



LaSalle County, Earl Twp, 476.13 ac for sale;  
PI=141; Price: \$13,500 per acre



***"Your Farmland Specialists"***

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#### DeKalb, LaSalle Counties Recent Sales:

Mar '21, Somonauk Twp, 163.31 ac, Somonauk Road; \$10,822 per acre.	PI=139; \$77.86/PI
May '21, Somonauk Twp, 54.25 ac, Suydam Road; \$11,500 per acre.	PI=140; \$82.14/PI
Apr '21, Cortland Twp, 433.27 ac, Road, sold at \$10,604 per acre.	PI=136; \$78.00/PI
May '21, Sycamore Twp, 253.5 ac, Whipple Road, \$10,514 per acre.	PI=126; \$82.93/PI
Apr '21, Sycamore Twp, 240 ac, Lindgren Road, \$10,200 per acre.	PI=139.7; \$73.00/PI
May '21, Paw Paw Twp, 117.11 ac, Shabbona Road, \$9,098 per acre.	PI=137.1; \$73.30/PI
July '21, Clinton Twp, 240 ac auction, Crego Road, \$15,250 per acre.	PI=141.4; \$108.00/PI

July '21, LaSalle County, Meriden Twp, 199.2 ac auction, \$14,750 per acre. PI=143.5; \$102.78/PI

#### Northern IL Farmland Values:

Early 2021 farm sales continued at similar values to the past few years. Those sales sold at an average of \$73 per PI point for Class A farms, with the range of \$65- \$85 per PI. For Class B farms, the average was \$67 per PI point, with a range of \$60-\$80 per PI. These values are 7-8% under the statewide averages.

However, as the recent auctions are indicating, the demand for high quality farmland is very high with limited supply. Thus we have seen a dramatic increase in land values. The recent auctions have sold at prices that push this value indicator over \$100 per PI point. Other land sales throughout the state have also sold at this \$100 per PI point level, bringing northern IL values in line with central IL values. By the numbers, this would calculate to an increase in values of over 30% in just a 6-9 month period. That size of increase would be historic!

Class B sales have followed the trend as well. Recent sales of Class B farms have been in the \$80-85 per PI point range. Additional listings currently available are also in this range. Expected sales ranges of Class B farms will likely be wider than Class A farms due to the demand and variability of soils. However, it does appear that Class B farms will follow the trend.

What can we expect for future farmland values? Obviously, farmland values have followed the dramatic increases in commodity prices. Historically, land values have followed commodity prices, but with a 6-12 month delay and with a slower moderate increase. This year's trend has been rapid and dramatic.

As of this writing, commodity prices on CBOT continue to be 40-50% higher than the 2019 lows, and extend to the 2023 crop. Thus, theoretically those corn and soybean prices could be locked in for two additional crop years. Higher commodity prices increase profit expectations. Along with higher profits, rental rate expectations will be higher providing continued strong returns to investment in farmland. With that being the case, farmland values could continue at the new higher levels for the next few years.

**The Chicago Federal Reserve Ag Letter reported a 14% year-over-year increase in farmland values across the five district states. That included a 12% increase in all IL farmland, with a 14% increase in Northern IL. This increase is the largest year-over-year increase since 2013's third quarter. These numbers come from a survey of 152 District bankers. Seventy (70%) percent of those respondents also forecasted higher farmland values in Q3 2021.**

**USDA's June index of prices received by farmers was up 22 percent from a year earlier. Commodity prices were reported higher by 74% to 100% from a year ago. In addition, government funds allocated to agriculture contributed to the higher farm income.**

**USDA's July report estimated a 15.2 bln bushel record yield, with soybeans at 4.4 bln bushel. Forecasted 2021-22 prices are at \$5.60/bu corn and \$13.70/bu soybeans. When calculated, the projected revenues from the 2021 harvest would be 29% larger for corn and 50% larger for soybeans; exceeding 2020 levels.**

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## Biologicals in Ag Production:

Are biologicals the next big growth segment in ag production? Industry pros say yes.

The consulting firm Dunham Trimmer estimates biologicals had \$2 billion in sales in 2012 that jumped to \$7 bln in 2021. They project a growth rate that is two to three times faster than the traditional crop protection market.

What are the key drivers for biologicals?

Most significant is consumer demand to reduce pesticide use and residues. Other drivers are favorable government policies, reducing pest resistance to other products, and improved year-round production of fresh produce.

How will we see biologicals in ag production?

We will see them as biopesticides, biostimulants, biofertilizers and plant growth regulators. Inoculants are one form of biological that has been widely accepted. Farmers and retailers recognize the naturally occurring biologicals in the soils that can be used to stimulate plant performance or reduce pathogenic infections to the plant.

Another example that is gaining attention is a product named "Proven 40" introduced by the company Pivot Bio. It is marketed to replace up to 40 lb. per acre of synthetic nitrogen. In 2021 the company reported usage on more than 1 million crop acres.

An interesting startup is "MyLand". This company's focus is on amplifying the natural microorganisms within soil. Specifically, the company has a system to take soil samples from a farm, extract native microalgae, reproduce those on-site, and then reintroduce the algae back into the field in mass quantities.

"Certis Biologicals" claims two decades of experience in biopesticides. The company groups its technology platforms into six divisions: bacterial-based technologies, fungi-based products, virus technologies, bacteriophage technologies, biochemicals and neem seed extracts. Currently the company has 12 products registered for use on row crops.

One example of their products is "Oso", a biofungicide for use on potatoes, citrus and more. It claims to have both a preventative disease control as well as curative properties. This product has received OMRI listing and NOP approval for use in organic crops.

The company "AgBiTech" is leveraging 20 years of experience in Australia to bring products to the U.S. It had three baculovirus-based insecticide products applied to 500,000 acres in 2020.

## Biologicals, cont'd:

One such product for AgBiTech is its product "Heligen". It is labeled for soybeans, sorghum, sweet corn, cotton, peanuts and industrial hemp. It is a baculovirus-based insecticide targeting the control of earworms. It works to infect the pest, kill the pest, and release the virus into the environment. The caterpillars will work to generate more product than applied for extended presence and control for up to 60 days.

"Valent Biosciences LLC" recently received EPA registration of a new plant growth regulator (PGR). This PGR is based on a naturally occurring compound developed specifically for thinning of stone fruit; including peaches and nectarines as well as late thinning of apples.

The active ingredient occurs naturally in plants. Once applied, the active ingredient is quickly converted to ethylene using the plant's natural biochemical pathways. The ethylene generated stimulates and accelerates flower and fruit drop. It does not leave a residue at harvest as it is rapidly broken down in plants.

Biologicals will be a strong emphasis for many crop protection companies over the next decade. Many provide increased safety for the producer, the environment and the consumer.

Source: AgWeb/Farm Journal, by Margy Eckelkamp

## Legislative Push for National Organic Program:

The Organic Trade Association announced a recent virtual meeting with lawmakers to advance organic standards. A bipartisan bill entitled Continuous Improvement and Accountability in Organic Standards Act (CIAO) was introduced in the House earlier this year. "This legislation directly addresses the challenges of organic over the past two decades and provides a clear way to ensure the federal government keeps up with the organic market. It requires USDA to clear the backlog of stalled organic standards put forth by the industry and recommended by the National Organic Standards Board; it establishes a new framework for advancing future organic standards; and it ensures consistent application of new standards from organic certifiers." The partnership creating a National Organic Program with the federal government has been successful, but the backlog of regulatory action threatens consumer confidence and hampers businesses in making operational decisions. This meeting encouraged lawmakers to pass the Act to further advance the Program.

## Living Through the Storm:

### "LIFE ON THE FARM" By Eric Manges

I recently read the "Jesus calms the storm" story in Matthew 8. It is also repeated in the gospels of Mark and Luke. It is a relatively short story, but powerful and significant to be repeated in three of the gospels.

To summarize: Jesus and the disciples get into a boat to cross the lake. A violent storm erupts sweeping water over the boat. The disciples are afraid and go wake up Jesus, who is sleeping. Jesus commands the winds to calm and the disciples are amazed. Jesus' response to them: "You of little faith, why are you so afraid?"

I feel like the past 18 months have been a "storm" that has affected us all. A dramatic change to our "normal" lifestyle. The fear of a pandemic disease. The fear of the cure. The ongoing and perhaps never ending disruption to calm living.

Unfortunately, many are not looking to Jesus to calm our storm. Instead, many are looking to humans for answers and finding many answers, no answers, more questions and a continuing storm. For many it has led to depression, anxiety and related health issues.

What if everyone just called on Jesus in the midst of this "storm"? I have no doubt that the same result could be experienced similar to the disciples. The violent winds would be calmed immediately. I also have no doubt Jesus' response would be the same: "You of little faith, why are you so afraid?"