

# Farmland SEASONS

SUMMER 2016

**MGW** MARTIN, GOODRICH & WADDELL, INC.  
REAL ESTATE SERVICES

*We plant profitable investment ideas  
in every season*



## MGW Celebrates 20-Year Anniversary of Farmland Seasons Newsletter

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# Farmland Perspective from 20 Years of Seasons

1995

Martin, Goodrich & Associates celebrates the firm's 20th anniversary by launching *Seasons*, a newsletter dedicated to providing farmers and investors an in-depth perspective on farmland investments, world markets, and agricultural technologies.



A 5,846 acre land auction conducted in Whiteside County, Illinois surpasses expectations and sells for \$8,064,000, or \$1,380 per acre. The farm was offered to buyers in 39 parcels. A large crowd, which included 142 Illinois farmers, saw 20 individual buyers purchase the tracts.

After 15 years, top land is over \$3,000 again. With a net return of \$130 per acre after property taxes, that's better than a 4.3 percent return on \$3,000 land.

1996

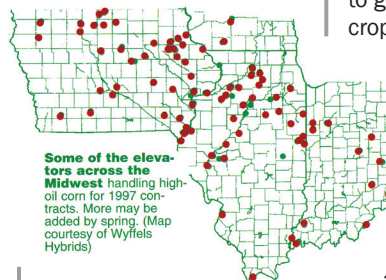
"Corn Soars Well Over \$4 per Bushel" Prime farmland reaches toward \$4,000 per acre. July corn futures on the Chicago Board of Trade topped a new record. Returns to U.S. agricultural assets are finally beginning to "catch up" with values elsewhere in our economy.



"How You Can Multiply Your Farmland Wealth-Building Power with Tax Deferred Exchanges" We regularly work with exchanges, especially in our "collar county" area around the Chicago metro region. We help landowners in the path of urban growth exchange out of highly appreciated land with development potential and into open country farmland or other investment real estate.

1997

"Value-Added Crops Will Create Hotspots in Farmland Markets" Over the next few years there will be many "value-added crops" such as high oil corn, high lysine corn, organic soybeans, specialty white corn, and food grade yellow corn. These crops will present new opportunities to producers and will tend to cluster in local markets, usually within a 50 mile radius of a shipping point or processing plant.

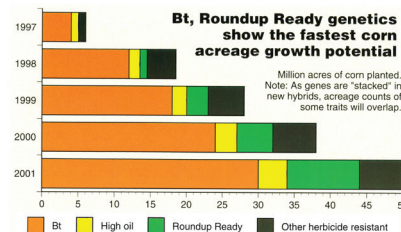


Brace yourself for a whole new array of "designer" crops yet to emerge from genetic engineering. The rush to merge among biotech firms paves the way for corn, soybeans and other crops grown for a specific kind of protein, oil or other component!

1998

A surge of hog expansion, higher planted acreage, and excellent weather in 1996-97 deliver a burst of production – just as U.S. export growth slowed due to debt and currency collapse in Southeast Asia. We expect that U.S. ag exports will rebuild after the turmoil in Southeast Asia heals.

Biotechnology is showing the fastest adoption curve of any new ag idea in history. Land planted to genetically modified crops exploded from an insignificant acreage in 1976 to 34 million last year and 84 million acres this year. Ag leaders see "genome technology" adding as much as \$8 billion per year in value to world crops by 2005.



1999

We expect owning farmland on the fringe of areas that are growing and developing to be an excellent investment opportunity in the coming years.

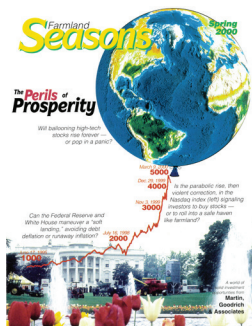
- In just 50 years the U.S. population could expand to more than 390 million people. Land for this expansion will reduce high quality farmland acreage by 13 percent.
- The suburban commuter-based model of growth is fragmented and wasteful, requiring large tracts of land for expansion.
- We will see more strength and stability in farmland values since more interests are competing for a wider array of land uses.
- In our own DeKalb County, roughly half the transactions we currently handle involve a 1031 exchange, which often includes land being converted to non-farm uses.

"A Growing Countertrend" You'll soon see a widening array of "internet trading floors" where producers and users of niche products buy and sell. Small producers will have just as much access to these exchanges as the big guys...which for years dominated with their global inside connections.

We're proud to be celebrating our 40th year in the ag land business and 20th year of publishing our *Seasons* newsletter. It has been our pleasure to keep you informed of major trends in farmland, ag technology, investments, and the global economy. Following are some highlights from over the years...

## 2000

— We are now seeing the perils of prosperity, after years of reckless Federal Reserve monetary policy. Borrowed money converts tomorrow's earnings into today's buying power. That's fun and often profitable—if future income rises to repay the debt. Otherwise, debt reduces future living standards. U.S. public and private debt is doubling every decade; a trend we fear will worsen in the coming years. U.S. farmland, however, remains a stable asset class, unaffected by the speculative bubble in the broader economy.

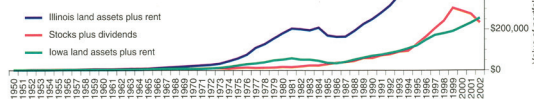


## 2001

— *"A New Conservation Era Dawns on Farmland's Horizon"* There is a strong political push for billions of dollars of new conservation incentives that is building among top ag policymakers. Pressures include urban sprawl and other land use conflicts, water pollution, and a wide array of environmental threats.

### \$1,000 to \$1 million in a half-century of Illinois land reinvestment

Could investing ever get better than this? Yes it could, by careful selection of your land purchase, upgrading your land's productivity, and wise use of land exchanges. This graph is based on USDA average Illinois land values and rents, not cropland alone. Real-life reinvesting of rental income in land is more "lumpy" than the smooth annual increments which this calculation assumes. If you waited 5 years to buy, you'd fail to capture some appreciation on the added land. But the investment principle is sound: You amplify total real wealth by owning a non-depreciable asset which generates a decent return and persistently appreciates in real value, offsetting the corrosive effect of inflation. The more often you buy, the more appreciation and rental income you capture.



— *"Farmland: Foundation for Your Financial Security"* Farmland owners who've just seen Dow-Jones stocks drop 15 percent in one week are thinking that dull, low-return black dirt is more of a blue chip than they've appreciated in recent years. Stock dividends depend on the uncertainties of annual profits and decisions of a board of directors. With farmland, on the other hand, strong competition and efficient farm operators create a firm, stable rate of return that landowners can depend on.

## 2002

— Farmland values remain firm despite a long stretch of low corn and soybean prices. What's keeping farmland prices so strong?

- Government programs shore up farmers' ability to hang onto land.
- Nonfarm land-buying dollars represent nearly half of the market.
- Expanding farmers are competing aggressively to rent and buy land.

— When taken together, the three forces mentioned above create a demand funnel into a market with slim annual turnover. Combined with the urge to hold land in the family for generations, the open-market supply remains scarce.

## 2003

— *"Challenges Confronting America"* In the optimistic mid-1990s, federal outlays for farmers dipped to a slim \$5 billion. Farmers saw the 1996 Freedom to Farm Bill as their transition to vast global agricultural markets... instead, corn prices have dropped to \$1 and beans to \$3. Export growth faltered as Asian economies imploded. World Trade Organization officials failed to create a "level playing field" for American agriculture, and prospects in China faded as the Chinese imposed their own obstacles.

### "What Farmland Won't Do for Your Investment Portfolio"

- Farmland doesn't lie about its earnings.
- Farmland doesn't wastefully overpay its top executives.
- Farmland doesn't go on strike.
- Farmland doesn't get stolen.
- Farmland doesn't get exported from China.

## 2004

— Finally, Midwest farmers begin to see booming agricultural exports to China. New, positive signs are emerging that China could grow into a consistent import superpower. Coupled with tightening stocks, the stage is set for increased price volatility for all grains.

— "Excellent" quality farmland in Northeastern Illinois has a typical value of \$5,500 per acre, and an average cash rent of \$170 per acre. "Good" quality land has an average value of \$4,100 per acre with a typical rent being \$150 per acre.





2005

Our Spring, 2000 Seasons feature, "The Perils of Prosperity," analyzed how America's government and private debt had accelerated faster than economic growth in the 1990s. Our article cautioned, "At some point ... debt expansion and stock speculation will end, possibly in a sickening plunge and a liquidation of excesses." In May 2000, a few weeks after that issue of Seasons reached our readers, the NASDAQ Composite Index peaked at 4,696. Then it plunged to 1,172 by late 2002, a loss of 75 percent. Meanwhile, Illinois farmland values gained steadily from 2000-04. USDA data show the average acre of Illinois farmland worth \$2,610 in 2004, up more than 15 percent from 2000.

The biggest challenges facing the American economy are the federal trade deficit, the U.S. debt, and trillions of dollars in unfunded liabilities.

Soaring prices of fuel and fertilizer are a wakeup call which could lead America toward greater energy independence. Our continent has awesome energy resources—we just need the determination to tap them. When we do, American landowners will be among the major winners in a new energy era.

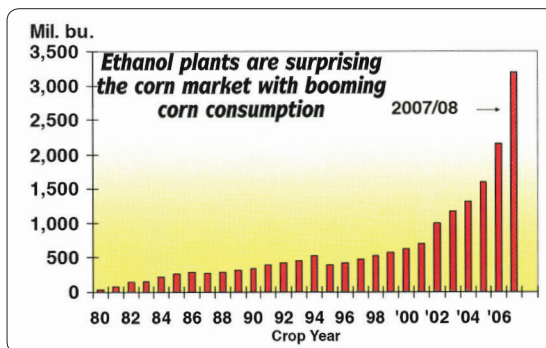
2006

In five years, farmland values in Northeast Illinois have ballooned 69 percent. That's a significant distortion from the more modest 35 percent gain in the North Central counties or the far slower 29 percent gain in Southern counties. Values in several regions have surged because of high development demand. In turn, a tax deferred ripple effect is taking place for replacement land. Increasingly, Illinois land sale prices are disconnected from rental earnings and tied more closely with the pace of urban construction. We don't know how the distortions between regions will impact land values over the next several years, but it's logical to expect wider market volatility in regions where land demand is closely linked with cycles of urban expansion.



2007

"Welcome to the Bio-Energy Economy – A New Golden Era for Agriculture" There's much more than ethanol euphoria propelling today's powerful surge in cash rents and farmland values across the Midwest. Here are some longer-term forces which will intensify farmland demand over the next 10 to 20 years.



- Eagerness for rural homes, recreational havens and green-space protection.
- Premium markets for organic crops.
- New ag and biofuels technology will be flowing from research into farms and factories in the next five to ten years.
- Wind turbines are becoming larger and more cost effective, giving landowners a secondary stream of income.

2008

In recent months, we've been learning a new dimension of the investment world. We have been working with a wider array of "institutional" buyers, compared with previous years. These are professional money managers with deep knowledge of the bond market, stock market, futures industry, currencies and other investments.

2009

For more than a decade, Seasons has published repeated warnings that excessive U.S. debt expansion and chronic trade deficit were building toward an eventual implosion. Our fundamental observation was that both public and private debt was rising faster than real earnings. Although values of stocks, homes, and commercial real estate were rising, repayment ability was not. Something had to give. It has. Agriculture, including farmland, is the only large economic sector of the U.S. which has preserved a low debt load in relation to income and total assets.

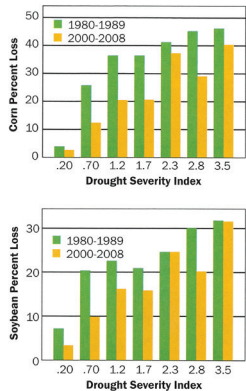


We anticipated in earlier issues of Seasons that these folks would soon express a rising interest in farmland. They're here!



**“How Biotech Weatherproofs Crops”** The past few years have demonstrated that current corn hybrids and soybean varieties planted in the Unites States will perform well despite late planting and cool, moist summers that led to slower maturity. New varieties are also making it possible to reliably grow corn and soybeans farther north and west. These areas, once considered “border states” are now growing these crops regularly.

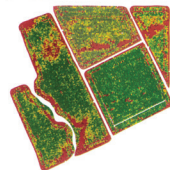
TODAY'S CROPS PERFORM BETTER, ESPECIALLY UNDER MODERATE DROUGHT



**“Farming Trumps Development and Recreational Land”** The spread between suburban development values and farmland values has drastically diminished. Potential development land that was once valued at \$30,000 to \$90,000 per acre is now selling in the marketplace at \$10,000 to \$13,000 per acre. This means the premium for development land over agricultural land is negligible now, with high-quality land selling for agricultural use for as much as \$9,000 to \$10,500 an acre. So perhaps the ideal pitch in this game is to buy land that can be farmed for the next several years, with an eye to possible development sometime in the future. The old adage, “buy low, sell high,” applies to land as well as stocks or commodities.

**“Farmland Buyers: Increased Focus on Geographic Diversification”** In addition to working with our network of corn, soybean and wheat farmers in the Midwest, we’ve begun working with wheat farmers in Montana, vegetable and livestock producers in Wisconsin, loggers in Kentucky, Tennessee and Wisconsin, and rice farmers in Arkansas. The strength of the farmland market in the U.S. is no secret. An asset class that was once all but ignored by institutional investors, investment newsletters, and national publications is now on everyone’s radar, and for good reason. Many of our clients, whose Midwest investments we’ve managed for decades, are now seeking diversification into new crops, weather patterns and regions.

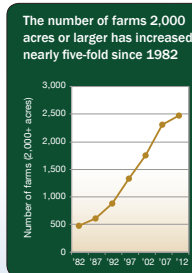
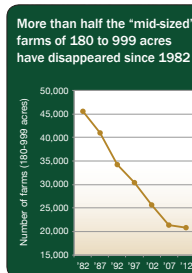
**“Reaping the Benefits of Optimum Land Management”** We’re always looking for ways to make your land investments more valuable and earn higher returns. Over the years, we’ve found one of the most cost-effective ways to earn a higher return from your farmland is to invest in land improvements.



- Installing drainage tile: Ten years ago, one might have been looking at a 10 to 15 year payback on land improvements such as drainage tile. Now, we’re seeing that payback period shrink because of higher commodity prices and higher land values.
- Maintaining field perimeters: Trees can suck out the moisture and nutrients from soil up to 50 to 100 feet away from a treeline, negatively impacting crop yields.

**“The Changing Face of Illinois Farming”** To keep abreast of shifting trends in agriculture, The Census of Agriculture (2012) is an excellent guide.

- The most common farm size in Illinois falls in the “small to medium” category of 50 to 179 acres.
- The estimated market value of land and buildings per farm has increased 461 percent since 1987.
- The number of farms producing livestock is down 70 percent since 1982.
- After 15 years of an uptrend, hobby farming fell 5 percent in 2007.
- Since 2002, the number of farms using irrigation rose 30 percent.



**“2015: Technology in Agriculture”** - A brief look at just a few of the latest innovations in agricultural technology:

- Cover crops are often seeded after cash crops are harvested, though occasionally inter-seeded during the growing season. Cover crops have the unique ability to add organic matter, fight erosion, improve fertility, and keep weeds and insects at bay.
- Drones are being used by farmers to obtain day to day aerial photography of growing crops, inspect irrigation equipment, and monitor crops on a routine basis, among other things.



- High-tech, driverless tractors and machines are no longer a futuristic concept—they are currently being tested in fields throughout the Midwest.



Farmland buyers are now seeking diversification into new crops, weather patterns and regions.



# WEATHER INSIGHTS

*2016 weather perspective from Gilbert Sebenste, staff meteorologist at Northern Illinois University*

**Q: Gilbert, we've been experiencing the effects of El Niño for some time now—how did that affect our winter and the amount of soil moisture that we have for starting the growing season?**

**A:** We have been in one of the strongest El Niños ever recorded, in terms of temperature anomalies out in the East Pacific. As a reminder, El Niño is a warming of the Pacific Ocean waters in the Central Pacific off the coast of South America and into the Central Pacific itself. Basically, the area of interest is from Western South America westward to about halfway across the Pacific Ocean.

What we've seen over the past several months are temperatures that have been several degrees warmer than average. That has had profound implications on our weather throughout North America and here in the Midwest, causing the jet stream to split into a southern stream and a northern stream. The northern route travels into Canada while the southern part of the jet stream goes across the Southeastern U.S. Because we're between the two jet streams, we typically just receive the leftovers of storm systems that pass north and south of us — that means we stay relatively dry.

However, we did get some timely rains in November and December when the El Niño pattern broke down briefly. Our winter, by and large, was warmer and drier than average, particularly on snowfall. The good news is that the November and December rains froze in the ground, which prevented the water from evaporating into the air throughout most of the winter. As a result, soil moisture conditions are good this spring.

**Q: Does the phasing-out of El Niño this summer still seem likely?**

**A:** It looks like the El Niño is definitely on the way out. It is expected to completely disappear this spring. However, that doesn't mean the effects disappear instantly with the loss of El Niño. One of the effects we are anticipating as we come out of this strong El Niño is warmer than average temperatures in the late spring through the summer months. I expect these above average temperatures to continue into May, June and July — really through the first half of summer.

**Q: What are your models showing for summer precipitation?**

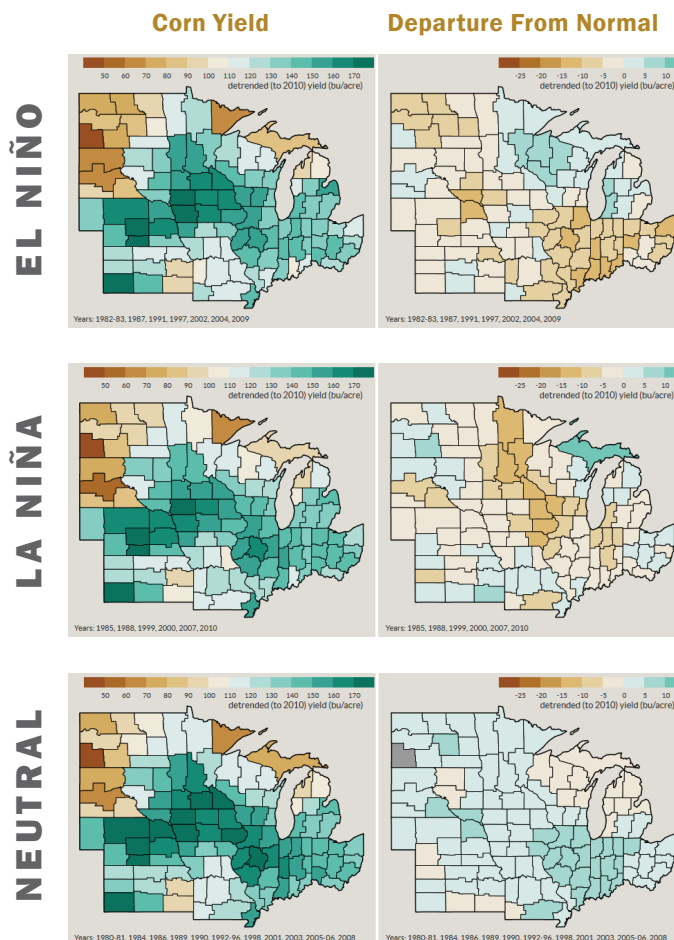
**A:** At this point, the computer models are forecasting relatively normal conditions — not too wet and not too dry. That's good, as we don't want a drought, and it also suggests that there's a good chance we won't have very heavy rains throughout the summer either. Of course, anything is possible as we quickly transition from an El Niño to a La Niña. Right now, I just don't see anything coming on a widespread basis that would suggest weather problems for the growing season.

**Q: Assuming the transition takes place from an El Niño to a La Niña, what should we be expecting in the fall and winter?**

**A:** Every single dynamic computer model that we have shows that we will transition into a La Niña, which is the reverse of El Niño, sometime early this fall. In a La Niña, the Pacific waters will actually trend colder than average. The models show this transition as a modest to moderate La Niña. Unlike the 2015-16 winter where we saw drier than average conditions and warmer than average temperatures, we may see a scenario this coming winter with La Niña that would provide a colder and snowier winter. To be fair, it's still too early to call whether or not the La Niña will develop, although the signs are all there for now.

## AGRICULTURAL IMPACTS

The following images show historical El Niño Southern Oscillation (ENSO) impacts on corn yield across the Heartland. These composites use historical data (1981-2010) to highlight locations where ENSO can potentially impact climate conditions and associated corn yields.





# Martin, Goodrich & Waddell LAND LISTINGS

All acreage and mileage figures listed here are approximate

## ILLINOIS PROPERTY

### BOONE COUNTY

- 205.8 acres. Leroy Center Farm, 1 mi. NW of Capron. \$7,900/ac. SOLD
- 29.7 acres. Angling Road Farm, 2½ mi. S of Capron. \$6,995/ac.
- 176.5 acres. Bosetti Farm, 4½ mi. N of Kirkland. \$7,750/ac.
- 80.5 acres. Razim Farm, 4½ mi. NW of Poplar Grove. \$8,995/ac.

### BUREAU COUNTY

- 157 acres. Dover Farm, contiguous to Dover. \$10,900/ac. SOLD

### CARROLL COUNTY

- 155.8 acres. Maring Farm, 4 mi. SW of Chadwick. \$8,250/ac. SOLD

### CHAMPAIGN COUNTY

- 97.5 acres. Ostfriesland Farm North, 1½ mi. SE of Rantoul. \$12,900/ac. SOLD

### DEKALB COUNTY

- 40 acres. Waterman Farm, 2 mi. N of Waterman. \$8,650/ac. SALE PENDING
- 114.1 acres. Sycamore North Farm, city of Sycamore. \$16,500/ac.
- 110.1 acres. Cortland Farm, town of Cortland. \$11,900/ac.
- 40 acres. Five Points Farm, ¾ mi. W of Sycamore. \$598,000
- 200.1 acres. Charter Oak Stock Farm, 3 mi. N of Kirkland. \$10,750/ac.
- 77.5 acres. Myelle Road Farm, 2 mi. NE of Kirkland. \$7,900/ac. SALE PENDING
- 173.8 acres. Sanderson Road Farm, 2 mi. NW of Somonauk. \$10,900/ac.
- 378.8 acres. McCaleb Farm, village of Maple Park. \$9,800/ac.
- 322.2 acres. McGirr Road Farm, 2¾ mi. N of Waterman. \$11,900/ac. SOLD
- 217.5 acres. Pierce Farm, 3¾ mi. NW of Hinckley. \$10,450/ac. SALE PENDING

### FORD COUNTY

- 606.8 acres. Ford Farm, 2 mi. SW of Sibley. \$11,800/ac. SOLD

### HENRY COUNTY

- 123.4 acres. Herren Farm, 3¼ mi. NE of Geneseo. \$10,500/ac. SOLD

### IROQUOIS COUNTY

- 146.7 acres. Pigeon Grove Farm, 1½ mi. NW of Rankin. \$5,650/ac. SOLD

### JO DAVIESS COUNTY

- 15 acres. Hilltop Property, 6 mi. NE of Elizabeth. \$149,500 SOLD

### KANE COUNTY

- 82 acres. Lueth Farm, ¾ mi. S of Algonquin. \$14,900/ac.
- 97.5 acres. Turner Farm, 1½ mi SW of Elgin. \$8,900/ac.
- 5.5 acres. Route 47 Farm, ¾ mi. N of Campton Hills. \$10,500/ac.
- 72.7 acres. Long Trust Farm, 1¼ mi. NW of Kaneville. \$10,250/ac.
- 19.9 acres. Redwing Watson Road Property, 1½ mi. SE of Maple Park. \$10,500/ac.



### OUR FEATURE FARM:

## THE CHARTER OAK STOCK FARM DEKALB COUNTY, IL, \$10,750/ac.

*200 total acres. Approx. 194.3 tillable acres. Excellent investment opportunity. Class A DeKalb County farmland with a very high percentage tillable.*

### LAKE COUNTY

- 83 acres. Grayslake Development Property, contiguous to Round Lake, \$4,900,000.

### LA SALLE COUNTY

- 104.6 acres. Groveland Farm, 1½ mi. NW of Dana. \$9,445/ac.
- 40 acres. Richards Farm, 1¼ mi. SW of Ransom. \$474,000. SALE PENDING
- 79 acres. Highway 251 Farm, 5/16 mi. N of Lostant. \$9,900/ac.
- 153.1 acres. Lostant Farm, 1½ mi. W of Lostant. \$10,900/ac. SOLD

### LEE COUNTY

- 79 acres. Union Road Property, 7½ mi. NE of Walnut. \$6,450/ac.
- 120 acres. Butler Hill Farm, 4½ mi. SE of Lee Center. \$7,900/ac.
- 205.2 acres. Sublette Farm, 4¼ mi. W of Sublette. \$9,000/ac. SOLD

### LIVINGSTON COUNTY

- 97.4 acres. Pontiac Farm, 5¾ mi. NW of Chenoa. \$9,300/ac. SOLD

### MC HENRY COUNTY

- 99.7 acres. Gober Farm, ½ mi. W of Marengo. \$8,400/ac. SOLD

### OGLE COUNTY

- 127 acres. Ogle County Crossroads Property, city of Rochelle. \$39,900/ac.
- 6.43 acres. North Pointe Property, city of Rochelle. 5.36 ac. at \$5.50/sq. ft. & 1.07 ac. at \$7.50/sq. ft.
- 160 acres. Twombly Farm, ¾ mi. E of Hillcrest. \$9,850/ac. SALE PENDING

### PIATT COUNTY

- 235.2 acres. Bellflower 2 Farm, 2¾ mi. NW of Mansfield. \$11,400/ac. SOLD

### ROCK ISLAND COUNTY

- 73 acres. Lake Forest Property, village of Milan. \$5,450/ac.

### STEPHENSON COUNTY

- 221.8 acres. Davenport Farm, 1½ mi. N of Rock City. \$8,475/ac. SOLD
- 116.5 acres. Rock Grove Farm, 3¾ mi. NW of Rock City. \$7,900/ac.

### WILL COUNTY

- 103.5 acres. Brettingen Farm, ¾ mi. E of Beecher. \$6,550/ac.
- 54.9 acres. Lincoln Highway Property, village of Frankfort. \$29,500/ac.
- 69.1 acres. Lockport Property, city of Lockport. \$21,700/ac.

- 103.9 acres. Crete Farm, 3¾ mi. NE of Beecher. \$6,250/ac.
- 121 acres. Yates Avenue Farm, 1½ mi. E of Beecher. \$5,450/ac.
- 212 acres. Eagle Lake Farm, 3¾ mi. NE of Beecher. \$8,450/ac. SOLD
- 70 acres. Elwood Property, contiguous to Joliet. \$9,250/ac. SALE PENDING

### WINNEBAGO COUNTY

- 120 acres. Durand Farm, 5½ mi. SE of Durand. \$8,690/ac. SOLD
- 147.6 acres. Brolund Farm, contiguous to Pecatonica. \$6,750/ac.
- 40 acres. Tipple Road Property, 2 mi. W of Rockford. \$525,000.

## INDIANA PROPERTY

### LAKE COUNTY

- 53.5 acres. Merrillville Road Property, town of Merrillville. \$8,350/ac. SOLD
- 80 acres. Minder Property, city of Hobart. \$7,950/ac.

## MISSOURI PROPERTY

### HOWELL COUNTY

- 424.9 acres. Smith Property, 14 mi. S of West Plains. \$885/ac. SOLD

## WISCONSIN PROPERTY

### ROCK COUNTY

- 63.6 acres. Billimack West Farm, 11 mi. W of Beloit. \$3,800/ac.
- 115.6 acres. Spring Creek Farm, ¾ mi. W of Beloit. \$5,350/ac.

### WALWORTH COUNTY

- 279.4 acres. Elkhorn Farm, ½ mi. E of Elkhorn. \$12,900/ac. SOLD

## AUCTIONS

- 78 acres. Palm Farm, Florida 5/27/16
- 57 acres. Windjammer Property, Florida 5/27/16
- 2.7 acres. Stringfellow Property, Florida 5/27/16
- 171 acres. Sedarquist Farm, 1 mi. W of Rockford. SOLD

*For details on these properties, call Jeff Waddell, Josh Waddell or Mark Mommsen at 815-756-3606 or visit our website at [www.mgw.us.com](http://www.mgw.us.com).*



# BALANCE RETURNING TO THE LAND MARKET

As we spring into a new crop year, there are strong signals that, at least for now, we've entered into a healthier, more balanced land market. I've mentioned several times over the last couple years that market changes are coming, and we should embrace them, as the long-term strength and sustainability of the ag land market depend on it.

Impressive crop yields in recent years created oversupply, and tall supply sent grain prices tumbling, as cash rents and farm incomes slid for two consecutive years. In order for a farmer to properly service a new farm loan, or to pay a cash rent from which he or she could still make a profit, land prices had to cool off. This "cool down" period allows farmers and investors to regroup, adjust and approach the market from a position of strength. After all, as an asset, farmland's greatest attribute is the long-term, stable nature of its returns. And since the late fall of 2015, with a price correction underway, the market is showing strong support at new price levels.

Over the last six months, MGW, Inc. has had the opportunity to sell several portfolios of highly productive, largely "class A" land stretching from Rock County, Wisconsin to Champaign County, Illinois. Dozens of tracts, totaling over five thousand acres, sold one by one to farmers and investors at price levels 10 to 20 percent off of all-time highs. These sales provided an opportunity for landowners to sell at historically high prices, and created a chance for farmers and investors to reenter the market at sustainable price levels.

Heading into the summer of 2016, we will once again be watching key indicators, such as weather, crude oil prices and interest rates, to signal what direction the market will go from here. Our sales team has sold close to 40 farms this year, so there is no question that demand persists for farmland of all types throughout the Midwest. And if you would like to explore the possibility of purchasing at this time, or simply discuss farmland values, I'd like to encourage you to give us a call. A brief summary of some of the services we provide include:

1. *Brokerage services featuring a detailed, professional marketing campaign to ensure maximum exposure to farmland buyers locally and around the world.*
2. *Auction services to settle a family estate, or secure a date-specific sale and closing.*
3. *A professional appraisal report by a Certified General Appraiser.*
4. *Full-service farm management that is tailored to each landowner. Services include overseeing capital improvements, negotiating cash rents, optimizing soil conditions and return on investment.*
5. *Consulting services ranging from land values, acquisitions, eminent domain, and succession planning.*
6. *Portfolio services including geographically diversified land assemblages, management, and dispositions.*

Finally, I should make note that our firm recently celebrated its 40th anniversary, and I'd like to thank all of our clients who have made that possible. Best wishes for a great 2016 growing season.



*Jeff*

Jeff Waddell  
President

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## MGW REAL ESTATE SALES, 2016

Date	Farm Name	Acres
June	The Pierce Farm	218
June	The Myelle Road Farm	77.5
June	The Olson Farmette	2
May	The Twombly Farm	160
May	The Cherry Valley Road Farmette	5
May	The Patriot Property	4.68
May	The Godfrey Farm	111.3
May	The Bend Farm	110
May	The Waterman Farm	40
April	The Davenport Farm	221.82
April	The Priscilla Farm	147
April	The Route 170 Farm	50
April	The Dover South Farm	116.72
April	The Sedarquist Farm	167.77
April	The Pontiac Farm	97
April	The Baxter Road Farm	33.98
April	The Richland Farm	156
April	The Norway Farm	80
April	The Rimsnider Farm	76
April	The Sublette Farm	205.17
March	The McGirr Road Farm	318.74
March	The Whisper Farm	77
March	The Dover North Farm	40.32
March	The Leland Road Farm	155
March	The Ferb Farm	80.16
March	The Eagle Lake Farm	212
March	The Lostant Farm	153
March	The Billimack East Farm	80
March	The Osage Farm	40
March	The Garfield Farm	119
February	The Bellflower 2 Farm	235
February	The Tower Road Farm	80
February	The Elkhorn Farm	279.38
February	The Rissman Farm	319.56
February	The LDB Trust Farm	76.61
January	The Scifers Farm	80
January	The Richards Farm	40
January	The Gonzalez Farm	160
January	The Kirkland Farm	132.744