MARKET TRENDS
FARM EDITION 2011

Barrie/Tottenham/Innisfil

The agricultural real estate market in Barrie-Tottenham-Innisfil has remained stable year-over-year, with prices on par with 2010 levels and sales for the past 12-month period just slightly ahead of the previous 12-month period (17 vs. 14). Supply also remains balanced, with a healthy selection of inventory available—23 farmland properties are currently listed for sale. Over the past decade, the number of farms in the area has dwindled, particularly as the residential suburbs expand and traditional farmland is lost in the name of progress. Lower pricing in surrounding areas, such as Dufferin-Grey-Wellington, have also enticed some to relocate their operations—a move that has proven profitable for many. This is particularly true in the dairy segment, where farmers can make a considerable profit selling their land and quota. The Ontario Farm Association notes that of the 38,000 farms registered in Ontario, Simcoe Region accounts for just 0.4 per cent. Yet, the area does offer quality soil conditions, with the price per acre of cash crop land ranging from $8,000 to $10,000 on average. Prime black muck soil can drive the cost per acre up as high as $35,000. The potential and value of local agricultural land has not escaped savvy investors. In 2006, Walton International privately bought up thousands of acres of farmland in the region, offering as much as $10,000 an acre. Some of the acquired land has been used for cash crop operations, while the remainder is generally rented to local farmers—a practice which can net $150 an acre per production season. The Walton deals changed the landscape in Barrie-Tottenham-Innisfil, as the region lost many traditional family farms—some of which had been in existence for generations. Barns, buildings and many Victorian-era homes were

torn down as a result. Today, some types of farming have experienced a resurgence. Horse farms and hobby farms, in particular, have seen an upswing in demand. Horse farms are drawing wealthy purchasers from the city, many of whom are buying properties outright. Hobby farms are attracting buyers in their 40s with young families, who have an alternate source of income and want to escape the bustle of city life. A 10-20 acre hobby farm, with a nice house, barn and equipment now commands $450,000 to $550,000—almost as much as 100 acres of quality farmland. Expansion among a core group of career farmers continues in Barrie-Tottenham-Innisfil, given the rise in commodity prices. Traditional farms average approximately 90 acres. Plenty of 10-15 acre 'spaghetti lots' also exist—a product of severances that were commonplace years ago (but are no longer permitted). Hobby farms are moving well, within 30 days at the $500,000 price point, while farms at the upper-end price points—over $1 million—can spend as long as six to nine months on the market. Organic farming is a trend to watch, now in its infancy in the region. Balanced market conditions should prevail going forward, with steady demand expected to characterize the market.

Bruce County/ Huron County

Pent-up demand continues to increase farmland values throughout Bruce and Huron Counties, resulting in new price per acre records. A limited supply of available farmland, combined with low interest rates, rising commodities and strong investor activity have been key factors bolstering momentum in this segment. There has also been a considerable upswing in the number of cash crop farmers looking to expand. Others still are converting their former livestock farms to cash crop operations as commodity prices escalate. Significant price growth has been noted over the past three years, particularly in South Huron and Mid-Perth, where the price per acre for quality cash crop land has reached $10,000 to $14,000. Good quality farmland in Mid-Huron has reached $8,000 to $10,000 an acre, while values hover at $4,500 to $7,000 per acre in North Huron and Bruce County. Premium cash crop land is in greatest demand—and shortest supply—with flat, 100-acre-plus parcels most sought-after. Quota-based dairy and chicken farms are also popular, with some hog farm activity occurring. Overall, livestock farmland is easier to secure, and in some cases, a more reasonable option than buying quota. The solid appreciation had some buyers waiting it out on the sidelines, but given the continuing pace, many are now choosing to ante-up to avoid paying more down the road. Private sales among neighbours are commonplace. Expansion land, abutting existing operations, often commands a premium. Demand among investors is now unprecedented in Ontario, with a mix of both local and international buyers on the scene. Those from abroad, in particular, are attracted to the value Canadian farmland represents—despite the rising prices. Our sprawling tracts of land are a far cry from the density they're used to—where farms are almost on top of one another and the price per acre can reach upwards of $20,000. In Bruce and Huron Counties, properties are now selling within 45-60 days, but can be snapped up almost as soon as they hit the market in some instances. In the past, that momentum was unheard of, with farms typically taking roughly six months to sell. Retiring farmers, once looking to downsize or sell, are now capitalizing on their existing investment—land that in many cases has been bought and paid for years ago—by choosing to rent their properties and earn a tidy profit. Prices for farmland in Bruce and Huron Counties are expected to continue on the upward trend, with solid fundamentals in place for the months ahead.

ONTARIO FARMLAND — PRICE PER ACRE (PPA) BY MARKET 2010 VS. 2011

Market	2010 Price Per Acre	2011 Price Per Acre
Barrie/Tottenham/Innisfil	$8,000 - $10,000	$8,000 - $10,000
Bruce County/Huron County		
South Huron & Mid-Perth	$7,000 - $11,000	$10,000 - $14,000
Mid-Huron	$6,000 - $8,000	$8,000 - $10,000
North Huron & Bruce County	$3,000 - $5,000	$4,500 - $7,000
Chatham-Kent	$4,000 - $12,000	$5,000 - $15,000
Grey County	$2,500 - $3,000	$3,000 - $4,000
Holland Marsh	$15,000 - $18,000	$15,000 - $18,000
Bradford	$20,000	$20,000
Kitchener-Waterloo	$9,000 - $9,500	$10,000 - $11,000
London-St. Thomas		
Middlesex East	$8,000	$9,000
Middlesex West	$5,000	$6,000
Elgin County East	$6,000	$7,000
Elgin County West	$4,500	$5,000
Lambton North	$6,000	$8,000
Lambton South	$4,000	$4,400
New Liskeard	$1,300 - $1,900	$1,300 - $2,500
Ottawa & Area	$3,900 - $4,800	$4,000 - $5,000
Tillsonburg		
Oxford Township	$9,500 - $11,500	$10,000 - $12,500
Bayham Township & Norfolk Township	$5,200 - $7,500	$5,500 - $8,000
Windsor/Essex County	$5,000 - $6,500	$5,000 - $6,500
Leamington	$7,000 - $7,800	$7,000 - $7,800
Lower Essex County	$4,800 - $5,200	$4,800 - $5,200
Woodstock/Stratford	$8,400 - $8,600	$9,000

Source: RE/MAX

Chatham – Kent

While a strong commodities market has contributed to a significant upswing in farmland values in Chatham-Kent in recent years, the rate of appreciation appears to be slowing. The market has experienced an almost meteoric rise in price per acre since 2008/2009, with local farmers expanding their operations behind the push for farmland in the region. Rising commodity values have prompted a substantial investment in farm equipment—and subsequent uptick in demand for additional farmland. Inventory levels have been lower than usual as a result, with just 17 farms listed for sale in the area, priced from $135,000 to just under a million dollars. Average price has continued to climb—up 28 per cent from $400,190 between July 2009 and June 2010 to $514,250 from July 2010 to June 2011.

The average price of the farmland currently listed for sale is $529,805. Recent fluctuations as a result of the US debt crisis and downgraded credit rating have created some concern in the marketplace—especially given that cash crops such as corn are heavily influenced by oil prices. The fluctuations are prompting some farmers to step back, waiting to determine market direction before they move forward, while others are taking the plunge, given the positive outlook for futures. Investors with farming roots have also entered the market in recent years, buying up farmland and leasing it back to local farmers. Soil type and drainage are the major criteria in the purchase of farmland, followed by the number of acres that are workable. Top grade farmland—tomato ground—can net $12,000 an acre, while soil more suitable for wheat and soybeans can be picked up for $5,000 to $10,000 an acre. Whether the property is randomly or systematically tiled will also have an impact on value. Some of the best land in the region—along the shores of Lake St. Clair, west of Chatham, can climb as high as $15,000 an acre because its garden-type soil is ideal for growing carrots, celery, and onions. Additional sources of income are also of interest to today's sophisticated farmers. Solar panels, windmills, and gas leases are all under consideration and can potentially net the average farmer a considerable amount of money above and beyond the crop value. The average farm is typically 50 to 100 acres in size, but most farmers aim to expand, buying up land north, south, east and west of the original property. One recent trend has farmers acquiring adjacent properties, severing the two-acres around the existing farmhouse back, and selling the redundant farm back to the original farmer for $1. As in other parts of the region, cash crops remain most popular with purchasers. Very few livestock/dairy farms are situated in Chatham-Kent, most are found north and east of London. As the market gains momentum once again, all eyes will be on commodity values. Given worldwide trends and grain shortages, the outlook is positive for the commodities market—which will serve to bolster farm-buying activity in Ontario over the coming year.

Grey County

Strong, steady demand and a shortage of available cash crop land continues to prompt an upswing in the price per acre of agricultural land in Grey County—now sitting at record levels. Yet, given the region's affordability factor when compared with neighbouring farmland areas, buyers remain undaunted and in-migration from nearby counties remains the trend. Demand is very strong, particularly for cash crop land, bolstered by rising commodity prices. Expansion among established, local farmers is also gaining momentum, with properties adjacent to existing cash crop operations often sold privately and commanding a premium. Dairy and cattle (beef) farms also move well, providing a good return over the past few years. Buyers from major centres, many with a second source of income, are driving the hobby farm phenomenon. This has resulted in the refurbishment of many older farmhouses and farm buildings, as former city dwellers want updated structures with modern conveniences. In addition, hobby farm purchasers are benefitting from the lower tax rates extended to working farms by renting out excess land. The Mennonite community also has a long history in the area's farming industry. Mennonite families tend to buy larger-than-average tracts of land and are willing to pay top dollar for quality soil. Overall, the price per acre in Grey County now ranges from $3,000 to $4,000, with prime farmland in Southwest Grey County, including areas of Egremont and Neustadt garnering top values. Rising commodity prices have seriously driven the trend toward cash crop farming. Conversions from livestock or other forms of farming to cash cropping is commonplace. Others are renting out their farmland at rates ranging from $75 to $100 an acre per growing season. This is up from just $50 an acre five years ago. The trend has sparked a drop in the number of traditional family farms in the area. Many of today's buyers purchase large acreages only to sever off the working land from the homestead and either sell or rent it to local farmers. Severances are allowed in the region, but are limited by certain restrictions.

A typical 100-acre farm with a home now averages $400,000, up from $375,000 one year earlier. The appreciation of agricultural and livestock farmland is currently outpacing that of Grey County's residential sector, where pricing has remained more stable year-over-year. Dairy farms comprise a considerable portion of Grey County's farming operations. These farms are selling for a premium, with farmers willing to pay extra to secure the quota, but a serious shortage of inventory exists. In many instances, dairy farms are passed down within families or sold privately among neighbours. Quality farmland spends very few days on market, with good cash cropping land and dairy farms selling within days, while 100-acre farms with homes, that typically offer less overall workable land typically spend 90 days on the market. Prices are forecast to rise further in the months ahead, setting new records, as commodities remain high, interest rates remain low, and demand continues to outpace supply.

Holland Marsh

A severe shortage of inventory has hampered sales of farmland properties in Holland Marsh, Bradford and surrounding areas over the past 12 months. Despite a marked increase in pent-up demand, values, already at record prices, have remained relatively stable year-over-year. One reason few sales have been recorded and inventory remains scant is the volume of private sales taking place among neighbours. Prime land is also routinely passed down to next generation farmers, with large parcels rarely hitting the open market. The stability of farmland holdings is exceptionally positive for the local economy, helping to promote a steady employment picture. The area's highly organic soil now commands $15,000 to $18,000 per acre of bare land, with carrots, onions and celery staple crops. Farms with quality buildings will command more. The demand for smaller farmland listings—five to 15 acres—is very strong. These properties are being bought up at top dollar for expansion or to rent to adjacent farmers. As a result, the number of small farms is dwindling, as they are increasingly rolled into larger operations. Some are buying small parcels with a home and buildings—a minor, but growing trend. These buyers are choosing to live in the home, rent the land and use the building to set up an unrelated business. Just outside Bradford, traditional cash cropping land will sell for approximately $20,000 an acre, given prime access to the 400 corridor. It's now hard to find a typical 100-acre farm for less than $2 million. Most farms in the Holland Marsh and Bradford area typically average 100 to 140 acres—a clear indication of the expansion trend. Thirty years ago, the average farm might have been 10 to 15 acres in size. With Bradford growing in leaps and bounds, developers are keen to purchase farmland in close proximity to the town, especially in the Highlands area—some paying as much as $100,000 an acre. However, most land expected to be developed over the next 10 years has already been secured. Moreover, available land is scarce surrounding Bradford as well—the area is highly-coveted among cash croppers—and, in many cases, it has also been held in families for generations. When a rare parcel does hit the market in either Holland Marsh or Bradford, it's not uncommon to sell virtually overnight. The occasional bidding war is not unheard of. One 28-acre parcel near Bradford sold in a multiple offer last year for $25,000 an acre, with an investor and a farmer comprising the final two bidders. The farmer, who was not the successful buyer, now rents the land from the winning bidder. Although developers remain active, farmland is not necessarily disappearing—yet. With many parcels not slated for construction for several years, developers are renting to local cash croppers in order to maintain farmland status and the favourable taxation rates that go along with it. Overall, farmers who intend to work the land still comprise the lion's share of purchasers. Most are locals. Conditions are expected to remain static in the coming months, with stability a long-standing characteristic of the Holland Marsh and Bradford market, although a continuation of pent-up demand and high commodity prices could cause values to edge up.

Kitchener – Waterloo

While demand remains exceptionally high for farmland throughout the region, sales in Kitchener-Waterloo and the surrounding areas have held relatively steady year-over-year (five vs. seven). A severe shortage of inventory has hampered activity to a large extent. Of the 13 farmland listings that are available at present, only seven represent traditional farms. Prices, as a result, have experienced double-digit appreciation with vacant, workable land now selling for approximately $10,000 to $11,000 on average, compared with $9,000 to $9,500 just one year ago. Dairy and poultry farms command much more, given that quota remains at a premium. Most sought-after is cash cropping land in parcels of 100 acres or larger, as expansion among local operators remains particularly brisk. Deals between neighbours are commonplace. Pent-up demand is building, as many buyers are waiting in the wings. Listings priced under $1 million are experiencing the strongest momentum, although it can take up to several months to sell some farms. In some instances, vendor expectations have been somewhat lofty, and price adjustments have been necessary. However, once an over-priced property moves in line with fair market value, they generally sell quite well. While farmland is commanding top dollar, buyers remain grounded. Multiple offers are rare. Demand also remains strong in the poultry segment and for hobby farms, with supply of the latter improving in recent months. Some dairy farms are expanding, but the growth is often concentrated on updating or extending manure and nutrient management systems, rather than raising new barns to accommodate a larger herd. Some older livestock farms are investing in cash cropping to supplement income. Local end users, looking to expand, account for the bulk of purchasers, with few investors active in the marketplace. Renting is also a popular option for farmers approaching retirement who do not wish to work their entire parcel. Overall, farmers feel secure in their investment, particularly given rising land values and strong commodity prices. The market is expected to hold steady moving forward.

London – St. Thomas

The market for farmland continues to defy expectations in the London-St. Thomas area, with land values setting new records in 2011. Demand remains exceptionally strong, outpacing inventory for some time now. As a result, listings that are priced at fair market value are selling quickly, and more deals than ever are closing during the summer months—a sure sign of current momentum. Representing double-digit appreciation, the average price per acre is up approximately $1,000 in most surrounding areas year-over-year—now at $9,000 in Middlesex East, $6,000 in Middlesex West, and $7,000 in Elgin County East. Lambton County North has experienced the sharpest rise in average price per acre, up approximately $2,000 since 2010—a result of favourable soil/land conditions and the greater proportion of supply-managed farms. Given the cap on quota, farmers on the supply-management side are diversifying, strengthening overall demand for farms. Lambton South and Elgin County West, meanwhile, are home to some of the region's more affordable farmland, with the price per acre hovering at $5,000 or less. Despite market conditions, bidding wars remain a rare phenomenon. However, buyers are willing to pay top dollar to secure property, especially as the desire to expand increases in tandem with rising commodity prices. Cash crop land is most sought-after, as are dairy farms. The market for swine operations has improved this year. Demand for finishing barns now exists, and some demand is expected for sow barns moving forward. Some livestock and hobby farmers are acquiring more land to expand their cash cropping business or to rent to local cash crop operators. Land is currently viewed as a solid investment, one reason parents are not hesitating to help young farmers get established. Farm Credit Canada also offers some programs to assist young upstarts (aged 25-40 years). Investors are increasingly active, but the vast majority remain end users. Low interest rates are also motivating buyers and some sellers. Farmland realtors currently have buyers waiting in the wings, and pent-up demand is forecast to continue.

Some farmers are testing the market, but overpriced listings are generally stagnating. While some are questioning the sustainability of the recent price growth, current market fundamentals are supportive. Yields and commodity prices will be key in the weeks/months ahead. Yet, some moderation in demand would only serve to promote more balanced conditions—still a healthy market overall. If the status quo remains, expect further upward trending in demand, sales and prices throughout the region.

New Liskeard

New Liskeard's little clay belt continues to experience strong demand, with prices for farmland up approximately 10 per cent per annum over the past two to three years. Expansion in this agrarian community continues to drive the trend, with local farmers seeking to increase the size of their operations. Out-of-town purchasers, including Amish and Mennonite farmers from Southwestern Ontario, are also contributing to the upward momentum. This is particularly evident in affordable areas such as Belle Vallee, Earlton, and Englehart, where fertile farmland is available at a fraction of the cost of other parts of the province. The greatest demand exists for cash cropping land, ranging in price from $1,300 to $2,500 an acre for tiled lands, and $500 to $800 for good farmland. Most farmers are looking for between 160 and 300 acres—more if it's available. Good tiled farmland can sell in less than 30 days. While sales have slowed over the growing season, activity is once again expected to pick up steam in the fall. Canola, oats, barley, and wheat are the area's most popular crops. Most farms are cash crop or beef, although there are some dairy farms—but the milk quota is a tough issue for many. Younger farmers are few and far between, largely discouraged by rising land values. Commodities have had a serious influence on farmland in the area in recent years, determining crops depending on the value per bushel. The trend is expected to continue as a result of the worldwide shortage of grain and shifting weather patterns. The outlook for New Liskeard farmland remains positive—a boon to the local community, given that the agricultural segment comprises a considerable portion of the area's economic base. The market is expected to remain solid in the months ahead, which could have price per acre values poised to set new records.

Ottawa

The expansion of cash crop operations, propped up by strong commodity prices, has caused demand for farmland to surge throughout the Ottawa region in 2011. With inventory extremely limited for all types of farmland, values have reached new records and continue their ascent. The average price per acre—ranging from $4,000 to $5,000—has risen moderately, up three to four per cent year-over year. Larger, tile-drained parcels, in excess of 100 acres are most sought-after, commanding a higher price than the average. Farmers are willing to pay a premium for land adjacent to their current operations, but given the limited selection, will snap up a property within several miles, should an ideal listing become available. Some of the best pockets of quality soil exist east of Ottawa, including St. Isadore, Richmond, North Gower, Casselman, Navan and in Winchester, southeast of the city. A great deal of good cash cropping land can be found west of the city, where the soil contains slightly more clay. The composition and quality of soil varies vastly across the Ottawa Valley, and as a result, values can start from $3,500 an acre on the low end—in places such as Renfrew County—and reach as high as $8,000 for prime St. Isadore land. Solid demand exists for hobby farms, priced from $350,000 to $500,000. Traditional farmers are fueling activity at the $700,000 to $900,000 price point. Overall, the number of farms has dwindled as farmland amalgamation continues. In recent years, there has also been a decrease in the number of livestock farms in the area. Yet, some continue to expand, while others have chosen to purchase additional land for cash cropping. Low interest rates

and long-term mortgages offered by Farm Credit Canada are helping to support expansion. While the bulk of buyers are local end users, some investment activity is taking place in the south end of the city, whereby farmland is being bought up for potential development 10 - 25 years down the road. Meanwhile, the developers are renting the land back to local farmers in order to maintain the low property tax rate available to working farms. As demand and land prices have increased, rental rates have climbed in tandem, now hovering at $120 an acre per season. More farms are maximizing income potential by securing wind or solar contracts—a trend popular in the west end, given the area's exceptional number of sunshine days per year. The market is expected to remain stable in the months ahead, as pent-up demand continues to build.

Tillsonburg

Strong seller's conditions characterize the market for farmland in and around Tillsonburg, with demand outstripping supply and quality listings few and far between. Many sales are bypassing the open market, with private deals arranged amongst farmers. While few are purchasing solely for investment purposes—most are end users—farmland is viewed as a solid asset providing a significant retirement nest egg for farmers in the area. Values have been edging up year-over-year, with the price per acre now at an all-time high. Most sought-after is the premium land in Southwest Oxford Township, boasting high-producing embro silt loam and huron clay loam. Oxford currently commands $10,000 to $12,500 per acre. The area is also home to a considerable concentration of livestock operations, which also drives up demand for farmland due to manure and nutrient management requirements. Bayham Township, with its sand soil and clay base is second to Oxford in popularity, with the price per acre hovering between $5,500 and $8,000. Norfolk Township is comprised mainly of sandy soil and is excellent for vegetables, tobacco and ginseng. Corn and soybeans are also grown on the land, but due to the soil type, the yield (bushels) per acre is less than the land in Southwest Oxford Township. Norfolk Township offers the best affordability in the area, but the price per acre still runs from $5,500 up to $8,000. The demand for land suitable for all crops seems to be ever-increasing, particularly as commodities prices continue to rise. The price for corn set a new high in the spring and ethanol has built a new and competitive base for corn. Overall, the market is expected to remain brisk moving forward—although sales will continue to be impacted by tight inventory.

Windsor/ Essex County

While strong demand and limited supply characterize the market for farmland in Windsor/Essex County, prices have held firm over the past year. The market has now largely recovered from the effects of the recent recession, which saw values soften significantly from record levels. Yet, greater affordability has been a strong impetus for many entering the market, including investors seeking bargains. While a select few farms have moved privately for less than market value, conditions have firmed up and deals are quite rare. The price per acre now typically hovers between $5,000 and $6,500 per acre, but most tiled, quality farmland sells for approximately $5,100 to $5,200 an acre on average—down from peak values of $6,000 to $7,000 just a few years ago. One pocket in Leamington, near Kingsville, which boasts prime sandy loam ideal for tomatoes, now commands between $7,000 and $7,800 per acre. The most attainable farmland—largely used for cash cropping—exists in Lower Essex, where greater clay composition places the price per acre at $4,800 to $5,200. Farm sales are down slightly from one year ago (seven vs. five), as listings remain scarce. In Lower Essex, for example, only five properties are currently available—one is the only sheep farm in existence in the entire region, listed on short sale, while the remaining four

just recently came on stream. Fifty to 100-acre parcels of quality cash crop and tomato land—without an abundance of buildings—is most sought-after. Land with traditional farm houses or buildings often take longer to sell, because severance is no longer possible under 50 acres. Expansion is driving demand across the region, with smaller farms disappearing from the landscape. Those who cannot find land to purchase are looking to rent adjacent parcels in order to increase production. Rental rates now hover at approximately $250 an acre per growing season. Many farmers will consider purchasing larger acreage than required, opting to rent the excess to neighbours. While most buyers are established operators in their 40s and 50s, succession is drawing younger farmers into the industry—a trend that has kept farming and most farms in Windsor/Essex family businesses. Some retirees are choosing to sell and cash out, but a growing number are keeping their land and renting to others. Farmers are also diversifying, with many looking to secure solar and wind energy contracts to add a new source of income to traditional farms, which can then be used to upgrade equipment, invest in new technologies or fund further expansion. Confidence in the future of the industry—and the long-term value of the land—remains strong. Given current market fundamentals and a strengthening economic picture for Windsor-Essex, a continuation of the current supply-demand ratio could prompt prices to resume upward growth over the next few years.

Woodstock/Stratford

The price of farmland continues to climb in the Woodstock/Stratford area of Oxford and Perth Counties, with values up approximately five to seven per cent year-over-year. Farmland has outpaced gains posted in the local residential real estate market and is setting new records. The strong appreciation can be attributed to high commodity prices, the inability of dairy farms to buy milk quota and the high value of poultry quota. Demand in this livestock-driven and commercial cash crop region remains very strong, particularly in the agricultural segment, given the high quality of soil and strong commodity prices. However, a shortage of listings exists across the board. Most sought-after is bare land, as well as traditional supply-managed farms, including dairy and poultry. Dairy farms with quota are especially coveted. Currently, the average price per acre of farmland (not including quota) hovers at $9,000, although values can fall above or below depending on location and buildings, soil type and drainage. The price per standard 100-acre farm is generally between $850,000 and $1.2 million. Prime land can sell in a matter of days during peak season, but some farmland properties can remain on the market for up to a year based on quality of soil, list price and the time of year it was listed. Generally, purchasers prefer to see a crop on the property, if possible. Overall, good farms that are priced correctly will sell. Realtors generally have buyers waiting in the wings, and some listings sell before they hit MLS and the open market. The vast majority of purchasers—upwards of 95 per cent—are end users, with limited investment activity taking place. Expansion—particularly among the larger farming operations—is an ongoing trend. By contrast, small farms are slowly dwindling in number. Many career farmers are helping their children get started in the business through loans or the purchase/severance of land because higher values are making it difficult for young farmers to establish themselves. This is an encouraging trend that is bolstering the number of next generation farmers. The high value of quota has also enticed some farmers to sell and convert to cash crop operations. Hobby farming remains popular closer to local cities and towns, with some owners renting excess land they don't want to work to larger farming operations. In fact, farmland rentals are on the upswing, and higher rental rates are holding some land back from coming on the market. This is most evident among farmers close to

retirement, who are choosing to rent their land rather than sell, with rental revenue proving more attractive than stock market risk and the low returns among other investments. Given current market conditions, the continuation of solid crop prices and low interest rates, demand and prices are forecast to remain strong throughout Oxford and Perth Counties through year-end. While demand is still expected to outpace supply, the wet weather earlier this spring may have an impact on crop yields, which could cause some moderation in sales of cash crop land this fall.

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