By JENNIFER VINCENT

EVERY producer has at least one piece of property they would love to get their hands on — for the right price. Just how high would you go?

A recent reported rumor goes like this. For years Iowa grower and dairy producer Leland Kaster from Sioux County had set his sights on an adjacent 74-acre parcel for his farm. He patiently waited years for it to come up for sale.

In December, the land went up for auction, and fierce bidding began. Turns out another neighbor also wanted the property, and the two had duked it out in an earlier auction over another a piece of property that Kaster lost. It’s my guess that ego might have played a tiny role in this fracas over farmland.

A dual of dollars ensued, and when the gavel slammed, Kaster had a $1.48 million tab. That’s right, Kaster officially set a new record for farmland value at $20,000 an acre.

Sure, this is Iowa, and this is beautiful black dirt, but it’s not speckled with gold.

Historically, the outlook for U.S. farmland values depended on global crop production and crop demand emerging from ethanol production and export activity. In recent years, and unlike the 1970s and 1980s, debt ratios are near historical lows, and farmers and their lenders generally judge farm loans on cash flows.

However, that doesn’t appear to be the case in Iowa. For whatever reason, Kaster and his bank were able to justify paying $20,000 an acre. I don’t know Kaster personally, and he’s offered no public justification for his purchase, and frankly, he shouldn’t have to.

The land purchase may seem to lack logic, but it made sense for him logistically, and I would venture to guess there was probably some emotion in the equation. Being a dairy, maybe he wanted to expand and needed the ground for manure disposal. Or could there be another generation coming into the operation?

Whatever reason Kaster has for justifying his astronomical acquisition, his bank has backed him. To me, that speaks volumes of his character, business sense and assets, all of which are a tribute to him. So, good for you Kaster. We can all bank on that ground being well cared for.

From the In-box

Editor’s note: My January column on “Correct misconceptions at the meat counter,” which dealt with fallacies about meat, the use of hormones and residues left behind, was apparently well-received. I received many thanks on setting the record straight from readers, including these emails below. If you missed the editorial, visit www.FarmProgress.com and click on “Magazine online,” where the entire January edition, along with past issues, is available.

Thanks for bringing attention to the hormone issue. It’s quite silly the way stuff gets marketed these days, but branding is everything, whether relevant or not. I thought your approach to the topic communicated well what was really relevant.

Ken Blight, beef producer, Albion

Thank you for your interesting and educational editorial that you wrote about hormones in meat and other foods. I always wondered about the very same thing!

Pat Reif, Saginaw

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