

Land Value & Cash Rent Survey

PRESENTED BY THE MINNESOTA CHAPTER OF FARM MANAGERS & RURAL APPRAISERS | JANUARY 2022



ASFMRA
Minnesota Chapter
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**American Society
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Minnesota Chapter

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**American Society
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Minnesota Chapter

MINNESOTA CHAPTER

Message from the Chapter President—Brian Field, ARA



The Minnesota Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA) is pleased to present the 2021 Agricultural Land Value and Cash Rent Survey.

ASFMRA members are recognized as the most trusted rural property professionals including farm managers, appraisers, and consultants. The Minnesota Chapter supports our skilled members through education, ethics, and networking opportunities in order to strengthen their trusted and reliable agricultural services.

This survey would not be possible without the dedication of many people who shared their valuable data and expertise from across the state. Our chapter is nearly 110 members strong. The information collected covers 8 regions - a diverse landscape and a variety of crops.

We hope you find the information useful and utilize it as a reference tool. The survey offers a general overview of the data throughout the regions and cannot replace the comprehensive knowledge and service that our members provide to landowners. The agricultural economy has been volatile the last several years with weather and trade implications. The farmland market has reacted to the broader economic conditions and reinforces the need to track the real estate market and engage a professional when making financial decisions.

If you have any questions about the survey or a specific area within one of the regions, I encourage you to contact our local members. Our MN Chapter directory is located at the end of the survey. Many thanks to the regional captains, survey contributors, survey committee chair Brandon Kirk, and Chapter Administrator Jeremy Bengtson in generating a quality survey!

Thank you also to our sponsors! This is the sixth survey in the current format. Your financial support has helped us create a professionally designed report this year for the first time. Ongoing support from sponsors, chapter members, and readers will allow our survey to continue to improve each year.

If you are a rural property professional and are interested in learning more about our organization or becoming a member, please contact us by visiting our chapter website, www.mnasfmra.com

Sincerely,

A handwritten signature in blue ink that reads "Brian Field". The signature is fluid and cursive.

Brian Field, ARA
Minnesota Chapter President

Welcome

Welcome to the Minnesota Chapter of the ASFMRA! The American Society of Farm Managers and Rural Appraisers (ASFMRA) is recognized as the premier organization for rural property professionals, providing excellent education, networking opportunities and legislative representation for its members.

DISCLOSURE STATEMENT

Data includes January 1st, 2021 to December 31st, 2021 agriculture land sales and cash rent contracts. Land Value Survey results may include duplication of sales. Qualified sales were determined by the Regional Captains and may or may not indicate the actual number of sales in that county. Land Professionals were asked to omit data from non-typical transactions including but not limited to related parties, irrigated (wet) cropland, transitional and/or development land, land under restrictive easements, etc. The Survey Rental Rates are actual rental information handled by ASFMRA chapter members. Typically, professionally managed land brings premium rents compared to privately negotiated rental rates. The survey reflects the rental rates for land managed by ASFMRA members. Please contact your local professional ASFMRA manager for more assistance.

Survey readers are asked to exercise discretion when using data from this report. This survey data should never be used as a substitute for a Land Professional.



**American Society
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Minnesota Chapter

Land Value & Cash Rent Survey

PRESENTED BY THE MINNESOTA CHAPTER OF FARM MANAGERS & RURAL APPRAISERS

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DISTRIBUTION

Each year, new readers are exposed to the Minnesota Land Value & Cash Rent Survey publication. Our reach widens through our targeted effort to news outlets, investors, businesses, finance and real estate helping to promote this publication to the agricultural and agribusiness markets. With printed copies in circulation and full access to the publication online thru www.mnasfmra.com, the number of requests for the publication continues to grow year after year.

Promote your business to service in the Minnesota Land Value & Cash Rent Survey

It is the one publication intent on providing extensive, accurate land and lease value data for agricultural properties in Minnesota by Professional Farm Managers and Rural Appraisers.



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Sponsorship Size Specifications

Premium Sponsorship Pricing		W x H
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FILE REQUIREMENTS

ALL PHOTOS must be 300 DPI

Acceptable files: TIF, EPS, JPG, or PDF

Questions: Info@mnasfmra.com

CONTRACT FOR THE MINNESOTA LAND VALUE & CASH RENT SURVEY

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Notes/Instructions

PAYMENT (deadline January 15th)

Check payable to MN Chapter ASFMRA

Direct Payment available at <https://form.jotform.com/mnasfmra/payonline>

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About ASFMRA

ASFMRA—American Society of Farm Managers & Rural Appraisers



Vision

To be the most trusted resource for rural property professionals and the clients they serve.

Mission

ASFMRA is the premier organization for rural property professionals, focused on advancing the standards of the disciplines we represent through an unparalleled level of expertise and integrity. We empower our members to provide best-in-class service with an invaluable balance of education, accreditation and support.

Values

Integrity:

ASFMRA values ethical and professional service - ultimately holding the disciplines we represent to a higher standard



Expertise:

ASFMRA is the conduit through which our members learn, maintain standards of professional service and ultimately advance their careers.

Support:

ASFMRA connects members to a network of trusted and respected colleagues, providing expanded opportunities for professional and personal growth.

The American Society of Farm Managers and Rural Appraisers® (ASFMRA®) is the largest professional association for rural property land experts, boasting over 2100 members in 31 chapters throughout the United States. Over 40 percent of ASFMRA's members hold a designation as an Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) or Accredited Agricultural Consultant (ACC).



ASFMRA was founded in 1929 and the average member has been part of the organization for over 17 years. Our Farm Managers and Agricultural Consultants are in strong demand, with over 40 percent of farmland in the United States currently being rented. Our Farm Managers and Agricultural Consultants on average manage 55 to 75 farms, consisting of 14,000 to 20,000 acres. They also have influence over more than just the farms they manage as a typical professional farm manager will work with a farm operator who is farming additional land. Farm Managers and Consultants typically work with 50 to 70 landowners, family members and their beneficiaries. Our Farm Managers and Consultants have influence on input and other production and marketing decisions on acreage representing millions of dollars.

ASFMRA's Appraisers and Review Appraisers represent individuals who have taken additional training beyond what is required, in order to gain specialized expertise in appraising rural and agricultural properties. Many of them are familiar with complex appraisal situations including eminent domain, conservation easements as well as appraising poultry facilities, grain elevators, wind farms, dairies, greenhouses and vineyards. When you utilize an ASFMRA trained appraiser or review appraiser know that they have been trained on the most up-to-date technologies and methodologies associated with valuation.



ASFMRA truly represents *The Most Trusted Rural Property Professionals* and is the organization for individuals who provide management, consultation, and valuation services, as well as real estate services on rural and agricultural assets. The land experts who hold membership in ASFMRA work under a professional code of ethics, which includes continuing education requirements. You can rest assured that if you're working with someone who is an accredited member of the Society, you are truly working with a competent land expert and agricultural professional who can assist you with all of your property, land and asset needs.

ASFMRA Membership & Accreditations

ASFMRA Accredited Designations

AAC—Accredited Agricultural Consultant

AFM—Accredited Farm Manager

ARA—Accredited Rural Appraiser

RPRA—Real Property Review Appraiser

ASFMRA Membership

As a member of the American Society of Farm Managers and Rural Appraisers (ASFMRA), you join a select group of professionals who share your passion for agriculture and the rural landscape – and for helping others understand and capture the value of the land and rural assets.

ASFMRA is the only professional society focused on the development and advancement of professionals in agricultural property management, appraisal and consulting. ASFMRA maintains high ethical and educational standards for its members, and, as a result, our members are The Most Trusted Rural Property Professionals.

You should join if you:

- Have a passion and commitment to agriculture and the rural landscape.
- Are driven to be the best you can be at what you do.
- Want to distinguish yourself from others in the industry and prepare yourself for advancement in your career.
- Are just getting started in the business and want to improve your skills.
- Want to clearly demonstrate your commitment to self-improvement, high ethical standards and professional development.
- Enjoy being among peers in the industry – and having a nationwide network of professionals at your fingertips
- Value relationships with other industry professionals and enjoy networking opportunities to build your business.
- Would like the opportunity to share your industry on a state and national

If you have any questions during this process, please do not hesitate to contact the membership department at 303-692-1216 or membership@asfmra.org

ASFMRA Membership Classifications

Becoming a member of ASFMRA is taking an important step in your business and career development. Members of the American Society of Farm Managers and Rural Appraisers are recognized as the most trusted rural property professionals. They adhere to high standards of professionalism and a rigorous code of ethics.

CLASSIFICATIONS

Accredited: Persons who have obtained the Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) and/or Accredited Agricultural Consultant designation(s).

Associate: Persons, who manage, appraise or provide related valuation services, review appraisals, and/or consult for a fee that are working towards Professional or Accredited status and do not yet meet the additional criteria for those membership classifications.

Affiliate: Persons and/or organizations who are not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others, but desire to be affiliated with the American Society of Farm Managers and Rural Appraisers.

Academic: Persons whose work is primarily educational and who are devoting the majority of their time working at a college or university, in the agricultural consulting, farm and ranch management, rural appraisal and/or review appraisal field as an instructor, researcher, extension worker or administrator and have held that position for two or more years.

Student: Persons who are full-time students, or graduated and/or terminated their college enrollment within the past year. And who are currently not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others for a fee or salary.

Retired: Persons who have been members of ASFMRA and held the Accredited, Professional, Associate or Academic membership status for at least ten (10) years and who are no longer providing management, consulting, appraisal, valuation or appraisal review on property belonging to others for a salary or a fee.



If you have any questions during this process, please do not hesitate to contact the membership department at 303-692-1216 or membership@asfmra.org

2021-22 ASFMRA College Scholarships

\$1,000 Scholarship for the 2021-2022 Academic Year

Purpose:

To support and encourage interest in rural appraisal, farm management, and agriculture consulting and to promote the ASFMRA chapter's student membership.

Eligibility Criteria:

Applicants must meet the following qualifications to be eligible for the MN ASFMRA College Scholarship:

- Have completed the equivalent of 4 semesters of post-secondary education by June 1, 2022.
- Possess a cumulative college GPA of 2.5 or better.
- Have a designated major in an agriculture, real estate or management related field.
- Be a resident of the state of Minnesota or a student attending a Minnesota College/University.

Additional Preferences:

If possible, the following preferences will also be considered:

- Involvement in agriculture and community activities,
- Demonstrated leadership qualities,
- Academic achievements,
- Stated interest in a career in agriculture appraisal, consulting or farm business management.

Application:

Undergraduate students who meet the selection criteria should complete the [application form](#) by March 20th, 2022. Applications and essays will be reviewed by the Minnesota ASFMRA Scholarship Committee. Scholarship winners will be notified by letter on or before April 1st.

Application deadline is March 20th, 2022

Want to learn more about ASFMRA?

Applicants are highly encouraged to learn more about the Farm Manager and Rural Appraisal industries through job shadowing with our expert members.

If you are interested in attending an ASFMRA conference or have application questions, contact Rachel Daberkow by phone (507) 376-7208 or by email at

Rachel.Daberkow@Compeer.com



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Minnesota Chapter

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Minnesota Chapter
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Nominating

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Eric Skolness, AFM
Brian Field, ARA

Membership

Tyler Walsh, ARA, Chair
Rick Hauge, ARA
Megan Sheeley, ARA

Management Education

Eric Skolness, AFM
Doug Bergemann, AFM
Corey Prins, AFM

Appraisal Education & Review

Adam Schmidt, ARA, Chair
Richard Johnson, ARA
Mark Grant, ARA

Government Affairs

Terri Jensen, ALC, Chair
Tyler Erickson, AFM
Rachel Daberkow

Professional Advancement

Megan Sheeley, ARA, Chair
Tyler Walsh, ARA
Tyler Erickson, AFM

Scholarship

Rachel Daberkow
Adam Schmidt, ARA

Land Value & Cash Rent Survey

Brandon Kirk, Chair

YPN (Young Professional Network)

Tyler Erickson, AFM

National Membership Advisory Rep

Brian Field, ARA

ASFMRA Committees

ASFMRA offers a variety of opportunities where you can provide your support and expertise to advance key initiatives within the rural property professions of farm management, rural appraisal and agricultural consulting. Volunteers are a very important part of ASFMRA's work - providing exceptional experiences and essential tools to our community.

ASFMRA National committees focus on key areas that support the rural property professions including accrediting and education, appraisal review, auction, awards, bylaws, ethics, editorial, finance, government relations, nominating, programs, and sponsorship.

Recruitment for committees usually begins in the spring and summer for service beginning October 1st, the start of the Society's fiscal year. Applicants must complete a [Committee Application Form](#). This assesses your background, your level of interest and commitment, as well as your ability to work well with your fellow committee members. Please click on the committee you are interested in to view volunteer opportunities!

Patron Chapters

Each year, Chapters that have met criteria related to membership growth, governance, event activity and overall "good standing" with the Society are designated as ASFMRA Patron Chapters. In 2020, a record nine Chapters achieved this feat, and are designated below with a the Patron Chapter logo.

The Minnesota Chapter hosts a robust winter meeting consisting of continuing education for farm managers and appraisers, as well as a chapter business meeting and an auction to support scholarships. They also hold a summer tour, typically in July, incorporating education and a tour of agricultural related sites. They also produce a Land Value Survey and a Land Rent survey each year, which they provide to members in January. The Minnesota Chapter also strives to support students and those that are new to the profession, by providing scholarships to the Agricultural Economics department at the University of Minnesota.



What is a Farm Manager?

A farm manager is much more than the person that only negotiates cash rent on a farm.

A Farm Manager is the link (third party) between the Landowner and the Farm Operator. Yes, a Farm Manager negotiates the cash rent on a cash rent lease agreement, but a Farm Manager provides so much more. **We provide other services, we care about the land, and we care about you.**

Farm Managers provide these services:

- Acts as a third-party person between the landowner and the farm operator. This can minimize tension between family members, or even between landowner and tenant.
- Negotiates and prepares a written lease each year, determining a fair cash rent.
- Analyzes lease options and recommends a specific lease type that helps reach the farm income goal.
- This would include cash rent, cash rent plus "flex" option, 50/50 crop share, custom blend, or custom lease type leases. What lease type fits best for the farm?
- Develops an annual operating plan and budget including capital improvements, if applicable.
- Approves and pays all farm bills. Collects and accounts for all income. Provides accounting statements and a year-end summary for ease in tax preparation providing peace of mind.
- Sends concise farm inspection reports during the year to inform and provide the peace of mind that a farm is being operated consistently with the objectives, and taken care of.
- Coordinates and handles any special projects on a farm, such as; drainage issues, drainage tile projects, conservation work, irrigation, waterways, etc.
- Monitors that proper certification is completed each year at the Farm Service Agency, so a farm remains in compliance with government farm programs.
- Analyze applicable Government Farm Program considerations and provide recommendations.
- We take care of all the paperwork.
- Some Farm Management Companies even provide grain marketing and crop insurance services.
- Although we are not a CPA, accountant, attorney, estate planner, financial planner, we are able to refer you to other professionals as you need these services. We're happy to be the quarterback and guide you.



**American Society
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Minnesota Chapter


Farm Managers Care

Farm managers care about the land:

- We make sure that good stewardship is being applied to a farm.
- We monitor soil fertility test to protect the soil fertility levels of a farm.
- We make sure soil erosion, and wind erosion are kept at a minimum to save valuable soil.
- We monitor weed control and weed control products for a clean and safe farm.
- We are always seeking ways to improve the land, protect the land, and care for the land as if it's our own.

Farm managers care about you:

- We care about goals and objectives, both short term and long term.
- We care about you as an individual, your family, and future generations.
- We care about what's going on in your life, not only business, but personal.
- We even care about your birthday!!! That's an important date to us!!!





**American Society
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THE ASFMRA MOBILE APP IS NOW AVAILABLE!




Download the app and log in to your ASFMRA Member Profile, and you will be able to:

- View the ASFMRA Member Directory and filter by name, state, occupation and accreditation to add contacts directly to your phone
- Access your ASFMRA Member Profile to update contact information, add continuing education credits or pay outstanding invoices



ASFMRA.ORG/APP

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WHAT TYPE OF **FARM LEASE AGREEMENT** IS RIGHT FOR YOU?

Contact a local Farm Manager to help you analyze your options, and choose a lease that will help you achieve your goals.

Negotiating a yearly lease is a key step toward profitable farm ownership. Depending on where your farm is located in Minnesota, you may have as many as five different lease options, from cash to custom. A brief description of the various lease types is listed below. Each lease option has certain risks, and certain opportunities. It is best to contact a Minnesota Farm Manager to help you analyze your options, and choose a lease that will help you achieve your goals.

Cash Rent Lease

Typically calculated on the basis of a fixed number of dollars per acre. In the past, many of these leases called for approximately one-half of the rent in the spring with the remaining rent due in the fall. Today most cash rent is paid up front.

Note: Gaining in popularity is another lease called a **Cash Rent - "Flex Lease"**, which allows owners to share in higher-than-normal yields or prices. Some years this pay a bonus if you see above normal yields and grain prices.

Net Share Lease

This leasing alternative has gained in popularity as an **alternative to cash rent**. It differs from the bushel lease in that the owner receives a specified percentage of the crop. Thus, if the crop yields are good, the rent goes up. The only cost the owner is usually responsible for is the drying and/or storage of their share of the grain at harvest. All other production costs are paid by the operator.

Crop Share Lease

Under this arrangement the owner pays a share of the input costs and receives a share of the crop. In many areas, the owner shares in 50% of the cost of the seed, fertilizer, and chemicals, and then receives 50% of the crop. Depending on the area, this may be 25%, 33%, or 40% share, depending upon the amount of weather risk involved and the consistency of production over time. With changing farming methods and increasing land values, this lease may not be as competitive as it once was. To address this issue, many leases are now being tailored to each farm situation, and new percentages, such as 55% owner - 45% operator, are emerging or supplemental cash rent. Another alternative is to adjust the percentage of input cost paid by the owner.

Custom Blend Lease

Under this operating arrangement the owner pays 100% of the direct crop production input costs (usually seed, fertilizer, and chemicals). The operator pays all machine and labor costs to prepare the land, plant the crop, cultivate if necessary, and harvest it, but pays none of the production input costs. The crop share is negotiable, but generally is in the range of 75% to the owner and 25% to the operator. Like the bushel, net share, and traditional crop share leases, the owner is responsible for paying drying and storage costs on their share of the grain.

Custom Operation

This arrangement offers the most reward potential, but carries the most risk. Good farms in consistent production areas are excellent candidates for a custom operation. With this arrangement, the owner pays 100% of the direct input costs plus contracts with a local operator to perform all of the operations required to grow the crop and harvest it for either a fixed amount per operation or per acre. In most situations, we prefer to pay by the operation in order to keep costs under control. Since the owner receives 100% of the crop and government program payments under this arrangement, the owner is responsible for drying and storage of the crop.

Note: The [ASFMRA](#) (American Society of Farm Managers & Rural Appraisers) Minnesota Chapter can find you a local Farm Manager to help you discuss more in detail the different lease types. A Farm Manager can also help you discuss other services that are available.



American Society
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Minnesota Chapter

MARKET CONDITIONS

BY TERRY LONGTIN, AFM

The MN Chapter and the Professionals input to this survey will cover areas of the State better than my comments, which are general in nature.

The land values in the State definitely increased throughout 2021 and the land rents held steady in 2021 with some increases as we completed leases for 2022 and beyond.

A year ago, January 2021, we had just recently seen commodity markets jump up substantially in late fall 2020 for both the cash and futures market. This put some pressure on land values to increase but not much pressure for rents to increase as most leases were already in place for 2021. The land values increased throughout the early months in 2021, up to planting time.

The three biggest factors with land values is commodity markets, yields and long-term interest rates. As the commodity markets continued to increase throughout the 2021 crop year, yields ended up better than expected in most areas and interest rates remained low when tied together increased the land values substantially this past fall and through year end, 2021. The increased commodity prices helped farm operators, even in the drought areas this past year, where we seen insurance claims. The crop insurance coverage is tied to commodity prices so when we have low commodity prices crop insurance coverage is low and when we have high commodity prices the crop insurance coverage is much higher. So, the areas with claims in 2021, due to the drought, received quite high dollars per acre as compared to claims in previous years.

When considering the above information along with additional Government dollars going to farmers in 2021 for Covid and prior years trade wars, the land value increase was the largest we have seen since 2012 - 2013. Also, land values have surpassed the highs we seen in those 2 years. Both land rents and land values have increased going into 2022. Land values increased much more than land rents and this is due to the high input costs going into 2022, holding the increase in rents lower than the increase in values. Land rents and values normally follow each other up and down but not at the same rate. This is what we are seeing now, land values are up much more than land rents.

Farm input costs are up substantially for the 2022 crop year with fertilizer being the largest increase, up as much as 100%. So, the commodity markets remain good but with increased expenses the outlook for profits in farming this year is expected to be down from 2021. So, the outlook for rents and land values in 2022 is to hold steady. We anticipate this will continue throughout the year, barring some major disruption. Any potential disruption could be weather, political, world issues, inflation, interest rates, etc, so we have a way to go to hold steady in 2022.

The excellent information in this survey is from the professionals of the Minnesota Chapter of the American Society of Farm Managers and Rural Appraisers, ASFMRA.

Sincerely,

Terry Longtin, AFM and Area Vice President Northern Region,
Farmers National Company

PROFESSIONALS CONTRIBUTING TO PUBLICATION

The Minnesota ASFMRA Chapter has over 100 members who were asked to participate in this year's Land Value and Cash Rent Survey. Just under 50 members throughout the state contributed to the Survey while typical response rates for an internal survey will generally receive 30-40% on average. A special **Thank You** to the listed contributors and to those who wished to remain anonymous.



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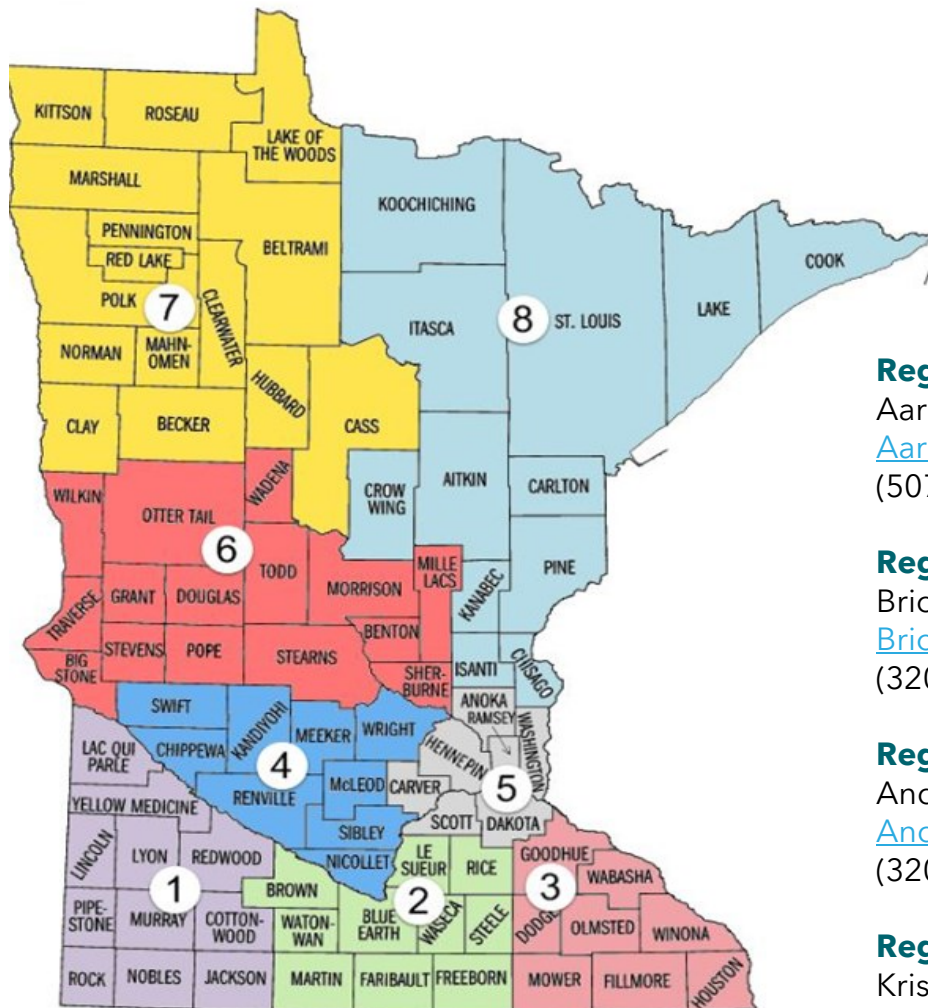


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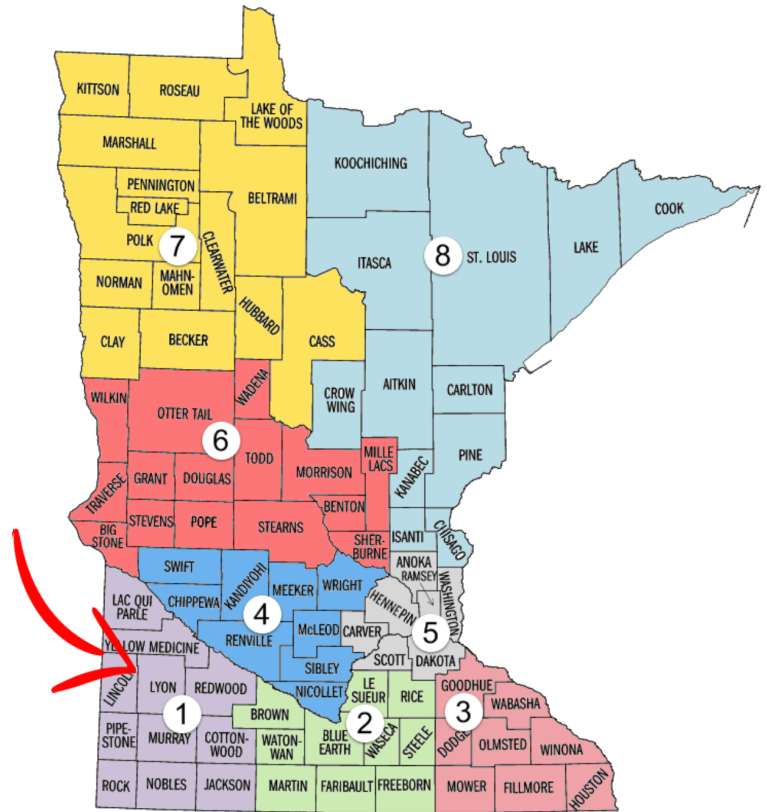
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REGION 1

About Region 1

Region 1, also known as the Southwest region of Minnesota, includes the counties of Rock, Nobles, Jackson, Pipestone, Murray, Cottonwood, Lincoln, Lyon, Redwood, Yellow Medicine, and Lac Qui Parle. The geographic location of this region starts on the Minnesota/ Iowa/South Dakota border and extends north and east to the Minnesota River. The area is primarily used for agriculture production such as - row crop farming, livestock farms, pasture, and non-tillable acres used for recreational use. This region has a diverse and variable set of soil types. The counties along the MN/IA border are highly productive, while the further north one goes, soil productivity and drainage slowly declines. Overall, the area has mid to highly productive soils for the state.

Major Commodities include corn and soybeans with smaller amounts of wheat, alfalfa, peas, sugar beets, and kidney beans. There is a considerable amount of livestock production in this area especially cattle feedlots and cow/calf operations, hog production, some dairy and poultry production.



Regional Captain—Brandon Kirk

Brandon owns and operates a family farm that raises corn, soybeans, and a couple hundred head of cattle in southwest Minnesota. Brandon attended Saint Cloud State University where he majored in Business Management and minored in Finance, Insurance, and Real Estate. He is experienced in dry cropland, irrigated cropland, farm headquarters, grain facilities, cattle feedlots, dairies, and swine facilities.

Brandon Kirk

Certified General Appraiser
Farm Manager
Licensed Real Estate Salesperson

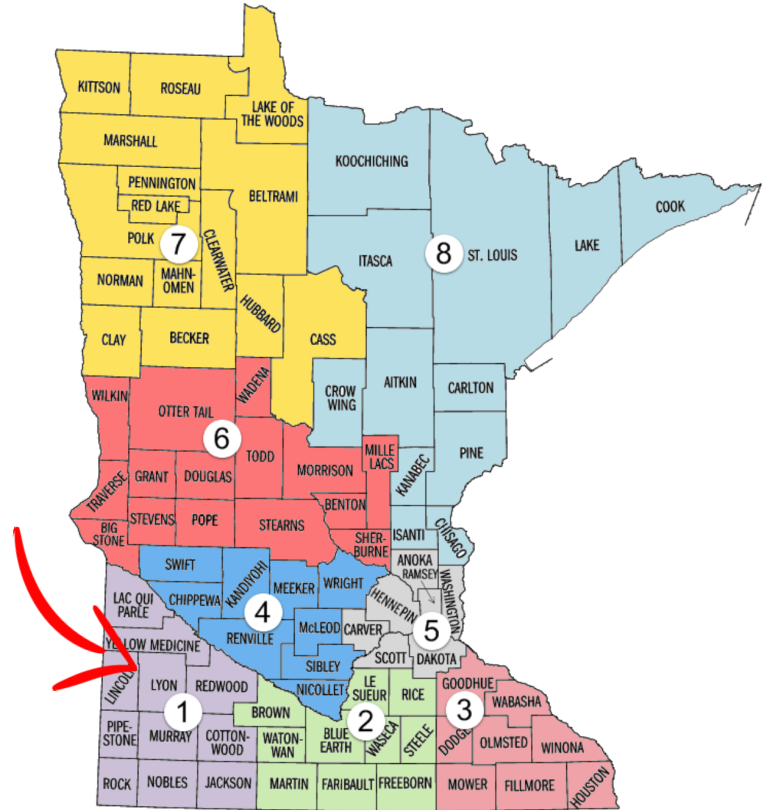
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Recap of Southwest Minnesota

Entering the 2021 growing season, subsoil moisture was a concern as the fall of 2020 lacked the necessary precipitation. Experts predicted abnormally dry weather conditions for the 2021 season but producers got off to an early and dry start to planting. The crops got off to a fast start with warm temperatures in April and May. June and July would play a pivotal role with some areas catching timely rains while 2 miles away a neighboring farm missed those rains. Overall, it appeared that the further southern and eastern counties received enough rain to produce average to slightly above average crops while the northern counties struggled to produce a crop at all. Of course, some severe windstorms decimated crops from Pipestone to Jeffers, MN in the middle of leaving producers the challenge of picking up down corn. Thankfully commodity prices continued to improve from the start of the year at \$4.70/bu, peaked around \$7.30 in May, and finished around \$5.95/bu. As a result, we saw land values jump in southwestern Minnesota 15%-to-35% from the fall of 2020 to the summer of 2021. With improved commodity prices and a jump in land values, input cost for 2022 followed. Fertilizer cost went from around \$110-to-\$130 per acre in 2021 to \$180-to-\$280 per acre. Land rents for 2022 increased 15%-to-25% depending on the area. Areas that received more rain and higher yields saw rents increase around 25%.



Future Outlook

Land values are anticipated to remain stable until the spring. From the spring to the end of the year land values could change depending on commodity prices, weather, and the political arena. The federal government has discussed raising interest rates multiple times over the next couple of years, which would more than likely impact land values. There been conversations surrounding a change in capital gains taxes and the 1031 exchange polices, which could also impact land values.

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Region 1 - Cropland Cash Rent				
County	Low	Average	High	Trend
Cottonwood	\$150-200	\$275-325	\$350-395	Higher
Jackson	\$175-225	\$265-325	\$335-400	Higher
Lac Qui Parle	\$175-230	\$230-240	\$240-300	Higher
Lincoln	\$200-250	\$250-300	\$300-325	Higher
Lyon	\$195-230	\$250-325	\$375-425	Higher
Murray	\$175-225	\$275-350	\$375-425	Higher
Nobles	\$175-225	\$225-315	\$340-450	Higher
Pipestone	\$200-220	\$280-330	\$350-400	Higher
Redwood	\$200-230	\$235-340	\$350-400	Higher
Rock	\$175-250	\$250-375	\$375-450	Higher
Yellow Medicine	\$175-200	\$200-300	\$300-375	Higher

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Region 1 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Cottonwood	22	\$5,900	\$13,800	\$9,800	Steady	Higher
Jackson	31	\$6,000	\$12,875	\$10,000	Higher	Higher
Lac Qui Parle	11	\$4,200	\$8,900	\$5,800	Lower	Stable to Higher
Lincoln	20	\$5,100	\$8,525	\$6,900	Higher	Higher
Lyon	13	\$5,300	\$10,700	\$8,200	Steady	Higher
Murray	37	\$4,500	\$14,375	\$8,525	Higher	Higher
Nobles	37	\$6,100	\$15,750	\$10,150	Higher	Higher
Pipestone	14	\$4,550	\$12,850	\$9,500	Steady	Higher
Redwood	38	\$5,650	\$13,450	\$9,025	Higher	Higher
Rock	18	\$5,700	\$15,950	\$10,550	Steady	Higher
Yellow Medicine	29	\$4,200	\$9,600	\$6,950	Higher	Higher

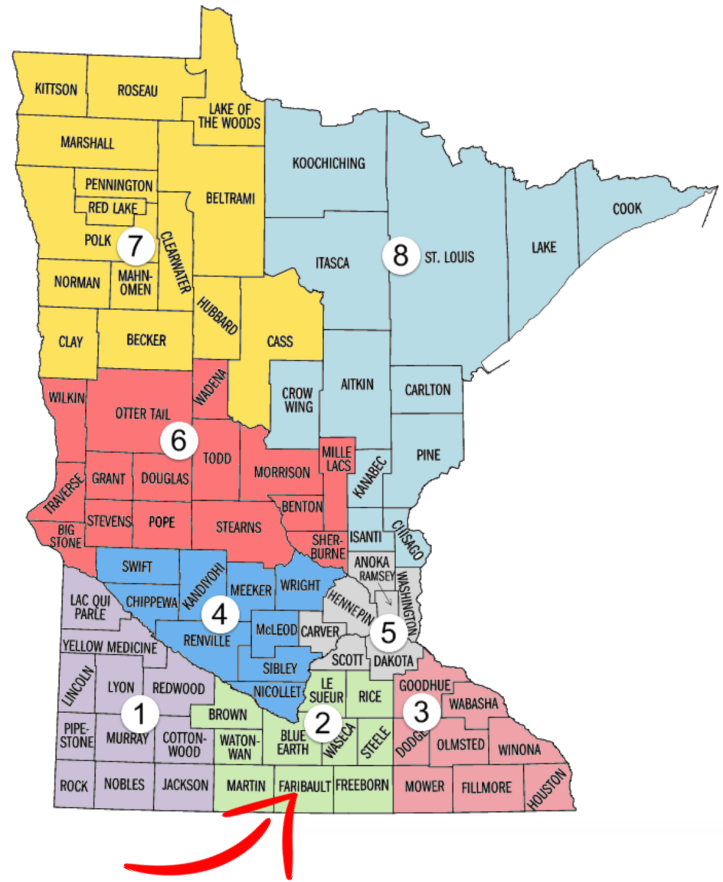
*Qualified Sales are subjective to the Regional Contributors

REGION 2

About Region 2

Region 2 is comprised of ten counties located south and east of the Minnesota River in south central Minnesota. The region begins at the south edge of the Twin Cities metro area then extending south down the U.S. Interstate 35 corridor to the Iowa border, then west in alignment with U.S. Interstate 90 along the Minnesota/Iowa border to and including Martin county, then north to the Minnesota River.

The area's economy is largely agriculturally based, to include crop and livestock production, grain and livestock processing, and various ancillary agricultural businesses. Primary crops grown are corn, soybeans, and cannerly crops (sweet corn & sweet peas). Other crops raised include small grains, wine grapes, and recently hemp. Various organic and specialty crops are grown as well.



Regional Captain–William LeDuc

As the Principal of **Agri-Realty**, Bill has been involved as a full-time real estate professional since 2007. Bill is a Minnesota Certified Real Property Appraiser and provides professionally prepared valuations of agricultural and rural real estate. Bill is also licensed as a real estate broker, helping clients buy, sell and lease agricultural and other property. Serving in various capacities through the past 35 years, Bill brings a wide breadth of experience in the areas of real estate, business management, marketing, sales, and business negotiations. Bill works to be customer focused and always strives to accomplish his client's objectives.

Bill is a graduate of Minnesota State University-Mankato; holds a Bachelor of Science Degree with majors in Finance and Management, and minor in Economics; holds Certified Real Property Appraiser and Real Estate Broker's licenses in the State of Minnesota. Bill is an Associate Member of the American Society of Farm Managers and Rural Appraisers, also a member of the Minnesota Association of Realtors and National Association of Realtors. Bill is a lifetime resident of the Mankato, Minnesota area.

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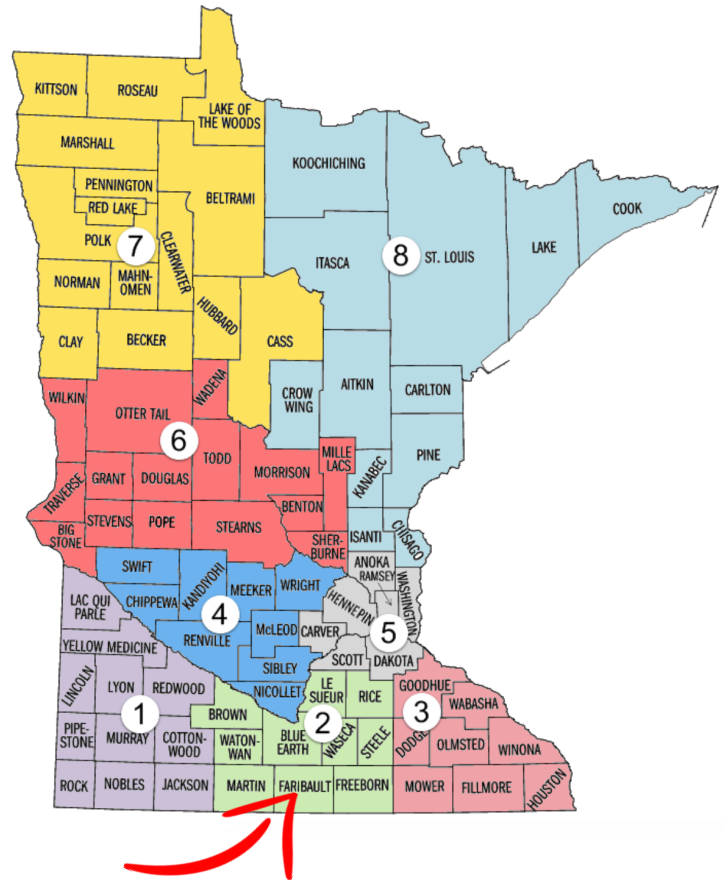
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REGION 2

South-Central Minnesota

There are many grain markets and large grain processing facilities in the region, to include Archer Daniels Midland (ADM), Alltech/ Hubbard Feeds, Big Gain, Cargill and Cenex Harvest States (CHS). Various cooperatives and other more local markets are scattered throughout the region. Corn grown in the area (and beyond) supplies five ethanol production plants within Region 2. Soybeans raised in the area supply a biodiesel production plant in Albert Lea, MN.

Swine production is a major contributor to the agricultural economy in this region. With major pork processors located close-by in Austin, MN (Hormel), Worthington, MN (JBS) and Windom, MN (HyLife), hog finishing sites are situated throughout the region to supply these facilities. Dairy and beef cattle production is evident in the region as well.



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REGION 2

Key Factors Affecting Farm Land Sale Prices

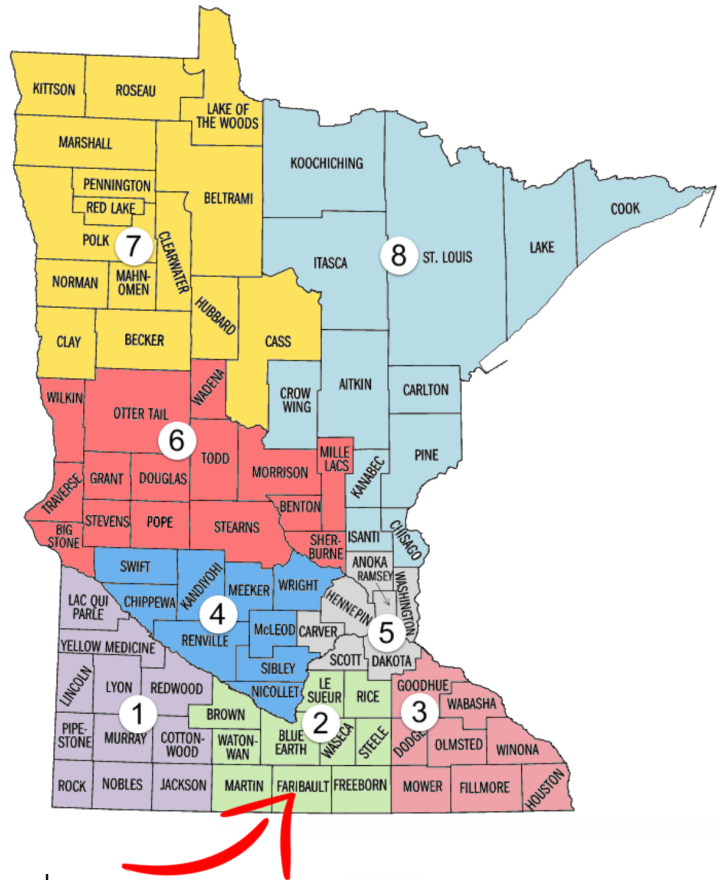
Interest Rates - Agricultural lending rates remained stable to slightly down in 2021. Ongoing low interest rates have encouraged borrowing and has arguably contributed to the recent run-up in land sale prices, and likely future rents.

The Federal Reserve has signaled that it will decrease its bond buying and, due to inflation concerns, will raise interest rates three times in 2022. Increasing the cost of credit will have an effect on all aspects of agriculture, including farm real estate.

Commodity Prices - Chicago corn prices started the year at \$4.40 per bushel, shot up to \$6.40 per bushel by May, backed off to \$5.60, then trended higher to \$5.96 per bushel to close the year.

Soybean prices started the year at \$11.17 per bushel, with a run up to \$14.58 by June, backed off, and recently has been trending higher, ending the year at \$13.27 per bushel. These higher trending (35% and 19% respectively) grain prices made 2021 one of the most profitable in almost a decade.

The run-up in grain prices is being followed by substantial increases in future costs of production (inputs-rents-fuel-machinery). Producers will have a considerably higher breakeven point in 2022, with the unknown of whether the higher grain prices will continue. Volatility is inevitable, and profitability will be challenged.



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Key Factors Affecting Farm Land Sale Prices continued

Trade - The worst of the trade war with China for ag products is behind us, but there are other challenges ahead. China has a population of 1.4 billion people and is the second largest economy in the world. China is the U.S.A.'s largest agricultural product customer, and at the same time have disagreements relating to technology, trade, human rights, climate change, its posturing in the Asia-Pacific region, among other things. China is the second largest holder of United States debt. All of these dynamics make for a complicated but important relationship.

Conclusion - Most all markets (commodities, stocks, bonds, real estate) continue to trade at unprecedented highs. Online ordering is disrupting how business is done in America. Covid-19 and its variants continue to spread wreaking havoc on health care systems, international supply chains, and is affecting many aspects of the economy, most notably the automobile industry.

With increasing concerns about inflation, crop producers and investors see buying farmland as a safe, long-term investment, with a steady cash flow, and a hedge against inflation.

In summary, low borrowing costs, higher commodity prices, and improved trade relations with China made for an excellent year for agriculture in southern Minnesota. The future is expected to bring higher interest rates, inflation, and wind down of Covid-19 related government support.

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REGION 2

Region 2 - Cropland Cash Rent				
County	Low	Average	High	Trend
Blue Earth	\$250	\$300	\$350	Higher
Brown	\$200	\$260	\$320	Slightly Higher
Faribault	\$215	\$310	\$400	Higher
Freeborn	\$250	\$325	\$400	Higher
Le Sueur	\$175	\$240	\$300	Higher
Martin	\$225	\$290	\$350	Higher
Rice	\$135	\$255	\$375	Higher
Steele	\$250	\$315	\$375	Higher
Waseca	\$250	\$325	\$400	Higher
Watsonwan	\$250	\$325	\$400	Higher

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Region 2 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Blue Earth	23	\$4,750	\$12,250	\$8,500	Higher	Higher
Brown	15	\$5,900	\$12,100	\$9,050	Steady	Higher
Faribault	17	\$6,775	\$15,100	\$9,450	Higher	Higher
Freeborn	24	\$6,450	\$10,815	\$8,400	Higher	Higher
Le Sueur	8	\$6,450	\$8,285	\$7,815	Lower	Slightly Higher
Martin	17	\$7,175	\$12,925	\$10,425	Steady	Higher
Rice	5	\$6,325	\$12,990	\$9,100	Lower	Higher
Steele	11	\$6,500	\$11,550	\$7,900	Lower	Slightly Higher
Waseca	4	\$9,150	\$11,000	\$10,400	Steady	Higher
Watsonwan	12	\$6,650	\$13,050	\$9,175	Steady	Higher

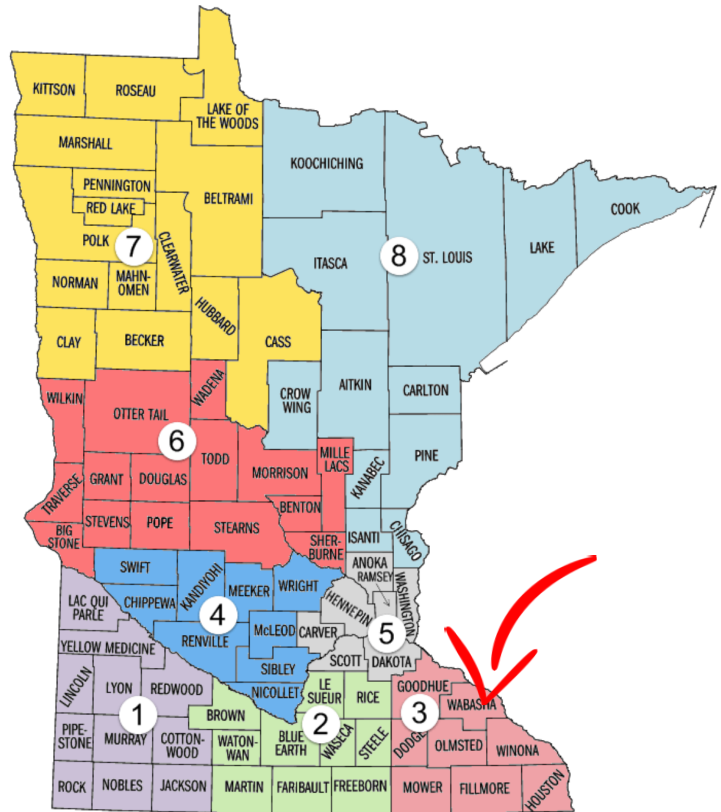
*Qualified Sales are subjective to the Regional Contributors

REGION 3

About Region 3

Region 3 includes 8 counties in southeast Minnesota and can generally be defined as the area north of the Iowa border, south of the Twin Cities metropolitan area, east of Interstate 35, and west of the Mississippi River. Region 3 is primarily rural in nature although there are pockets of urban influence adjacent to the Twin Cities and Rochester. These larger population centers provide a significant source of amenities as well as economic opportunity for the region outside of agriculture. The region has a good network of roads, railways, and river terminals on the Mississippi which facilitate movement and commerce.

The geography of Region 3 is heavily influenced by multiple river valleys that shape the landscape including the Mississippi, Cannon, Root, Whitewater, and Zumbro Rivers. These areas are often surrounded by good quality wooded recreational acreage that gives way to agricultural cropland where topography allows. Soil types can be highly variable from county to county but overall the area is home to a large amount of fairly good quality soils that are conducive to row crop production. Livestock production is also prevalent throughout the region although environmental regulation plays a large role in permitting new and existing facilities surrounding riparian areas.



Regional Captain–Aaron Stark

As a Certified General Appraiser, I enjoy working with agricultural producers, lending institutions, attorneys, and rural property owners to achieve their goals in the community I grew up in. My areas of interest and expertise include the valuation of agricultural cropland, grain and livestock facilities, rural residences, and recreational property in southeast Minnesota. While attending the University of Minnesota, St. Paul I earned a bachelor's degree in Agricultural Industries and Marketing with a Production Systems Emphasis. I have been an appraiser with the Farm Credit System and Compeer Financial since 2012.

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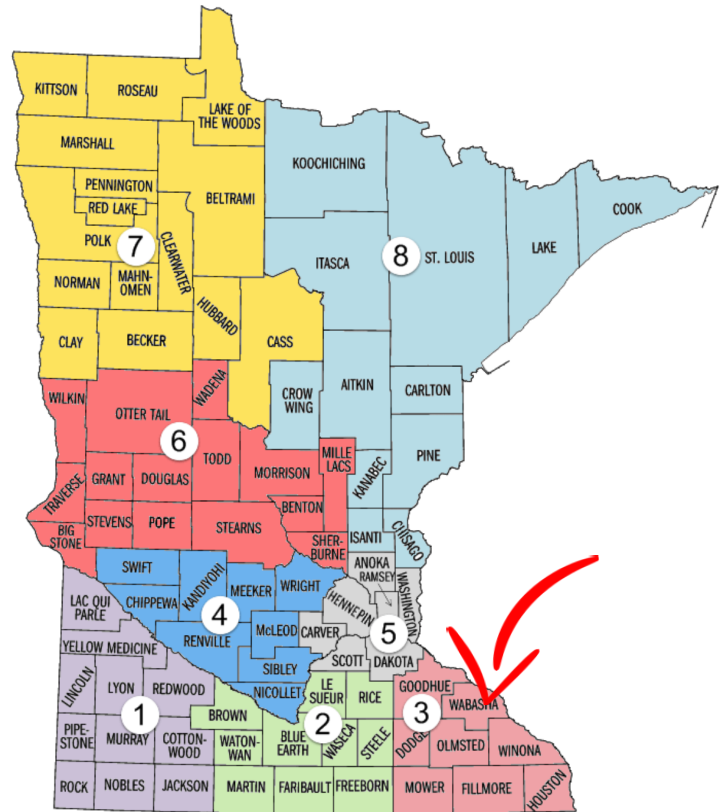
REGION 3

Recap of Southeast Minnesota

The 2021 growing season began in a fairly typical fashion and allowed for most producers to plant in a timely manner with minimal delays. Rainfall throughout the spring was limited in many areas which caused some issues with germination or early stage growth in some areas depending on the soil types present. Early season spray applications were unhindered by weather conditions and most were completed without issue. The continued lack of rainfall throughout the summer months resulted in stressed crops and reduced optimism by producers for the fall harvest. The fall brought increased rainfall throughout much of Region 3 and final yields in many areas and despite a dry growing season exceeded expectations and in many cases historical averages.

Commodity prices for both corn and soybeans were a major positive for producers throughout 2021. Starting just prior to the beginning of the year, commodity prices began a steady rally towards some of the strongest price levels in the past few years. As of the end of the year, cash bids offered at one of the largest cooperatives in the region were roughly \$5.75 per bushel for corn and \$13.25 for soybeans factoring in the applicable basis. Both of these figures are dollars above the average prices offered throughout the past few years in this area.

The agricultural land market was both active and aggressive throughout this past year and especially from September through December. The live auction market has returned as the primary means of marketing agricultural land in the area with strong results for most properties offered.







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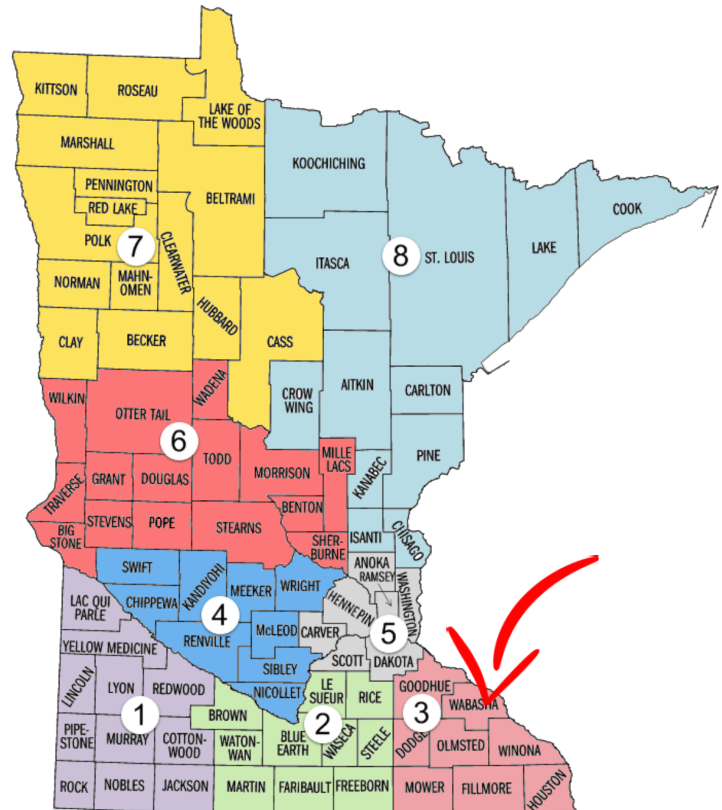
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Recap of Southeast Minnesota continued

While each county in Region 3 has its own unique characteristics, values for tillable land increased between 10% to 20% in most areas from the prior year. There were multiple farms that sold for over \$10,000 per acre which was rare prior 2021. Row crop producers made up a large share of the buyers of agricultural land; however, there were multiple large acreages that sold to investors located both in and outside of Minnesota.

Future Outlook

Strong commodity prices and inflation on a national level has fuelled much of the increased interest and value in agricultural cropland over the last year with no significant changes to either of these factors expected in the coming year. The same cooperative I quoted above is offering contracts for October 2022 delivery at roughly \$5.00 per bushel for corn and \$12.25 for soybeans which are still strong levels historically and offer some assurance that producers will be able to lock in fairly good margins for the coming year. On the other side of the equation, fertilizer and fuel costs are up significantly for the next growing season and many landlords have demanded stronger cash rents for 2022. Nevertheless, good quality cropland never seems to go out of style and interest and from producers and investors alike is expected to continue throughout the remainder of this winter sale season.



REGION 3

Region 3 - Cropland Cash Rent				
County	Low	Average	High	Trend
Dodge	\$225	\$290	\$350	Higher
Fillmore	\$200	\$250	\$300	Higher
Goodhue	\$225	\$290	\$350	Higher
Houston	\$200	\$250	\$300	Higher
Mower	\$225	\$290	\$350	Higher
Olmsted	\$225	\$290	\$350	Higher
Wabasha	\$200	\$250	\$300	Higher
Winona	\$200	\$250	\$300	Higher

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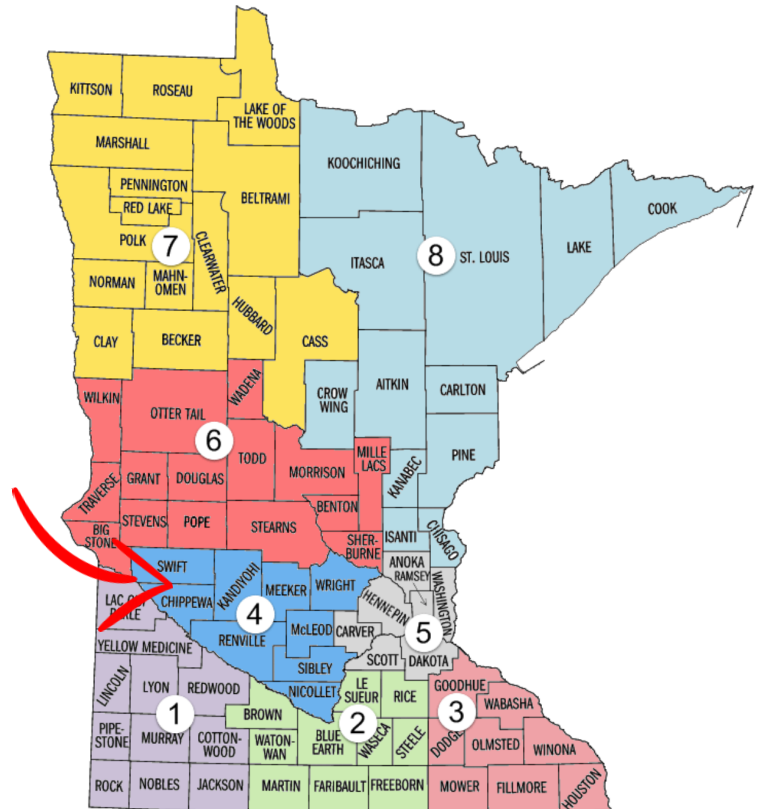
Region 3 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Dodge	16	\$4,800	\$12,250	\$8,500	Stable	Higher
Fillmore	28	\$4,275	\$13,275	\$7,450	Higher	Higher
Goodhue	35	\$4,800	\$11,350	\$8,350	Higher	Higher
Houston	5	\$5,125	\$7,900	\$5,700	Steady	Higher
Mower	33	\$4,750	\$11,000	\$8,225	Higher	Higher
Olmsted	23	\$4,700	\$11,800	\$8,000	Higher	Higher
Wabasha	6	\$3,650	\$6,850	\$5,250	Steady	Stable
Winona	14	\$5,000	\$10,100	\$7,075	Higher	Higher

*Qualified Sales are subjective to the Regional Contributors

REGION 4

About Region 4

Region 4, the Central Region, includes the counties of Chippewa, Kandiyohi, McLeod, Meeker, Nicollet, Renville, Sibley, Swift and Wright. This geographic region begins approximately 30 miles west of the Twin Cities, and extends west towards the South Dakota border, and north of the Minnesota River. This area has mid to highly productive soils in the southern portion as well as the northern portion, which has some rolling land. Corn and soybeans are the major agricultural crops. Region 4 also contains slightly more than 110,000 acres of sugar beets grown for the Southern Minnesota Sugar Beet Co-op, which is located in Renville County. Livestock enterprises in the area include turkeys, swine, eggs, beef cattle and dairy operation. Jennie-O Turkey Store is headquartered in Willmar with a couple of processing plants in the region.



Regional Captain—Brice Hedrick

Brice Hedrick came to AgCountry Farm Credit Services in 2016, after more than a decade appraising a wide variety of residential, commercial and agricultural properties in west central Minnesota where he was a partner in a local appraisal firm. He is based in the Willmar office, primarily covering AgCountry's south region. Brice earned his bachelor's degree in Business Management with a composite in Computer Science and Real Estate, from Chadron State College.

Brice Hedrick

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Recap of Central Minnesota

2021 has continued to build off a strong ending to 2020. Although, 2021 experienced mostly dryer conditions, timely rains again provided some relief. Most areas experienced average to above average yields overall. 2021 ended with continued strong prices and increased sales activity. Little slowed the farmers during harvest this season and many finished their work early. Farm incomes proved better than expected given the drought conditions. The number of sales increased throughout 2021 with most buyers being farmers purchasing land to expand near their existing operations. These sales were a mix of privately negotiated, word of mouth and auctions. Farmland prices remained strong with increasing values for top quality land, with marginal land experiences increases as well, albeit not as strong.

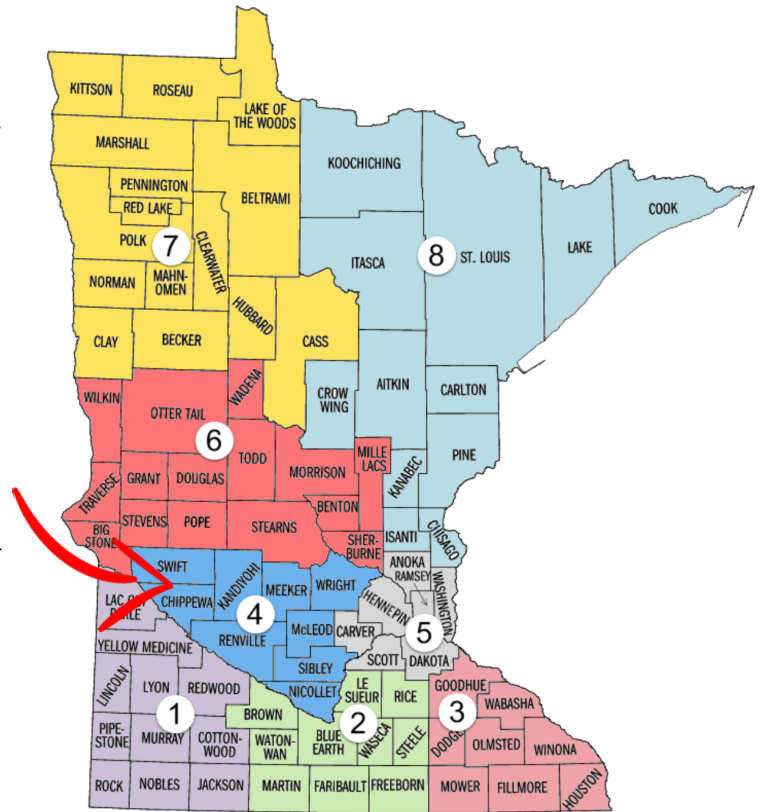
Dairy in the area has continued to see the expansion of numerous large facilities in Chippewa and Swift Counties. Several of these facilities are up to 9,500 head and recently acquired land has been secured for expansion of additional facilities in the future.

Sugar beets harvest for 2021 experienced the highest tonnage per acre in the company's 47-year history. Southern Minnesota Sugar Beet Cooperative harvested 36.5 tons per acre, which was a record by 6 tons per acre. Farmers planted 121,385 acres but had to leave approximately 20% of those in the field, only harvesting 97,000 acres which is the amount the amount the factory can effectively process.

The shrimp business has continued to expand in west central Minnesota. A former dairy farmer, two former poultry farmers and Nova Tech Engineering are working to produce the first commercial-scale saltwater shrimp to be born, raised, and processed in Minnesota.

Puris Proteins has acquired the former AMPI dairy facility in Dawson, (Lac qui Parle County) and with the \$100 million investment by Cargill has upgraded the plant into a state-of-the-art facility for pea protein. This facility will bring approximately 100 new jobs to western Minnesota community. Puris will produce pea protein sourced from a network of 400 growers raising peas on more than 200,000 acres.

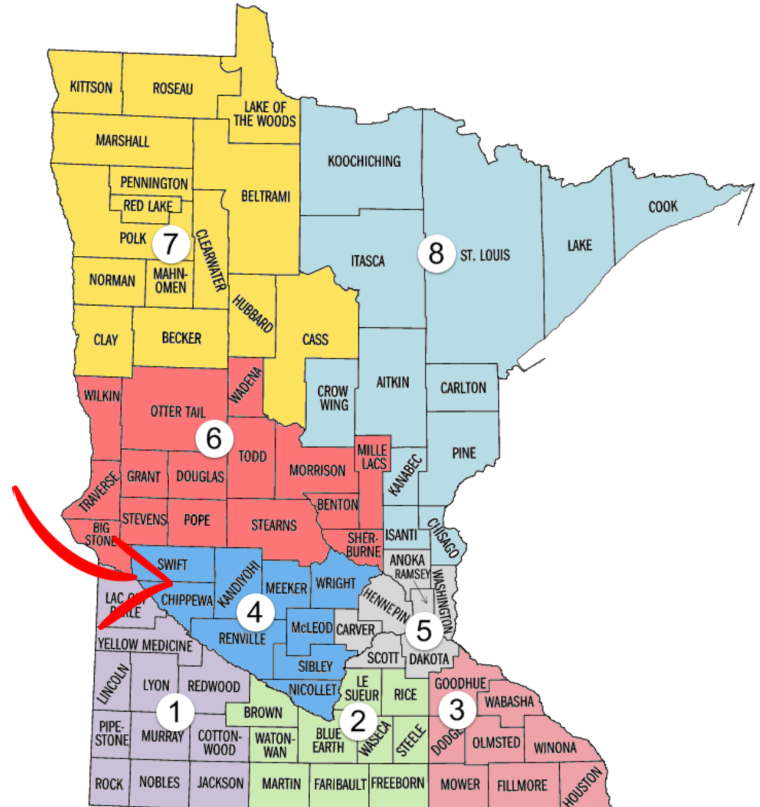
Recreational properties in the area are located mostly along the Minnesota River along the southern boundary and in the northern areas of the region. Recreational properties continue to show stable to moderately increasing values and stable to increasing number of sales. Farmland prices remained strong with increasing values for top quality land, with average quality farmland remaining steady.



REGION 4

Future Outlook

With historically low lending rates expected to rise this coming year, demand for real estate listings / auctions of agricultural production land and recreational properties should slow compared to the feverish pace of 2021. Rising costs and potential lower commodity prices would have a negative impact and lead to lower incomes for 2022. Cash rent will continue to have upward pressure for the 2022 season.



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Dallas Mahoney
Accredited Farm
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Estate Salesperson

Brandon Kirk
Farm
Manager
Licensed Real
Estate Salesperson
Certified General
Appraiser

Dan Sprengeler
Farm
Manager
Licensed Real
Estate Salesperson
Real Estate
Appraiser

REGION 4

Region 4 - Cropland Cash Rent				
County	Low	Average	High	Trend
Chippewa	\$160	\$280	\$400	Higher
Kandiyohi	\$150	\$325	\$500	Higher
McLeod	\$175	\$225	\$275	Higher
Meeker	\$140	\$220	\$300	Higher
Nicollet	\$200	\$265	\$325	Higher
Renville	\$200	\$340	\$475	Higher
Sibley	\$200	\$250	\$300	Higher
Swift	\$150	\$225	\$300	Higher
Wright	\$175	\$225	\$275	Higher

**Cash Rents are indicative of land that is professionally managed by ASFMRA Chapter Members

Region 4 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Chippewa	30	\$4,000	\$11,000	\$8,000	Higher	Higher
Kandiyohi	32	\$4,500	\$11,500	\$8,500	Higher	Higher
McLeod	16	\$5,800	\$9,300	\$7,200	Higher	Stable
Meeker	20	\$3,500	\$9,000	\$6,000	Steady	Higher
Nicollet	18	\$7,000	\$11,000	\$9,000	Higher	Higher
Renville	35	\$5,000	\$13,000	\$9,000	Higher	Higher
Sibley	40	\$7,000	\$10,500	\$9,000	Higher	Higher
Swift	30	\$4,200	\$11,000	\$8,000	Higher	Higher
Wright	14	\$4,800	\$9,200	\$7,000	Higher	Higher

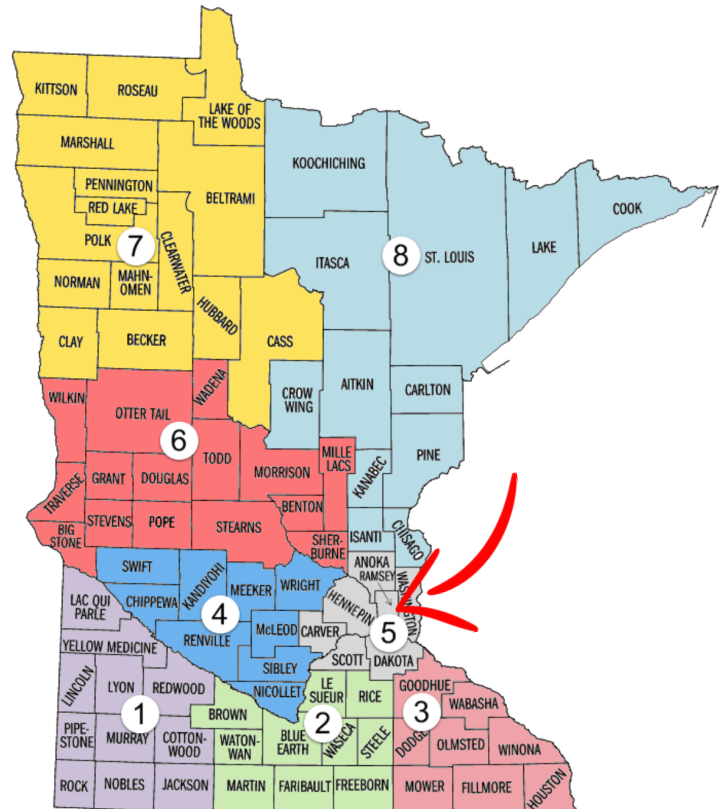
*Qualified Sales are subjective to the Regional Contributors

REGION 5

About Region 5

This region encompasses the land area considered to be the Twin Cities Metropolitan Area. It includes the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The geographic region begins with the state line of Wisconsin to the east and is built around the Mississippi, Minnesota, and St. Croix Rivers. Somewhat variable topography with higher elevations located furthest west and away from the Mississippi River historical riverway.

While the area is heavily developed and expansion of residential and commercial development is located throughout there are pockets of remaining cropland and farming operations at this time on the outer edges. Land quality is highly variable with areas of highly productive loamy soils in the western and southwestern counties, but also sandier loamy soils (southern and northern counties) and peat soils in the north. Recreational properties are quite uncommon in this market.



Regional Captain—Andrew Wendlandt

Andrew has been with Compeer since 2016 and is based out of the Waite Park office. Andrew specifically covers the central Minnesota marketplace area for Compeer. In addition, also works in western and northern Minnesota and is licensed in North Dakota. His experience reflects the diversity of this marketplace including irrigated tracts, grain facilities, and a variety of livestock facilities. He earned bachelor's degrees in Biology and Criminology from the University of Minnesota-Duluth. He enjoys many outdoor activities including hunting, fishing and camping, as well as, helping on his families farming operation in So. Minnesota.

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REGION 5

About Region 5 continued

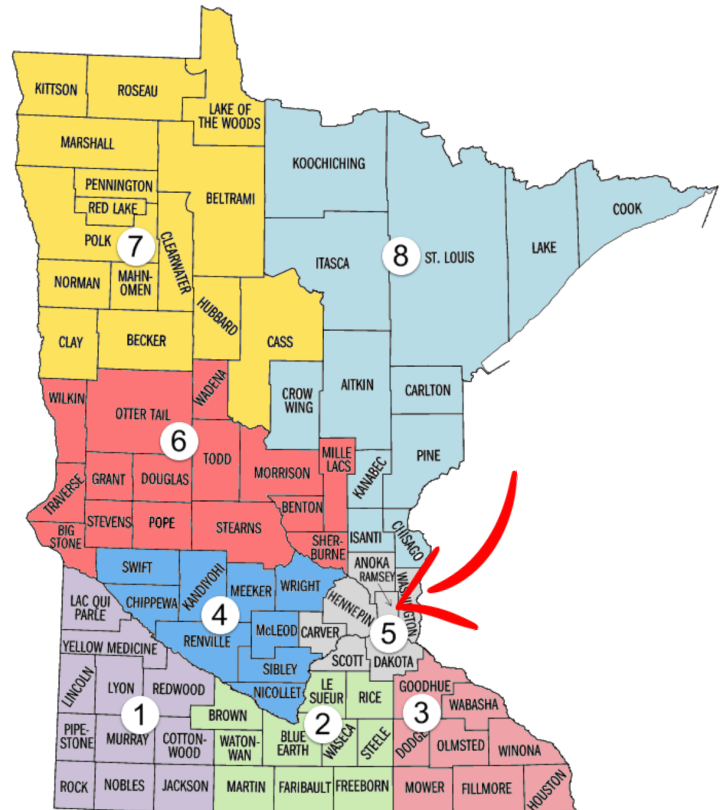
Primary agricultural commodities include: Corn, soybeans, turf/sod, edible beans, canning crops such as peas and sweetcorn, arboreal and horticultural crops, and equine. Livestock operations are increasingly rare beyond hobby or part-time sized operations. Equine operations remain strong at this time, with continued facility expansion in the western suburbs and very high occupancy rates being reported. Sales of cropland are sporadic, often purchased by speculative investors, with decreasing numbers of farming operations remaining. These sales are often marketed with agriculture as an interim or temporary use, prior to further development. Rents continued to be highly variable but overall stable throughout the region.

Recap of Region 5

In areas connected to or adjacent to municipalities with established city services (mainly sewer/water), level of developer interest and the numbers of new developments started and homes constructed has remained at historically high level. At this time, this appears to be the greatest restriction to aggressive development expansion with developers wary to further commit resources. In addition, municipality imposed restrictions also are in place to further restrain rapid and uncontrolled growth in several areas. The pace of development was very strong prior to this COVID-19. The effect of this outbreak on the real estate market is unknown at this point for the long term but for a short while caused some developer related panic and delaying of future development plans. It was expected that it would have some impact on development properties due to the financing available or the willingness of developers to commit after the events in the last economic downturn. Based on recent activity though this panic has mostly gone away given the pacing of new construction.

Values for this transitional ground is highly varied based on many of these factors; mainly locational. Some signs of slowing have been occurring though with marketed properties exhibiting increasing exposure times or several price reductions prior to sales but overall the pacing of new construction homes was brisk and sales of development or future expansion speculation properties paced this trendline.

While the area is heavily developed and expansion of residential and commercial development is located throughout there are pockets of remaining cropland and farming operations at this time on the outer edges. Land quality is highly variable with areas of highly productive loamy soils in the western and southwestern counties, but also sandier loamy soils (southern and northern counties) and peat soils in the north. Recreational properties are quite uncommon in this market.

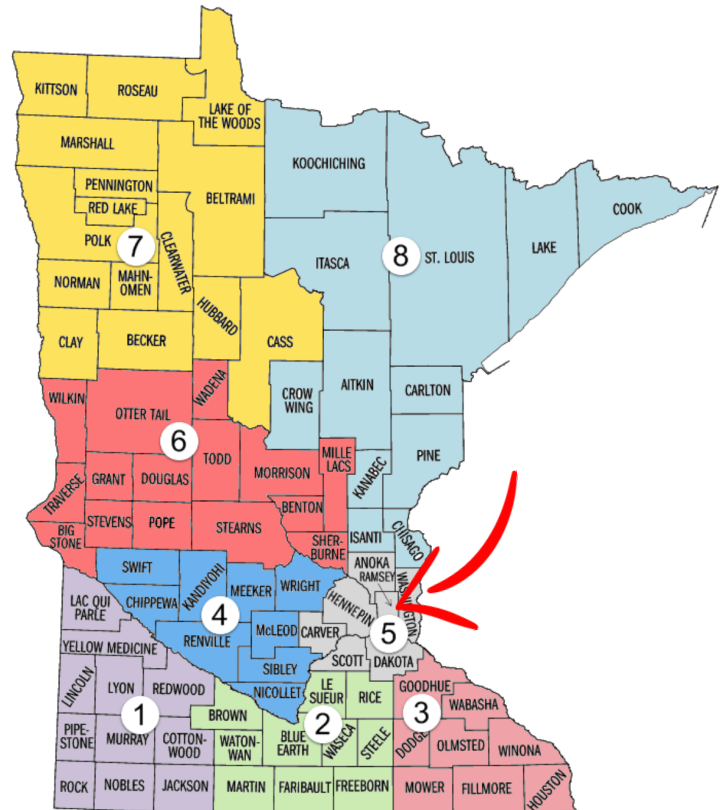


REGION 5

Recap of Region 5 continued

Primary agricultural commodities include: Corn, soybeans, turf/sod, edible beans, canning crops such as peas and sweetcorn, arboricultural and horticultural crops, and equine. Livestock operations are increasingly rare beyond hobby or part-time sized operations. Equine operations remain strong at this time, with continued facility expansion in the western suburbs and very high occupancy rates being reported. Sales of cropland are sporadic, often purchased by speculative investors, with decreasing numbers of farming operations remaining. These sales are often marketed with agriculture as an interim or temporary use, prior to further development. Rents continued to be highly variable but overall stable throughout the region.

The future outlook of this region remains mostly unchanged with most rental rates remaining steady, as are land transactions.





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Region 5 - Cropland Cash Rent				
County	Low	Average	High	Trend
Anoka	\$60	\$105	\$150	Stable
Carver	\$150	\$215	\$275	Stable
Dakota	\$200	\$250	\$300	Stable
Hennepin	\$100	\$165	\$225	Highly Variable
Ramsey		Limited		
Scott	\$175	\$225	\$275	Stable
Washington	\$200		\$250	Stable

**Cash Rents are indicative of land that is professionally managed by ASFMRA Chapter Members

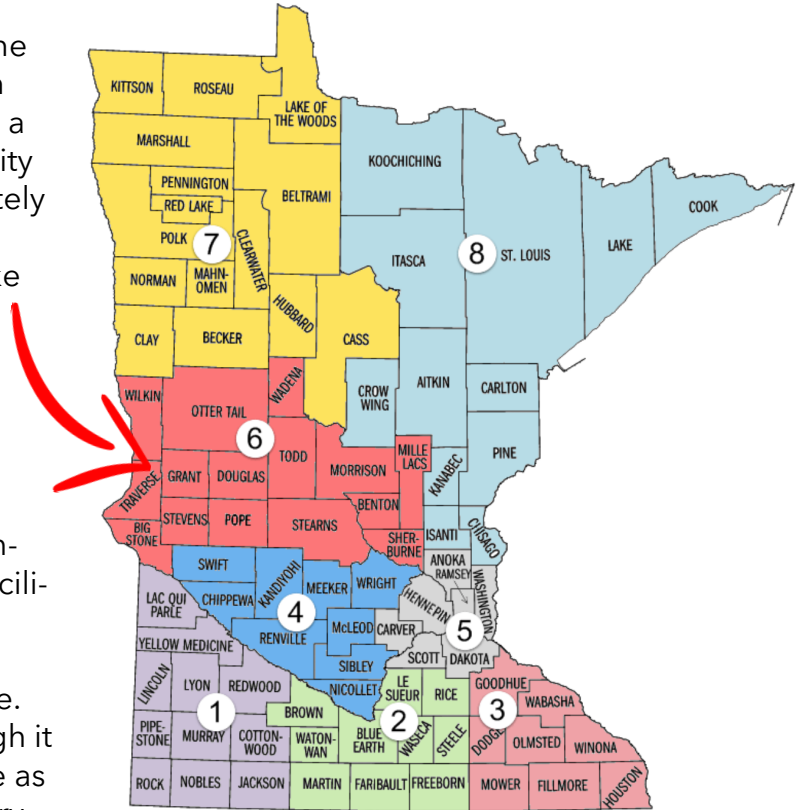
Region 5 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Anoka	3	\$7,100	\$7,600	\$7,400	Transitional influenced- Limited cropland sales	
Carver	7	\$6,200	\$10,200	\$8,000	Steady	Higher
Dakota	6	\$5,400	\$9,200	\$7,500	Lower	Steady
Hennepin	Limited					
Ramsey	Limited					
Scott	7	\$7,900	\$10,000	\$9,200	Transitional. More properties are being sold lots	
Washington	Limited					

*Qualified Sales are subjective to the Regional Contributors

REGION 6

About Region 6

Agricultural activity is the main land use in the southern and western portions of the region with the north/northeastern counties having a higher recreational influence. While a majority of the crop acres in the area are predominately used to produce corn, soybeans and alfalfa, the diverse soils seen across the region make certain areas suitable for specialty crops like potatoes, sugar beets and edible beans. Animal agriculture has a strong presence in the region. Pilgrim's Pride and Jennie-O have poultry processing plants in the region. Additionally, live-stock production is a commonplace throughout the market, with a mix of both feedlot facilities and pasture-raised cow/calf operations. Agriculture land that is not suitable for crop production is often fenced for use as pasture. Hog production is a factor in the area, though it does not have as large of a market presence as the southern portion of the state. Dairy is very prevalent with a mix of herd sizes ranging from under 100 cows to large, multi-facility commercial operations.



Regional Captain—Kristin Wittrock

Kristin has been with Compeer Financial since 2018 and received her Certified General License through the state of Minnesota. She earned a bachelor's degree in crop and soil science from the University of Wisconsin-River Falls and completed the majority of her appraisal training through the American Society of Farm Managers and Rural Appraisers (ASFMRA). She primarily services Morrison, Stearns, Todd, Carlton, Pine, Aitkin, Itasca, Cass and Crow Wing Counties where she specializes in agriculture and rural residential appraisals. Kristin has been active in agriculture throughout her life. She enjoys working with farmers and members of the rural community to achieve their goals, as well as working on her family's row crop operation in central Minnesota.

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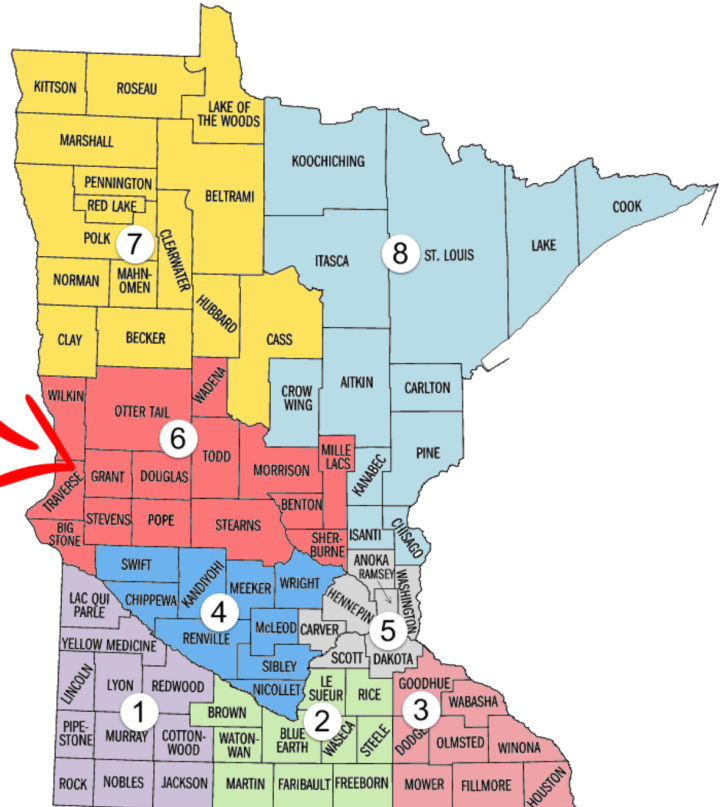
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REGION 6

Recap of Region 6

Below normal rainfall and high temperatures resulted in the worst drought in years for a large part of the region. Many farmers were expecting a hit on yields, however late rains combined with good genetics allowed for crops to recover and provide high yields in areas with moisture retaining soils. The later part of 2021 has shown soaring increases in input prices such as fertilizer, chemical, diesel, labor, and machinery. Low interest rates and strong commodity prices have increased the demand for productive farmland and have contributed to increasing rental rates. Land values for recreational and rural residential tracts showed an upward trend in 2021. The proximity of the region to the Twin Cities and Fargo as well as the large number of lakes and recreational hunting tracts encourages a strong demand. Throughout 2020 and 2021, many have chosen to move out of highly populated areas and relocate due to the pressure of Covid-19 and continued transition to working remotely. Land values are expected to remain strong leading into the new year.



Future Outlook

Input prices are projected to remain strong throughout 2022, potentially decreasing profits for next year's crop. Low interest rates and high commodity prices continue to drive demand for productive cropland heading into 2022, however potential increases in interest rates would begin to stabilize land values in the later part of the year.



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Region 6 - Cropland Cash Rent

County	Low	Average	High	Trend
Benton	\$75	\$130	\$180	Stable to Slightly Higher
Big Stone	\$175	\$200	\$225	Stable
Douglas	\$150	\$200	\$250	Higher
Grant	\$150	\$190	\$225	Stable
Pope	\$150	\$190	\$225	Stable
Mille Lacs	\$50	\$105	\$160	Stable
Morrison	\$70	\$125	\$175	Higher
Otter Tail	\$110	\$170	\$225	Stable to Slightly Higher
Sherburne	\$75	\$215	\$350	Stable to Slightly Higher
Stearns	\$125	\$190	\$250	Stable to Slightly Higher
Stevens	\$175	\$225	\$275	Higher
Todd	\$70	\$135	\$200	Stable to Slightly Higher
Traverse	\$175	\$220	\$260	Stable
Wadena	\$60	\$85	\$110	Stable
Wilkin	\$175	\$200	\$225	Stable to Slightly Higher

**Cash Rents are indicative of land that is professionally managed by ASFMRA Chapter Members

Region 6 - Cropland Sales (per tillable acre)

County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Benton	11	\$3,800	\$4,200	\$4,000	Higher	Higher
Big Stone	13	\$4,600	\$6,300	\$5,800	Higher	Higher
Douglas	8	\$3,500	\$6,500	\$5,500	Stable	Stable
Grant	10	\$5,400	\$8,400	\$6,800	Stable	Higher
Pope	14	\$3,000	\$6,500	\$5,500	Higher	Higher
Mille Lacs	5	\$2,900	\$4,200	\$3,500	Stable	Stable to Slightly Higher
Morrison	11	\$2,600	\$5,100	\$3,500	Stable	Stable
Otter Tail	16	\$3,000	\$5,500	\$4,200	Stable	Higher
Sherburne	6	\$3,800	\$5,800	\$4,700	Stable	Higher
Stearns	23	\$4,000	\$7,700	\$5,400	Higher	Higher
Stevens	7	\$5,000	\$10,000	\$6,000	Higher	Higher
Todd	9	\$1,700	\$4,700	\$3,000	Stable	Stable
Traverse	10	\$5,000	\$7,200	\$6,200	Stable	Higher
Wadena	Limited	\$1,500	\$2,300	\$2,000	Stable	Stable
Wilkin	8	\$4,200	\$6,600	\$5,500	Lower	Slightly Higher

*Qualified Sales are subjective to the Regional Contributors

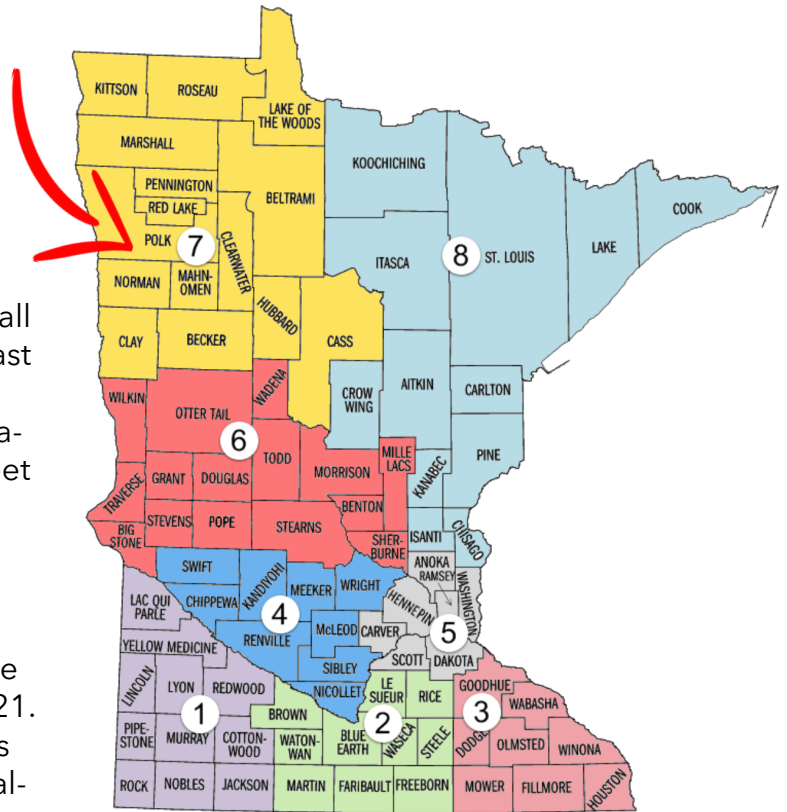
REGION 7

About Region 7

The deep productive silty clay soils of the Red River Valley were formed by the sediment of the ancient Lake Agassiz. Primary commodities include corn, soybeans, spring wheat and sugar beets. East of the Red River Valley is primarily lighter soils on the beach ridges. Dry edible beans, potatoes, sunflowers, and small grains are also grown Region 7, primarily east of the Red River Valley. Historically, sugar beets and potatoes have been highly profitable crops. Land that is suitable for sugar beet and potato production typically sells at the high end of the range.

Recap of Region 7

We left off in late 2020 with low soil moisture levels, and the trend continued through 2021. A hot and dry summer was met with relief as rains soaked some areas of the Red River Valley in late August and early September.



Regional Captain—Megan Sheeley, ARA

Megan is part of the Crown Appraisals team, specializing in the valuation of agribusiness facilities including grain elevators, fertilizer plants, seed plants, sugar beet plants, etc. Megan grew up on a grain and sugarbeet farm in southeast North Dakota before studying Agricultural Economics at NDSU. She currently lives in West Fargo, ND, with her husband Ryan. Megan can be reached at (701) 478-3130 or megan@crownappraisalsinc.com.

Megan Sheeley, ARA

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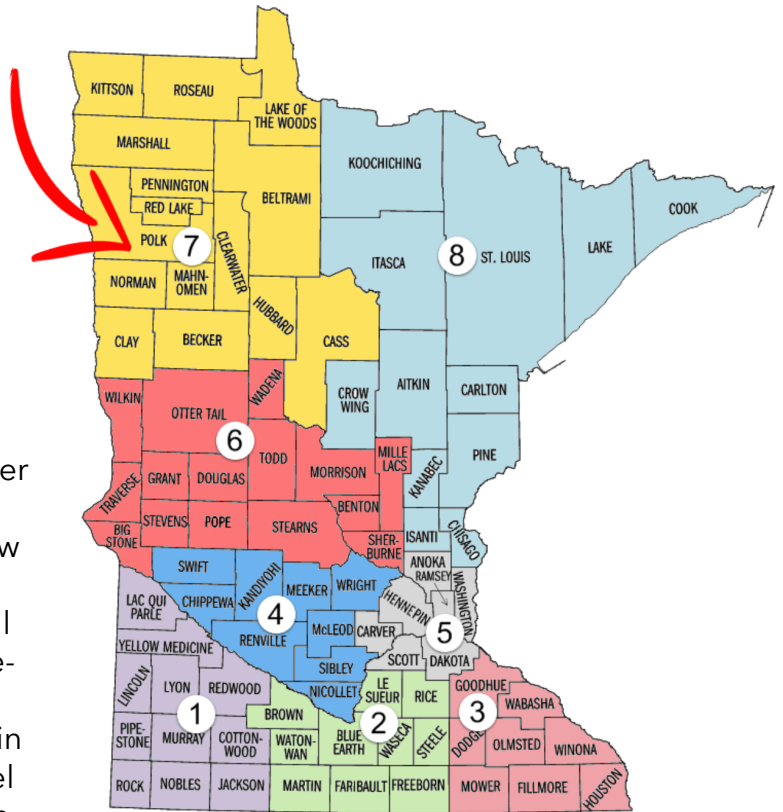
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megan@crownappraisalsinc.com



Recap of Region 7 continued

Yields suffered where the late summer rains evaded certain areas, but many farmers remarked that the crop was "better than expected." Sugarbeet yields ranged widely throughout the Valley, but the area's two sugar cooperatives announced higher payments this year than in recent years.

Demand for farmland, continuing to be bolstered by low interest rates, has remained quite strong. For a time, land in the Red River Valley was rising at a slower rate relative to other parts of the Midwest. There were a few strong sales in early 2021, but sales began consistently reaching higher prices in the fall of 2021. Land values in some parts of the region rose 40% within three to six months. Many public auctions have taken place late in the year and have been met with a high level of interest. A majority of the buyers are farmers. Some investors are becoming more interested in buying farmland in an effort to brace for potential inflation.



Future Outlook

With fertilizer and chemical skyrocketing, it's questionable what farm income will look like in 2022. Even if crop prices maintain current levels, input prices will leave less margin for the farmer, which may lead to lower demand for farmland. Even so, there continues to be strong demand for productive farmland from investors as well as farmers who have managed to carry less debt. Rental rates have reportedly increased some for the coming crop year but not quite to the extent that land values have increased. As more multi-year contracts are renegotiated in coming years, it's likely that we will see upward pressure on cash rents if commodity prices and farmland values remain strong.



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REGION 7

Region 7 - Cropland Cash Rent				
County	Low	Average	High	Trend
Becker	\$85	\$150	\$175-215	Stable
Beltrami	\$60	\$130	\$200	Higher
Cass		Limited		
Clay	\$150	\$190	\$225	Stable to Slightly Lower
Clearwater	\$25	\$50	\$75	Stable
Hubbard		Limited		
Kittson	\$40	\$100	\$160	Higher
L.O.W		Limited		
Mahnomen	\$125	\$150	\$170	Higher
Marshall	\$40	\$105	\$170	Higher
Norman	\$100	\$165	\$225	Higher
Pennington	\$30	\$80	\$130	Stable
Polk	\$40	\$145	\$250	Higher
Red Lake	\$40	\$105	\$170	Higher
Roseau	\$30	\$75	\$120	Higher

**Cash Rents are indicative of land that is professionally managed by ASFMRA Chapter Members

Region 7 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Becker	2	\$4,000	\$4,550	\$4,275	Stable	Higher
Beltrami	3	\$1,010	\$1,600	\$1,370	Stable	Steady
Cass	Limited				Limited	Limited
Clay	30	\$2,750	\$7,300	\$5,300	Stable	Higher
Clearwater	2	\$925	\$1,425	\$1,175	Stable	Steady
Hubbard	Limited					
Kittson	13	\$1,500	\$3,500	\$2,325	Stable	Steady
L.O.W	Limited					
Mahnomen	7	\$3,000	\$4,400	\$3,550	Stable	Steady
Marshall	48	\$1,070	\$6,200	\$3,400	Higher	Higher
Norman	44	\$2,600	\$6,500	\$4,700	Higher	Higher
Pennington	6	\$1,550	\$2,715	\$2,100	Stable	Higher
Polk	51	\$1,600	\$7,400	\$4,700	Higher	Higher
Red Lake	6	\$1,950	\$3,325	\$2,625	Stable	Higher
Roseau	10	\$975	\$1,800	\$1,300	Higher	Higher

*Qualified Sales are subjective to the Regional Contributors

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Tyler Walsh, CPA/ABV, ARA
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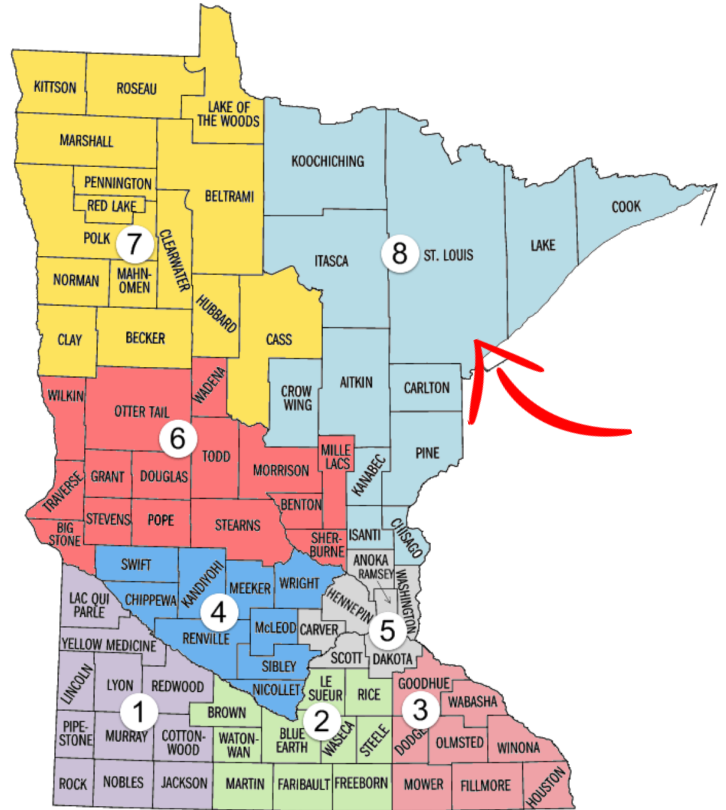
Megan Sheeley, ARA
Accredited Rural Appraiser
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REGION 8

About Region 8

This region encompasses the Northeastern Region of Minnesota. It includes the counties of Isanti, Kanabec, Chisago, Pine, Carlton, Aitkin, Crow Wing, Itasca, Koochiching, St. Louis, Lake, and Cook. The geographic region borders Wisconsin to the east, Lake Superior on the NE and Canada to the north. The area encompasses some of the largest and least densely populated counties in the state of Minnesota. Due to a shorter growing season, lack of topsoil depth and quality, poor drainage, and often bedrock the more northern counties are very limited in agricultural operations. There is some hay production and beef cattle. Typically this region is more focused on mining and timber/wood operations. Chisago and Isanti counties are heavily influenced by the Twin Cities Metro area and with broken up sandier soils properties are typically purchased for recreational or rural residential sites. The more southerly counties including Isanti, Chisago, Kanabec, and southern Pine offer pockets of quality, productive complex and sandy loam soils.



Regional Captain—Andrew Wendlandt

Andrew has been with Compeer for 4 years, based out of the Waite Park office. Andrew received his Certified General from the State of Minnesota in 2019. He specifically covers Benton, Sherburne, Mille Lacs, Kanabec, Isanti, Anoka, and Hennepin Counties in east-central Minnesota. His experience reflects the diversity of this marketplace. He earned bachelor's degrees in Biology and Criminology from the University of Minnesota-Duluth. He enjoys many outdoor activities including hunting, fishing and camping, as well as, helping on his families farming operation in So. Minnesota.

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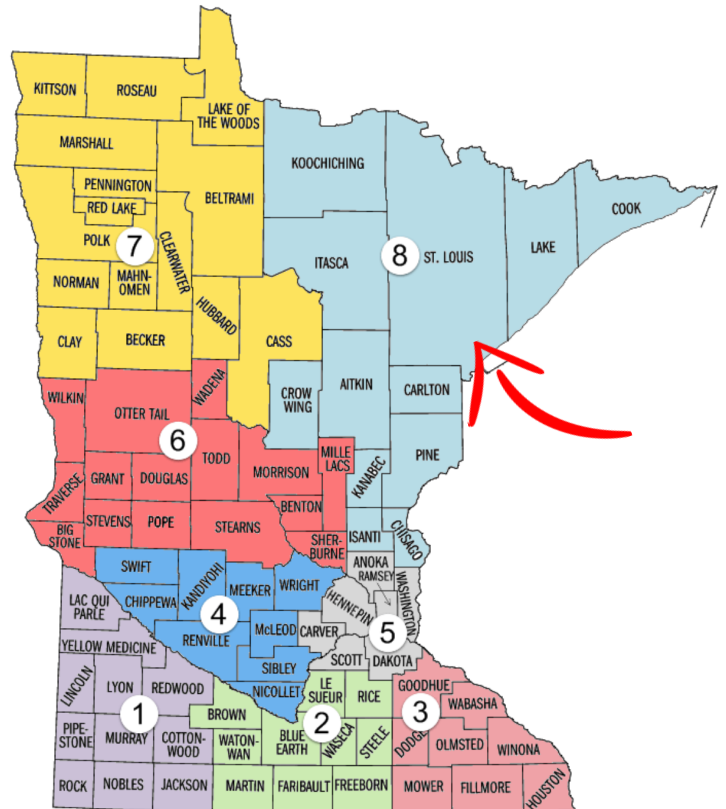


REGION 8

Recap of Region 8

The more southerly counties including Isanti, Chisago, Kanabec, and southern Pine offer pockets of quality, productive complex and sandy loam soils. The pacing of cropland sales in this area would be considered slightly down but the values have been stable to slightly increasing in some areas. The greatest increases are occurring in areas with slightly transitional influence such as around Cambridge. There were several larger estates that were split up this year while sold very well given all of the marketplace conditions occurring.

Rural residential sales and land with suitability for future building sites were very fast paced with short marketing times and strong values being received. Properties with the ability to commute to the metro or in areas with stronger internet capabilities showed the strongest desirability.



Recreational and hunting properties continued to trade hands at a good pace throughout the year, but these types of properties did start to show mostly stable values to slightly weakening. Of note: PotlatchDeltic sold off the remainder of its Minnesota land holdings to the Conservation Fund. This was a transfer of roughly 72,440 acres across 14 counties in Northern Minnesota for a reported \$48 million dollars.

In counties where agriculture is more prevalent, large acreage is being split into 40-80 acre parcels and transitioning from agriculture and logging to towards recreation and rural residences. Primary commodities include: Corn, soybeans, hay and small grains, beef, wild rice, potatoes (Crow Wing), and timber. Pasture and cropland values have shown a stable to slightly downward trend across the region, with the exception being for sales with heavier ground in Isanti County.



REGION 8

Region 8 - Cropland Cash Rent				
County	Low	Average	High	Trend
Aitkin	\$40	\$50	\$60	Stable
Carlton	\$40	\$60	\$75	Stable
Chisago	\$50	\$115	\$175	Stable
Cook		Limited		
Crow Wing	\$50	\$65	\$75	Stable
Isanti	\$65	\$95	\$125	Stable
Itasca	\$30	\$50	\$75	Stable
Kanabec	\$50	\$75	\$100	Stable
Koochiching		Limited		
Lake		Limited		
Pine	\$50	\$75	\$100	Stable
St Louis		Limited		

**Cash Rents are indicative of land that is professionally managed by ASFMRA Chapter Members

Region 8 - Cropland Sales (per tillable acre)						
County	*Qualified Sales	Low	High	Mean	Sales Activity	Value Trend
Aitkin	3	\$970	\$1,250	\$1,000	Steady	Stable
Carlton	Limited				Limited	Limited
Chisago	3	\$5,000	\$6,200	\$5,600	Steady	Stable
Cook	Limited				Limited	Limited
Crow Wing	1			\$1,900	Limited	Limited
Isanti	10	\$3,200	\$5,700	\$4,200	Steady	Stable
Itasca	3	\$1,300	\$1,650	\$1,450	Steady	Stable
Kanabec	2	\$1,500	\$3,400	\$2,450	Steady	Stable
Koochiching	Limited				Limited	Limited
Lake	Limited				Limited	Limited
Pine	4	\$1,700	\$2,100	\$2,000	Steady	Stable
St Louis	Limited				Limited	Limited

*Qualified Sales are subjective to the Regional Contributors

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