

Farmland Insights

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CLIMATE CHANGE POTENTIAL IMPACTS ON AGRICULTURE IN ILLINOIS

Climate change is having a significant impact on agriculture in Illinois. These impacts range from altered temperature and precipitation patterns to extreme weather events and shifts in pest and disease dynamics.

Rising Temperatures and Heat Stress

- **Impact:** As average temperatures increase, crops like corn and soybeans are increasingly vulnerable to heat stress, particularly during critical growth stages such as pollination. This can lead to reduced yields and more frequent crop failures.
 - **Source:** According to the Illinois Climate Change Response Program, average temperatures in Illinois have risen by about 1.5°F over the past century, with the trend expected to continue (Illinois Department of Natural Resources, 2009). This warming contributes to increased crop stress and reduced productivity during hotter periods.

Changing Precipitation Patterns

- **Impact:** Illinois is seeing increased rainfall intensity, leading to both flooding and soil erosion during wet periods, while drier periods or droughts are more frequent. These changes negatively impact crop growth, reduce water availability, and increase the likelihood of crop diseases and pests.
 - **Source:** The U.S. Environmental Protection Agency (EPA) notes that the frequency of extreme precipitation events in the Midwest has increased by 25% since 1900, contributing to more flooding and waterlogging in agricultural areas (EPA, 2017).

More Frequent Extreme Weather Events

- **Impact:** More frequent storms, tornadoes, and hail can damage crops, farm infrastructure, and equipment. These extreme weather events disrupt farming operations and lead to significant financial losses.
 - **Source:** The National Climate Assessment reports that climate change has contributed to an increase in the frequency and intensity of extreme weather events, including floods, heatwaves, and severe storms (USGCRP, 2018).

Pest and Disease Pressure

- **Impact:** Warmer temperatures and shifts in precipitation patterns are altering pest and disease dynamics. Warmer winters and wetter conditions favor the survival and reproduction of pests such as insects and pathogens, which can lead to increased infestations and crop damage.
 - **Source:** The Illinois State Climatologist's Office has documented how changing temperatures have allowed for the survival of pest species, such as the soybean aphid, which traditionally could not overwinter in Illinois (Illinois State Climatologist's Office, 2019).

Water Scarcity and Drought

- **Impact:** Although Illinois has historically had abundant water resources, the state is experiencing periods of drought, which can reduce water availability for irrigation, negatively affecting crop yields.
 - **Source:** The U.S. Drought Monitor has reported more frequent drought conditions in the Midwest, including Illinois, which exacerbate the challenges of maintaining crop health and productivity during dry spells (U.S. Drought Monitor, 2020).

NEW ADMINISTRATION POTENTIAL IMPACTS ON AGRICULTURE

The new administration could have both positive and negative effects on American farms, depending on policy implementation.

Positive Impacts:

- **Regulatory Relief:** The President's previous administration was known for rolling back environmental regulations, which some farmers found burdensome. A second term could further reduce such regulations, providing more flexibility for farm operations (UCSUSA, 2020).
- **Trade Agreements:** The focus on renegotiating trade deals, such as the USMCA (United States-Mexico-Canada Agreement), aimed to open new markets for American agricultural products, especially for dairy, grains, and meat industries (AgFunder News, 2020).
- **Tax Cuts:** The 2017 tax cuts benefited many farm owners by reducing corporate tax rates and offering estate tax relief, which could continue to provide financial relief for farmers (Greenhouse Grower, 2020).

Negative Impacts:

- **Immigration Policies:** The current hardline stance on immigration, including restrictions on migrant labor, could negatively impact the agricultural sector, as many farms rely heavily on immigrant workers for planting, harvesting, and processing (The Guardian, 2024).
- **Trade Tensions:** While some trade deals were renegotiated, the trade war with China led to retaliatory tariffs on agricultural goods like soybeans and pork, hurting U.S. farmers (AgFunder News, 2020). Further trade disruptions could continue to pose risks.
- **Climate Change Policies:** The recent withdrawal from the Paris Agreement and less aggressive stance on climate change could negatively impact farmers, especially those in regions vulnerable to extreme weather events, by deprioritizing environmental protections (UCSUSA, 2020).

In summary, while the current administration might offer economic benefits through trade agreements, regulatory relief, and tax cuts, it could also present challenges related to immigration policy, trade tensions, and climate change mitigation efforts.

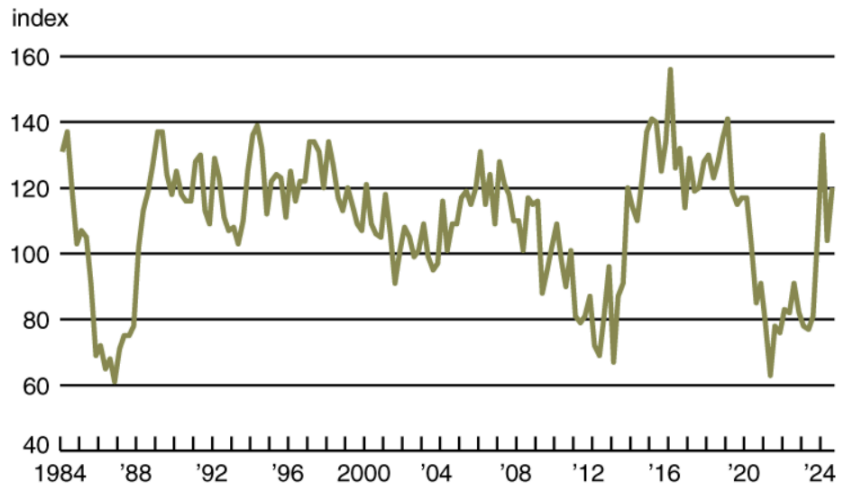
**Federal Reserve Bank of Chicago AgLetter
November 2024 Written by David Oppedahl &
Elizabeth Kepner**

The November 2024 edition of the Chicago Fed's AgLetter focuses on the economic performance of the agricultural sector in the Seventh District. Key points include:

- The District had no year-over-year change in its agricultural land values in the third quarter.
- Agricultural credit conditions softened and interest rates fell slightly in the third quarter.
- “Low grain prices are affecting borrowers’ ability to pay off operating loans.”
- The available bank funds for lending was lower than a year ago for the sixth straight quarter.
- Though dipping farm interest rates could help some, agricultural credit conditions were expected to keep weakening as farm incomes, for the most part, keep shrinking.

For detailed insights visit:
[Chicago Fed's November 2024 AgLetter.](#)

Index of demand for Seventh District non-real-estate farm loans



Source: Authors’ calculations based on data from Federal Reserve Bank of Chicago surveys of farmland values

Illinois Department of Agriculture Facts About Illinois Agriculture:

According to the United States Department of Agriculture National Agricultural Statistics Service (USDA-NASS), as of April 2019, Illinois had 72,000 farms. Illinois farmland covers 27 million acres -- about 75 percent of the state's total land area. The large number of farms, coupled with the diversity of commodities produced, makes it difficult to describe a typical operation. However, statistics provide some indication about what it means to farm in Illinois.

Featured Goodwin & Associates Active Listing Opportunities

- 161 Ac LaSalle County - Adams Twp with Soil PI of 140.7 and nearly 100% tillable acreage with excellent yield history - \$17,900/acre - UNDER CONTRACT
- 118 Ac DeKalb County - Paw Paw Twp with Soil PI of 129.3 on 108 tillable acres with tile and waterway improvements - \$11,000/acre
- 78 Ac Kendall County - Seward Twp with Soil PI of 124.3 and industrial development potential - \$2.50/sqft
- 340 Ac Cass County with Soil PI of 138.5 - \$14,725/acre
- 151 Ac Will County - New Lenox Twp residential development land with sewer and water available from New Lenox - \$62,500/acre
- 45 Ac Will County - Troy Twp with Soil PI of 128.8 on 44.07 tillable acres with townhome or duplex potential - \$45,000/acre
- 120 Ac Will County - Will Twp with Soil PI of 121.7 on 115.82 tillable acres - \$15,000/acre

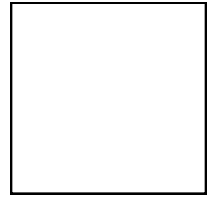
Recent Goodwin & Associates Successful Closed Transactions

- 100 Ac Will County - Manhattan Twp with Soil PI of 123.4 - sold 10/2024
- 110 Ac Will County - Wilton Twp with Soil PI of 126.1 - sold 10/2024
- 139 Ac Will County - Peotone Twp with Soil PI of 125.6 - sold 9/2024
- 40 Ac Will County - Peotone Twp with Soil PI of 123.1 - sold 08/2024
- 240 Ac Will County - Peotone Twp with Soil PI of 125.5 - sold 5/2024
- 60 Ac Will County - Green Garden Twp with Soil PI of 120.5 - sold 7/2024

For a Full List of Active and Closed Listings Visit WWW.BIGFARMS.COM

FARMLAND INSIGHTS

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RETURN SERVICE REQUESTED

Inside you'll find:

Climate Change Potential Impacts on Agriculture in Illinois
New Administration Potential Impacts on Agriculture

25+ years of experience and counting



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ALC, CCIM
Managing Broker



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