MARKET TRENDS
FARM EDITION 2012

British Columbia

Peace River North

With demand for quality farmland far outpacing supply in British Columbia's Peace River North region, land values continue to escalate in 2012. Average price per acre has climbed almost nine per cent year-over-year, rising to $1,250. The Fort St. John/Dawson Creek area remains particularly robust, given solid consumer confidence, with ongoing population growth and capital projects underway in the area. Rising grain and commodity values, coupled with the desire to expand, have largely been behind the push for farmland, with half sections of 320 acres most sought-after. However, few large parcels are making it to the open market, and purchasers are increasingly snapping up smaller parcels to add to their existing operations. The inventory challenge has been exacerbated by an increasingly common exit strategy among retiring farmers, whereby they section off large acreages to maximize profit. Moreover, competition has become a market reality, with traditional growers and cattle ranchers now vying for land with hobby/gentleman farmers—many of whom opt to build their "dream" home, possibly working a small section, while letting the rest sit idle. Even unused, the land is viewed as a smart investment, building equity while also providing a tax-break incentive. Although approvals are tough to obtain, especially in light of restrictions by the Agricultural Land Commission, land closer to the city is being repurposed for development and commanding up to $5,000 an acre. The silver lining is that affordability and financing remain favourable, and Peace River North remains one of the few farmland areas that is seeing a steady stream of younger farmers breaking into the market. This bodes well for the stability and sustainability of the farming sector, as aging operators near retirement. Grain prices are forecast to remain high, given crop shortages caused by adverse weather conditions in a number of markets globally in 2012. As a result, further upward momentum in farmland values is anticipated, while buyers can expect to be hampered by the ongoing shortage of inventory.

Fraser Valley

Buyers continue to seek out farmland in British Columbia's Fraser Valley, with expansion the common denominator driving purchasing intentions. The fresh fruit market—blueberries, in particular—has experienced a sharp increase in demand in recent years, and that is attracting new farmers to the area and spurring existing growers to increase the size of established farms. Most purchasers remain local, but some activity can be attributed to new immigrants—with farm experience—setting up operations. Investors have made an appearance in the market, although many tend to purchase land closer to Vancouver, banking on future development. Within the Fraser Valley itself, the Agricultural Land Reserve protects valued farmland, but also creates a limited supply. Inventory has contracted from already tight 2011 levels, with approximately 23 listings available at present. Prices, however, remain on par with last year at $40,000 to $60,000 an acre for quality crop land and $40,000 to $50,000 per acre for dairy land. Supply managed farms are still experiencing healthy demand, but lending has tightened to a greater extent in this segment. Fruits and vegetables remain the most popular crops, although many farmers have become involved in feed growth and production as a result of rising prices. While the typical farm once comprised 60 to 70 acres, today's farms boast hundreds of acres of workable land. Most parcels for sale are approximately 20 to 50 acres in size, with most being snapped up as an add-on to existing operations. Overall, the market is expected to remain stable through year-end, with modest price growth, strong demand and tight supply characterizing the market.

Alberta

Central Alberta

Demand, sales and the value of farmland have climbed in Central Alberta again this year. Prices have increased 20 to 25 per cent over year-ago levels. The price per acre of dry land now ranges from $2,000 to $4,500, depending on location and land quality. The average is approximately $3,300 an acre. Offering the best and most productive farmland in the region, the Olds area remains among the most sought-after, with price per acre topping $4,500. Proximity to Highway 2 can also be a factor, with parcels close to this transportation corridor now commanding upwards of $6,000 per acre. This pales in comparison to the $20,000 an acre that some land fetched just a few years earlier—when oil and gas were booming and development closer to the cities was on a tear. Expansion by large operators continues to be the main driver of farmland sales, whether it be cash crop or supply-managed livestock operations. However, inventory remains scant. What is selling is earning record prices. Some sellers are testing the market, and some buyers are readily paying a premium—especially for the right parcel, and more so if it abuts a landowner's existing farm. Some lands are being tendered to the highest bidder, with varied results. Most farms sell in private or exclusive deals, particularly as farmland realtors have buyers waiting in the wings. Some savvy investors are taking note of the solid investment that farmland represents, viewing it as a safe haven, particularly as vehicles such as U.S. treasury notes realize a negative return. A limited amount of institutional money has flowed into Central Alberta farmland, along with that of smaller, individual investors. By and large however, locals are fuelling sales, although there has been an uptick in activity from out-of-province buyers who are pressured in their local market by urban expansion. Thus, they are relocating to more affordable areas, as rising values have bolstered the appeal of affordability overall. There is a trend toward growing movement northward, where land is less affected by urban pressure. Some Alberta farmers are also looking to Saskatchewan for opportunity. Still, productive value cannot be overlooked and Central Alberta boasts among the most stable crop yields and weather patterns in the country. Quarter-section parcels of 160 acres are in great demand, with those including existing petroleum surface leases, commanding a premium. In fact, the oil and gas sector has been an attractive income supplement to many Alberta farmers. So much so that the majority of quarter-sections in areas such as Kneehill and Mountainview Counties sport a gas or oil well. The conditions that make for a seller's market are



RE/MAX MARKET TRENDS, FARM EDITION 2012
Canadian Farmland - Price Per Acre by Market

Market	2010 Price Per Acre	2011 Price Per Acre	2012 Price Per Acre
Peace River North	n.a.	$1,150	$1,250
Fraser Valley	n.a.	$40,000 - $60,000	$40,000 - $60,000
Central Alberta	n.a.	$1,600 - $3,800	$2,000 - $4,500
Southern Alberta	n.a.	n.a.	$800 - $6,500
Northern Saskatchewan	n.a.	$650 - $1,200	$800 - $1,500
Southern Saskatchewan	n.a.	$700 - $1650	$800 - $2,000
Southwest Manitoba	n.a.	n.a.	$1,200 - $1,500
Windsor/Essex County	$5,000 - $6,500	$5,000 - $6,500	$5,000 - $6,500
Leamington	$7,000 - $7,800	$7,000 - $7,800	$7,000 - $10,000
Lower Essex County	$4,800 - $5,200	$4,800 - $5,200	$5,000 - $5,500
Chatham-Kent	$4,000 - $12,000	$5,000 - $15,000	$5,000 - $15,000
London-St. Thomas			
Middlesex East	$8,000	$9,000	$10,500
Middlesex West	$5,000	$6,000	$7,500
Elgin County East	$6,000	$7,000	$8,500
Elgin County West	$4,500	$5,000	$6,500
Lambton North	$6,000	$8,000	$9,500
Lambton South	$4,000	$4,400	$5,900
Woodstock/Stratford	$8,400 - $8,600	$9,000	$15,000
Tillsonburg			
Oxford Township	$9,500 - $11,500	$10,000 - $12,500	$10,200 - $12,750
Bayham Township & Norfolk Township	$5,200 - $7,500	$5,500 - $8,000	$5,600 - $8,150
Kitchener-Waterloo	$9,000 - $9,500	$10,000 - $11,000	$11,000 - $15,000
South Simcoe			
Barrie/Tottenham/Innisfil	$8,000 - $10,000	$8,000 - $10,000	$8,000 - $10,000
Holland Marsh	$15,000 - $18,000	$15,000 - $18,000	$18,000 +
Bradford	$20,000	$20,000	$20,000
Bruce County/Huron County			
South Huron & Mid-Perth	$7,000 - $11,000	$10,000 - $14,000	$16,000 - $18,000
Mid-Huron	$6,000 - $8,000	$8,000 - $10,000	$12,000 - $15,000
North Huron & Bruce County	$3,000 - $5,000	$4,500 - $7,000	$5,000 - $8,000
Grey County	$2,500 - $3,000	$3,000 - $4,000	$3,000 - $6,000
Annapolis Valley	n.a.	$1,000 - $2,000	$1,000 - $2,000

Source: RE/MAX



expected to remain in place moving forward, and the current low interest rate and high commodity price environment may still leave room for further price growth into 2013.

Southern Alberta

Demand remains exceptionally strong for farmland throughout Southern Alberta, with buyers eagerly waiting for the right property to come on-stream. Inventory has been a considerable challenge, as a shortage of listings continues to characterize the market. As a result, sales are off last year's pace and are expected to remain below year-ago levels through to year-end. Cultivated dry land remains in greatest demand, with prices at record levels, as existing farmers continue to eye expansion. The lion's share of buyers remain local second- and third-generation operators. While few newcomers are making a foray into the business given the sizable investment it takes, some farmers from abroad are immigrating and setting up locally. Solid demand exists for farmland among the Hutterite Bretheran, who, with deep roots in the area, have consistently increased their agricultural land holdings over the years. Price per acre of dry land now sits at $800 on the low end, up to $2,500 to $3,000, although $1,500 to $2,000 is most typical. Irrigation land, with pivot—if it can be had—now generally runs from $5,500 to $6,500 an acre and generally sells in quarter sections of 160 acres. Ranchland for cattle in South and West Alberta can be found from $800 to $1,500 an acre, but the $1,000 price point (per acre) is most sought-after. Demand for ranchland has slowed due to the economic realities of Canada's beef market, but buyers have slowly started to move off the sidelines in recent months. Days on the market vary, ranging from 30 to 120 days, but the right parcel can sell virtually overnight. Overall, the market for farmland is forecast to remain stable in the months ahead, with price growth expected to moderate going forward.

Saskatchewan

Northern Saskatchewan – North Battleford

The demand for farmland continues to increase steadily in Northern Saskatchewan, particularly as grain prices remain high. However, listings remain a challenge and inventory is very tight. Rising values are simply not enough to entice existing farmers to sell (especially given strong crop prices and high lease rates), including those who are traditionally more inclined to list such as retired farmers or those reaching retirement age. Given market conditions, prices have experienced double-digit, year-over-year increases of approximately 20 to 25 per cent. Prices now range from $800 to $1,500 per acre, depending on the type and quality of soil. Large blocks are most common—from 10 to 20 quarters—although smaller parcels, from 300 are moving as well (when available). Local end users comprise the bulk of active purchasers, although a fair number of Albertans are also seeking out greater value in Saskatchewan, where good grainland remains more affordable. Investors are a growing presence, from individuals to large corporations, as land is perceived as a promising asset, especially in the current climate. The severe drought and subsequent crop failures affecting much of the U.S. will have an immediate effect on the market. While the season isn't over yet, yields look quite positive, and the outlook is very good for Saskatchewan farmers. Strong grain prices and the rules of supply and demand will bode well for farmland in the next 12 months. Prices could set a new record over the next several months, with the price per acre forecast to reach up to a possible $2,000 an acre.

Southern Saskatchewan

Demand for farmland in Southern Saskatchewan is at unprecedented levels, despite an average year for crop production in the province. Inventory is down approximately 20 per

cent from 2011, placing serious upward pressure on price per acre. Values for high-end grainland, on average, are up 20 per cent to $1,200 to $1,800 from one year ago in areas such as Melfort/Tisdale, Quill Lake/Annaheim/Lake Lenore, Canora/Kamsack, Balcarres, Regina Plains, Kindersley, and in the western side of the province around Wilkie/Cutnife/Battlefords. Some reported sales have been as high as $2,000 per acre. The most significant increase to date has occurred in the heated Balcarres area, where values have climbed from $1,000 in July 2011 to $1,800 in July 2012. Medium-end grainland is also selling well as farmers and investors priced out of the high-end market look to Foam Lake, Saltcoats/Churchbridge, Moosomin, Kipling, Estevan, Moose Jaw, Outlook, Saskatoon, Humboldt and Wynyard for property priced at a more affordable $800 to $1,000 per acre. The market is rapidly changing, as a result of several key factors. Rising population is one concern, with many starting to wonder just where the required amount of food will come from in another 20 to 30 years. Population is expected to increase 30 to 35 per cent by 2050, yet the corresponding increase in food production is just 17 per cent. Stock market volatility has also prompted some to invest in tangible assets such as land. Rental rates for farmland are on the upswing, providing a better return than most asset classes, and the possibility for continuing increased capital appreciation on the net investment. Grainland is moving in a few days or weeks with multiple offers becoming more commonplace, while livestock land has been slower to sell. The spread between the two land types has intensified, with livestock quarters (160 acres) selling for $35,000 to $80,000, while grainland is moving at $100,000 to $250,000. Local and distant farmers comprise the vast majority of buyers, followed by private individual investors and well-organized corporate investment groups. Commodity values hitting historic highs are also behind the renewed push for farmland as existing farms expand, with some large-scale operations approaching 10,000 to 15,000 acres and more. While inventory levels for grainland are low, livestock land is more readily available. Those who believe that the cattle industry is turning a corner may want to look at livestock land for further appreciation. The drought in the US has only served to push Canadian values higher, and given current market realities, it's unlikely that the upward momentum will slow anytime soon.

Manitoba

Southwest Manitoba

Acreage-hungry farmers in Southwest Manitoba continue to push farmland values to new heights, despite a limited inventory of product available for sale this year. Price per acre of productive grainland now hovers at $1,200, and in some cases, climbs as high as $1,400 to $1,500 per acre, especially for parcels in close proximity to one another. Expansion is all the rage, with major market players accumulating as much acreage as possible—a fact that becomes increasingly obvious with each passing year. The worst drought in the U.S. in the last 50 years has also propelled the market for grainland, with the prices per bushel of barley, wheat, and canola at historic highs. Yet, while strong demand characterizes the market for farmland in Southwest Manitoba, supply continues to present a challenge. The waves of immigrant farmers—once the backbone of the industry—have subsided as a result of lack of product. Few farms actually make it to the open market, with many sold between neighbouring farmers. Time on market—when product is available—is usually less than 30 days, especially if priced at fair market value. Nineteen parcels are currently listed for sale, most a mix of livestock/farmland. While inventory levels may be greater north into Parkland, prime farmland offering newdale clay loam—quality class two soil—northwest of Brandon remains elusive. With interest rates expected to remain low for the foreseeable future, demand will be strong through to 2013.



Ontario

Windsor / Essex County

While demand for cash crop parcels in Windsor/Essex County is strong in 2012, inventory remains exceptionally tight, with just a handful of farmland listings available for sale. The most active price range remains near the average—between $5,000 and $6,500 per acre. Tiled, quality farmland has climbed in value, now selling for approximately $5,500 an acre, up from $5,100 to $5,200 just one year ago. The price for prime, sandy loam remains relatively stable at $7,000 to $7,800, but the most affordable land—clay composition cash crop land in Lower Essex—has experienced healthy appreciation, now priced at $5,000 to $5,500 an acre, rising approximately five per cent year over year. Greenhouse land has experienced the biggest jump. Greenhouses are now popping up at an unprecedented pace throughout the municipality of Leamington—perhaps somewhat of a surprising trend, given the considerable $10,000 an acre price tag. Some investor activity has been noted in Windsor/Essex County, given the strong market and solid gains of farmland, but the bulk of buyers remain local end users. Commodity prices and low interest rates have been a significant catalyst prompting growers to expand their operations once again this year. Demand is expected to ratchet up even further in coming months, given bumper yields and rising crop prices due to the extreme drought in some areas, including more than half of all U.S. counties. Further price growth can be expected, as a result. In fact, one local transaction set a new high for cash crop land in Windsor/Essex County in 2012, moving for a significant $7,500 an acre. With an ideal location, the buyer willingly paid a premium, rather than lose out to another purchaser. This has created a bit of a stir in the area amongst both buyers and sellers. Whether this type of pricing is an exception or an indication of the market's direction is yet to been seen. Nonetheless, one thing is certain—the future of Ontario farmland looks bright.

Chatham – Kent

A strong commodities market and today's low interest rate environment have contributed to a modest upswing in farmland values in the Chatham-Kent area this year. Starting prices now range from a low of $5,000 to a high of $16,000 per acre, with the most popular price point hovering between $7,000 and $9,000. Sales of farmland continue to climb, driven by existing farmers, some investors, and those enticed by programs offered by farm lenders minimizing down payment requirements for qualified buyers. Cash crop acreage continues to experience the greatest demand, with parcels from 50 to 100 acres in the Chatham and Dover Townships, most coveted. While some farmers are pushing the envelope, there appears to be a shortage of farms priced at fair market value. Those that are well-priced typically move relatively quickly, while those that are overpriced tend to linger. Given current market realities, demand for farmland is expected to continue, with values experiencing moderate appreciation into 2013.

London – St. Thomas

Sales of farmland in the London-St. Thomas area remain strong this year as sellers take advantage of ideal market conditions. The price per acre has steadily climbed across the board, up almost $1,500 over last year, in communities such as Middlesex East ($10,500), Middlesex West ($7,500), Elgin County East ($8,500), Elgin County West ($6,500), Lambton North ($9,500) and Lambton South ($5,900). Low interest rates and strong commodity values remain the major impetus. Pent-up demand has also played a role as potential buyers who held off on purchases—hoping that values would drop—re-enter the market. While crop performance is spotty at best this year, demand remains robust, with farmers with good crops positioned to expand in coming months. The drought south of the border is having an impact on commodity values, pushing prices per bushel of corn, wheat, barley and canola to new highs. Demand remains strong for farms of 100 acres plus, while interest



in smaller acreages has tapered. Investors are a factor in the market, many choosing to rent out their land for $200 to $300 an acre—more if it is quality vegetable land. Farms priced at or slightly below market value will move "lightening fast," while others will take time. Although lending is quite favourable for cash cropping and supply management operations, funds are tighter for hog and beef farms, preventing expansion for some livestock farmers. Rising commodity values, coupled with solid performance in agriculture, will likely contribute to continued upward momentum in the price per acre of farmland.

Woodstock / Stratford

Farmland prices continue to climb in Woodstock/Stratford in 2012, bolstered by unprecedented demand and a shortage of inventory. Strong commodity prices continue to prop up the market, along with low interest rates. An inability to buy quota or returns on existing quota have many livestock farmers looking to bare land for cash cropping, while others expand to satisfy supply management requirements. Competition remains strong, pushing the price per acre up to $15,000, from $9,000 just one year ago. As a result, a few investors who view land as a safe haven have started to enter the market, but local farmers account for the vast majority of sales. One hundred-acre parcels are most sought-after in both Oxford County and neighbouring Perth County. Although larger parcels will move, they generally spend a greater time on the market, as will farmland further outside of prime areas. Currently, most properties sell within 60 days or sooner. While today's prices have enticed some—a handful of listings are available—most are choosing to hold on to existing land, particularly as rental rates have shot up in tandem with land values. One of the greatest challenges is pricing, with some vendors seeking to test the market, knowing that there can be buyers willing to pay a premium for the right parcel. Financing for farmland is a non-issue, with banks vying for farm business. Rates have generally been around three to 3.5 per cent—and sometimes less, depending on credit rating. Farms in the area are definitely getting larger and more specialized. Demand for dairy and poultry land remains solid, but beef and hog operations have been hard hit by the rising cost of feed, and prices have softened in that segment. Overall, farmland prices are expected to continue their ascent in the Woodstock/Stratford area, albeit at a more moderate pace, given the mixed results on yields this year due to weather.

Kitchener – Waterloo

Fewer listings, record prices, and strong demand have characterized the market for farmland in the first six months of 2012 in the Kitchener-Waterloo region. Price per acre in the area has risen to $11,000 to $15,000, up from $10,000 to $11,000 one year ago. Just five farms under 200 acres are currently listed for sale, ranging in price from $999,000 to $2.695 million. The market for farmland rentals has also soared, with the rate per acre approaching $200 to $275 if systematically tiled. While recent news of a layoff at the area's largest employer—Research in Motion—may have some spillover effect on sales of gentleman farms in the months ahead, the market on the whole is expected to remain healthy and stable for the remainder of the year. Still, the number of days on market has edged upward, a factor expected to hold price appreciation in check. Some farmers are more selective than earlier in the year, placing greater emphasis on the quality of the land. The commodities market has been a major driver, fuelling unprecedented demand early in the year, while farm nutrient management systems have prompted expansion throughout the industry. Private sales and auctions are becoming more commonplace, with farmers arranging transactions amongst themselves—in some instances, competing with one another. Many are willing to pay in excess of $15,000 an acre for good tiled land with QuA loam, especially in the Tavistock area. Demand remains greatest for 100-acre properties, with at least 85 workable acres, priced from $1 million to $1.25 million.



South Simcoe

South Simcoe's 'black muck' represents some of the best—and most valuable—farmland in the country, but infinite demand and limited supply ensure most parcels never hit the open market. Black muck is typically found in the Holland Marsh, north through parts of Innisfil, west to New Tecumseth, and Borden, and commands a premium—$18,000 plus per acre. Yet, with most farms passing from generation to generation, this type of land—suitable for growth of vegetables, particularly carrots and onions—rarely comes up for sale. Cash cropping remains most popular in South Simcoe, with four or five major players in the market. Large parcels have been difficult to find throughout the area comprised of Bradford/New Tecumseth, Adjala, Essa and Innisfil, with 100-acre plus farms disappearing, absorbed into existing farm operations or earmarked for future development. Twenty-three properties zoned agricultural, with five acres or more, sold in South Simcoe last year. Of the 10 farms (arable or livestock) that moved, the average acreage was 61, with a price per acre of $8,300. Sales so far this year have matched 2011 levels—although true farm sales have fallen to four—with an average acreage of 54, sold at $10,300 per acre. Smaller parcels, higher values, and tight inventory levels will continue to characterize the market moving forward. Rising commodity values are providing less incentive for farmers to sell productive farmland. In Bradford, one of Canada's fastest growing communities, farmland has been swallowed up by development, with many properties re-zoned industrial, commercial, and residential to accommodate population growth. With price per acre easily topping $20,000 and more, the sticker price is hardly a deterrent for today's developers. Most properties available today are 10-acre hobby farms—with prices hovering at $8,000 to $10,000 per acre. The exception is future development land—given the area's proximity to the Greater Toronto Area and Barrie—which moves at considerably more. Steady demand for rural acreage has also been noted in recent years, with most purchasers looking for 10-acre listings priced under $500,000. This trend is expected to continue as urban buyers 'return to the land,' seeking both lifestyle and self-sufficiency through the growth of their own food.

Bruce County/ Huron County

A strong commodities market and low interest rates continue to underpin heated demand for Bruce County/Huron County farmland. The desire for land has increased over last year's pace, while conditions remain exceptionally tight. Inventory has fallen below limited 2011 levels. Nineteen farms are currently listed for sale, ranging from $299,999—for mainly forested land—to $1.75 million for a 200-acre operation, 180 acres of which are workable. Given the short supply, sales are off the year-ago mark, with 24 farms sold in 2012 year-to-date compared to 42 during the same period in 2011. Mid-Huron and North Perth remain most sought-after, with purchasers seeking out level cash crop land (tiled or not) in either 100-acre parcels or larger parcels of 500 to 600 acres. Locals are leading the charge, although the market does see the odd offshore buyer. Most farmland properties are moving within 15 to 30 days. However, a good percentage of properties do not make it to the open market, with many selling privately—or in exclusive deals—between neighbours. Some farmland has moved in tendered sales to the highest bidder, but more of these have been unsuccessful this year, as purchasers become more cautious amid the worry that prices may be reaching their ceiling. Others are holding steadfast—refusing to sell at any price—especially since record rental rates provide a stable investment income. On the livestock end, strong demand exists among poultry and dairy farmers looking to expand. While the market for hog farms remains less robust, demand is now bouncing back amidst an improving climate. Generally, the number of farms has fallen off over the past decade, but existing farms are increasing in size. The cost to expand remains on the rise—up significantly over year-ago levels. Prime land in South Huron and Mid-Perth now commands $16,000 to $18,000 an acre, up from $10,000 to $14,000 last year. Mid-Huron fetches $12,000 to $15,000 an acre—a considerable jump from $8,000 to $10,000 just 12 months ago. North Huron has experienced more moderate appreciation, with the price per acre now reaching $5,000 to $8,000 (up from $4,500 to $7,500). As a result, there has



been a notable trend toward purchasers moving north for greater value. Some are relocating, while others are keeping existing farms, but buying more acreage in the northern parts of the counties. Other areas such as Grey County and New Liskeard have also experienced an upswing in value-minded buyers. Pent-up demand and low inventory may have already created the perfect storm for farmland in Bruce County/Huron County. However, this year's severe drought in the U.S. is expected to bolster crop prices and demand in less affected regions. The price per acre is forecast to remain at record highs through year-end.

Grey County

A serious uptick in demand for 'working land' has had a significant impact on values in the traditionally affordable Grey County in 2012. With several successful years of cash cropping under their belts, farmers focused on genetically selected plants have opted to improve tile drainage of existing land and further expand. Commodity values have been a substantial driver, a major factor behind expansion, with demand for rentals waning as a result. Farmers have pushed crops into less established areas, as far north as Ferndale on the Bruce Peninsula, with great success. While hay crops are down by an estimated third this year, barley production appears to be above average and wheat and canola look good from early plantings. The coming weeks will tell if corn and soybean fared as well. The price per acre of working land now sits at \$3,000 to \$5,000—with top acreage selling as high as \$6,000. One year ago, price per acre ranged from \$3,000 to \$4,000. Rentals remain reasonable, priced between \$75 and \$100 an acre in Owen Sound and \$200 in Kincardine. Although there are hundreds of small or 'gentleman' farmers, approximately 20 large players dominate the market—each with anywhere from 10,000 to 40,000 acres in Grey County. The diverse area is also home to horse and hobby farms, even potential aggregate properties. There are a number of dairy farms in the area, yet expansion is limited because of quotas, so many have turned to cash cropping as an alternative. As the potential of the region becomes increasingly obvious, the value of farmland is expected to climb.

Nova Scotia

Annapolis Valley

Farmland values remain consistent with last year in the Annapolis Valley, home to the majority of Nova Scotia's Class 2 acreage and more than 1,000 farms. Price currently sits at \$1,000 to \$2,000 per acre, relatively unchanged from 2011, while sales in the Valley, comprised of Kings, Hants, and Annapolis Counties, have been comparable to year-ago levels. Inventory remains a challenge, especially for those seeking large parcels ranging in size from 30 to 100 acres. Many of the mid-sized farms have been absorbed as farming operations amalgamate. Second-, third-, and fourth-generation farmers control larger farming operations, taking advantage of economies of scale. The micro-climate of the Valley is conducive to growing vegetable and fruit crops. While dairy operations have been a consumer of farmland for many years, limited quotas have restricted expansion. Hog farmers have also had their issues, but the market appears to be improving. Hobby farms, organic farms, and wineries—most between 10 to 30 acres—have picked up the slack, with most experiencing increased demand in recent years. Locals are behind the push for acreage, although some out-of-province purchasers have been active in the market.

MARKET TRENDS FARM EDITION 2012

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