



# Farmland Value Trend Newsletter

# 2021

780-448-7440    [www.serecon.ca](http://www.serecon.ca)    [info@serecon.ca](mailto:info@serecon.ca)    403-216-2100



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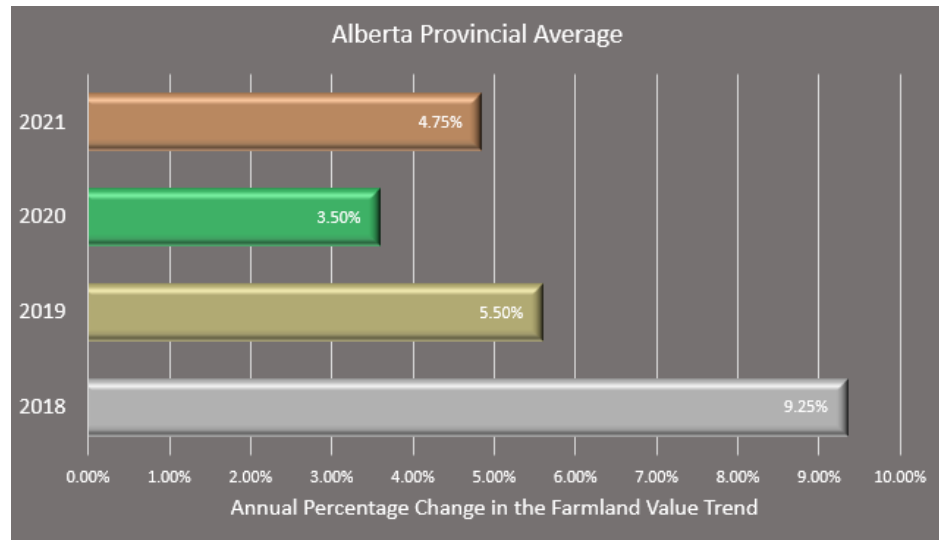
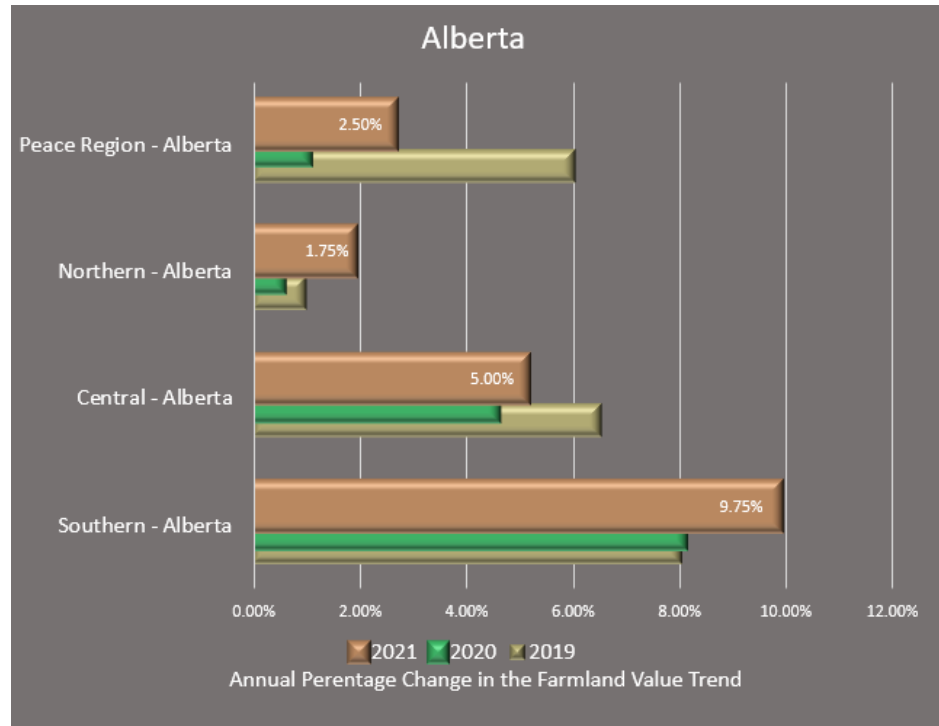
## Alberta Farmland Value Trend - 2021

The Peace Region and northern Alberta experienced small appreciation rates overall with many areas indicating a more or less stable land value trend, as well as some locales with a moderate positive trend. Challenging weather conditions over recent years have caused problems for area farmers in many parts of the Peace Region and northern Alberta.

Farmland in central Alberta experienced an overall modest gain across the region. A few areas that had timely rainfall experienced notable step-ups in value within their respective marketplaces. Other areas had limited rainfall and production which resulted in stable market value indications. Many of the remaining areas trended near the average appreciation rate for the region.

The notable gains indicated in southern Alberta were again driven by strong demand for prime irrigated farmland which indicated gains of +12%. The trend for dryland trailed the appreciation rate of irrigated lands with a few areas having a flat value trend due to a challenging growing season as a result of limited moisture.

**As a whole, the indications across Alberta show an annual increase of approximately +4.75% on average across the province.**





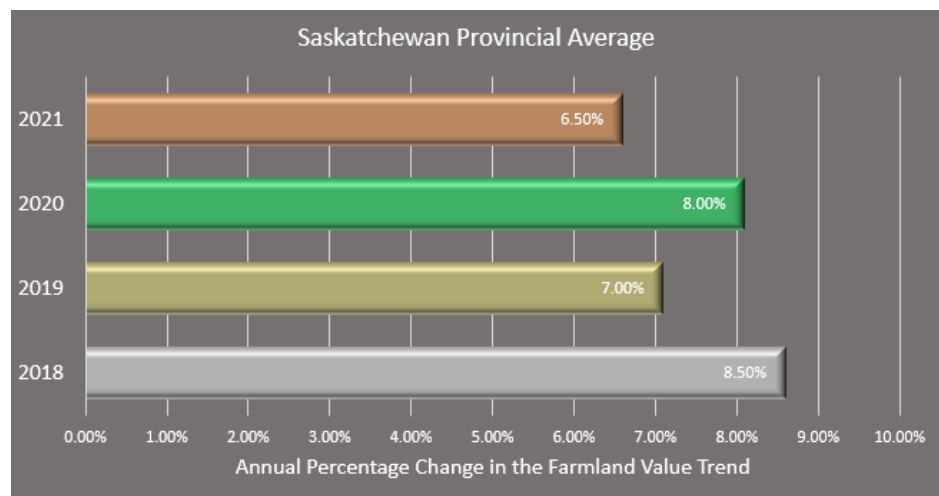
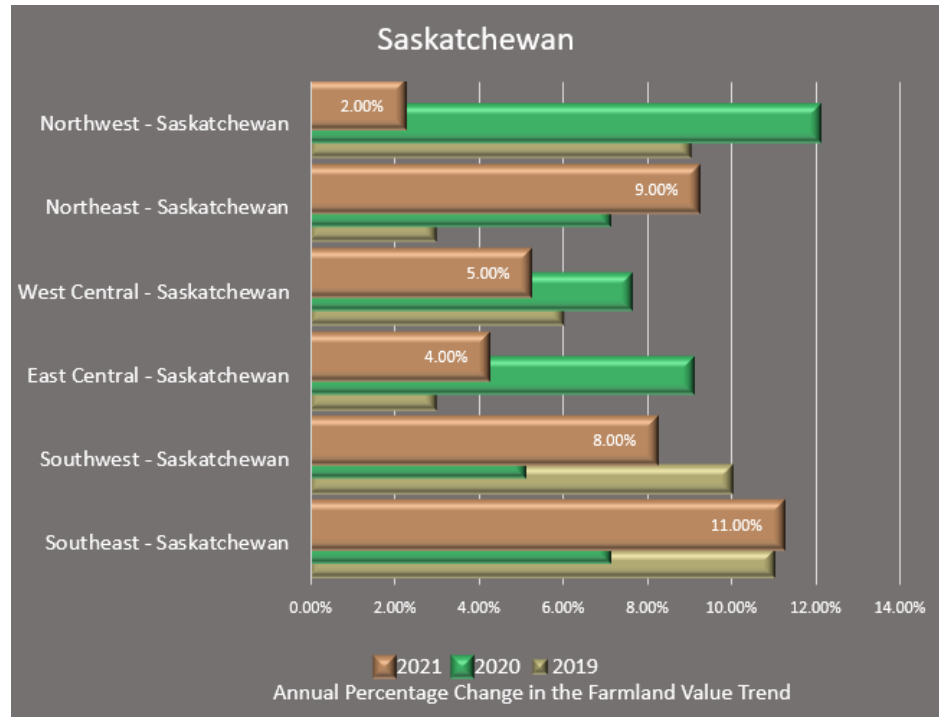
## Saskatchewan Farmland Value Trend - 2021

The farmland value trend in Saskatchewan indicated notable variability across the province including considerable variation across local marketplaces within each region. Serecon’s valuation and consulting teams have observed limited sales activity and offerings across many areas indicating that supply has tightened. Meanwhile, demand is strong in many areas where sizeable step-ups in the local value trend have resulted.

The largest gains across the province generally occurred where crop production was strong and where more aggressive buying has occurred. The news of such activity often works its way through the region wherein other market participants react. In some sub-markets, similar step-ups in value occur while other areas have not followed those trends, or at least not yet.

Smaller gains in farmland appreciation generally occurred in areas hit hardest by drought conditions which have mostly occurred in the western regions. It is noted that the eastern portions of these western regions have raised the average indications to some degree.

**As a whole, the indications across Saskatchewan show an annual increase of approximately +6.5% on average across the province.**





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## Serecon News Highlights - 2021

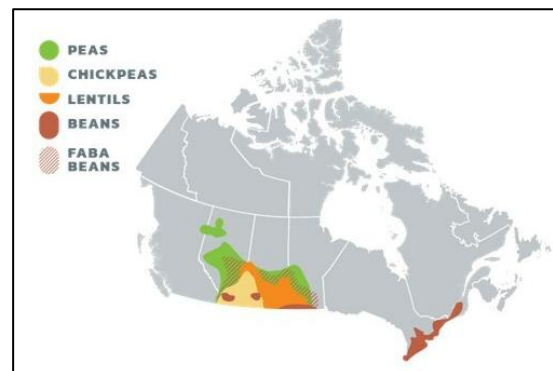
### Farmland Transaction Considerations

People selling farmland are often justifiably worried they will not be paid the fair value of their land. We recommend seeking outside expertise from others who are active in farmland transactional matters whether that consists of consulting with a qualified lawyer, realtor, or appraiser in order to obtain peace of mind that a fair market value is received as part of any sale. At Serecon, we have provided valuations and realty services to hundreds of lawyers and advisors over the years who are agents for landowners throughout western Canada. Moreover, we continue with projects daily for lawyers and landowners needing professional appraisals from our consultants who focus on agricultural and rural properties of all types. When hundreds of thousands or millions of dollars are at stake, our clients see the value we provide to assist with decision-making by way of objective appraisals, realty services, and consultation on factors specific to the given property or assets.



### Plant Protein Advisory Services

Serecon continues to contribute management consulting expertise towards the immense growth in Western Canada's plant protein sector. The growth in plant protein is driven by global demand for plant-based foods and the various Provincial and Federal programs to promote expansion in this sector, including Protein Industries Canada (PIC). We provide clients not only the expertise to understand this rapidly growing industry in Western Canada, but also the connections needed to establish themselves.





## Agricultural Insurance Claim Expertise

The agricultural advisors at Serecon regularly complete analyses and projects for farmers, ranchers, and/or their lawyers, adjustors, insurance companies, and others. These clients have been involved with damages, losses, or any type of agricultural insurance claims such as fire damage and crop or pasture loss; crop input application damages; equipment malfunction; livestock herd or flock depopulation; injury/accident matters; crop insurance evaluations; and insurance margin analysis.



Farm and ranch insurance claims cover a broad spectrum of activities and thus all of Serecon's service offerings: advisory services, management consulting, valuations, and appraisals; get involved in various projects as needed.

## Lake Diefenbaker Irrigation Project - Valuation Dynamics

Our consultants note considerable interest in this project through our offices from various stakeholders as irrigation is a hot topic and generally in high demand. We have provided consultation for local landowners in that area, outside farmers, investment funds, realtors, and others on irrigation matters on lands that are within the project area. Our ongoing consulting and real estate experience with irrigated farmland across western Canada provides Serecon with insights in how irrigation can benefit the farming operation. In addition,





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our agricultural appraisers understand the real estate market dynamics for irrigated farmland wherein multiple factors impact the value-added considerations including the costs/benefits of a water license, infrastructure, and pivot systems as well as the valuation implications of dryland having prospects for irrigation, soil enhancement/yield improvement prospects, and entrepreneurial incentive and profit or benefit factor. All of these factors may or may not be value-added considerations in any given local marketplace. However, Serecon's irrigation experience throughout the prairies helps clients become knowledgeable about the probable impacts of irrigation on farmland and most notably the impact of an investment in the irrigation real estate marketplace.

## Commodity Handling & Processing Facility Valuations

Understanding the marketplace for these facilities, replacement costs, depreciation factors, as well as the integral design and operating systems of this type of asset is a key consideration in any valuation which our appraisers study and analyze. In addition to our valuation expertise, our consultants have also provided insights to industry players in regard to investment due diligence, business planning/outlooks, and opportunity engagement. Given this experience and our knowledge of commodity handling and processing facilities, as well as similar operations across western Canada, the team at Serecon is well equipped to complete similar valuation needs you may have.



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