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THE WISE AG UPDATE

Your source for farmland & agribusiness transaction news by Murray Wise Associates LLC

COMMENTARY: TIMING OF FARMLAND AUCTIONS

BY CALLI ROBINSON

It's no secret in the farmland auction industry that the timing of farmland transactions is a critical factor that profoundly influences the success of these events due to the potential repercussions for buyers or sellers. A multitude of details must be considered when determining the optimal timing of selling farmland.

Employing a well versed auction and brokerage company like Murray Wise Associates LLC can help to guarantee your farm is marketed at the correct time and in the correct manner.

The primary window for farmland auctions spans from September to March, driven by several pivotal factors. During this period, crops are harvested and fields are fallow which facilitates smooth transitions in ownership should operation changes occur.

While harvest is wrapping up or completed, farmers have a better grasp of their current crop year profitability and may instill additional confidence in their financial capacity. Our goal for an auction is to have a diverse buyer group, and making sure that you market a property at a time that allows farmers to have financial confidence is extremely important.

December, particularly its latter half, tends to witness a slowdown in auction activities due to the holiday season and year end.

Another crucial consideration when selling farmland pertains to whether it is held within an estate or trust. The timing of a transaction must align with the required asset liquidation schedule and allow ample post-auction time to resolve any potential issues.

Working with a skilled team of brokers, attorneys, and trustees can help to minimize issues and ensure you're ready to sell your farm.

When a farm is sold outside of the September to March window, the division of income and expenses becomes an important factor to consider in more detail.

In some regions, such as Illinois, the recipient of farm income for the year typically assumes responsibility for the corresponding year's real estate taxes. This is simpler outside of the crop year when no income and expense splits are required.

However, within the crop year, various methods for division exist, including an agreed upon income and real estate tax split or proration to the closing date.

Division of income and expenses does not necessarily push away potential buyers, however it does impact their bidding power and willingness to bid on a property.



TIMING OF FARMLAND AUCTIONS (CONT. FROM PG. 1)

The ultimate objective in perfecting farmland auction timing is to maximize buyer participation, ensuring equitable prices for sellers and empowering buyers to make informed decisions based on the land's genuine potential.

Well-timed transactions contribute to an efficient, streamlined experience, benefiting all stakeholders involved in the process.

If you have any questions regarding the optimal time to sell your farmland based on the details of your situation, please give us at Murray Wise Associates LLC a call.

Our team has worked with farmland transactions in a variety of timings throughout the year, and no matter

the case with your property, we can always manage around constraints to ensure a smooth process. Murray Wise Associates is committed to helping you achieve the highest return on your land investment. 🏡

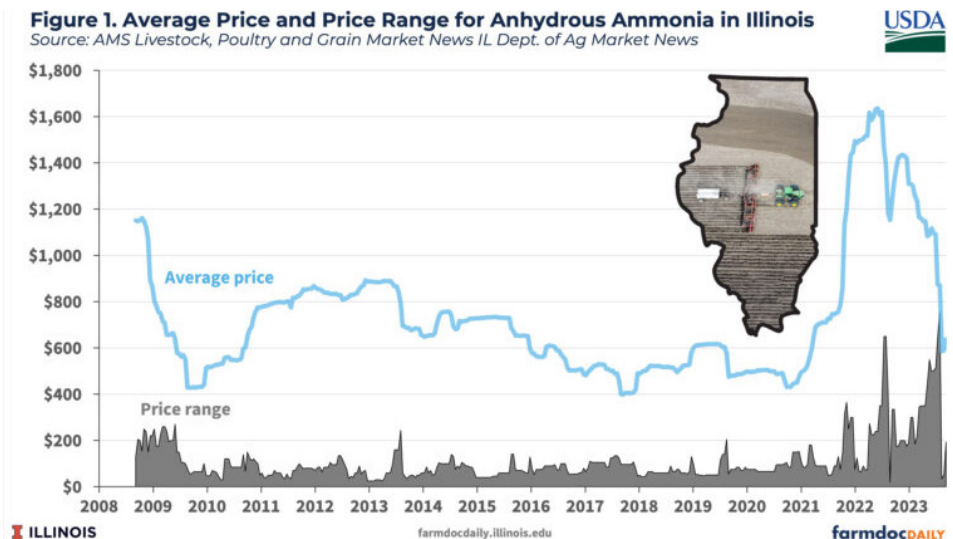
Calli Robinson, Senior Associate

NITROGEN FERTILIZER PRICE VARIABILITY

It is no doubt that fertilizer markets have created an abundance of uncertainty and attention over the last few years. Producers and suppliers saw dramatic increases in price in 2020 and into early 2022. Sharp declines in prices have now been noticed over the last 18 months. Although movements in price levels are important to keep an eye on, the change in local prices available to a producer is also something to consider. The current state of the market projects for producer returns to very low and even negative for the 2023 and 2024 crop years.

Variability in these prices tends to be greater when the market is quickly adjusting or we see rapidly rising or falling price levels. Producers will carefully monitor price changes and may even compare prices between suppliers to ensure they're making the most informed decision they can, when it comes to their operation.

The chart below helps to show the comparison of the average price of anhydrous ammonia over the last 15 years to the range of prices being observed in the state of Illinois. This chart shows the significant price variability that has been observed over the past two years.



Source: University of Illinois Farmdoc

OUR NEWEST TEAM MEMBERS

We are pleased to welcome Kyle Worner as our newest Senior Associate. Kyle joined our team in September 2023. Kyle's role here at Murray Wise Associates is to help expand our reach by pursuing new farm management clients and promoting our real estate services in Western Illinois. Kyle is currently working on becoming a licensed real estate broker in Illinois.

Kyle grew up on a farm in Mason County, Illinois where he was involved in an operation that grew a variety of crops. Because of his upbringing, Kyle has experience with crops such as corn, soybeans, seed corn, green beans, and pumpkins. Kyle graduated from the University of Illinois at Champaign-Urbana in May of 2022 with a Bachelor's Degree of Finance in Agribusiness.

Prior to joining the team at MWA, Kyle was a grain merchandiser in Kearney, Nebraska and Wichita, Kansas.



We are happy to also welcome William Currie to our team as a licensed Louisiana real estate salesperson. His background in agriculture runs deep as his family has been in the farming business in Louisiana and Arkansas for well over 100 years. The family business primarily consists of land management now and he is an integral part of the operation.

Currently, William is also the Farm Manager and Acquisitions Associate in the Delta and Southeast regions for Farmland Partners Inc., where he oversees approximately 70,000 farmland acres in the Southern United States. William graduated from Louisiana State University in 2013 with a degree in Economics. Prior to joining Farmland Partners and MWA,

William had a successful career in financing and trade credit in the agriculture industry. He has been a licensed real estate salesperson in Louisiana since 2019. He lives in Baton Rouge, Louisiana with his wife and daughters.

MWA IN THE NEWS

Eric Sarff, President of MWA, joined the National Association of Farm Broadcasting in September to chat about recently released government data showing continued asset appreciation in the U.S. Farmland Market.

Sarff explained that demand for farmland has remained strong in virtually all regions of the country this year, and that the market has historically avoided extended periods of price declines thanks to its unique supply and demand characteristics.

To listen to the full interview, scan the QR code to the right.

Here at MWA, we help landowners in Illinois and Iowa track area values through our bi-monthly Land Review, which is available on our website or via email subscription. We hope to expand to additional states in the future to continue to bring accurate land data to landowners across the country.



THE WISE AG UPDATE

CURRENT LISTINGS | UPCOMING AUCTIONS | RECENT TRANSACTIONS

Upcoming Auctions

- Fayette Co., IA - 253± Ac - Oct. 11th 12PM (Sealed Bid)
- Greene Co., IA - 980± Ac - Nov. 2nd 10AM
- Cumberland Co., NJ - 842± Ac - LOIs due Nov. 9th at 5PM ET
- Douglas, Moultrie, and Piatt Co., IL - 860± Ac - Nov. 28th 10AM

Available Properties

- Douglas Co., IL - 11.8± Ac - PENDING
- Macon Co., NC - 282± Ac - PENDING
- Polk Co., NE - 160± Ac - PENDING

Visit MurrayWiseAssociates.com or call (800) 607-6888 for details

Recent Transactions

- Kit Carson Co., CO/Wallace & Sherman Co., KS - 6,181± Ac - \$16,049,250
- Sedgwick, Yuma, and Phillips Co., CO - 1,949± Ac - \$11,198,250
- Washington Co., CO - 640± Ac - \$1,023,750
- Bremer Co., IA - 40± Ac - \$600,000
- Bremer Co., IA - 81± Ac - \$1,162,250
- Wright Co., IA - 93± Ac - \$1,012,000
- Wright Co., IA - 80± Ac - \$800,000
- Humboldt Co., IA - 309± Ac - \$3,788,313
- Wright Co., IA - 80± Ac - \$1,000,000
- Fulton Co., IL - 95± Ac - \$819,975
- Laurens Co., GA - 264± Ac - \$1,287,751
- Johnson Co., GA - 487± Ac - \$2,989,243
- Telfair Co., GA - 2,231± Ac - \$11,073,006

This communication includes "forward-looking statements" within the meaning of the federal securities laws, including, without limitation, statements with respect to the outlook of Farmland Partners Inc. ("FPI") and Murray Wise Associates LLC ("MWA") and proposed and pending farmland auction, brokerage, financing and asset management activities. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" or similar expressions or their negatives, as well as statements in future tense. Although FPI and MWA believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and actual results could differ materially from those set forth in the forward-looking statements. Any forward-looking information presented herein is made only as of the date of this communication, and FPI and MWA do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.



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