

NAI Sioux Falls

Agricultural Land Report | 2010 Overview



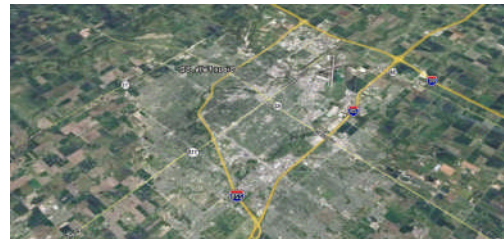
NAI Sioux Falls

Commercial Real Estate Services, Worldwide.
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101 N. Main Avenue
Suite 213
Sioux Falls, SD
P: 605.357.7100
F: 605.357.7102
www.naisiouxfalls.com

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Agriculture Land



TRENDS CHANGE OVER PREVIOUS YEAR

Northern
South Dakota
LAND SALES
PRICES



Southern
South Dakota
LAND SALES
PRICES



Eastern
South Dakota
LAND SALES
PRICES



Western
South Dakota
LAND SALES
PRICES



OVERVIEW

The recent upswing in economic conditions has given South Dakota farmers and ranchers several reasons to be optimistic in 2011.

Many area growers have already locked in new-crop corn prices exceeding \$5.00 per bushel, and the soybean market has been hovering in the \$14.00/bu range, with signs of moving higher. A steady wheat market of \$8.00/bu has Central S.D. farmers smiling.

The long slumbering cattle market is finally starting to produce profits, and the disastrous hog markets of last year have resurged. Currently, the feeder cattle market has moved past the \$120/lb level, and the hog market has approached \$90/lb. Last year, hogs were selling for \$0.60/lb in October.

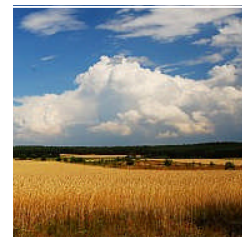
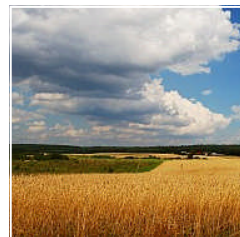
These market improvements are having a positive effect on land prices, which have reached all-time highs State-wide. In fact, land markets have strengthened so much that owners seem hesitant to list their properties for fear of under-pricing their offer. Voracious buyers are waiting to gobble up any size property at record prices. All-time low interest rates have contributed to the recent land price surge.

Abundant snow cover almost assures farmers and ranchers of plentiful spring moisture. Unfortunately, that moisture also presents the possibility of flooding. Early flood warnings have already been issued for the Big Sioux and James Rivers. However, the overall outlook for agricultural markets remains positive.



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NOTABLE AGRICULTURAL LAND SALE TRANSACTIONS

LOCATION	COUNTY	SIZE	PRICE	PRICE/ACRE
Gayville/Volin	Yankton County	160 Acres	\$1,194,000	\$7,400
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Colman	Moody County	160 Acres	\$1,016,000	\$6,350
Worthing	Lincoln County	128 Acres	\$659,200	\$5,150
Alliance Township	Moody County	80 Acres	\$568,000	\$7,100
Dell Rapids	Minnehaha County	72 Acres	\$543,600	\$7,550
Trent	Moody County	80 Acres	\$524,000	\$6,550
Canton	Lincoln County	73.55 Acres	\$444,978	\$6,050

Record setting sales of farm ground in the southeast section of South Dakota seemed to draw the most attention of land buyers across the state in 2010. However, new highs were also recorded in central South Dakota counties. Here are a few of the sales:

- In late October, a Sioux Falls investor outbid local buyers for 72 acres of excellent farmland located southeast of Dell Rapids. The bid of \$7,550/acre represented a new high for ag land in the northern section of Minnehaha County.
- Moody County land buyers got into the holiday spirit of giving when a brisk early December auction brought \$7,100/acre for 80 acres of Alliance Township land. A couple weeks earlier, another auction resulted in a \$6,550/acre sale of lesser farm ground on 80 acres, two miles west of Trent, SD.
- Lincoln County wasn't immune to the late 2010 "land rush" when the auction of 73.55 acres of top quality farm land west of Canton resulted in a sale of \$6,050/acre. Another 128 acres of excellent agriculture land near Worthing sold for \$5,150/acres on the same day, November 17, 2010.
- Farmers and ranchers at an early November auction sale in Yankton County were astounded at the prices the auctioneer secured for 381 acres of prime Gayville and Volin Township land. The most sought after parcel brought \$7,400/acre, easily the highest level land purchase in history, and another parcel brought \$6,800/acre.
- Moving just a few miles west into Lake County, relentless bidders drove up the price of 160 acres of choice Wentworth Township farm land. The top bidder eventually owned the property, located west of Colman, for \$6,350/acre.
- Central South Dakota land owners were bolstered with 2010 land sales that rebounded back to the all-time high marks of yesteryear. In 2008, four quarters of northeast Hand County land were sold for a record \$2,630/acre. This fall, 391 acres of good land south of Orient was purchased for \$2,500/acre. Another auction, held a few miles north of Faulk County, garnered the price of \$2,450/acre.
- East River farmers took notice of the abundant rainfall received in West River counties the past couple of years and began buying up tillable ground near Marcus, SD. Nearly 17,000 acres of prime winter wheat land exchanged hands during 2010 in that area, with most of the sales recorded in the \$500/acre range.
- Although not skyrocketing in price like farm land, pasture and grass land traded at a brisk pace during the 2010 growing season as livestock prices reached an acceptable level. A few East River pastures were sold near the \$2000/acre mark. An auction of a well-known 2,240 acre Krog ranch, north of Gann Valley, saw a big chunk of pasture land purchased for \$1,350/acre, all by one buyer.
- Traveling further east to Canova Township of Miner County, an April auction secured prices of \$1,700/acre and \$1,660/acre for two quarters of pasture land.