

We are your local farmland specialists

FARM MANAGEMENT: WHY SHOULD I HIRE A FARMLAND MANAGER?

Farmland managers are a great asset for landowners who may be looking to take a step back, or for those who have inherited land and aren't sure how to get the most of their opportunities.

Hiring a farmland manager can offer many benefits to you as a landowner.



1. Industry Expertise: Farmland managers are familiar with the agriculture industry. They can evaluate market conditions, evaluate and implement best practices, offer soil management, hire tenants, and strategically plan for growth and long-term success.

2. Efficiency: A farmland manager can make the farm more efficient through managing day-to-day operations, such as planting, harvesting, maintenance, and improvements. Their implementation of these practices can increase production and decrease waste.

3. Finances: The financial aspect of a farming operation can seem daunting, but farmland managers specialize in handling the finances of an operation. From year-to-year budgeting, to future planning, to cost control - farmland managers work to ensure your farmland is profitable.

4. Risk Management: Farmland managers evaluate market conditions and fluctuations, and manage risks related to pests, disease, and weather conditions. They can identify potential issues and implement plans to mitigate any effects.

5. Growth & Planning: Farmland managers offer unparalleled experience in understanding growth and planning. They can implement plans for short term and long-term success through expansion, improvements, and diversification.

6. Quality of Life: Allowing a farmland manager to oversee the operations can offer you a better work-life balance. They specialize in managing all aspects of an operation, taking the stress and demands off your shoulders.

7. Networking: Farmland managers can offer your operation access to invaluable industry connections. Many have connections with suppliers, investors, and industry experts, which can serve as a benefit to your operation through resources, advice, and support.

Hiring a farmland manager offers many benefits to you as a landowner or farmer. If you would like to learn more about what a farmland manager can do for you, contact our farmland management team today by calling the Hageman Realty office at (219) 261-2000 or visiting our Website.

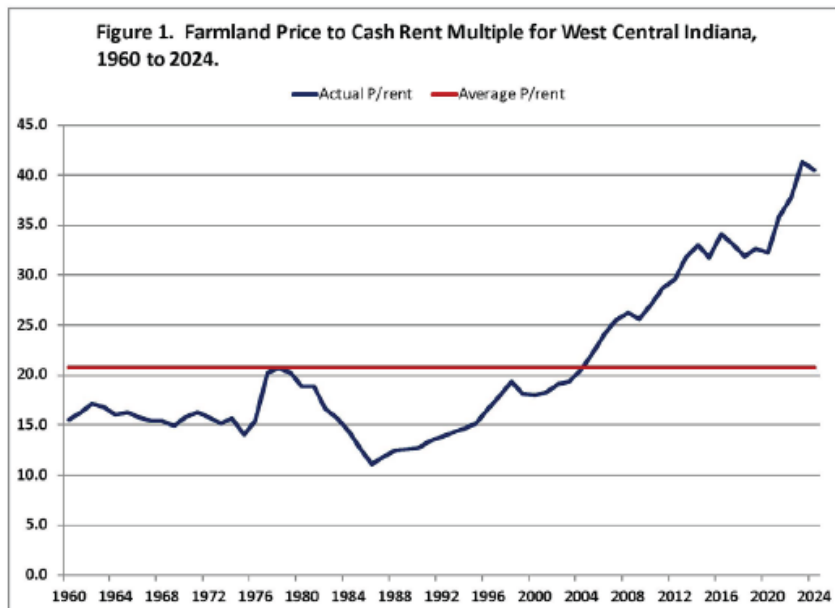
KEY EVENTS IN 2024

FARMLAND PRICES:

In calendar year 2023, farmland prices in the Midwest and specifically in Indiana and Illinois saw a significant increase across all land classes. Top-quality farmland in Illinois and Indiana brought a new record last year, hitting an average of \$16,466 and \$14,392 per acre respectively; average and poor-quality farmland also saw a significant increase.

As 2024 progresses farmers are facing headwinds largely because commodity prices have significantly fallen; this is putting the brakes on land value increases; we predict they will gradually decline as poor farm profitability and higher interest rates weigh in. The only notable exceptions to this are in areas where strong commercial and residential development creates an environment where sellers are using 1031 exchanges to replace land they have sold. Below is an interesting historical chart showing the ratio of land price to cash rent rates on that land.

We participate in and track farmland sales daily; if you have further questions, please reach out to us.



<https://ag.purdue.edu/commercialag/home/wp-content/uploads/2024/08/PAER-2024-August.pdf>

INTEREST RATES, TAXES and FARMLAND RETURNS:

Taking a long view of history would say that interest rates aren't historically all that high, however given the recent years of very low rates, today's interest rate environment continues to effect land purchase decisions for some buyers. For those borrowing to buy land it makes a significant difference to either the size of their land purchase or the degree to which they can leverage it (really both). The cash buyer continues to weigh whether to earn ~5% on cash or 6-8% on farmland which has the added benefit of being an inflation hedge. For the buyer who has 1031 money to spend, buying additional farmland continues to be a very attractive alternative to paying capital gains taxes.

Every election year creates uncertainty about the future of tax structure, especially the potential that inheritance tax rates will increase and allowed amounts will decrease; raising the question, should I take action now to protect against the unknown?

Again, call us with your questions and concerns - we can help you think through these things to find a solution that meets your needs.

SPECIAL INTEREST: TIMBER MANAGEMENT

Timber offers a unique way to diversify an investment portfolio and offer generational income. But, to gain the benefits of timber, it is crucial to manage it correctly.

Taking an inventory of the forest, managing tree growth and tree species, and evaluating market options are all important factors to consider. Timber is a long-term investment that offers returns for many years when managed correctly.

If timber management is of interest to you, and you would like to learn more about it, scan the QR code for an expanded blog and contact our recreational and farmland specialists today. Our team can answer your questions and help you begin your timber management journey.

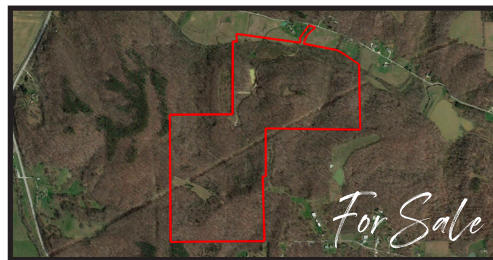


FEATURED LISTINGS



SWANSON FARM

- Starke County, IN
- \$431,325
- 31.95 Total Acres, 31.95 Tillable



B & R PROPERTY

- Orange County, IN
- \$1,850,000
- 219.16 Total Acres, 211.31 Wooded/Other



BANNON FARM - PARKE COUNTY FARM

- Rockville, IN
- \$2,083,500
- 208.35 Acres, 185.96 Tillable



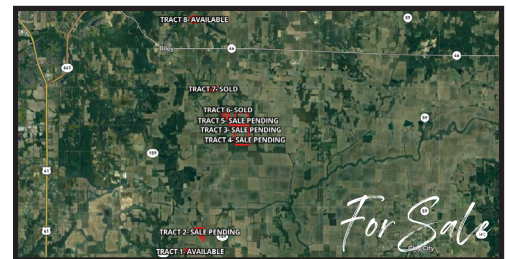
GOLDEN FARM

- Frankfort, IN
- \$3,284,640
- 182.48 Total Acres, 177.55 Tillable



TOTORO FARM

- Fowler, IN
- \$1,266,045
- 76.73 Acres, 71.55 Tillable, 2.1 CRP



LEMINGER FARM

- Terre Haute, IN
- For Sale: 1, 8 (\$770,625; 75.5 Total Acres)
- Sold: 6, 7; Sale Pending: 2, 3, 4, 5



CASTER FARM

- Montgomery County, IN
- \$3,220,838
- 192.12 Acres, 147.36 Tillable,



IROQUOIS COUNTY EGG FARM

- Donovan, IL
- \$1,216,820
- 110.62 Total Acres, 105 Tillable,



SOUTH FORK FARM

- Hendricks County, IN
- \$810,000
- 50.7 Total Acres, 35 +/- Pasture Acres