



YELLOWSTONE

River Farm

YellowstoneOffering.com

7,170.1 TOTAL ACRES M/L IN CUSTER COUNTY, MT



YELLOWSTONE *River Farm*



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YellowstoneOffering.com

Executive Summary

The Yellowstone Farm Offering is located in Custer County less than nine miles northeast of Miles City, an eastern Montana town steeped in old west history that was once one of the main horse trading and livestock centers of the country. This offering is comprised of 6,764.1 m/l deeded acres and 406.0 m/l acres under a transferable BLM lease for a total of 7,170.1 acres m/l. The farmed portion of the property consists of 3,290 acres m/l currently tilled with 2,700 m/l of those under irrigation. The ranch portion of the property consists of 3,881 acres m/l of grass lands suitable for summer and winter pasture. Approximately 85% of the farm has fencing in place enabling grazing at various times of the year.

A total of 29 newer, mostly Zimmatic pivots are irrigated via water rights included with the sale. The water rights are served from the Yellowstone River through both local irrigation districts and a newly reconstructed direct pumping site owned by the farm itself. Primary pipelines from the river, and a series of canals and inter-farm mainlines deliver water to all the irrigation systems.

The farm has a wide range of soils throughout, mainly comprised of complexes and loams, with the two primary types being Cambeth-Cabbart-Yawdim Complex and Davidell-Ivanell Complex. Topography of the tillable farmland and pasture ground is primarily slightly rolling with 0% to 15% slopes throughout except a few steep inclines in the minimal draws crisscrossing the property.

With productive soils, robust water rights and newer irrigation infrastructure, this farm has supported numerous crops over the years including current primary crops such as soybeans, corn, alfalfa, sorghum/millet, triticale and wheat. Recent crop history has included safflower, pinto beans, sunflowers, chickpeas, barley, and seed potatoes. Further back in history sugar beets were produced on the farm. All of these combined characteristics, along with a location remote from other current seed producers, make this farm ideal for high value seed production and also for continued success in the feed and forage sector.

In addition to the farm and ranch perspectives of this offering, there are also more than two and a half miles of pristine Yellowstone River frontage offering excellent trophy fishing, big game, waterfowl and upland bird hunting opportunities. In fact, recreational use is so highly sought after on this property that the State of Montana currently has a lease in place with current ownership, at the highest value possible, to offer hunting and fishing opportunities to local sportsman.

Listing Price

\$14,200,000

Listing Agent

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Location

The Yellowstone Farm Offering is ideally located along the Yellowstone River, the last major free flowing river in the lower 48 states. The river flows undammed and untamed for 676 miles from Yellowstone National Park in Wyoming to its rendezvous with the Missouri River in North Dakota. As it flows through Montana, the river goes from steep-walled canyons to a broad riverbed in the eastern part of the state where it passes through fertile farm country.

The cowboy spirit continues to thrive throughout Southeast Montana. In the 1880's, cattle were driven to Miles City, Montana from Texas to fatten on the free grass ranges before being shipped on trains to slaughterhouses in the Midwest. Horses have also been shipped all over the world from this area of Montana. During World War I horses originating here were used to transport troops and carry supplies since vehicles of the era were relatively new and prone to problems.

The Yellowstone Farm is accessed from Highway 489 also known as Kinsey Road, a paved county highway that bisects the farm. From Miles City, Montana, travel north on Highway 59 for 2.2 miles before turning right and heading east on Highway 489. Continue east on Highway 489 for 10.5 miles and the Farm will be situated on the west and east sides of the road. Extensive, well-maintained gravel field roads provide excellent year-around access to the entire farm and an on-site rock and pea gravel pit provides road materials for continued maintenance.



Montana Agriculture

Yellowstone River Farm Significant Characteristics:

- Diverse climate that helps produce a wide variety of high-quality food products, including both agricultural commodities and livestock.
- Abundance of fertile soils and good climate with total growing degree days of 2,500-2,700, similar to northern Iowa.
- Abundant fresh water for irrigation of crops with additional untapped water rights available in many counties, including Custer County where this farm is located.



These factors combined with intelligent, progressive, leading-edge farmers and farming methods, have paved the way for agriculture to be the foundation of Montana's economy. Montana ranks first in the nation in the production of lentils and certified organic wheat and continually ranks in the top five for honey production. Around 90 percent of Montana's honeybees are transported to the West Coast each winter for the largest pollination event in the world, the California almond bloom. Montana also ranks among the top production states of malt barley, conventional wheat, dry peas, flax, and canola. Farming and ranching is embraced by the state government and community as each dollar of value-added to Montana's gross domestic product by a farmer or rancher contributes an additional \$0.92 of value-added in other sectors of the state's economy, according to data from the 2017 Census of Agriculture.

The Southeastern region of Montana is known for its diverse agriculture sector. Wheat is grown in nearly all of the counties in Montana. Winter wheat is commonly grown under dryland, rainfed only conditions, while irrigated crops are commonly found along the Yellowstone River where irrigation water can be accessed relatively easy. Sugar beets, barley, alfalfa and corn are also widely grown throughout the region. The top three sheep and lamb-producing counties are all in Southeastern Montana as well. As the largest city in the region, Miles City is the commerce and medical hub of the area. Miles City is a classic western town, that holds weekly livestock auctions and hosts the prestigious Bucking Horse Sale each year for rodeo stock buyers and breeders.

Precipitation varies throughout Montana with an average of 9 inches in the lower elevation portions of the range to near 20 inches annually in the higher elevations. This farm receives annual precipitation of 8-10 inches per the Natural Resources Conservation Service.



Montana is an agriculture-friendly state with low property tax costs and reasonable ag regulations.

Irrigation Infrastructure

The Yellowstone Farm's water delivery system is telemetrically controlled, offering remote management of the irrigation infrastructure on the Farm. Mostly installed between 2015 and 2016, the 29 pivots, covering the bulk of the irrigated acres, are primarily Zimmatic machines with a few Rienke and Valley pivots. Each pivot is in excellent condition with yearly maintenance completed on all systems.

Water is delivered to the farm via a series of irrigation canals and two 27-inch primary pipes running directly from the farm owned, river pump station to the Western part of the farm. The mobile river pump station was fully revamped and newly constructed in 2019 and consists of 5-150 HP pumps with two of the five pumps being variable frequency drives ensuring the most efficient use of the station. Approximate water pumping costs average under \$40 per irrigated acre per year.

There is one small block of farm ground currently irrigated via a flood system and that could be converted to a pivot if desired.



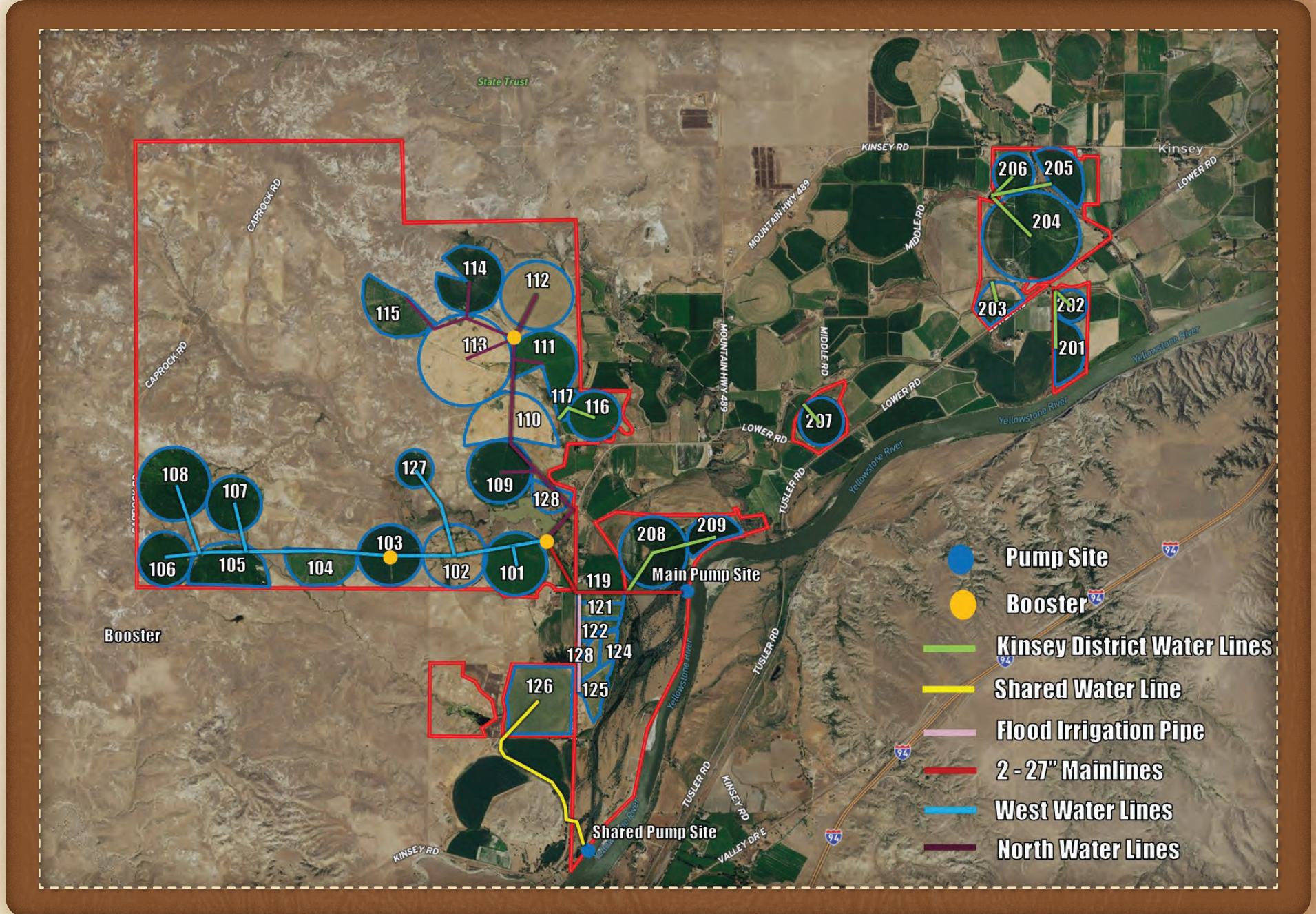
Field #	# of Towers	Type	Est. FSA Acres Under Pivot	Field #	# of Towers	Type	Est. FSA Acres Under Pivot	Field #	# of Towers	Type	Est. FSA Acres Under Pivot
101	6	Valley	103.32	111	6	Zimmatic	104.03	201	7	Rienke	51.45
102	6	Zimmatic	98.16	112	7	Zimmatic	145.69	202	3	Rienke	29.87
103	6	Zimmatic	100.9	113	9	Zimmatic	208.7	203	3	Zimmatic	27.48
104	7	Zimmatic	73.65	114	6	Zimmatic	99.06	204*	9	Zimmatic	215.21
105	8	Zimmatic	95.88	115	8	Zimmatic	86	205	7	Zimmatic	53.26
106	5	Zimmatic	79.4	116	5	Zimmatic	53.5	206	3	Zimmatic	40
107	5	Zimmatic	83.48	117	3	Zimmatic	13.78	207	5	Rienke	57.18
108	7	Zimmatic	144.75	126*	7	Valley	148.8	208	7	Rienke	127
109	6	Zimmatic	108.9	127	3	Zimmatic	31.46	209	5	Rienke	36.28
110	9	Zimmatic	123.27	128	3	Zimmatic	28.9	TOTAL ACRES UNDER PIVOT		2569.36	

*Pivot Includes a "Wiper Arm"

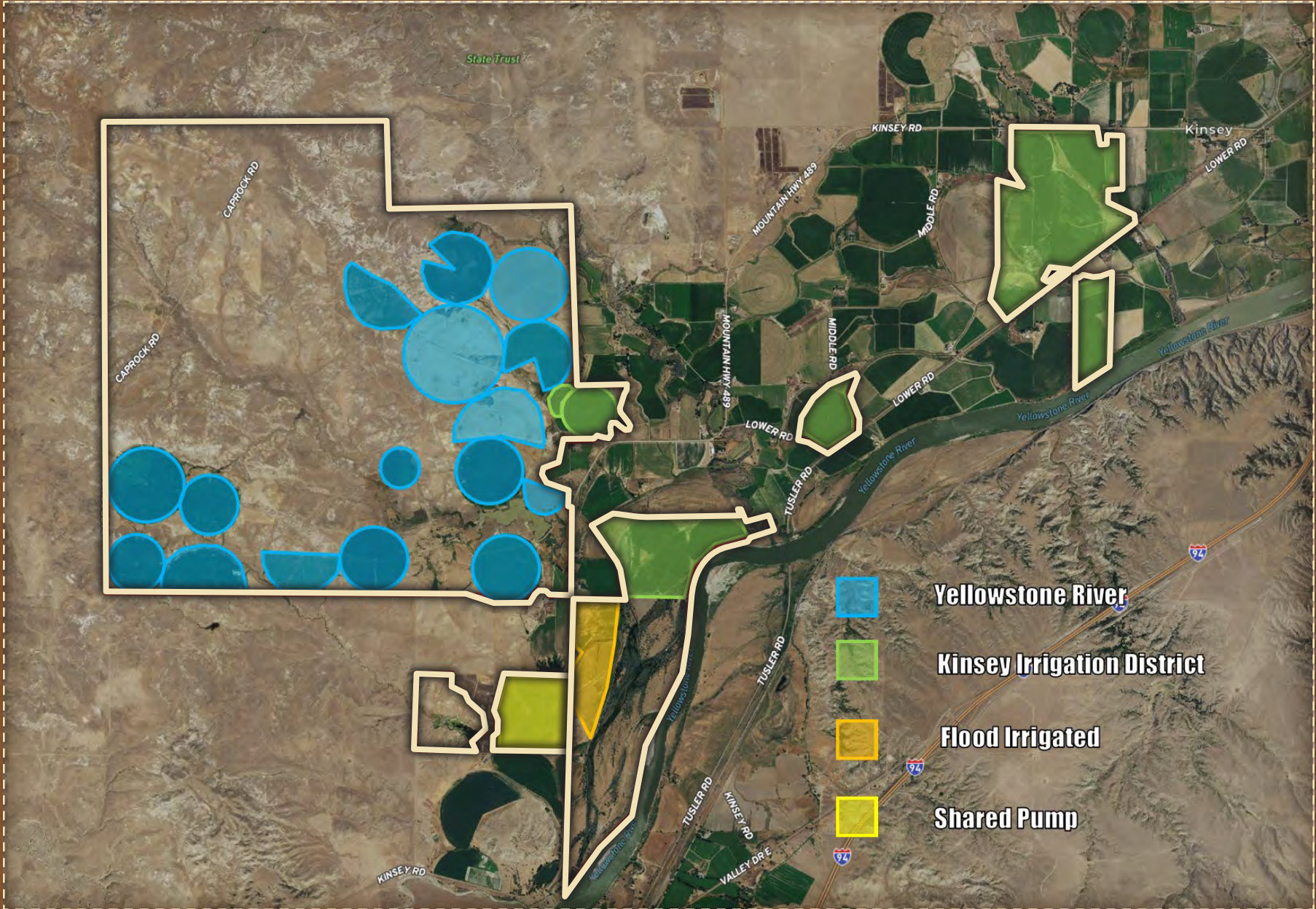
**There are approximately 135 acres that are currently flood irrigated that could be converted to a center pivot.



IRRIGATION INFRASTRUCTURE MAP



YELLOWSTONE RIVER FARM WATER MAP



Water Rights

Water rights for the Farm and included in the sale consist of approximately 2-acre feet per irrigated acre of Yellowstone River surface water, accessed from the following sources:

- 720 acres of surface water rights allocated from the Kinsey Irrigation District that are supplied directly to each farm field by canal and distributed via pivot systems.
- 145 acres of Farm owned water accessed via a shared canal running through a neighboring property and distributed via pivot systems.
- 1,700 acres of surface water right accessed directly from the Yellowstone River via a new pump station owned by the farm. All distributed through pivot systems.
- 135 acres of Water distributed to a field block through a flood irrigation system. This water is provided from the main River pumping station as well. This block could be easily converted to a pivot system if desired.

The Yellowstone Farm provides a farming platform that has potential for future growth because of significant untapped and unused water rights that are available. It is important to note that this area of Montana has several counties that still have surface water rights available for further development of farm ground. Custer County, within which this asset lies, does still have considerable water rights available to be developed, subject to local rules and regulations.






*State-of-the-Art
Pumping System*



Operations and Crop Production

The Yellowstone Farm has been operated by local tenants for several years under cash rent leases with bonus provisions. The current lease is in force through the 2023 crop season. The farm currently has several full-time employees, including foreman and irrigators, that may consider remaining on the farm post-acquisition if desired by a new owner. With a knowledgeable operations team already in place, this could make a direct operation plan feasible with a minimal amount of oversight.

Primary crops currently grown on the farm include:

ALFALFA 	approximately 10% of the farm is currently planted to 4 - 5-year-old alfalfa stands <i>This crop has historically been destined for the hay market and the farm typically provides 3 - 4 cuttings per year with gross production in the 4 - 5 ton per acre range.</i>
FIELD CORN 	average yield in the 180 bushel per acre range is typical
WHEAT 	80 bushel per acre typical for the region
SOYBEANS 	60 bushel per acre typical for the region
PINTO BEANS 	3000 lbs. per acre typical for the region

Other crops used for rotation purposes and historically grown include chickpeas, safflower, sorghum, mustard, sunflowers, triticale, millet, and barley. There is a production history on the farm that includes seed potatoes, onions and sugar beets and due to the farm's location being isolated, seed crops could be a great alternative use.

An operations plan that could be given strong consideration due to the climate and location of the farm would be conversion to organic status by a new owner. This specific region of Montana is home to several large livestock feedlot operations allowing quick and easy access to livestock manure to build fertility which is critical to an organic farms success.

There are rail and transportation hubs nearby that offer current opportunities for transportation of the farm's products. The transportation system in the area may also offer opportunities for expansion by an entrepreneurial minded owner of the farm.

In addition to the tillable farm portions of the property, there are approximately 3,881 acres of deeded and leased grass lands suitable for grazing purposes. The majority of these acres are fenced and have watering infrastructure to support rangeland grazing operations.

Additional acquisition opportunities in this area of Montana make expansion beyond the size of this farm and ranch a very real possibility. Known potential opportunities include feedlots, processing and transportation facilities, additional ranch land and additional farmland both irrigated and dryland.

INSURABLE CROPS IRRIGATED CONVENTIONAL

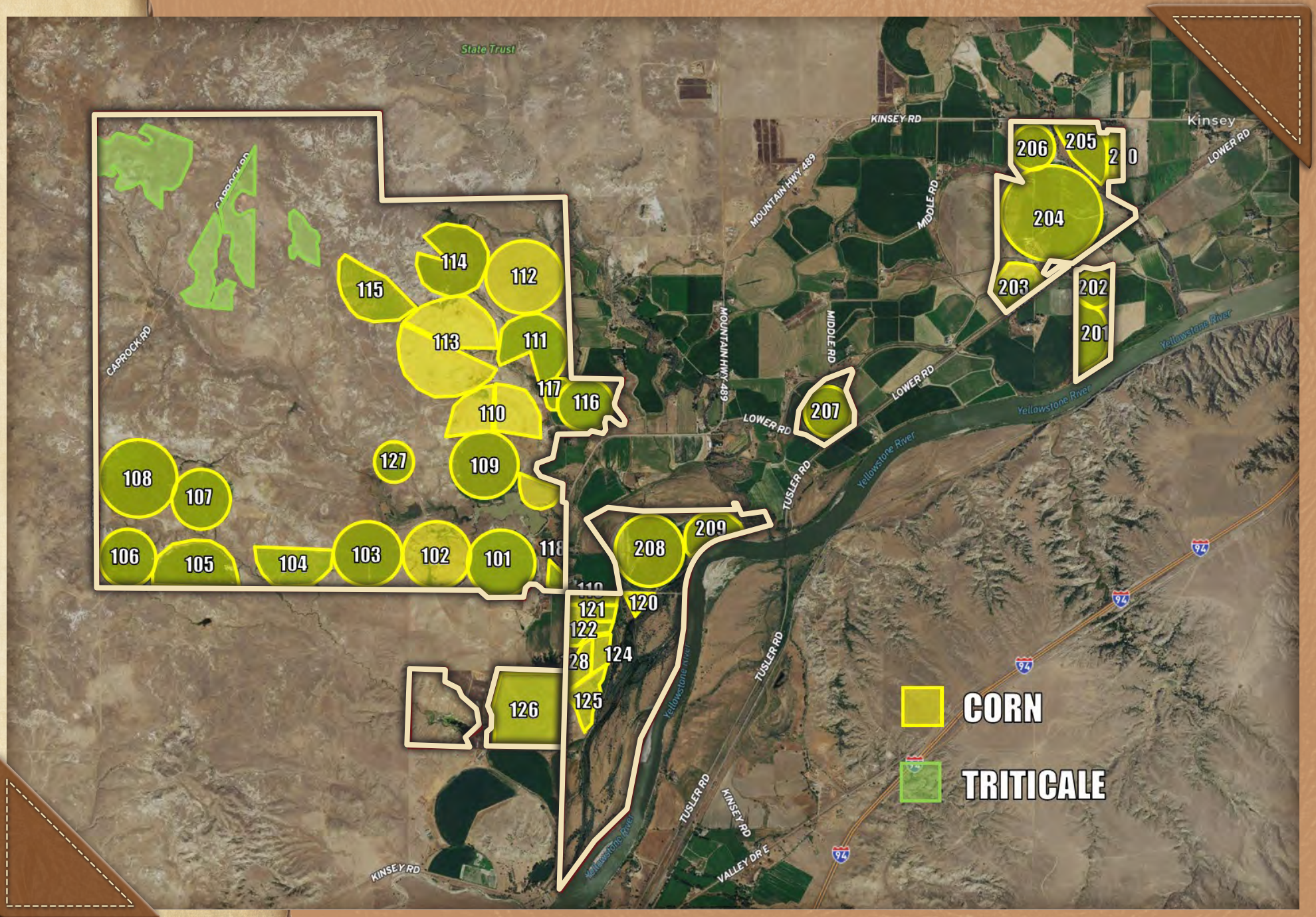
Crop	County T-Yield	85% RP Guarantee
Barley	73	\$346.86
Corn	166	\$833.90
Dry Beans	2192	\$652.12
Alfalfa (Forage Seeding)	--	\$238.00
Alfalfa* (Forage Production)	3.9	\$380.25
Hemp*	801	\$330.41
Oats	61	\$221.92
Sugarbeets	10547	\$1,613.69
Spring Wheat	60	\$452.37
Winter Wheat	60	\$447.27

INSURABLE CROPS IRRIGATED ORGANIC

Crop	County T-Yield	85% RP Guarantee
Barley	47	\$477.00
Corn	108	\$1,018.98
Dry Beans	1534	\$912.73
Alfalfa* (Forage Production)	3.9	\$456.30
Hemp*	358	\$314.14
Oats	49	\$339.03
Sugarbeets	10547	\$1,613.69
Spring Wheat	39	\$585.76
Winter Wheat	39	\$579.13

*75% is maximum election

YELLOWSTONE RIVER FARM CROP MAP



Structures

There are several structures located on the farm and included in the sale. These include:

- A modern farm shop
- Three separate homes currently used as housing for on-farm foreman and labor employees
- Hay storage shed
- Livestock facilities and pens
- Silage pits
- Gravel pit
- Fences and watering systems that allow grazing on 80% of the property



Plenty of Fencing





Pronghorn



Recreation

Fishing and hunting are time-honored traditions in Southeast Montana. The Yellowstone River is an epic warm-water fishery for smallmouth bass, pike, walleye and catfish to name just a few. The rolling prairies of Southeast Montana provide the ideal landscape for hunting. Although elk are abundant in the area at times, elk tags are hard to come by, but there are plenty of opportunities for pronghorn antelope, deer, waterfowl, and turkey hunting on the property. The plains of eastern Montana have been called the Serengeti of North America because of the abundance of wildlife and room to spread out and enjoy the hunt.

The Yellowstone Farm Offering includes 2.5+ miles of waterfront habitat, heavily populated with large Cottonwood trees and undergrowth supporting a variety of wildlife including pronghorn, mule deer, whitetail, wild turkeys, and an assortment of upland birds and waterfowl. This natural area of the farm would provide a perfect hunting preserve for a new owner or could be left in its current state as a Montana Block Management Unit that is providing additional income to the overall operation each year by providing hunting and fishing opportunities to local sportsman.



Listing Agent

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