



Porsche Diesel Junior



"Your Farmland Specialists"

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Latest Farmland Value Trends

The Chicago Federal Reserve Bank published their Q4 2022 report last month. They reported a 12% increase in farmland values over the 7-state district. The IL increase was 14% year-over-year and IA at 11%. It included no change in values for Q4 from Q3.

Increases varied somewhat across the states. Indiana reported a 23% year-over-year increase, the largest of all states. This mostly reflects a delayed response of increases compared to IL, IA and WI. Overall, the yearly gains were smaller in 2022 compared to 2021.

This was a new peak in farmland values since the prior peak in 2013. In nominal terms, values are up 36% from 2013. Adjusted for inflation those values are up 12%. Expectations for Q1 2023 include 16% of respondents expect values to increase, 10% expect them to fall, and 74% expect to remain stable.

Credit conditions in the district remained healthy for Q4. Repayment rates of non-real estate loans were higher than a year ago. Loan renewals and extensions were lower. Non-real estate loan demand relative to a year ago was lower for the tenth consecutive quarter.

I consider these reports to be an accurate reflection of the farmland market, although possibly a little conservative. Their numbers are based on a survey of participating bankers averaged over the state and various soil productivity ratings. As the Sterling Land Company Special Report has reported, the Illinois Class A land values increased 20% in 2022, with a 52% increase over 2020. This is perhaps a more accurate reflection of IL highly productive farmland values.

Just Received: One of our clients just received new funding for acquisitions of high quality farmland specifically in Illinois. Looking for steady income. Long-term investor. Wanting large parcel of 300 acres or more to start, with potential to add acreage later. Must be private sale. Will not purchase at auction.

If you know of any farms for sale in your area or any sale-leaseback potential, please call us. This would be an excellent investor for sale-leaseback to expand your operation and/or provide extra liquidity to your operation.

BrightFarms in Yorkville, IL

You may have heard of BrightFarms as one of their first greenhouses is located near Rochelle. Now, the company has a second Illinois farm under construction near Yorkville. The company recently announced this addition as one of four hubs to be built over the next year. Other hubs will be located in Macon, GA and Lorena, TX plus another in the Northeast in late 2023.

BrightFarms was acquired by Cox Enterprises in 2021. That acquisition marked a shift how the controlled environment agriculture (CEA) industry is growing. To facilitate this expansion, BrightFarms is partnering with Kubo Group and Green Automation Group, leaders in greenhouse and automated growing system technologies.

All four sites are strategically positioned near major metropolitan areas. They have a combined footprint up to 200 acres with the ability to produce approximately 150 million pounds of leafy greens per year once complete. Each regional hub is expected to create more than 250 jobs in the agricultural sector at full scale.

"Today's U.S. salad supply chain is not sustainable, with over 95% of all leafy greens grown in two centralized, water-depleted regions on the West Coast," BrightFarms CEO Steve Platt said in the release. "We grow our greens where people consume them, 365 days per year. With our four new greenhouse hubs underway, we're excited to deliver the freshest, cleanest and most responsibly grown produce to two-thirds of the U.S. in a way that benefits the health of our consumers and the planet, while also providing fair and equitable wages and benefits to agricultural workers who feed our country."

Source: The Packer, March 1, 2023

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Camelina Sativa

This oil crop may be known to everyone but me, but it is new to me. The high interest in developing the crop is interesting. The global seed company, S&W Seed Co, recently announced a joint venture with Equilon Enterprises, a division of Shell oil. The new JV will operate under the name of Vision Bioenergy Oilseeds LLC. The plans for the JV are to develop Camelina and other oilseed crops in order to process the resulting oil and meal into animal feed, biofuels and other byproducts. They have a seed processing facility in Nampa, ID.

Another company, Sustainable Oils, Inc was formed in 2013, headquartered in Great Falls, MT with processing plant in Bakersfield, CA. It is a subsidiary of Global Clean Energy Holdings, Inc. Their goal is to grow and process Camelina into renewable diesel fuel and other byproducts. Exxon Mobil signed a multi-year agreement to purchase up to 220 MM gal/year of the biodiesel. In order to meet that goal, a total of 1 million acres of Camelina will need to be grown.

Sustainable Oils announced a joint agreement in August 2022 with Corteva Agriscience, the Broad Institute of MIT and Harvard, to develop gene editing tools to further develop their patented Camelina varieties. Their emphasis is on non-food based, ultra-low carbon biofuels feedstock.

Yet another company is Yield 10 Bioscience. It is a public company based in Woburn, MA. Their goals for Camelina are to develop high levels of PHA bioplastic. PHA's are natural polymers and fully biodegradable. Currently, PHA's are produced by fermentation of engineered microbes. Yield 10 so far has field tested new seed varieties that yield up to 10% PHA.

Mitsubishi Corp recently announced a memorandum of understanding with Yield 10. The partnership will evaluate the potential to supply, offtake and market Camelina as a low carbon feedstock for biofuels, as well as for PHA bioplastic production. Mitsubishi's aim is to mass produce Sustainable Aviation Fuel (SAF).

What is Camelina? It is a member of the Brassicacea or mustard family. It is an annual or winter annual short season crop (85-100 days). It is frost tolerant to 14 degrees F and drought tolerant. The oil is suitable for a variety of food uses and biofuels production. The oil is high in Omega-3 fatty acids, low in saturated fatty acids. Camelina meal contains 36-40% crude protein, 11-12% fat and 4,600 Kcal/Kg gross energy. The meal is high in alpha-linolenic acids (Omega-3) at 30%.

As a spring crop it germinates at soil temperatures of 36-38 degrees F, so can be planted similar to oats, barley or spring wheat. It can also be grown as a fall-seeded cover crop and harvested early spring prior to soybean planting. Generally, it requires low inputs of fertilizer and relatively low water requirement compared to other crops.

Camelina is currently being grown primarily as a spring crop in the high plains, MT, pacific NW and into Canada. It traditionally competes with canola and other small grains for acreage and profitability. A major benefit in the Midwest would be as a winter cover crop between corn and soybeans, especially if a harvestable crop can be achieved. With the recent interest and investments from major companies in renewable biofuels, sustainable aviation fuels and the PHA bioplastics, Camelina could become a high demand alternative crop.

Sources: Article by Lynda Kiernan-Stone, Global Ag Investing Media; various company websites.

Down on the Farm by Eric K Manges

We recently completed a study presented by CBS Sports announcer James Brown and NFL Coach Tony Dungy. It was entitled "The Uncommon Man". First, the definition of Uncommon was described as rare, valuable, above the norm and not average. As Christians, we are and need to be uncommon-rare and valuable to our friends, family and neighbors.

As expected, the study related to football. The three main topics were: Know the Play, Run the Play, and Endure the Opposition. As Christians, we need to know the play. That is: read the Bible, our playbook. Study it and know it. Memorize as much as possible. Be prepared to run the play. Be prepared to help others understand the playbook. Be ready to answer questions from both believers and unbelievers. Live a Christian life of taking care of neighbors. Be on the lookout of where you can help others to know Jesus.

The final session centered on enduring the opposition. Who is the opposition? Satan and his followers. In Ephesians 6:12-13 Paul writes: "For our struggle is not against flesh and blood, but against the rulers, against the authorities, against the cosmic powers of this darkness, against evil, spiritual forces in the heavens. For this reason take up the full armor of God, so that you may be able to resist in the evil day, and having prepared everything, to take your stand."

Christians today are being targeted as enemies globally. It is still illegal to be a Christian in some countries. In those countries, Christians must be 'underground' to study and practice their principles and beliefs.

Here at home, we are being bombarded with non-Christian messages on sex, gender, abortion, children's education rights and a host of other issues. If we stand up with our Christian beliefs, we are automatically labeled phobic. We must be "The Uncommon Man" that is prepared and ready to boldly take our stand. After all, we know who wins the spiritual battle in the end!