

# Land Investment Monthly “ February 2016

Published on Feb 15, 2016 by Steve Bruere



## Low Expectations

The commentary of economist Dennis Gartman, editor of The Gartman Letter, was highlighted by Iowa Farmer Today with regards his outlook on oil prices and its impact on agriculture. Gartman, speaking at the 2016 Land Investment Expo, said he doesn't expect the price of oil to rise above \$40 a barrel in his lifetime. The world of energy and oil, he argues, is changing, thanks in part to the development of fracking, among other forms of oil exploration and extraction, and alongside the ethanol industry.

[Read more.](#)

## Staying Power

CNBC provides some clarity on on the function of farmland REITs and this burgeoning, yet “misunderstood,” asset class. The article sheds light on buying opportunities from both an individual and institutional point-of-view, at the same time comparing returns associated with agricultural real estate to a “flat year for equities.” Land values, stock prices, demand for food, the outlook on long-term ownership, and other market dynamics are covered here.

[Read more.](#)

## **In Trillions**

The value of all developed real estate in the world, including agricultural land, amounts to approximately \$217 trillion, according to a new report by UK-based provider Savills. The value of global real estate exceeds, by almost one-third, the total value of all globally traded equities and securitized debt instruments – highlighting the important role of the asset class in economies worldwide. Savills estimates that the total value of both investable and non-investable ag real estate alone to be \$26 trillion. The report draws attention to monetary conditions that, from 2009 to 2015, contributed to a financial environment in which cross-border real estate volumes grew by 334 percent, from \$65 billion.

[Read more.](#)

## **Farming Revolution**

The New York Times digs into the benefits associated with cover cropping with an article on how operators are working to stifle erosion and improve yields via the planting of non-cash produce. From hairy vetch to forage turnips and cereal rye, a survey of approximately 1,200 farmers found that the mean acreage reportedly sown as cover crops doubled – to 259 in 2014 – compared with 2010. Booming demand for cover crop seed is one indicator of how rapidly the practice is growing in America.

[Read more.](#)

## **Grounds for Retirement**

An article by AgWeb.com by Top Producer Editor Sara Schafer considers the risks and opportunities of owning ground in a self-directed individual retirement account (IRA). She explores the option of investing in farmland with an IRA, which, unlike other types of retirement accounts, allow for the purchase of assets beyond stocks and bonds. The article includes tips for navigating various restrictions and guidelines.

[Read more.](#)

## **What's My Farm Worth?**

Peoples Company, in conjunction with AgSolver, has launched a new, map-based valuation tool that leverages public information and innovative technology to provide farmers and landowners with near real-time assessment of baseline land values and rental rates. Commodity markets and operating margins have created a situation in which market based and financially viable land values are not always connected. WhatsMyFarmWorth.com provides a unique and adaptive approach to determining land values and rental rates in this environment.

[Read more.](#)

## **On Brazil**

Agriculture.com's Jessie Scott reports on unique "avenues for appreciation" with regards to Brazilian farmland. Double cropping and the availability of land to expand production are cited among reasons why some investors are taking a closer look. Brazil has 100 million acres of pastureland that could be converted to row crops. The author sources Iowa-based Summit Agricultural with details on the group's investment in a 10,000-acre farm, in addition a 50-million-gallon-per-year corn ethanol plant in Mato Grosso.

[Read more.](#)

## **Dissecting Iowa**

Renowned political insider odd couple Mary Matalin and James Carville delivered a 2016 Land Investment Expo presentation that included their take on presidential candidates who flocked to the state in recent weeks for the Iowa caucuses. Carville is a long-time Democratic strategist and commentator. Matalin is a seasoned Republican strategist and commentator. Both said they don't expect to change people's minds. Iowa Farmer Today reports.

[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](mailto:Steve@PeoplesCompany.com) with "Land Investment Monthly" in the subject line.*