre corn and soybean field. Research has shown that converting as little as 10 percent of row-cropped fields to perennial prairie can reduce sediment movement by 95 percent while cutting phosphorus loss and nitrogen loss by 90 percent and 85 percent, respectively.

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### **Good Stewards**

The 2015 SOIL Conference, scheduled for November 19-20 at Drake University in Des Moines, will bring together an array of individuals and organizations to consider the roles that policy and law play in shaping our soil and water stewardship efforts. The “Sustaining Our Iowa Land” event, of which Peoples Company is a proud sponsor, will draw attention to theories for change and include presentations on subjects such as conservation funding, land tenure, watersheds, and incorporating sustainability into land management practices.

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### **Fallowed Lands**

The amount of idle farmland in California has doubled in the past four years to more than 1 million acres as drought-conditions continue punishing the Golden State. The USDA and NASA’s Ames Research Center presented maps showing fallowed lands in California’s Central Valley, from 2011 and compared with 2015, to highlight areas hit by water shortages and the impacts of the drought on agricultural commodities. An estimated 15 percent of the 7 million acres of irrigated farmland in the Central Valley has been idle all year.

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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. To subscribe to my monthly updates via email, send a message to [Steve@PeoplesCompany.com](mailto:Steve@PeoplesCompany.com) with “Land Investment Monthly” in the subject line.*