

Land Investment Monthly “September 2015

Published on Sep 15, 2015 by Peoples Company



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 with “Land Investment Monthly” in the subject line.

2016 Land Expo

The keynote speakers have been announced for the 2016 Land Investment Expo, presented annually by Peoples Company – and each year attracting more than 650 attendees to West Des Moines, Iowa. Mary Matalin and James “The Ragin’ Cajun” Carville will bring their spirited, sharp-witted, lively debate to the Land Expo stage on January 29, as the renowned political-insider odd-couple challenges one another’s diverse perspectives on politics, economics and how the world should work. The duo is set to deliver their talk on the eve of the Iowa caucuses as virtually every national media outlet is in Central Iowa and looking for a story.

[Read more.](#)

Land Transfer

Nine percent of agricultural land in Iowa and some other Midwest states could change hands within five years, according to findings released by the USDA’s National Agricultural Statistics Service. The 2014

Tenure, Ownership and Transition of Agricultural Land (TOTAL) survey reveals that the value of land rented out in the United States last year was \$1.1 trillion, including buildings on the land. The Newton Daily News reports that landowners rent out 39 percent, or 354 million acres, of farmland for agricultural purposes. They collectively received about \$31.2 billion in rental payments while incurring \$9.2 billion in expenses – putting expenses, on average, at less than 30 percent of the rent received.

Approximately 10 percent of all U.S. farmland, or 91.5 million acres, is expected to have new ownership by late 2020, with nearly half of the land transfers expected to take place through trust arrangements. Non-farming landowners account for 80 percent of acres rented out.

[Read more.](#)

Spying Eyes

Charges brought by the U.S. government against Chinese nationals accused of spying on cornfields and stealing experimental seeds from secret test sites, in states such as Iowa, is shedding light on a new breed of “corn wars.” Given China can’t grow enough food to feed its population – amid a burgeoning middle class with a larger appetite for meat – technologies of value and interest typically relate to crop production, such as genetic engineering, improved seeds, and fertilizer. The New Republic reports on concerns of U.S. counterintelligence officials who associate the theft of “agricultural technology” with a threat to national security.

[Read more.](#)

Investor Up

Wall Street investors are buying up farmland and viewing it as a particularly attractive asset amid growing populations and expansion of the middle-class worldwide. The Des Moines Register reports that – as the rate of new farmland available dwindles – that gradually higher commodity prices will most likely trickle down to the farm, increasing the value of the land. It is estimated that less than 1 percent of institutional ownership comprises the \$2.5 trillion U.S. agricultural real estate market. One California think tank estimates as much as \$10 billion in institutional capital is looking to purchase farmland. In states such as Iowa, those in favor of corporate land ownership promote renting the land to local farmers who are knowledgeable with the operations.

[Read more.](#)

Agriculture Complex

Forbes contributor Thomas Landstreet offers an opinion on the agricultural bubble that, he says, upon bursting could take down pork and beef prices with it. His article in regards to the “agriculture commodity complex” centers on a USDA report pointing to tumbling crop receipts and farm incomes, along side his take on the corn ethanol mandate, which diverted 40 percent of the corn crop away from the food supply.

[Read more.](#)

Around the Bend

Conversations surrounding the cost of farm equipment, combined with crop inputs and family living expenses, are cropping up in Iowa as landowners turn their attention to the topic of defining a fair rent. While negotiated cash rents may be the simplest way to reduce costs for farmers in 2016, landlords “don’t want to be the only ones taking a hit.” DTN Special Correspondent Elizabeth Williams reports that they “won’t bend much” this fall.

[Read more.](#)

High Hopes

Farmland investments are gaining momentum as a dip in land prices inspires institutions to step up their backing of agricultural real estate. Realty Today reports that an investment in farmland can bring profits for “patient investors” amid growing calls to aid in hunger while producing wealth in Africa, Asia and other parts of the world. TIAA-CREF announced in late July that it had raised a \$3 billion funds for a second farmland-investment business – garnering \$500 million more than what they expected. Use of the fund is aimed primarily at investing in North America, South America and Australia. The National Council of Real

Estate Investment Fiduciaries asserts that America's farmland capital values rose with an average of 4.6 annually since 1990.

[Read more.](#)

African Ag

Investors reeling from a decline oil and commodity export returns are being encouraged to consider Africa as asset managers make a case for farming on a continent that contains 60 percent of the world's arable land. CNBC Africa reports that an estimated 39 million hectares – approximately 96,300,000 acres – of agricultural land there is physically suitable for irrigation. The article draws attention to the estimated 70 percent increase in agriculture production that will be required to feed more than nine billion people living on earth by 2050.

[Read more.](#)

Responsible Investment

Peoples Company has been welcomed by the United Nations as the latest signatory to the investor-led Principles for Responsible Investment (PRI) coalition. It is the only U.S.-based farmland brokerage, management, appraisal and investment-services company among the nearly 1,400 signatories who have adopted the PRI coalition's six guiding principles to invest in a responsible manner. In addition to a commitment to govern and operate the business in a socially responsible manner, this initiative will guide the strategic planning of Peoples Company, while factoring into the allocation of resources in pursuit of achieving the company's goals.

[Read more.](#)