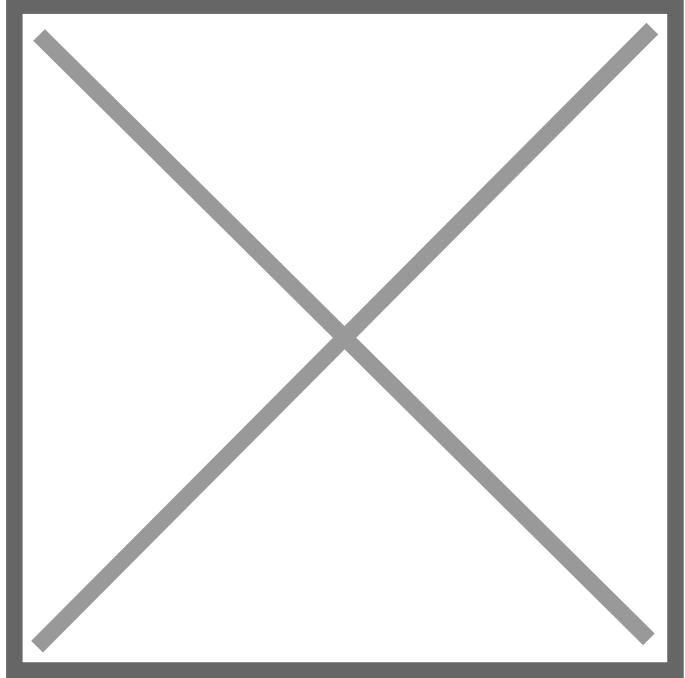
# Land Investment Monthly – April 2016

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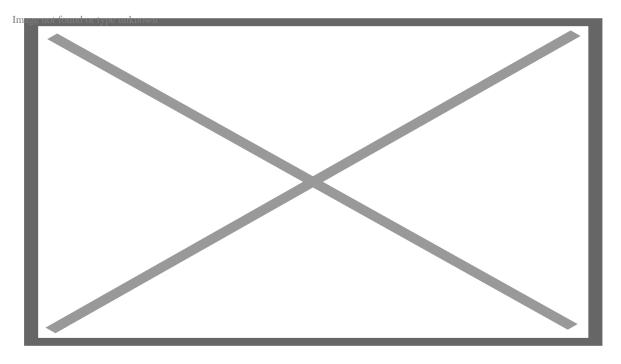
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# Soil Test

An Iowan who in his early 40s left the family farm to earn a doctorate in soil chemistry has developed a 21st century test that measures the amount of organic nitrogen and phosphate available for a plant to utilize. Some commercial labs already offer the Richard Haney Soil Health Test – going beyond traditional exams by also taking into account microbial activity in the soil. The future, Haney tells Agweek, revolves around treating soil as a living organism.

# Read more.



# **Survey Says**

Farmland values over the past year in Iowa have fallen nearly nine percent – to 6,732 an acre – as producers have been dealing with lower commodity prices, higher input costs and declining farm profits. The Des Moines Register sheds light on the Iowa Realtors Land Institute's March 2016 Land Trends and Values Survey with additional comments from the ag real estate field.

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## **Cash Strapped**

Some Iowa farmers are defaulting on cropland rents as signs of debt and financial pressure mount. In a largely unheard of move, the Des Moines Register reports, the severing of such ties is more common this year – even amid intense competition for the state's fertile farmland. An article by business reporter Donnelle Eller covers off on land prices, cash rents, farm real estate debt and the current lending environment.

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## **Firing Blind**

U.S. farm producers in the Delta states of Louisiana, Mississippi and Arkansas are being "forced to fire blind" as they make crop selections in an economic setting that can be both dangerous and complex. With confusion or uncertainty ruling in the near-term, agricultural economist Bobby Coats considers the decisions surrounding typical crop rotations while pointing to the top contenders, sleepers and other factors as the 2016 planting season gets underway.

## Read more.

## **Crop Insurance**

A new report out of the Center of Rural Affairs explores the impact of subsidized crop insurance on land values. The report, spearheaded by Mike Duffy, Professor Emeritus, Iowa State University, uses USDA Risk

Management Agency data to examine if federal crop insurance programs influence land values by the amount of the subsidy and the reduction in risk. It was revealed that crop insurance reduces the income risk associated with crop production, and that this risk reduction adds value given future returns are not as uncertain as they would be without crop insurance.

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# **Spring Improvement**

Farmers improving the land this spring are additionally installing more terraces and tile with a goal of reducing soil erosion, Iowa Farmer Today reports. Contractors, drawing attention to cost-share money available to make land improvements such as terraces, also see greater interest in other water-quality related projects. These include saturated buffer strips, controlled drainage and the installation of bioreactors to remove nutrients from ag land drainage.

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# **Organic Matter**

Bill Spiegel of Successful Farming magazine opens his "Investing in Soil Health Pays" article by presenting a pop quiz that contrasts no-till practices and addition of cover crops with conventionally farmed fields. In short, adopting soil health practices increases soil organic matter at fairly rapid rate. Furthermore, healthy soils are more capable of handling weather extremes. Given an investment in cover crops can also improve farmland value, should landowners have some skin in the game?

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# **Looking East**

In Japan, land prices in 2015 rose for the first time since during the global financial crisis eight years ago. The Wall Street Journal reports that activities surrounding commercial areas – with strong demand for hotel, retail and similar pieces – helped spur double-digit increases in cities such as Ginza as visits by Chinese and other Asian travelers surged. Commercial land prices last year in Tokyo increased by an average of 2.7 percent. By contrast, land prices fell in most rural areas.

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# Natural Thirst

The largest dairy company in Saudi Arabia has purchased 14,000 acres of farmland in California and Arizona following that Middle Eastern government's announcement in December that the parched country will no longer grow green fodder over the next three years. Almarai Co. in January bought land that roughly doubled its holdings in drought-torn California, and with the intention of farming water-intensive alfalfa to feed 170,000 cows. Coverage by the Associated Press includes the topics of food security, water rights and use of natural resources.

## Read more.

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.