

The Northeast Texas

Farm & Ranch Quarterly

"For I know the plans I have for you," declares the LORD.

"Plans to prosper you and not to harm you, plans to give you hope and a future." Jeremiah 29:11



Cross Power

Real Estate

FALL 2024

Welcome from Cross Power Real Estate

Welcome to the inaugural edition of the Northeast Texas Farm & Ranch Newsletter, brought to you by Cross Power Real Estate. As the football season kicks off and the rodeo season heads towards the excitement of the National Finals Rodeo, we're here to keep you connected with the pulse of farm and ranch real estate across Northeast Texas. At Cross Power, we uphold Christian-based ethics, striving to conduct our business with integrity, deep conviction, and unwavering loyalty. Our goal is to serve our clients with the utmost dedication, ensuring that every real estate transaction reflects the values we hold dear. We hope you enjoy this newsletter, filled with insights and witticisms. Send us your email at admin@crosspowerrealestate.com if you would like to receive your quarterly copy.

Economic Trends in the U.S. and Texas: Mid-2024 Update

As Fall 2024 approaches, the U.S. economy maintains a moderate growth trajectory. Economic momentum persists, supported by a series of proactive Federal Reserve policies aiming to temper financial market volatility and sustain economic activity. However, there are troubling signs, such as a slowdown in manufacturing, a jittery stock market, and weaknesses in the real estate market, which could pose challenges. With the Fed poised to implement two to three rate cuts by year-end, financial conditions are expected to ease, facilitating continued economic expansion with projected real GDP growth of 2.5% in 2024, slowing to 1.7% in 2025.

Meanwhile, the labor market continues to cool slowly, with unemployment expected to rise up to 4.5% by 2025. This bears monitoring for anything higher will most certainly signal a recession. As for inflation, there are signs of containment. The July CPI report confirmed a downtrend in inflation, with significant easing in both headline and core measures. However, the August report indicated certain aspects of inflation remain sticky. Thus, annual inflation may remain above 3%, which is above the Fed's 2.5% target. Nevertheless, this situation does little to mitigate the impact of substantial price hikes in food and restaurant costs, which have surged by 25-30% over the past several years. These increases continue to place significant financial pressure on consumers, stretching household budgets and affecting daily living expenses.

For this reason, households are becoming more prudent in their spending amidst persistent price levels and elevated interest rates, leading to a projected slowdown in consumer spending growth.

While the broader U.S. economy navigates slower growth, Texas remains a dynamic economic hub, buoyed by its robust energy sector and extensive infrastructure projects. This fortifies Texas against some national economic trends, yet it isn't fully shielded from challenges such as inflation and labor market shifts. Despite a modest increase in unemployment rates, Texas's job market retains overall strength, supported by diverse economic activities, ensuring that Texas continues to outperform amidst national economic headwinds.

Looking ahead, the U.S. elections add a layer of uncertainty. However, it appears unlikely that either candidate will advance legislation significant enough to fundamentally impact the economy. This underscores the importance of staying informed and agile in response to evolving economic indicators and policy directions, particularly as some sectors like manufacturing and real estate show signs of strain.

Can the economy avoid a recession? We at Cross Power certainly hope so. At present, we feel the positives and negatives are balanced, leading to more of the same over the next quarter or so. However, we are watching the signs, and should a slowdown become imminent, we stand ready to help our clients navigate a choppy market.

Proud Supporters of the FFA and Texas High School Rodeo



Farm & Ranch Real Estate Trends

According to the Texas Real Estate Research Center, the state's real estate market is stable with slight price and rent fluctuations, and commercial sectors are poised for growth. The U.S. farmland and ranch real estate market has demonstrated resilience amid varying economic pressures. In 2024, the market is projected to remain stable, with land values largely holding at the levels observed the previous year. Despite challenges such as increasing costs for farming inputs and a downturn in commodity prices impacting farm incomes, fluctuations in land values have been minimal.

According to the Texas A&M Texas Real Estate Research Center, the demand for rural land, farms, and ranches in Texas is currently mixed. High interest rates have reduced the effective demand for these assets, leading to a decrease in market activity and a reduced number of available properties, with some listings experiencing price reductions. Despite these challenges, the market has not seen a widespread downturn; instead, some investors are watching for potentially better opportunities that may arise soon.

Moreover, there remains a consistent demand for high-quality farmland and ranch properties. The limited availability of such properties has led to fewer transactions,

yet it has not resulted in a decline in land values. In specific regions, premium lands continue to command strong prices, demonstrating ongoing interest from both investors and agricultural professionals.

Northeast Texas Land Market Update

In Northeast Texas, market dynamics are significantly influenced by investors from the Dallas-Fort Worth metroplex, who typically seek properties with unique recreational features or those near major highways, fueling demand especially for smaller tracts under 50 acres. Despite robust interest, the overall market has cooled, particularly for larger properties. However, a notable 10.8% year-over-year price increase has been observed, largely attributed to the sale of several large properties at premium prices. Additionally, there has been a swift rise in solar land sales in the region, reflecting a growing interest in renewable energy investments and development. This trend is contributing to the evolving landscape of land use in Northeast Texas, ensuring a dynamic market despite broader economic shifts.

“Never argue with stupid people, they will drag you down to their level and then beat you with experience.”

- Mark Twain

Got Lithium?

Northeast Texas has recently garnered significant attention for its lithium potential, driven by both geological attributes and promising advancements in extraction technologies. The region's brine deposits, particularly in the Smackover formation, have shown exceptional promise, with Standard Lithium's latest drilling program confirming a record-high lithium brine concentration of 663 mg/L. This breakthrough solidifies the area's potential as a key player in North America's lithium market, particularly in meeting the growing demand for battery production and electric vehicles. The involvement of major energy players like Exxon in nearby Arkansas further underscores the region's importance in mineral-rich brine extraction, marking a transition from traditional energy sectors toward sustainable energy resources. With these developments, Northeast Texas could become a critical hub for lithium production, boosting the local economy and supporting the national push for renewable energy solutions. If you are approached by a landman seeking to lease your land, it is advised that you research your options carefully and seek legal representation familiar with current terms and offers to ensure the best possible agreement.

COOL TIMELAPSE OF TEXAS ROAD CONSTRUCTION

2019



2024



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National Finals Rodeo
Thu, Dec 5, 2024 –
Sat, Dec 14, 2024

Texas High School Rodeo
Region IV
Hopkins County Civic Center
Events begin ~ 9 AM

Rodeo 1 & 2
September 21/22, 2024

Rodeo 3 & 4
October 5/6 2024

Rodeo 5 & 6
November 2/3, 2024

Rodeo 7&8
January 4/5, 2025

Rodeo 9&10
February 15/16, 2025

Rodeo 11&12
March 22/23, 2025

Support the Texas High School Rodeo Association (THSRA), the largest and most prestigious state high school rodeo organization in the nation, where family values and dedicated young people are at the heart of every event. In Region IV, representing Northeast Texas, students showcase their skills at local rodeos while working towards the ultimate goal of competing at the Texas High School Finals Rodeo. With over 125 rodeos held annually across the state, THSRA provides opportunities for scholarships and personal growth, while your support helps "The Elite Compete" and represent the best of Texas on a national stage.

The fall weather forecast for Northeast Texas in 2024 is shaping up to be cooler than normal, signaling the possibility of an early fall season. According to the Old Farmer's Almanac and Farmers' Almanac, September is expected to have average temperatures around 10 degrees lower than usual, offering some relief from the summer heat. However, overall temperatures throughout the fall are anticipated to remain near or slightly above average, with periodic cooler, drier spells interrupting the warmer stretches.

Rainfall is projected to be near- to below-average, potentially leading to drier conditions across the region. The lower humidity and cooler weather during certain periods may create more comfortable conditions for outdoor activities, but rainfall could be sporadic, with stretches of dry weather between brief showers. While these forecasts suggest milder conditions than usual, the unpredictability of weather patterns, including potential cold snaps, makes it essential for residents to stay informed about daily changes.

For Northeast Texas, the early onset of fall might affect agricultural planning, outdoor events, and energy needs as cooler nights start earlier than expected. Keeping an eye on forecasts will help manage the transitions into winter and the potential impacts of these weather patterns.

Commodity Trends



The U.S. agricultural sector is bracing for significant economic challenges as we head towards the end of 2024 and into 2025. The USDA's Economic Research Service projects a dramatic 27% decline in net farm income from the previous year, marking the steepest annual drop since 2006. This downturn is largely attributed to falling commodity prices and rising production costs, which are squeezing farmers' profit margins. Moreover, there's growing concern among economists about a potential recession within the agricultural sector, fueled by decreasing cash receipts and corresponding declines in net incomes. This paints a grim picture of a sector under considerable stress, grappling with both domestic hurdles and the broader impact of global market forces, leading to a cautious outlook for the near future.

Corn: The corn market is facing a notable downturn as production costs rise and prices falter, with the USDA projecting average prices around \$4.10 per bushel due to increased yields. Despite the second consecutive year of bumper crops surpassing 15 billion bushels, market prices are not reflecting this abundance due to slow export sales and high global inventories. This oversupply, coupled with tepid demand, especially from major buyers like China, suggests a challenging outlook for U.S. corn producers as they navigate through a saturated market.

Wheat: Wheat prices are experiencing volatility, largely due to global production fluctuations and trade dynamics. The U.S. market is adjusting to a significant decrease in net cash farm income, particularly for wheat, due to increased competition and enhanced global production capabilities. Looking ahead, wheat prices are expected to average around \$5.70 per bushel through to 2025, with market conditions remaining under pressure from both international supply chains and domestic production costs.

Soybeans: Soybean markets are bracing for impact with projections of record harvests pushing prices down to pre-pandemic levels. The upcoming season's average price is pegged at approximately \$9.99 per bushel, reflecting the robust production recovery in major producing countries like Argentina. However, despite high production levels, the soybean market will likely face price stagnation due to a combination of strong supply, a sturdy dollar, and lukewarm demand, maintaining a steady yet cautious market environment through 2025.

Cattle: The cattle sector remains a bright spot in the agricultural market, with prices expected to stay strong due to sustained consumer demand and tight supply conditions.

Despite broader economic challenges, cattle prices are supported by limited herd sizes and robust beef consumption, which is expected to continue driving the market positively. The outlook for cattle remains optimistic, with industry experts predicting that strong market fundamentals will buoy prices through the end of the decade.

Hogs: The market for hogs has faced downward pressure on prices due to high ending stocks and a reduction in demand. Prices fell in 2023 and are expected to continue this trend into 2024. However, there is potential for market adjustments if export demands, particularly from China, increase as anticipated. This could lead to a more favorable pricing environment for pork producers if such demand materializes.

Timber: Timber markets are diverging from broader agricultural trends, showing signs of price stabilization and slight declines influenced by housing market dynamics and interest rate shifts. While increased production capacity in mills has led to an oversupply in some timber categories, the demand from housing starts and other construction projects could uplift prices if economic conditions, particularly interest rates, become more favorable. However, the market remains cautious, with a nuanced outlook that balances between supply surges and evolving demand in construction and paper industries.

Oil & Natural Gas: Oil and gas prices have been fairly steady, hovering in the mid-70s, but with cooling demand from China, some analysts predict that crude oil prices could drop into the \$50-60 range. Such a decrease could lead to lower fuel costs for consumers, potentially easing expenses for gas and diesel. This shift in price forecasts reflects broader economic trends and geopolitical influences that could impact global energy markets. Natural gas prices have been consistently low, remaining around the \$2.50 range due to an oversupply in the market. However, there's potential for prices to increase up to \$3 during the winter months, particularly if the season proves to be cooler than average. This possible price bump is largely dependent on increased heating demand during colder weather.

“ Its tough to make predictions, especially about the future. ”

- Yogi Bera

“ When you come to a fork in the road – take it. ”

- Yogi Bera

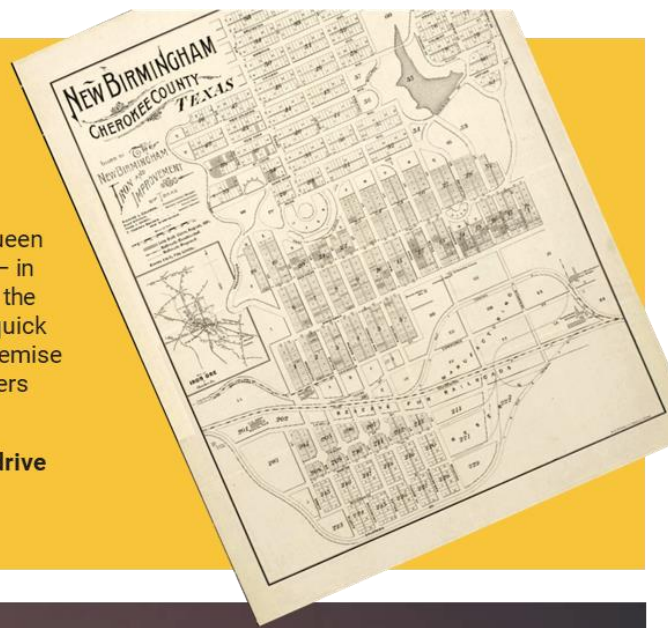
East Texas Ghost Towns



New Birmingham (East Texas, outside Rusk) - The former "Iron Queen of the Southwest," New Birmingham's crown fell a long time ago — in the 1890s, in fact, when loan defaults and unlucky explosions put the town's lucrative furnaces and power plants out of business. The quick rise and fall of the metal boomtown led to speculation about its demise — some accounts involve the curse of a grief-stricken widow. Others simply blame the economy.

If you visit: Pull off U.S. Highway 69 at County Road 1104A and drive back into the woods. Be prepared for some searching.

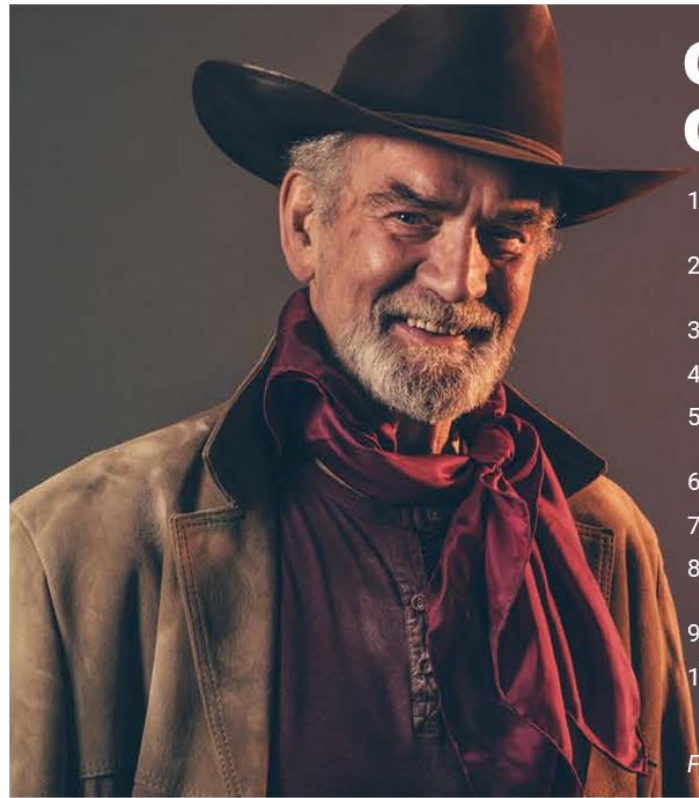
Source: Ghost Towns|January 2018| TPW magazine



Gene Autry's Cowboy Code of Honor

1. The cowboy must never shoot first, hit a smaller man, or take an unfair advantage.
2. He must never go back on his word or a trust confided in him.
3. He must always tell the truth.
4. He must be gentle with children, the elderly, and animals.
5. He must not advocate or possess racially or religiously intolerant ideas.
6. He must help people in distress.
7. He must be a good worker.
8. He must keep himself clean in thought, speech, action, and personal habits.
9. He must respect women, parents, and his nation's laws.
10. The cowboy is a patriot.

From the Western Horseman October 2017



Did You Know?

Feral camels once roamed the plains of Texas

One of the wackier ideas in American history, the U.S. Camel Corps was established in 1856 at Camp Verde, Texas. Reasoning that the arid southwest was a lot like the deserts of Egypt, the Army imported 66 camels from the Middle East. Despite the animals' more objectionable qualities—they spat, regurgitated, and defied orders—the experiment was generally deemed a success. As the Civil War broke out, exploration of the frontier was curtailed, and Confederates captured Camp Verde. After the war, most of the camels were sold (some to Ringling Brothers' circus), and others escaped into the wild. The last reported sighting of a feral camel came out of Texas in 1941. Presumably, no lingering descendants of the Camel Corps' members remain alive today.

Source: The History Channel

Do's and Don'ts of Farm & Ranch Real Estate



When entering the market to buy or sell a farm or ranch, it's crucial to approach the transaction with thorough preparation and knowledge. Here are some key do's and don'ts to consider:

Do's:

1. Conduct Due Diligence:

- Buying: Inspect the property extensively, including the soil quality, water rights, infrastructure, and any environmental restrictions.
- Selling: Gather all necessary documentation, such as land titles, rights-of-way, and any lease agreements, to present to potential buyers.

2. Understand the Market:

- Stay informed about current market trends, including the prices of nearby properties and the general demand for agricultural land. This will help you set a realistic price, whether buying or selling.

3. Get Professional Help:

- Utilize the services of professionals such as real estate agents who specialize in farms and ranches, agricultural lawyers, and financial advisors. Their expertise can be invaluable in navigating the complexities of such transactions.

4. Plan Financially:

- Buying: Ensure you have adequate financing in place. Consider long-term financial commitments and operational costs.
- Selling: Be aware of tax implications and potential capital gains from the sale.

5. Consider the Property's Potential:

- Look beyond the current use and evaluate the land's potential for other agricultural endeavors, alternative energy projects, ecological conservation, or even recreational use.

Don'ts:

1. Ignore Legal and Compliance Issues:

- Ensure all zoning, environmental, and land-use regulations are thoroughly understood and adhered to. Ignoring these can lead to costly legal issues.

2. Rush the Process:

- Take your time to understand all aspects of the property and transaction. Rushing can lead to overlooking critical issues impacting the property's viability or value.

3. Neglect Property Inspections and Valuations:

- Failing to get the property properly inspected by professionals can lead to surprises after the transaction is completed, especially hidden costs related to property condition.

4. Overlook the Importance of Location:

- Consider factors such as access to markets, roads, and the quality of the local community and services, which can significantly impact a farm or ranch's operational success.

5. Underestimate the Importance of a Good Fit:

- Both buyers and sellers should ensure that the land suits the intended purpose. For buyers, not every attractive property might be suitable for your specific agricultural and ranching needs.

In all your ways
acknowledge him, and he
will make your paths
straight.

PROVERBS 3:6

By following these do's and don'ts, buyers and sellers can better position themselves to make informed decisions and negotiate more effectively, ultimately leading to successful real estate transactions in the farming and ranching sectors.

Featured Listing



305 Acres, Dike TX

Explore this stunning property featuring native pastures and a seasonal stream, ideal for agricultural pursuits. This expansive land includes four cattle-ready parcels, fully fenced and cross-fenced with five strands of barbed wire. It offers approximately 3,700 feet of road frontage on County Road 3566. A rare find in a highly sought-after area, this property presents a prime opportunity for discerning buyers looking to invest in a significant parcel of land.

\$2,592,500

Featured Listing



132 Acres, Lone Oak, TX

Discover the potential in these 132 acres of prime property, offering a unique investment opportunity. This land features lush pastureland and boasts significant frontage on FM Roads 1564 and 2947, enhancing accessibility and visibility. Perfectly positioned across from Club Lake and within the prestigious Lone Oak ISD, this property is an ideal choice for development or personal use. Don't miss out on this exceptional offering in a sought-after location—come see it today and seize this rare opportunity before it's gone!

\$3,033,010

Featured Listing



63 Acres, Cumby TX

Discover the allure of this 63.2-acre property in Cumby, Northeast Texas. The property boasts open pastures, natural prairie grass, and mature pecan trees, adding to its rustic beauty. A pond on the premises enhances the peaceful atmosphere and an agricultural exemption. Ideal for those aspiring to run a small cattle operation or seeking a tranquil full-time residence, this land offers the perfect blend of rural serenity and convenient access to local amenities. Don't miss this exceptional opportunity to secure your own peaceful retreat from the bustling city life

\$674,100

Buyer Services

We know every buyer seeking a farm and ranch property is unique and has their own checklist of must-haves. Finding the right property takes research, land expertise, and knowledge. At Cross Power, we bring significant knowledge in farming, livestock production, financing, appraisals, tax-deferred exchanges, and mineral/water/energy rights. Whether you are an expert yourself or a first-time farm and ranch buyer, we can provide you with the level of service you need. At Cross Power, we promise:

Professional Representation - We will be with you every step of the way, from beginning to closing and beyond.

Knowing Your Wants and Needs - We work with you to create a customized profile of your wants and needs to narrow down your search for the perfect property. This ensures no wasted time or effort.

Team Representation - Unlike most brokerages – Cross Power works as a team, not an individual agent to ensure your farm and ranch purchase is successful.

Follow-Up - We continue to represent our clients after the close – especially first time buyers of rural properties. Family is more than just a word to us.

Seller Services

At Cross Power, we know the decision to sell your farm or ranch can be a significant and emotional process. Even with investment properties, market conditions, and financial factors must be considered. We understand these factors and work with you to ensure the selling process is smooth and orderly. For sellers, Cross Power provides:

Pre-Listing advice and service - We conduct a thorough sales evaluation of your property. If necessary, we can recommend improvements to increase the appeal of your property before listing

Pre-Appraisal - We provide expert land evaluations using the latest market data to set an accurate price range for your property.

Qualified Buyers - We limit showings to pre-qualified buyers only to ensure your time is not wasted.

Follow-Up - We strive to create a sense of community with our clients and continue to represent and work with you long after the close. At Cross Power Real Estate, family is more than just a word to us. We are proud of our track record of repeat clients.

THE CROSS POWER FARM & RANCH TEAM



Patrice Salazar Tague

Founder/Owner of Cross Power Real Estate. A multi-million dollar broker with extensive expertise in commercial, residential, farm and ranch properties. Recognized for exceptional skills in contract negotiations. Fluent in Spanish.



Jim Tague

Former Oil & Gas executive and Naval Aviator, knowledgeable in complex real estate transactions. Leverages his unique background to advise experienced clients as well as newcomers to the farm and ranch real estate market.



Landry Green

Second-generation ranch owner with a BBA in Marketing. Experienced in raising horses and cattle, two-time Texas High School Rodeo state qualifier. Expertly assists farm and ranch transactions, leveraging her lifetime of experience.



Scott Stewart

Ranch owner raising purebred Herefords. BS in Animal Science, MS in Agriculture. Instructor of Plant Science at Texas A&M Commerce. Pasture and forage expert with fifteen years of farm & ranch real estate experience.



Cross Power

Real Estate

Farm and Ranch Division

Lone Oak, Texas
903-355-0505



The Northeast Texas
Farm & Ranch Quarterly
FALL 2024

Mailing Address

Cross Power Real Estate: Excellence in East Texas Property

Cross Power Real Estate is a premier agency in East Texas, specializing in a diverse range of properties, including commercial sites, residences, second homes, and expansive farm and ranch lands. Our agents, deeply knowledgeable and connected to the local market, bring unparalleled expertise to every deal.

Dedicated Farm & Ranch Team: Our dedicated Farm & Ranch Team goes beyond standard services by offering personalized assistance that blends real-world ranching experience with formal knowledge in marketing, animal science, and agriculture. Whether you're interested in a small farm or a sprawling ranch, Cross Power is your go-to source for farm and ranch properties in East Texas. Our deep knowledge of the local market, combined with a principled approach, ensures you receive the best possible service in navigating the farm & ranch landscape.

Passion and Commitment: Driven by a deep-seated passion for real estate and a commitment to our clients, we are dedicated to finding the perfect match between exceptional Texas farms and ranches and prospective owners. Choosing Cross Power means choosing a partner who views real estate not just as a business but as a mission to serve.

At **Cross Power**, we are dedicated to helping you achieve your real estate goals with confidence and peace of mind. Rooted in Christian values, our team approaches each interaction with honesty and a spirit of service, reflecting our commitment to our clients, communities, and Nation.