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Matre Forestry Consulting, Inc.

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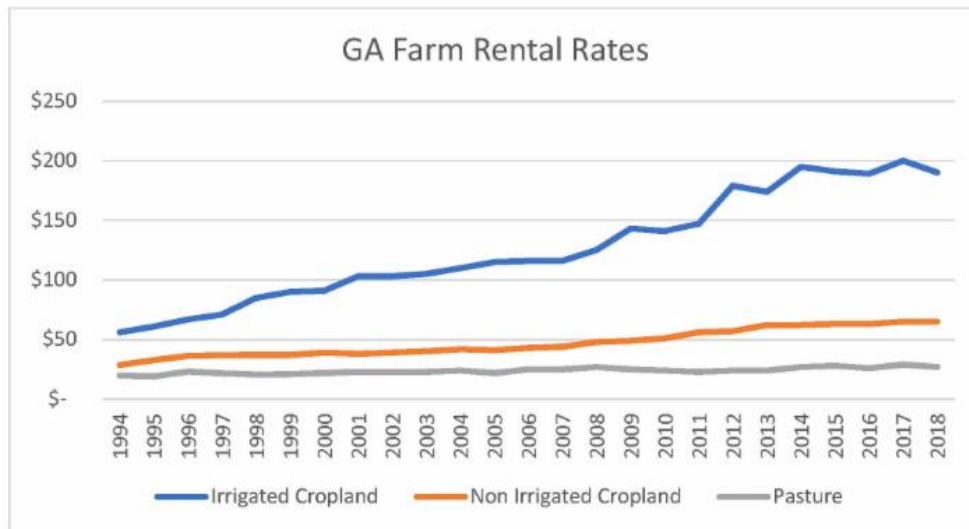
Dear Matre Forestry Newsletter Subscribers,

Yep, another two for one email blast with both market data and listing information. A couple of weeks ago we blasted out an email with some timber price trends, and then another email with some land price trends, and now this one involves farm rental rates for Georgia. These three recent email blasts are posted at <https://www.matreforestry.com/newsletter.html>, where you can also subscribe to our newsletter (if a friend forwarded this email to you or if you have a new email address you would rather use).

Georgia Farm Rental Rate Trends:

While hunting is a huge motivation for many land buyers, especially in Georgia, when you get right down to it, the value of most rural Georgia acreage is driven by income potential from timber and/or farming (or renting to a farmer). While an avid hunter may be willing to pay a premium for a great hunting property, that premium will be most likely added to the value associated with income potential from farming and/or periodic timber harvests.

Below is trend lines for statewide Georgia farm rental rates for irrigated cropland, non-irrigated cropland, and pasture.



Source: <https://quickstats.nass.usda.gov/results/58B27A06-F574-315B-A854-9BF568F17652#7878272B-A9F3-3BC2-960D-5F03B7DF4826>

Just like timber prices, farm rental rates vary greatly. Farm rental rates depend on soil quality, water source and quantity (for irrigated), location, access, crop basis, terms of the lease, farming quality, landowner tenant relationship, and the farm bill. For instance, we are familiar with irrigated leases under \$200 per acre and over \$300 per acre. We are also familiar with dry land leases under \$60 per acre and more than \$100 per acre.

Based on the above data set, irrigated leases have increased 5.21% per year, and the gap between irrigated and dry land rental rates has increased significantly. Irrigated rental rates began to plateau around 2014 and may be correcting now. As irrigated rental rates correct, dry land rental rates could correct a little also. Dry land rental rates increased 3.46% per year, while pasture rental rates increased 1.26% per year. If Alexandria Ocasio-Cortez and the socialist crowd's Green New Deal nightmare ever became a reality, I guess pasture rental rates will plummet since AOC believes that cow flatulence is killing the planet. Meanwhile, some college "safe spaces" now have therapeutic llamas. What about llama flatulence on college campuses AOC? Please pray for America.

In 2018 the average irrigated crop land rental rate in Georgia was \$190 per acre. USDA has the 2018 Georgia irrigated cropland value at \$4,550 per acre. At \$190 per acre average rent, that is a 4.18% cap rate on gross rent. That low of a cap rate may work for a farmer (operator). From a investor point of view planning to rent the farm out, a 5% cap rate may be easier to stomach, which would put the investment value of average Georgia irrigated crop land at \$3,800 per acre based on gross average rent of \$190 per acre. 6% cap rate would put it at \$3,167 per acre. A 7% cap rate would most likely price the farmland investor out of the market at \$2,714 per acre.

In 2018 the average non-irrigated crop land rental rate in Georgia was \$65 per acre. USDA has the 2018 Georgia non-irrigated cropland value at \$3010 per acre. At \$65 per acre average rent, that is a 2.16% cap rate on gross rent. I have always felt that USDA non-irrigated value estimates are high. We frequently see non-irrigated cropland sell significantly below the USDA estimate. You want proof? Do you know anyone that jumps all over a land investment for a whopping 2.16% cap rate? Neither do I. Even at \$100 per acre rent, a rounded \$3000 per acre is just a 3% cap rate. I guess a dry land farmer (operator) can make the numbers work, but a farmland investor intending on renting the farming rights out will not be buying on a 2.16% cap rate.

In 2018 the average pasture land rental rate in Georgia was \$27 per acre. USDA has the 2018 Georgia pasture value at \$3,650 per acre. At \$27 per acre average rent, that is a 0.74% cap rate on gross rent. Again, I guess the cattle farmer can make it work, but not an investor intending on renting the pasture land.

Source of USDA farmland values: https://www.nass.usda.gov/Statistics_by_State/Regional_Office/Southern/includes/Publications/Economic_and_Demographic_Releases/Land_Value/LANDVAL18.pdf

New Prices and Videos for Matre Forestry Listings:

2018 was a great year for our land sales, and to jump start 2019, we have reduced prices on some listings, produced a couple of drone videos, and working on a couple more videos now. Click the links for more detail. Here we go:

[759 Acres in Worth County GA: Smoking Gun Plantation](#), \$2,850,000 (includes all equipment, furnishings, dogs, and commercial quail hunting business).



Smoking Gun Plantation

[318 Acres in southern Harris County GA](#): HBU Timberland. Fast growing county, mature timber, lake, creeks, paved road frontage, \$1,270,410
or [Buy Tract 1, 119 Acres](#), \$550,000 **NEW OFFERING**
or [Buy Tract 2, 199 Acres](#), \$725,000 **NEW OFFERING**

[252 Acres in Terrell & Dougherty County GA](#): HBU Timberland. Kiokee Creek Preserve. Ideal for future development or a permanent conservation easement. Gorgeous property actively managed for timber and wildlife. \$749,700



Kiokee Preserve for Sale

[206 Acres in Baker County GA:](#) Gorgeous property adjoining Elmodel WMA for additional hunting land. Elmodel WMA is archery only, with bird dog training areas and dove fields. This aesthetic fire maintained 206 acre timber property has been babied by the owner since the 1960's, and now it can be handed off to you. \$2490 per acre. **NEW PRICE New video coming soon**

[122 Acres on the Flint River in Dougherty County GA:](#) Cotton Boat Shoals Tract. Hard to find Flint River frontage with mature timber and small, well kept house. \$435,000 **NEW PRICE New video coming soon**

[94 Acres in Atkinson County GA:](#) Only \$1590 per acre with significant merchantable and pre-merchantable timber, plus a small row crop field, paved road frontage, in one of the hottest timber markets in the southeast. Everyone says you have to buy many 100's or 1000's of acres to make a good timberland investment - WRONG. Here is one for less than \$150,000! **NEW PRICE Ideal for a Self Directed IRA!**

43 Acres Terrell County GA: JUST SOLD

[24 Acres Miller County GA:](#) \$42,000 **NEW PRICE, UNDER CONTRACT**

[5 Acres Blakely GA City Limit:](#) \$19,000 **NEW PRICE** Seller says bring all offers. On the Blakely bypass (MLK Jr. Blvd.) in town. Could be a great spot for a business, or apartments.

Are you considering selling or buying land in Georgia or Alabama? If so, we would love to talk with you about it, and if we can help, we will deliver a detailed property specific land brokerage proposal for you to consider. Contact Mike Matre today at 229-869-1111 or mike@matreforestry.com . We can also provide forestry and land management services such as timber sales and appraisals, reforestation, burning, GIS mapping and database management, investment and market analysis, herbicide, project management for road building and other capital land improvement, etc. Depending on your needs, we can assist you on a limited basis as an advisory consultant, or provide complete turnkey management, or somewhere in the middle.

Matre Forestry Consulting, Inc. of Albany, Georgia was established in 1999. Matre Forestry assists clients in Georgia and Alabama with land sales, land and timber management, and land acquisitions. Mike Matre is a registered forester in GA & AL, a licensed real estate broker in GA & AL, a member of the Association of Consulting Foresters, & an Accredited Land Consultant with the Realtors Land Institute.

We strive to provide an informative newsletter for those interested in timberland and farmland investments, land management, and land and timber market news. If you were forwarded this email, we hope you will subscribe. We keep our subscriber list confidential and will not share or sell our list, and we will not bombard your inbox with frequent emails. We send our quarterly newsletter notice out once a quarter, and occasionally we send out short email blasts to inform our subscribers of available properties, available hunting leases, and share important current event news that affects the land and timber markets. You can unsubscribe at anytime. Please forward to a friend. We welcome your feedback.

Sincerely,

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