



Organic 'Transition' corn crop 2017



"Your Farmland Specialists"

Eric K Manges-Managing Broker, 630-730-2975

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WE ARE BACK!! Some of you may remember a "Blues & News" newsletter that we published several years ago—and the work Manges Realty, Inc. did throughout the western suburbs. In 2009, Eric had the opportunity to go to work for a private investment company, managing their Midwest farm portfolio. It was a great opportunity to learn from farmers in several states, adopt new technologies, introduce cover crops to the operations, and the latest endeavor of transitioning a farm from conventional to organic.

While that work was tremendous, it is time to 'get back home'! With the addition of Craig Mann to the Manges Realty team, we hope to bring this experience and knowledge to northern Illinois and our local community. Our goal is to help our friends and neighbors with land sales and acquisitions, as well as looking at new opportunities to improve profitability on your farming operations.

Eric Manges, founder and managing broker of Manges Realty, Inc., began his farm management career in 1983 after receiving his M.S. degree from Purdue University in Ag Economics. Starting at The Northern Trust Company, he managed farms for both private and trust clients throughout the Midwest. In '86, with the acquisition of the farm management division by Prudential Insurance Company of America, Eric became a licensed real estate broker which expanded his experience into farmland sales and acquisitions. Licensed in six Midwestern states, Eric led the Midwest region in providing management and brokerage services to both individual and corporate clients.

From 2009 to 2017, Eric was employed by BMGI Group and Oak River Farms, a private investment firm. His responsibilities included management of the Midwest farmland portfolio, that stretched across eight Midwest cornbelt states, from Nebraska on the west to Ohio on the east. This work included custom farming 8,000 acres, negotiating leases, valuation of the portfolio, and sales/acquisitions of selected properties. It also included the transition of 2,000 ± acres from a conventional to organic farming operation.

Craig D. Mann-Real Estate Broker

Iowa State University-B.S. Animal Science

Oscar Mayer & Company-Sales and Service Representative covering territories in Illinois and Iowa.

Self-employed Cattle Buyer-Bought fat cattle for packing companies in Connecticut, Iowa, Illinois, Michigan, New Jersey and Ohio. Operated feeder cattle operation, serving Illinois cattle feeders.

Sr. Vice President Marsh & McLennan, Inc-Developed Agribusiness Unit serving clients in Connecticut, Illinois, Iowa and Nebraska. Managed brokerage unit in Chicago office and served as Chicago region sales manager and senior vice-president for brokerage operation.

Self-employed (semi-retired) Insurance Broker servicing crop insurance in Illinois, Iowa, Indiana, Nebraska and Ohio.

Check us out at: www.mangesrealtyinc.com
or

www.manges.land

History of Manges Realty, Inc

Seeing an opportunity and challenge in 1998, Eric Manges started Manges Realty, Inc. to assist farmland owners in metro Chicago as they faced rapid growth of residential and commercial development. With his expertise, he assisted with pricing and sales of farmland to developers, and coordinated 1031 Exchanges for those owners into new, high quality farmland.

After 8 years of managing a 37,000± acre Midwest portfolio for BMGI, Eric has returned to Naperville and re-energized Manges Realty, Inc. "There is a tremendous opportunity in the farmland market now. It is exciting to get back home and help our friends and neighbors.

SPECIAL ANNOUNCEMENT!

It is my extreme honor to announce the addition of Craig D. Mann as Broker for Manges Realty, Inc. Craig has been a friend and business associate for 30+ years. Craig brings a variety of past work experience—all of which has been to do the right and best thing for his clients. His character and honesty is without question. His Christian values have led him throughout his life. I am excited about the opportunities Craig brings to us.

Current Farmland Values

The Chicago Federal Reserve publishes their Ag Letter quarterly. It surveys their member banks across their 5 States regarding farmland values and credit conditions. As we are all aware, farmland values peaked in 2013. Since that time, we have had 12 quarters of flat to declining land values. This is one of the longest down-trends in history (eclipsed only by the ag depression of the 1980's). Land value declines have ranged from 10-20%, varying somewhat from State to State.

Since 2012, it has been reported that over 60% of all farmland purchases were by farmers. The high incomes from previous years allowed farmers the opportunity to add new land, as well as make major improvements on current holdings. Outside investors were relatively inactive (or outbid at auction) during this time, with only a few exceptions.

Where do we go from here? Most pundits are expecting mostly level farmland values for the near future. Commodity prices have remained relatively low, putting pressure on profitability.

Most recently, two major funds have announced plans to enter the Midwest land market. Why? Perhaps with a 10-20% value decline, it is a good buying opportunity? Perhaps the commodity cycles are due for a bull market—leading to improved profits?

With an opportunity for leasebacks, perhaps this is an opportunity for some to liquidate a tract and lease-back? Perhaps a sale-leaseback would fit into a family succession plan? Time to take advantage?

"LIFE ON THE FARM"

One door closes, another opens—God provides opportunities where we least expect it! Proverbs 16:3 reminds us: "Commit to the Lord whatever you do, and He will establish your plans."

Do you ever pause and wonder—How did I get to this position in life? For me, sometimes it is almost overwhelming all the steps that have occurred 'by accident' that have brought me to northern Illinois and Manges Realty, Inc.

- **grew up on small grain-livestock farm in northern IN.**
- **Attended Purdue University (twice!). Why? It is the Ag school in IN, so of course I am going to Purdue!**
- **Held three short-term jobs between the Purdue stints**
- **Next job in Chicago area, managing farms. Short-term? 30+ years later, still here!**
- **Our Church receives a donation of 10 acres for a new church start. I decide to be a 'pioneer' and help with new start.**
- **Currently in the process of actually building a new church building to grow a faith community in Bolingbrook, IL.**

How did I get here from a little farm in Indiana? Doing farm brokerage for a career, and starting a church? Above I noted 'by accident'. It is NOT an accident! For some reason, GOD has led me through all the small decisions to this point in life. He has a plan beyond my comprehension. I pray that I can stay committed to HIS plan.