

Southern Plantations Group

2410 Westgate Blvd.  
Suite 101  
P.O. Box 70967  
Albany, Georgia 31708  
229-439-0012

# GEORGIA Landowners NEWS

A Newsletter from Southern Plantations Group, Inc.

# NEWS

Summer 2005

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## Land Prices Continue Upward

Rural land prices are continuing upward in south Georgia and across the nation. SPG is seeing land price increases reminiscent of the late 1970's. There are some basic differences, however, between this "land rush" and the one 25 years ago. Formerly, land was purchased using bank financing, whereas today most sales involve Sec. 1031 tax-free exchanges.

The principal driving force behind today's land boom is the "Florida Factor". Raw land prices in Florida have been booming - driven by speculation and the continual population inflow.

It is not uncommon to hear of a cattle rancher selling his land for \$10,000 to \$15,000 per acre and more. Dr. John Reynolds, a University of Florida Professor Emeritus, has reported that pasture land prices are up by 76%. South Florida land is experiencing the greatest increases with other areas of the state showing less increase.

Florida cattle farmers and other landowners are selling at very high prices and are looking to south Georgia and other southeastern states to reinvest and relocate.

Other large-scale landowners in Florida are selling conservation easements on large acreages and reinvesting in south Georgia.

Major factors in selecting this area are its proximity to Florida and the relatively uncrowded countryside they remember in rural Florida. Many buyers talk about the daily traffic congestion now in their home areas. Most farmers are looking for cattle ranches or irrigated cropland capable of supporting more cattle per acre than non-irrigated pasture. Others are looking for



*Farm ponds add value to recreational properties.*

good quality hunting land.

As would be expected, the buyers are looking for neat, well maintained properties with water (ponds, streams), a good farm road system, and other amenities.

One must ask the question: How much longer will it continue? The short answer is: it's anyone's guess; but a longer, more considered answer may be as follows: south Georgia farmland and timberland prices will continue strong as long as the demand for Florida development land continues. The demand for Florida development land is likely to continue as long as interest rates remain relatively low and people continue to move to Florida. Higher interest rates and more attractive alternative investments will likely dampen demand and prices will stabilize for a period. Since there appears to be very little debt associated with recent land purchases, it is unlikely that a slowing of demand would cause a dip in prices.

*By: Joe Marshall*

*visit our website at [www.splantations.com](http://www.splantations.com)*

# Managing Your Land for Quail

The decline of the bobwhite quail in the southeast can be blamed mainly on changing land use, not pesticides, fire ants, or disease. Quail prefer upland habitat; an overstory thin enough for sunlight to reach the ground to grow the proper understory (weeds, shrubs, and grasses). Small fields are also important as they create more edge, diversity, and food. The advent of center pivot irrigation in the 70's, although profitable, did not bode well for quail. Small fields, fence rows, and woods were cleared to accommodate the large irrigation systems, minimizing edge and diversity. Also important in the decline are the lack of burning and intensely managed pine stands. The CRP program, created in the 80's, planted many of the remaining small fields in pine. After a few years, the ground cover shaded out, and there was no habitat left for quail.

One of the first things many property owners need to do to increase their population of native bobwhite quail is to thin their pines to around forty basal area and get rid of excess upland hardwoods. A timber sale can accomplish both of these things. A consulting forester can help you get the greatest value for your trees. This will open up the canopy and allow sunlight to the ground to grow food and cover plants for quail. An added benefit of hardwood removal is that it eliminates a lot of predator habitat.

If you don't have any fields, make some. Quail use weed fields in the summer for brood habitat. These fields are important as they create proper overhead cover and insects necessary for young quail. Two to three-acre fields are adequate. They should be spaced as evenly as possible throughout and should make up 10 - 20% of the area. Mark these areas before your timber harvest and clear-cut them. Lime and fertilize as needed, then harrow in fall or winter to promote ragweed, a good plant for brood rearing. Dig out or grind stumps down below harrow depth.

Prescribed burning is another important management tool. Try to burn at least 50% of the area on an annual basis, preferably in March. Burn in a checkerboard fashion and alternate burning every other year. Try not to let any areas go more than two or three years without fire, as the hardwoods will be much more difficult to kill. If you are not an experienced burner or do not have the equipment to do the job, get some professional help. The Georgia Forestry Commission or a consulting forester or wildlife biologist could assist you and save you a lot of grief. You must obtain a burn permit in Georgia from the forestry commission before you burn. Be conscious of your smoke and keep it off highways and residential areas.

Quail must have some type of feed year-round. It can be just native feed and insects, or supplemental feed can be added. For high quail numbers, supplemental feeding is important. Just prior to and after the burn in March is the time of year when the food shortage is most noticeable, however, many quail plantations are now feeding year-round to benefit quail and quail chicks during the nesting season. Feed can be spread on the ground with a spreader



*An ideal quail habitat.*

or put in quail feeders. A mixture of corn and milo is usually used. If you have a high deer and/or wild hog population, it may be better to use only milo. It is illegal to hunt some animals around feed or feeders. Check with your local DNR. Planted feed patches are subject to drought, deer, and hog predation. If you have good weed fields and are supplemental feeding, you don't need them.

Predator control is another important topic. Because quail nest on the ground, their eggs are food for many predators. In the 70's and 80's, fur prices were good and there was more trapping. This is not true today. Snakes, raccoons, opossums, and now armadillos are all significant nest predators. Not much can be done about snakes. They are hard to catch, and the non-poisonous ones (these do the most damage) are protected in Georgia. However, you can make a dent in the mammalian population by trapping. Leg-hold traps work well, but require a lot of work and expertise. Cage or live traps work very well. They are easy to use and will catch a surprisingly large number of animals over time. With a management plan, you can now get a permit to trap all year from the Georgia Department of Natural Resources. Check with them also about the laws that apply to trapping.

Using these techniques in combination, some of the more intensely managed plantations are enjoying a higher quail population than ever before. You too can reverse the downward trend. For more information, contact the Albany Area Quail Management Project, 229-734-3039 or Tall Timbers Research Station, Tallahassee, 850-893-4135.

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*By: Glenn Paschal, Landowners News guest columnist, is the long time manager of Nilo Plantation, one of the Albany area's premier private plantations.*

# How Can I Reduce My Property Taxes?

By Jeff Peterson

## Recent Sales

### Seminole Co., Ga

**April 2005, 524 acres**

sold at auction for \$3,064 per acre. The property consisted of 287 acres of center pivot irrigated cropland, 24 acres of tow irrigated cropland, 55 acres of dry cropland, 148 acres in pasture and a 10 acre pond. The cropland was good quality, slightly rolling soils and the pastureland was wet Class IV and V soils.

### Baker Co., Ga

**Feb 2005, 230 acres**

sold for \$1,600 per acre. The property consisted of 166 acres of good quality dry land cropland and 64 acres of wet cutover woodland.

### Calhoun Co., Ga

**April 2005, 1,900 acres**

sold for \$1,900 per acre. The property consisted of 930 acres of center pivot irrigated cropland, 10 acres of dry cropland, 93 acres of 6-17 year old planted pines, 200 acres of upland woodland, 646 acres of bottom land woodland, and a 21 acre pond. The cropland was of good quality. The property had no significant timber value.

### Baker Co., Ga

**March 2005, 274 acres**

sold for \$2,310 per acre. The property consisted of 187 acres of center pivot irrigated cropland, 39 acres of dry cropland, 17 acres of 7 year old planted pines, and 31 acres of wet woodland/other. Good quality property with limited road frontage.

Property taxes are calculated by taking 40% of the fair market value of the property times the millage rate. The fair market value is established by the county tax assessor and the millage rate is established by the county commission. Every few years the county tax assessor (sometimes with the help of outside property appraisers) updates property values based on current sales in the county. In theory, property taxes do not necessarily need to go up just because land values go up, in that the

*If your land is used for agriculture, forestry, or hunting, you may qualify for the State of Georgia "Conservation Use" or "Preferential Use" programs*

county commission could lower the millage rate and still receive the same amount in taxes. In reality that does not happen very often and landowners end up paying higher taxes.

If your land is being used for agriculture, forestry, or recreational hunting, you may qualify for the State of Ga "Conservation Use" or "Preferential Use" programs designed to give individuals (or corporations or partnerships owned by individuals) a break on their property taxes. Under both programs the current use of the property must be some type of agricultural or forestry use and the owner must agree to maintain an agricultural or forestry use on the property for a ten (10) year period. Each individual is only allowed to have a total of 2,000 acres under both programs. The number of properties is not limited but the total cannot be over 2,000 acres. If the property is sold during the 10 year period, the new owner must qualify and assume the liabilities

under the program. If not, the property is assessed a penalty.

**In the Conservation Use Program** (Ga code 48-5-7.4) the assessed value can be reduced from 30%-70%, depending on the land class (Class I cropland, Class II timberland, etc.). My personal farm located in Terrell County is a mixture of cropland and timberland, and is enrolled in the Conservation Use Program. Last year my property taxes were reduced 51% because of the program. If you decide to enroll your property in the Conservation Use Program, be sure you are committed to the 10 year period. If you change the use of the property from agricultural or forestry or sell the property to someone who cannot qualify, the penalty is twice the tax savings for each completed or partially completed year the property has been enrolled in the program plus interest.

**Under the Preferential Use Program** (Ga code 48-5-7.1), assessed values and property taxes are reduced 30% for all land classes. The savings are not as large as the Conservation Program, nor are the penalties. If a land owner withdraws a property from the program during the 10 year term, the penalty is calculated by multiplying the amount of the tax savings for only the year in which the property is withdrawn by the following factors: 5 x for years 1-2; 4 x for years 3-4; 3 x for years 5-6; 2 x for years 7-10;

If you think you may sell the property or develop the property within the 10 year term, you may elect to enroll your property in the Preferential Use Program rather than the Conservation Program since after year 4, the savings received from the Preferential Use Program would equal any penalty and in the later years the penalty is very small in comparison to the tax savings received.

To enroll in the programs, an application must be filed with the county tax assessor by April 1st.

**If you are interested in these programs, contact your county tax assessor or see the front page of the SPG website at [www.splantations.com](http://www.splantations.com) for a link to the Georgia codes website.**

Southern Plantations Group, Inc.  
 2410 Westgate Blvd.  
 Suite 101  
 P.O. Box 70967  
 Albany, Georgia 31708

Phone: 229-439-0012  
 Fax: 229-883-8881

E-mail: jmarshall@splantations.com  
 jpeterson@splantations.com  
 cbishop@splantations.com  
 www.splantations.com

Southern Plantations Group, Inc. (SPG) is a professional agricultural consulting firm specializing in real estate sales, farm management, farm and timberland appraisals, long term fixed interest rate lending, and farm accounting. For more than 25 years SPG has provided services to farm and timberland owners, lenders, and operators.

## Current Listings

**2,400 ± acre** 1st quality irrigated cropland, planted pine property, consisting of 1,200 acres of center pivot irrigated cropland, 700 acres of 10-17 year old planted pines, 35 acres in ponds, 400 acres in hardwoods/other and buildings area. Nice brick home and farm shed. Excellent fishing, deer, and turkey hunting. Cropland rents for more than \$200,000 per year.

*Call Jeff Peterson at 229-439-0012 for more information*

**Listing price - \$2,660/acre**



**197 acre** irrigated farm consisting of 78 acres of center pivot irrigated cropland, 21 acres of dry cropland, 84 acres of pines/hardwoods, 13 acre pond and 1 acre with a hunting cabin. Excellent deer and turkey hunting, yearly rental income on cropland \$13,425.

*Call Joe Marshall at 229-439-0012 for more information*

**Listing price - \$2,450/acre - \$482,650**

*We have investors who want to purchase center pivot irrigated cropland with or without a lease back from the owner. Also, we have investors looking for recreational timber-hunting tracts. If you are thinking about selling your property within the next few years, this may be the best time with such an active market. Please call us for a confidential consultation.*

## COMMODITY PRICES

Futures	July 05	July 04
Corn	2.30	3.00
Wheat	3.31	3.50
Soybeans	6.66	8.47
Cotton	.54	.58

Commodity prices are stable and in the low end of the range for the past 5 years.

## Long Term Interest Rates

SPG offers low-interest fixed rate loans up to 30 years amortization to landowners. Lower rates with excellent credit. Rates change daily. Call for more information on our long term loans.

**5 Year 6.00%**  
**7 Year 6.06%**  
**10 Year 6.19%**  
**15 Year 6.35%**

## LOCAL TIMBER PRICES

Pine Pulpwood	\$6.50 - 7.00/ton
Pine Chip-N-Saw	\$24 - 26/ ton
Pine Sawtimber	\$46 - 49/ton
Hardwood Pulpwood	\$5 - 7/ton
Hardwood Sawtimber	\$20 - 37/ton

Timber prices are stable and are in the middle of the range for the past 5 years.