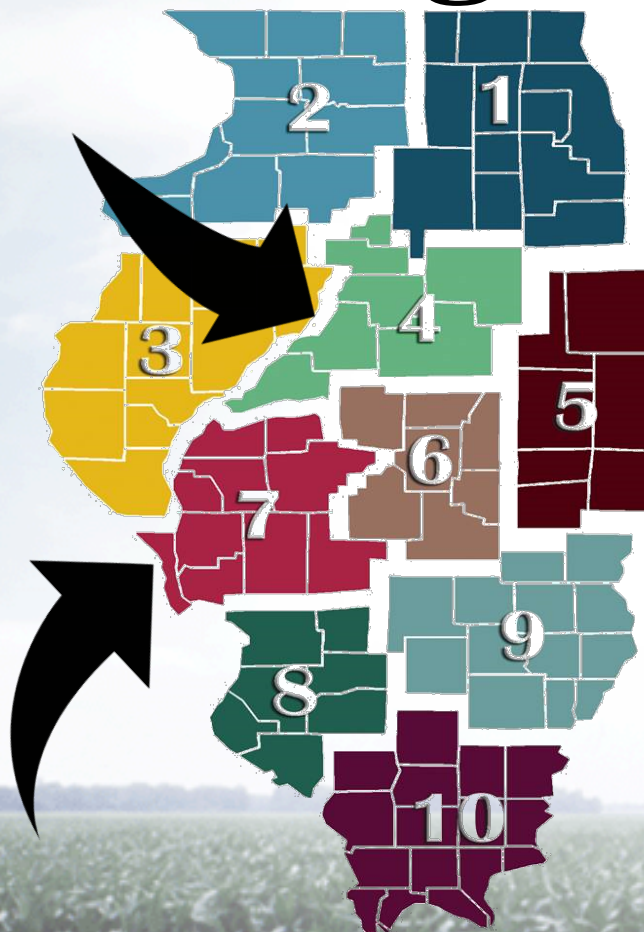




2018

Regions 4 & 7



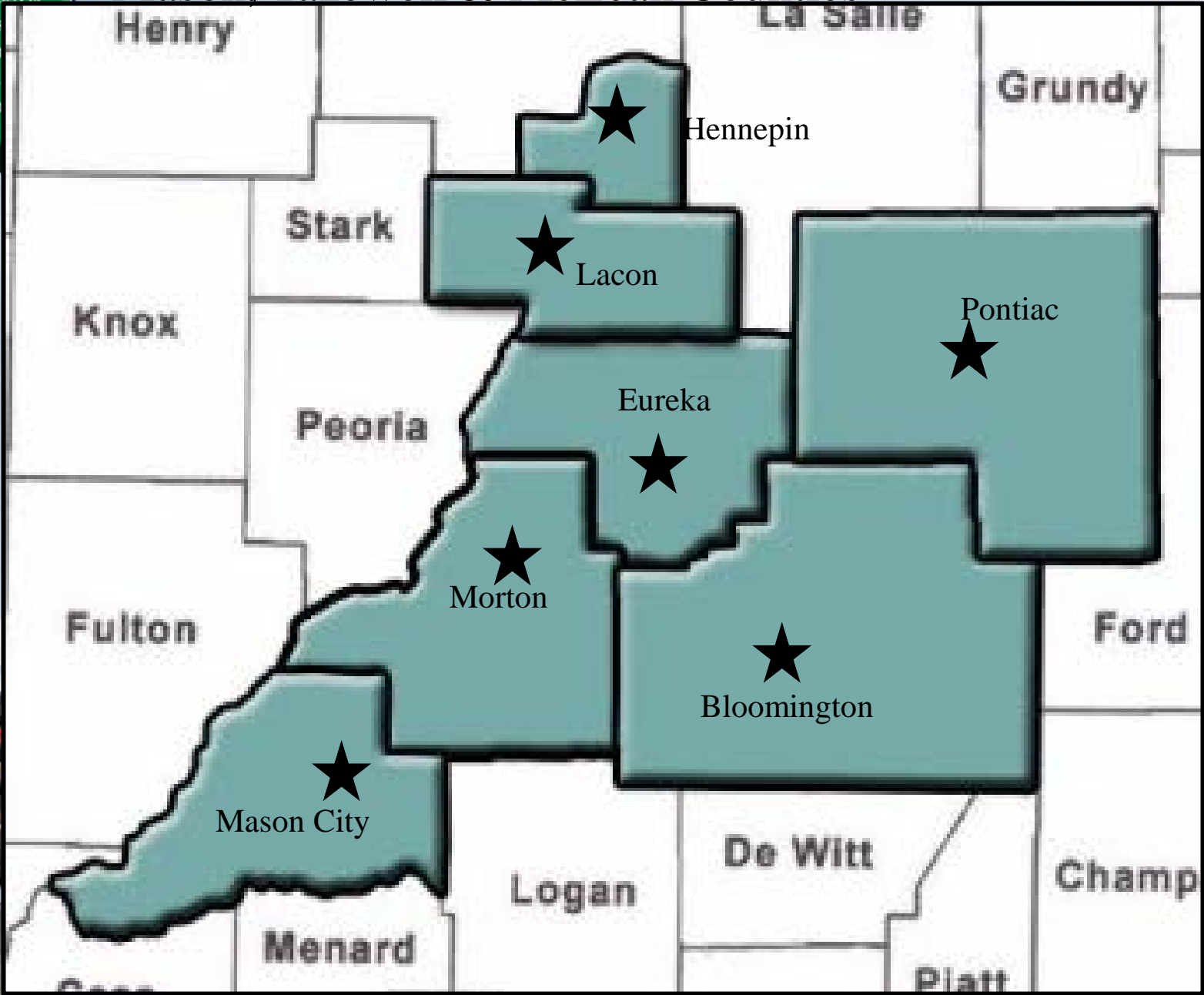
David Klein,
AFM, ALC
Soy Capital Ag Services
dklein@soybank.com
309-665-0961
General Chairman

2018 – Results

<u>Land Category</u>	<u>Region 4</u>	<u>Region 7</u>
Excellent	\$10,480	\$11,420
Good	\$8,420	\$8,480
Average	\$6,480	\$5,840
Recreational	\$3,880	\$2,820

Region 4: Putnam, Marshall, Woodford, Livingston, Mason, Tazewell & McLean Counties

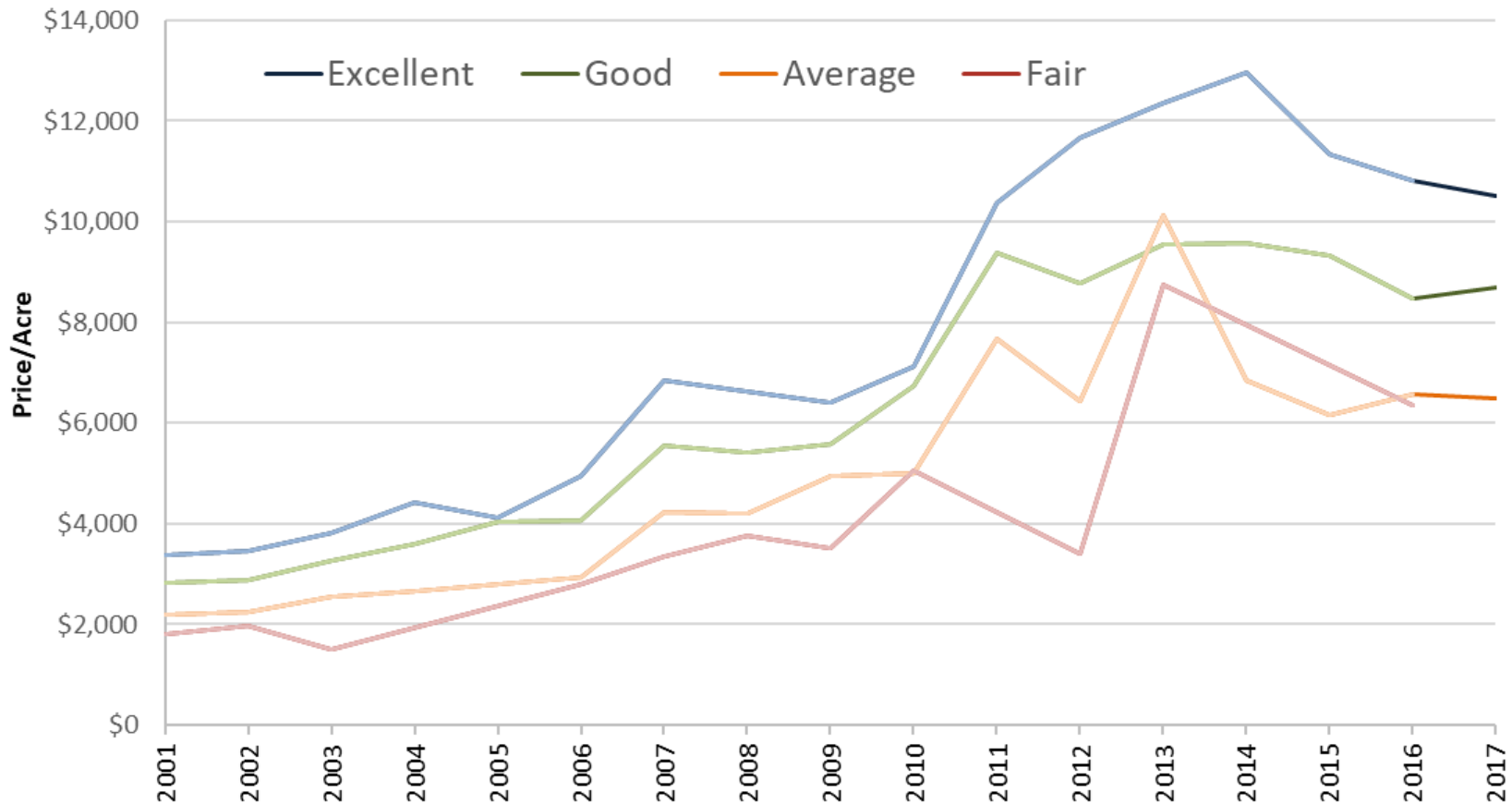
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The Long View on Region 4

Region 4: Land Values Summary by Class





Region 4: Historical Results

Region 4:							
Average Sales Price of Completed sales in Region by Year and Category*							
	--- Category ---						
<u>Year</u>	<u>Excellent</u>	<u>Good</u>	<u>Average</u>	<u>Fair</u>	<u>Recreational</u>	<u>Transitional</u>	
2001	3,373	2,827	2,184	1,806	2,224	35,262	
2002	3,473	2,869	2,242	1,963	2,120	26,493	
2003	3,812	3,278	2,554	1,500	1,621	16,508	
2004	4,426	3,586	2,649		4,168	7,920	
2005	4,122	4,050			4,611	7,377	
2006	4,951	4,066	2,925	2,800	3,831	16,428	
2007	6,841	5,554	4,232	3,345	4,583	35,918	
2008	6,636	5,428	4,210	3,750	4,563	16,083	
2009	6,417	5,584	4,949	3,525	4,527	18,186	
2010	7,137	6,733	4,992	5,050	4,580	18,186	
2011	10,373	9,372	7,669		3,826		
2012	11,680	8,767	6,431	3,400	4,821	22,500	
2013	12,352	9,542	10,127	8,750	4,534	25,030	
2014	12,950	9,564	6,840		4,568		
2015	11,325	9,331	6,164		4,316		
2016	10,814	8,486	6,560	6,357	5,321	29,990	
2017	10,502	8,689	6,496		3,792	26,200	
Continuously Compounded Annual Growth Rate (CCAGR) - selected periods							
2001-2010	8.33%	9.64%	9.19%	11.43%	8.03%	-7.36%	
2010-2017	5.52%	3.64%	3.76%		-2.70%	5.22%	
2001-2017	7.10%	7.02%	6.81%		3.33%	-1.86%	
2005-2017	7.79%	6.36%			-1.63%	10.56%	
2010-2017	5.5%	3.6%	3.8%		-2.7%	5.2%	
2016-2017	-2.9%	2.4%	-1.0%		-33.9%	-13.5%	
Decline from peak	20.9%	9.6%	44.4%*				





Region 4 - Excellent Category

“High PI & % Tillable” is the key

- Woodford/Tazewell/eastern Marshall County – Extremely high prices. Top Farmland Auctions in the \$12,000-14,000 range.
- Eastern McLean & Livingston Counties – upper \$9,000’s to mid-\$10,000’s or low \$11’s.
- Mason County didn’t have any excellent category sales in 2017.





Region 4 - Good Category

% tillable & Field Shape Critical

- Marshall County- 80 Ac. **99% til. \$9,550 - \$12,500** with 131-132 PI Farms Jan to Nov.
- Livingston County – 267 Ac. **93% til.** 124 PI **\$8,100/acre** in September.
- McLean County – 130 PI 80 Ac. farm in March **\$9,200.** 126 PI 78 Ac. in Nov. **\$10,700.**
- Livingston Co. 302 Ac., 99% til. **119 PI Farm** in December **\$6,389.**





Region 4- Average Quality land

- Limited number & only 3 over 95 Acres; This can impact averages.
 - Most are in Livingston on tight prairie clays or Mason/Tazewell sands.
 - Highest prices where a pivot irrigation system might exist. Tazewell \$7,000-8,317/acre on 67 to 156 acre sized tracts.
 - Lowest prices on Marshall and Livingston Counties in the \$5,000-6,462 range with the higher prices having a 97-99 % tillable feature.





Region 4 Recreational Sales

- Limited amount available except along the Illinois, Sangamon & Mackinaw Rivers.
- Proximity to population centers: 30 min. drive time impact's value. Peoria/Morton, or Bloomington
- Upper \$3,000's to lower \$4,000's catches the majority of sales involving timberland.
- Unique property characteristics can be sold higher when marketed correctly to a buyer's desires, but there is a limit.





Region 4: Wind Energy

- “Wind Farms” **are here:**
 - McLean: EDP & FPL
 - Livingston: EDP
 - Woodford: FPL & Algonquin
 - Marshall Algonquin
 - Tazewell: EDP

• 2017: Two Fields McLean Co. 133PI,
95% tillable Averaged \$10,092/ac.

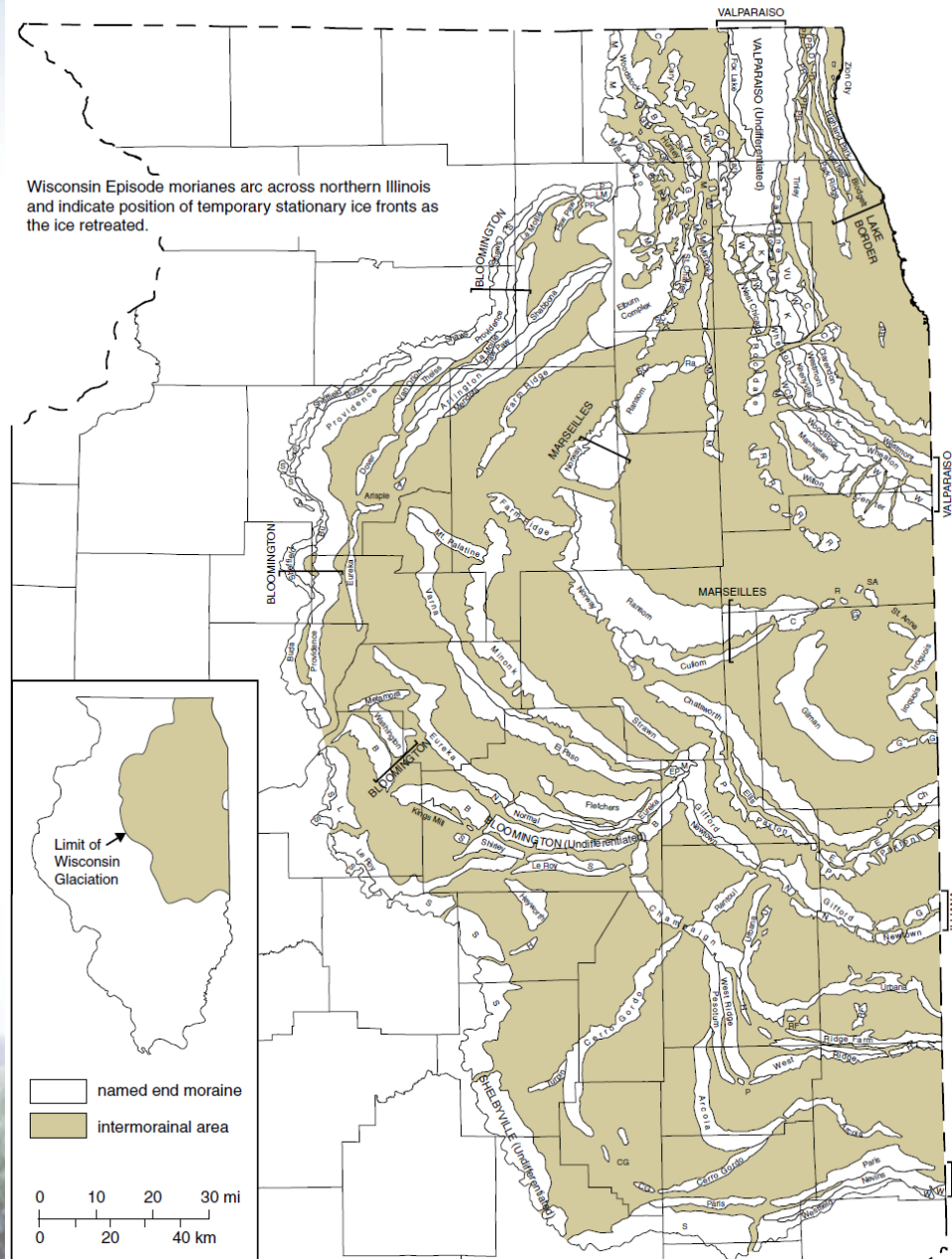




Why the turbines are here:



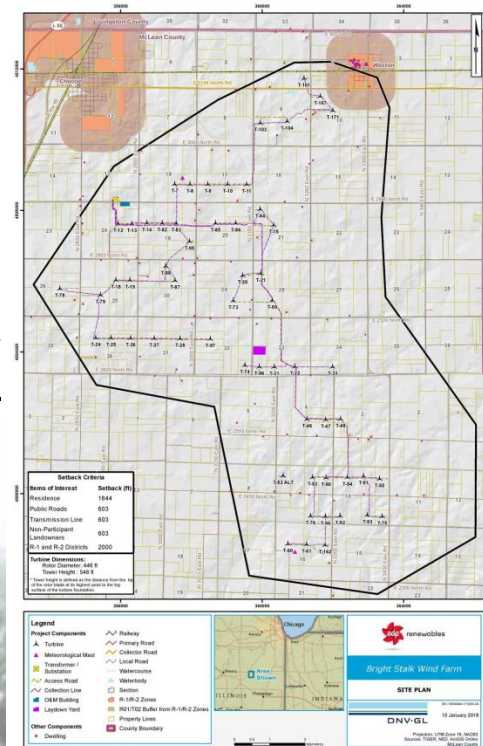
End Moraines Of The Wisconsin Glacial Episode





Items to note on Wind Farms

- Some counties boards are increasing distance requirements from dwellings (Livingston)
- Others are approving projects (McLean)
 - January: 250MW & 100 Turbines
 - March: 200MW & 58 Turbines (3MW/turbine)
 - McLean County will be up to 996MW capacity.





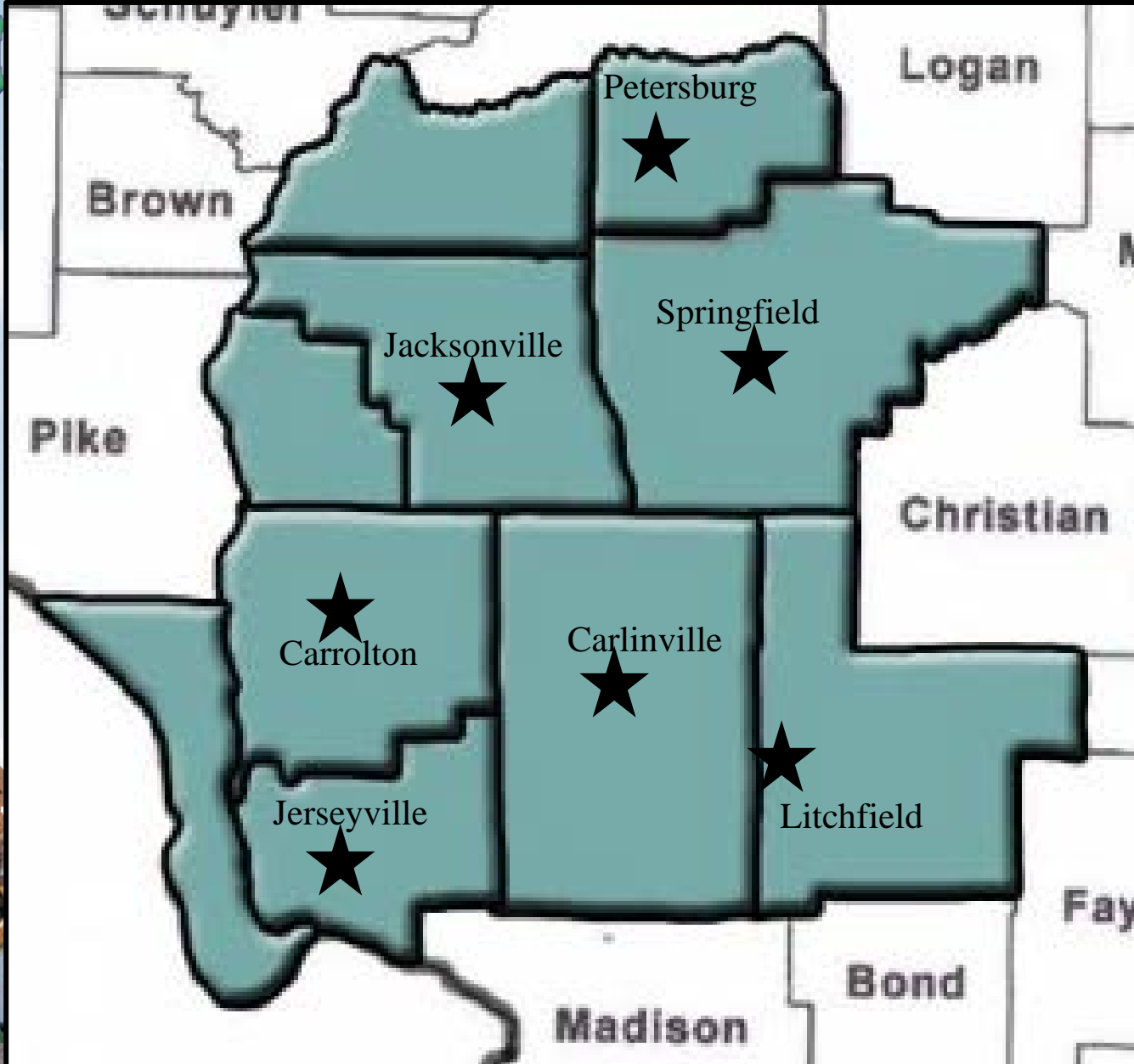
Location-Location-Location

Avg. Price – Avg. PI – Avg. % tillable

County	Excellent	Good	Avg.
McLean	\$9,927-137-96%	\$9,652-128-90%	\$6,400-108-92%
Livingston	\$9,327-136-96%	\$8,467-125-93%	\$6,947-103-92%
Woodford	\$12,167-140-97%	\$9,685-127-89%	\$6,900-113-97%
Marshall	\$10,526-139-95%	\$9,570-131-97%	\$5,700-114-71%
Tazewell	\$11,767-140-97%		
Mason		\$7,000-114-89%	\$4,750-95-99%



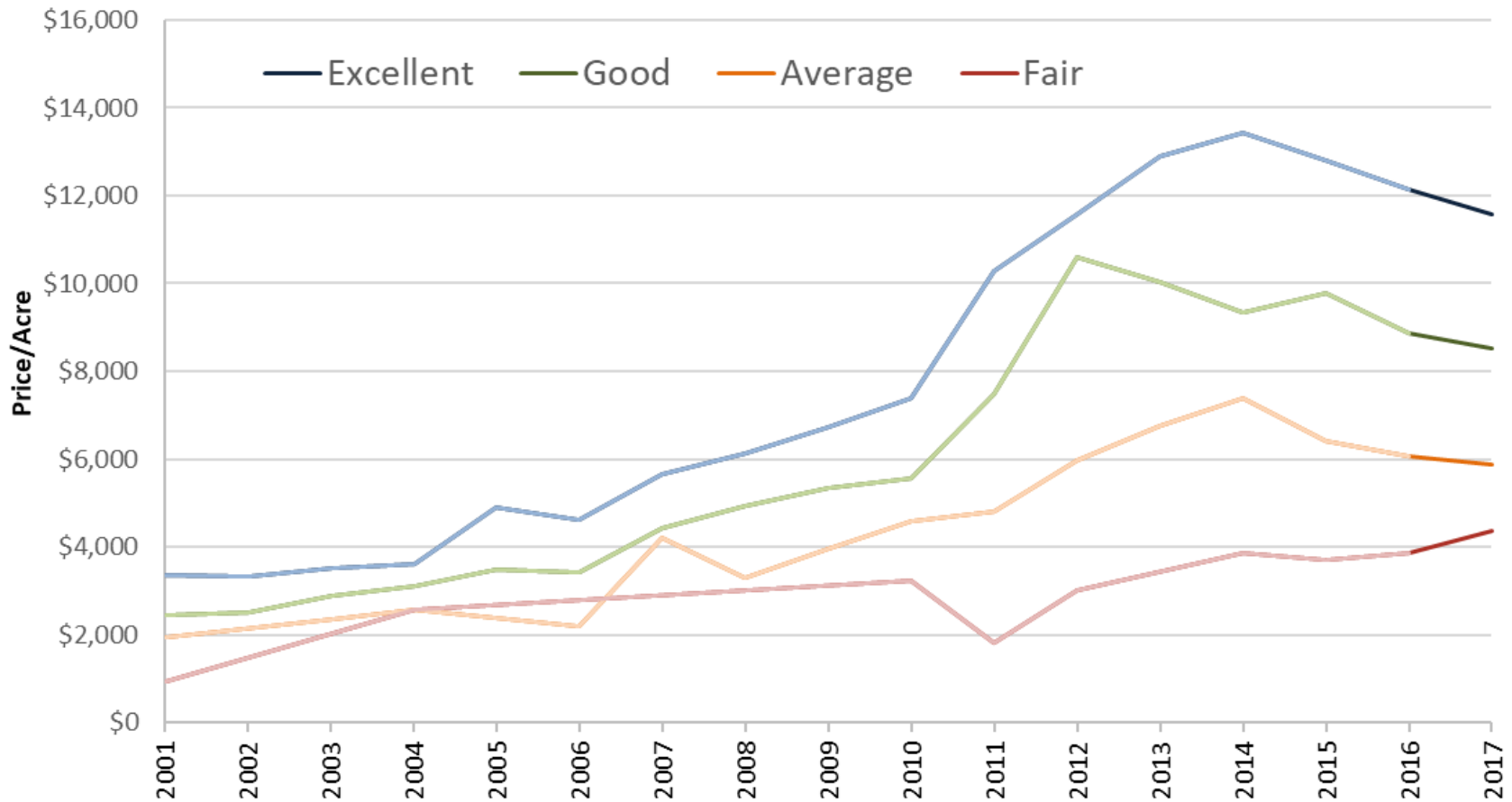
Region 7: Cass, Menard, Scott, Morgan, Sangamon Calhoun, Greene, Jersey, Macoupin, & Montgomery Counties





Charting Region 7

Region 7: Land Values Summary by Class





Region 7: Historical Results

Region 7:

Average Sales Price of Completed sales in Region by Year and Category*

<u>Year</u>	--- Category ---				
	<u>Excellent</u>	<u>Good</u>	<u>Average</u>	<u>Fair</u>	<u>Recreational</u>
2001	3,354	2,442	1,929	938	1,427
2002	3,309	2,500			
2003	3,509	2,897	2,350		
2004	3,610	3,091	2,570	2,573	
2005	4,906	3,477			
2006	4,621	3,416	2,178		
2007	5,641	4,429	4,191		
2008	6,123	4,924	3,285		
2009	6,739	5,344	3,969		
2010	7,397	5,558	4,569	3,224	
2011	10,291	7,483	4,793	1,825	2,945
2012	11,576	10,606	5,967	3,020	2,428
2013	12,910	10,015	6,762		3,356
2014	13,445	9,335	7,400	3,849	3,402
2015	12,801	9,775	6,412	3,705	2,972
2016	12,148	8,855	6,070	3,869	2,947
2017	11,578	8,515	5,868	4,352	3,097

Continuously Compounded Annual Growth Rate (CCAGR) - selected periods

2001-2010	8.79%	9.14%	9.58%	13.72%	
2010-2017	6.40%	6.09%	3.57%	4.29%	
2001-2017	7.74%	7.81%	6.95%	9.59%	4.84%
2005-2017	7.16%	7.46%			
2010-2017	6.4%	6.1%	3.6%	4.3%	
2016-2017	-4.8%	-3.9%	-3.4%	11.8%	5.0%

* (Note: Limited numbers of sales in some years and special features may affect values)

Decline from Peak	15%	22%	23.2%	9.4%
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Region 7 - Excellent Category

“Location is the key”

- Western Sangamon/Eastern Morgan County – Extremely high prices. Top Farmland Auctions in the \$12,000-14,000 range.
- Green, Morgan, Counties – upper \$10,500’s to mid \$11,000’s.
- Quality at lower end Montgomery & Macoupin Counties with most in the \$10’s.
- **Averaged: \$11,425/acre 97% til. 139PI** which is lower by 5% from 2016.





Region 7 - Good Category

% tillable & Field Shape Critical

- **Scott, Greene, Jersey, Calhoun** – below the averages. Field shapes vary more. Lower % tillable in the 70's & 80's
- **Cass, Morgan, Macoupin** – above the averages. Little better field shapes and % tillable (in the 90% more often) & soil PI's.
- **Averaged \$8,480/acre** with 123 PI and 89% tillable. Some areas is the \$10,000 range.





Region 7- Average Quality land

- Good data set, with some large and some small acreages.
- Higher prices found where Class A land nearby is high.
- Farmers buying land to make improvements.
- Looking for bargains they can afford.
- Averaged **\$5,841/acre** with 74% tillable & a soil PI of 110 on average.





New Developments in Region 7 Impacting Agriculture

**Sizable railroad facility coming to Jerseyville:
1,000 jobs, \$500 million investment**

Feb 12, 2018

- Kansas City Southern Railroad will bring approximate 1,000 jobs to the area immediately, with another thousand jobs to follow in the next several years. The \$500 million economic investment and development will be privately funded by Atlanta, Ga.-based Stonemont Financial Group, in partnership with the Jerseyville Economic Development Council and Kansas City Southern Railroad. The new logistics center will be used for offloading cargo to semi-trucks along the rail line that runs through the city. The development will also include light manufacturing.





General Conclusions

- True “Class A Farmland” is staying strong in these two regions. \$11,000+ is not uncommon.
- Divergence is starting to occur with lower quality farmland. Especially in percentage tillable and field shape.
- Soil type is sometimes less critical if the farm is 98%+ tillable and PI is 127+. Particular strength in certain localities.





First Quarter 2018 –not as hot?

- Jan 16th – 392 Acres McLean Co. w/wind energy & “Good” soils @ **\$8,000 to \$9,700/acre** (w/2 turbines)
- Jan 18th– 260 Acres McLean Co. @ **\$7,700** (Good soils) - **\$10,750/acre** (Exc. soils)
- Feb. 20th – 222 Acres Sangamon Co. **\$13,000 /ac. &**
- Feb 27th – 223 Acres Sangamon Co. **\$12,181/ac.** both with Excellent soils
- Mar. 12th – 579 Ac. Mason Co. @ **\$6,735/acre** Avg. (high of \$8,700) sandy “Average” soils.
- Mar. 6th & 13th – less desirable field shapes, topography, lower soil quality fields led to some “No Sales” or partial “No Sales” in McLean County. Other less desirable fields on the market are also experiencing longer marketing periods.





General Discussion on Leases

- Most cropland leases for 2018 were renewed at or very near 2017 levels unless previous adjustments had not been made.
- Region 4: Excellent soils: \$240-340 range
- Region 7: Excellent soils: \$290-340 range
- Region 4: Good soils: \$160-280 range
- Region 7: Good soils: \$220-290 range
- Generally speaking farms in Region 7 will rent as high as anywhere in the state.





Thank You!

