Welcome to the Iowa Chapter REALTORS® Land Institute Fall Newsletter. Chapter members have been very active this year. Our new Leadership Team was installed September 12 during the Iowa Association of REALTORS® (IAR) annual meeting in Coralville. They include:

- Kirk Weih, ALC President, Hertz Farm Management, Mt. Vernon
- Travis Smock, President Elect, Peoples Company, Clive
- David Thien, ALC Vice President, Thien Farm Management, Council Bluffs

Ray Brownfield, ALC, Land Pro LLC, Oswego, Illinois, past National President installed our officer team. Following is a photo of the members that attended the installation.

The Leadership Team will focus this year on providing member benefits that include:

- Education – A Land Ethics class was held September 12 in Coralville with over 30 in attendance. The Land Investment Analysis course will be taught by Randy Hertz in Nevada, Iowa, October 18-20. This three-day course is required for the ALC designation. A Tax and Law eight-hour course is scheduled to be held December 4 in Clive at the IAR office.
- Government Affairs – The RLI Government Affairs is led on a national level by Russel Riggs who has provided comments on our behalf regarding WOTUS, 1031 exchanges, and estate tax reform. These continue to be key issues for our clients.
- Professionalism – We are committed to support our members as they pursue their Accredited Land Consultant designations. We will host an education course annually that is required to obtain your ALC.

The RLI Land Conference will be held March 12-14, 2018 in Nashville, TN. The Land Conference will bring together over 200 land professionals. We encourage all members to attend.

Kyle Hansen, ALC, Hertz Real Estate Services, was recently elected the RLI National Vice President. He will be inducted into office on November 3 in Chicago.

The RLI Iowa Chapter Land Value Survey was released September 12 in Coralville, indicating land values were up 2.0% from March to September and 2.9% during the past 12 months. This Land Value Survey has been widely quoted in the media throughout Iowa.

The Leadership Team welcomes your comments and suggestions for improvement. We are here to serve our members’ needs.

Respectfully submitted,

Kirk D. Weih
Accredited Land Consultant
Hertz Farm Management
2017-18 RLI Iowa Chapter President
New RLI Iowa Chapter Leadership

New officers were installed on September 12, 2017 during the Iowa Chapter Board and Membership meeting. Our new leadership team will work hard to advance the mission of the Realtors Land Institute Iowa Chapter while focusing on growth and member engagement.

Ray Brownfield, ALC congratulates new RLI Iowa Chapter President, Kirk Weilh, ALC.

Ray Brownfield, ALC swears in new President-Elect Travis Smock and Vice President, David Thien, ALC.

What’s happening in Central Iowa Agriculture?
Submitted by Noah Wendt, Central Regional Vice President

Dupont Cellulosic Ethanol Plant in Nevada, IA is getting ready to run their second test batch of ethanol after a rather long start up period since their Oct 30, 2015 Grand Opening. I am told that they will run the second test batch and then have about a two month shutdown for preventative maintenance and then fire the plant up for full production in early 2018. They are conducting an abbreviated corn stover harvest this fall. They will harvest approximately 45,000 acres of stover in Central Iowa and store it at their remote locations. This compares to their peak harvest in 2015 of approximately 90,000 acres.

Eagle’s Catch, LLLP Tilapia Farm in Ellsworth, IA is constructing a 100,000+ square foot facility on a 4 acre site next to Interstate 35. This facility will be used to raise approximately 5 million pounds of market weight American tilapia in a greenhouses, which are less intensive (less lighting, less automation, hand feeding). They plan to market 50% of the fish live and the other 50% fresh to retail grocers.

Hagie High Clearance Cover Crop Seeder in Clarion, IA has partnered with Polk and Story County NRCS, Practical Farmers of Iowa and Heartland Co-op to provide high clearance cover crop seeding in to standing corn and beans late this summer. The cost of the machine was donated by Hagie. The project appeared to be a success as I could see it running in many fields late this summer. Many of the farmers I spoke to cited nitrogen scavenging, improved soil tilth, erosion control, seeding timing, and increased soil fertility as reasons for using the high clearance seeder.
Land Trends and Values, September 2017

The REALTORS® Land Institute - Iowa Chapter is pleased to announce the results of our September 2017 Land Trends and Values Survey. REALTORS® Land Institute is an affiliate of the National Association of REALTORS® and is organized for REALTORS® who specialize in farm and land sales, management, development and appraisal. Participants in the survey are specialists in farmland, and are asked for their opinions about the current status of the Iowa farmland market.

Participants were asked to estimate the average value of farmland as of September 1, 2017. These estimates are for bare, unimproved land with a sale price on a cash basis. Pasture and timberland values were also requested as supplemental information.

The results of these surveys show a statewide average increase of cropland values of 2.0% for the March 2017 to September 2017 period. Combining this increase with the 0.9% increase reported in March 2017 indicates a statewide average increase of 2.9% from September 1, 2016 to September 1, 2017. The survey shows the first full year statewide increase in land values since 2013, indicating some current stability.

All but one of the Iowa crop reporting districts showed an increase in the average farmland value. The districts varied from a -0.5% decrease in SC district to a 3.6% increase in NE district since March 2017.

Major factors contributing to current farmland values include: lower commodity prices, limited amount of land on the market and growing conditions in the regions. Other factors include: lack of stable alternative investments, cash on hand, and increasing interest rates.

### September 2017

REALTORS® Land Institute (RLI) - Iowa Chapter
Survey of Farm Land Values In Dollars Per Acre

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Realtors® Land Institute proudly announces Kyle Hansen, ALC, with Hertz Real Estate Services in Nevada, IA, as their 2018 Vice President. Hansen has been elected to join the 2018 RLI Board of Directors as a part of their Executive Committee at RLI’s Induction Ceremony on November 3 in Chicago.

In his position, Hansen will serve a four-year term on RLI’s Executive Committee making him the 2020 National President. He has served as Chair of RLI National’s Future Leaders Committee and is an active member of the RLI Iowa Chapter as Chair of the Land Trends & Values Committee.

In response, Hansen released the following statement: “I am very humbled and honored to represent the Realtors® Land Institute’s membership as their 2018 Vice President. There have been so many great leaders of this organization that have worked to make RLI what it is today, and I look forward to following in their footsteps. To continue to put our membership’s needs first, and assist in making us grow. I sincerely appreciate the responsibility our membership has granted upon me and look forward to working on their behalf, thank you.”

**RLI Education**

Submitted by Terry Pauling, Education Committee

REALTORS® Land Institute – Iowa Chapter asked Judy Stevens, CRS, GRI, CRB, and member of the Iowa Real Estate Commission, to create a 4-hour land based Ethics class for real estate renewal credit. Judy presented the class to thirty-six attendees at the Iowa Association of REALTORS annual convention in Coralville, Iowa on September 12. Twelve of the attendees were RLI Iowa Chapter members.

**2017 Continuing Education Opportunities**

REALTORS® Land Institute – Iowa Chapter has two education opportunities planned through the end of this year. For those working towards the Accredited Land Consultant (ALC) designation, Land Investment Analysis (LIA) is being offered October 18–21 in Nevada, Iowa. Randy Hertz, ALC, will lead the class. We currently have 15 individuals registered.

A second continuing education class has been scheduled for December 4 at the Iowa Association of REALTORS® office in Clive. The Education committee is working with IAR to obtain credits toward the 8-Hour law requirement for licensing renewal. More information will be sent to our members as soon as the agenda is approved.

Finally, mark your calendar on March 21, 2018. RLI & ASFMRA will provide 6 hours of CEU’s at a location in Ames, Iowa. More information will follow in the future. This should be a day well worth your time to attend.
It’s Go Time: Tax Reform is now the Top Policy Priority for the Administration and Congress

Submitted by Dave Brown, IPE 1031

Section 1031 Exchanges Are at Risk for Repeal Absent Stakeholder Advocacy

With the failed effort to repeal and replace the Affordable Care Act, tax reform is now the top policy priority for the Republican-controlled Congress and President Trump.

Congressional leadership and President Trump recently “cleared the deck” to enact tax reform in 2017, after cutting a short-term deal with Congressional Democrats to delay a debt ceiling vote to December. Tax reform is expected to proceed under a budget reconciliation process that allows a 50-plus simple majority in the Senate.

Over the past several years, IPE 1031 has closely monitored progress of tax reform efforts and the potential impact on Section 1031 exchanges. IPE 1031’s President, Dave Brown, has attended numerous Washington D.C. lobbying trips as a member of the Government Affairs Committee for the Federation of Exchange Accommodators. During meetings on Capitol Hill, Congressional staff members have stated without equivocation that Section 1031 exchanges are being considered for repeal or modification to pay for a cut of the corporate tax rate.

Over the past several years, several studies have been conducted to quantify the negative impact upon real property owners if Section 1031 exchanges were eliminated. Both farm and commercial realtors report that anywhere from one-third to one-half of transactions would not occur due to the “tax lock” effect that would result if Section 1031 exchanges are not available. Further, recent estimates and economic studies found that if Section 1031 were eliminated, GDP would decline substantially, up to $18 billion per year. Section 1031 has remained in the tax code since 1921 because it is a powerful, pro-growth economic stimulator. Repeal or modification of Section 1031 would most certainly hurt real estate owners.

Constituents living in Midwest states are in a unique position to impact the direction of tax reform due to several Republican Congressional members having influential seats on the Senate Finance and House Ways & Means Committees. If you believe it is important to keep Section 1031 exchanges, it is time that you personally reach out to your Member. Contact information follows for Midwest members who serve on tax writing committees:

Senator John Thune (R - South Dakota) – Committee on Finance
Mark Warren - mark_warren@thune.senate.gov
United States Senate SD-511, Washington, D.C. 20510
Phone: (202) 224-2321  Fax: (202) 228-5429

Senator Pat Roberts (R - Kansas) - Committee on Finance
Chris Allen - chris_allen@roberts.senate.gov
109 Hart Senate Office Building, Washington, D.C. 20510
Phone: (202) 224-4744  Fax: (202) 224-3154
Several of the previously mentioned members have expressed support for Section 1031 exchanges. However, it is critical they hear from stakeholders who reinforce that Section 1031 must be retained in its current form. While personal letters and calls are most impactful, as an alternative, you can sign and send a form letter to all of your representatives by visiting www.1031taxreform.com/take-action. Now, more than ever, it is time to raise your voice to preserve Section 1031.
Benefits of Membership Include:
- Educational Opportunities
- Land Trends and Values
- Legislative Updates
- Industry Awards
- Networking Opportunities
- Land MLS

Membership Requirements
All Iowa Chapter Members are required to be a member of:
- National REALTORS Land Institute ($445 annually with one-time application fee of $75)
- A local board of REALTORS: Fees vary by region

Dues to belong to the RLI Iowa Chapter are $100 annually