

Land Values Update

Presented by

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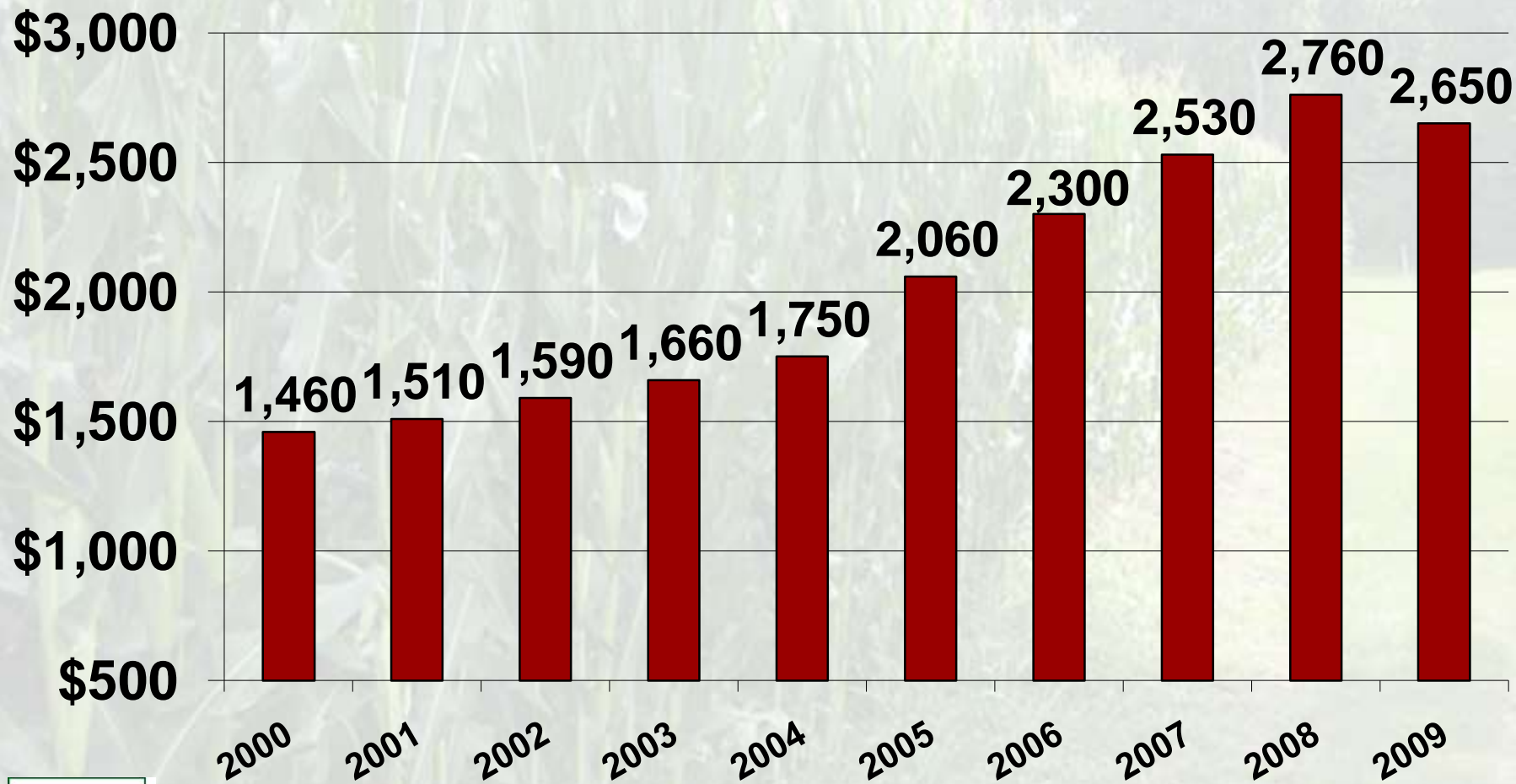
Real Estate Salesperson



Capital
Agricultural
Property
Services, Inc.

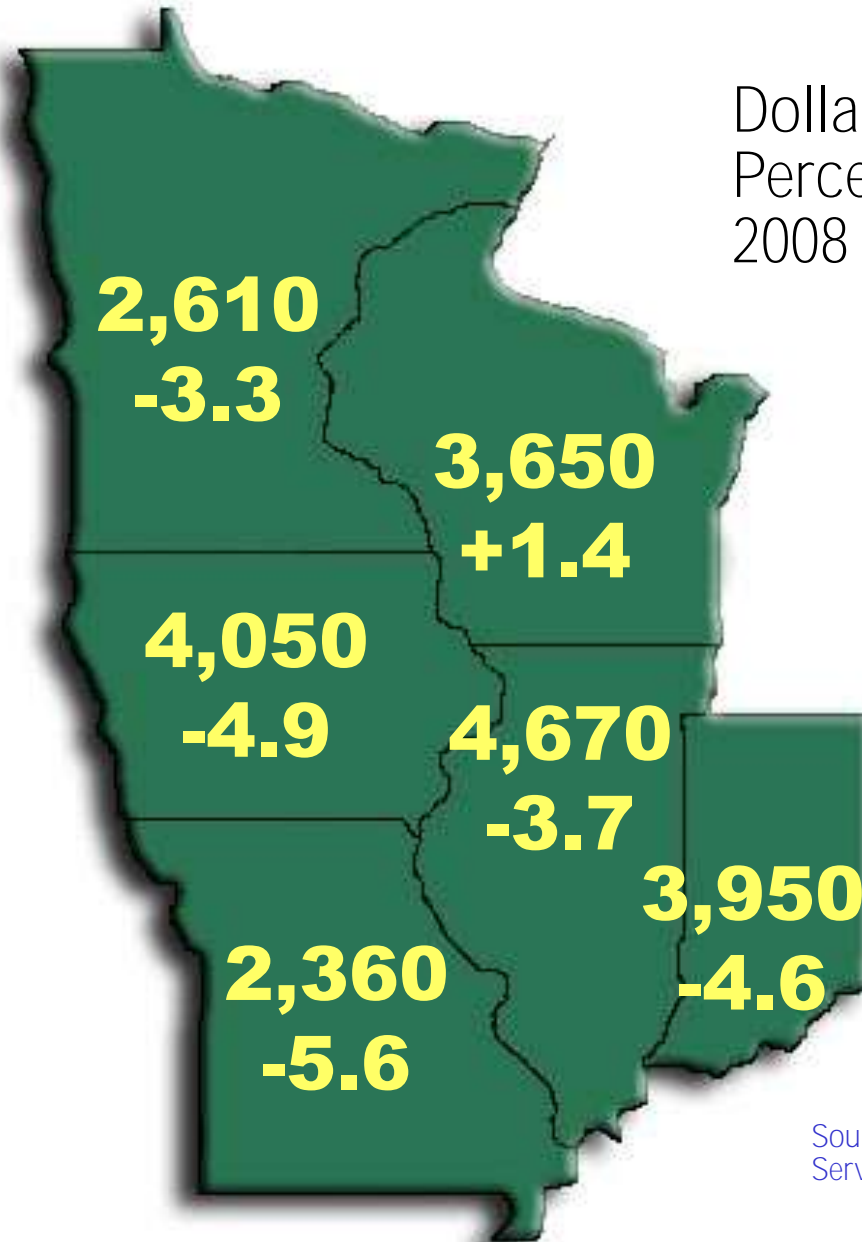
US Average Farm Cropland Value

Dollars per Acre, 1999 - 2009



Source: National Agricultural Statistics Service, USDA
August 2009

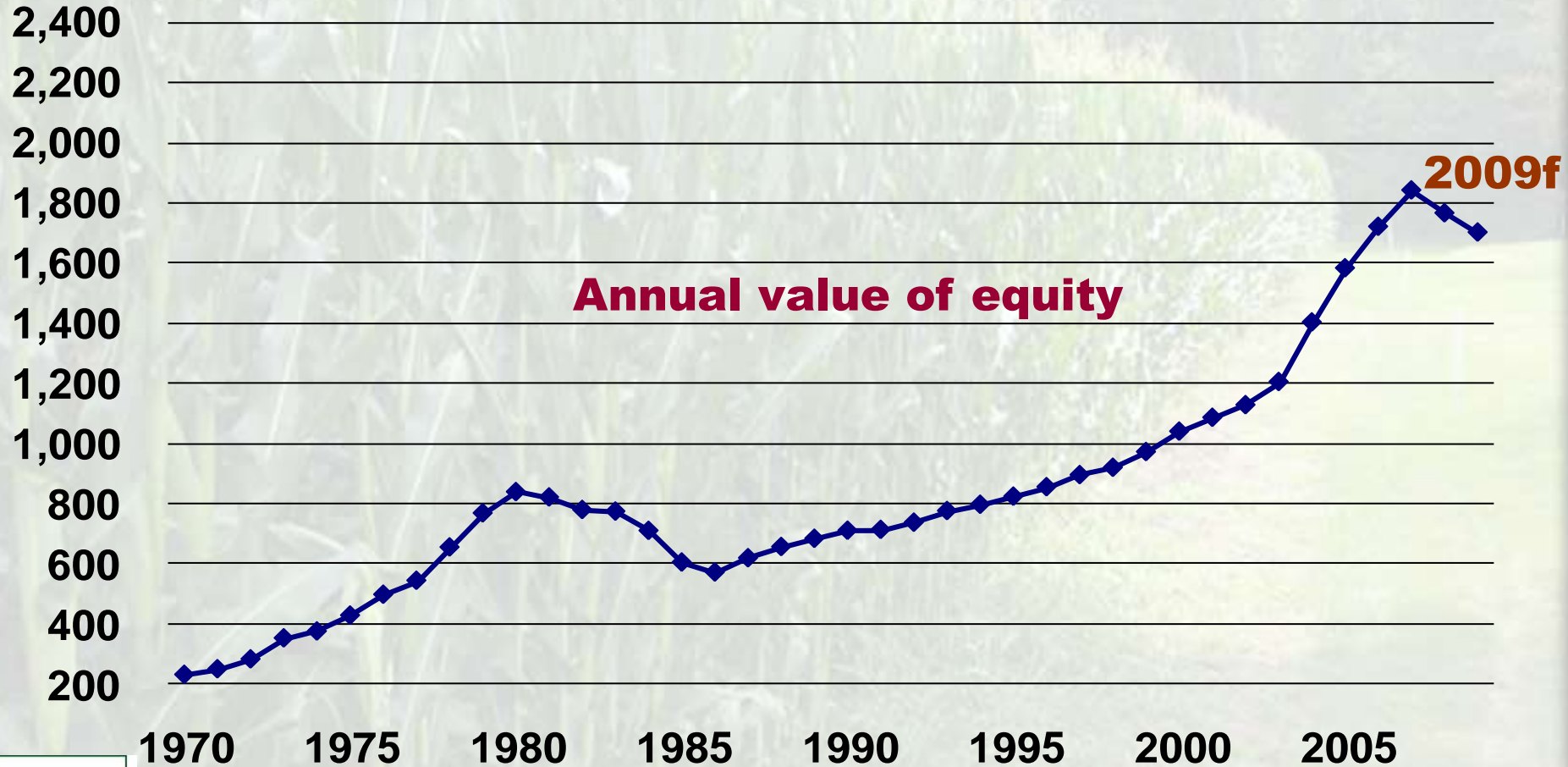
2009 Average Cropland Value by State



Source: National Agricultural Statistics Service, USDA
August 2009

Farmers' Business Equity 1970 - 2009f

\$ billion



f = forecast

Source: Economic Research Service,
USDA

Debt-to-Equity Ratio of Farmers 1970 – 2009f

Percent



Debt-to-equity

2009f



f = forecast

Source: Economic Research Service,
USDA

Illinois Farm Real Estate Values

(USDA Data)

A Few Facts:

Illinois cropland values declined by 3.7%.

First decline since 1987.

Cornbelt (IL, IN, IA, MO, OH) cropland values declined by 4%.



Source: USDA Land
Values and Cash Rents
Summary August 2009

Illinois Farm Real Estate Values

(USDA Data)

A Few Facts:

Contraction in economy has caused less commercial and residential development.

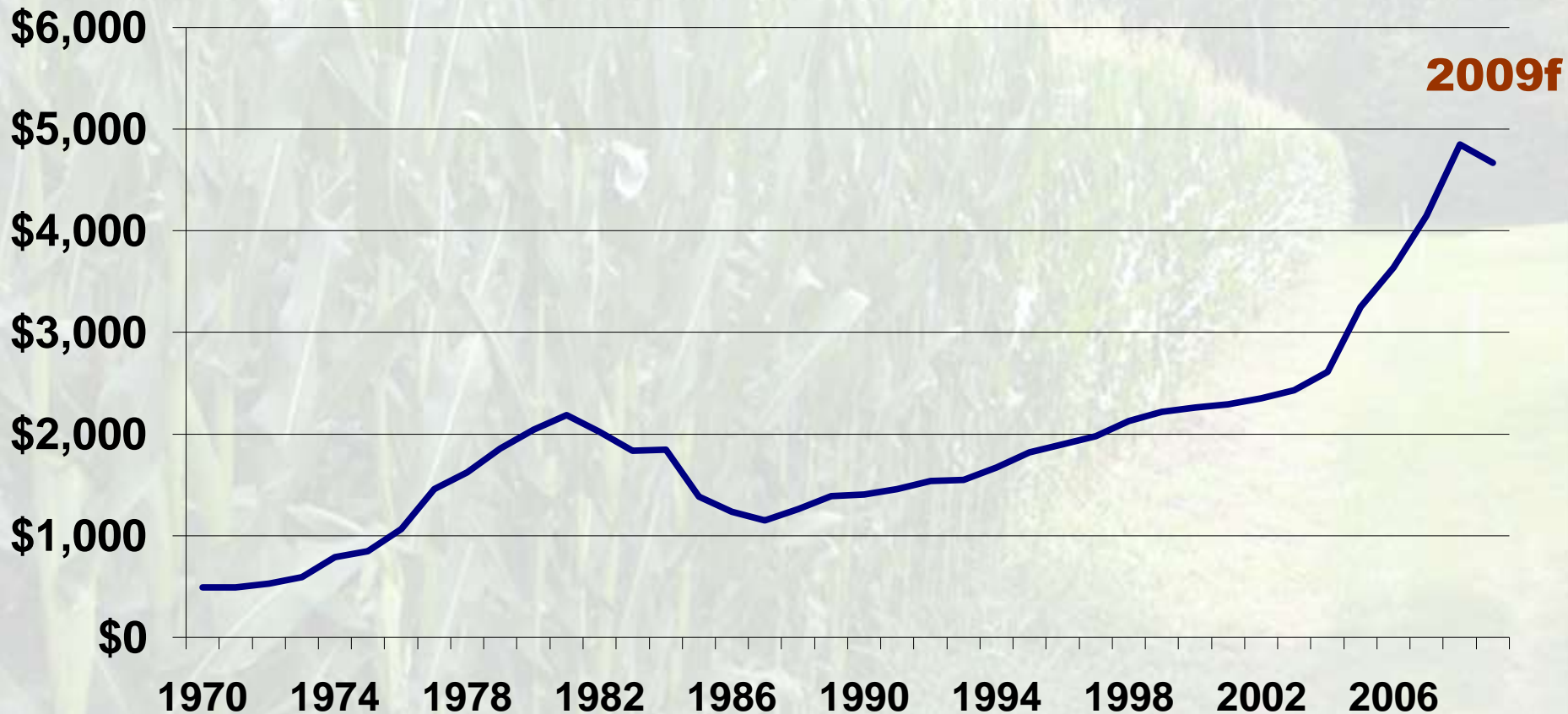
Decline in commodity and livestock prices leads to less optimistic investors.

Decrease in demand for recreational land also contributed to overall decrease.



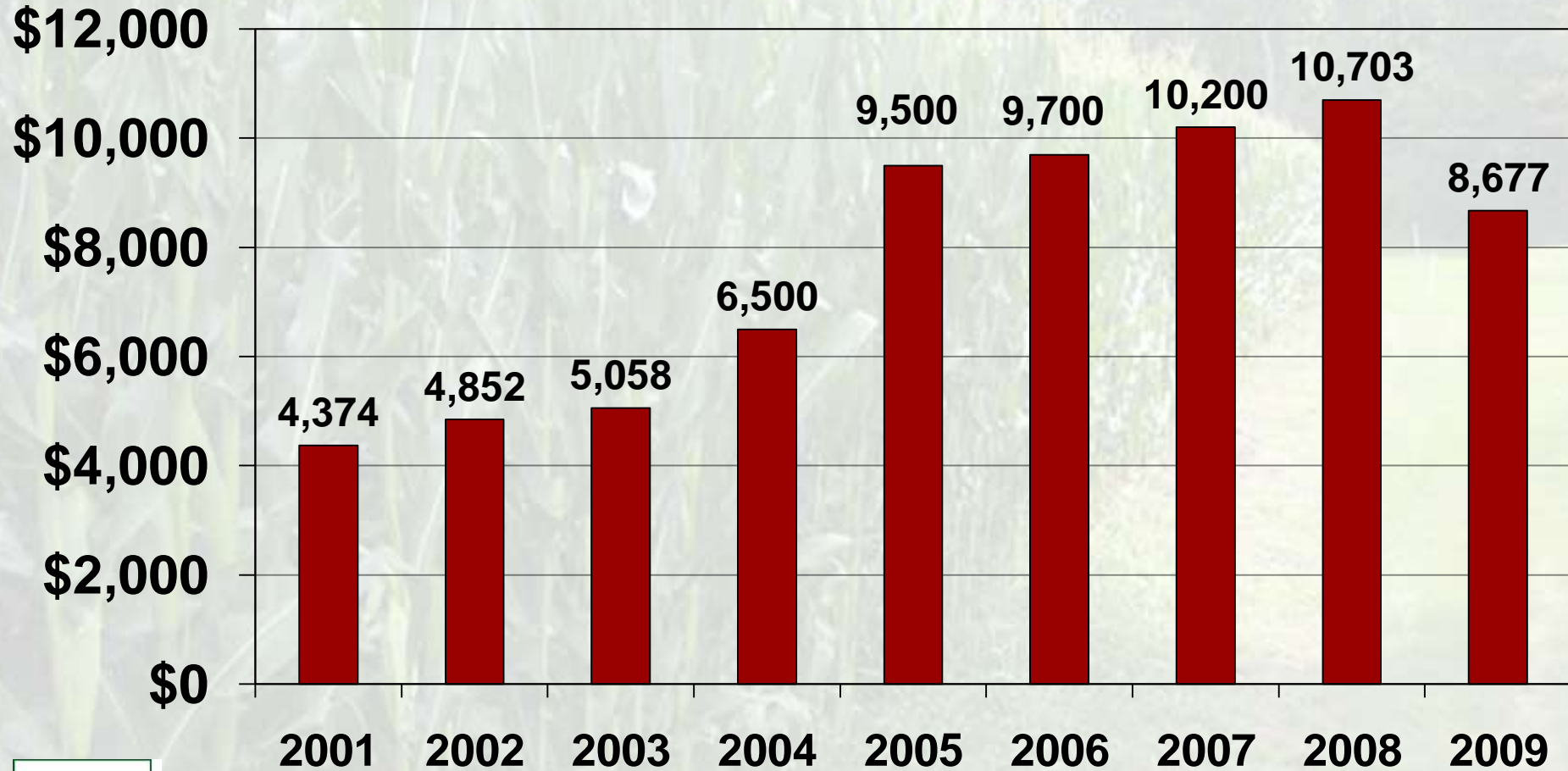
Source: University
of Illinois,
Farmdoc website

Illinois Average Farm Cropland Value Per Acre



Source: USDA Land Values and Cash Rents Summary August 2009

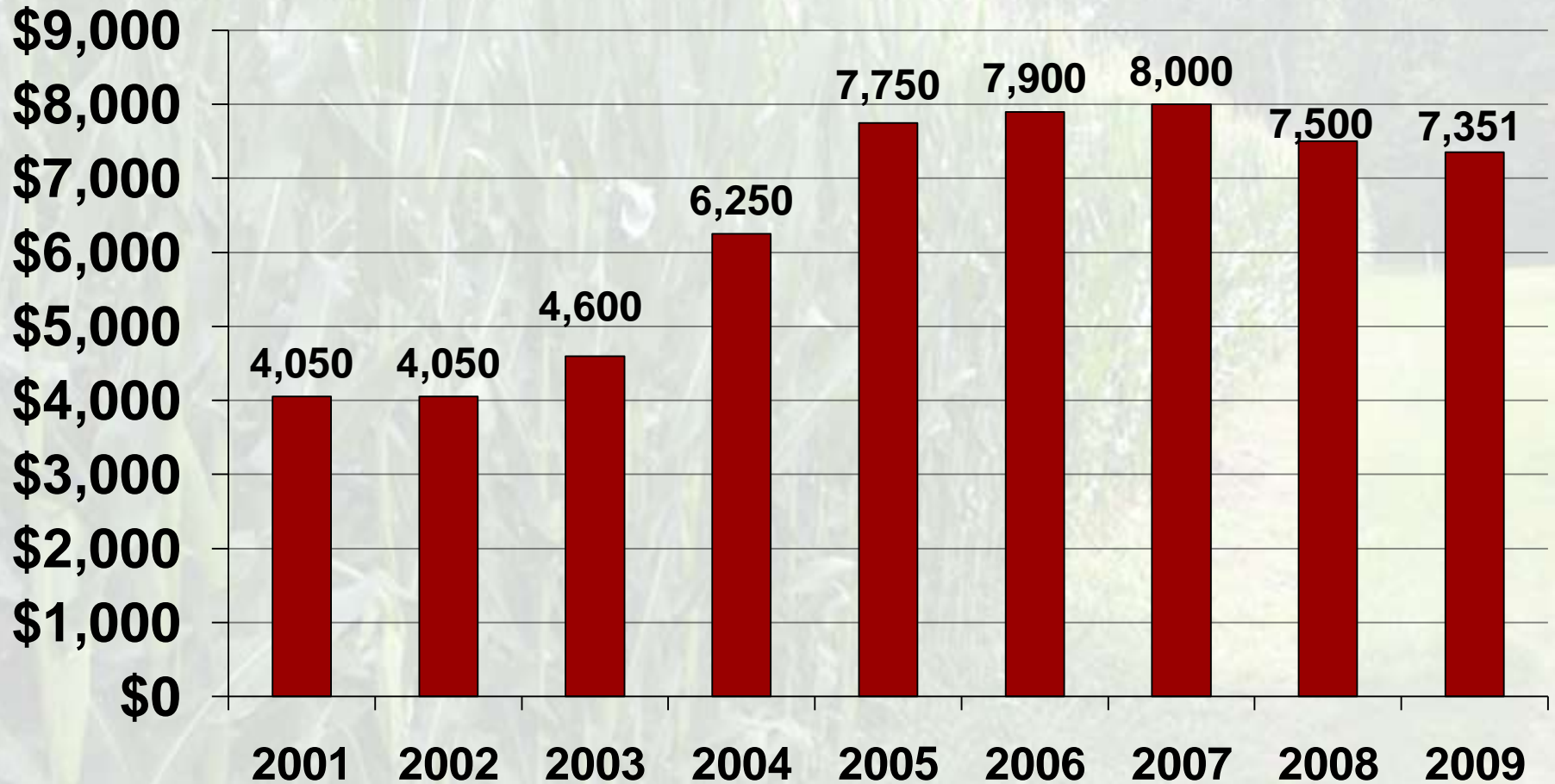
Illinois Farm Real Estate Value Per Acre – Dekalb County



Source: Farm Credit Services
Livingston, Knox, Warren, Tazewell, Ogle,
DeKalb, LaSalle Counties



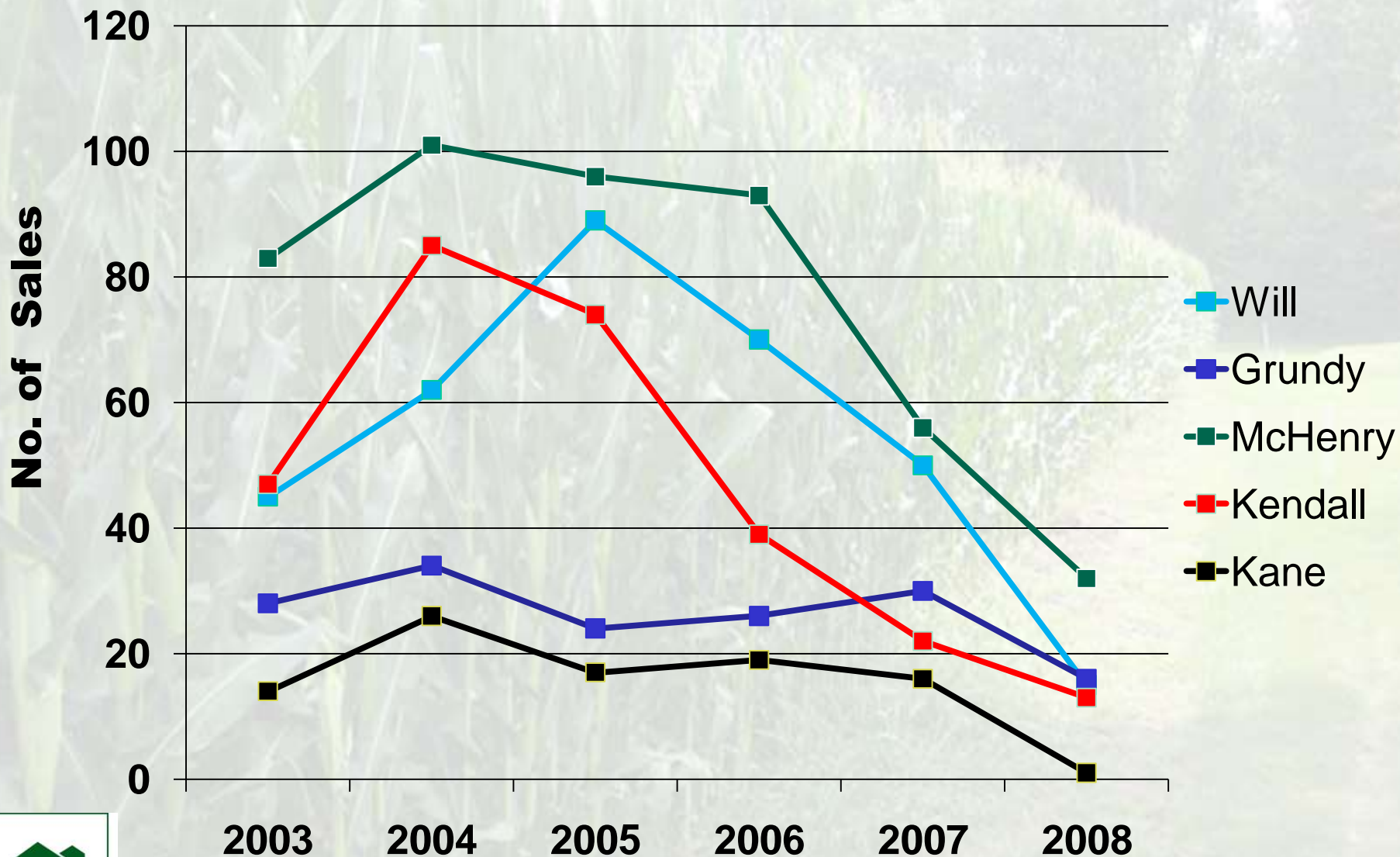
Illinois Farm Real Estate Value Per Acre – LaSalle County



Source: Farm Credit Services
Livingston, Knox, Warren, Tazewell, Ogle,
DeKalb, LaSalle Counties

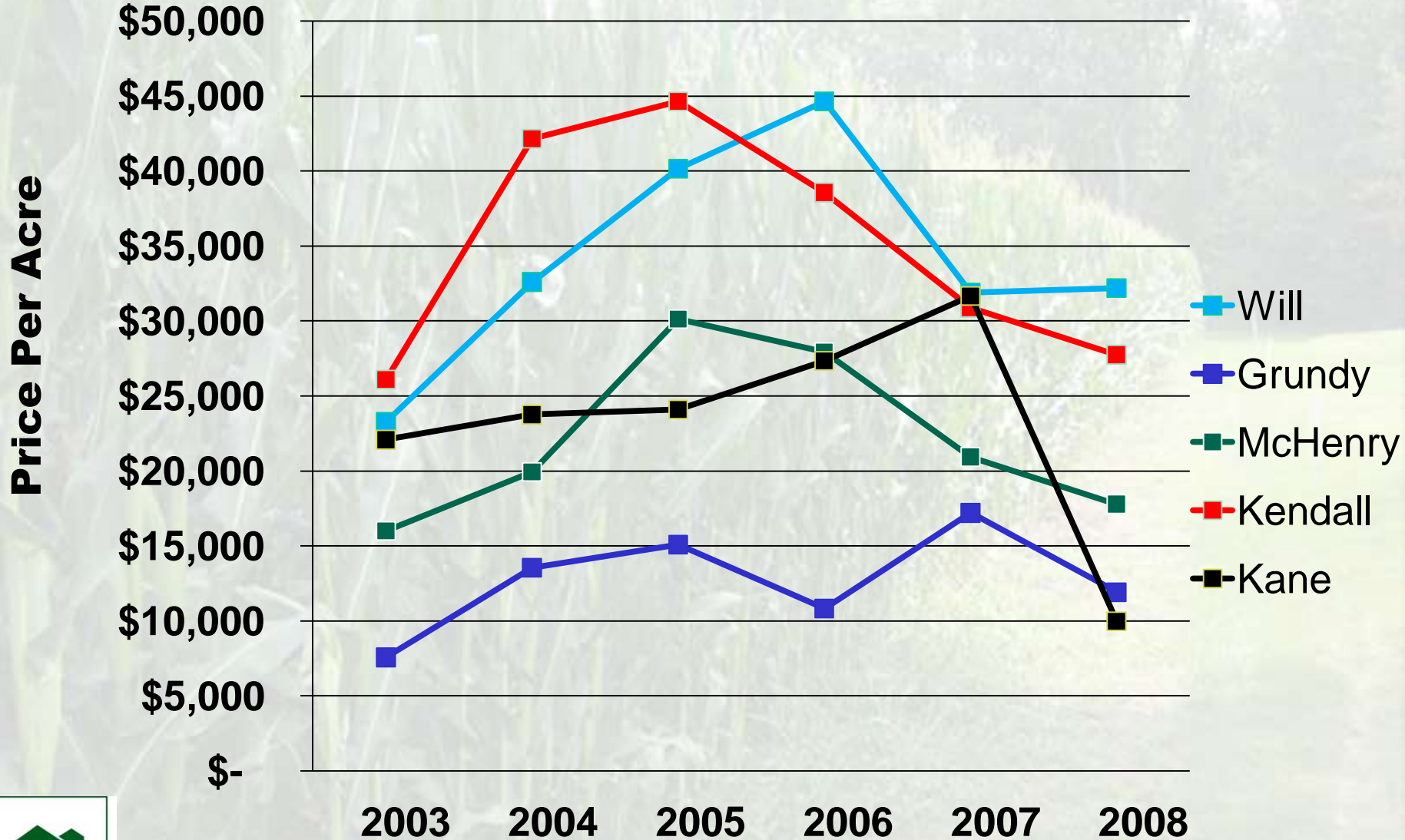


Collar Counties Volume of Sales



Source: Illinois Land Sales Bulletin
August 2009

Collar Counties Price Per Acre



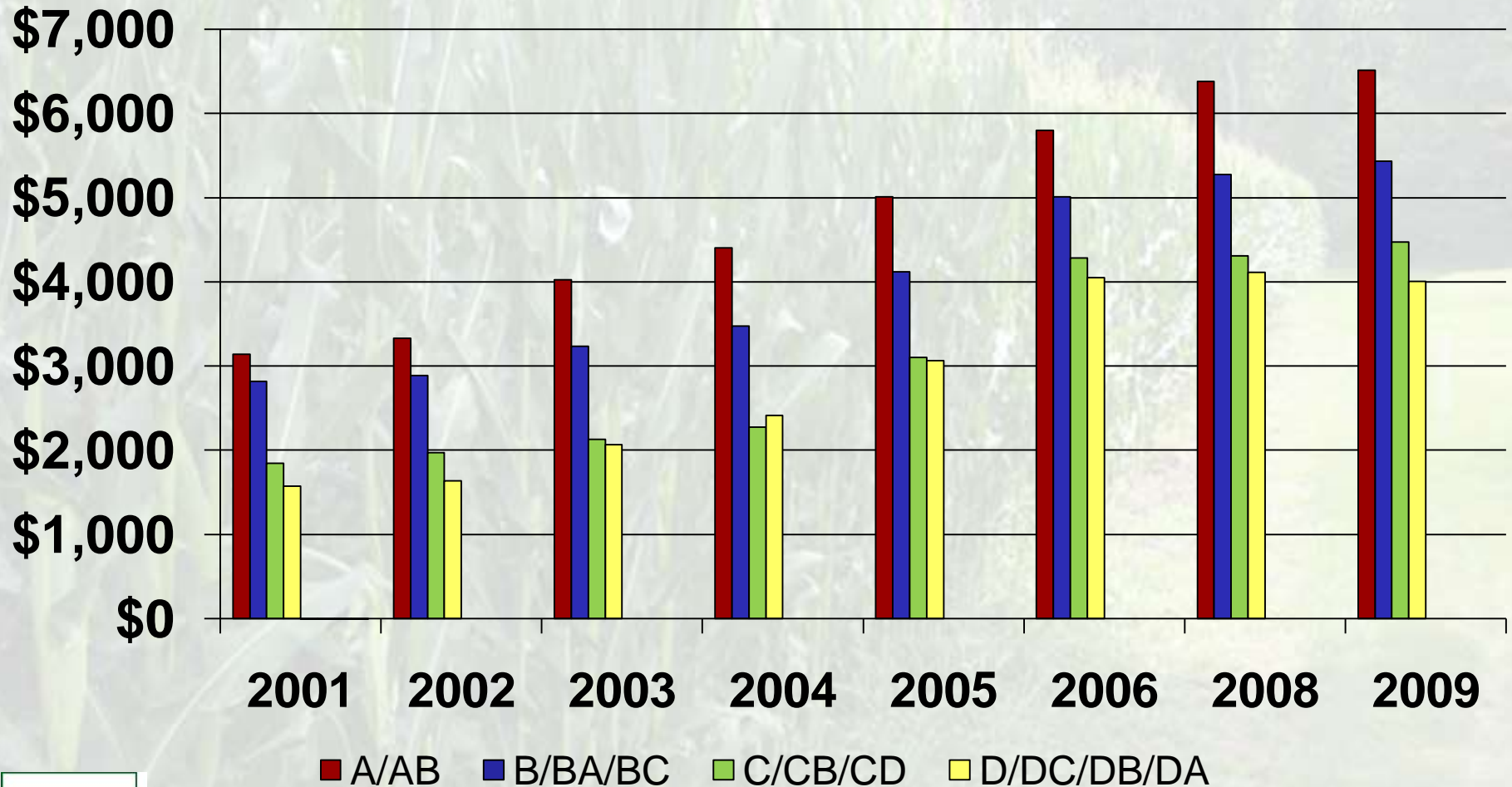
Source: Illinois Land Sales Bulletin
August 2009

Non-Collar Counties

Land Values

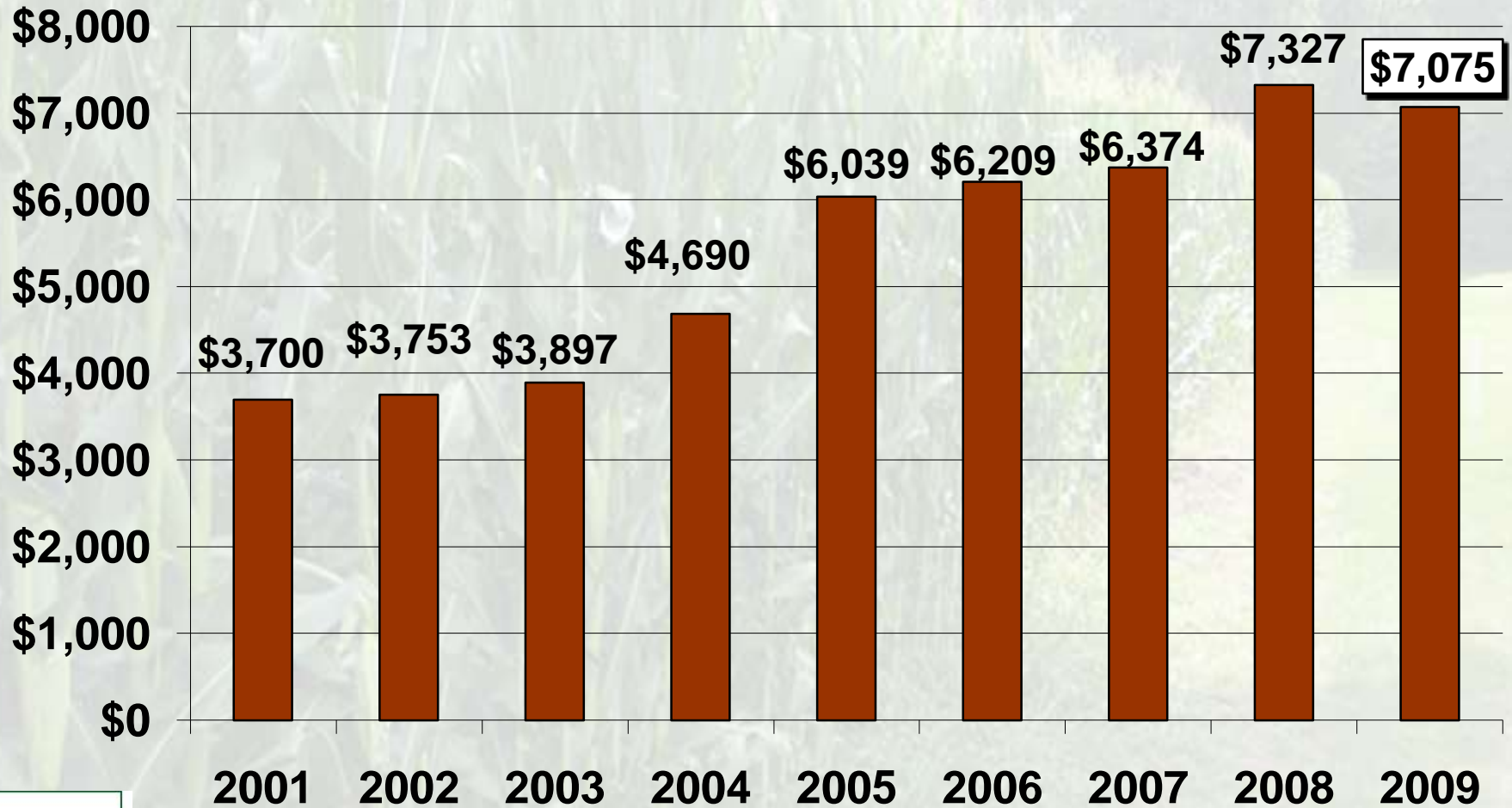


Average Illinois Land Values by Soil Class



Source: Illinois Land Sales Bulletin
August 2009

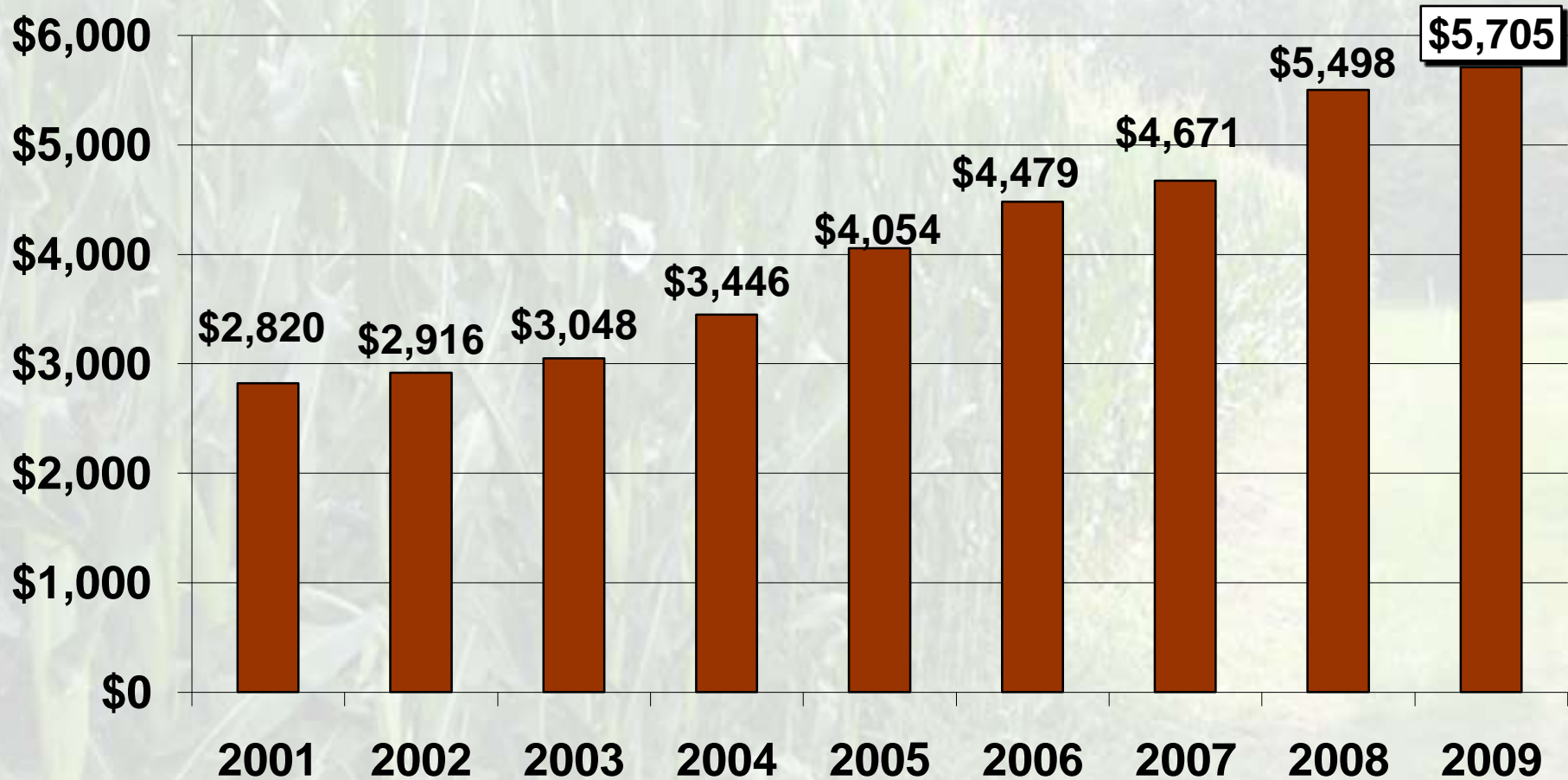
Class A Soils Land Values



Source: Farm Credit Services
Livingston, Knox, Warren, Tazewell, Ogle,
DeKalb, LaSalle Counties



Class B Soils Land Values



Source: Farm Credit Services
Livingston, Knox, Warren, Tazewell, Ogle,
DeKalb, LaSalle Counties



Class C Soils Land Values



Source: Farm Credit Services
Livingston, Knox, Warren, Tazewell, Ogle,
DeKalb, LaSalle Counties



Some things to think about that affect land values

- **Soils**
- **Location**
- **Comparable sales**
- **Who gets the cash rent/crops**



Buyers of Farmland

- **65% Local and relocating farmers**
- **21% Investors**
- **12% Institutions**
- **2% Others**



Source: Illinois Society of Professional
Farm Managers and Rural Appraisers

Who are the Sellers?

- **41% Estate sales**
- **16% Individuals**
- **15% Retired farmers**
- **12% Active farmers**
- **10% Institutions**
- **6% Others**



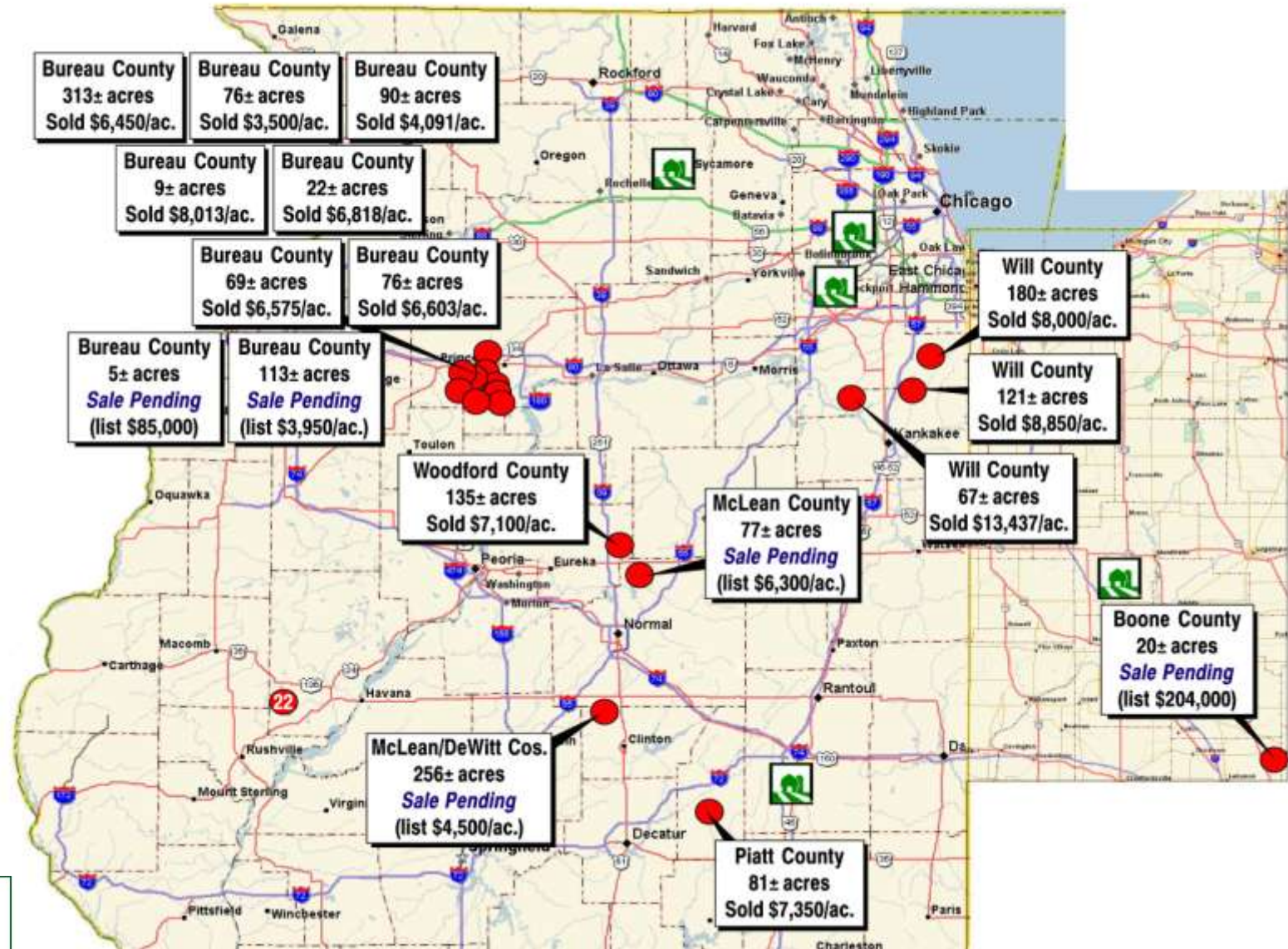
Source: Illinois Society of Professional
Farm Managers and Rural Appraisers

Reasons for Selling Farmland

- **36% Settle estate**
- **21% Receive a good price**
- **18% Need cash**
- **8% Close out undivided interest**
- **8% Other**
- **4% Forced liquidation**
- **4% Re-orient investment**



2008-09 CAPS Land Sales & Pending



(As of 9/3/09)

CAPS provides Sellers...

- ✓ **Market analysis and pricing strategy**
- ✓ **Private treaty or auction**
- ✓ **State, regional & national network**
- ✓ **Cooperation with other brokers**
- ✓ **Farm Management, Appraisal & Consulting**
- ✓ **Complete marketing services, i.e., print & website at ww.capitalag.com which averages 16,085 per month**



CAPS provides Buyers...

- ✓ **Knowledge of the marketplace**
- ✓ **Analyze and understand client's objectives**
- ✓ **Assist with financial structure & negotiation**
- ✓ **Target optimum properties & investments to suit buyers' objectives**



An American flag is shown waving in a field of tall green grass. The flag is semi-transparent, allowing the background to be visible through it. The background consists of a lush green field with tall grass in the foreground and a line of trees in the distance under a bright sky.

Thank You

*Feel free to contact a
CAPS professional with
your questions*