

# Land Investment Monthly - February 2017

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## LAND INVESTMENT *Monthly*

by Steve Bruere

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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.

*Land Investment Monthly* is also featured at [LandInvestmentPrograms.com](#) - a web page recently launched by our Land Investment Programs division. This page provides access to our complete menu of farmland investment services including a sample of our Investor Deal Queue - a summary of farmland investment opportunities - a sample of our Land Investment Analysis package, access to a free downloadable copy of the white paper "Socially Responsible Farmland Investing," the latest up-to-date information for the 2016 Land Investment Expo and other information important to farmland investors.



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### LAND EXPO

DTN/The Progressive Farmer reports on the 10th Annual Land Investment Expo, presented by Peoples Company and attracting more than 700 participants from 30 states in February 2017. Given there are fewer farms for sale in Iowa, compared with 2016, interest in agricultural real estate is high. At the same time, most investors are holding out on the sidelines with a cautious optimism and hope of greater returns. The article covers the comments of Moe Russell with Russell Consulting Group and Jim Knuth with Farm Credit Services of America, in addition to keynote speakers Dennis Gartman, publisher of The Gartman Letter, Steve Eisman—who was featured in "The Big Short"—and Grover Norquist with Americans for Tax Reform.

[Read more.](#)

### AG PICK

Agribusiness could benefit from the experience of former Georgia Governor Sonny Perdue, President

Donald Trump's pick for U.S. Secretary of Agriculture. A Forbes contributor opines about the potential for Perdue to mitigate threats against both farmers and the agriculture business by way of repealing "unnecessary and burdensome" regulations. Perdue, who served as Georgia's governor from 2003 to 2011, grew up on a farm, earned a doctorate in veterinary medicine, and had a career in the agriculture business. [Read more.](#)

## **FARM WEB**

Those interested in buying, selling or renting farmland stand to benefit from the launch of new online services aimed at sizing up agricultural real estate values. The Des Moines Register kicks off its "Zillow for Farmers?" report with a look at websites including WhatsMyFarmWorth.com, a free-service that calculates values based on five-year corn prices, average yields by county and soil type, rental value and alternative factors. Farmland in Iowa alone is worth an estimated \$215 billion. On a national level, approximately 40 percent of farmland could change hands in the next 20 years. [Read more.](#)

## **SOME RESILIENCE**

States in which corn and soybeans are produced may be in better shape than those in the wheat belt, Agrimoney.com reported, with an emphasis on Federal Reserve data that showed farmland prices continued to fall in Q4 2016. At any rate, the majority of bankers in winter wheat areas and the southern Midwest are forecasting further depreciation in 2017, even as primarily corn- and soybean-producing states such as Indiana showed some resilience in Q3. [Read more.](#)

## **THE SIGNS**

Farm Credit Services of America has released a state-by-state breakdown for farmland trends based on sales in Iowa, Nebraska, South Dakota, eastern Kansas and Wyoming. Despite weakening cropland prices in the grain belt—and given the value of farmland in states such as Iowa had been dropping at a faster rate than other states tracked by Farm Credit Services—the market showed some signs of stabilization in 2016. The article also tracks changes in appraised value in regard to the association's benchmark farms beginning with the final six months of 2016. [Read more.](#)

## **ALL WET**

Des Moines Water Works will not be entitled to recover damages for alleged water pollution following the state Supreme Court's 3-2 ruling in a lawsuit brought by the utility against drainage districts in three Iowa counties. Many farmers and agriculture groups reacted positively to the decision, Agri-Pulse reported, along with Iowa Agriculture Secretary Bill Northey: "While Iowans have continued to take on the challenge of improving water quality and investing in additional conservation practices, the lawsuit has been a needless distraction from our collaborative, research-based approach..." The National Law Review, in an article referring to "a big win for the agricultural community," noted that the court "found for the drainage districts on every certified question." In related news, the overarching Clean Water Act lawsuit is scheduled to go to trial in June. [Read more.](#)

## **Ag Scale**

There will soon be fewer than 2 million farms in America with a drop in commodity prices pushing more farmers into debt as the ag economy turns. The current slump, which is not expected to be as severe as the farm crisis of the 1980s, has actually encouraged some farmers with low debts and large enough scale to profit from this past year's record harvests. The Wall Street Journal reports that this could put them in a position to buy or rent land from neighbors. Interest rates and farm-to-asset ratios among U.S. farmers, respectively, are near record lows and remain historically low. Another twist: The onset of inclement weather could further lift demand for the nation's excess grain. [Read more.](#)

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