

GANNON REAL ESTATE & CONSULTING AND FARMLAND STEWARDS

Farmland Newsletter

Fall 2024

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“We abuse land because we see it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect.”

- Aldo Leopold

Aldo was born in Burlington, Iowa and was one of Iowa's most famous conservationist and outdoor writers. The Shack was his family's get-away from his position at the University of Wisconsin. He is famous for his "Sand County Almanac" in which he described the demise of the farming landscape in the 1930s.

This newsletter is dedicated to conservation concerns as well as farm issues. It is hard to see the changes that have gradually transpired on our land and the rural communities.

Over the last 100 years many believe we are at a crossroads of whether we completely surrender our rural and farming roots to Big Ag and selfishly chase for more income at the expense of our land, young farmers and the environment.

Iowans are trusting people where many were raised on farms and hold the family farming concept in high regard but the true family farms are slipping away at an alarming rate. Many feel comfortable with high land prices and good rents but there is more going on under the surface.

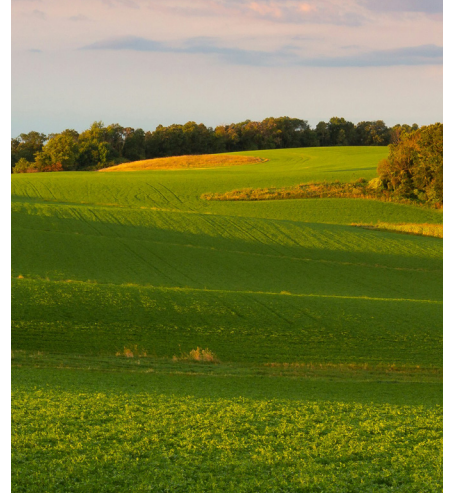
I believe all landowners that rent their land can make an individual difference doing the right thing with their land now and in the future. We are here to help that effort.

-Mark Gannon



Mark is pictured at Aldo Leopold's Shack in Sauk County, Wisconsin

CENTRAL IOWA LAND SALES



Below is a compilation of land sales from 1/1/24-11/1/24 for the following counties: Boone, Greene, Hamilton, Hardin, Marshall, Polk & Story. Data taken from the Land Sales Bulletin and have been sorted for sales deemed arms-length on good quality highly tillable farmland. Minimum of 40 gross, 35 tillable, 60 Total CSR2, and \$7,000/acre.

Please note the average Sale Prices/acre and \$/CSR2 are fairly consistent between counties but the ranges fluctuate so much that it is risky to use the \$/CSR2 as a guide in valuing farmland. The open market is always the best method to find the true value of land for seller.

COUNTY	SALES	SALE RANGE					CSR2 RANGE	
		AVG/\$/A	HIGH	LOW	AVG CSR2	AVG CSR2/A	HIGH	LOW
BOONE	23	\$14,068	\$18,019	\$7,074	82.5	\$168	\$213	\$83
GREENE	17	\$13,141	\$17,348	\$9,700	82.53	\$165	\$222	\$132
HAMILTON	8	\$12,813	\$16,029	\$8,683	80.13	\$160	\$191	\$115
HARDIN	22	\$12,057	\$16,709	\$7,250	83.38	\$144	\$190	\$87
MARSHALL	5	\$13,019	\$15,190	\$11,864	80.18	\$163	\$182	\$137
POLK	10	\$14,897	\$26,889	\$7,299	81.23	\$199	\$397	\$94
STORY	16	\$14,142	\$25,107	\$8,619	81.23	\$181	\$287	\$109
TOTAL/AVE.	101	\$13,472	\$24,001	\$7,074	81.15	\$166		



Over 60,000 acres sold since 2000.

Over \$100 million in farm assets under management.



Please contact us for the following low-cost services for Landowners

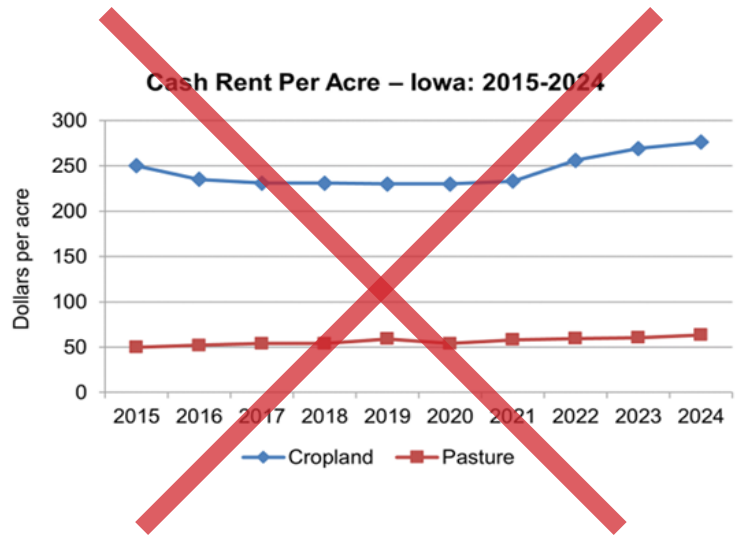
- Farm Land Price Discovery with recommendations on getting the best price
- Farm Lease and Land Management Initial Review
- Fertility, Land Use, Best Practices, Drainage, Yield analysis
- Income Potential, Soil and Water Conservation Tips
- Farmland Appraisal Consultation for Estates and Landowners
- Drone Pictures and Videos for Prospective Clients (No Obligation) - Free within 100 miles of Ames

CASH RENTS

The chart at the right is from the Iowa State Cash Rent survey. It is crossed out because it should not be used to price cash rents because they are averages with small samples in many counties. The survey can be used as a general guide on the trends in cash rents or possibly used as a base cash rent for a flexible cash rent.

We feel that landowners should receive 33-35% of corn revenue and 37-42% of soybean revenue. That can only happen if we know the eventual yield and price for that crop year, then both the landowner and operator have a sustainable lease. Do you know your land's yield, the commodity prices and fertilizer applied?

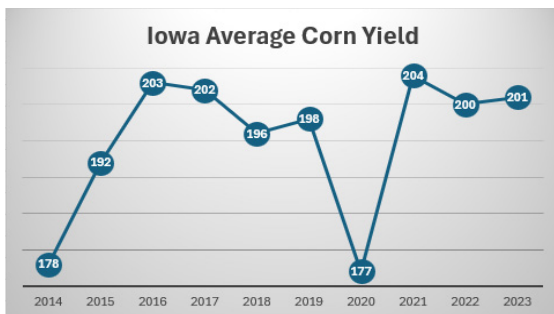
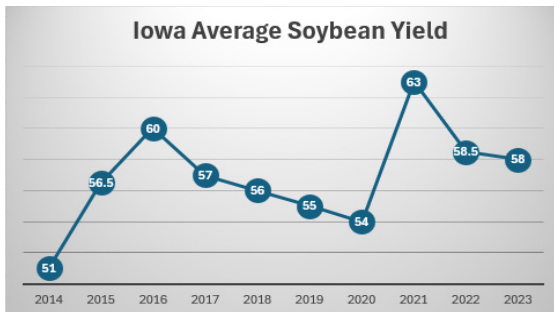
Crop share and custom farming are also viable options depending on the landowners need.



Better representation,
information & advisement
for your land



CROP YIELDS



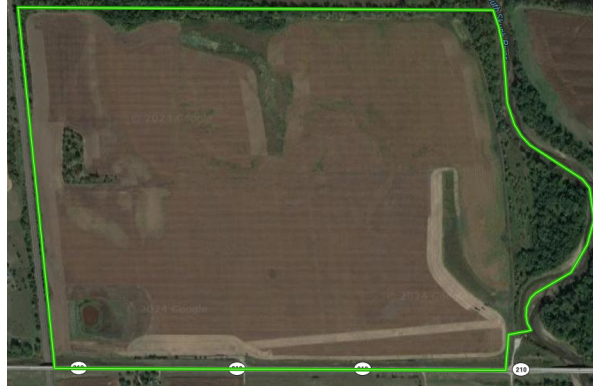
Corn and soybean hybrids continue to improve their weather and disease tolerance over the past decade. These traits have helped to maintain more steady yields on average especially with limited rainfall the past few years.

If we look back at the 10 yr historical yields, we see that the 2023 state of Iowa yield average for soybeans came in at 58 bushels per acre. With the new 2023 yield in, the 2013 will drop out of the 10 year average. 2013 was the lowest yield over the last 10 years. This will increase the 10 year average from 55.7 to 56.9. Which equated to a 2.15% increase.

The 2023 Iowa state yield average for corn came in at 201 bushels per acre. Corn had a similar increase in the 10 year yield average from 191.4 to 195.1., which equated to a 1.93% increase. The yields are still on an upward trend.

In our experience we are seeing amazing yields from all qualities of land. Seeing yields under 200 bu/acre on corn are unusual as well as under 60 bu/acre on soybeans. This year the corn yields are generally good but some places, such as northern IA, had too much rain. This led to lower soybean yields in these areas. The Pro Farmer average yield estimate for Iowa for 2024 is 212 bu/acre corn and 67 bu/acre soybeans. We don't have all our managed land yields in yet to have an accurate picture.

IOWA LANDOWNERS MAKE A PERMANENT CONTRIBUTION TO WATER QUALITY



This is an image of 220 acres on the west side of the Skunk River and north of Hwy 210 one mile SE of Cambridge. I think you can see from the shape as to why we call it the “Iowa” farm. This parcel is in the process of being converted into permanent Iowa wetlands.

The land is mostly in the Skunk River floodplain - you can see the old river channel running from the NW to the SE through the land. This property was recently enrolled in the Wetlands Reserve Program where the old river channel will be partially restored as a

permanent wetlands and the rest in native grasses. The land is still owned privately by CJS farms. This project is part of a larger emphasis to protect the Skunk River corridor and improve water quality by filtering more surface water through the grass before it reaches the river or into the aquifer. The Iowa DNR, Iowa Natural Heritage Foundation, Story and Polk County Conservation and private owners are all cooperating in this effort.

The wildlife benefits are a big extra benefit and adds a large habitat area and beneficial travel coordinator that used to be predominant in Iowa before intensive agriculture became the norm.

We, at Gannon RE & Consulting and Farmland Stewards along with the support of owners worked at getting this land into such a program for many years since we knew it could be a valuable conservation effort and a permanent part of the Iowa natural heritage.

Iowa Tax Credits and Exemptions You Should Know



Many Iowa properties do not fully take advantage of property tax exemptions. Here are the main ones that might help you. This is part of our responsibilities as land managers. We have several parts or whole tracts under the Timber Reserve and Slough Bill. All tracts should get the Iowa Ag Land Credit

Iowa Ag Land Credit - This credit was established to partially offset the school tax burden borne by agricultural real estate. Current law allows a credit for any general school fund tax in excess of \$5.40 per \$1,000 of assessed value.

Iowa Barn and One-Room School House Property Tax Exemption

Iowa Family Farm Tax Credit – Owner or Designated Person Must operate the land

(Timber Reserve) - Iowa Forest and Fruit Tree Reservations Property Tax Exemption

(Slough Bill) - Iowa Native Prairie or Wetlands Property Tax Exemption

Iowa Natural Conservation and Wildlife Areas Property Tax Exemption

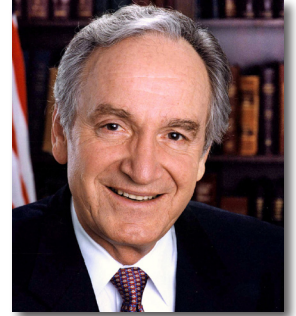
Iowa Value-Added Agricultural Products Exemption

Iowa Wildlife Habitat Exemption

See www.revenue.iowa.gov › taxes › tax-guidance for more information.

Industrial Farm Animal Production, the Environment and Public Health Conference

Sponsored by: The Harkin Institute
Drake University - Sept. 25 & 26, 2024



This two day event brought in experts and others from all over the nation and Iowa. It was attended by Mark Gannon to learn more about farming's impact on the environment and what we as landowners and representing landowners can do better for the present and future. The theme was particularly concerned about confined animal feeding operations (CAFOs) but also included information on other aspects of farming, soil loss, fertilizer use and the effect on the land, worker and public health. The entire conference was videotaped with closed captioning and is available to all by going to the Harkin Institute website (<https://harkininstitute.drake.edu/>). I would highly recommend anyone who owns land and wants to be involved in making agriculture better to watch the videos. We've included below some excerpts in our newsletter because we think it is important. No other realtor's, farm managers or Iowa agriculture leaders attended this conference and that is part of the problem also. **EXCERPTS BELOW:**

"The Harkin Institute is proud to join in this endeavor to inform the public about the impact on our health and well being from confined animal feeding operations, otherwise as we know, called CAFOs. Let me say at the outside, if we want to have a healthier population, reduce the incidence of respiratory illnesses and cancer causing agents and if we wish to have a healthier environment, with cleaner water, renewable resources, replenish-able soil, wildlife habitat, and overall cleaner air to breathe then we cannot continue doing animal agriculture as we now practice it and is widely accepted."

"I would add another component, and that is the degrading of our social infrastructure, the impact on our communities and schools of the vertical integration of all of these large confinement animal feeding operations throughout the state of Iowa and beyond. Just look at the decline of diversified crop and animal farming and what that's done to our small communities around the state. The environmental impact of these colossal animal feeding operations, hogs, cattle, and chickens or evident for all to see. Whose eyes and minds have not been clouded by the siren song of the large conglomerate meat processors. Wall Street investors, certain farm organizations and the lack of incentives for true family farmers for a more sustainable, environmentally friendly animal husbandry."

"I have spent 40 years on the Ag committee in Congress, in the House and the Senate chair to the farm bill. As I look back I see a lot of the mistakes we made on how we continued with Ag policy in America and at that time, maybe we thought we were doing the right thing - but you know what became clear to me later on as I became more involved in conservation and nutrition programs in Ag? Like so many in our modern day society we thought the environment was free. Water free, air free, don't have to worry about it, you can kick the can down the road. That was a big mistake. There is a tremendous cost to be paid for our people, as I mentioned, our communities, our health and well being.

"What it has done, it has sort of put farmers, quite frankly, on a treadmill that is hard to figure out how to change. We have seen a massive shift from independent family farms. Over 85% of swine production is controlled by vertically integrated systems. Out of state corporations own the majority of pigs in Iowa. Repeat that, out of state corporations own the majority of pigs in Iowa. Smithfield, one of the largest pork integrators is owned by a Chinese conglomerate - therefore much of the profits made during the degradation of our soil and water and air doesn't even stay in the State of Iowa. They should help clean it up."

Tom Murrane & Marie Powers Who do they have in Common?



Mark Gannon was the manager of the Iowa State University land holdings from 1994 to 2000 when Marie Powers passed away in Webster County and gave her entire land estate to ISU consisting of 240 acres. The land was not to be sold and wasn't during Mark's oversight. After Mark left to start GREC the decision was made by ISU to sell the land and use the funds for purposes not in keeping with Marie's wishes. Mark brought this up to the Dean of the College of Ag who dismissed the concern. Long story short this led to Mark and a group of people getting the word out and a DM Sunday Register front page expose plus many follow up articles. ISU would not release the records, claiming the Powers files were not public records. An effort was then launched to open up these records and all records under the foundations at ISU, U of Iowa and UNI. This ultimately led to an Iowa Supreme Court Decision of 7-0 requiring most records under these foundations to fall under the Iowa Open Records Provisions. 2025 will be the 20th Anniversary of the Supreme Court decision.



Tom Murrane was an ISU graduate in Journalism after serving in the Air Force in WWII. Being a journalism major he had a strong belief in open records and began sending Mark type-written faxes during the Marie Powers lawsuit period in support of the effort. Mark managed land in Clarke County and realized that Tom lived across from a tract he was managing so they struck up a friendship. Tom respected the risk and effort in fighting the Iowa Board of Regents and the ISU Foundation so he made Mark one of his trustees in his families trust that consisted of 2,800 acres in Clarke, Decatur, Guthrie and Greene Counties. Tom passed away in 2010. Mark oversaw the management of the land as a trustee until 2024 when the land was sold in 18 tracts by GREC.

So who did Tom and Marie have in common? Mark Gannon.



MURRANE TRUST SALES

The Murrane Family Trust of 2,800 acres of land was sold in 18 parcels in Greene, Guthrie, Clarke and Decatur Counties from May to August 2024. The land was a mixture of pasture and tillable acres. Various marketing methods were used depending on the property, location, anticipated interest and other factors. These included sealed bids, online auctions and listings. The parcels were all appraised in the spring of 2023 and were sold at 5% above the appraised value in a period that the Realtors Land Institute showed a drop in land values of 2.5%. The prices ranged from \$4,050 - \$13,700/acre. There are 11 heirs that should have a good Christmas.

Thank You to the Murrane family.



**DEDICATED TO OUR
CLIENTS, THEIR LAND &
THEIR INDIVIDUAL NEEDS
FOR OVER 30 YEARS**

ABOUT GANNON REAL ESTATE & CONSULTING

Gannon Real Estate & Consulting sells, manages, and appraises land for Iowa landowners. Mark has over 40 years of experience exclusively in the field of farm real estate. Agriculture expertise includes IRA real estate purchases and 1031 exchange programs as well as land brokerage & appraisals.

We have sold over 60,000 acres in the last 24 years, have over 10,000 acres under management, and appraise 30-50 tracts per year, primarily for estates and consulting clients.

WE OFFER A VARIETY OF SERVICES IN IOWA, INCLUDING

- Farm Real Estate Brokerage and Appraisals
- Farm Land Listings
- Farm Stewardship Solutions
- Certified Agricultural Appraisals



ABOUT US
**We're more than just
managers**

Farm Management is the traditional name – however, we don't see ourselves as the old-style farm managers. We let farmers do their business as best they can as long as they take care of the entire farm from a fertility and conservation manner, while also providing information to document the required information as stated in the lease. The right operator will attain the goals of our owners and achieve the proper return on their land.

We offer a variety of lease options that could fit the owners and their specific situation; we work with both the owner and operator to implement the best plan. With our system, owners will receive more information than they ever thought was available. They can then be proud of their land, profits, and progress being made, appreciating the value of a good tenant.

SERVICE **How we help you**

All owners and properties are unique and thus need individual attention, which many owners cannot do on their own. As farm stewards, we offer a variety of leasing options that are customizable to fit the owner's needs. With over 40 years of experience, you can trust us to provide the service you need.

- Farm Reporting
- Accounting / Financial Services
- Soil Fertility
- Tenant Set-up & Coordination
- Soil Loss Prevention
- Field Drainage Programs / Repair
- Other Services

GET A FREE LAND EVALUATION

We service all 99 counties in Iowa



122 Main Street
Ames, Iowa 50010

Serving Land Owners Since 1990



MARK GANNON
Broker/Farm Manager/
Appraiser



ADAM DANIEL
Farm Manager &
Real Estate Agent



PATRICK GANNON
Creative Director &
Real Estate Agent



MARGARET GANNON
Administrative Officer