

Land Investment Monthly - July 2021

Published on Jul 1, 2021 by Steve Bruere



Photo credit: Forbes/Getty Images

The Farm CPA Podcast: Steve Bruere, Peoples Company

How does Bruere describe today's farmland market? "Wild."

"It's probably the hottest real estate market I've been a part of in 18 years," he says. "You've just got this perfect storm of high commodity prices, nice government payments and low interest rates."

Farmland is definitely catching investors' eyes, Bruere adds.

"During COVID, folks were stuck in their homes and worried about the food supply chain," he says. "Now we have a newfound appreciation for what farmland means. The stock market got cut in half, while farmland just sits there steadily holding its value."

As a result, demand from both farmers and investors is strong.

“Right now, we have farmers aggressively buying farmland again and this outside capital that appreciates the attributes of a farmland investment now more than ever,” he says. “This farmland markets incredibly dynamic.” [Read More](#)

‘There’s no water,’ says California farm manager forced to leave fields fallow

Salvador Parra, the manager of Burford Ranch in California's Central Valley agricultural breadbasket, is worried about the lack of water.

California's worst drought since 1977 has forced Parra to leave fallow 2,000 of his 6,000 acres and dig deep for water to save the crops already planted.

"There's not very much being grown out there, just because there's no water. There's literally no water," said Parra. [Read More](#)

The Biggest Challenge For Agriculture In This Decade Is Building Confidence In Technology

Agriculture technologies have evolved significantly over the last decade, from optimizing water use with [smart irrigation systems](#) that rely on sensor data to the application of [vision technologies](#) that enable plant-level decisions such as precision weed spraying and seed placement.

In spite of all the technological advances, there is still a confidence gap among food growers who are simply not used to buying, deploying and using these technologies as part of their day job. What's more, the array of tools and platforms at their disposal can be overwhelming, and even daunting, for food growers who rely on methodologies that have worked well for decades. [Read More](#)

Senate Passes First-Ever Climate Mitigation Bill For Agriculture

Senate Agriculture chairwoman Debbie Stabenow was certain on Thursday that the House would follow the Senate in passing the first-ever climate mitigation bill for agriculture. Under the bill, the USDA would help farmers enter the carbon market, touted as the private enterprise way to earn money while combating climate change.

“This is something that President Biden enthusiastically supports and [Agriculture] Secretary [Tom] Vilsack is deeply involved in,” said Stabenow, declaring the [92-8](#) vote in the Senate “a great victory” for landmark legislation.

Biden wants American agriculture to be the first in the world to achieve net-zero emissions of greenhouse gases and has said farmers would see new revenue sources while doing it. Carbon markets are a commonly mentioned possibility, but there is little consensus on how to capture carbon in the soil or trees, how to measure it, or how to find buyers for the credits created. Agriculture is responsible for some 10% of U.S. greenhouse gas emissions. [Read More](#)

Iowa high courts stop lawsuit over farm runoff pollution

A sharply divided Iowa Supreme Court stopped a lawsuit aimed at reducing the flow of fertilizer and hog farm waste into the state's river and streams, finding that limiting pollution from farms was a political matter and not one for the courts. [Read More](#)

Grain Prices Drop as Risk of Crop Shortages Rise Analyst Says

We've been saying for weeks that the market seemed intent on dropping even when there was no news – essentially taking the bubble out of the grain prices we added last winter and early spring.

In one day last Thursday, we erased three to four months of soy price gains in just one day. Now, one could argue the premium we had in grains to start the 2021 year is almost gone.

Last week, our Tuesday market column title was “Down the cliff!” – extremely precise forecasting as grains did go that way on Thursday, with \$1.20 losses in soybeans (the biggest daily loss ever), and huge losses in other grains as well. [Read More](#)