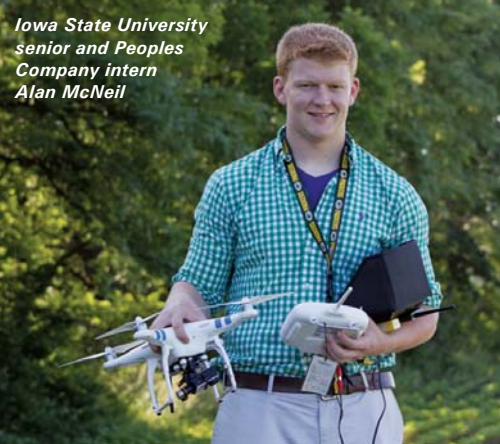


*Iowa State University
senior and Peoples
Company intern
Alan McNeil*



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PEOPLES COMPANY EMBRACES DRONE TECHNOLOGY

When Iowa State University senior and Peoples Company intern Alan McNeil returns to Ames for the fall semester, the Public Service Administration in Agriculture major will have acres of experience with drone technology as it relates to producing, editing and sharing videos of farmland and real estate across Central Iowa.

Buzz over the use of unmanned aerial vehicle, or UAV, technology is increasing in the world of agricultural and Peoples Company is among the first Iowa real estate brokerage firms to incorporate images captured by a drone into our arsenal of innovative land marketing practices. McNeil, an Iowa native and 22-year-old college student pursuing a minor in Agricultural Tech Systems, is piloting the use of our DJI Phantom 2 drone – outfitted with a Black Edition GoPro Hero 3 camera – as part of his summer project and our innovative look into delivering extraordinary perspectives of farms we appraise, manage and list for sale.

Drone continued on page 10...

NAVIGATE THE LAND MARKET ON PEOPLES COMPANY'S NEW WEBSITE

AGENTS & LAND MANAGERS

Matt Adams 515-423-9235
 Mollie Aronowitz 319-504-8182
 Jay Bargman 515-314-3567
 Ron Beach 712-579-2587
 Daran Becker 515-979-3498
 Steve Bruere 515-240-7500
 Jared Chambers 641-870-0100
 Cannon Clark 515-650-3950
 Adam Curran 641-203-2931
 Keaton Dreher 712-299-7478
 Brian Feldspauch 641-751-8840
 Tim Harmer 515-371-4263
 Bradley Hayes 641-757-9808
 Ed Helland 515-669-6464
 Kenny Herring 515-783-8718
 John Hutchcroft 515-321-5970
 Scott Kelly 515-473-8913
 Kalen Ludwig 515-402-3169
 Randy Luze 319-415-0455
 Dave Marlenee 515-991-0308
 Alan McNeil 563-321-1125
 Mike Nelson 641-223-2300
 Jeff Obrecht 515-689-1648
 Josh Rabe 515-494-1810
 Jeff Segin 515-669-1275
 Rick Shafer 515-442-3568
 Travis Smock 319-361-8089
 Kyle Walker 515-291-5766
 Brad Van Weelden 515-745-4079
 Andrew Westlake 515-771-7588
 Jeff Whitaker 402-850-7172
 Andrew Zellmer 712-898-5913



Peoples Company has revamped its online presence with the launch of a new, easy-to-navigate website that reflects our straight forward approach to providing landowners, land buyers, land investors with modern tools to help navigate today's market.

The re-launch of www.PeoplesCompany.com focuses on our core business and offering of land investing, land management and land appraisal services, coinciding with our commitment to employing the most innovative marketing practices in digital media and social networking.

Our real-time communication efforts regarding news in the land industry includes the publication of all new Peoples Company land listings, auction results and recent sales reported daily on Peoples Company's social media sites. The new website also features mobile-responsive design, optimizing the view and functionality for those surfing the Internet on tablets or smartphones.

Since the beginning of March, Peoples Company has shared hundreds of Twitter, Facebook and LinkedIn updates, as well as more than a dozen blog posts on everything from land values to cash rents and commodity prices. In May, the company surpassed more than 1,000 followers on Facebook as our agents and employees engaged target audiences with digital photos and announcements.

Please take a moment to explore the new site, where you can also find easy access to our newsletters, agent bios and contact information, and a portal to sign up for monthly e-mail updates.

Thank you for considering Peoples Company as your ag real estate company of choice. As always, we invite you to find, follow and otherwise interact with us on Facebook, Twitter and LinkedIn – streaming with our latest land listings, information about upcoming events, and access to breaking news.



KEN ROOT PLANS FALL TRAVEL TO FARMS IN AFRICA



KEN ROOT

At the end of this decade, the continent of Africa will be more populous than China, India and the United States combined! If I were to list places in the world that I don't understand; Africa would be at the top of that list.

To remedy that, in October, I will be traveling to South Africa, Zambia and Mozambique to visit farms owned by EmVest. Susan Payne is president of the land investment company and a popular speaker at Peoples Company's Land Investment Expo.

I'll be traveling with Maurice Clark, father of Cannon Clark, from Peoples Company. We plan to tour farms in three countries for a week to see them in operation and to document their crops, workers, mechanization and demand for the products.

Our hope is to give you a chance to follow us on the internet through the Peoples Company blog and social media sites. We will post our itinerary and send a report back each day, including photos, video and written travelogue.

My reference point is Brazil 1983 when US Ag Secretary John Block toured the state of Mato Grosso. No one believed a tropical country, with no interior infrastructure, could become a major crop and livestock producer. Today, Brazil grows as many bushels of soybeans as the United States, and is the world's largest beef producer. In the ensuing 30 years since my first visit, Brazil has become a very large exporter of agricultural products and can be credited with feeding a growing population, worldwide.



Now that African nations are in a position to have huge population growth over the next two decades, where will their food come from? Is it possible that high-yield, high-tech farming can increase food production enough that the continent can become self-sufficient and grow its middle class like China and India? During this trip, we hope to discover answers to some of these questions.

At the Land Investment Expo in January of 2014, we announced that Peoples Company will be leading a tour to Africa in early 2015. The dates are set and the itinerary includes the farms we will be seeing this fall. Susan Payne will be our on-farm tour leader as we take a good look at the culture and the economic opportunities of southern Africa.



SUSAN PAYNE

We hope you will watch for our reports from South Africa in October, and consider joining us for a trip to this exciting destination in 2015.



IN THE NEWS

Peoples Company team members Mollie Aronowitz and Jeffrey T. Obrecht were interviewed and profiled by business reporter Kent Darr for articles in two Central Iowa publications.

FARM BIZ

Peoples Company's Mollie Aronowitz was featured on the cover of the Business Record's Commercial Real Estate Guide for an article about the services of land management companies as they relate to helping farmers make business decisions or manage land for conservation practices. The story touches on the role women play in the ownership and management of Iowa farmland.

Read more on the web at tinyurl.com/m2vh226

REAL DIRT

The Des Moines Business Record profiles The Dirt Dealer Jeffrey T. Obrecht for "A Closer Look" into the veteran land agent and auctioneer's original entrance into the ag real estate industry, his take on factors influencing land prices, and the reasons he decided to join Peoples Company. Obrecht has been in the business for more than three decades and had his expertise featured on "CNN Money," "Rock Center With Brian Williams" and "The CBS Evening News."

Read more on the web at tinyurl.com/po99jfd

PEOPLES COMPANY EXPANDING WITH WELCOME OF THE DIRT DEALER JEFFREY T. OBRECHT



Peoples Company is pleased to announce that **The Dirt Dealer Jeffrey T. Obrecht** has joined our team of land professionals and adds to the firm more than 35 years of additional experience in land sales, land auctions and the appraisal of farmland. He will continue to operate out of his Iowa Falls office.

Jeffrey is a licensed real estate broker associate in Iowa, Minnesota, Nebraska and South Dakota – states in which Peoples Company already holds brokerage licenses – and a top sales agent who established himself as a major producer with sales exceeding \$250 million during the past seven years with Farmers National Company.



He joined Peoples Company on April 5, strengthening the position of the company as one of the leading land brokerage firms in Iowa in terms of total market share. Both the company's clients and entire team will benefit from Jeffrey's valuable long-term perspective on land sales, enhancing the ability of Peoples Company to offer innovative, technology driven solutions across the Midwest.

The Realtors Land Institute has recognized The Dirt Dealer – a moniker adopted by Jeffrey to signify his commitment to engaging with and responding to the needs of landowners – as Iowa's chief real estate agent in regards to volume and number of acres sold. In 2011 and 2012, his expertise with Midwest farmland auctions was highlighted on national and international news programs, including appearances on CNN Money, Rock Center with Brian Williams, Tokyo TV and the CBS Evening News.

Jeffrey worked as a loan officer with Farm Credit Services for five years after graduating with a degree in industrial administration from Iowa State University, and earned an auctioneering certificate from Reisch Auction School in 1984. From 1981 to 2003, he owned and operated Mid-Iowa Real Estate and Auction in Iowa Falls.

Jeffrey is a native of North Central Iowa and was the youngest of seven children raised on a dairy farm south of Clear Lake. He and his wife, Becky, own and reside on a 240-acre property with a custom farming operation in Eastern Polk County.

PEOPLES COMPANY LAUNCHES LAND APPRAISALS DIVISION

Peoples Company has launched a land Appraisals division, expanding on its capabilities and effectively completing our transition into a full service land brokerage and auction company with land management and land investing services offered throughout the Midwest.

The Peoples Company Appraisals division specializes in conducting research and analyzing costs, sales and lease data in numerous areas related to the sale or transfer of real estate, as well as mortgage financing, investment analysis, internal asset valuation, divorce settlement, estate planning, acquisition and condemnation, litigation and property tax appeals. We maintain a comprehensive real estate database consisting of attorneys, CPAs, financial lenders and private parties while utilizing the most up-to-date technology available to stay current on market, and provide clients with accurate property valuations or consultations for a variety of purposes.

To inquire about an appraisal or retaining the services of licensed professional, email Appraisals@PeoplesCompany.com or contact Peoples Company by phone at 855-800-5263.

Appraisals completed by Peoples Company conform to the Uniform Standards of Appraisal Practices approved by the Appraisal Foundation, and are in compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

PLANNING THE FUTURE FOR LOWER QUALITY FARMLAND

Working with many landowners and farm operators throughout Southern Iowa, what is always in question is the long-term sustainability and productivity of marginal farmland.

The spike in commodity prices in the past four years prompted many landowners to convert pasture and CRP acres alike into row crop. Farmers profited from all-time high corn prices and landowners have benefited from higher cash rents. According to the USDA's release of long-term crop projections, corn and soybean prices are not going to be what we have become accustomed to over the past few years, and future cash rents have no choice but to follow the trends of commodity prices.

Profit margins have tightened across all farming operations with lower quality farmland being hit the hardest. What does the future hold for lower quality farmland in Iowa and throughout the Midwest?

Those who are interested in buying or selling in the near future should be especially interested in this topic. None of the following information is groundbreaking by any means, but the purpose is for landowners to take a step back and evaluate the operation as a whole and make sound decisions moving forward. There are still several unanswered questions lingering about crop insurance and conservation compliance. Staying within the boundaries of regulations and on top of recent changes will be increasingly important.

The cost of production paired with lower yields and lower commodity prices have many landowners facing a tough decision for the future use of lower quality land. No matter the source of income (e.g. cash rent, CRP, pasture rent, et cetera), farm buyers and investors are most interested in the longevity of the investment and how to maximize profits on a long-term basis.

Finding the farmer who will pay the highest rent may not be the best approach. A sure fire way to increase the value of your asset is to be able to prove sustainable income. Land will always be a great investment, but it is important to protect this asset the same as you would any other, and this can only be done with proper planning.

Consider a quote from T. Boone Pickens at the 2014 Land Investment Expo:
"A fool with a plan can beat a genius with no plan."

Planning and preparation is the key to a solid balance sheet. It will become increasingly important for landowners to get creative and to evaluate each field and each acre individually. Working with local NRCS offices to create a conservation plan should be the first step. This will become increasingly important due to the new farm bill linking basic conservation practices to crop insurance premium subsidies for highly erodible land and wetlands often associated with lower quality farmland.

By working with NRCS, landowners can develop and carry out a plan that will achieve the goals of protecting not only the environment, but your asset. It is important to consider the needs and capabilities of each acre within the plan. No matter what you decide is the best practice to follow, a plan will help give you a clear picture moving forward, allowing you to prepare for the years ahead.



KENNY HERRING
SALES ASSOCIATE

For some, CRP may once again be an appealing option. The long-term goal of the program is to reestablish valuable land cover to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. With the volatility of cash rents across the Midwest and the uncertainty that future cash rents will remain strong, CRP can provide a clear picture and income stream for some of the marginal type farmland found in Southern Iowa among other places across the Corn Belt. Southern Iowa landowners have been very creative in creating multiple sources of income via alternative options such as CRP and hunting leases.

Diversification is the key to hedging against fluctuating markets. One market currently on the move is the cattle industry. The long-term forecast estimates an increase in profit due to lower feed cost, and increase demand for beef worldwide. Many cattle operations are looking to grow their herd. With the past years' tilling of pasture and an overall shortage of grassland, pasture will be in high demand.

Moving forward it will take a multi-prong attack to maximize profits on mixed-use lower quality cropland. Landowners will need to be creative and explore alternative methods of income. Working with government agencies to create a plan to optimize every acre individually will be the key to success as we come full circle. Peoples Company can assist in creating a plan geared toward maximizing sustainable profits or prepping the farm for future sale.

Please contact me for additional information at Kenny@PeoplesCompany.com or call 515-783-8718.

IOWA'S NUTRIENT REDUCTION STRATEGY: WHAT DOES IT MEAN FOR YOUR FARM?



RANDY LUZE
LAND MANAGER

The effort that Secretary of Agriculture Bill Northey and his team of collaborators put forth with the voluntary Iowa Nutrient Reduction Strategy (INRS) is worth your attention. Agriculture appeals to me and many of you because of the independence we have to make the best decisions for our own farms.

My only concern with the plan that Secretary Northey has put forth is my suspicion that many in agriculture believe the term voluntary is synonymous with optional.

In February, I heard a presentation by Bill Stowe, CEO of the Des Moines Water Works, that gave me some perspective on what voluntary means to him. He has serious concerns about whether a voluntary plan can reduce nitrates in Saylorville Lake to acceptable levels, and he is convinced that a top down solution will be necessary.

A letter by Jerry Hatfield in a recent edition of Iowa Farmer Today was a second reality check for me. Jerry wrote, "Over the past few years, I've noticed some disturbing trends in our attitudes about this resource (soil). We are satisfied seeing erosion each spring. We do not express major concern about scars in the landscape and the need for more aggressive conservation practices."

As the only Iowa-based land management company headquartered in the Des Moines-metro area, I interact with urban landowners almost daily, and I can tell you that these concerns are shared by many of our clients. The time you and I have for voluntary solutions is not indefinite.

I also farm with my family in East Central Iowa, and my land management approach is based on my own trial and error efforts. Here are the conservation practices we are considering for our farm to improve water quality:

1. TILLAGE. Science tells us phosphorus leaves our farms attached to soil, and I doubt that any of us who farm can disagree with Jerry Hatfield's statement. Soil erosion is a problem in Iowa, and reducing fall tillage is the first step to solve the problem. Fall tillage of cornstalks is a practice we have the ability to overcome. Intact corn roots are land-stabilizing tools that we need to take advantage of.

2. FALL ANHYDROUS AMMONIA APPLICATION. I believe this is a practice we need to work toward eliminating, whether you believe it has a significant impact on water quality or not. We have had two wet springs and nitrate levels in Saylorville Lake have spiked. Basically this is a throwaway issue for me if the alternative is a top down EPA approach. We can apply nitrogen after June 15th and miss the heavy spring rains.

3. COVER CROPS. Planting cover crops at harvest improves water infiltration, builds organic matter, controls erosion and scavenges nutrients. It is likely the best overall soil insurance you can buy for your farm, but it takes thoughtful planning as part of an overall management plan. I have been able to successfully use cover crops the past three years on seed corn acres, but cover crops can be a challenge in Northern Iowa due to our later harvest season. Sarah Carlson with Practical Farmers of Iowa is the state authority on cover crops, and has been an excellent resource.



*Photo courtesy of
Practical Farmers of Iowa.*

4. PRAIRIE TERRACES. To fully achieve our water quality goals, more sensitive land needs to come out of production. Great research out of both the Leopold Center for Sustainable Agriculture at Iowa State University and the Tall Grass Prairie Center at the University of Northern Iowa have shown that even taking 10 percent of a farm out of production and into prairie strips could eliminate 95 percent of the sediment movement off the farm. On our gently sloping farm in Tama and Benton counties, some of our long 2-5 percent slopes will erode more than fields that are classified as highly erodible. I think that parallel "terraces" of native grasses could soak up surface water on these slopes and eliminate erosion while not interfering with our row cropping systems. Dr. Laura Jackson and her team at the Tall Grass Prairie center at UNI in Cedar Falls are a great resource to learn more about the benefits of native grasses.

5. WOODCHIP BIOREACTORS. The Ag Management Research Group out of Iowa State University continues to intrigue me with their work with woodchip bioreactors. It is basically a strategically placed trench filled with woodchips that filters water before leaving the farm. Once installed, it is a small footprint, low-maintenance option, but can only treat 40-60 acres of farmland each.

Secretary Northey and his team have only opened this discussion in my opinion. And the menu of best conservation practices will continue to evolve as advanced technology comes to market and new research is published. It is up to us to work together as farmers, landowners and agriculture retailers to be much more proactive in addressing our groundwater concerns.

Landowners must be involved in this discussion. Peoples Company Land Managers are fully equipped to help landowners navigate the continuous pressures to reduce impacts of agriculture production.

To learn more about incorporating conservation practices into your farm's business and management plan, call Peoples Company today.

TRANSITIONING TO CSR2



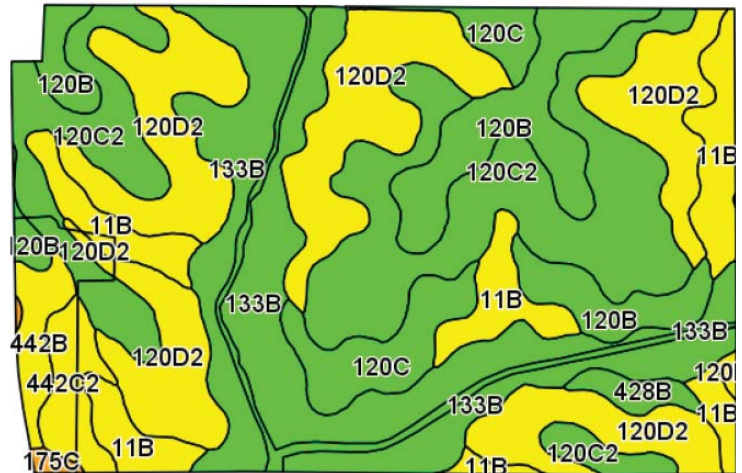
ANDREW ZELLMER
SALES ASSOCIATE

If you are involved in agriculture in Iowa, there is a good chance you have used the Corn Suitability Rating (CSR) system. The original CSR program was first introduced in 1971, by Dr. Tom Fenton, an Iowa State University agronomy professor. Whether it was to help negotiate cash rents, put a value on a parcel of land, find comparable sales, or figure property taxes, ag professionals have long relied on the tool in day-to-day activities.

In late 2012, the buzz word for assessors, farmers, land brokers and appraisers was CSR2. CSR2 was the new soil rating system that was going to be unrolled in the state of Iowa to replace the original CSR. There was much confusion on how the roll out of CSR2 was going to be implemented, and eventually all the confusion led to the stopping of the roll out until a later date.

It has now been over six months since ISU Extension under the lead of Dr. Lee Buras, an agronomy professor at Iowa State University, released the CSR2 rating system. The **new CSR program (CSR2)** is a rating system with some similarities to CSR, but also some very distinct differences. The main goals of CSR2 are to be able to calculate CSR with more simplicity, consistency and clarity. The long-term goal is to be able to move this soil productivity index across borders.

The original CSR program rated soils on a scale of 5-100. Iowa State agronomists looked at each soil and gave it a basic rating for its feasible row crop productivity. They determined this by assigning a value to a certain subgroup of soils. They then would discount that number due to factors such as slope, weather patterns, soil erosion and water infiltration. Though this program was very successful, it was fairly complicated to calculate.



In regards to CSR2 being used by Iowa's county assessors for tax assessments, that transition will take a little longer with the earliest date being 2015, according to ISU Extension. They want to properly assess the value of a property based on its soils types and productivity ability. This is one of the main functions of CSR and why it came about in the first place in the 1970s.

The question many of you are probably asking is what has the change to the new soil rating system done to the value of my farm? So far it is tough to tell. In areas that saw significant jumps in CSR ratings it hasn't seemed to do much. Talking with local farmers in those areas they didn't put much weight in the soil rating system because they were still producing good yields on soils that were rated poorly by CSR.

Transition is never easy and this one will be no different. Here at Peoples Company, we will continue to publish both the CSR and CSR2 ratings on our advertisements to help aid in the transition. The full impact that the changes in CSR will have on farmland values remains to be seen. Being educated on the topic and collecting the pertinent information will help make the transition easier.

If you have any questions about the transition from CSR to CSR2, or the impact it may have on your farm, please feel free to contact Peoples Company for more information.

The new formula is as follows:

$$CSR2 = S - M - F - W - D - C \ +/- \ EJ$$

- S-taxonomic subgroup class of soil series
- M-family particle size
- F-field conditions
- W-water holding capacity
- D-soil depth and tolerable rate of erosion
- C-climate
- EJ-expert judgment

FARM DATA: FUTURE IMPLICATIONS FOR LAND VALUES AND RENTS



RON BEACH
SALES ASSOCIATE

Corn Suitability Rating, or CSR – now CSR2 – has been the standard benchmark for measuring Iowa farmland quality for decades. Farmland sales are measured, tracked and reported as “Dollars per CSR,” allowing us to keep “Dollars per Acre” in relative context.

This is a great system for all of us in Iowa, and I am glad we have it. Many states have similar soil ranking systems. However, using this system as the sole or primary method of determining land values and associated rents is giving way to today’s trend of precision data. The breadth and depth of information being gathered by producers has created an appetite for using this information for making better economic decisions when buying and renting farmland.

As precision agriculture has taken root, I have observed a subtle yet growing shift toward using farm-specific information, in addition to CSR, when evaluating the desirability and value of a farm for potential purchase or rent. CSR is a great standardized measure that reflects the productivity potential of a farm. And because CSR information is publicly available, it’s a perfect benchmarking system. Yet CSR is only an indication of potential and represents a starting point for determining value or rental rate. Other influencing factors that are common today include those things that can be visibly observed; trees, waterways, field shape/size, terraces, wet spots, thin spots, conservation practices, et cetera.

Knowing the CSR and the visual physical conditions of a farm is like knowing the year, make, model, as well as the interior and exterior condition of a used pickup. But what’s under the hood? Access to farm specific data is like raising the hood and inspecting the engine prior to making a decision to buy. Farm specific data may be as simple as reviewing the crop insurance Actual Production History, or involve detailed review of soil tests, cropping history, planting dates, hybrids, seed placement, fertility programs, rainfall events, et cetera, et cetera.

Imagine the value of access to this information when you are evaluating whether to buy or rent a farm.

With the assistance of Peoples Company Land Manager Randy Luze and Kim Spangler, a consultant with Spangler Crop Consulting, I put some numbers to just one specific feature: existing levels of P & K. The following chart is generic, and is not intended to represent any specific farm, so please don’t get hung up on any particular value in the example. There are many interacting factors and differing philosophies that need to be considered. Focus on the bigger picture of how this one factor can, and probably should, influence your evaluation of the farm.

FERTILITY	OPTIMUM	LOW	VERY LOW		
Corn Yield/Ac	200	190	175		
x Price/bu	\$5.00	\$5.00	\$5.00		
Gross Income/Ac	\$1,000.00	\$950.00	\$875.00		
x Land Owner Share	35%	35%	35%		
Rent/Ac	\$350.00	\$332.50	\$306.25		
x Cap Rate	4%	4%	4%		
Land Value/Ac	\$8,750.00	\$8,312.50	\$7,656.25		
				lbs: 1ppm*	Cost/lb.
P-ppm	18	12	6	20	\$0.47
K-ppm	180	140	60	10	\$0.43
				<i>* Pounds to increase level 1 ppm above removal rates</i>	
P Cost to Optimal		\$56	\$113		
K Cost to Optimal		\$172	\$516		
Total Cost to Optimal		\$228	\$629		

Note: This chart is for demonstration purposes only. You should use your own data and consult your agronomist team for appropriate analysis of your farm(s).



In the top portion of the chart you may recognize my Land Value Calculator from my “Farmland 2013: Boom or Bubble” article published in the Spring 2013 Peoples Company Newsletter. I’ve repurposed this chart as a tool to compare a subject farm under alternate levels of P & K.

The three columns titled Optimal, Low and Very Low represent theoretical present fertility state, as measured by P & K only, on an example farm.

- The Corn Yield under each scenario is multiplied by a \$5/bu corn price to get the Gross Income
- The Gross Income is multiplied by the Land Owner Share of 35% to obtain the Cash Rent/Acre
- The Cash Rent is divided by the assumed land owner Cap Rate of 4% to obtain the Indicated Land Value

You can see the resulting impact on rent and land values based on the differing productivity of the farm. If the CSR was the only valuation factor used, and the landowner and tenant are assuming an Optimal farm – but it is actual Low or Very Low – then the landowner over paid for the asset and the tenant is paying more than 35 percent of the gross for rent.

In the lower portion of the chart you can see the existing levels of P & K for the three states of fertility. The example also shows an assumption that in this scenario it will take 20 pounds of P per acre to raise the level 1 ppm at a cost of \$0.47 per pound. In the case of K, the assumption is it takes 10 pounds of K to increase the level 1 ppm at a cost of \$0.43 per pound. The resulting bottom line is that it will take \$629 per acre to bring the Very Low farm up to Optimal and \$228 for the Low farm.

This example does not address micro-nutrients, lime and other yield-limiting factors. And transitioning from a Low or Very Low to Optimal takes a detailed plan, and a few years to achieve the best economic results. For a comprehensive plan and assistance in managing your particular situation, you can contact Randy Luze at Peoples Company, Kim Spangler at Spangler Crop Consulting, or work within your existing agronomic team.

The purpose of the chart is to demonstrate the economic power of using just one small part of a precision-to-decision model. The full scope of precision data that is becoming available will prove to be a driving force in determining land values and rents. It’s looking under the hood in addition to inspecting the body, interior and tires.

In conclusion, I expect to see the trend toward greater use of farm-specific data in land purchase and rent negotiations to continue. Today, this information is more often used to provide evidence of greater value. I anticipate that in the near-future access to detailed specific precision level information will be required by buyers and tenants. And rather than being used to obtain a premium as it is today, not providing the information will garner substantial discounts. It will be like buying or renting a farm today with no idea what the CSR is, or buying that used pick up without being allowed under the hood.

Also, landowners are beginning to add lease terms that require submitting data annually. Landowners need to be sure their asset is not being depleted with the associated value destruction. Landowners are gravitating to those tenants that understand the value of verifying that they are the proper steward for the investment.

If you are presently a tenant, you can cement a relationship with your landlord by showing them the data and demonstrating your stewardship of their asset; that you are paying an equitable rent, are not depleting the soil fertility and are actually enhancing the long-term value of their land.

This information can be used to secure long-term leases and equitable rents. Tenants that I’ve seen do this often end up with a landowner that will buy more land only if their existing tenant will farm it.

Ron Beach is part of the Land Investment Programs division at Peoples Company, where he works with farmers wanting a source of capital to purchase land they can then lease and with numerous capital sources wanting to invest in farmland. Ron may be reached at 712-579-2587 or Ron@PeoplesCompany.com.

SAVE THE DATE FOR THE 2015 LAND INVESTMENT EXPO

Save the date for January 23, and mark your calendars to join Peoples Company at the West Des Moines Sheraton Hotel with opportunities for investors and land professionals to hear from new Land Investment Expo personalities in 2015, including consultant and economist Dr. Edmond J. Seifried; Dennis Gartman, editor and publisher of The Gartman Letter; and Eric O'Keefe, editor of The Land Report.

Six speakers engaged in day-to-day activities centered on the global land market and ag real estate economy have been confirmed for the Land Expo, a daylong conference aimed at individuals and institutions looking for investment-grade opportunities or considering the addition land to their portfolios.

Returning Land Expo speakers Susan Payne and Simon Atkins, both of whom were very well received at the Land Investment Expo two years ago, will also offer fresh perspectives on investing in African farmland and impacts of climate on agriculture, respectively.

The Land Investment Expo, moderated by former "Agribusiness Report" host Ken Root, is the cornerstone networking and educational event presented each January by Peoples Company. It brings together more than 600 ag managers, real estate brokers, academics, policy experts, investors, land developers, farm operators and others in the business of gaining knowledge and establishing new relationships with fellow exhibitors, speakers or attendees.



Stay glued to our blog at www.PeoplesCompany.com and follow @LandExpo on Twitter for the latest updates and announcements regarding the 2015 Land Investment Expo at the Sheraton West Des Moines Hotel as we'll be updating those platforms with information on our line-up of speakers and other programming under development for next year's event.

DRONE

continued from page 1

Getting a good look at a few hundred acres or more can be a daunting and time-consuming task for landowners, farmers or spectators interested in either buying, appraising, selling, leasing, managing or investing in cropland, recreational properties or development ground. Until recently there has been no real, practical way to catch a bird's eye view of the dirt, timber and neighboring areas without walking rows or taking a plane ride.

Big data collected via the use of drones has been receiving big looks in the national media, too, with publications including The Wall Street Journal and CBS 60 Minutes drawing attention this year to the potential for UAV tech in assisting with everything from monitoring moisture levels to tailoring the application of pesticides or herbicides in a specific part of a field. It's been widely reported in agriculture that drones may significantly reduce the time and effort required to monitor and analyze crops with an end goal of bolstering efficiency, productivity and yields as part of the process known as precision farming.

McNeil is currently focused on flying over and taking pictures of our real estate listings and farms we manage or appraise in Central Iowa. With the help of a remote control and dedicated camera monitor, he is able to fly over and around the entire perimeter of a farm while recording the view from multiple stories up or at near ground level to show roads, towns, landmarks and neighboring farms, as well as crops, buildings, fences, trees, ponds and other details of the land.



Flying the drone, McNeil says, not only provides him with an opportunity to gain even greater experience in studying and surveying agricultural real estate from a fun and unique perspective, it also allows him to participate in a forward-thinking project intended to benefit owners, operators and investors in Midwest farmland.

At Peoples Company, we're committed to recruiting talented land and tech-savvy marketing professionals committed to our goal of making information without obligation readily available and easily accessible to people looking for a top-down view of agricultural real estate in near real time. Our current aerial drone videos are flying high on YouTube and social media. Take off and find them along with the latest Peoples Company auction and event videos at www.YouTube.com/PeoplesCo.

PEOPLES COMPANY RANKED AMONG "AMERICA'S BEST BROKERAGES"

Peoples Company is pleased to announce that the editors of The Land Report, or "The Magazine of the American Landowner," have listed our company as one of "America's Best Brokerages," sharing the results of their annual survey in the publication's Summer 2014 issue.

The Land Report recognized Peoples Company as a leading Midwest real estate brokerage firm specializing in land with 2013 sales in the \$100-\$200 million range, while pointing to "wow" factors such as the attraction of oil and energy entrepreneur T. Boone Pickens to our annual Land Investment Expo in West Des Moines, Iowa.

2014 marks the third time in three consecutive years that The Land Report has listed Peoples Company as a leader in agricultural real estate. Surveys published in both 2012 and 2013 ranked our brokerage firm among the "Top Auction Houses" in the nation, based on the total value of domestic land sales by auction. Last year, the magazine's editors cited Peoples Company's innovative use of YouTube to highlight auction videos for web-based audiences.



The Land Report magazine provides news, information, and insight into the nation's land with a diverse focus on opportunities for investment in agricultural real estate – sharing stories from around the country as they relate to farming, conservation and recreation, among other uses, by American landowners.

LAND MARKET *continued from page 12*

brokerage/auction company with land management, land appraisals and land investment services now offered throughout the Midwest.

The addition of The Dirt Dealer Jeffrey T. Obrecht has been among the most significant events here in recent months, and the veteran real estate broker associate and auctioneer joins a talented, enthusiastic team that's defining the culture of our company and bringing a whole new level of professionalism to the industry. Our "everything starts with land" mentality was also reinforced last fall with the hire of Mollie Aronowitz, a Peoples Company Land Manager with a diverse background in plant pathology who serves clients by offering her unique perspective on land stewardship – and sincere appreciation for the heritage of family farms – while helping owners build transparent and equitable relationships with farm operators.

With the introduction of the Peoples Company Appraisals division, our land company is also now equipped to provide clients with accurate property valuations related to the sale or transfer of real estate, as well as conducting research, analyzing costs, and providing consultations for a variety of reasons.

The anticipated transfer of wealth in Iowa over the next two decades creates extraordinary opportunities for farmers, owners and investors, and we've worked hard to identify or partner with those on the forefront of the transformation happening in agriculture. That's one reason why Peoples Company created its

Land Investment Programs, including the Separate Account Land Management program, which under the direction of Ron Beach assists in identifying investment grade acquisitions for investors and sources of capital for farmers who are looking investors to purchase land they can lease. Peoples Company established relationships with major institutional investors in the land investment space, maintaining more than 50 key relationships in this area with access to hedge funds, pension plans, family offices and private land funds with combined assets under management of over \$8 billion.

What we're seeing now is significant momentum within our maturing land company with a strong infrastructure and clear sense of direction driving us forward. In May, Peoples Company had 13,000 acres encompassing \$110 million worth of land listed, and just this summer we were named among "America's Best Brokerages" by the editors of The Land Report in their annual survey of leading real estate firms specializing in land.

Peoples Company is a 50-person team, including brokers, auctioneers, appraisers, graphic designers, accounting staff and land managers who are here to be a resource to farmers, landowners and investors, as well the advisors who serve these individuals.

We've invested heavily in our culture, our technology and our staff, and we are excited about participating in the agricultural marketplace as it continues to evolve.



STEVE BRUERE
PRESIDENT

MATURING WITH THE LAND MARKET

The role of agriculture in the world has drawn mega-attention from business and financial publications reporting over the past decade on the significance of food, fuel and fiber as they relate to land values, commodity prices and global populations.

My perspective as a land professional started taking shape the year I graduated from the University of Northern Iowa in 2003, the same year the United States invaded Iraq and mad cow disease was first discovered in North America. Two-thousand-and-three was also the year I joined Peoples Company, a real estate and farm management business with a proud 30-year history in Iowa.

In the past 10 years, agriculture has witnessed the birth of the ethanol and wind energy industries, rise of genetically modified crops and global positioning systems, historically low interest rates, \$8-a-bushell corn, significant changes to the US tax code, and media's fascination with record-setting land sales exceeding \$20,000 an acre for some of the most productive farmland in the world.

In my conversations with landowners, farm producers and investors, perhaps few of us could have anticipated the far-reaching impact of wealth generated by massive farm profits between 2006 and 2012. Agriculture and farming have become big business, and in some

ways the market itself has become corporate and institutionalized as big money vies for a piece of agriculture.

The wealth creation and wealth transfer that is about to happen in agriculture is astounding, and unlike any other time in history. The farmland market cap in Iowa has grown during my career to roughly \$260 billion – compared with just under \$70 billion in 2003 – and we anticipate that approximately 50 percent of that \$260 billion will transfer in some form or fashion over the next 20 years. Beyond Iowa, we're seeing similar demographics and trends across the Midwest.

Though agriculture is big business, we also see increased scrutiny on commercial agricultural production, as well as clients with a major emphasis on organic products and land conservation practices. So, while the industry as a whole is getting larger, there is plenty of room for small producers to participate and niche markets for organic, green, conservation minded farmers and landowners.

Similar to changes realized over the past 10 years by those in agriculture, so has the real estate business that serves the industry. In anticipation of these changes, Peoples Company has evolved from a local real estate brokerage serving multiple counties to a firm with real estate licenses in eight states, including our most recent addition of South Dakota. We have committed to four key areas of business, and completed our transformation into a full service land