



Spring 2009

Farmland Sales/Values Mixed for 2008

Mixed” is probably the best word to describe activity around farmland values and sales for 2008 according to the *2009 Farmland Values and Lease Trends Report* released at the Illinois Farmland Values Conference March 19. The *Report* is based on an annual survey among the membership of the Illinois Society of Professional Farm Managers and Rural Appraiser and covers the entire state.

“2008 will undoubtedly go down as one of the most exciting and trying twelve months in recent memory,” says Bob Swires, AFM, Swires Land and Management Company, Danville, IL and overall survey and conference chairman. “Grain markets and the general economy seemed to be on a real upswing to record levels early in the year. We then saw it collapse, going into the end of the year with some modest recovery. Prices paid for farmland followed right along.”

“All of the regional reports reflect that the rapid decline has everyone a little uncertain as to future trends. The limited numbers of transactions, especially in the fourth quarter, make it challenging to establish which direction land values are trending, especially thinly-traded land categories like Transitional and Recreational,” he notes.

The *Report* indicates that sales in the first six months were up in value as demand exceeded supply. This tended to level out in the summer, and by late summer started down as demand became nervous. “There was a limited rally up in the month of December with land values somewhat following the overall pattern of grain prices.”

No 1031 Buyers

There are essentially no 1031 tax-deferred exchange buyers in the market, which is in total contrast to activity of three and four years ago, Swires says. “As housing

development has come to an end in all of the metropolitan areas around the state, the pressure from this buyer market has disappeared. Most of the buyers are local farmers, with a few investors,” he explains.

“Investors are looking for safe haven and diversified investments in farmland. Some investors are a little more return sensitive, buying land rated as Good Productivity to look at a higher percent return on their investment,” Swires says.

“Low interest rates have encouraged land acquisitions. Several regions report that most of the sales were for cash with very few recorded mortgages from resulting sales,” the farm manager says.

Overall, the number of transactions stayed about the same as during 2007 and there were some high prices paid, depending on the area and type of land. “For example, the top sale in the Excellent category was \$8,998, paid at a May sale in Morgan County, west of Springfield. The values in this area were up anywhere from 12 to 20 percent across almost all of the categories. Good and Average

(Continued on Page 3)

Inside This Issue

- Farmland Sales/Values Mixed for 2008 1, 3
- “Fred Says” -- A Message from the President 2, 14
- Farmland Values -- At a Glance 4 - 7
- Upcoming Appraisal Education Classes 8
- 2009 Summer Education Week 9
- 2009 Leadership Institute 9
- Kohl, Flory to Headline Annual Meeting 10
- 2007 - 2008 Financial Statements 10 - 11
- Our Commercial Sponsors 12
- IFMA17 Update 12
- Mentoring Program Goes to School 13
- Welcome New Members 14
- Mark Your Calendars 14
- Congratulations on 15 Years of Membership 15

2009 ISPFMRA Board of Directors

Fred Hepler, AFM, AAC
President

Wexford Capital LLC
Phone: 217-778-6833
winealmds@SBCGlobal.net

Bret Cude, AFM, CCA
President - Elect

Farmers National Company
Phone: 618-327-9242
bcude@farmersnational.com

Mark Wetzel, AFM
Vice President

Busey Ag Services
Phone: 217-425-8245
mark.wetzel@busey.com

Gary Schnitkey, Ph.D.
Secretary-Treasurer

University of Illinois
Phone: 217-244-9595
schnitke@uiuc.edu

Dale Lattz
Academic Vice President

University of Illinois
Phone: 217-333-0754
d-lattz@uiuc.edu

I. Mac Boyd, ARA
Past President

Farmers National Company
Phone: 217-268-4434
mboyd@farmersnational.com

Illinois Chapter Office
Carroll E. Merry
Executive Director

N78 W14573 Appleton Ave.
#287

Menomonee Falls, WI 53051

Phone: 262-253-6902

Fax: 262-253-6903

ISPFMRA@countryside-marketing.com

www.ISPFMRA.org

If you are interested in participating on the Board of Directors or an ISPFMRA Committee, please contact Fred Hepler at winealmds@SBCGlobal.net

Fred Says

by Fred Hepler, AFM, AAC
President
Illinois Society of Professional
Farm Managers and Rural
Appraisers



As we have just passed thru the first quarter of 2009, during a time when a larger percentage of the global economy is cracking at the seams and demand for consumer goods is down and the companies that manufacture them are going out of business, the cyclical world of agriculture is actually reasonably stable.

I wonder how much more the world can change going forward. With government starting to take ownership in financial, insurance, and the automobile industries, it makes a person wonder when and if that will happen to the agricultural sector as well.

The good news is that agriculture is doing well as is your Illinois chapter. We have gained a couple of new members, Past President Mac Boyd ended last year on a positive financial position, and the our current financial position is excellent. Our Secretary/Treasurer Gary Schnitkey has included the 2008 year-end financial report which has been audited without problems. We have just completed another banner success with the Illinois Land Values Conference in Morris. Winnie Stortzum and Brian Duke and did a fantastic job of scheduling two continuing education courses on Wednesday for which there were 37 attendees. On Thursday there was 42 more who attended the half-day seminar which concluded with an overview of the land values survey by Bob Swires (Our cover story).

Bob and his entire team of appraisers, managers, and assistants deserve a “BIG” thank you from all of us for their continued dedicated efforts in pulling all the numbers together. Carroll’s crew deserves a major thank you for gluing all the data together into the fine quality booklet. One more special thanks is to Tom Wiggins and his team for collecting more than \$26,000 of advertising money to make this event a true financial success for our Chapter. Tom, as the leader of his team, has guided the crew in collecting more than \$100,000 over the past five years. Thanks, everyone, for your dedicated efforts.

Your society is working hard for each of you as members to take advantage of the many benefits you receive. It is a true pleasure being at the helm of an organization that the membership is so willing to do whatever it takes to make events a success. Carroll can share more about this same attitude that he has experienced with our members being willing to give of their valuable time to work with him on IMFA17. With your help that event will also be a big success. I know that Ray, Bob, and Carroll are brainstorming for ideas to generate interest for the conference.

In these difficult economic times it is easy to fall into the rut of “what I can’t do” rather than looking for opportunity that is being created. Our chapter has a “can do” attitude and as a result we will weather the storm in fine shape. If you’re an active member, I am asking you to take steps be “get involved.” I will guarantee you that the return on your investment of time, skill and effort will be much larger than the return you’re currently generating from the money you have in CD’s or treasury Bills. Please get involved today as you will be amazed what you will reap.

(Continued on Page 15)

Farmland Values/Sales Mixed for 2008

(Continued from Page 1.)

tracts appear to be peaking out at \$6,500 and \$4,500 per acre respectively.

“On the other hand,” Swires notes, “a tract on the La-Salle/Kendall County line sold for development in 2005 at \$15,918 per acre and in 2008 sold for \$9,750 to a local farmer. Some estimate a 7- to 10-year supply of developmental land available.”

“There is still demand for Recreational tracts, although prices may have leveled out. Rapid changes in the economy in the fourth quarter of 2008 had appraisers scrambling to determine trends on the few fourth quarter sales. Demand for rural residences has cooled following the

general housing market trend.”

Rents are Mixed as Well

High grain prices tend to be pushing rents but rising production costs may be tempering some increases. The volatility in revenue and cost has landowners and operators alike looking more to flexible cash rent leases. Each farm is different -- owner and operator have individual relationships and unique factors determining the final rent.

“2008 may have ended the year at the same spot where it started, but there was a lot of movement in between,”

Land Values

Conference

Photo

Highlights



Illinois Farmland Values - - At a Glance

by Bob Swires, AFM

General Chairman, 2009 Illinois Land Values Survey and Conference

2008 – what a year!! Many of us are going through once-in-a-lifetime changes and experiences that will impact every aspect of the state, U.S. and world economies. The members of the Illinois Society of Professional Farm Managers and Rural Appraisers certainly have the skill to assist landowners with all of the problems and opportunities these rapid changes may offer in the areas of Farm Management, Appraisal, Brokerage and Agriculture Consulting.

It was exciting to review each of the regional reports and reflect on the professional analysis and data that each of the groups provided. **These guys know their stuff!!**

2008 will undoubtedly go down as one of the most exciting and trying twelve months in recent memory. Grain markets and the general economy seemed to be on a real upswing to record levels. We then saw it collapse, going into the end of the year with some modest recovery. All of the regional reports reflect that the rapid decline has everyone a little uncertain as to future trends. Limited numbers of transactions, especially in the fourth quarter, make it challenging to establish which direction land values are trending, especially thinly-traded land categories like Transitional and Recreational.

The regional reports offer much more detail. Each region has its own characteristics, but state-wide trends tend to develop. Those trends and observations are:

1. Sales in the first six months were up in value as demand exceeded supply. It tended to level out in the summer, and by late summer started down as demand became nervous. There was a limited rally up in the month of December with land values somewhat following the overall pattern of grain prices. 2008 may have ended the year at the same spot as where it started, but there was a lot of movement in between.
2. Several regions reported that transactions in the fourth quarter were slow and it was hard to gauge price trends. One observation is that recorded sales need detailed analysis on when the price was established versus when it was closed and recorded to determine time adjustment.
3. There are essentially no 1031 buyers. Most of the buyers are local farmers, with a few investors.
4. Investors are looking for safe haven and diversified investments in farmland. Some investors are a little more return sensitive, buying “good land” to look at a higher percent return on their investment.
5. The number of transactions tended to be about the same as a year ago. The one that showed the largest increase was Region 3.
6. Low interest rates have encouraged land acquisitions. Several regions report that most of the sales were for cash with very few recorded mortgages from resulting sales.
7. The Excellent category continues to have strong demand. That has helped bring up the Good and Average tracts, especially as technology has boosted yields and net returns on these traditionally lower-producing land classes.
8. There is still demand for Recreational tracts, although prices may have leveled out. Rapid changes in the economy in the fourth quarter of 2008 had appraisers scrambling to determine trends on the few fourth quarter sales. Demand for rural residences has cooled following the general housing market trend.
9. There are not a lot of Transitional properties selling and there is little or no speculation in these parcels. Values tend to be very location- and project-sensitive transactions. Most have a modest premium to farmland values.
10. Rents are steady-to-up (majority of regions reporting). High grain prices tend to be pushing rents but rising production costs may be tempering some increases. The volatility in revenue and cost has landowners and operators alike looking more to flexible cash rent leases. Each farm is different; owner and operator have individual relationships and unique factors determining the final rent.
11. The 2008 Farm Bill is still in process. There are concerns about the impact of interpretation of the act impacting eligibility and also payment limitations.
12. North and central regions, especially Region 4, have multiple wind projects in various stages of development.

13. Some new ethanol plants started up in late 2008 although several throughout the regions have either closed or cut back significantly.

Shown below is a brief summary of the entire state. Improved grain prices through December 2008 and strong farmer balance sheets have held land prices at current levels. Supply has been limited as there are fewer sellers. Alternative investments for the sale proceeds are not good. As a result, many potential sellers are reluctant to convert the farmland to cash. Continued good demand appears to be holding prices firm. There are outside investors, but in many regions there are “local investors” who have become land buyers. These can be retired farmers or simply a local dentist looking to diversify his/her investment portfolio or simply looking at land as a good return in the current market.

	Excellent Productivity	Good Productivity	Average Productivity	Recreational Land
Northern Regions (1 & 2)	-5 to +20%	+5 to +20%	0 to +10%	Unchanged
Central Regions (3, 4, 5, 6 & 7)	+15%	+13%	0 to +12%	Unchanged
Southern Regions (8, 9 & 10)	N/A	+8%	+10%	-5% to +15%



Region 1

(Northeast Illinois)

The Transitional or Development land sales are essentially non-existent. A lot of land that was being held for development is now being put back on the market for re-sale. A tract on the LaSalle/Kendall County line sold for development in 2005 at \$15,918 per acre and in 2008 sold for \$9,750 to a local farmer. Some estimate a 7-to-10-year supply of developmental land available. Some is selling where investors think it may be five years before development occurs.

There was a modest downturn in all of the farmland categories and a 25 to 30 percent decline in the number of transactions. Historically prices have been higher to the north and east in this region than in the south and west. North and east may be coming down a little faster to get in line with agricultural value overall.

In the past, recreational sites in this region have equated to a potential housing site. However, with the decline in the number of new housing starts, the recreational tracts have suffered somewhat.

The cash rent levels in this area have remained relatively unchanged one year to the next. The south end of the region has seen a few inquiries in regard to some potential wind farms.

Region 2

(Northwest Illinois)

Land values in the Good and Excellent categories are up once again. Increases are anywhere from 10 to 20 percent. The number of sales has been limited with the number of transactions steady from levels of a year ago. Region 2 has seen the value of the (Good) tracts increase in proportion as net technologies improve yields on these types of tracts. The sale of some of the Excellent tracts has exceeded several thousand dollars in the center part of the region.

Demand for Recreational tracts has slowed as a result of the downturn in the economy. Over the last six months sales have slowed. This may indicate softening demand, but sellers have stayed firm with selling prices. The Transitional tracts are very specific location sensitive. Overall they have remained few and in a fairly narrow range of values slightly above farmland values.

Alternative energy is alive and well in Region 2 as two ethanol plants opened in the center of the region late in the year. There have been inquiries as well on new wind farms in Stevenson, JoDavies and Lee counties. Rents have increased slightly particularly for the Good tracts.

Region 3

(Western Illinois)

Farmers continue to be the primary buyers and they continue to push land values up into excess of \$7,000 per acre. A number of sales tended to be up in Region 3, with values steady to maybe a little stronger for the best categories.

There continues to be some demand for Recreational properties, both on a local and national level. The influence of the general economy is still in question on whether these values will continue to hold going into 2009.

Rents on cropland are up sharply, some beginning as high as mid-\$300 per acre crowding \$400 per acre for Good and Excellent land. Rents are increasing, reflective of competition to acquire more land as opposed to bidding up land purchases.

Region 4

(North-central Illinois)

Values for the top three categories tended to be up anywhere from 5 to 13 percent. The number of transactions for 2008 appears to be somewhat steady but varies between categories. Auctions early in the year pushed land prices up to \$6,500 to \$7,500 per acre for Excellent land, reflecting strong demand. Good sales moved up sharply, chasing Excellent sales.

Irrigated acres in Mason and Taswell counties were in strong demand. Some of that was reflective of cropping mixes in the general area. The Fair and Recreational tracts get blended together, depending on the percentage of tillable land. Recreational demand appeared to be good with values relatively stable overall. Location, especially proximity to an urban area, tended to be important.

Rents continue to move upward sharply with Good and Excellent categories leading the way.

Region 5

(Eastern Illinois)

All of the categories were up as much as 15 percent. The supply, reflective of the number of transactions, was probably steady or a little less than in years past. The Excellent and Good categories all had strong demand with limited supply, and prices for Excellent tracts were between \$5,500 and \$6,700 per acre, and \$4,000 to \$5,400 per acre for Good land.

This region still had a few 1031 buyers sprinkled in with the majority of farmer buyers. Investors were looking to diversify their investments with Excellent and Good quality farmland. There aren't many Recreational tracts in Region 5. Demand was relatively good and values firm. The committee questions if the slowing of the economy may have limited the price on Recreational tracts.

A few Transitional tracts sold in the general area. A few sales in one location make it challenging to detect trends. There was a wide range of values, again with locations dictating the general value.

Rents are up anywhere from 5 to 20 percent, ranging from \$180 per acre up to \$270 per acre. Strong competition for additional land and excellent grain markets sustain good cash rents.

Region 6

(Central Illinois)

The Excellent category ranged from \$6,500 up to a couple of sales at \$8,000 per acre. Demand continues to be strong in the Good category as well, with tracts there crowding \$5,500 to \$6,000 per acre. The number of transactions in this region appears to be a little less than they have been in years past. Private sales are still the predominant sale method, but auctions have picked up. Recreational tracts are few in number and values appear to be steady.

Rents continue to increase sharply, especially in the better categories. A very good grain market in Region 6 contributes to the increased rents.

Transitional properties, what few there are, appear to be steady and, again, slightly above overall farmland values.

Region 7

(West central Illinois)

The top sale in the Excellent category was \$8,998, paid at a May sale in Morgan County. The values in Region 7 were up across almost all of the categories, anywhere from 12 to 20 percent. Good and Average tracts appear to be peaking out at \$6,500 and \$4,500 per acre respectively.

Recreational tracts tend to be sideways-to-up-slightly. Any sort of CRP CREP tends to help the sale as it guarantees an income stream for the recreational user. Transitional tracts were few and tended to be up slightly. The west side of Region

7 is influenced by the St. Louis metropolitan area coming up the various rivers for recreational properties.

The number of transactions was about the same throughout the year. There were a few more auctions, but the majority of the sales were private.

Cash rents are up sharply, as much as 20 percent in some areas, with top rents being in the \$350 per acre range.

Region 8

(Southwest Illinois)

This part of the state has primarily Average and Fair tracts with a few Good tracts sprinkled in, but no Excellent tracts. These categories are all up sharply as the urban area encroaches and farmers are looking to move eastward to maintain and expand their operations. Good tracts were in the \$7,000 to \$9,000 range with Average tracts in the \$5,000 to \$7,000 range. There were a few 1031 exchange transactions. The Fair categories were up 25 percent, but very tract-specific depending on percent tillable, shape and so forth.

There is still good demand for Recreational tracts. Prices are stable-to-down-slightly after many years of upturn. The St. Louis metro areas have a big influence here as in Region 7.

The number of Transitional properties for sale has dropped sharply. Again, they are very tract-specific on values. Path-of-development and utilities are important in determining value.

The number of sales has remained steady with a few more auctions held in the spring and a few more private sales in the fall.

Cash rents tend to be up an average of 15 percent with Good tracts ranging from \$160 to \$200 per acre.

Region 9

(Southeastern Illinois)

The number of transactions was probably up a little for the year. Values overall for Good, Average and Fair tracts were steady-to-up. There was variation throughout the overall region on the amount of increase.

Good tracts ranged in the mid-\$4,000 per acre range, Average in the high \$3,000 to low \$4,000 per acre, and Fair tracts \$3,200 to \$3,500 per acre on the average.

The average sale price across the region varied significantly anywhere from \$23 per P.I. to \$60 per P.I.

There were a few Transitional property sales, but a little over farmland values. Recreational properties were steady in the \$2,000 to \$2,500 per acre category. Access to public water has helped maintain demand, especially for residential site of 5 to 10 acres, which tended to be higher valued.

Cash rents in the area remain steady to up, with ranges from \$120 to \$190 per acre, depending on the quality of the tract.

Region 10

(Southern Illinois)

Good tracts were up 9 percent, Fair tracts up 15 percent, and Recreational tracts up around 15 percent. Limited land for sale and good demand seems to have increased prices overall. The number of transactions appears to have been steady for 2007 versus 2008.

Most of the sales were private sales to local farmers and there were essentially no 1031 sales in the area. A couple of tracts of primarily CRP sold and equated to about Recreational values overall.

Cash rents reflect competition and higher grain prices and were up 10 to 15 percent throughout the region.

Upcoming Appraisal Education Schedule

7-Hour National USPAP Update Course (A-114) -- June 2

Description: This constantly evolving seminar keeps appraisers up-to-date with the latest revisions and changes to the Uniformed Standard of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board (ASB).

Topics: In the morning session, USPAP changes recently adopted by the ASB will be discussed. In the afternoon session you will be afforded the opportunity to apply this information by case study, critique, and discussion of an agricultural appraisal report.

Note: Attendees do receive a copy of USPAP.

Date/Time: **June 2**, 8 am - 5 p.m.

Location: Parkland College, Nolen Ag. Building, Champaign, IL

Instructor: Andy Brorsen, ARA

Fee: \$150 member / \$175 non-members

Approved for 7 hours CE

Register today!

Member **Non-Member**

7-Hour National USPAP Update Course (A-114)

June 2, Champaign – Member \$150/Non-member \$175 _____

Name _____ ASFMRA# _____

Company _____ Ph _____

Address _____

City _____ St _____ Zip _____ e-mail _____

Make Checks Payable to ISPFMRA . . . or you may pay by credit card (**MC or Visa only**)

Card No. _____ Exp date _____

Mail to: **ISPFMRA**
 N78W14573 Appleton Ave. #287
 Menomonee Falls, WI 53051

Fax to: **262-253-6903**

Phone inquiries: 262-253-6902

2009 ASFMRA Summer Education Week

The 2009 Summer Education Week is heading to Des Moines. Make your plans now to attend this fun and educational week with the most current in ASFMRA Education. Education offerings will include Advanced Risk Management, Appraising Rural Residential Properties, Land Investment Analysis, Sales Comparison Approach, a Wind Power Seminar and the new Partial Interests/Conservation Easements offering.

Meeting Dates: June 15 - 19

Meeting Facility:

Des Moines' Embassy Suites on the River
101 E. Locust Street, Des Moines, IA 50309
Phone: 515-244-1700 · Fax: 515-244-2537
Room Rate: \$139 Single/Double (Group Code: AFM)
Block Release Date: May 13, 2009

Registration Details - Coming Soon!

Education Offerings For Everyone...

Ag Land Management - Part 1

The Ag Land Management course will be offered as a whole for those wishing to attain the AFM or AAC designation. Each module will also be available separately for more experienced farm managers or consultants who want to take only one or two modules. See the list of modules below. Visit Ag Land Management for descriptions of each module.

- Professionalism
- Client Goals and Strategic Plan
- Production Practices
- Principles of Leasing
- Property Risk Assessment
- Listening Skills
- Body Language
- Selling Skills
- Oral Presentation
- Agents, Brokers, Consultants
- Crop Insurance
- Conservation Practices
- Commodity Market Planning

Ag Land Management - Part 2

Part 2 of the Ag Land Management course will also be offered as a whole for those wishing to attain the AFM or AAC designation. Each module will also be available separately for more experienced farm managers or consultants who want to take only one or two modules. See the list of modules below.

- New Site
- Project Management
- Business Structures
- Consulting Standards
- Practice Management

- Effective Negotiating
- Customer Service
- Conflict Resolution
- Understanding Appraisals
- The Farm Plan
- Analyzing Investments
- Financial Statements
- Financial Ratios
- Functions of the Dollar
- Case Studies

New Valuation of Conservation Easements and other Partial Interests in Real Estate

RLI Land Investment Analysis

Sales Comparison Approach Seminar

Wind Powered Electric Generators and Their Impact on Land Ownership

Appraising Rural Residential Properties

Code of Ethics

Advanced Risk Management

Technology, Traits & Grain Marketing Seminar - Sponsored by Pioneer

UAAR

Go to www.asfmra.org for complete details on the Summer Education Week program.

2009 Leadership Institute Set for Sept. 12 - 16 in Washington, D.C.

Take advantage of this unique opportunity to enhance your leadership skills and gain useful tools you can apply to your professional life. Get a birds-eye view of your government.

The Illinois Chapter provides scholarship of up to \$600 per individual to attend the Institute.

Remember, this leadership training is available and beneficial to managers, appraisers and consultants. Alumni of this event all agree that it is a very worthwhile ASFMRA event!

Contact Name: Cheryl Cooley
Contact Phone: 303-692-1215
Contact E-mail: ccooley@asfmra.org

Flory, Kohl to Headline Annual Meeting

Dave Kohl and Chip Flory will be the headliners at the Illinois Chapter's Annual Meeting to be held Sept. 24, 25," says Meeting Committee Chair Tim Harris, AFM, with Capital Agricultural Property Services, Inc.



Dave Kohl

"The combination of these two speakers will likely guarantee a full house on the last day of the meeting," Harris notes. "The committee met once at the Pere Marquette Hotel in Peoria, where the actual meeting will be held, and we've had two conference calls and they've put together a fabulous program for our members."

Kohl will be addressing Mega Forces of Agriculture in the New Economic Realities. He is Professor Emeritus in the Agricultural and Applied Economics Department at Virginia Tech. Flory, who is editor of *ProFarmer Newsletter*, will talk about markets and farm policy and their impacts on land values.

"In addition to these two on the Friday program, we've got other top-shelf presentations planned for Thursday, Sept. 24."

Harris explained that the speakers for that day will include:

- Donald Johnson, Chief Economist, Caterpillar
- Terry Argotsinger, AFM, ARA, *Wind-powered Electric Generators -- Impact on Land Ownership*
- Dr. Peter Johnsen, Chief Technical Officer of BioFuels Manufacturers of Illinois, LLC, *Pennycress -- America's New Wonder Fuel*
- Colleen Callahan, USDA Director of Rural Development, State of Illinois, *Challenges Facing Rural Illinois*
- Stephen Frerichs, lobbyist, ASFMRA, *Inside the Beltway*

"There will be the typical business meeting as well as the Memorial Scholarship Auction," Harris noted.

"We will also be offering the Friday program as an 'Invitation Only' activity. This will allow our members to invite clients and other colleagues in the industry to register for and attend those sessions only. This worked very well some years back

when we had Dave Kohl on the program and we're hoping it will be successful again," Harris said.

Event -- 2009 ISPFMRA Annual Meeting

Dates -- Sept. 24, 25

Where-- Pere Marquette Hotel, Peoria

Complete registration information will be distributed in early May.

2007 – 2008 Financial Statements

The Illinois Society's audit committee has completed their audit of the 2007-2008 financial statements. The statements on the next page accurately reflect financial results of the 2007-2008 fiscal year.

On October 1, 2007, the Society had \$61,361 in checking and savings. At the end of the fiscal year on September 30, 2008, there was \$61,189 in checking and savings.

Over the 2007-2008 fiscal year there was a \$173 decline in checking and savings balances. Since the Society is on a cash accounting basis, this -\$173 reflects the 2007-2008 net income.

Total income for 2007-2008 was \$138,379 while total expenses were \$138,536. Major sources of revenue were membership dues (\$18,675 regular, \$2,575 friends), corporate sponsorships (\$16,750), land values and lease trends projects, and appraisal seminars. After expenses, the land values and lease trends project had net returns of \$11,063. Net returns from appraisal education efforts were \$7,205.

The audit committee discovered lapses in documentations. Specifically, some of the officer approvals for expenses over \$500 were not found. Procedures have been put into place so that this lapse will not occur again.

Since we have moved our annual meeting to September, the fiscal year will not be over at the time of the annual meeting. This requires audited financial statements to be distributed through the newsletter after the annual meeting.

Submitted,

Gary Schnitkey
Secretary-Treasurer



Dr. Peter Johnsen

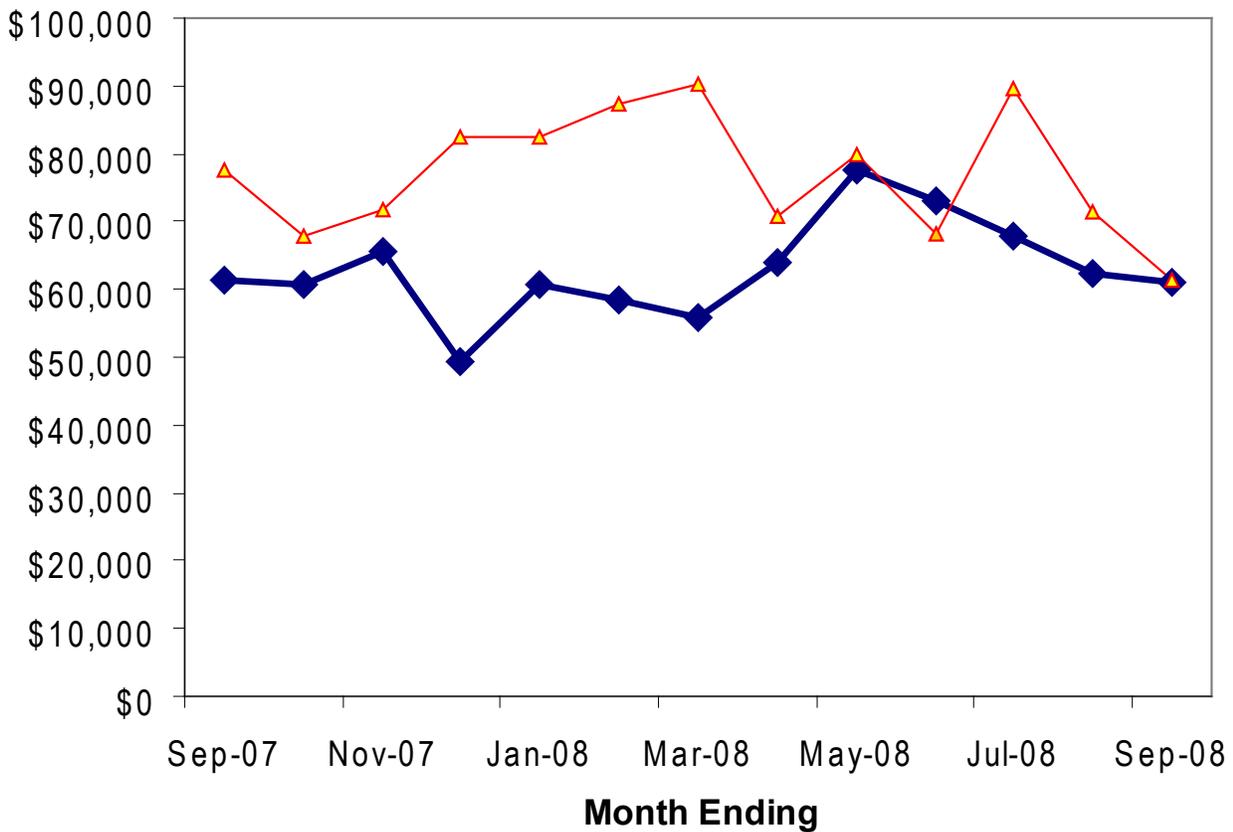


Colleen Callahan

Illinois Society of Professional Farm Managers and Rural Appraisers
Statement of Bank Balances, 2007 – 2008

Month Ending	Current Year			Change	Prior Year Total	Current Minus Prior
	Checking	Savings	Total			
Sep-07	\$17,189.33	\$44,171.89	\$61,361.22		\$77,613.82	-\$16,252.60
Oct-07	16,405.42	44,229.39	60,634.81	-\$726.41	67,872.48	-7,237.67
Nov-07	21,180.61	44,274.70	65,455.31	4,820.50	71,721.14	-6,265.83
Dec-07	4,876.02	44,317.86	49,193.88	-16,261.43	82,398.69	-33,204.81
Jan-08	16,204.89	44,355.96	60,560.85	11,366.97	82,320.32	-21,759.47
Feb-08	13,916.97	44,376.74	58,293.71	-2,267.14	87,179.44	-28,885.73
Mar-08	11,335.43	44,397.51	55,732.94	-2,560.77	90,183.62	-34,450.68
Apr-08	19,491.21	44,415.38	63,906.59	8,173.65	70,910.39	-7,003.80
May-08	33,140.55	44,429.97	77,570.52	13,663.93	79,961.56	-2,391.04
Jun-08	28,752.67	44,445.05	73,197.72	-4,372.80	68,164.45	5,033.27
Jul-08	23,439.88	44,460.13	67,900.01	-5,297.71	89,469.90	-21,569.89
Aug-08	17,961.26	44,474.24	62,435.50	-5,464.51	71,506.68	-9,071.18
Sep-08	16,699.54	44,489.02	61,188.56	-1,246.94	61,361.22	-172.66

Chart of Total Financial Balances



◆ Current Year ▲ Prior Year

Our Commercial Sponsors

We would like to acknowledge our commercial sponsors whose support greatly enrich the programs of the Illinois Society of Professional Farm Managers and Rural Appraisers:

Agricultural Soil Management (ASM)
AgriData, Inc.
AgriGold Hybrids
AgroTain International
BASF
Bayer Crop Science
Beck's Hybrids
Country Insurance & Financial Services
Heritage/Diener Seeds Inc.
Dow Agro Sciences/Mycogen Seeds
Farm Credit Services of Illinois
1st Farm Credit Services
Glenn Brothers
Horizon Genetics
Horizon Wind Energy
LandOwner Magazine
LG Seeds
Monsanto
Pioneer Hi-Bred International
Rabo AgriFinance
Schroeder Seed Service
Stine Seed Co.
Syngenta Crop Protection
Trisler Seed Farms

IFMA17 Update

There is so much going on with IFMA17 that there will be special communication regarding the Congress coming to you the week of May 25. Watch for the details.

If you want to be involved with the Congress but have not as yet signed up as a volunteer, send a note to Carroll Merry (cmerry@countryside-marketing.com) or give a call at 262-253-6902.

Mentoring Program Goes to School!!

by Penny Lauritzen, AFM, CFP®

During the spring semester, the advanced rural real estate appraisal class at the University of Illinois – Champaign/Urbana is taught by Dr. Robert H. Hornbaker. Rob has coordinated with members of the Illinois Society of Professional Farm Managers and Rural Appraisers to allow us to interact with the students and introduce some of the “real life” aspects of this career path.

At special programs held the middle of April, Paul Stoddard gave an in-class presentation from the viewpoint of a member of the Farm Credit team of appraisers and Don Cochran shared some time with the students to represent an independent, one-man shop (with family support, of course). Both thought that it is unlikely that most of the students will become appraisers, but realized the importance of understanding farmland and farmland values if they were going to be working in associated fields such as ag lending, brokerage, management, processing, research, education, or production. Don thought there was good interest and good questions and recommends that the Chapter continue this interaction with the students.

Rob has covered the three approaches to appraisals of rural property. They have looked at the impact of time value of money on comparable sales, legal descriptions, sales lookup on-line and at Champaign County’s Brookens Center, soil type analysis, and how to use the UAAR software and data base programs. The focus of the course is to teach the economic concepts and practice related to a market value appraisal approach and to complete a practice appraisal for a Champaign County tract of farmland.

The class of 27 students was split into nine teams of three to complete the appraisal report. They got their assignment and arrangements were then made to meet with an appraiser from the Chapter. Bob Swires, Winnie Stortzum, Russ Hiatt, Norbert Soltwedel, and Jeremy Crouch stepped in to assist the students. Each met with two teams for an hour and a half to review the status of their report, answer any questions and to establish a connection to work with the students by e-mail or phone over the next three weeks as they finalized their reports. Hopefully, a connection will be made that will encourage the students to have their group mentor review the project before it is due May 5.

The Society members report that they are impressed with the quality of members of the groups they were working with and appreciated the opportunity to be part of the program. Russ worked with his group on the valuation of the buildings and suggests that we gather a little more on the subject for the Society members before we meet with the students. He thinks the opportunity for ISPFMRA is great and is sure we will learn as we go, so that we become better mentors. Winnie and Bob thought the students were

feeling a little overwhelmed and appreciated the opportunity to talk with them and have their questions answered.

It appears that Norbert summed the project up very well as he concluded with “All in all, it was a worthwhile use of my time and I am willing to follow-up with a review of their work. I really think the presentation of the various results will provide a real learning opportunity. I told them that there was no right or wrong value as long as the documentation was logically developed to support their opinion. Thanks, Rob, for the opportunity to participate.”



L-R Swires, Tyler Babb, Samantha Werner, Joyce Studyvin



L – R Winnie, Abby Harrison, Richard Briggs, Craig Kniepmann, Ryan Bull Nathan Peak

Fred Says

(Continued from Page 2)

Other chapter educational activities are guided by our own Dave Ragan with the Appraisal Education team. They have two courses scheduled that are proving very popular.

Please remember the education week June 15 - 19 in Des Moines. ASFMRA has changed the Accreditation requirements for both the AFM and the AAC. All the new courses are being scheduled to make it efficient to complete the required course work on a timely basis in preparation for one of these Accreditations. Please check with the Denver office for a listing of the new criteria.

I want to thank Dale Laatz for serving the past few years

Mark Your Calendars

May

11-16 NAR Mid-Year Meeting, Washington, D.C.

June

15-19 ASFMRA Summer Education Week, Des Moines, IA

July

19-24 IFMA17, Bloomington/Normal

August

25-27 Farm Progress Show, Decatur

September

24-25 2009 Annual Meeting, Pere Marquette Hotel,

October

25-31 ASFMRA 2009 Annual Meeting, Denver, CO

November

11-16 RLI National Convention, San Diego

Welcome New Members

Tomlinson, Patrick

Affiliate

Pioneer Hi-Bred International, Inc.

421 Detroit Drive

Bloomington, IL 61704

217-864-5733 - p

217-454-8540 - c

pat.tomlinson@pioneer.com

Pitstick, Scott

Associate

Martin, Goodrich & Waddell, Inc.

2020 Aberdeen Court

Sycamore, IL 60178

815-756-3606 - p

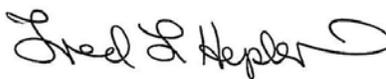
spitsick@mgw.com

as our Academic Vice President. Dale retired from the University of Illinois on April 30 and has accepted a position with a local bank. As a result, he resigned his position on our board effective April 30th. Dale: We thank you for your many years of service and dedication to our chapter activities.

Dr. Phil Eberle from Southern Illinois University has graciously accepted the appointment to serve the remaining part of Dale's term. Phil: Welcome aboard and we are looking forward to your input and guidance as part of our board.

Your chapter continues to be very active to provide you value for your membership. Our work continues with preparation for the IMFA17 in July. Hope to see all of you at that event in July.

Best Regards,



Fred L. Hepler
President

President's tidbits:

In China: The consumption of milk has increased 7-fold and olive oil 6-fold.



Congratulations on 15 Years of Membership!

Bob Swires, AFM, right, accepts a plaque Nels Kasey, Immediate-Past Chairman of C-FAR citing the 15-year (charter) membership of the Illinois Chapter in C-FAR. The presentation was made at a special February luncheon in Springfield. In presenting the plaque, Kasey noted "Your association's steadfast commitment to and support of C-FAR has been highly instrumental in our achievements." Swires is the C-FAR liaison for the Chapter.