

Land Investment Monthly - January 2022

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Photo Credit: Jonne Roriz/Bloomberg

Farmland Draws Investor Interest With Inflation Running Hot

The inflation wave that's sweeping through the global economy is playing into a investment niche that a small group of people in finance have spent years developing: farmland.

Agricultural land has become attractive to institutional investors and wealthy families in recent years because returns tend to be stable and weakly correlated with other asset classes, according to Purdue University agricultural economist Todd Kuethe. More investors are now seeking it out as a potential hedge against inflation, asset managers say, with consumer prices rising at the fastest pace in [decades](#).

“Every single institutional phone call I've had in the last six months has included a discussion of inflation. Five years ago, it would have been zero,” said [Stephen Johnston](#), managing partner at Calgary-based [Veripath Farmland Partners LP](#), which owns 90,000 acres in Western Canada across its portfolios. [Read More](#)

Fed Officials Project Three Interest Rate Rises in 2022 and Accelerate Stimulus Wind-Down

The Federal Reserve set the stage for a series of interest rate increases beginning next spring, [completing a major policy pivot](#) that showed much greater concern about the potential for inflation to stay high.

Most central bank officials, in projections released Wednesday at the conclusion of their two-day meeting, penciled in at least three quarter-percentage-point rate increases next year. In September, around half of those officials thought rate increases wouldn't be warranted until 2023.

[For months, Fed leaders had stuck to a view](#) that higher price pressures this year were caused primarily by supply-chain bottlenecks and would ease on their own. But Fed Chairman Jerome Powell had in recent weeks signaled much less conviction about that forecast, and the projections Wednesday suggest most of his colleagues share his concern. [Read More](#)

Iowa farmland values shoot up 28% in ISU survey

Iowa State University Extension's annual farmland survey released today shows a surge in the estimated value of farmland that hasn't been seen in a decade.

ISU's Wendong Zhang oversees the survey and released the results today. "The statewide average as of November, 2021, is up 29%," he says. Zhang is an associate professor of economics at ISU, and says average price is a first in some 80 years of surveys. "The nominal land values as reported, \$9,751, is the record high since we have recorded data in 1941. So, the nominal land values in Iowa reach the highest that we have ever seen," Zhang says. [Read More](#)

Rupert Murdoch Buys \$200 Million Montana Ranch From the Koch Family

Media mogul Rupert Murdoch and his wife, Jerry Murdoch, have purchased a Montana cattle ranch spanning about 340,000 acres from Matador Cattle Co., a subsidiary of Koch Industries. The price was roughly \$200 million, making it the largest ranch sale in Montana history, according to people with knowledge of the deal. [Read More](#)