As I sit here today we’ve had a few days of pleasant weather that has undoubtedly added to the “itch” for those wanting to get into the field to plant the 2017 crop. I imagine there is a similar “itch” with those involved in land brokerage due to the current lack of land transactions. I recently came across some data provided by Peoples Company’s appraisal team. By following the sales websites of approximately 200 different auction and brokerage websites and tracking the sales results of tracts that are 85% tillable or greater, the team found that there are currently 81 farms for sale in the entire state of Iowa. That’s far less than ONE per county! I think most would agree that this lack of volume has encouraged the value of land. Further proof is the March 2017 Land Trends and Values Survey where, for the first time in recent surveys, we’ve seen an increase in the price of land.

Several members from the RLI Iowa Chapter made the trip to Charlotte, NC for the National Land Conference. This was a weekend of rapport building, industry relevant education, and a reminder to me of how much I appreciate the business we are in and the people in it. At the conference, National RLI released a new and updated logo that is available for all members to use to promote themselves and their affiliation with the REALTORS® Land Institute. Also, for those that have wanted to complete the Accredited Land Consultant (ALC) Designation but haven’t found the time or need to complete a few courses to finish, this year’s LandU Week is in Kansas City, KS from June 4-12, 2017. For the Iowa Chapter, this would be a shorter trip than it has been in the past to complete one or all six courses needed to complete the designation.

There continues to be a lot of great things happening with the RLI Iowa Chapter. We will continue to provide top-notch education and networking opportunities for our members with the idea that our businesses can be more successful working together. I’ve realized how small of a world the land business is and the relationships made through the REALTORS® Land Institute has made it even smaller. Feel free to get in contact any time - We are always looking for new ideas or improvements to better serve those involved with our organization.

Matt Adams
2017 REALTORS® Land Institute – Iowa Chapter President
By Andrew Zellmer, Peoples Company, RLI Iowa Chapter, Legislative Committee

On the state and nationwide levels, there has been a great deal of volatility and uncertainty in the legislation that affects farmers and landowners. As members of RLI and professionals in our field, it is our duty to stay on top of legislation that affects both parties. Kevin Kuhle, Farm Bureau National Policy Advisor, has helped point out a few of these topics that we should keep an eye on.

**Waters of the United States (WOTUS) Rule:** On Feb 28, President Trump signed an executive order instructing the EPA to review the WOTUS rule. This is the first step in a long process to kill the WOTUS rule. However, an executive order has no rule of law because any change must go through a lengthy rule making process. The EPA, under the direction of Administrator Scott Pruitt, has stated that it plans to start the process soon, which may take upwards of 18 to 24 months. Unfortunately, just as this President and the EPA will change the rule to something more sensible, future presidents will have the authority to reverse course back towards an Obama-era WOTUS rule. Ultimately, this will be the case until a definitive court decision is made or legislation is passed to clearly define which waters or adjacent lands are jurisdictional under the Clean Water Act.

**Tax Reform Update:** With the failure of the House to repeal and replace the Affordable Care Act, the House and Senate may move on to tax reform as the next agenda item. Some are speculating that Republicans will use the 2017 budget reconciliation bill—which was originally intended for healthcare reform—for tax reform. Reconciliation rules limit reforms to budget items and requires spending increases/tax cuts to be offset by spending reductions/increased revenue (i.e. eliminating tax deductions). While the budget reconciliation process adds another level of complexity and limitations, the advantage is that only 51 votes are needed to pass the bill in the Senate (normally all legislation needs 60 votes in the Senate to pass). There are only 52 Republicans in the Senate.

While all tax provisions are “on the table” it is becoming clear that some provisions are being targeted for elimination. 1031 like-kind exchanges are not included in the House tax reform “blueprint” and its elimination could help pay for lower corporate, individual, pass-through, and capital gain tax rates. Our industry has seen many sales facilitated by the use of 1031 like-kind exchanges. An elimination of this law would likely have a direct effect on our industry. Other provisions which have an uncertain future are the ability to deduct interest as a business expense and stepped-up basis. (Cont.)
With the failure of the healthcare bill and clashes between Republicans in the House leadership, Senate leadership, and Freedom Caucus will make tax reform a daunting task.

Des Moines Water Works (DMWW) Lawsuit: Two years and one day after the DMWW filed its lawsuit against the drainage districts in three northwest Iowa counties, a federal court dismissed the action in its entirety. The merits of the case were never considered. The court was required to dismiss the lawsuit after finding that, even if DMWW was able to prove an injury, the drainage districts would have no ability to remedy that injury. In other words, the drainage districts were not the proper defendants for this Clean Water Act lawsuit.

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On the portion of the lawsuit filed in Iowa courts: Iowa law was clear from the beginning. The Supreme Court had long held that a drainage district is “merely an area of land, not an entity subject to a judgment for tort damages.” The Iowa Supreme Court ruled at the end of January that Iowa drainage districts are immune from claims for damages or injunctive relief. The Court affirmed that such districts have a “limited, targeted role - to facilitate the drainage of farmland in order to make it more productive.” The Court declared that it is for the Iowa Legislature, not the courts, to change that fact.

DMWW will have 30 days to appeal the judge’s order. Given the grounds upon which the suit was dismissed, it seems unlikely that the Eighth Circuit Court of Appeals would reverse this decision. Read more online from this update from ISU - www.calt.iastate.edu/blogpost/why-federal-court-dismissed-dmww-lawsuit.

As you can see there are many issues that could affect us moving forward. We will try our best to keep you updated on the ever changing legislative environment.
REALTORS® Land Institute—Iowa Chapter
2017 Members

Thank you for your membership with the Realtors Land Institute, Iowa Chapter. If your name is not listed below, the Iowa Chapter has not received your 2017 dues. You may send your $100 membership dues and/or $350 MLS dues to RLI Iowa, PO Box 785, Ankeny IA 50021. If you have any questions, please contact Traci.

If you are a previous member of the Iowa Chapter and would like to rejoin, you can do so online at www.rlifarmandranch.com/membership.aspx.

PRIME FARM LAND LEVEL MEMBERS
Includes RLI Iowa dues, one RLI Annual Dinner registration, one Spring Seminar Registration, one year RLI Farm & Ranch MLS access, business card size ad in spring and fall RLI Iowa Newsletter

- Daran Becker
- Steve Bruere
- J. Wiltsie Cretsinger, ALC
- Samuel Kain, ALC

PRODUCTIVE FARM LEVEL MEMBERS
Includes RLI Iowa dues, one RLI Annual Dinner registration, one Spring Seminar Registration, business card size ad in spring and fall RLI Iowa Chapter Newsletter

- David Hueneke
- Terry Pauling, ALC
- Eric Schlutz, ALC
- Larry Stewart
- Noah Wendt

RECREATIONAL LEVEL MEMBERS
Includes RLI Iowa dues, one RLI Annual Dinner registration, business card size ad in spring or fall RLI Iowa Chapter Newsletter

- John Cotton
- Gary Grave
- Chris Smith, ALC

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- Richard Baugh
- Brent Bidner
- Brian Bierschenk
- Gary Bierschenk
- Richard Boggess
- A.J. Brown
- Loyd Brown, ALC
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- Jeffrey Troendle
- Rich Vander Werff
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- Robert Washburn
- Kirk Weih, ALC
- Andrew Westlake
- David Whitaker
- Mark Williams
- Douglas Yegge
- Molly Zaver
- Andrew Zellmer
Congratulations RLI Award Winners

The REALTORS® Land Institute is made up of some of the highest caliber land brokers. The REALTORS® Land Institute, Iowa Chapter recognized the performance of some of our members for business conducted from Jan - Dec 2016 at its RLI Iowa Annual Dinner on March 22.

In addition to the awards ceremony, a Cowboy Auction was also held to raise money for the Iowa Chapter. Over $3,000 was raised from that auction!

ALC-to-ALC Teleconferences

The REALTORS® Land Institute’s Education Committee sponsors the ALC-to-ALC Teleconference Series, exclusively for Accredited Land Consultants at no cost. If you have questions about the ALC-to-ALC Teleconference Series please contact RLI, at rli@realtors.org or 1.800.441.5263.

NEGOTIATION STRATEGIES FOR THE LAND PROFESSIONAL—April 20, 11:00am CST

You’ve made the offer on behalf of your client, and the other agent counters, what do you do? Listen and learn from experienced ALCs ways to seal the deal, with making your client happy. Our ALCs will give tips to negotiate before you get to the table, how to overcome obstacles, and identify any ethical issues in the negotiation process.

THE TRANSITION FOR TRANSITIONAL LAND — July 20, 11:00am CST

ALCs will share their best ideas for transitioning a property from one use to another. Whether this is a corner 5 acre piece of land ready to be a gas station, or a gas station in need to transition back to raw land. Join your peers to hear their unique ideas to transition a piece of land, the steps you should take, and how to determine the best use.
Land Trends and Values

By Kyle J. Hansen, ALC, Hertz Real Estate Services, Land Trends and Values Chair

The REALTORS® Land Institute, Iowa Chapter is pleased to announce the results of our March 2017 Land Trends and Values Survey. 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 March 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 result of this survey shows a statewide increase of 0.9% for tillable cropland values from September 2016 to March 2017 period. Combining this increase with the 3.7% decrease reported in September 2016 indicates a statewide average decrease of 2.8% for the year from March 1, 2016 to March 1, 2017.

The nine Iowa crop reporting districts showed a mix of increases and decreases in value. The districts varied from a 3.2% increase in NW district to a 3.0% decrease in SW district since September 2016.

Factors contributing to current farmland values include: Good yields in 2016, lower commodity prices, limited amount of land on the market, and high world supplies of grain. Other factors include: lack of stable alternative investments, cash on hand, stronger dollar, threats to trade policy (political uncertainty) and increasing interest rates.

View Past Land Trends Survey Results

<table>
<thead>
<tr>
<th>Land Classification By Potential Corn Production</th>
<th>Timber Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Tillable Pasture Per Acre</td>
<td></td>
</tr>
<tr>
<td>Medium Quality Crop Land</td>
<td></td>
</tr>
<tr>
<td>High Quality Crop Land</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>March</td>
</tr>
<tr>
<td>Central</td>
<td>9,285</td>
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<tr>
<td>East Central</td>
<td>9,486</td>
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<td>North Central</td>
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<tr>
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<td>Northwest</td>
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</table>
Complete the Membership Application Online

www.RLIFarmAndRanch.com/membership.aspx

Questions?
Contact Traci Schermerhorn
RLI Iowa Chapter Executive Director
traci@rlifarmandranch.com
515.633.7993

Benefits of Membership Include:

- Educational Opportunities
- Land Trends and Values
- Legislative
- Industry Awards
- Networking
- 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.