

Land Investment Monthly - November 2017

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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 farm land, recreational ground or development ground

Tax Reform's Rental Conundrum

The House tax-reform bill meant to lower taxes could lead to a self-employment tax hitting every landowner who leases land to a farmer and farmers who lease farmland to a family partnership. The tax bill would be 15.3% higher under a formula that makes 70% of rental income subject to self-employment taxes. Currently, rent is not subject to self-employment (SE) taxes. [Read More](#)

Supersized Family Farms Are Gobbling Up American Agriculture

Lon Frahm may represent the future of farming. Inside a two-story office building overshadowed by 80-foot steel grain bins, he points to a map showing the patchwork of square and circular fields that make up his operation. It covers nearly 10% of the county's cropland, and when he climbs into his Cessna Skylane to check crops from the air, he can fly 30 miles before reaching the end of his land. At 30,600 acres, his farm is among the country's vastest, and it yields enough corn and wheat each year to fill 4,500 semitrailer trucks. [Read More](#)

Asset prices are high across the board. Is it time to worry?

[R]arely have property prices around the world towered so high. American house prices have bounced back since the financial crisis and are above their long-term average relative to rents. Those in Britain are well above it. And in Canada and Australia, they are in the stratosphere. Add to this the craze for exotica, such as cryptocurrencies, and the world is in the throes of a bull market in everything. [Read More](#)

Report surveys ag lenders to gauge farm economy

During the first half of 2017, agricultural lenders report improving sentiments on the overall agricultural economy. While a high percentage of respondents reported an overall decline in farm profitability in the last six months (82 percent), that percentage is down more than seven points since the December 2016 ABA-Farmer Mac survey. Similar improvements were recorded in most categories, including the percentage reporting higher levels of operating leverage (79 percent down from 84 percent reported in 2016) as well as increased usage of the Farm Service Agency's (FSA) Guaranteed Loan program (59 percent down from 63 percent reported in 2016). Lenders also reported a shrinking percentage of farms expanding (38 percent down from 45 percent reported in 2016), but also a declining proportion of farm operations contracting (17 percent down from 19 percent reported in 2016). [Read More](#)

Ag sector losing faith in NAFTA talks

Representatives of farm groups like the American Soybean Association and the National Association of Wheat Growers are expressing new concerns after recent comments from U.S. Trade Representative Robert Lighthizer and Commerce Secretary Wilbur Ross that suggest they don't understand the potential impact of losing NAFTA for farmers.

With billions of dollars of pork, beef, wheat, rice, corn and soybean sales at stake, U.S. farm groups have become increasingly worried that the Trump administration will scuttle the negotiations and pull out of the existing 23-year-old pact with Mexico and Canada. [Read More](#)

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