



# Farmland Value Trend Newsletter

# 2017


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## In this issue...

Farmland Value Trend .....	3
Alberta – Economic Activity Index .....	4
Saskatchewan – Distribution Analysis.....	5
Serecon News Highlights for 2017 .....	6

The data within this newsletter should be utilized for informational purposes only. The figures provided do not represent an appraised value of any specific property or properties. It is advised that the data contained herein should not be relied upon for any analysis outside of this newsletter. We expressly deny any liability relating to the misappropriation of the information herein. This document was published in March 2018.



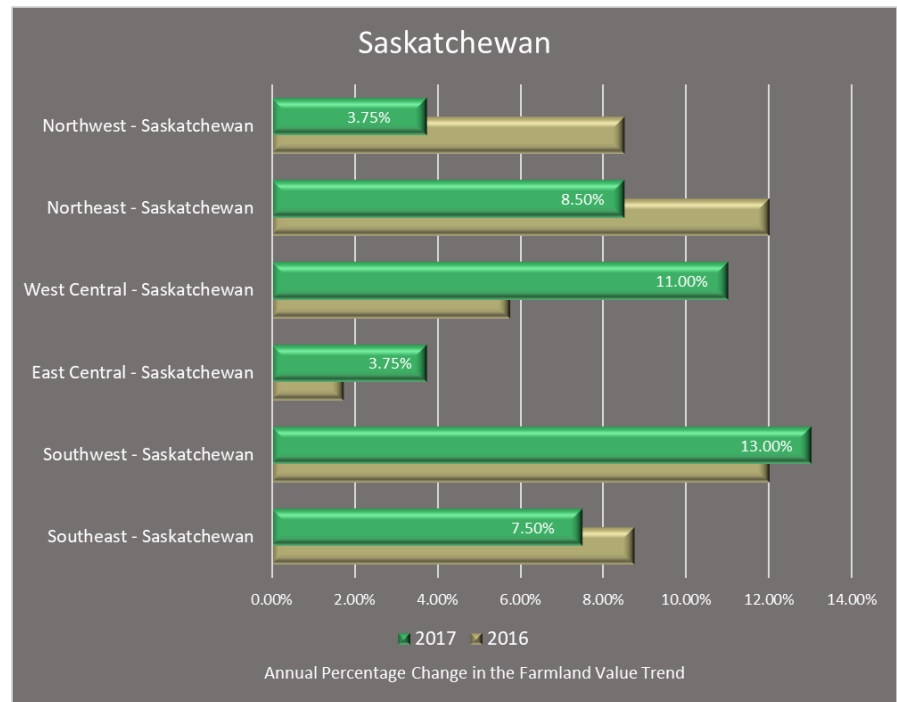
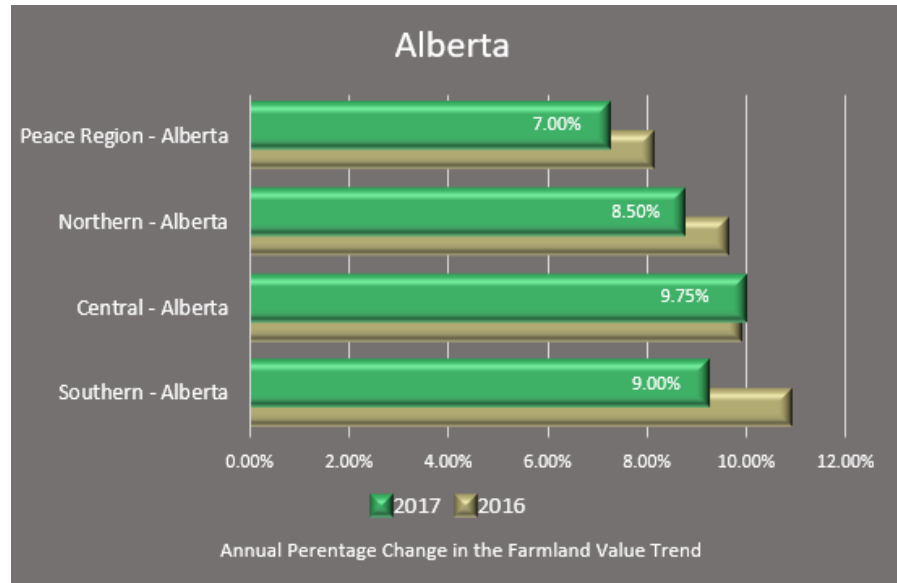
## Farmland Value Trend - 2017

Serecon is a group of Valuations and Appraisal, Management Consulting, and Farm Asset Management professionals who specialize in the agricultural industry. We provide independent consulting services to individuals and organizations who require agricultural expertise, whether that be for financing, planning, program analysis, litigation support, or any other needs.

Serecon conducts ongoing and regular research on the agricultural real estate market throughout western Canada. Our research and analyses are concentrated in the provinces of Alberta and Saskatchewan. Accordingly, the graphs indicate the annual change in the farmland value trend within the identified regions of each province.

Farmland values in the Alberta regions experienced similar appreciation rates in 2017 as had occurred in 2016. **As a whole, the indications across Alberta show an annual increase of approximately 8.5% on average across the province.**

Farmland values in the Saskatchewan regions experienced variable appreciation rates in 2017 compared to 2016. **As a whole, the indications across Saskatchewan show an annual increase of approximately 8.0% on average across the province.**



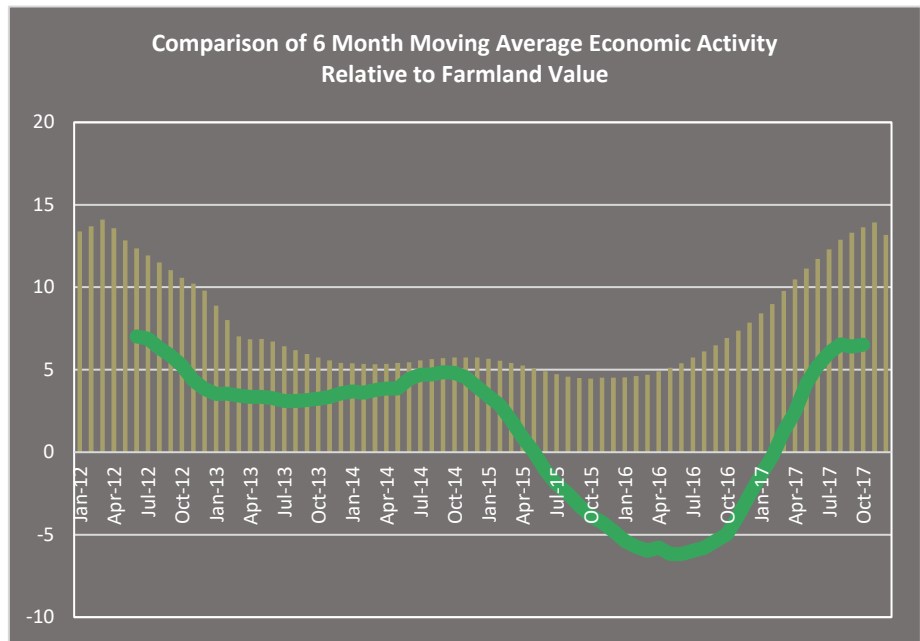
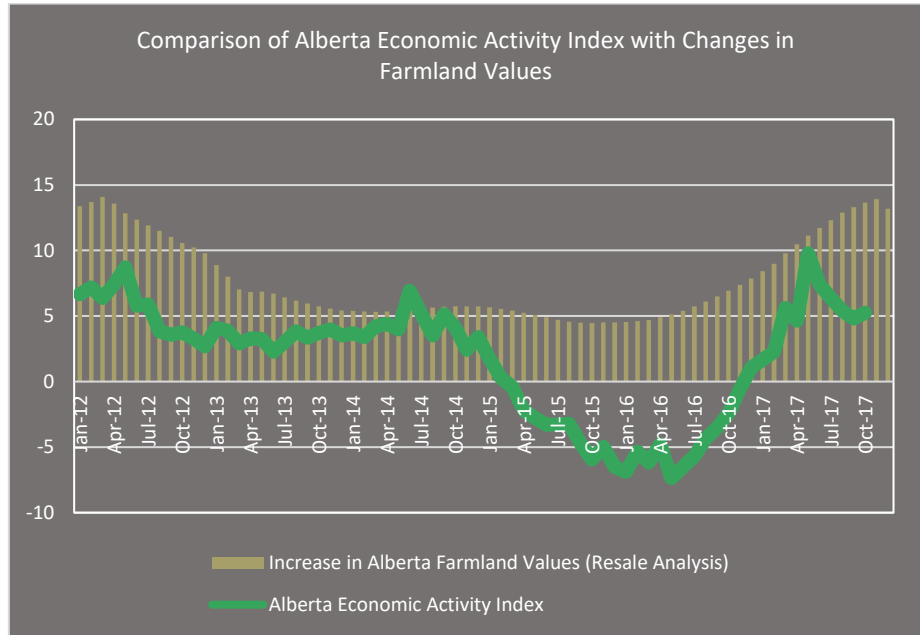


## Alberta - Economic Activity Index

In past newsletters, we have presented that farmland values appear to be dependent on several factors including gross farm revenue, interest rates, inflation, and general economic performance (GDP). Therefore, it is interesting to compare the relationship between Alberta's Economic Activity Index relative to our estimated increase in farmland values over the past five years.

The first graph indicates considerable variability month-to-month. In order to smooth the variability, the second graph uses a six-month moving average for the Alberta Economic Activity Index.

The graphs indicate a general trend wherein the Alberta Economic Activity Index may, to some degree, lead the trend in farmland values. This is not surprising as the agricultural industry makes up a considerable portion of the greater Alberta economy. Moreover, market participants for farmland consist of more than just traditional farmers. Market participants include people from all economic backgrounds who are all impacted by the provincial economy. Thus, the correlation between these two factors is relevant.



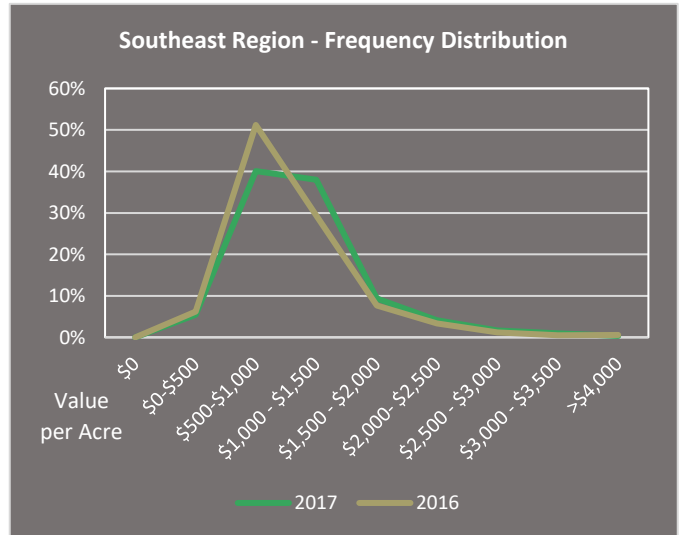
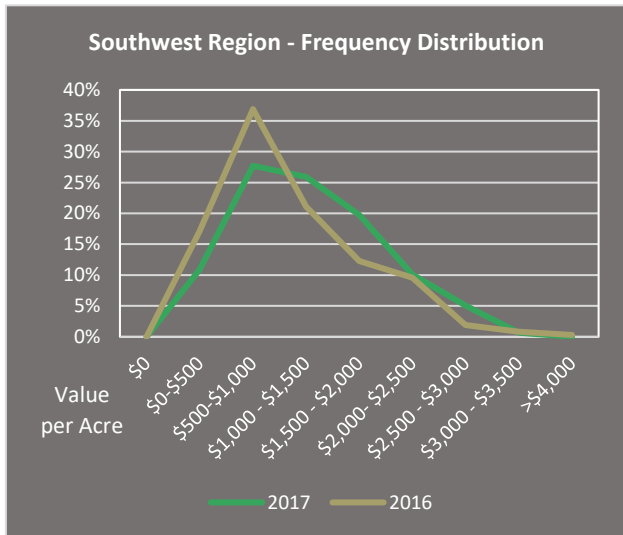
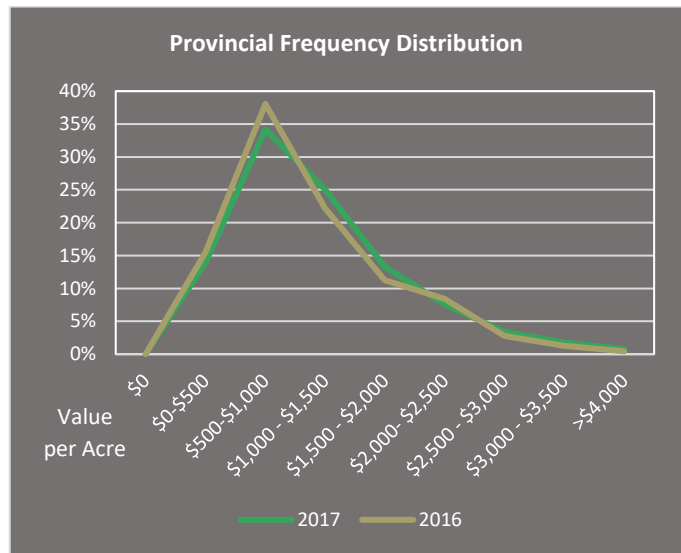


## Saskatchewan – Distribution Analysis

On a provincial basis, the first graph shows that the frequency distribution of sales prices between 2016 and 2017 is similar. However, the graph does show that there has been a slight shift in the sale distribution that increases the proportion of sales within the range of \$1,000 per acre to \$2,000 per acre and a reduction in the proportion of sales in the \$500 per acre to \$1,000 per acre range.

It should be noted that the data includes all types and qualities of land and therefore, does not necessarily reflect the change in value for cultivated land.

From a regional perspective, there are variations in the change in average sale price. The southeast and southwest regions showed the largest increase in the mean sale price. The changes for these areas are shown on the subsequent graphs.



The above data confirms the continual trend of appreciating farmland throughout Saskatchewan. The information indicates that all farmland uses: grazing, dryland cultivated, and irrigated cultivated, have appreciated in value to some degree. However, it should be noted that land values do not appreciate in unison across the province. Some areas have seen greater appreciation in property values than other areas. In some instances, the market trend in an area may be stable. A current market analysis of any given area is considered to be the best indication of the market value of a property in that area.



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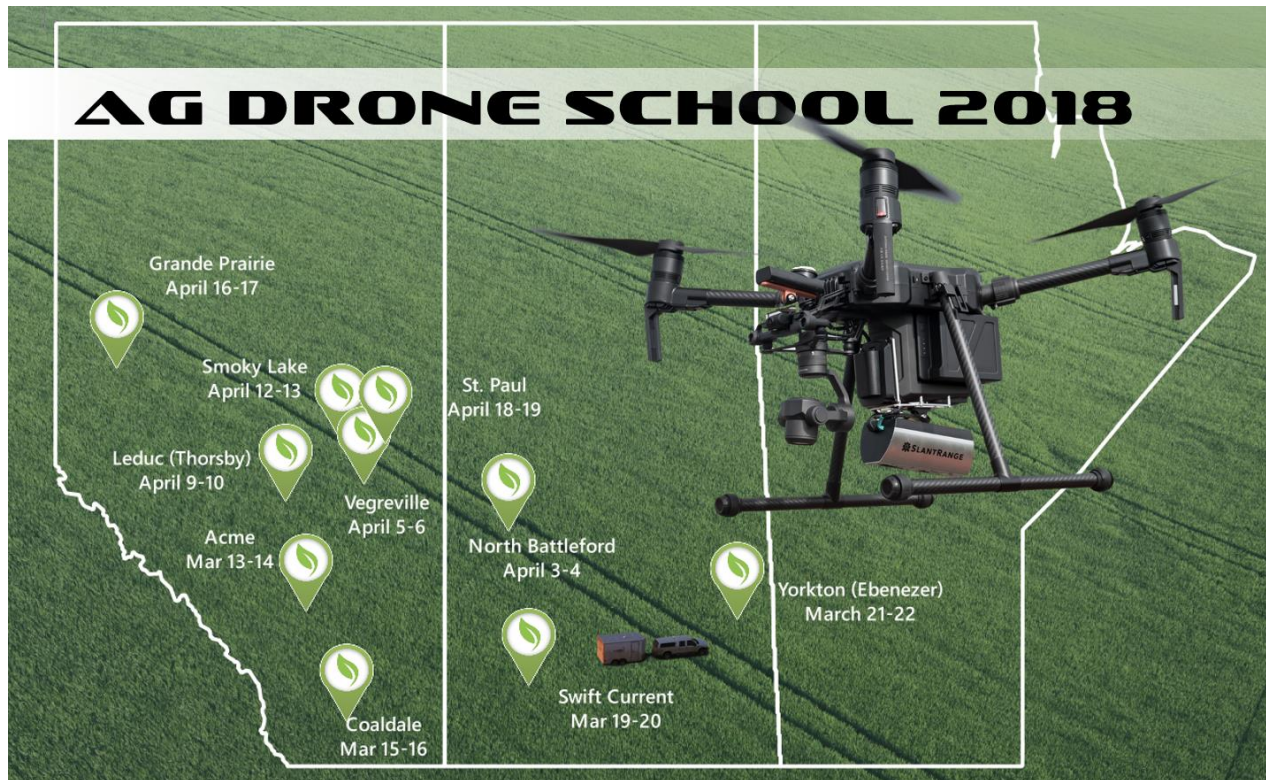
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## Serecon News Highlights

### ■ LandView Drones

- Markus Weber of LandView Drones, who is also a consultant with Serecon, was busy in 2017 providing drones, training, complete systems, and support to agricultural operators throughout western Canada. In 2018, LandView Drones continues with the Ag Drone School at various locations throughout western Canada (see image below). To find out more about LandView Drones contact Markus at 780-266-4641 or visit [www.landview.com](http://www.landview.com)





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## ■ FNC Serecon

- FNC Serecon Inc. continues to welcome more clients to our farm management service including farmers and investors who are looking for land to rent, buy and/or sell. Some examples of what we are currently seeking are as follows:
  - To Rent:
    - cropland in Vulcan County or MD of Willow Creek
    - cropland in the Regina plains
  - To Buy:
    - Large parcel of cropland in east central Alberta or west central Saskatchewan
    - Large parcel of cropland in north-central or eastern Saskatchewan
    - Large grain farm with good buildings and infrastructure within 2 hours of Calgary
- Call Jim Robinson with FNC Serecon Inc. at 780-441-1166 or 306-581-6411 if any of these opportunities are of interest to you.



**FNC  
Serecon**

Landowner Services for Canadian Agriculture

## ■ Scholarship

- Congratulations to Emmalyn Elgersma who was awarded the Serecon Leadership Scholarship. Emmalyn has demonstrated superior academic achievements at the University of Alberta. Serecon is happy to assist her and other students in pursuing their goals.

The Serecon Leadership Scholarship, which has been offered since 2001, is awarded annually to a student entering the first year of the BSc. in Agriculture program. Recipients are chosen on the basis of leadership qualities demonstrated by involvement in extracurricular and community activities as well as academic standing.



**UNIVERSITY OF  
ALBERTA**



## ■ Value Added Agricultural Advisory

- Our specialists in the business of agriculture have been providing expertise in many different areas of the agricultural industry. In the fourth quarter of 2017, Serecon has been advising clients in the following areas:



- Best Management Practices in Agriculture
- Municipal Agricultural Strategies
- Environmental Farm Plan Benchmarking
- Loss Quantification Model Designing
- Disease Management in Agriculture
- Agricultural Impact Assessments
- Canadian Field Print Initiative
- Operations Management Review
- Pork, Poultry, & Sugar Beet Studies and Business Plans
- Product Pricing Studies
- Fertilizer Market Analysis
- Grain Handling and Export Study
- Organic Transition Management





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- Don Hoover Receives AIA Lifetime Member Award



- Congratulations to Don Hoover, one of the founders of Serecon, who received the Alberta Institute of Agrologists (AIA) Lifetime Member Award. He is the third person to receive the award in the history of the AIA.

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