



March 2023

Just when I thought we were nearing spring, a winter storm watch is forecast. I must remind myself that I live in Illinois, and we can have some crazy weather in March. Just about put my snow blower away! We have had a relatively mild winter with some nice rainfall on unfrozen ground to build up our subsoil moisture levels.

A recent article from Bloomberg reports that soaring fertilizer prices, at the wholesale level, have tumbled to the lowest price in almost two years. The article states that a meaningful decline in wholesale prices typically indicates retail prices are set to drop, with some lag time. According to the article, retail prices have declined almost 17% since the beginning of 2023. Tampa ammonia, the world benchmark, has plunged nearly 40% since January as production costs ease. A good example is that last fall the cost of MAP (phosphate) was around \$1,000 per ton. Lately, it is around \$838 per ton. Potash was around \$895 per ton, and now it is around \$692 per ton. (Much of the phosphorus and potash fertilizer was applied last fall, at higher price levels.) With lower nitrogen prices this spring and summer, the growing practice of "spoon feeding" nitrogen to corn at pre-emergence and at various stages of growth may help lower some of the corn production costs for 2023.

The January USDA WADSE report indicates a projected 83.1 million acres of corn to be harvested in 2023, with an average yield of 181.5 bushels per acre for a total of 15.083 billion bushels. Minus projected use, the 2024 carryover may be 1.887 million bushels. But as a long-time friend in the grain trade says, "It is all about the disappearance of the grain inventory from here and abroad that makes the market".

If not mistaken, it seems a projected 2023 United States corn yield of 181.5 bushels per acre will surpass the record of 176.7 bushels per acre in 2021. Much depends on weather as our market is directly connected to global weather conditions. The USDA projected a corn price of \$5.60 per bushel.

As for soybeans, the predicted harvested acreage for 2023 is 86.7 million acres, with an average national yield of 52.0 bushels per acre resulting in a crop of 4.508 billion bushels. Minus usage, that leaves a 2023 carryover of 290 million bushels. Again, depending upon weather conditions and usage, that does not seem to be a large number of soybeans. The USDA projected a soybean price of \$12.90 per bushel. The USDA WADSE news may add potential strength to our corn and soybean markets.

To add to a good year of potential favorable farm income, Reuters recently reports that the USDA has set the Federal Crop Insurance guaranteed floor at \$5.91 per bushel for corn and \$13.76 per bushel for soybeans. Those price guarantees act as a floor price below which farmers with Federal Crop Insurance can receive payments. The corn insurance payment is the highest since 2011 and the soybean insurance payment is the second highest on record after last year's peak.

All in all, I feel this adds up to a continued strong agricultural economy, at least through 2023. The farmland market remains very strong with active buyers seeking to own land. Case in point. On February 14, 2023, Land Pro LLC held an in-person and live online auction for a client who owns 74.424 acres in Lee County. The farm has a Productivity Index of 126.9 which in the mid range of a "B" soil. It has an old, abandoned house with a nice smaller shed. Not a bad farm but could use some attention to improve the drainage. Of course, we always hope for the highest price possible and were very pleased with the high bid of \$12,800 per acre.

We have another auction scheduled for March 15, 2023 of a Class A, 39.403 acre farm located in La Salle County, just north of Earlville. It is nearly all tillable, well drained, with the farm lease open for 2023, and a Productivity Index of 142.2. To date there is great interest in this farm and it will be interesting to see the bid accepted by the sellers.

Before signing off, a word of caution. In most cases, farm leases for the 2023 crop year have been negotiated and signed. If you have heard about or are curious about cash rent auctions, please read the article written on February 21, 2023 by Mike Downey for *Farm Progress* entitled, [*Cash Rent Auctions: The Good, The Bad, and The Ugly.*](#)

For many years, Land Pro LLC Farm Managers have managed farms for absentee landowners. It is always our objective to negotiate a fair rental agreement with our farm operators as managing agent for our clients. Yes, in these times of high commodity prices, we have increased the rents, which is only fair to all parties. I believe it is in everyone's best interest to build a fair and reasonable business relationship with farm operators. In my opinion, the cash rent auction process does not accomplish that goal.

Sure \$500-\$600 per acre cash rent sounds intriguing, and certainly it is a lot of money, but please keep in mind there is more to farming than extremely high rent.

- Soil conservation and tillage practices.
- Soil tests and timely replacement of plant nutrients.
- Farm appearance and timely roadside mowing.
- Installing drainage tile or repairing broken field drainage tile.
- Timely planting and harvest to avoid working in wet field conditions, causing soil compaction for years to come.

Food for thought.

Hope to see some of you (either in-person or online) at the upcoming [Myers Farm Auction](#), being held on March 15, 2023, 2:00 pm at the Resource Bank, 205 N. Main Street, Leland, IL.

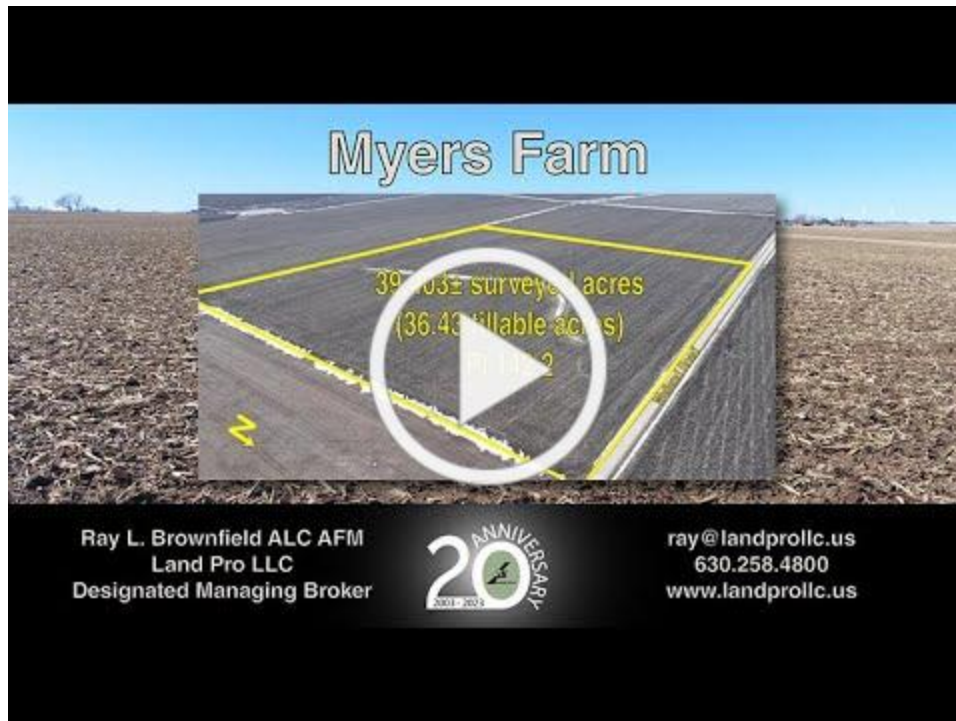
Have a great March and hopefully by the April newsletter we are enjoying some springtime weather!

Ray

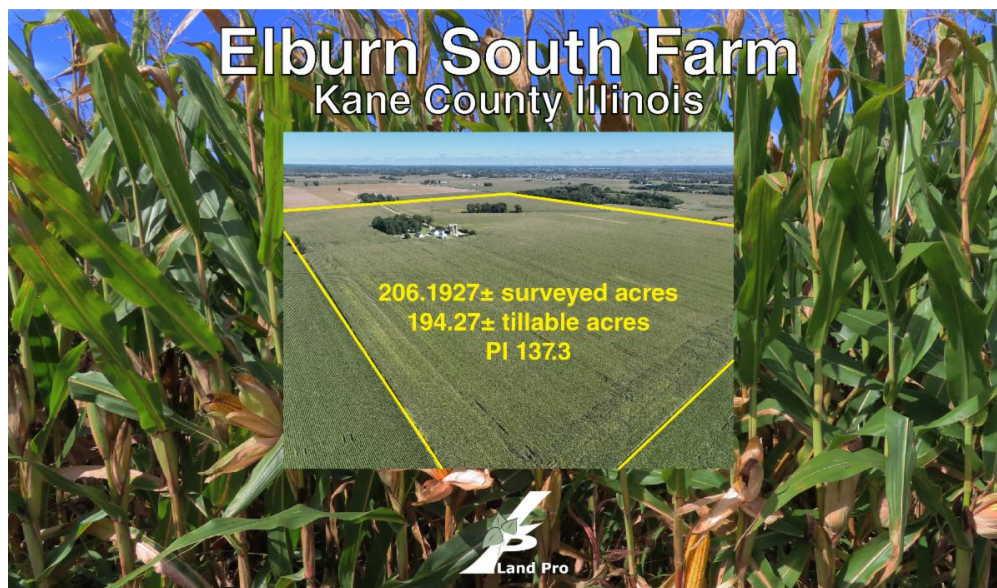
Ray L. Brownfield, ALC AFM
Designated Managing Broker | Owner
Accredited Land Consultant
Accredited Farm Manager
ray@landprollc.us



Myers Farm
March 15, 2023 | 2:00 pm
Resource Bank | 205 N. Main Street | Leland, IL 60531



Land Pro LLC Listings



Elburn South Farm

High Quality. Class A Soils. Well Drained.

The Elburn South Farm is a 206.1927± surveyed acre high quality Class A soil farm with a Productivity Index of 137.3. It contains 194.27± tillable acres which are leased for 2023 at a very attractive cash rental rate. There is a set of farm buildings along with a 3-bed, 2-bath home that is rented through the end of 2022.

The location is excellent with Hughes Road frontage on the north side and

Bunker Road frontage on the east side, only 1.5 miles southeast of Elburn, 6.8 miles west of Batavia, 7.3 miles southwest of Geneva, 11.7 miles southwest of St. Charles, and 47.0 miles west of Chicago. The Illinois Route 47/I-88 interchange is only 2.5 miles southwest of the farm. It is an excellent investment opportunity with potential for future development.

[Ray L. Brownfield](#), ALC AFM Broker

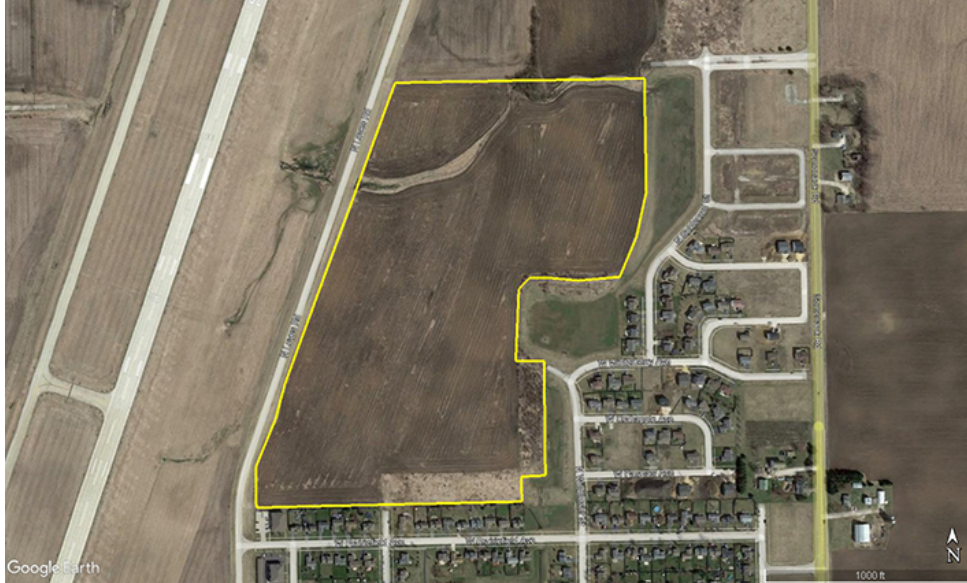


[Cortland Farm](#)

*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



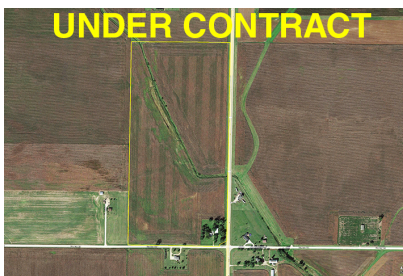
Hudson Lakes Property

Future Residential Development Platted for Subdivision

141.29± acres (10.00 acres to be donated to school to the north), annexed to Yorkville IL, platted for subdivision. Kendall Township, Section 10, Kendall County IL, PI 124.0 (Saybrook, La Rose, Elpaso soils). [Dave Oster](#), Broker



UNDER CONTRACT



Hull Farm

accepted bid: \$12,800/acre
74.424± acres | 70.92± tillable acres | PI 126.9
Section 14 | Buildings | Dayton Township
LaSalle County IL

SOLD



McDonnell Farm

\$17,300/acre

77.8577± acres | 76.93± tillable acres | PI 143.5

Section 14 | No Buildings | Dayton Township

LaSalle County IL

Thinking of Selling?



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

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