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CNG Fuels Land Expo Ram Courtesy of Stew Hansen's Dodge

by Peoples Company

Those who live or work in Central Iowa may have noticed recently a 2013 Dodge Ram HD 2500 that looks a bit different from the rest.

Stew Hansen's Dodge City, in conjunction with the Urbandale-based dealership's sponsorship of the Seventh Annual Land Investment Expo, put Peoples Company behind the wheel of the iconic Land Expo-decaled vehicle to display the performance of a CNG, or compressed natural gas, powered truck.

It's been fun tooling around town with a 5.7L Hemi V8 engine under the hood to carry agents to land auctions, client meetings and special events with the knowledge that compressed natural gas reduces smog-producing pollutants up to about 90 percent.

Besides, 2014 Land Expo keynote T. Boone Pickens, who's working to meet the transportation industry's need for cost-effective alternative fuels, is the founder of Clean Energy Fuels Corp., a global leader in expanding the natural gas vehicle fueling market.

Not to mention we think the new Ram just looks really cool.

A huge thanks to Stew Hansen's and all of our Land Expo sponsors for their support, participation and help in getting us geared up to turn January 24 into a big date to remember.

Mark your calendars and stop by to check out the Land Expo Ram at an upcoming Peoples Company Land Auction, or see it parked early next year near the entrance of the Sheraton West Des Moines Hotel. ♦



1-855-800-LAND

T. BOONE PICKENS TO HEADLINE 2014 LAND INVESTMENT EXPO

Building on the success of prior events, the Land Expo sets a standard of excellence for land conferences set in the epicenter of modern day agriculture.

T. Boone Pickens, the nation's most effective energy expert, will deliver a keynote presentation during the Seventh Annual Land Investment Expo presented by Peoples Company, January 24, in West Des Moines, Iowa.

Seven keynotes will take center stage during the 2014 event, featuring some of the brightest minds in farming, real estate investing and the ag economy, with 10 breakout sessions, 20 tradeshow exhibitors and a full day of educational and networking opportunities for owners, investors, producers, managers and more.

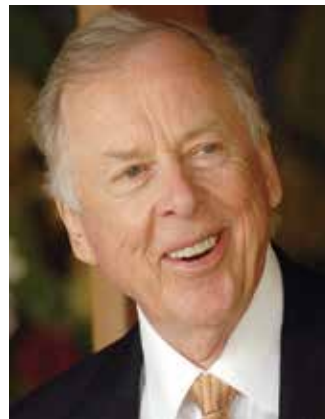
Mr. Pickens, dubbed by CNBC as "The Oracle of Oil" for his uncanny knack of predicting oil price movements, has a wide range of other business interests. In 2011, the legendary oil-and-gas entrepreneur was quoted by The Land Report magazine in an article noting that he was the first to recognize the investment potential in owning land in northern Texas.

"What we're trying to do is change the traditional way that land has been treated," Mr. Pickens told the magazine. "It's going to be treated with respect."

Mr. Pickens, ranked by Forbes as one of the world's richest people, is a committed philanthropist who has donated nearly \$1 billion to charity and is on a mission to enhance U.S. energy policies via lessening the nation's dependence on OPEC oil. More than 600 people are expected to be in attendance for his "Powering America's Energy and Economic Future: A Conversation with T. Boone Pickens" presentation during the premier Midwest land conference at the Sheraton West Des Moines Hotel.

"T. Boone Pickens' investment approach acknowledges the link among energy demand, commodity prices and land values that form the core of our business," said Peoples Company President Steve Bruere. "Beyond agricultural production, he grasps the opportunities for wildlife habitat, recreational use, water and mineral rights – even pipeline easements – in land ownership."

Ken Root, former host of the Agribusiness Report, will return with fresh material to moderate the 2014 Land Expo, with presentations by popular grain and ag marketer John Roach, an Iowa-native who founded Boca Raton, Florida-based Roach Ag Marketing, and Patrick Michaels, a climate authority with the Center for the Study of Science at the Cato Institute.



The always-animated Dr. Elliot Eisenberg, a former senior economist with the National Association of Home Builders, led a breakout session during the 2013 Land Expo and travelled again in March to Iowa to share an update during Peoples Company's annual Builder & Developer Luncheon.

Dr. Eisenberg will return by popular demand as a Land Expo keynote speaker, as will popular real estate expert and economist Dr. Mark Dotzour of the Real Estate Center at Texas A&M University.

Many Land Expo guests and attendees travel hundreds or even thousands of miles to consume or participate in Land Expo programming, including Wall Street legend Jim Rogers, who in 2013 flew to Iowa from Singapore to deliver a keynote address and mingle with the crowd.

Reporters with the Des Moines Business Record, The Des Moines Register and Midwest Real Estate News are among media to have already published articles about the upcoming conference, which will include a Pre-Land Expo Reception with refreshments and networking opportunities to welcome attendees from 4 to 6 p.m. on January 23.

Building on the success of prior events, the Land Expo is set in the epicenter of modern day agriculture and reflects the aggressive marketing efforts of Peoples Company, a land and farm management company licensed in seven states – Iowa, Missouri, Nebraska, Minnesota, North Dakota, Montana and Illinois – and serving clients across the nation.

Big thinking on big issues from big money will fuel the 2014 event, which – from the 8 a.m. general session to the breakouts, meal breaks, exhibitor sessions, and cocktail hour to round out the day – is focused on adding value to those interested in uncovering current trends and issues in the agriculture and land business.

Registration for the 2014 Land Investment Expo is open at www.LandInvestmentExpo.com. Guests or attendees may reserve a room at the Sheraton Hotel for a discounted nightly rate of \$109 plus tax, including in-room high-speed Internet at no extra charge, if they book at www.starwoodmeeting.com/book/landinvest by January 1, 2014.

Visit the Land Expo website for additional details and follow the event at www.Twitter.com/LandExpo. For more information, contact Becky Van Leeuwen at Becky@PeoplesCompany.com or 855-800-5263. ♦



Dr. Mark Dotzour



Dr. Elliot Eisenberg



Dr. Patrick J. Michaels



John Roach



Ken Root



Bruce Rastetter



Marcia Taylor

Peoples Company Presents Innovative Solution to Benefit Land Seller, Beginning Farmer

A proposal by Land Agent Ron Beach leads to submission of an IADD program application that will allow a buyer and seller to reap benefits of payment schedules and tax advantages through a mutually beneficial contract deal.

Scott Cogdill grew up working alongside his dad and learning the fundamentals of agronomy, farm operations and weather patterns in the Western Iowa farming community of Dunlap in Harrison County.

Today, the 34-year-old is unearthing new opportunities as a young farmer digging in about 100 miles away from his hometown.

It was at a Peoples Company Land Auction that Scott's father, Sam, was first introduced to seller Harald Lamberts following Sam's high bid on an 80-acre piece of farmland near Woodward. Peoples Company Land Agent Ron Beach informed Sam that Harald was interested in selling another 120 acres in the area, and that he would consider selling the property on a contract-for-deed basis. The focus of that discussion turned to Scott and the junior farmer's desire to buy his first farm.

Just prior to the auction Ron had taken part in a Peoples Company webinar covering the details of the Iowa Beginning Farmer Loan Program, which gives young farmers an opportunity to purchase ag property at a more competitive interest rate by offering lenders or contract sellers a tax-exempt bond.

Through the innovative real estate solutions offered by Peoples Company – and Ron's understanding of the Beginning Farmer Loan Program outlined by Iowa Agricultural Development Division Program Specialist Steve Ferguson during the webinar – talks blossomed into a purchase agreement. Now Scott is poised to take possession of a piece of farm real estate with big potential in terms of furthering his farming dreams on a piece of productive farmland with recreational opportunities three miles south of Woodward in Northeast Dallas County.



"I didn't know the program existed. It's a good deal for both parties."

- Land Buyer Scott Cogdill

"I wanted to stick around and get a little more established here," said Scott, who for the past four years has been planting and harvesting crops on rented ground in the area. The 120-acre purchase will allow Scott to replace some rented acres with productive farmland that positions his crops in a tighter geographical area. It also includes some timber and a creek bed to be enjoyed by him, his wife and their three children.

"Buying a farm on contract allows me to make yearly payments and take advantage of some pretty competitive interest rates," Scott said. "It worked for me financially. I didn't have to go get a bunch of money upfront, or go to



Scott Cogdill with his wife Missy, son Nolan and daughters Morgan and Taryn on the Dallas County land they're purchasing on contract via the Iowa Beginning Farmer Loan Program.

an auction and try to be the highest bidder. This will put me one step closer to where I'd like to be and to put more of my time and energy into farming." Harald, who is dealing with multiple land holdings and transactions, said this particular sale is being structured with an incremental payment schedule, rather than a lump sum on the closing date. That will allow the seller to enjoy some tax advantages that, in many ways, aren't just dollar for dollar. His No. 1 consideration was an incentive to be more flexible with the buyer, and the ability to make mutually agreed upon adjustments down the road.

"We don't know today what two or three years may bring," Harald said. "That's why I considered it. The program allowed me to spread out capital gains over a longer period of time, and do more in-depth planning as far as tax cuts. I've got numerous farms and other properties that I am selling. If you plan things correctly – and things change as you go – the ability to spread it out as opposed to just selling for cash is a big plus. I can transfer some of those tax advantages to the buyer, who can benefit tax wise and from a price standpoint, too."

Tammy Nebola is a program specialist who facilitates the Iowa Beginning Farmer Loan Program. She said her organization isn't involved in determining any of the actual contract terms, but gets involved in the middle so that the Iowa Finance Authority (IFA) can issue the bond, which actually gives the landowner the tax exemption.

"The contract is between the contract seller and IFA," Tammy said. "We then assign the contract and all of our rights as buyers to the beginning farmer. It really is a wonderful benefit to beginning farmers and landowners. It allows the buyer access to a purchase he or she may not otherwise get."

Scott said it's difficult to express just how thankful he is to his wife Missy and his parents - Sam and Sue - who've shown the young farmer a tremendous deal of support over the past four years.

"Without their help, I would not have been able to start down this path," he said. "I am also very appreciative and thankful that Harald gave me the opportunity to buy the farm in this manner, instead of putting it on the open market for what would have most likely been a higher bid. The application process has been easy to work with so far, compared with other programs I've seen out there. I didn't know the program existed. It's a good deal for both parties."

To qualify for the Iowa Beginning Farmer Loan Program, a buyer must be at least 18 years old, have a net worth of less than \$691,172, and have not previously owned any substantial amount of farmland. Loans can be made for up to \$501,100, and can be used for ag land, livestock, machinery or ag improvements.

"I learned that the Iowa Beginning Farmer Loan Program can allow a landowner to earn interest on a contract-for-deed, which is both federal and state tax free," Ron said. "I presented it as a mutually beneficial opportunity for both the seller and buyer, and the application was submitted after each agreed on the contract terms. Peoples Company will be looking for the next opportunity to use the program." ♦

Four Examples of Successful Separate Account Land Management Transactions



Ron Beach
SEPARATE ACCT. DIRECTOR

A look into how our one-year-old program is helping farmers, landowners and investors achieve their goals.

Last summer, I wrote a newsletter article introducing Peoples Company's Separate Account Land Management program. This program is designed to address what we perceived as the unmet needs of investors who want to buy farmland, as well as farmers who are looking for someone to purchase land they can lease.

I've spoken since then many times about the program, including presentations during the 2013 Land Investment Expo, the World Money Show in Orlando, banker and investor meetings, and trust officer conferences, as well as in attorneys' offices and, of course, at several farm offices.

Peoples Company recognized when we designed the program that the farmland real estate market was not fully meeting the needs of investors that wanted to own productive farmland in their portfolios. It often proved difficult for an investor to identify sound acquisition opportunities, negotiate the deal, find the right tenant, and manage the land asset on an ongoing basis.

On the other hand, farmers' needs also were not being met as farm operators often find themselves with access to land that can be purchased, yet these farmers are in no position to own everything they want to farm.

Having an investor that wants to own but not farm the land is exactly what these farmers are looking for.

When we introduced the Separate Account Land Management a year ago, it was an untested design. Yet we believed it would provide an innovative solution in a variety of situations. Immediately, both farmers and investors recognized the potential of the program and started putting deals on the table.

You'll find below some details of how our Separate Account Land Management program is being utilized to resolve both land ownership and land rental issues.

Scenario One – Retention of rented land that's being sold:

This first example is about a farmer-tenant who was contacted by an existing landlord who informed the farmer of their intent to sell the farms. The farmer had been leasing the land for more than 10 years, and the landlord was giving him first chance to put a deal together to buy the land. This was a significant amount of acres, and the farmer was not in a position to purchase it all. The farmer contacted Peoples Company for a meeting. We met and discussed the details of the situation, inspected the properties, and determined the lease terms. At Peoples Company, we then put together

an investment proposal. After that, based on the parameters of the deal (i.e. location, dollar amount, estimated return, et cetera) we presented it to the appropriate investor clients. The deal was then negotiated with the landowner. The outcome? A farmer who will not be losing any of the acres he was farming, a previous landowner who is satisfied with a sale at a high time in the market, and investors who are happy with an asset purchase that meets their standards.

Scenario Two – Acquisition of a more desirable farm via tax-free exchange:

In this second case, a farmer was suddenly and unexpectedly offered first right to buy 160 acres of family-owned ground adjacent to his home farm. The farmer was not comfortable taking on a 160-acre purchase at this time. So we worked out a transaction with an investor to buy 80 acres that the farmer owned five miles from the home farm via a leaseback deal. The farmer then took the proceeds from the 80 acres and completed a 1031 tax-free exchange into the 160 acres. In this scenario, the farmer was able to capitalize on the significant increase in the value of his 80 acres – without paying taxes – and acquire the 160 acres next to his home farm. He was also able to continue to farm the 80 acres via the leaseback, all while maintaining a comfortable financial position with plenty of working capital.

Scenario Three – Estate planning:

In this circumstance a retired farmer wanted to create liquidity for himself and his wife while cashing in on a significant increase in the value of their primary asset: farmland. The farmer decided against an auction and instead worked with Peoples Company to identify an investor that would continue to rent it to his tenant, who in this example happened to also be his grandson. Again, the needs of both the seller and investors were met, and the grandson tenant continues to lease the farm just as he did before.

Scenario Four – Bulletproof a balance sheet:

In this final example we worked with a farmer who was feeling a little too extended financially. He wanted, as Moe Russell of Russell Consulting calls it, to "bullet-proof" his balance sheet. So Peoples Company worked with the farmer to put together a private transaction with an investor to buy a farm with a leaseback deal. This transaction solidified the farmer's balance sheet with working capital, and he was able to continue farming the farm with an equitable lease.

These are just four examples of how Separate Account Land Management has been used during the program's first year of implementation. In each case, the transaction started with a farmer needing a solution to a specific situation involving a farmland opportunity.

The types of farmer-investor relationships I anticipate being forged are those where Investor John refers to Farmer Steve as "my farmer," and Farmer Steve refers to Investor John as "my investor." And in the future, when Investor Steve wants to make another land acquisition, he tells Peoples Company to "find me another farm somewhere that Steve can farm it."

I hope sharing these examples gets you thinking about how the goals of the Separate Account Land Management program – helping investors identify acquisition opportunities and helping farmers with obtaining or retaining leased acres – could be a solution to a real estate issue you may be facing.

Feel free to contact me with any questions or needs related to meeting your farm leasing or land acquisition goals. ♦



Teaching the Next Generation



Randy Luze
LAND MANAGER

Successful succession planning starts with sharing ag business experiences.

It's nearly impossible these days to open a farm publication without finding an article on farm succession or estate planning.

Ag-business authorities publish annual statistics on the advancing average age of farmers, and such reports are typically followed by hand wringing and doomsday predictions of a future shortage of farmers. In my work with Peoples Company Land Management clients, as well as on my own family farm, I've seen up close how difficult the topic of succession planning can be.

So how do we get the conversational ball rolling among family members?

After 20 years in banking, I returned in 2001 to our family farm business. I quickly realized that I had underestimated how much the business of farming had changed while I was away. From machinery to chemicals and seed varieties, everything was different and technology was advancing at a pace never before seen in our industry.

It's taken most of the past decade and patient mentoring from my father for me to update my knowledge of farming and become confident that I'm doing everything I can to raise a good crop. As my father and I were working through our farm transition, Peoples Company was experiencing its own growing pains. We realized that we, too, had to begin thinking at least a generation ahead.

Following some initial trial and error, including attempts at securing long-time real estate agents, we hit on a plan of hiring recent college graduates and pairing them with experienced agents as they learned the business and we grew the company.

As a fourth-generation farmer, I strive to honor the work of the family before me. It's also satisfying to witness the growth in our junior associates, and the solidarity that has developed among our multigenerational teams.

Now I've come to realize that the challenges of succession planning – planning for the future – in our business are not so different from that of farmers.



That's why I am especially pleased to introduce my daughter, Mollie Aronowitz, as the newest member of the Peoples Company Land Management team.

Mollie, who lives in Ames with her husband, John, has a degree in horticulture from Iowa State University. She grew up in our farming family, for the past seven years managed public gardens and arboretums and has a solid understanding of the diversity of Midwest agriculture. Those things make her uniquely prepared for a career in land management.

With her perspective and view of the landscape, Mollie has asked a lot of questions and shared her opinions as she and I have started on our travels to introduce her to our landowner clients and their tenants. I am enjoying this opportunity to pass on the farming knowledge I have from my father and grandfather to my daughter and sharing what I am continually learning from our talented growers as they meet the challenges of more efficient crop production.

Though I have not been trained formally in succession planning, I know and respect many farmers who have navigated decades of obstacles to build their farms by the sweat of their own brows. And from my nearly 35 years in the business, I've observed a few things I'd like to share with you.

If you want your heirs to fight over your land and sell it to the highest bidder when you're gone, all you need to do is avoid the subject and not talk about it for the next decade or so. But if your desire is to develop a plan to smoothly transfer your love of the land and agriculture to the next generation, then the time to start is right now.

Mentoring requires time and patience, yet our seasoned agents have been rewarded, benefiting from the fresh eyes and technology skills their younger colleagues bring to the table. Farm families can benefit from the same attitude of mentoring and preparing the next generation to take over their operation.

Remember, putting together a successful succession plan can take about 10 years. As Peoples Company continues to grow both its business and client relationships, please don't hesitate to contact us if we can be a resource to help you build for future generations. ♦

Mark Your Calendars!

7TH
ANNUAL

BUILDER &
DEVELOPER
LUNCHEON

Friday, February 28th, 2014 | 11:30 a.m.
Sheraton West Des Moines Hotel
1800 50th Street | West Des Moines, IA 50266

Our keynote speaker Dr. Vincent J. Malanga is currently President and Chief Executive Officer of LaSalle Economics Inc., a consulting firm that specializes in financial market analysis and economic forecasting for industrial organizations and financial institutions. In the 1970s Dr. Malanga began his career as an instructor of economics at Fordham College. He was then affiliated with the Federal Reserve and subsequently various Wall Street Investment Banks. In 1983 Dr. Malanga formed LaSalle Economics. He is a regular speaker for the Professional Farmers Institute as well as many other trade organizations. He has authored numerous studies for the federal government. Dr. Malanga has also been a principal at several money management firms over the years.



Peoples Company Acquisition Marks Northwest Iowa Expansion

Peoples Company has agreed to acquire Hello Newman, Inc. from Nate Newhouse and Jay and Julie Bargman. Hello Newman, which operates as North Iowa Realty, currently holds the West Bend franchise for Iowa Realty.

Going forward, Andrew Zellmer, a Peoples Company Land Agent, Plymouth County native and University of Northern Iowa graduate with a diverse background in agriculture, will work to spearhead our brokerage, auction and land management services in Northwest Iowa.

“Andrew has first-hand experience in working for and alongside local Iowa farmers,” said Peoples Company President Steve Bruere. “Combined with his knowledge of the farmland market and the resources available to owners and producers in today’s business environment, we’re confident Andrew’s presence in the area will help breed success for our clients.”

Jay Bargman is a lifelong resident of the West Bend-area, where he has been active in real estate and auctioneering since 2006. He and his wife, Julie, also operate a Pioneer seed dealership and crop insurance agency on their acreage near Rodman.

“It is an exciting time in the farm real estate investing and land management business,” Jay Bargman said. “We’re thrilled to join forces with Peoples Company to present all the products and services the firm has to offer to both landowners and operators in Northwest Iowa.”

“Peoples Company is a relationship-driven company with strong ties to the land and the people who work it,” Bruere said. “Nate Newhouse and the Bargmans have earned a solid reputation among Iowa landowners and farmers. We look forward to working with them in offering our innovative land programs and marketing strategies to decision-makers in this part of the state.”

Online Auctions Offer Best Route for Certain Property Characteristics



Matt Adams
LAND BROKER

Rolled out via a partnership with NextLot, Peoples Company Online Auctions reflects our aggressive marketing tactics, creating a competitive environment for land bidders.

Peoples Company, named by The Land Report as one of the nation’s Top 30 auction houses, began offering online auction services after the Iowa Department of Transportation (IDOT) approached the brokerage to assist in liquidating their excess right-of-way properties.

IDOT has a unique process and a checklist of compliance items to abide by when transferring ownership of property. The online auction method was identified as a way to not only maximize the value of the properties and give a definitive sale date, but also alleviate the exposure of a live auction.

Through this method, Peoples Company completed four separate online land auctions consisting of 16 properties. Our aggressive marketing campaign and use of cutting-edge technology contributed the success of these transactions.

Peoples Company, which partnered with software developer NextLot to build out a customized online auction platform, allows new bidders to register with ease by entering an email address and password. Once approved, a bidder is able to view each property and place a bid. Similar to bidding on a site such as Ebay, NextLot allows properties to be open for bidding throughout the marketing period, during which bidders can see the current bid and follow what bids have been placed.

The marketing of an online auction is much like that of a conventional auction with some subtle differences. Several of the same marketing channels are tapped, including, but not limited to print marketing, social media websites, direct mailings, use of our internal database, and multiple listing systems. One of the greatest benefits of an online auction is that a competitive environment is still created when bidding on properties.

As a land agent, choosing the appropriate method to market your property is critical.

A conventional auction or traditional listing might not be the right fit for the sale of every parcel. Unusual selling terms, a timeline to have the property sold and closed by, or a group of properties that are spread over a large geographic area are among some of the property characteristics that may make your property the right fit for an online auction.

Peoples Company is always looking for innovative ways to help our clients obtain optimal exposure while maximizing the value of their properties. If you would like to discuss your property – to see if it is a good fit for Peoples Company Online Auctions service – we would be glad to continue the conversation.



PEOPLES COMPANY SUMMER LANDOWNER WEBINAR SERIES LIVE ON YOUTUBE

by Peoples Company

Peoples Company wrapped up its 2013 Summer Landowner Webinar Series in September featuring six interactive educational sessions open to everyone involved in decision-making about farm real estate.

The series, designed to give farmers, landowners and investors easy access to information on a number of topics unable to be covered in one meeting, offers data and statistics compiled by Peoples Company and includes timely comments by area ag and land specialists operating in Iowa and around the Midwest.

In keeping with Peoples Company's "information without obligation" approach, each webinar was offered for free and recorded for publication on YouTube, making it convenient for attendees from anywhere in the world to consume the online meetings from their homes or offices in real- or near-real-time.

All six of the webinars were produced into videos that are easily accessible at www.YouTube.com/PeoplesCo.

Terry Pauling of Peoples Company and Iowa State University Extension & Outreach's Farm Management Specialist Steve Johnson present "Farm Bill Update," including a comprehensive review of the challenges associated with the Farm Bill and possible paths ahead.

Peoples Company's Andrew Zellmer got together with Steve Ferguson of the Iowa Agricultural Development Division to cover the qualifications and benefits of the Beginning Farmer Loan Program, Loan Participation Program and Beginning Farmer Tax Credit Program in our "Access to Capital and Tax Incentives for Beginning Farmers and Landlords" webinar.

Peoples Company land managers Brian Feldpausch and Darrel Mills present a webinar on "Farm Lease Renewal and Considerations for 2014," offering commentary on a number of professional farm management solutions to help landowners and farm operators achieve their goals.



Ron Beach, director of the Peoples Company Separate Account Land Management program, leads three webinar presentations, sharing his insight and expertise on "Investing in Farmland: Separate Account Land Management," "Land Investment Opportunities in Your Self Directed IRA" and "Fall Land Market Preview."

Dan Hanlon with Chicago-based Midland IRA shares with listeners during the self-directed IRA presentation how securing a "custodian" to act as an intermediary can allow an IRA account holder to use his or her IRA in ways they may have never before realized.

During the fall land market webinar, Peoples Company President Steve Bruere joins Beach to discuss farmland values trends – from corn prices and cash rents to urbanization, advances in farm technology and a lack of alternative investments – focusing on factors driving a bullish land market with bearish clouds on the horizon.

Peoples Company recognizes a need to offer flexible web-based programming that's both informative and convenient for clients and landowners. The Summer Landowner Webinar Series is part of our ongoing effort to harness the power of knowledge and draw on social media sharing capabilities to expand our reach for clients and landowners across the Midwest.

Find and listen to the webinars – along with easy-to-follow presentation slides – most relevant to your farm operation or land investing goals at www.YouTube.com/PeoplesCo.

Don't hesitate to contact us at 855-800-5263 with any questions, concerns or needs that our collaborative group of land professionals may help address with you.

SUMMER WEBINAR SERIES NOW AVAILABLE ON YOUTUBE

INVESTING IN FARMLAND, SEPARATE ACCOUNT LAND MANAGEMENT

Ron Beach, Peoples Company

LAND INVESTMENT OPPORTUNITIES IN YOUR SELF-DIRECTED IRA

Dan Hanlon, Midland IRA
Ron Beach, Peoples Company

ACCESS TO CAPITAL AND TAX INCENTIVES FOR BEGINNING FARMERS AND LANDLORDS

Andrew Zellmer, Peoples Company
Steve Ferguson, Iowa Development Authority

FARM LEASE TERMINATION AND CONSIDERATIONS FOR 2014

Brian Feldpausch, Peoples Company
Darrell Mills, Peoples Company

FALL LAND MARKET PREVIEW

Peoples Company Land Brokers

FARM BILL UPDATE

Steve Johnson, Iowa State University Extension & Outreach

Peoples Perspective Blog Turning 100

by Peoples Company

Peoples Company rolled out in November 2011 a social media campaign not to post photos of family vacations or what we had for lunch, but to communicate valuable data and insights focused on encouraging clients and landowners in Iowa and the Midwest.

In the past two years we've posted online nearly 100 articles about farmland values, land management, crop insurance and other ag-related topics relevant to the communities we aim to serve. From news and announcements regarding events such as the annual Land Investment Expo and Builder & Developer Luncheon, our intention has been to build-out a digital presence and share timely land-related content.

We've also been fortunate to attract guest posts from third-party contributors on important topics such as "New Taxes on Farmland Sales for 2013," as well as the Farm Bill, the Des Moines-area housing sector and local development scenes.

On YouTube, Peoples Company has published numerous auction videos, event videos and webinar presentations, each pushed out and reinforced via the establishment of a credible presence on social-networking websites Facebook, Twitter and LinkedIn. Posts on land conservation, eminent domain, beginning farmers, landowner legislation and the overall ag economy are among our ongoing aggregation of news and updates you can find – and share – in a collaborative web-based environment.

The launch of The Peoples Perspective blog site was based on a commitment to inform readers and viewers while giving agents and staff a modern platform on which to promote farm real estate listings – in line with our innovative use to technology, aggressive marketing tactics and industry leading approach to land sales.

Thank you for subscribing to Peoples Company on these platforms as we strive to both broaden our reach and add value to friends, followers and clients both now and in the future. ♦



www.PeoplesCompany.com/blog

Attitude and Perception

...continued from page 10

Neither party had a better investment alternative. Every financial publication was telling us that this was the new norm. It's all revolved around low interest rates and hard assets. For me, it felt eerily similar to those articles I was reading on housing 10 years ago. It's been said that the best cure for high prices is high prices, and that assertion couldn't have held greater truth than for those of us in the agriculture business. We are now \$3/bushel lower on corn, compared with a year ago, and long-term interest rates are nearly 1 percent higher.

Today, the articles in financial publications and those on the speaking circuit are starting to call an end to record profits and an end to the double-digit price increases in land values. More importantly, the bankers who finance the industry are reading these publications and listening to these speakers.

To me, the world doesn't feel much different today than a year ago. But I suspect the change in attitude – and in perception – is perhaps more important than the economics themselves. This was certainly the case when both the housing and stock markets tanked in 2008. And now, just five short years later, the housing market is strongly rebounding and the stock market has surpassed previous prices, hitting new record highs.

My assessment of the land market may come across as bearish, yet I continue to be completely bullish long term. Land will be worth more in the future than it is today. Land continues to be the storehouse for wealth and the ultimate hedge against inflation.

The proverbial forest for the trees refers to "not seeing the forest for the trees," meaning that focusing too much on the details can affect our

ability to see the "big picture," which continues to be bullish for agriculture. Yet, we'd also be wise and need to remember some of the details in the short-term that could change the nature of the market.

Speaking of details, please mark your calendars and plan to join Peoples Company for our Seventh Annual Land Investment Expo on January 24, in West Des Moines, Iowa. We have assembled an exciting line up of speakers and look forward to hearing keynote speaker T. Boone Pickens' outlook for land values. We hope the speakers we've selected will provide you an opportunity to arrive at your own conclusions on the land market.

Perhaps when the 2014 Land Expo is over we will be saying it's not the trees, but rather the fields that are hard to see when you are amongst the corn. ♦

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Steve Bruere
PRESIDENT

The Land Market: How Attitude and Perception Dictate Values

My discussions center daily around where land values are headed, and the factors that will have an impact on where prices will settle out.

It's certainly been a hot topic of conversation during the past five years as we've continued to watch land values post double-digit increases, building out the balance sheets of all of us involved in farmland ownership.

There's an old saying that it's hard to see the forest when you're among the trees. I think this quote can apply to where we are at in agriculture today.

I entered the real estate industry at age 22, right out of college, and it's been an interesting career thus far. In the past 10 years, I've been in the trenches during the housing market crash – helping banks liquidate their development land – while simultaneously watching those in agriculture see their net worth blossom.

In Iowa alone, the market cap of farmland has risen to \$254 billion from \$69 billion when I graduated. Though I'd like to credit the rise in land values to the innovative marketing techniques we employ at Peoples Company, in all reality several factors have aligned to create these record high prices.

First, we've gone through a perfect storm of events with the birth of the ethanol industry, historically low interest rates, lack of alternative investments for investors, record high farm incomes, and the media's infatuation with rising incomes and growing populations around the world. They say we're going to make this the "new normal." Yet, while all of these factors are bullish for land, the question is whether they are all sustainable and what factors can change them.

I have been publicly cautious about buying land at these prices, but for the past two years have been dead wrong as land values have continued to climb. My miscalculation has been bittersweet. From a pride standpoint, I took a few

jobs to my ego. I also underestimated how low the government would push interest rates, and failed to predict a drought that would push corn prices to \$8/bushel.

"For me, the over exasperation started two years ago when the parking lots of our farm auctions started to look like new car dealerships."

Investors started showing up in luxury SUVs while the farm community lined the roads with decked out King Ranch Fords. Those of us in the auction business got to look like geniuses. In reality, the farm community – with their record profits – have been bidding against the investor community and looking for a stable place to park money until the economy began to improve.

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