

Land Investment Monthly - July 2019

Published on Jul 1, 2019 by Steve Bruere



(Image from [TIME article 10.1.18](#))

Farmland Values Firm Up

From Ohio to Nebraska, farm real estate brokers note a firmness in the market that wasn't there three months ago.

"Even six weeks ago, we were looking at selling \$3.30-per-bushel old-crop corn. There's a much different feel right now in the market," said Doug Hensley, president of real estate services for Hertz Farm Management with offices in Iowa, Illinois, and Nebraska.

While the disastrously wet spring across the Corn Belt could create localized pockets of financial distress, brokers say quality land is still commanding strong prices and attracting an array of buyers. [Read More](#)

Grow Faster, Grow Stronger: Speed-Breeding Crops to Feed the Future

Farmers and plant breeders are in a race against time. The world population is growing rapidly, requiring ever more food, but the amount of cultivable land is limited. Warmer temperatures have extended growth seasons in some areas — and brought drought and pests to others.

“We face a grand challenge in terms of feeding the world,” said Lee Hickey, a plant geneticist at the University of Queensland in Australia. “If you look at the stats, we’re going to have about 10 billion on the planet by 2050 and we’re going to need 60 to 80 percent more food to feed everybody. It’s an even greater challenge in the face of climate change and diseases that affect our crops that are also rapidly evolving.”

But plant breeding is a slow process. Developing new kinds of crops — higher yield, more nutritious, drought- and disease-resistant — can take a decade or more using traditional breeding techniques. So plant breeders are working on quickening the pace.

Dr. Hickey’s team has been working on “speed breeding,” tightly controlling light and temperature to send plant growth into overdrive. This enables researchers to harvest seeds and start growing the next generation of crops sooner. [Read More](#)

CBD-infused food and beverages are still illegal under U.S. law. So why are they everywhere?

In 2017, no one knew what CBD oil was. In 2018, folks stumbled saying “cannabidiol” (that’s CBD oil) out loud. In 2019, it’s everywhere, and everyone wants in on it.

In flavors like “cucumber mint refresh” and “watermelon renew,” a new line of CBD-infused waters and teas is hitting major grocery stores in California and Colorado on [June 24], each 16-ounce bottle containing 20 milligrams, or trace amounts, of “active hemp extract.”

These beverages by the Oki company are among the first wave of large-production, mainstream products that are taking CBD out of the neighborhood head shop, dispensary or hippie health food store and into mainstream commerce.

It fits into a new conception of health, wellness and functional foods that includes the nonintoxicating benefits of this chemical compound without the psychoactive THC found in marijuana.

But at the federal level, CBD in food and drink is still illegal. The Federal Food, Drug, and Cosmetic Act prohibits adding even approved drugs to human or animal food in interstate commerce.

The 2018 Farm Bill legalized hemp, but the legal status of hemp-derived cannabidiol remains in limbo. This is largely because CBD can be derived from hemp or cannabis, but if a hemp plant contains more than 0.3 percent THC (the active “high” ingredient in marijuana) it is then technically a “marijuana” plant. It’s confusing. Experts say drafting and implementing regulations could take years. [Read More](#)

Trump Agriculture chief says farmers are ‘one of the casualties’ of trade war with China

Agriculture Secretary [Sonny Perdue](#) said in a new interview that farmers were a casualty of [President Trump](#)’s escalating trade dispute with China.

“[American farmers] are one of the casualties here with trade disruption,” Perdue [told CNN](#). “We knew going in that when you flew the penalty flag on China, the retaliation, if it came, would be against the farmer.”

The comments from Perdue come amid a months-long dispute between the U.S. and China that has led to retaliatory tariffs from both nations.

China's government in 2018 imposed duties on US soybean, corn, and wheat after Trump enforced tariffs on Chinese products.

The imposition of those tariffs caused American agricultural products to be more expensive for Chinese importers, which lead to many private buyers to stop purchasing American soybeans and wheat altogether, CNN reported.

The news network added that many farmers threw their support behind Trump's goal to acquire a better trade deal with China. But that support has appeared to wane as tensions continue to persist.

The president has moved to offer aid to farmers impacted by the trade war. The administration [in late May announced](#) a new \$16 billion aid package for farmers that would provide direct payments to help them make up for losses resulting from retaliatory tariffs Beijing imposed on major U.S. crops. [Read More](#)

New York Farmers Bruised by Increased Labor Costs

New York farmers say they are straining under increased costs as a worker shortage has forced them to use a federal visa program to bring in temporary agricultural workers from other countries.

While farmers are grateful for the H-2A visas, which lets them import workers, some say their costs have ballooned while their revenue is mostly stagnant.

“For us, there is no non-H-2A labor,” said Dennis Brawdy, partner with Amos Zittel and Sons in Erie County, which employs 72 workers this year. “Three to five years ago, we were 100% non-H-2A because there was an adequate amount of workers around,” Mr. Brawdy said of the vegetable-growing and greenhouse operation.

As the U.S. has tightened border security in recent years, many agricultural companies that had relied on illegal immigrant laborers are turning to H-2A visas. More than 196,000 H-2A visas were granted in 2018, compared to about 89,200 in 2014, according to the U.S. Labor Department.

But getting H-2A workers is expensive. Farmers incur additional costs such as transportation, food and legal aid to bring them into the country, as well as guaranteeing them at least 75% of their pay. And once those workers arrive, the farmers also must provide housing and other amenities, unlike non-H-2A labor.

In addition, H-2A workers in New York are paid \$13.25 per hour, more than the current minimum wage rates for areas outside of New York City, according to the Labor Department.

It costs farmers an average of about \$1,000 per H-2A worker—just to get them to the farm, said Dulce Demay, of Demay Labor, which helps match potential workers with farmers, including apple farms. She has helped 40-plus New York farms switch to the H-2A program over the last couple of years, mostly hiring workers from Mexico, she said. [Read More](#)

It's a record: Iowa has wettest 12-month period since official records began in 1895

Iowa set a record for rain and snow over the past 12 months, according to data from the National Oceanic and Atmospheric Administration.

A changing climate and above-normal ocean temperatures thousands of miles away contributed to the state's 50.73 inches of precipitation from June 2018 through May 2019, state weather experts say.

That's about 16 inches more than the 34.42 inches the state averaged per year from 1981 to 2010.

“If you look at the short term, the past 12 months have been the wettest (since official records began in) 1895,” said Justin Glisan, the state climatologist. “With drought conditions in southern Iowa last year, that’s a pretty remarkable flip.”

And it's not done yet.

Iowa can expect more precipitation as temperatures increase, Glisan said. Higher temperatures create more water vapor in the atmosphere that leads to more rain, he said.

The USDA Midwest Climate Hub in Ames is predicting higher than average rainfall for most of the summer.

[Read More](#)