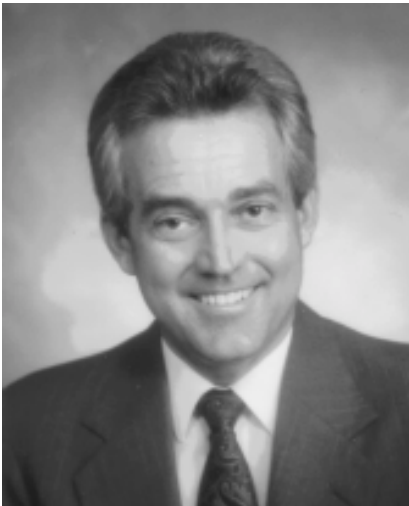




**Fall 2005**

*“Membership is the most important segment of the Illinois Society. It is what makes us strong.”*



*by Jerry Hicks, AFM  
President  
Illinois Society of Professional  
Farm Managers and Rural Appraisers*

**A**nother year in the history of our Illinois Society has begun and I admit I am proud to be a part of it. When I look at the past, I can only be optimistic about the future of our organization. As I attended the Annual Meeting in East Peoria, it was evident that a lot of effort and thought had been put into organizing and arranging that meeting. The program was outstanding and I have heard many favorable comments about the “cutting edge” information the program presented. Wind power is really beginning in our state and we need to be on the edge in knowing what to do and how to proceed with its development. The meth lab presentation was outstanding. I found this fascinating to learn more about meth drug production and what we need to do to be aware of this problem in our rural areas. These are just a couple examples of how that annual meeting set the tone for another year.

Our Illinois Land Values Conference in Naperville was another success. This two-day program gave us additional information on the 1031 exchange process. It was an outstanding event that was highlighted by our Land Values and Lease Trends presentation. Our Chapter worked very hard in compiling and producing a great reference book. This program and book are continuing to increase in popularity each year we do the conference.

These are two examples of the professional expertise this organization promotes and helps develop. Whether you are an appraiser or a manager, the Illinois Society offers continuing education activities to help its members develop new skills. Our appraisal and manager education committees are working on another excellent offering of classes to help our members stay current and challenged with new ideas for our profession. These classes also help satisfy that “all important” continuing education requirement.

When I was given the organization’s gavel at the annual meeting, I mentioned the importance of membership in the Illinois Society. It is easy to see the benefits of belonging to this organization. Membership is the most important segment of the Illinois Society. It is what makes us strong. Our members do the work and develop the seminars, annual meetings and the tours in which we participate. Members contribute their talents to put together the Land Values information or to contact their elected officials if we have a Government related issue. Members are the key element that makes this group strong and only if members are involved and participate will the tradition of the Illinois Society continue. We appreciate everyone having a membership. But a membership means only that you belong. I believe that being a member means you ARE INVOLVED and participating. Come to a meeting, seminar, tour, or be involved in a committee. These are ways to help you grow as an appraiser or manager. And, at the same time, you will be helping to continue the tradition of the Illinois Society of Professional Farm Managers and Rural Appraisers.

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## STORTZUM RECEIVES DISTINGUISHED SERVICE AWARD

**W**innie Stortzum, ALC, ARA, GRL, a REALTOR® and appraiser for Boyd Real Estate, Inc., in Arcola, was named a recipient of the Illinois Association of REALTORS 2005 Distinguished Service Award. The award honors individuals who have made outstanding contributions and service to the Illinois Association of REALTORS and their local communities. Stortzum received the award August 10 at the IAR Business Meeting in Itasca.

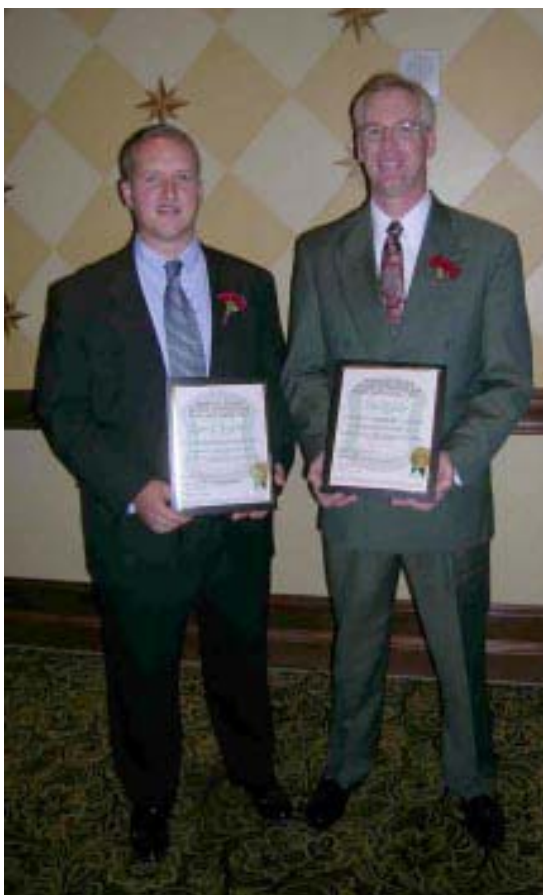
“Winnie Stortzum is one of our country’s leading professionals in the farm real estate field and she has given generously of her time and talent to advance the land REALTOR niche. Her commitment to excellence and high ethics have made her an asset to the national and state REALTOR family as well as her local business community of Arcola, said John Veneris, CRB, CRS, president of the Illinois Association of REALTORS.

Stortzum has been a REALTOR for 27 years and a certified appraiser for Illinois since 1994. She is a respected rural land appraiser and has earned the Accredited Land Consultant designation from the REALTORS Land Institute and her ARA designation from ASFMRA. She has been a member of the ISPFMRA since 1982.

A resident of Vandalia, Stortzum received a bachelor’s degree in Education from Eastern Illinois University and a Master of Arts in Teaching from the University of Illinois.



Winnie Stortzum



## AUPPERLE, LEGNER RECEIVE ACCREDITATION DESIGNATIONS

Illinois Chapter members Ryan Aupperle, AFM, (left) and Dan Legner, ARA, received their official accreditation designations while at the 2005 ASFMRA Annual Convention held in Austin, TX.

Aupperle is with Heartland Ag Group, Ltd., based in Forsyth. Legner is with Farm Credit Services in Princeton.

# 2009 FARM MANAGEMENT CONGRESS TEAM VISITS BRAZILIAN EVENT

Carroll and Jean Merry, Countryside Marketing, Inc., and Ray L. Brownfield, AFM, ARA, LandPro LLC and president-elect of the American Society of Professional Farm Managers and Rural Appraisers, got an up close look at how the International Farm Management Association expects its Congress' to be run when they attended the 15th IFMA Congress in Campinas, Brazil in August. Carroll serves as executive director of the Illinois Chapter which will host the 17th Congress in July 2009.

“Our purpose in attending this Congress was to get a feel for how they handle some of the logistics of the professional paper and poster presentations as well as to get a better understanding of the expectations of the IFMA leadership,” Merry explains.

“There were just over 250 people attending the Congress in Campinas. This represented 29 different nations,” he continues. It was held in conjunction with the 5th Congress of the Brazilian Farm Management Association.

“The Congress opened on Sunday, August 21 with greetings from Roberto Rodrigues, Brazil’s Minister of Agriculture, and other local and organization dignitaries, Brownfield reports. “The first full day of the Congress was filled with plenary sessions as well as presentation of academic papers and posters. The subjects on these presentations were extremely varied, but all tended to be in keeping with the overall theme of the Congress, which was ‘Developing Entrepreneurship Abilities to Feed the World in a Sustainable Way.’

“In addition to observing the mechanics of making the Congress work, we had an opportunity to meet attendees from around the world. Building those relationships was invaluable,” Merry notes.

“Brazil is truly a country of extreme contrasts. On the one hand you have terrible poverty and an annual income of around \$1,200 per person in U.S. dollars. To the contrary, there are tremendous natural resources with a climate that supports year-round agriculture. And to the contrary of that is a lack of infrastructure which hinders movement of the products from field to terminal.”

These are Brownfield’s observations after spending a week at the Congress and being able to do some touring of the agriculture in the region.

“There were two full days set aside for agricultural and agribusiness tours in the region and Congress attendees had a wide choice of tour opportunities. “On the first day of tours I opted to visit the Brazilian Mercantile Exchange, which was located in Sao Paulo, then a family-owned citrus operation where they were also growing sugar cane,” Brownfield explains. “I was impressed with both.”

The Merry’s spent their first day of tours at beef and dairy operations.

“On the second day of touring the three of us visited a very large distribution



**Getting to Better Understand Brazilian Agriculture**

Carroll (left) and Jean Merry, of Countryside Marketing, Inc., and Ray L. Brownfield, (left) AFM, ARA, president-elect of the American Society of Professional Farm Managers and Rural Appraisers, were joined by Marcelo Mishikawa, Ph. D., Biotechnology Manager for Roundup Ready® Traits for Monsanto in Brazil, while attending the 15th International Farm Management Association Congress in Campinas in August. “Brazil has tremendous potential as a producer and exporter of food and fiber,” Brownfield notes. “The biggest challenge Brazilian agriculture faces is the lack of a rural transportation infrastructure. As they situation changes, the country’s role in worldwide agricultural production will increase many fold.” Carroll Merry serves as executive director of the Illinois Society of Professional Farm Managers and Rural Appraisers. Countryside Marketing will manage the 17th IFMA Congress when it comes to Bloomington/Normal, IL in 2009.



### **Brownfield Gets Briefings on Brazilian Agriculture**

Ray L. Brownfield, (right) AFM, ARA, president-elect of the American Society of Professional Farm Managers and Rural Appraisers, gets a briefing on Brazilian agriculture and the country's economy from Robson Fernando de Paula, Regional Technical Coordinator for Pioneer Sementes Ltda, based in Ponta Gross, Brazil. Brownfield was in Campinas, Brazil attending the 15th International Farm Management Association Congress in August. de Paula outlined the production areas of the country and told Brownfield about the tremendous natural resources the country holds. Brownfield is president of LandPro, LLC, based in Oswego, IL.

(Below) He looks at fresh produce at the large, regional distribution center.



center for flowers and vegetables," Brownfield explains. "This is a facility that covers over 20 acres and is open in the morning to wholesalers such as restaurants, grocery stores, florists, even funeral homes. The public can come in the afternoons and buy direct from the suppliers.

"The second part of that tour was to a very large citrus processing facility operated by Cutrale suco de Laranga, one of the largest citrus processing companies in the world.

"What was the most startling was the poverty that we saw as we rode from city to city. Sao Paulo is the third largest city in the world with a population of over 25 million. Housing is obviously a problem and we saw probably thousands of concrete high-rise apartments. The roadside was also littered with metal and wooden lean-tos that were serving as habitat for thousands of people, young and old alike," Brownfield continues.

"On the Wednesday of the Congress the Merry's and I were fortunate to receive personal briefings on Brazil from Robson Fernando de Paula, who is the Regional Technical Coordinator for Pioneer Sementes, Ltda, based in Ponta Grossa, and Marcelo Nishikawa, Ph.D., who is Biotechnology Manager for Roundup Ready® Traits for Monsanto in Brazil.

"The briefings these gentlemen were able to give made the entire program so much better for us. It was really 'Brazil 101' and they covered everything from social policies, local customs -- you don't leave tips in Brazil -- to the agriculture of the country, including its success and its failures.

"It was through these two that we came to understand some of the tremendous wealth Brazil has in terms of natural resources. It has oil. It has gold. It has year-round cropping capabilities. It has very friendly people who are not afraid to work. It has unbelievable possibilities to compete on a worldwide basis, as it is now doing with some of its commodities.

"What it does not have is an infrastructure to handle what it can produce. In particular it does not have improved rural roads to move goods to market. We were told of truck drivers having to drive and wait for two to three days to unload their soybeans at a terminal only to turn around and drive two days to go back to get another load.

"Robson and Marcelo both gave us excellent briefings and had some great graphics to illustrate their information. It was obvious that both men are extremely proud of their country and seemed delighted to be able to tell their stories. What they didn't say verbally, but was obvious in the information that was presented, was that as Brazil develops its infrastructure from roads to grain terminals and ship loading capabilities, its economy will improve and it will become more and more a major exporter of commodities such as soybeans, cotton, ethanol. It will be a heavyweight contender."

Merry notes that the next Congress will be held in 2007 at Cork, Ireland. "J.J. Harty, who is heading up the 2007 event, gave a great presentation inviting all to come to Ireland. I would like to think our industry will respond and set the stage for 2009 when the Congress comes to the United States."

"It was a great experience," Brownfield says. "I'd not travelled internationally before, and after the Brazil experience, I would encourage any agricultural professional to travel to other countries to see how they manage agriculture there. In the case of Brazil, it was an opportunity to meet 'the competition' and get to better understand how they will become a world leader in food and feed production."

# LAND VALUES STILL ON THE RISE -- SURVEY SUMMARY

The Chapter's Mid-Year Survey is an insight into farmland value and lease trends during the first six months of 2005. In summary:

1. **2005 Illinois Farmland Values Rise** at a steady rate of 5 percent for the first half of the year in downstate Illinois. Values in the outlying Chicagoland area rose at a much faster 10 percent rate.

The increase in farmland values follows a trend which began to accelerate to the upside in 2003. It resulted in a 20 percent overall statewide increase in land values during calendar year 2004. 77 percent of Illinois Society members are looking for Illinois farmland values to stabilize or to continue the uptrend throughout 2006.

2. **Farmland Clears \$5,000 Threshold** – There are widespread reports of prime farmland clearing the \$5,000 per-acre mark in many Central and Northern Illinois counties. Benchmarks are important and this is a historic level for farmland values.

3. **1031 Exchange Buyers Predominate** – Our survey indicated that 56 percent of all buyers are using 1031 Tax-Deferred Exchanges. Many respondents noted they want large, high-quality tracts of farmland and seek premium rental arrangements in return.

Eighty four percent of survey respondents reported that there are as many interested land buyers completing 1031 Exchanges as a year ago. Also, local investors and active farmers combine to purchase approximately 40 percent of the farmland being sold during the first six months of 2005.

4. **2005 Drought Impact** – Most areas of Illinois will have below-average yields. For some areas of Illinois, it's the driest growing season since 1988, which is reducing net farm income and slowing farmer buying of farmland. Top prices are still being paid by exchange buyers and investors. Cash rents may moderate for 2006.

5. **Farmland Sales Volume Up** – Summer is normally a slow season in the farm real estate marketing year. 2005 has an increased volume of land selling because of these high price levels. Land that has not been on the market for decades is now available for purchase.

6. **Recreational Farmland is Increasing** at a faster pace than Illinois cropland. There is an increasing demand from the urban areas for people wanting land for hunting and recreation. It is truly a seller's market where demand outpaces supply. The result was a higher percentage increase in recreational land values during the first six months of 2005.

7. **Earnings Warning Sign** – Take a look at the certificate of deposit rates which are now approaching 4 percent and are competing with the drought reduced net farm income in Illinois. Farmland is what it earns and we have competition for the net farm income stream.

8. **Alternate Investments** – The stock and bond markets continue their sideways trends and are not offering a competing alternative investment to farmland from the growth perspective. Respondents note that cheap capital gains taxes and well performing alternate investments could slow down the land market.

9. **Eliminating Capital Gains Taxes** – It's on everyone's mind that capital gains tax (*and 1031 Exchanges*) are leading the market increase. ISPFMRA members gave a rough estimate that a \$350 to \$400 per acre decline would result if the capital gains taxes were eliminated.



## Farm Progress Show Press Briefing

The New Holland Media Tent at Farm Progress Show was used for a press conference to discuss the results of the 2005 Mid-Year Land Values Survey. Gary Schnitkey, Ph. D., University of Illinois and Illinois Chapter Secretary/Treasurer (above), was joined by Chapter President Jerry Hicks, AFM, and overall Land Values Conference Chairman Dale Aupperle, AFM, ARA, as they reviewed the survey. A number of media representatives (below) covered the news announcement and the story was on the Associated Press wire within an hour. Chapter members also participated as did one Illinois Gubernatorial candidate.



# Fall Tour 2005

GSI - Assumption, Ill.  
ADM - Decatur, Ill  
Eagle Creek Resort













# 2005 ISPFMRA Annual Meeting

February 9 - 10, 2006

Northfield Inn and Suites & Conference Center  
Springfield, IL



## Program Agenda

### Thursday, February 9

- 7:00 - 8:30 a.m. -- Registration and Receipt of Auction Items
- 8:30 a.m. -- Opening Session, Introductions -- Kent Kraft, AFM
- 8:45 a.m. -- Overview of Legislative Agenda (State Legislators invited)
- 9:45 a.m. -- Break
- 10:00 a.m. -- Commodity Market Update -- Steve A. Freed, Vice President of Research, ADM Investor Services
- 11:00 a.m. -- Noon -- Concurrent Sessions
  - Appraisal Education** -- Chris Greenwalt, NRCS, will speak on new Appraisal Requirements. (Will qualify for 1 hr. appraisal CEU credits.)
  - Management Education** -- Matt Montgomery, U of I Extension Advisor -- Crop Education
- Noon – 1:00 p.m. -- Luncheon with Macon Edwards as guest speaker
- 1:15 p.m. – 2:15 p.m. -- Concurrent Sessions
  - Appraisal Education** -- Chris Greenwalt, NRCS -- USPAP (Will qualify for 1 hr. appraisal CEU credit.)
  - Management Education** -- Lisa Scott, Illinois FSA -- CREP Program
- 2:30 p.m. -- 3:30 p.m. -- John Phipps, farmer, journalist and broadcaster  
“Are We Having Fun Yet? – Does happiness matter on the farm?”
- 3:30 p.m. – 5:00 p.m. -- Annual Business Meeting
- 5:30 p.m. – 6:45 p.m. -- Scholarship Auction
- 7:00 p.m. -- Formal Banquet/Awards

### Friday, Feb. 10

- 7:00 a.m. -- Breakfast, Passing of the Gavel
- 8:15 a.m. -- Hotel checkout
- 8:45 a.m. -- Transportation to Lincoln Presidential Library/Museum (Three groups will leave at staggered times)
- 9:30 a.m. -- Program and tour of Lincoln Library/Museum
- Noon -- Return transportation to Northfield Inn/Adjournment

**Complete Conference Registration Information will be mailed to all members on Nov. 1.**

### Lodging Information

Reservations should be made DIRECTLY with the Northfield Inn, Suites & Conference Center at 217-523-7900. A room block is being held until January 8 at a flat rate of \$79.00. Ask for the Illinois Farm Manager Conference Rate. After January 8 the block will be released and rooms will be subject to availability.



Photos courtesy of the Lincoln Presidential Library/Museum



# CHECK YOUR CALENDARS

**February 9, 10, 2006**

**2005 Annual Meeting**  
Northfield Inn, Suites and  
Conference Center, Springfield

**March 15, 16, 2006**

**2006 Illinois Land Values  
Conference**  
Jennifer's Garden Banquet &  
Convention Center, Morris

**June 29, 30, 2006**

**2006 Summer Tour**  
Quality Inn, Bradley (Joint  
tour with Indiana Chapter)

**October 26, 27, 2006**

**2006 Annual Meeting**  
Radisson Hotel/Conference  
Center, Bloomington/Normal

**February 14 - 17, 2007**

**ASFMRA Annual Meeting**  
Atlanta, GA

**June 2007**

**2007 Summer Tour**  
Dubuque, IA area (Joint tour  
with Iowa Chapter)

## HONOR A DECEASED COLLEAGUE WITH A Scholarship MEMORIAL

Are you looking for a special way to remember a deceased colleague? Consider making a contribution to the ISPFMRA Memorial Scholarship Fund in his or her name.

This is a very unique way to offer tribute to those who have served in the management and appraisal of Illinois farmland. And, as evidenced by the ongoing scholarship program, it is a tribute that continues to give to the future of agriculture in the state.

For more information, contact Brian Waibel at 217-351-2757

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## WE THANK OUR COMMERCIAL SPONSORS

We would like to acknowledge our commercial sponsors whose support has greatly enriched the educational programs of the Illinois Society. The following companies provide support and make possible many of the activities of the Illinois Chapter.

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### Dale Aupperle Among 2005 Award of Merit Recipients From College of ACES Alumni Association

Dale Aupperle, AFM, ARA (center) was among five recipients of the Award of Merit presented by the University of Illinois College of Agriculture, Consumer and Environmental Sciences Alumni Association during the college's annual award banquet held April 26. Other recipients were, from left, Ivery D. Clifton, Jack A. Cavanah, Carol A. Keiser, and Piel Paul Van Waeyenberge.

Aupperle is the founder of Heartland Ag Group Ltd., based in Forsyth. He served as Chapter President in 2003 and was ASFMRA President in 1990.