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Murray Wise
ASSOCIATES LLC

THE WISE AG UPDATE

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

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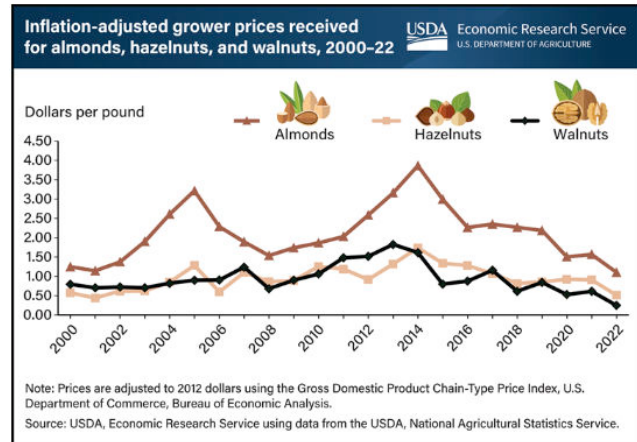
IN CALIFORNIA, WHEN IT RAINS, IT POURS.

BY HARRISON FREELAND

We have just completed another water year in California, and with two straight wet years leading to full allocations for the State Water Project and USBR, it appears mother nature is doing its best to help blunt the initial impact of the Sustainable Groundwater Management Act (SGMA) and the implementation of Groundwater Sustainability Plans that will reduce the use of groundwater for farmers in California. However, if mother nature is cooperating, pretty much everything else has decided not to. Specialty crop prices have rebounded some since their lows in 2022, but many crops such as almonds and walnuts remain at or below their break-even price for farmers. In addition to this, interest rates have both hurt operators and investors as it has increased the cost of operating capital and hindered the ability to refinance. And, while the wet weather the past couple years has helped to keep many acres in production, the price of those acres has still fallen in anticipation of lack of water in the future which has also increased the difficulty in refinancing.

The difficulties in the specialty crop arena within California are well publicized with some very large recent bankruptcies including a large stone fruit grower, Prima Wawona, as well as a large almond portfolio, Trinitas Advantaged Agriculture Partners IV, that both received quite a bit of press coverage.

Both of these entities were heavily backed by institutional investors. Combined these two bankruptcies saw the sale of over 20,000 acres of high-quality California farmland over the past 12 months and all indications are that the bleeding has not been stopped yet. There have been some very large farms and packages of farms sitting on the market either publicly or quietly for months now with no indication that a buyer is near.



Source: USDA

Prior to SGMA, investors flocked to California as it offered the prospect of double digit returns within the farmland investment sector, something not offered anywhere else in the United States. If you were building a portfolio for a life insurance company, a pension fund, or a sovereign wealth fund, you almost certainly had an allocation to permanent crops and most of that would be earmarked for California. It is safe to say that for many of these funds, the portion of the portfolio that was supposed to



IN CALIFORNIA, WHEN IT RAINS, IT POURS. (CONT. FROM PG. 1)

generate the highest returns has been perhaps the biggest disappointment over the last 10 years. And, in a funny twist of fate, the supposedly lower yielding Midwest and Delta row crop regions have been perhaps the best performing when taking into considering annual cash yield and appreciation during that time period.

For institutional investors that may have been bitten by the current challenges in California, it isn't all doom and gloom as these challenges are also opportunities. In any case where there is a great deal of stress in a market there are always those that will figure out the correct path forward and come out on the other side looking better for it. In this case it could be those that are putting their efforts into finding the farms with the best surface water, or those looking to take advantage of groundwater in subbasins that may not be critically overdraft to grow crops that may not have historically been grown there. There are many other strategies and different types of funds investing in farms in California with different

approaches than those mentioned, these are just some examples. There are a lot of smart people taking a lot of different approaches right now and some are bound to be right. There does seem to be some relief coming at least regarding interest rates as the Federal Reserve cut rates by 50 basis points in September. If interest rates can continue to come down and crop prices can continue to rebound the rain may finally be letting up in California. At least the metaphorical rain, Sierra Nevada did get its earliest snow advisory in 20 years last month which is hopefully a sign of another good water year on its way for farmers in California.



Harrison Freeland, Vice President

ELIZABETH STROM WINS ILLINOIS LAND BROKER OF THE YEAR AWARD

Murray Wise Associates is proud to announce that Vice President Elizabeth Strom was recently recognized as the 2024 Land Broker of the Year by the Illinois chapter of the REALTORS® Land Institute (RLI), during its annual meeting.

The annual award is selected by peers and acknowledges an RLI member in the state for their professionalism, ethics, market knowledge, client service, and work within the local community.

“Liz embodies all of the qualities the industry prioritizes, and we could not be prouder of her for this well-deserved honor,” said MWA President Eric Sarff. “She has been an invaluable member of our team since she joined us in 2021, and her infectious personality and business know-how have made her a client favorite.”

When accepting the award, Strom thanked her colleagues at MWA for their support every day and the numerous mentors in the industry who have helped her over the years.

Strom serves farmland buyers and sellers across the Midwest, is an Accredited Farm Manager (AFM), and oversees business development for MWA's farm management division. She serves as President of the Illinois Society of Professional Farm Managers and Rural Appraisers and is on the Board of Directors for the Illinois REALTORS® Land Institute. She is a licensed Real Estate Broker in Illinois, Iowa and Tennessee, a licensed auctioneer in Illinois, and a licensed drone pilot. Strom grew up on a corn, soybean, and cattle farm in Toulon, Illinois.



MAXIMIZING YOUR FARMLAND AUCTION WITH MURRAY WISE ASSOCIATES

Selling farmland is one of the most significant decisions many people will make—both emotionally and financially. Deep connections to family land, along with the desire to ensure a successful sale, can make the process complex. For this reason, choosing the right auction strategy and company is critical to navigating the sale with confidence and ease. While some auction companies focus solely on price, a more comprehensive approach considers factors like market conditions, property value and the seller’s long-term financial objectives.

Understanding what to expect and how to navigate the farmland auction process can make all the difference. Sellers need confidence that their land is valued appropriately and that the auction will be handled with care and transparency.

“Selling farmland is often tied to family history. Many sellers are connected to the land through memories, many going back generations,” said Adam Meyer, Vice President at Murray Wise Associates, LLC. “This isn’t just a transaction — it’s often one of the largest financial decisions families make, and it’s important to guide them through every step, understanding how important it is to them.”

Why Knowing What to Expect Matters.

Choosing the wrong auction company can lead to a stressful and potentially disappointing experience. Sellers need a company that prioritizes communication, sets realistic expectations and stays flexible in response to shifting market conditions, empowering sellers to maintain confidence and control throughout the process.

- **Market conditions:** The farmland market is always evolving. Recently, the market has shifted from a seller’s market to one more favorable for buyers. MWA analyzes trends to determine if an auction is still the best course of action or if other methods, such as sealed bids or private listings, might better serve your financial goals.
- **Property value:** Understanding your farmland’s true value is critical. MWA uses decades of experience and data analysis to evaluate your property accurately. Whether your farm is top-tier land (Class A) or lower (Class B or C), we position it to attract serious buyers while setting realistic expectations for the sale outcome.
- **Choosing the right auction company:** Not all auction companies are the same — and experience matters. MWA goes beyond simply facilitating the auction, providing comprehensive guidance throughout the process. While some companies promote auctions as the only solution, MWA takes the time to evaluate all options that best serve the seller.

This article was recently posted to the Murray Wise Associates “Insights” page on our website. To get more content like this and finish this article, please visit www.MurrayWiseAssociates.com/category/insights/ or use this QR code:



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CURRENT LISTINGS | UPCOMING AUCTIONS | RECENT TRANSACTIONS

Upcoming Auctions

- Henry Co., IL - 77± Ac - October 30th at 10 AM
- Stephenson Co., IL - 262± Ac - November 7th at 10 AM
- Champaign Co., IL - 175± Ac - November 12th at 10 AM
- Champaign Co., IL - 87± Ac - November 13th at 10 AM
- Tazewell Co., IL - 141± Ac - December 10th at 10 AM
- Peoria Co., IL - 129± Ac - TBA

Recent Transactions

- Champaign Co., IL - 160± Ac - \$2,672,000 (\$16,700/Ac)
- Humboldt Co., IA - 345± Ac - \$5,087,500 (\$14,745/Ac)
- Webster Co., IA - 138± Ac - \$1,775,370(\$12,865/Ac)

Available Properties

- Cumberland Co., NJ - 36± Ac - \$375,000 (\$10,417/Ac)
- Garfield Co., CO - Greenhouse Facility / 254 acres
- Morgan Co., CO - 1,080 Head Dairy Facility - \$13,000,000
- Holt Co., NE - 1.1M SqFt Greenhouse Facility
- Central Idaho - Row Crop Sale Leaseback Opportunity
- Floyd Co., IA - 317± Ac - Call for Price
- Humboldt Co., IA - 148± Ac - \$2,362,800 (\$16,000/Ac)

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

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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