

speakers

→

Dan Basse | Ag Resource Co
Eric Snodgrass | Nutrien
Gary Schnitkey | U of I ACES
Luke Worrell | Worrell Land Svc
Ray Brownfield | Land Pro LLC

←

WHAT to EXPECT in UNCHARTED WATERS

→

2023 Land Pro LLC Fall Seminar | 9.6.23

July 2023

Hope everyone had a great 4th of July. Usually, we wish for clear skies and no rain during our time to enjoy family and friends over the holiday weekend. But not this year. With the extended drought we welcomed any rain, even during the NASCAR races in downtown Chicago. I am a NASCAR fan, and enjoyed the races, but unfortunately the eight inches of rain that caused race delays was not evenly distributed to the countryside for our growing crops.

Rainfall amounts varied throughout Illinois. Some areas received no rain while others got between one to five inches. On June 29, a [derecho](#) with winds of 50-75 mph hit areas from south and east of Bloomington to south and east of Springfield, causing damage to buildings and corn. I guess it is fortunate the corn was not seasonably taller and subject to "green snap" which at this stage of growth basically kills the plant. In this case the corn is bent over to varying degrees, but with some elbowing may straighten. Some agronomists feel the corn yield in the derecho-stricken areas could be reduced by 20-30 bushels per acre.

I spoke with [Chip Johnston](#), our Land Pro LLC broker in Princeton (Bureau County, Illinois) and he said they got very little to no rain. I also spoke with my farm

operator in Thawville (Iroquois County, Illinois), and he said the area received about three inches of rain over the past ten days. The corn is a little over shoulder tall and starting the pollination process, with reduced leaf surface. If there is any good news, the dry conditions did not create an environment for insects or disease. So probably no fungicide application is necessary this year, cutting some production costs. Many feel that this growing season is close to a mirror of the 1988 growing season, which I vaguely remember. I do recall many corn yields were cut by 50% or more, and the soybeans yields were cut by 30-40%.

Modern genetics for stress tolerance have developed tremendously since 1988, so with a little moisture it may be amazing what the corn plant will produce. The [U.S. Drought Monitor](#) (as of June 27) states the midwestern states are at a 70% reading of serious drought conditions for corn and 63% for soybeans. I imagine since this report was published, conditions have somewhat improved because of some scattered rainfall. To boil it down to Illinois, the July 2 *USDA Crop Progress Report* indicates only 36% of the corn to be in good to excellent condition compared to 65% in 2022 and the 5-year average of 66%. The soybeans were not any better with 30% good to excellent compared to 62% good to excellent in 2022 and a five-year average of 64%.

A very recent survey conducted by the Ag Economists for the University of Missouri and *Farm Journal* indicates the projected 2023 corn yield to be 178.68 bushels per acre, versus the USDA projection at 181.5 bushels per acre. The survey indicates 51.06 bushels per acre for soybeans, versus the USDA at 52.0 bushels per acre.

Now to cast a bigger cloud on 2023 projections and corresponding commodity prices, on June 30 the USDA issued a planting report that was a total shock. Because of ideal spring growing conditions, the USDA indicated 94.1 million acres of corn was planted, up 5% from their pre-plant March report of 91.9 million acres. An equal shock, the report indicated total soybean acres planted at 83.5 million acres versus the pre-plant March report at 87.51 million acres. This report sent the market into a frenzy with soybeans posting some nice price gains with corn having some losses.

On July 5, the Cargill cash market (at the Illinois Central Railroad at Gilman, Illinois) was bidding \$5.25 per bushel for July delivery corn and \$4.73 per bushel for October delivery corn. July delivery soybeans were at \$14.85 per bushel and October delivery soybeans were at \$13.25 per bushel.

What does this all mean? Wish I knew. Last year we were blessed with almost perfect production weather and a high level of demand creating what was the "perfect storm" regarding high yields and relatively high commodity prices. This year we have primarily a serious drought in the Midwest which can reduce crop inventories and less demand because of a burgeoning Brazil market and serious trade issues with China.

Farmland prices remain steady to somewhat weaker with much depending on the farm location regarding any recent sales in the area. We know of situations where a neighboring landowner is aware, due to any number of circumstances, that the nearby or adjoining farm will be sold someday. That neighboring landowner is preparing financially to purchase the farm when it comes on the market and knows it may be the last opportunity to add the farm to his farming operation for many years, if ever again, and will usually pay a premium.

What can make for a higher market price than expected is another neighboring landowner that has the same thought in mind to own the farm in question. I must admit we in the farm real estate business, and particularly if conducting an auction, like this circumstance which usually creates a very competitive sale price. For the most part, we have seen the high in the market and in many cases may experience a decline of 5-15%. But keep in mind we experienced a rise of about 48% in the past two years, so a market adjustment was anticipated.

A good example is the Land Pro LLC auction of 165.30 acres on March 8, 2022. The farm, located in Hope Township (LaSalle County, Illinois), is mostly all tillable with a Productivity Index of 143.4 and well drained. The auction was well attended both in-person as well as online and generated a sale price of \$20,100 per acre.

On June 28, 2023, an auction was held (online only) for 98.35 acres. The mostly all tillable farm has a Productivity Index of 142.9 and is well drained. It is also located in Hope Township (LaSalle County, Illinois) approximately three miles northwest of the Land Pro LLC auctioned farm. The sale price was \$16,900 per acre.

Looking backward, we may have hit a time of more market enthusiasm from investors and farm owner operators. Interest rates were low, commodity prices were good, we had a good demand commodity market, and not much had sold in this area for a while. There were also more competitive bidders. It is possible that late fall to early spring (prior to planting) is a better time period to sell than mid-year when more uncertainty prevails such as the June 28, 2023 auction. We expect to hold more auctions this fall and winter and may also have some private treaty listings for sale. We are aware of several 1031 deferred exchange buyers who will be seeking replacement properties.

We are now halfway through 2023. If you are an absentee landowner, it is not too soon to begin evaluating your farm lease for 2024. It might be good to look at adding what is called a flex provision to the lease. If you have any questions about flex provisions, or your farm lease in general, contact [Jason Lestina ALC AFM](#) or [Ray L. Brownfield ALC AFM](#), both Accredited Land Consultants and Accredited Farm Managers at [Land Pro LLC](#).

If considering selling your farm, now is an excellent time to work with an accountant regarding possible tax ramifications and/or possibly an attorney regarding any legal ownership issues. We are glad to meet and discuss your farm and provide a market analysis, at no cost to you.


Looking ahead, the [2023 Land Pro LLC Fall Seminar](#) is set for September 6, 2023 at Jennifer's Garden in Morris, Illinois. Speakers include Dan Basse (AgResource), Eric Snodgrass (Nutrien), Gary Schnitkey (U of I ACES), Luke Worrell (Worrell Land Services), and Ray Brownfield (Land Pro LLC). To reserve your seat at the seminar, please register at [2023 Land Pro LLC Fall Seminar](#).

Have a great July!

~ Ray

Ray L. Brownfield, ALC AFM
Designated Managing Broker | Owner
Accredited Land Consultant

Land Pro LLC Listings



Craddock Farm

20th ANNIVERSARY
2003 - 2023

Jason J. Lestina ALC AFM
Land Pro LLC
IL, IN Managing Broker
815.546.8276
jason@landprollc.us

69.017± surveyed acres
(67.42 tillable acres)
PI 133.4

Craddock Farm

Productive Class A Soils

The **Craddock Farm** consists of 69.017± surveyed acres of quality, productive soils well located adjacent to I-39 and just south of Rt. 30, in Willow Creek Township, Lee County, Illinois. The 67.42± tillable acres have a Productivity Index (PI) of 133.4 with predominant soils of Catlin, Wyanet, Flanagan, and Blackberry. The farm's eastern boundary is I-39, Mittan Road forms the southern boundary, and the western boundary is German Road.

[Jason Lestina](#) ALC AFM, Broker



Deer Creek Estates

20th ANNIVERSARY
2003 - 2023

Jason J. Lestina ALC AFM
Land Pro LLC
IL, IN Managing Broker
815.546.8276
jason@landprollc.us

annexed to Wilmington, Illinois
platted for residential and residential townhouses

47.1724± surveyed acres
(46.56 tillable acres)
PI 132.6

Deer Creek Estates

*Future Residential Development
Platted for Subdivision*

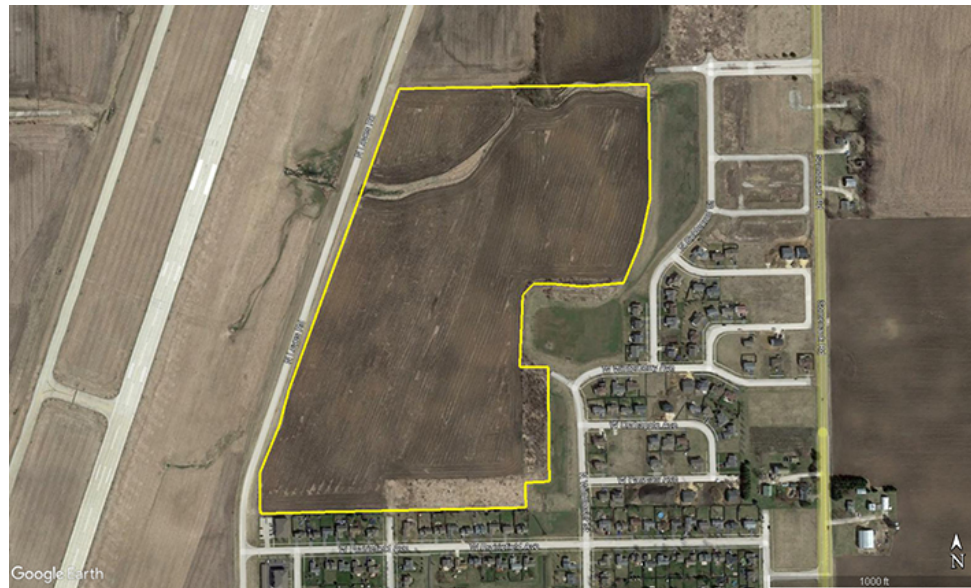
This good-quality 47-acre Will County property is well located just west of US

Hwy 53 and south of River Road in Wilmington, Illinois, adjacent to United States Cold Storage. The farm is annexed into the city of Wilmington and is preliminary platted for residential and residential townhouses. Sewer and water are on site.

The property is situated near distribution and transportation hubs only 5 miles from the CenterPoint Intermodal facility, 3 miles east of Interstate 55, and 17 miles west of Interstate 57.

[Deer Creek Estates](#) is ready to be developed with the ability to attract an array of buyers with both single and multi-family options.

[Jason Lestina](#) ALC AFM, Broker



Cortland Farm
Future Residential Development
Annexed to Cortland, Illinois
Platted for Subdivision

The [Cortland Farm](#) located in Section 17 of Cortland Township and contains 56.64± surveyed acres (53.69± tillable acres). The soils have a PI of 138.2 and are comprised mostly of Danabrook and Elpaso.

The 2021 real estate taxes were \$2,811.64 (\$49.64/ac), there are no buildings, the property is multi-zoned, is annexed to Cortland, Illinois, and is adjacent to DeKalb, Illinois.

[Dave Oster](#), Broker

Thinking of Selling FARMLAND?



The Land Pro LLC auction marketing system attracts serious, qualified buyers to every sale, regardless of whether it is a traditional live in-person event or live online. Our specialized expertise will ultimately maximize the sale price of your property, whether by auction or private treaty. Visit [Land Pro LLC Auctions](#) to find out if your property is suited for an auction!

Professional Land Specialists

Land Pro LLC | 2681 US Hwy 34 | Oswego IL 60543 | 331.999.3490



Land Pro LLC | 2681 US Hwy 34, Oswego, IL 60543 www.landprollc.us

[Unsubscribe](#) sandy@landprollc.us

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by info@landprollc.us