

THE WISE AG UPDATE



FIRST QUARTER, 2014

VOL. XXIX, NO. 1

COMMENTARY by Ken Nofziger

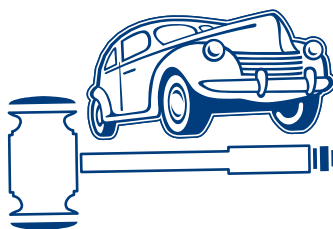


Few things are more difficult than correcting a wrong or false initial impression of a product, person, system or idea once it gets established. I guess that's why a lot of people still cling to the long-outdated notion that farms only sell at auction when there are no other options. Thank you Willie Nelson and John Cougar Mellencamp.

Unfortunately, that's where we are with the auction method of marketing farm real estate all too frequently today. There are still many who see an auction as a last resort; who view auctioned property as somehow depressed or unmarketable in traditional private treaty fashion; who assume auction sellers must settle for less than "market" prices. I run into that sort of thinking all the time and wherever I happen to be throughout the USA. Despite decades of outstanding results and long lists of satisfied sellers, the false impression that an auction is that last resort remains deeply imbedded in some folks' minds.

Why would that be, I ask myself.

I see sophisticated sellers use the auction method to market some of the most valuable assets offered for sale. Consider how precious works of art or classic cars and even expensive wines are sold - auctions. Have you ever read of the sale of a painting by an artist you'd never heard of for a sum you couldn't imagine?



It's highly likely that it was an auction that produced that result. The reason for that: The auction creates more competition among buyers, resulting in the highest possible price.

Owners sell those high-value items using auctions because it is the most efficient and cost effective system that exists. They're not desperate or out of options. They simply recognize that auctions work.

The auction method of selling is also widely used on Wall Street by the world's leading investment banks. How do you think Goldman Sachs, JP Morgan and the other top mergers and acquisitions firms sell multi-billion companies? They use auctions. When you hear that a large company is "exploring strategic options" that typically means they have hired an investment banker to contact multiple competitors and solicit the highest bid possible.

Why not market farmland - certainly a high value asset class - the same way? Why do some continue to see an auction as an emergency or last resort tactic? I think it's because they're slaves to the false impression. Despite ample evidence that their perception of real estate auctions is incorrect, they can't overcome it.

As evidence, check out the record breaking farmland sales in Illinois and Iowa over the past several years. All the top sales were auctions. And, incidentally, that holds true for all sorts

See COMMENTARY, page 2

YOU CAN NOW FOLLOW US ON:



INSIDE THIS ISSUE

<i>Commentary</i>	1-2
<i>Murray Wise Associates News</i>	2
<i>Coming Soon To a Farm Near You</i>	2
<i>Murray Wise Associates Scholarships</i>	3
<i>Scott Shuman Wins Award</i>	3
<i>Upcoming Auctions and Private Listings</i>	4

COMMENTARY *CONT'D*

of property from top farm ground to recreational property to transitional land prime for development.

It seems plain as can be that an auction, by gathering a group of interested and qualified potential buyers and creating among them a competition for valuable assets, has advantages over listing the farm with a broker and hoping he can find a buyer. Among other things, the auction gets around the need for an "asking price," which puts an artificial ceiling on the property. Oh, you say, sometimes a buyer will offer more than the asking price to ensure he/she gets the property. Usually that only happens when two buyers appear at the same time. Sounds like a bid, doesn't it? Think of an auction as a

series of such bids with no upper limit even hinted at.

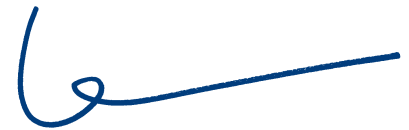
In our past newsletters we've described a number of very successful sales for both financially sound and distressed sellers. We've used a variety of

How do you think Goldman Sachs, JP Morgan and the other top mergers and acquisitions firms sell multi-billion companies? They use auctions.

marketing methods and partners to achieve the success we had, but in every situation, the auction system was the key. The results are sales that continue to exceed the most aggressive valuation estimates of financial and

real estate people around the country.

The reality is that regardless of the asset class and the situation, auctions have proved over and over again to be the fastest way to achieve liquidity and generate the highest price. Whether its Sotheby's for fine art, Barrett-Jackson for expensive cars, Goldman Sachs for blockbuster mergers or Murray Wise Associates for high quality land, successful sellers turn to the world's leading auction firms to maximize value. ♦



MURRAY WISE ASSOCIATES NEWS



Two Named Vice President

Murray Wise Associates is pleased to announce that **Kenny Schum** and **Josh Gerig** have been named vice presidents of the firm.



Kenny has been with the firm since joining us as an intern while a senior at Illinois State University in the summer of

2009. We were fortunate to convince Kenny to join us full time upon his graduation the following year with a degree in construction management. During the past five years, Kenny has played an integral role in landing and executing auction, private treaty real estate and merger & acquisition projects in fifteen different states

from coast to coast. The work ethic and relationships Kenny gained from growing up in Sidney, IL, a small farming community in Central Illinois, has been a key driver to his success at Murray Wise Associates in a short period of time.



Josh joined Murray Wise Associates' Clarion, IA office in June 2011 to help lead our Farm Management division

following a number of years in various grain marketing roles for Consolidated Grain & Barge, Midwest Strategic Investments and Frontier Futures (FCM). Like Kenny, Josh has deep Midwest roots having grown up on a family farm in Michigan and then

gone on to graduate from Upper Iowa University with a degree in finance and business. In the few years that Josh has been with us, he has utilized his grain trading and on-farm experience to greatly enhance the farm management services provided to our Iowa client base. Josh also works closely with the folks in our Illinois and Florida offices on large, high profile auctions and private treaty transactions.

Congratulations to Kenny and Josh. Their promotions clearly indicate their importance within our firm and recognition of the quality of their contributions to the ongoing success of our clients. ♦



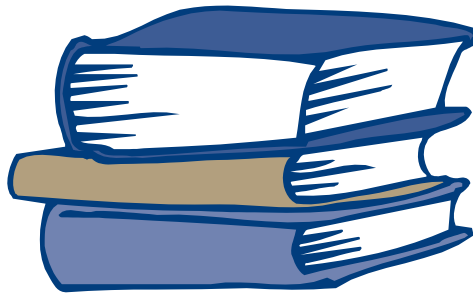
MURRAY WISE ASSOCIATE SCHOLARSHIPS



In 1997 Murray Wise established a Foundation whose sole purpose is to provide financial assistance to college students who wish to establish careers in agriculture or agri-business and have demonstrated their potential to become the industry leaders of tomorrow. Since the founding, more than 75 young scholars have received annually renewable stipends to assist them in their studies.

Students are selected for their academic achievements, demonstrated leadership qualities and commitment to agricultural careers. The board of directors of the foundation looks at class rank, test scores and grade point averages to determine the academic credentials of an applicant. Applicants must also provide information about their involvement in their communities, schools and agriculture.

The awards are simply cash payments to be used by the student as needed. They are normally renewable three times with annual progress reports required. High school seniors who intend to enter agricultural programs are encouraged to apply, but students already in college may apply as well.



The Murray Wise Associates Scholarships are currently assisting 17 scholars. Five will graduate this year and begin their careers. If history

is any predictor, we can expect they will become outstanding contributors to the growth and development of our industry.

We look forward to enrolling more outstanding students this year. The enrollment deadline for the 2014/15 school year is March 31, 2014. For an information packet and application you can visit our website at www.mwallc.com or email scholarship@mwallc.com.

If you know of a student who fits the profile, please encourage he or she to apply. It only takes a moment and can be of real help. ♦

COMING SOON TO A FARM NEAR YOU



Coming Soon to a Farm Near You: Unmanned Aerial Systems (“UAS”)

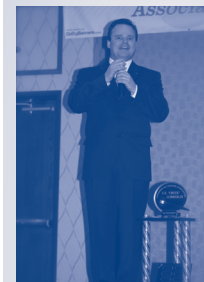
Chances are that, in the past several months, you’ve heard something about the use of unmanned aerial systems (more commonly known as drones) in a number of applications, not just delivering a catalog order. At Murray Wise Associates we’ve done more than just watch the phenomenon.

We’ve spent the relatively quiet time over the winter researching agricultural uses for UAS. In fact, we’ve acquired a couple of systems from our friends at Horizon Hobby in Champaign. We plan to put the drones to work doing aerial photography and video in both our farm management and land marketing operations. The continuing development of agricultural technology is simply amazing and this may be the next big step.

Stay tuned for more: In our next newsletter we’ll feature an interview with Joe Ambrose, CEO of Horizon Hobby, the market leader in these types of systems. Joe has some interesting ideas of what he sees on the horizon (pun intended) for this technology and its impact on farms and farming. ♦



Scott Shuman Wins Award



Our good friend Scott Shuman was recently named the 2014 Colorado State Champion Auctioneer and as a result will be competing in the International

Auctioneers Championship July 2014. Scott has long worked with Murray Wise Associates and recently called several auctions for us in the Midwest. He is managing partner of Hall and Hall Auctions in Eaton, Colorado.

In addition to that award, Scott was also elected to the National Auctioneers Association Board of Directors in July of 2013.

We’ve known and worked with Scott for many years and are pleased to continue our association with such a prominent member of the auction profession. Congratulations, Scott and good luck in the International competition!

THE WISE AG UPDATE

UPCOMING AUCTIONS & PRIVATE LISTINGS



Upcoming Auctions

Thursday, Feb. 20 at 4PM – 280± acres in Webster County, Iowa – Prime Iowa Farmland offered in 3 tracts

Thursday, Feb. 27 at 10AM – 2,620± acres in Martin County, Florida – Major Investment Opportunity offered in 8 tracts

Coming soon (May 2014) – 800± acres of existing apple and cherry orchards, row crops and other development land in Western Michigan

Coming soon (June 2014) – 447± acres in Dewitt County, Illinois – Combination of high-quality farmland, pasture ground and premiere recreational and residential building tracts

Private Listings

Pocahontas County, Iowa – 70 CSR rated farm with 262± acres of which 248.74 are tillable – Asking Price: \$11,000/acre

Greene County, Iowa – 78 CSR rated farm with 121± acres of which 115.25 are tillable – Asking Price: \$11,500/acre

Greene County, Iowa – 82.2 CSR rated farm with 120± acres of which 111.74 are tillable – Asking Price: \$11,500/acre

Greene County, Iowa – 77.8 CSR rated farm with 157± acres of which 148.84 are tillable – Asking Price: \$10,000/acre

Calhoun County, Iowa – 80.30 CSR rated farm with 539± acres of which 577.67 are tillable – Asking Price: \$12,800/acre

Visit www.murraywiseassociates.com for more information on these properties.



1605 South State Street, Suite 110 / Champaign, Illinois 61820 / Bus: (217) 398-6400 / FAX: (217) 352-9381
214 North Main Street / P.O. Box 537 / Clarion, Iowa 50525 / Bus: (515) 532-2878 / FAX: (515) 532-2870
4309 Crayton Road / Naples, Florida 34103 / Bus: (239) 430-6240 / FAX: (239) 430-4663

PRSR.T. STD.
US POSTAGE
PAID
PERMIT NO. 746
CHAMPAIGN, IL

