



**Iowa Farms Associates Inc.**  
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- Professional Farm Management
- Farm Real Estate Specialists
- Farm Appraisals
- Farm Consultation

**FALL 2019**

## **LANDOWNER NEWS**



### **Land Values**

*by Roger Williams, Accredited  
Farm Manager, IFA President*

In June of this year I started my 27th year at **Iowa Farms** and have had the pleasure of working with a wide variety of clients over a wide variety of conditions. I have witnessed some of the very best times in agriculture, and some of the most challenging. In 2013 we had our first round of my career with prevent plant acres due to mother-nature. And then again just a short 6 years later the same unprecedented spring weather which left millions of acres unplanted across the corn belt for the 2019 crop year. The area in which **Iowa Farms** managed land was spared for the most part with the exception of the

north central and northwest part of our territory. This along with the trade negotiations where agriculture has become collateral damage in a war with China are the two things impacting land values the most and will continue to do so as we move forward through the next few years.

Land values continue a slow decline in most areas of the state while somewhat stabilizing in other areas of the state. Several factors do not suggest a change any time soon especially if commodity prices stay at or below their current levels, uncertainty with China and world trade agreements, variability in yield for the 2019 crop year and weather patterns. Factors supporting the current farmland values continue to include limited amount of land on the market and low interest rates. Most of the land is being bought by farmers. Most of the buyers are looking for that perfect farm to add to their land base and shying away from those below average farms or land that is hard to farm. Good quality land can still bring top dollar in highly competitive areas.

A recent survey from the Iowa Realtors Land Institute indicates that there has been a decrease of 0.2% in land values from September 1, 2018 to September 1, 2019 state

wide. There has been a decrease in land offerings available in the area in which **Iowa Farms** manages. Land sales that have taken place in **Iowa Farms** managed areas have ranged from a no sale at an auction to prices exceeding expectations at the auction.

In general it is my opinion where crop yields exceed expectations good quality farms will bring a premium moving forward in most areas while lower quality farms, inadequate drainage or below average farming efficiency will be discounted somewhat. Lower interest rates and stock market volatility will bring more money in the market, which could result in investor buyers competing to buy land.

If you or someone you know would like a market analysis done on their farm, **Iowa Farms** can provide you with this service. **Iowa Farms** is experienced in doing market analysis and in buying and selling farmland.



## **A CHALLENGING YEAR HEADS TO THE FINISH LINE**

*by Mike Callon,  
IFA Vice President*

The growing season of 2019 can be summarized as one of extreme challenges. We entered the 2019 growing season with ample soil moisture levels from the above normal precipitation of 2018 that really did not give any relief to alleviate the excess moisture before it froze late last fall. We experienced one of the wettest 12 month periods in weather history which caused flooding of rivers and streams that spanned for many areas of the Midwest.

The above normal precipitation also brought with it challenges of getting the corn and soybean fields planted in a timely manner if you were able to plant them at all. Depending on where your farm was located the end of April, the first few days of May and a couple of days in the middle of May were suitable days for field operations if

your soils had dried out enough for fieldwork to take place. Crops were planted in less than ideal conditions and in some cases were planted about a month or more later than normal with a good number of acres planted in the month of June. A few instances the soil remained too wet and a crop was not able to get planted at all. Cooler than normal temperatures were also received this summer which did not push along the crop as it normally does with the less growing degree units being received.

Due to the cooler conditions and maturity of this year's crop very few yield reports have been received in the **Iowa Farms** territory. Abundant rainfall is currently being received along with above normal temperatures. The above normal temperatures are ideal to help push this year's crop to the finish line especially the later planted crops, however, harvest will again be a challenge if soil moisture conditions stay above normal during the harvest season.

### **USDA STILL FORESEES A DECENT CROP IN THE FIELDS**

The USDA released their September Crop Production Report on September 12th. The USDA stated in their September crop report that they estimated the national corn yield at 168.2 bushels per acre which is down 8.2 bushels per acre from one year ago, with total 2019 production forecasted at 13.8 billion bushels which would be down 4% from one year ago. Iowa is forecasted to yield 191 bushels per acre which would be down 5 bushels from one year ago. The soybean numbers were estimated

at 47.9 bushels per acre and a production figure of 3.6 billion bushels. This would result in a decrease of 3.7 bushels per acre and 20% reduction in production from 2018. Iowa is forecast for a State average of 54 bushels per acre which would be down 3 bushels per acre from one year ago. It is hard to imagine this type of production as we look back at the spring planting season for the Midwest and the less than ideal planting conditions many acres were prone to. Most of the region managed by **Iowa Farms**, with the exception of Northwest Iowa, was able to get things planted for the most part fairly favorable and should be blessed with an average to above average crop. The combines are ready to hit the fields when maturity is reached and the true story about the 2019 crop year will be told.

The solid production number for corn if realized will result in carryout levels that will be down only slightly from one year ago. This will keep pressure on the market unless production is not realized and the late planted crop is not abundant as the USDA initial September inspection suggests. Soybean carryout levels are at historically high levels and will remain that way even with the cut in the estimated production numbers. The lack of export business to China due to trade issues and African Swine Fever have dampened business to one of our biggest export markets. If trade differences are resolved and with trade agreements with other countries being finalized demand should improve and hopefully start putting a dent into the large supplies we currently are presented.



### *Renee Jeanblanc*

The fastest season of the year is over. Summer is gone and beautiful fall is here. The changing colors of the corn and soybeans is a reminder that harvest is not too far away. A Philosopher once wrote, "Autumn is a second spring, when every leaf is a flower." Iowa becomes a garden of brilliant color once the trees burst into all its beautiful color in October. If you're ever going to visit Iowa it is the prettiest time of the year to visit. The days are a lot cooler, humidity is down and the morning air is crisp.

As another growing season will be coming to an end it's a good time to recognize the contribution agriculture makes in the lives of all of us.

While it seems unlikely that many Iowans need to be reminded that agriculture is vital to this state, this is a good time to recall just how impressive American agriculture truly has become.

According to the Agriculture Council of America, each of the country's farmers feeds more than 144 people up from 25 people just four decades ago. That's very good news for Americans, but also for

hungry people everywhere. This country produces far more agricultural products than Americans can consume. Agricultural products are this country's No. 1 export. One in three U.S. farm acres is planted for export.

With the planet's population projected to grow to 7.5 billion by 2020, people everywhere have good reason to give thanks for the magnificent success story that is American agriculture.

**Iowa Farms** would like to thank all owners who completed the forms for the Farm Service Agency and the Internal Revenue Service. As stated in the letter, without these completed forms you would not be able to be eligible to receive Farm Program Payments. If you have not yet completed the forms, please complete and return to us as soon as possible.

The first half of the property taxes and drainage assessments were just paid the end of September.

In the Spring Landowner News we were congratulating and wishing Sheila a happy retirement.

**Iowa Farms** would like to extend a warm welcome to Jaci Keigher. After 20 years of working at the Correctional Facility, Jaci was ready to retire from there and still wanted to work a couple days a week. Sometimes things just happen for a reason because **Iowa Farms** had that "retirement" job that she was looking for.



### *Jaci Keigher*

I would like to take this opportunity to introduce myself. I was born and raised in Fort Dodge, graduating from Fort Dodge Senior High. I worked in banking for 16 years before going to work at the Fort Dodge Correctional Facility for 20 years. I just retired from the prison on August 7th & began my part-time job here at **Iowa Farms** on August 19th!

My husband, Steve & I have 2 grown children. Justin (Jalon) works for Bemrich Electric, in Fort Dodge they have 3 children; and Jennifer (Jerod) works for Wells Fargo, Des Moines and lives in Altoona with their 2 children.

Steve and I like to travel, ride UTVs and spend time with our 5 little people!

I look forward to my "retirement" job and getting to know all our owners, tenants and business acquaintances with **Iowa Farms**!

**Facts and Figures**

	Aug '02	Aug. '05	Aug '09	Sept. '19
Prime rate	4.75%	6.50%	8.5%	5.00%
CCC loan rate	2.75%	4.5%	6.25%	2.75%
Corn futures (avg.)	\$2.62	\$2.15	\$2.62	\$3.61
Corn local (avg.)	\$2.27	\$1.64	\$2.33	\$3.638
Bean futures (avg.)	\$5.23	\$6.27	\$6.49	\$8.76
Beans local (avg.)	\$5.45	\$6.00	\$6.25	\$8.0315

**Richard "Dick" Hagemeyer 1937-2019**

It is with great sadness that we share the passing of Dick Hagemeyer on September 9, 2019. Dick was the farm manager on the farm Roger grew up on in Pocahontas, Iowa. Roger has many fond memories of Dick both as a young child and then later in life as he evolved into the farm management business. Iowa Farms is very appreciative of the fact that Dick brought us together with some of his clients as he quietly retired in 2013 and we continue to manage those properties today. Rest in peace Dick.



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