



Dad's Passion: JD 40 Crawler, 1950's 20HP Workhorse



"Your Farmland Specialists"

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

Craig D. Mann-Broker, 815-592-6266

Eric Shearer-Broker, 815-677-1142

3939 Garnette Ct, Naperville, IL 60564

Latest Farmland Value Trends

The Chicago Federal Reserve recently released their 4th Quarter 2021 AgLetter. They reported a year-over-year 22% increase in "good" farmland values across the 7th District (including IL, IN, IA, WI and MI). Illinois reported an 18% increase, with IA leading the way at 30% and IN gaining 22%. Further, northern Illinois reported a 14% increase, while central Illinois reported a 21% increase.

This was the second largest increase in nominal terms since 2011. Adjusting for inflation, the District farmland values had an increase of 17%, again the largest real increase since 2011. The District reported real declines in values from 2014 through 2019. However, at the end of 2021 farmland values were up nearly 7% from their previous peak (in 2013) in real terms.

Low real interest rates, additional government funding and large increases in corn and soybean prices all assisted in the increase. USDA also reported a corn yield increase of 9.4%, and a soybean yield increase of 8.0% over 2020. Both were record yields at 198 bu/ac corn and 61 bu/ac soybeans.

Recent Farmland Sales:

Dec '21 DeKalb Co, Clinton Twp, Sec 16, 95.01 ac at \$14,000/ac. PI=135. Sold at \$103/PI.

Oct '21 DeKalb Co, Squaw Grove Twp, Sec 2, 154.05 ac at \$11,000/ac. PI=140. Sold at \$79/PI.

Oct '21 DeKalb Co, Squaw Grove Twp, Sec 31, 45.55 ac at \$13,500/ac. PI=139. Sold at \$97/PI.

Oct '21 DeKalb Co, Sycamore Twp, Sec 24, 157.5 ac at \$11,073/ac. PI=140. Sold at \$79/PI.

Nov '21 DeKalb Co, Pierce Twp, Sec 29, 76 ac at \$12,742/ac. PI=143. Sold at \$89/PI

Sep '21 DeKalb Co, Genoa Twp Sec 27, Sycamore Twp Sec 13, 254.23 ac at \$12,095/ac. PI=138.
Sold at \$88/PI.

Jan '22 LaSalle Co auction, Mendota Twp, Sec 35,36, 275.04 ac at \$15,082/ac avg, 4 tracts. Avg
PI=140.7. Sold at \$107.22/PI

Feb '22 Lee Co auction, Lee Center Twp, Sec 5, 73.9 ac at \$16,100/ac. PI=139.5. Sold at \$115.41/PI

Feb '22 DeKalb Co auction, Clinton Twp, Sec 14, 79 ac at \$12,400/ac. 68 ac tillable. PI=138.
Sold at \$104.40/PI/tillable acre.

Land Sales confirm at least a 20% increase year over year. Class A soils now selling above \$100/PI. Class B soils now selling over \$80/PI.

Are you ready to sell? Manges Realty, Inc can sell at auction. Multi-parcel, choice or one tract. Call us.

Check us out at: www.mangesrealtyinc.com
or www.manges.land

The Ukraine Effect on U.S. Agriculture

The recent Russian invasion of Ukraine could have a major impact on U.S. agriculture. Ukraine has been termed “the breadbasket of Europe”, especially over the past few years. With over 70% of their land arable, Ukraine has become a major global exporter of grains.

Ukraine recently reported a 37.4% increase of grain exports for 2021/22 marketing year. This places them at 16% of global corn exports, 12% of wheat exports and a major exporter of barley. Combined with Russia, they export an estimated 30% of all wheat. Ukraine is the largest supplier of corn to China, with 60-90% of all China’s corn imports coming from Ukraine.

Ukraine is also a major producer and exporter of sunflower oil, canola oil and soybeans. Recent reports have seen a significant increase in orders of all grains from Ukraine in an attempt to confirm and complete shipments prior to any disruptions.

On the flip side, Russia is the largest exporter of nitrogen fertilizer. Already, Russia has limited exports of their fertilizer. They are also major producers of both potash and phosphate fertilizers. Obviously, Russia is also a major exporter of oil and natural gas, primarily to Germany and the EU.

The positive effect on U.S. agriculture is likely an increase in export possibilities for corn, wheat and possibly corn and soybean oils. If the ports of Ukraine and/or the transportation system within the country is disrupted for an extended time, those countries currently importing from Ukraine will need to look for other sources. With South American crops experiencing weather difficulties so far, the US may be able to take advantage. All of this could extend the higher commodity prices through 2022 and possibly into 2023.

The negative effect on U.S. ag will be the higher costs for fertilizer and fuel. Long term costs are dependent on which countries are willing or able to step in with higher production of fertilizers to replace Russian imports. Some costs will also depend on the political persuasion here in the US. Will the US step up energy production again?

“LIFE ON THE FARM”

By Eric K Manges

Many people have a hobby or a passion to achieve something personal outside of our everyday work. For me it was running. Notice I said “was” since my knees told me a few years ago that it was time to retire from running. But for 40+ years I enjoyed running daily and entering road races of various distances. Those races were any size from 5K to marathons, with a few duathlons thrown in for fun.

With that passion, I always enjoyed Biblical teaching on perseverance. Such as James 1:12: “Blessed is the man who perseveres under trial, because when he has stood the test, he will receive the crown of life that God has promised to those who love him.” When running, obviously my perseverance was physical. I enjoyed pushing the daily physical training so I could enjoy and finish the races.

This verse, though, is referring to our spiritual perseverance. How do we react when faced with spiritual trials and temptations? How do we respond to financial or family troubles? How do we respond to health issues, such as the pandemic that has affected people around the globe?

We are faced with many trials in our life. As has been said, “it is not the trials that set the tone for our life, but it is how we react to them.” My running career included a broken leg with a severe ankle sprain, and a broken knee on two occasions. But, those did not stop my desire to keep running. My hope is that my spiritual life can have the same passion. Can I face the challenges of life and still keep the passion to do good works? Can I share that passion with those around me?