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STRATEGIC INVESTMENTS IN FARMLAND



Article by Ryland Moore. According to a report issued by the USDA's Agricultural Statistics Service at the end of February this year, the United States had a reduction of over 3 million acres in producing farmland in 2012. Drought was the largest driver behind the reduction in productive agriculture, coupled with a renewed development cycle to meet the returning demand for housing after the residential real estate and stock market crash. In addition, Yale Economics professor and respected co-founder of the Case-Shiller Home Price Index, Robert Shiller, stated that

farm and ranchland was a strong buy along with stocks as a good future investment.

While many states declined in number of farmland acres in production in 2012, Oregon was a bright spot with a net increase in over 200,000 acres in farm production. The increase is likely due to continued high prices in the commodities market, combined with ending cycles under the Conservation Reserve Program (CRP) converting rested land back to agriculture. States like Oregon that did not have drought conditions in 2012 benefited from a low supply in the crop markets and allowed farmers and ranchers to obtain premium prices for crops; 2011 already proved to be one of the best years in Oregon's farming history with \$1.03 billion in net farm income. Expected later this year, 2012 figures look to be even better.

With less acreage under production in the US, possible drought conditions across the Midwest and Texas, and an increasing global population expected to grow by another 2 billion people in the next 20 years, demand and need for basic commodities such as wheat, alfalfa and corn will continue. We expect farmland prices in Oregon to continue on an upward trend as they have done since 2010. Demand for farmland is still high. With tighter yields in the bond market, stocks priced for perfection, and the market at all-time highs, many investors will look to diversify instead of sitting

on cash. Forward-thinking Buyers are looking to areas where drought has typically not been a problem in the past.

Looking forward, conditions are unfavorable for the Midwest again in the 2013 season. USDA Chief Economist Joseph Glauber, who recently testified to the U.S. Senate Committee on Agriculture, Nutrition and Forestry, stated, "that about 60 percent of U.S. winter wheat production was under drought conditions." Similarly, Scott Yates, director of communications for the Washington Grain Commission has learned of several reports indicating the lack of moisture has already stunted the 2013 Midwestern wheat crop to the degree that it will not be a quality crop. "Once again the Northwest, for the most part, is sitting in the catbird seat when it comes to the wheat crop in the nation," Yates said. "We have adequate moisture, we haven't had any arctic express come down, we've got snow cover over some of the land."

Now more than ever, investing in farm and ranchland continues to be an excellent way to diversify your portfolio, receive tax benefits, and afford recreational opportunities that other types of real estate simple cannot offer. For more information on the Oregon market, please contact Ryland Moore of Live Water Properties at ryland@livewaterproperties.com or 971.645.1515.

FEATURED AGENT

Ryland Moore - Sales Associate



Ryland Moore has been assisting landowners with real estate and water right transactions in Oregon and throughout the West since 1999. He currently serves as the Transactions Manager for a private water acquisition and valuation firm representing private parties, municipalities, and private equity in the location, negotiation, and acquisition of water assets throughout the western United States.

Ryland has spent a considerable amount of time throughout the states of Oregon, northern California and Washington through his vocations and avocations. His work has allowed him to negotiate with many of the largest land and water right holders in the region. Because of his experience with the ranching community and his expertise in land conservation, landowner incentive programs, and water rights due diligence and negotiation, Ryland is a wonderful complement to the Live Water Team.

FEATURED PROPERTIES

Riverhouse on the Lower Deschutes - Madras Oregon

Located north of Madras, Oregon, the Riverhouse on the Lower Deschutes is positioned on a 0.63-acre lot with 200 feet of



river frontage along the famed Lower Deschutes River and deeded access to an additional 200 feet upstream. This property is rare in that it provides an incoming owner with private access to the Lower Deschutes as well as access to an additional 1.5 miles of private water downstream. The custom-designed home and detached garage is comprised of 3,137 livable sqft with 5 bedrooms and 4 baths, featuring two screened porches and large deck overlooking the river, a fly tying, game and trophy room, and an outdoor fire pit, all wrapped with professional

landscaping. With excellent fishing opportunities, this private retreat provides exclusive access to the sought-after Lower Deschutes River. This is a rare chance for ownership on this world-class river.

Offering Price is \$1,860,000

Stone Forest Farm - Tillamook, Oregon

Stone Forest Farm is a unique piece of real estate located on the Trask River, one of the best salmon and steelhead rivers in the Northwest. Comprised of 69 +/- acres of secluded Oregon Coast Range forest, the farm has approximately 3 acres enclosed by electrified high fence, professional landscaping, a 2,467 sqft custom riverfront home, a 1,500 sqft commercial greenhouse and a 432 sqft storage building. It includes nearly 1/2 mile of river frontage, bordering four distinct salmon holes and several runs for steelhead. The Trask River is a distinctive



fishery in that it supports runs of Spring Chinook, Fall Chinook and hatchery Coho salmon, as well as wild runs of both winter and summer steelhead, keeping any angler plying its waters year-round. With incredible fishing, the potential for hunting, and close proximity to recreational opportunities, Stone Forest Farm is an exceptional offering.

Offering Price is \$825,000



