

Some Thoughts From An Ol' Country Dirt Peddler

Kirk Swenson,, President, Broker, REALTOR®.



An article in a recent newsletter from the Federal Reserve Bank of Minneapolis called the Midwestern land and rental market “robust”. To my way of thinking for a banker to go that far out on a limb is like me saying it’s sort of warm in Arizona in July. Yes, I’d say that a 16.6 % increase in land value for non-irrigated land last year was robust. The Federal Reserve of Chicago virtually mirrored the Minneapolis report at a 17% increase in land value for that region at the end of the second quarter 2011. Excellent profitability in corn and soybeans has driven returns to land, either in rents or reward to ownership, to here-to-for unheard of levels. This has created interest, not only the “normal” or traditional buyer, but from non-traditional buyers as well. Simple Economics 101, high demand and short supply price is up.

I’m often asked if land prices will go down. My answer is yes, but from what level and when I have no certain idea. Tell me when corn prices will drop, they will, and I’ll have a better answer. However, if you watch the people in the know, farmers and investors, it would seem to indicate we will not see pricing problems in the near term as they are buying. The increased interest from those non-traditional (patient money) buyers give the land market stability we have not seen in my 35 years in the business. The renewed interest in a return to core values, Mom, Apple Pie, The Flag and FARM LAND has brought many of these buyers to our market. The lack of leverage and fixed rate financing give additional support to low volatility in pricing.

Large fund managers make their living by diversifying the investments they make. It might be a good time to reexamine the balance in your land and other holdings. We recently bought a nice irrigated farm in Idaho for a client. It is in an area of potato and sugar beet production and, as I said, had irrigation to mitigate the moisture risk. With the high land prices in the Corn Belt, maybe it would be a good time to diversify into other geographic and/or cropping areas. It also could make sense for some to “take a little off the table”. In other words, consider a partial sale to capitalize on these strong prices and the low capital gains tax rates and hold the rest as a hedge against inflation.

Elsewhere in the newsletter Kristine discusses the new multi-parcel program they used on a recent sale. She and Gary did the traditional chanting of the sale but combined it with new technology to achieve a great price for the seller. They have had auctions of late that are setting new highs for land in the counties they are in. Again, Econ 101 – high demand and low supply.

Wherever you are in thought process, we would be happy to discuss your land investment strategy. Remember, if you farm it or rent it ,your land purchase is an investment in your future. We have extensive experience throughout the country and most particularly the mid west. If you are new to land purchasing or an old hand, we can provide management of your land to help continue the risk mitigation that makes for a good investment. Any of us here at 1 Stop Realty, Inc. would be happy to consult with you on the many options available using our services.

All of us here at 1 Stop Realty, Inc hope you and your families have a safe and happy Thanksgiving.

The Housing Corner

Fall Housing

Jan Schley GRI, REALTOR®



It is mid October of 2011 and the markets are still showing some uncertainty. I had hoped we would be able to report that things are much better. That it is not all doom and gloom for the housing market.

Many sales are occurring and interest rates are still at an all time low. Banks are being cautious with their lending and that makes sense; If you have good credit and steady work, no problems. Unfortunately not everyone has good job security and lay-offs are still in the news.

Many people have ideas of how to fix the housing market, but not really all that much has happened to get it back where it should be. Everyone deserves to be a homeowner if they so desire, we must get back on track so that can be a reality for all that want that American Dream. Definitely better days are ahead.

Many things are being tried and suggested, hopefully it will click together soon. Don't give up, there are many affordable homes on the market. So Mr, or Mrs, or Ms seller hang tight - the values for your homes will get better in time also. We are told time heals all, we are ready to heal.

Cooking With Jan



APPLE PIE ~ From The Best Pie Baker Ever!!! My Mom, Laura Sackett

Jan Schley GRI, REALTOR®

Pie Filling

Peel 6 large apples, slice into small pieces put in salt water while preparing crusts.

Flaky tender crust – 2 double crust 9” pies

3 cups flour
1 cup lard (I use Crisco)
1 teaspoon salt
8-10 -tablespoons cold water

Combine flour, shortening and salt. Blend until course crumbs, add water a little at a time. Shape into 4 balls, roll each one out on a floured surface until size of 9 inch pie tin. I have to admit that I cheat sometimes and use a store bought ready-made crust because it's easier and faster.

Rinse peeled apples, put in bowl, add: 1 cup sugar (a little more if apples are tart – up to an additional 1/2 cup), and 3 tablespoons flour (I use 3 tablespoons of tapioca). Sprinkle some cinnamon over the mixture, mix these ingredients until apples are covered. Pour into 9 inch pie pan, dab some butter on top of apples, put top crust on and cut some slits to let steam escape. Sprinkle sugar on top of crust and some cream (I use milk) this makes for a brown tasty crust.

Bake at 350° for a hour or until apples are done and crust is brown (I often put apples in glass dish and microwave them to get them partially cooked before I put the mixture into the crust) Serve with cheese or Ice Cream. Enjoy!!! These freeze well too.

HAPPY FALL !...One of my favorite seasons

Fall arrived a bit earlier this year. Many of us experienced an early killing frost. Hopefully for you, it didn't hurt your crop yields. It did bring on the harvest a bit sooner. With very little rain and some Indian summer weather it has been a pretty steady pace of getting crops out. As I write this article it is the first week in October and Mother Nature has enhanced us with beautiful fall colors, one of the best I have seen for many years. Don't know about you, but I am having a hard time getting in gear to get all the things done one needs to do to get ready for winter. Most of the gardening is done. Our apples are in need of being picked, good crop this year, have made a few fresh pies, plan on making some more to put in the freezer, they sure taste very good on a cold winter day. Have some fun during this busy season. Wishing everyone a SAFE and BOUNTIFUL Harvest.

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“Boat For Sale”

Sven was going for his morning walk one day when he walked past Ole's house and saw a sign that said "Boat For Sale." This confused Sven because he knew that Ole didn't own a boat, so he finally decided

Regional Updates

Weird Weather For 2011 Growing Season

Pat Keltgen, REALTOR®



In the beginning of the year, in West Central Minnesota, we had an abundant amount of snow that lead to great subsoil moisture. Then we had a wet spring. In some areas, farmers had a hard time getting their crops in and planting was delayed with approx. four days of planting weather in the entire month of May.

When the crops started growing, they were uneven, but had a lot of subsoil moisture. In the beginning of July, we had some powerful rain storms. After the middle of July, it has been like the sky has dried up. The crops were hit by an early frost on September 15.

Now, as I write this article in the middle of October, the middle part of Minnesota is extremely dry. Harvest has begun and the crops are difficult to harvest because it is dry and the plants grew uneven.

The test weights are excellent, but the soybeans are so dry that the beans are hitting the combine and breaking, then the elevators are charging the farmers for damaged grain. The soybean crop seems to be a below average crop, with yields in the mid-30's to low-40's.



Locally, the farmers harvesting corn are finding more wind damage to the corn plants than they originally thought. Reports are coming in that the corn yields are about 150 – 200 bushels per acre, with some considerably less where storms were the most severe. The last few days we have had near record setting temperatures and high winds, which is also drying down the corn. Therefore, the corn will not need to be dried this year.

The Southern MN Beet Sugar Co-op near Renville, MN is not accepting beets at this time. Because of the heat we have had the last couple of days they are unable to stock pile the beets. Farmers are expecting to be disappointed with

this year's sugarbeet crop due to the delayed planting last spring. Beet producers have reported that the yields are variable, with producers reporting good yields in some fields and then the next field yielding less than 10 tons per acre. The wheat, sweet corn and peas also had average to below average yields in this area.

We are now hoping for a nice fall and a safe harvest season. As long as the farmers are wishing, they would like some rain and snow to replenish the subsoil moisture; otherwise, our crops are not going to have a very good start next spring.

Early 2011 Crop Report - Southeastern MN

Wayne Alberts, REALTOR®



In the first week of October, Soybean harvest was in full swing and yields were all over the place; from the low 30's to the higher 50's. For the most part, the moisture was low.

The corn harvest was just starting to pick up and the corn that was planted

early, or with the early varieties was dry enough to put in the bin without drying. The corn planted later, and the later varieties were in the lower to mid 20's. Yields varied due to the lack of rainfall in the previous two months. They ranged anywhere from 150 to 200+.

Good luck and have a safe harvest season.

to go in and ask Ole about it. "Hey Ole," said Sven, "I noticed da sign in your yard dat says 'Boat For Sale,' but ya don't even have a boat. All ya have is your old John Deere tractor and combine." Ole replied, "Yup, and they're boat for sale."

The Auctioneer's Corner

Ag Land Auctions Continue To Lead The Market

Kristine Fladeboe Duininck, Auctioneer, REALTOR®



On the behalf of the 1 Stop Realty, Inc team; we couldn't be more excited to be Ag land professionals and I wanted to report to you on the current market culture, our past auctions, upcoming fall auctions and our new multi-parcel farm-land auction software.

Our land auctions continue to sell very strong – stronger than ever! Why? My opinion is that with high commodity prices, less farmland supply versus high buyer demand, historically low interest rates, the contagious spirit of competition...all this combined makes for a record auction! Our team is convinced that real estate auctions are the #1 choice for today's land sellers. Real estate auctions generate the highest revenue possible and give buyers near and far an equal opportunity to buy your farm. I have highlighted two auctions below.

1. On September 8th, the Heller Group team kicked off the fall with a very successful farmland auction in Olivia, MN. The 472 deeded acre farm (429 tillable) is located in Renville County. This tract has an average amount of tile with CPI's on all three parcels in the high 80's. There were 20 registered bidders and the contract sale price of the farm came to \$7,285 per deeded acre. We chanted and employed our new multi-par software for this auction and the bidders found it to be easy to understand, efficient and professional. My personal opinion is that mixing the traditional auction chant with cutting edge technology is a special combination.
2. On September 29th, we had another great land auction in Windom, MN. The 80 acre farm is located in Cottonwood County. The farm had some tile with a high

CPI of 92.4. Auction day was comprised of 10 registered bidders and the contract sales price of the farm came to \$8,295 per deeded acre. From my preliminary research, I believe this is a new record price for Cottonwood County.

It continues to be a historic time to sell agricultural land in Minnesota (throughout the upper Midwest for that matter) and most families are seeing the highest prices ever for their lifetime of hard work. Many families that have been on the "selling fence" have decided to capitalize on this strong market and for now the capital gains tax rate continues to be historically low.

Bidder #	Total Bid	Per Acre	Acres	Back In	Parcels
#0	0	0	73.72	25	1
#0	0	0	312.33	25	1,2
#0	0	0	235.72	25	1,3
#0	0	0	472.33	25	1,2,3
#0	0	0	236.61	25	2
#0	0	0	396.61	25	2,3
#0	0	0	160	25	3

We realize that deciding "if and when" to sell your farm or your family's farm is probably one of the most difficult decisions you'll make. If you determine it is in your best interest to sell the farm or at a minimum you want to visit with someone, our 1 Stop Realty, Inc. team is here to help with your questions. We offer complimentary and confidential consultations and look forward to the opportunity to be of service to you.

Check our website for
current listings!

www.1stop-realty.com

Ye Old Required Disclaimer:

This newsletter is intended as general information to our clients and friends on agricultural subjects. It is not intended to render specific advice; such advice can only be given when related to actual situations and will be different for each person. If you have any questions, please contact "The Experienced Farmland Professionals" today at: Kasson: 507-634-7033, or Olivia: 320-523-1050.

4 "All of us are born with a set of instinctive fears - of falling, of the dark, of lobsters, of falling on lobsters in the dark, or speaking before a Rotary Club, and of the words "Some Assembly Required" ~ **Dave Barry**

AUCTION ACTION
Olmsted County, MN

Tuesday, August 16, 2011 @ 1 pm - Byron, MN. This mini storage facility offered 12,870 sq. ft. of self storage spaces. It consisted of 103 various sized units with good income potential and a nice sized on-site office. We had 17 registered bidders on a beautiful, sunny afternoon at the Byron Mini Storage location. It was a great sale with lots of excitement. Both the seller and buyers were pleased with the sale.



Kirk reading auction announcements.



Kristine chanting the sale.

Trying To Understand The Grain Markets

Roger Heller, A.F.L.B, A.F.M.



In my half century agricultural career, never have I seen such volatility in grain prices as I've witnessed since 2007. We've seen cash corn prices go from \$2.50 to \$7.50 per bushel, retreat to \$3.50 about a year ago and then spike back to \$7.50 in July of 2011, only to fall back again to the \$5.00 level this fall.

Those huge swings drastically add to the risk on the producer's side, but at the same time, can create some marketing opportunities.

There are numerous factors feeding this volatility and to analyze all of those factors would require much more time and space and expertise that I have available for this edition of the *Combine*. Certainly, one of the "experts" that studies these factors is Mark Schultz of North Star Commodities, a Minneapolis firm. Mark was our presenter at our winter seminar in Mesa last February and is an excellent resource in that field.

As a farmer, my observations of the most recent tumble in prices are primarily as follows:

1. USDA reports on crop yields, stock positions and demand have sent shock waves through the grain industry this fall. Are those reports a valid response to these numerous market factors or is USDA having difficulty in their analysis and reporting. It's hard to know.
2. The Global Situation: A year ago Eastern Europe had a very short crop, this year they have bin busting yields, thus changing the supply. Our very high grain prices in the first half of 2011 did reduce demand. High prices cure high prices. Once again, the fundamentals of supply and demand govern. Then, add perception to those fundamentals and outside capital flows into and out of the market exacerbating the volatility.

That's as I see it in the fall of 2011.

***Watch the next edition for details about the upcoming
Annual Winter Land Seminar held in Mesa AZ, early February, 2012***

"Some luck lies in not getting what you thought you wanted but getting what you have, which once you have got it you may be smart enough to see is what you would have wanted had you known." ~ **Garrison Keillor**

What's For Sale?

AUCTION

Wednesday, November 2, 2011 @ 1:00 p.m.

**154.2 +/- AC Excellent Farmland
Section 21 of Holland Twp, Kandiyohi Co, MN**

Auction Location: Prinsburg Community Center



Features & Benefits:

- 145 +/- Tillable Acres
- Crop Production Index 93.8
- Productive Soils
- Outstanding Drainage Outlet with Some Tile
- Exclusive Annual Crop Rotation Between Corn & Soybeans

Folks, this is a great opportunity for you to expand your farming operation. This is very productive land and is a piece you will be proud to own.

For more information, contact **Kristine Fladeboe Duinick**
320-212-9379 or kristine@1stop-realty.com

Fladeboe Auctions

Auctioneer Kristine Fladeboe Duinick - Lic. #34-05-006

AUCTION

Thursday November 3, 2011 @ 10:00 a.m.

**118.3 +/- AC with Development Potential,
of which 92 +/- AC are Tillable;
4.0 +/- AC Hobby Farm; and Farm Equipment
Section 26 of Dovre Twp • Kandiyohi County, MN**



Auction to be held on site, located at
699 60th Ave NE, Willmar MN

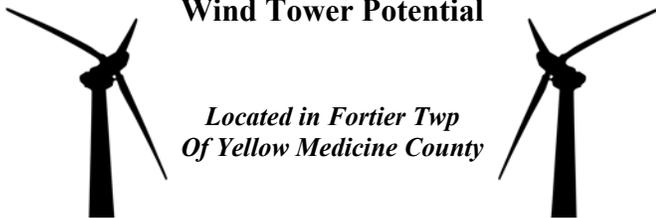
For more information, contact **Kristine Fladeboe Duinick**
320-212-9379 - kristine@1stop-realty.com or
Dale Fladeboe 320-894-9392 - dale@1stop-realty.com

Fladeboe Auctions

Auctioneer Dale Fladeboe - Lic. #34-21
Auctioneer Kristine Fladeboe Duinick - Lic. #34-05-006

ATTENTION INVESTORS!

**80 ACRES OF FARMLAND
With
Wind Tower Potential**



*Located in Fortier Twp
Of Yellow Medicine County*

- Cropland rental income
- Potential wind power income
- Sited for two towers in Bitter Root Project
- Approximately 69-70 acres tillable rented land

Please contact **Roger Heller** for more details
320-523-1050 or roger@1stop-realty.com

Visit www.hellergrouplandsales.com for full listing de-

**360 +/- AC Farmland with Great Soils
Ripley Twp - Dodge County**



267 +/- tillable acres. The remaining acres consist of 2
bldg sites, woodland, pasture etc. 92 average CPI

Contact **Wendy Forthun** for more details at
507-251-1637 or wendy@1stop-realty.com

Don't forget to check out our website for more details!

www.1stop-realty.com

AUCTION

Tuesday, November 8, 2011 @ 1:00 p.m.

**310 +/- AC Prime Farmland
Meeker County, MN**



Auction Location: Ron and Judy's Resturant and Lounge
28603 E State Highway 55, Paynesville MN

To be sold in two parcels:

Parcel 1: 200 +/- AC, 149.14 +/- tillable ac,

Parcel 2: 110 +/- AC, 106.25 +/- tillable ac,

For more information, contact **Glen Fladeboe**
651-208-3262 or glen@1stop-realty.com

Fladeboe Auctions Auctioneer Glen Fladeboe - Lic. #271-0042
Auctioneer Kristine Fladeboe Duininc - Lic. #34-05-006

66.9 +/- ACRE HUNTING/FARMLAND

Located in Section 23 of Sumter Twp
McLeod County, MN



54 +/- ac tillable, 24 +/- ac CRP. Excellent Habitat including lake,
with cash flow from tillable land. 40 minutes or less from western
Twin Cities suburbs.

Call **320-523-1050** or email

Roger Heller - roger@1stop-realty.com

Gary Hotovec - gary@1stop-realty.com

AUCTION

Monday, November 21, 2011 @ 1:30 p.m.

66.28 +/- AC Towne Square Project



Auction Located: On site, County Road 7 NE, Byron MN

*This is a rare opportunity to purchase land that is in the path
of development , with 38 +/- cropland acres for income to offset
holding costs until development is complete. Don't miss out on
the chance to own this unique property.*

Owners: Byron Other Real Estate, LLC

For more information, contact **Wayne Alberts**
507-696-0955 or wayne@1stop-realty.com

Kirk E Swenson, Broker, Auctioneer - Lic. #20-11-04
Kristine Fladeboe Duininc - Lic.# 34-05-006

131 +/- ACRE PINE ISLAND AREA

OLMSTED CO. MN
MLS# 4028048 - \$460,000



Approx. 60.8 ac CRP, 12 ac cropland, and 55 ac woods.
Perfect for hunting with income producing land.
CRP could be bought out for higher returns.

Contact **Wayne Alberts** for more details at
507-696-0955 or wayne@1stop-realty.com

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FARMLAND SALES • FARMLAND MANAGEMENT • FARMLAND AUCTIONS

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Our Mission:

To handle all your Agricultural real estate needs, in a professional friendly manner, so that sellers, buyers, landlords, and tenants have a pleasant and enjoyable experience.

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