

## Should I Sell The Farm In 2012?

Kirk Swenson, President, Broker, REALTOR®



“Should I sell the farm in 2012?” We are asked that question virtually every day, sometimes twice a day. There is no one right answer to cover everyone’s situation, however there are obvious questions to be answered first:

1. Do I want to control or see what happens with the value I created? I once had a farmer tell me he wanted to sell his farm, even though it would be more tax efficient for his children to inherit it, because he wanted to hand his heirs a check, not have some attorney do it after he was gone.
2. Will a sale help preserve family relationships? If it doesn’t preclude family discord later, or provide a benefit now, selling may not be the correct answer.
3. Land is trading at all time high prices, or is it? It is selling at all time high dollars per acre, but if you use the CPI and adjust 1980 land prices of \$3,000/ac, our last high, land would be selling at \$8,300-\$8,500/ac to stay even. Yes, it is trading at high relative dollars but not as high as it might seem. A chart follower might say it is time to sell when prices have surpassed historic highs.
4. Is land going to become “new gold and food the new oil” as one author suggests? If so, you may want to hold and let it ride. Maybe a partial sale fits your plan to take advantage of these prices and tax rates but still see what happens on what you hold.

There are real important tax questions right now:

1. Where is the capitals gains tax going? Unless Congress acts before the end of the year, it will go up to

20% from the current 15% on January 1, 2013. We might consider that to be a low increase looking into next year’s possibilities.

2. There is a Medicare surtax of 3.8% to help fund the healthcare reform act that goes into effect on January 1, 2013. If you are actively farming or materially participating in the operation of the farm, this might be avoided.
3. Will our representatives in Washington be looking for new revenue in some other tax to be added?

Without a crystal ball, none of us knows the direction land prices will go. I think we all believe the tax situation will change and, most likely, not for the better. So if a land sale seems to fit- now is the time to do it. Dealing with a known tax consequence is better than the unknown. You need to consult your tax advisor and attorney to see if a sale fits you, your desires, and needs.

*Remember - timing a sale, that you would make any way, to save tax is good business. That is especially true if you have a beneficial use for the money which does play an important role in your decision.*

While a land sale may not be the right answer for you, it must be considered as part of any long term plan. Elsewhere, Kristine and Glen very well cover some of their experience in one of the hardest decisions many families make.

Timing for an auction sale and a closing yet this year is very limited. We are here to assist you in this very important decision. We have the experience and expertise to get you the best price for your property.

# “Where Did All This Crop Come From?”

## West Central Area Harvest

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



Farmers in most of West Central Minnesota were pleasantly surprised with their crop yields in 2012. Also, the 2012 harvest will be completed about 3 – 4 weeks earlier than normal this year, due to early planting and a very hot and dry summer.

Generally, spring and early summer rainfalls were timely and sufficient through June 20th. After that date, rainfall varied from a few light thunderstorms to non-existent.

Where some of those scattered thunderstorms occurred in July or August, the crops responded. Where the rainfall did not fall, the crops were under stress during much of that period made worse by 95 – 100 degree temperatures during those months. Thus, when farmers did start harvesting reports of huge variability were common.

In those areas, where the rains stopped in June, on the clay, clay loam soils, corn yields were still 120 – 150 bushels per acre and soybeans yields from 30 – 40 bushels per acre. Spring wheat yields were from 65 – 75 bushels per acre in Western Minnesota and Eastern Dakotas.

Those area that got minimal rain in July and August, also had surprisingly good crop yields. Generally those were north of Highway 212 where corn yields of 175 – 180 bushels per acre with soybeans yielding from 42 – 65 bushels per acre. Sugarbeet yields range from 17 – 35 ton per acre depending on where the rains fell. Sugar content in the sugarbeet crops are generally above average.

In the areas north and east of Olivia, a few extra rains occurred and corn yields are reported above 200 bushels per acre with the other crops responding in the same manner.

Yes, variability was commonplace. I rode a combine on one of my corn fields, the yield monitor indicated yields of 75 – 235 bushels per acre in the same field as the topography and soil types changed.

A common comment that I hear from farmers throughout the area was, “**Where did all of this crop come from?**” Yes, it is generally recognized that we have been blessed. Apparently, a little subsoil moisture, favorable seedbeds, spring rains, high humidity during the hot period, and good genetics all combined to surprise growers once again.

---

## Southeastern Area Harvest

Wayne Alberts, REALTOR®



Wow!! What a year it has been in Southeast Minnesota. We started with a warm spring, early planting and timely rains. Then there were problems throughout the corn belt due to little or no rains.

All summer the crop reports were long forecasting a short crop nation and worldwide. We were the fortunate ones all year long.

Early in October, the time we usually start soybeans, all

the crops are about out. The corn crop is wrapping up, and we see what all our hard work has given us. The beans were a very good crop ranging anywhere from the mid 40's to the occasional nearly 80 bushel per acre mark.

The corn crop is mainly in the 180 to 240 bushel range from the people that I have spoken to. When you couple yields with another year of little or no drying costs, we are looking at a phenomenal year as far as we are concerned in Southeastern Minnesota. Hope you all had a safe and successful year! Get the fall tillage done, then start to make plans for next year.

---

**2** Ole hears that Sven just bought a new truck, so he goes over to take a look at it. When he gets there, he sees dents all over the truck, and Sven sitting in the driveway behind the truck. Ole says, “Sven, why did you buy a truck with dents?” Sven says, “Oh, I made a real good deal. It got dented in a hailstorm, so the salesman gave me \$50 off the

# Winter Land Seminar in Mesa AZ



## “Commodities Boom or Bust”

*Presented by Mark Schultz - Chief Market Analyst*

Mark has 22 years of experience as a commodity advisor, is the co-author of the weekly Ag Investor newsletter and is a well known speaker at commodity market outlook seminars throughout the Upper Midwest. He is often quoted on Bloomberg network, CNBC and the Wall Street Journal. He brings a vast knowledge of the global fundamental factors in the grain and livestock markets.



### Topic Points will Include:

- Will grain shortages develop next summer?
- Global economies are starting to slow.
- Drought is now resulting in global demand destruction.
- How high is too high for land prices?

## Farmland Market Update:

*Presented by “The Experienced Farmland Professionals at 1 Stop Realty, Inc.*

Cashing in on Cropland: Farmland prices  
Farmers willing to pay more rent?  
General Land discussion  
Farm Bill Update



**When:** Thursday, February 7, 2013 - Registration @ 8:30 am - 3:00pm

**Where:** Holiday Inn & Suites, 1600 S County Club Drive Mesa, AZ  
(on Country Club at Superstition Freeway/Hwy 60)

**Cost:** \$30 per person or \$50 per couple (includes coffee & lunch)  
(Please make checks payable to 1 Stop Realty, Inc.)

***Registration deadline is January 31, 2013***

*Call, email or mail us your registration today!*

*1-877-306-3038, info@1stop-realty.com, 402 S Mantorville Ave. Kasson, MN 55944*

price. And he said that all I have to do is blow on the tailpipe, and those dents will pop right out. But I've been sitting here blowing on this tailpipe for two hours now, and I don't think it's working. Ole says, "Sven, don't be such a dummy! You have to close the windows first!"

# Cooking With Jan

Jan Schley GRI, REALTOR®



## Pig in a Whistle Pumpkin Cake

*(I haven't figured out why this recipe has that name)*

### Ingredients

- 1 box yellow cake mix
- 2 eggs
- ½ teaspoon soda
- 1 can (15 oz) pumpkin pie filling
- 1 teaspoon ground cinnamon
- ½ teaspoons ground cloves

Mix all ingredients and beat 4 minutes. Pour into greased bundt pan or 9x13 cake pan. Bake 45 minutes at 350°.

### Frosting

- 1 pkg (8 oz) cream cheese
- ¾ stick butter
- 1 tablespoon milk
- 1 teaspoon vanilla
- 4 cups powdered sugar



A quick and easy cake to make and tastes so good, quite appropriate for this time of year.

### Fall 2012

It is the first week in October and fall is in full swing. What an unusual weather related year. Many of the colorful leaves have already fallen. Actually, ours started falling in late August. The very hot summer and shortage of moisture made for an early start of harvesting too. Depending on what area you live in,

bushel yields have varied. Hopefully most of you are having a successful harvest.

In September, we had the opportunity to attend the CPS field day in Austin hosted by our son Tim's workplace. Conditions had been very dry, so the yields varied. The highlight of my day was seeing a demonstration of a HUGE John Deere combine harvesting corn with an UNMANNED tractor and grain cart following, showing us modern day technology of how a GPS system works. Makes one think how much the farming industry has changed.

It's been a busy and rewarding fall for us. We showed our Black Poland China pigs at the MN State Fair (57 years) for our family. "Martha", one of our gilts that was raised and shown by our son Greg, received the honor of Grand Champion. She also was shown at the National Barrow Show in Austin. "Martha" strutted her stuff and was chosen as Reserve Champion. It was an exciting day for us competing against breeders from across the United States. Another highlight was attending the wedding of our grandson Andy and his new bride Allison.

The gardening is done for another year. We had a bumper crop of tomatoes and peppers. The apple crop wasn't as good, but did manage to freeze 10 pies. This kind of sums up our happenings for this fall. Hope each of you can enjoy some relaxing times too. With all the busyness that this time of year brings to you farmers getting the field work done, please stay safe throughout this harvesting season.

**Check our website for  
current listings!**

**[www.1stop-realty.com](http://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**

Life on a farm is a school of patience; you can't hurry the crops or make an ox in two days. ~ **Henri Alain**  
When you throw dirt, you lose ground. ~ **Texan Proverb**

# The Auctioneer's Corner

## Families Finding Peace And Pride With The Sale Of Their Land

*Glen Fladeboe, Auctioneer, REALTOR® and Kristine Fladeboe Duininck, Auctioneer, REALTOR®*



Selling the family farm may be one of life's toughest decisions for individuals who grew up on the land or have a strong emotional tie to it because of their family.



tion of the land simply is not a strategic or manageable decision. So, they have concluded that today, in this record market, it is the right time to sell and they are celebrating this moment, and here is a little of what they are saying:

Though the significance of this decision will never be diminished, the reality is many families are finding peace and pride with their final decision to sell the land.

In 1982, the Minneapolis based *Star Tribune* did a multi-series feature story about the agricultural financial crisis and families losing their farms. They interviewed auctioneers who were selling the farm machinery and real estate and our dad was one of the featured auctioneers in the story. This past July, thirty years later, the *Star Tribune* did a series of stories on the booming farm economy and record farmland sales – and once again our family was honored to be one of the auctioneers interviewed for the story.

As we have been on the road driving this fall between meetings with families, we have thought a lot about those stories. One of conclusions we have made is that the general public - especially those in the metro or individuals who are unaware of the strength of the farm economy - often view the sale of farmland in the 1982 mindset: of sadness, disappointment, broken dreams or the end of an era.

Today, the realty is, this couldn't be further from the truth for most families selling their land. Most families are joyful and thankful.

Many of the sellers we work with are siblings in their 50's, 60's or 70's and they have no children who are interested in farming or managing the land. These families realize that passing this asset to the next generation in which distant cousins own a small por-

- *"We are very thankful to our parents that worked so hard for the land and that we had the opportunity to sell during a moment in history when we received a great return on our parents hard work. Our parents would be so proud to know how much of a difference they are making in our lives."*
- *"The legacy of our family farm will live on in our grandchildren as we are helping them pay for college or buy their first home. We look at our decision that we are using our farm assets to invest in our grandchildren's future."*
- *"We are giving a portion of our land sale to the 4-H foundation to help other farm kids have opportunities. This is the best thing we can do for our rural heritage."*
- *"We are using a portion of the proceeds to add on to our family cabin so more of our children and grandchildren can spend summer weekends with us."*
- *"We are endowing to our church.....and we are also so grateful for our renter (a relationship that lasted for decades) that we are going to take him and his wife on a cruise next January!"*

As farm kids who grew up on the land, we will never diminish the significance of this decision and the emotional tie that nearly all of us have to the farm. However, we are happy to report that many families are using this moment joyfully, and they are turning the page by taking their farmland assets and investing in their future, their family and their communities.

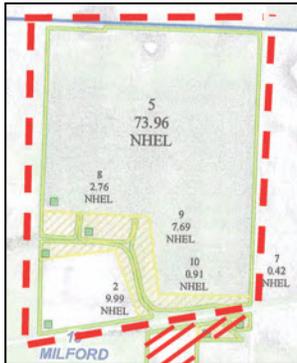
# What's For Sale?

## UPCOMING AUCTION

Thursday, November 1, 2012 @ 7:00 pm

98 +/- AC Excellent Farmland - Section 15,  
Milford Twp, Brown Co, MN

Auction Location: Civic Center in New Ulm, MN



83 +/- tillable acres and  
10.5 +/- CRP acres.  
(Acres are subject to survey)

Productive dark soils,  
91.9 CPI.

Well Located,  
Level topography

Tile drained

Roger Heller 320-523-1050 or [roger@1stop-realty.com](mailto:roger@1stop-realty.com)  
Gary Hotovec, Auctioneer Lic. 65-70, [gary@1stop-realty.com](mailto:gary@1stop-realty.com)

## UPCOMING AUCTION

Thursday, November 8, 2012 @ 1:00 pm

149 +/- Prime Farmland - Section 16,  
Mamre Twp, Kandiyohi Co, MN

Auction Location: Pennock Community Center in Pennock, MN



134.6 +/-  
tillable acres.

Located off  
of a blacktop  
hwy.

Fladeboe Auctions

Kristine Fladeboe Duinick, Auctioneer Lic. 34-05-006  
320-212-9379 or [kristine@1stop-realty.com](mailto:kristine@1stop-realty.com)

## UPCOMING AUCTION

Wednesday, November 14, 2012 @ 1:00 pm

160 +/- AC Prime Farmland - Section 35,  
Granite Rock Twp, Redwood Co, MN

Auction Location: Wabasso Community Ctr in Wabasso, MN



142 +/- tillable acres  
with 90.6 CPI and  
8 +/- CREP acres.

NOTE: parcel  
doesn't include  
the 4.63 +/- acre  
building site.

Fladeboe Auctions

Kristine Fladeboe Duinick, Auctioneer Lic. 34-05-006  
320-212-9379 or [kristine@1stop-realty.com](mailto:kristine@1stop-realty.com)

## UPCOMING AUCTION

Thursday, November 15, 2012 @ 1:30 pm

153.5 +/- AC Farmland - Section 36,  
Ericson Twp, Renville Co, MN

Auction Location: Renville Community Ctr, Renville, MN



151.5 +/- tillable acres  
with 88.4 CPI.

Square tract.

Excellent area for  
marketing crops

Roger Heller 320-523-1050 or [roger@1stop-realty.com](mailto:roger@1stop-realty.com)  
Pat Keltgen 320-523-1050 or [pat@1stop-realty.com](mailto:pat@1stop-realty.com)  
Kristine Fladeboe Duinick, Auctioneer Lic. 34-05-006

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

[www.1stop-realty.com](http://www.1stop-realty.com)

## UPCOMING AUCTION

Tuesday, November 27, 2012 @ 1:00 pm

153 +/- AC Excellent Farmland - Section 31,  
Canisteo Twp, Dodge Co, MN

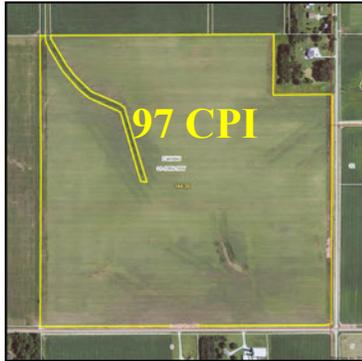
Auction Location: to be determined, MN

146 +/- tillable acres with  
97 CPI.

Land 1st time offered!  
3 generation ownership.

High quality good  
producing soils.

Great Neighborhood.  
Come ready to bid  
your price!



Wendy Forthun 507-251-1637 or [wendy@1stop-realty.com](mailto:wendy@1stop-realty.com)  
Kirk Swenson 507-634-7033 or [kirk@1stop-realty.com](mailto:kirk@1stop-realty.com)  
Kristine Fladeboe Duininck, Auctioneer Lic. 34-05-006

## NEW LISTING!

74.7 +/- AC Excellent Farmland - Section 26,  
Blooming Prairie Twp, Steele Co, MN

72.2 +/- tillable acres. With 99.1 CPI.

Wendy Forthun 507-251-1637 or [wendy@1stop-realty.com](mailto:wendy@1stop-realty.com)  
Kirk Swenson 507-634-7033 or [kirk@1stop-realty.com](mailto:kirk@1stop-realty.com)

## NEW LISTING!

160 +/- AC Excellent Farmland - Section 1,  
Bismarck Twp, Sibley Co, MN and Section 36,  
Round Grove Twp, McLeod Co. MN.

Sibley tract = 40 +/- acres, 37.1 +/- tillable acres. 92.9 CPI.  
McLeod tract = 110 +/- acre, 104.4 tillable acres. 91.7 CPI

Gary Hotovec 612-202-5090 or [gary@1stop-realty.com](mailto:gary@1stop-realty.com)

## Fall Auction Calendar

- SEPT. 6, 2012 - 80 +/- acres choice farmland in Sec. 8, Alba Twp, Jackson Co, MN.
- SEPT. 10, 2012 - 160 +/- acres farmland in Secs. 32 & 35, Hutchinson Twp, McLeod Co, MN.
- SEPT. 13, 2012 - 80 +/- acres prime farmland in Sec. 32, Kingman Twp, Renville Co, MN.
- SEPT. 18, 2012 - 80 +/- acres choice farmland in Sec. 7, Custer Twp, Lyon Co, MN.
- SEPT. 26, 2012 - 155.31 +/- acres in Sec. 13, Ericson Twp, Renville Co, MN.
- OCT. 23, 2012 - 154.66 +/- acres in Sec. 34, East Lake Lillian Twp, Kandiyohi Co, MN.
- OCT. 24, 2012 - 91 +/- acres in Sec. 20, Harrison Twp, Kandiyohi Co, MN.
- OCT. 24, 2012 - 192 +/- acres in Sec. 3, St. Johns Twp, Kandiyohi Co, MN.
- OCT. 30, 2012 - 139 +/- acres in Sec. 13, Green Isle Twp, Sibley Co, MN.
- NOV. 1, 2012 - 98 + acres (to be surveyed) in Sec. 15, Milford Twp, Brown Co, MN.
- NOV. 8, 2012 - 149 +/- acres in Sec. 16, Mamre Twp, Kandiyohi Co, MN.
- NOV. 14, 2012 - 160 +/- acres (minus the building site) in Sec. 35, Granite Rock Twp, Redwood Co, MN.
- NOV. 15, 2012 - 153.5 +/- acres in Sec. 36, Ericson Twp, Renville Co, MN.
- NOV. 27, 2012 - 153 +/- acres in Sec. 31, Canisteo Twp, Dodge Co, MN.

402 S Mantorville Ave  
Kasson, MN 55944  
Phone: 507-634-7033



1302 West DePue Ave  
Olivia, MN 56277  
Phone: 320-523-1050

**FARMLAND SALES • FARMLAND MANAGEMENT • FARMLAND AUCTIONS**

**Kirk E Swenson**



kirk@1stop-realty.com  
507-634-7033

**Wendy Forthun**



wendy@1stop-realty.com  
507-251-1637

**Roger Heller**



roger@1stop-realty.com  
320-523-1050

**Pat Keltgen**



pat@1stop-realty.com  
320-523-1050

**Dale Fladeboe**



dale@1stop-realty.com  
320-212-9379

**Jan Schley**



jan@1stop-realty.com  
507-421-8440

**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.**

**Kristine Fladeboe Duininek**



kristine@1stop-realty.com  
320-212-9379

www.1stop-realty.com

**Brian Fernholz**



brian@1stop-realty.com  
320-598-7711

**Wayne Alberts**



wayne@1stop-realty.com  
507-696-0955

**Gary Hotovec**



gary@1stop-realty.com  
612-202-5090

**Glen Fladeboe**



glen@1stop-realty.com  
651-208-3262



Kasson: 507-634-7033  
Olivia: 320-523-1050