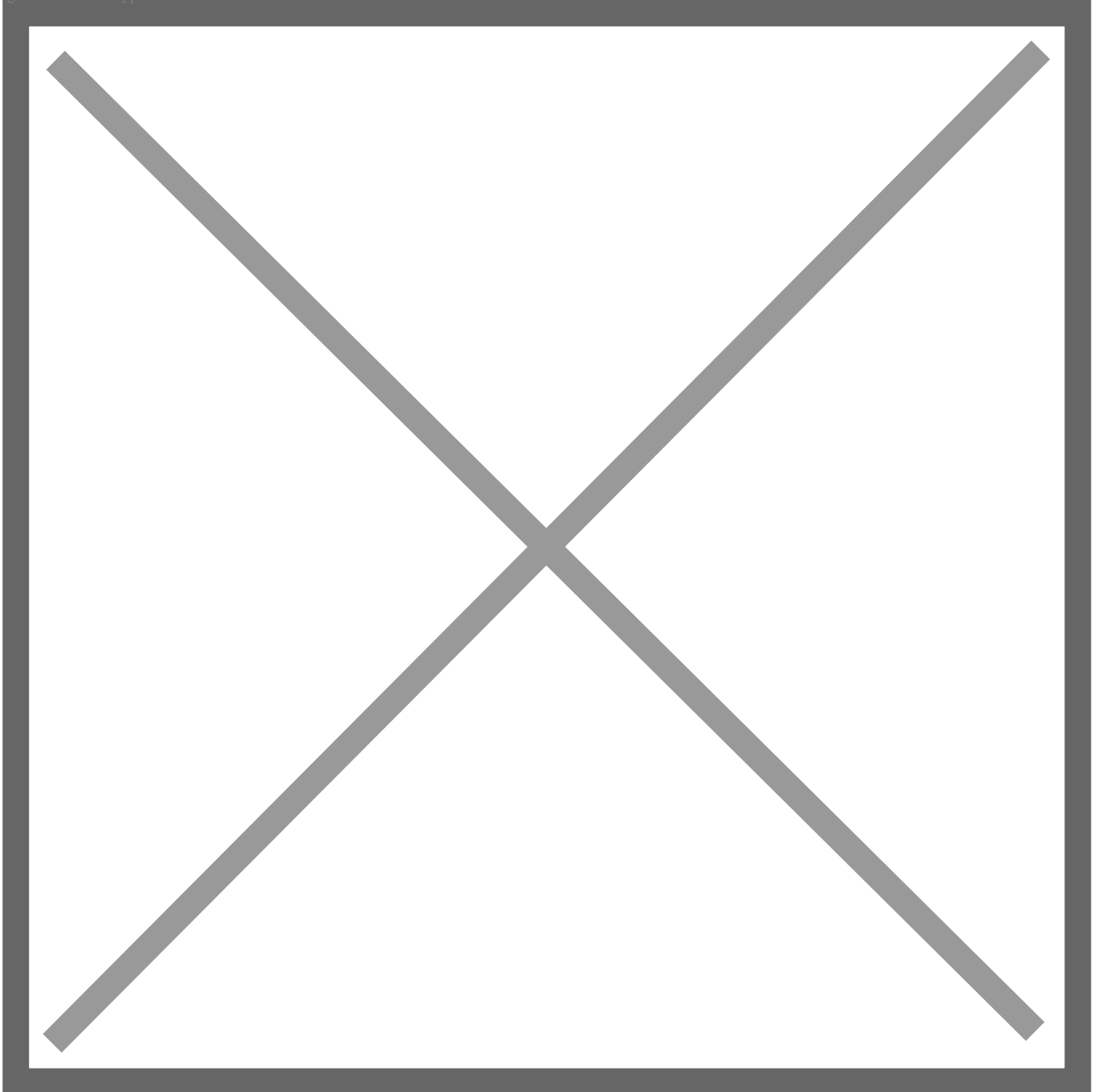


Land Investment Monthly â€“ March 2016

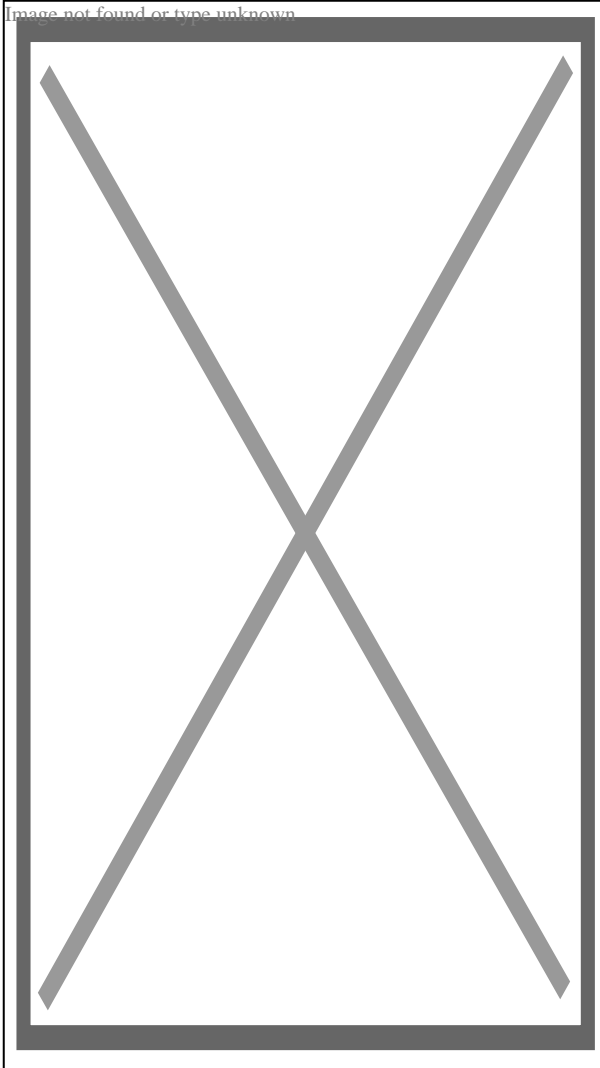
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Big Difference

Agricultural economist Brent Gloy sums up a big difference between the 1970s and 1980s, as compared with the farm sector of today. Annual inflation rates peaked



above 12 percent in 1974, 1979 and 1980. Double-digit inflation rates, observed for two consecutive years – at 13.3 percent in 1979 and 12.4 percent in 1980 – also produced many undesirable effects on the broader economy. While the lack of inflation to date does not insulate the farm economy from a major bust, it certainly doesn't hurt. Besides, Gloy asserts, the 80s "were terrible."

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Like Dirt

The son of Berkshire Hathaway Inc. Chairman Warren Buffett is calling on farmers to diversify crops while paying greater attention to environmental stewardship, and with the intention of heading off increased government regulation of their lands. "We have to show the world that we're willing," Howard Buffett said during a joint presentation with U.S. Secretary of Agriculture Tom Vilsack in February. "If we don't, we will be regulated into it." The AgWeb.com article touches on the younger Buffett's work and foundation, which is centered on advancing agriculture in developing countries, combatting global hunger, improving access to clean water and teaching sustainable farming techniques.

[Read more.](#)

Urban Ag

From app-controlled, indoor growing systems to vertically structured aquaponic farms, The Guardian reports on businesses and technologies that are having an impact on urban agriculture. In 2013, spending on "ethical food and drink products" – labeled as organic, free range or fair trade, among others – comprised 8.5 percent of all household food sales in the UK. One aspect of the article, beyond dealing with demands for higher standards in commercial food production, centers on the question of affordable options for not just "rich hipsters," but lower income groups, too.

[Read more.](#)

Swallowed Acres

A slow-moving, yet quite consistent trend has emerged over the past several years as USDA statistics continue pointing to a downward slide in overall farm acres. There were 18,000 fewer farms in 2015, compared with the prior year, and a million fewer acres of farmland. The USDA estimated the number of U.S. farms at 2.07 million, for a total of 912 million acres. The average farm size increased by three acres, to 441 acres in 2015, compared with a year earlier. The blame has been placed on contributing factors ranging from lower grain prices to an aging farm population, environmental pressures and increased regulatory concerns.

[Read more.](#)

On Landlords

A Des Moines Register editorial with regards to Iowa's water quality calls for an emphasis on providing "the right mix of carrots and sticks to prod landlords to invest in farm conservation practices." It is estimated by

the USDA that about half of Iowa's farmland is rented or leased. Now, the Register suggests, is not the time to blame farmers. Rather, the state needs everyone, including landlords and tenants – alongside urban and rural Iowans – working together to make progress.

[Read more.](#)

Painful Adjustment

The 2016 crop year could mark the worst of the cost-price squeeze, according to a DTN article about the tendency of financial pain to bring about more disciplined spending, and including a suggestion that modest profit margins that could return in 2017. Editor Marcia Zarley Taylor covers off on farm machinery, cash rents, credit conditions and other timely topics related to the margin pressure of today – and eye on stability tomorrow.

[Read more.](#)

Cooling Down

CNBC reported that a decline in nut prices has created a cooling effect with regards to the farmland market in California. Farmland prices in recent months have weakened noticeably in the San Joaquin Valley, which is known as a key ag region with high-value crops including almonds, walnuts and pistachios. Alternatively, prices have been stabilizing in parts of the Midwest, and even showing strength in Washington State. At one point, nut prices were so strong that they compensated for the higher price of water – as a result of California's ongoing drought.

[Read more.](#)

Home Land

Saskatchewan, home to 40 percent of Canada's farm area, recently outlawed all pension plans from purchasing farmland. CPPIB, one of the world's largest pension fund managers, had already bought 115,000 acres. The Financial Times, as part its "The Great Land Rush" series, reports on conflicts facing investors as the asset class attracts more attention away from stocks and bonds. Last year, 17 agriculture or farmland funds raised \$3.9 billion, up from the \$500 million raised by five funds in 2009. Another source estimated that less than 1 percent of "institutional quality" farmland is in the hands of financial investors.

[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.