

Business

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Ex-Nebraskan Heads Investors in Land Deal

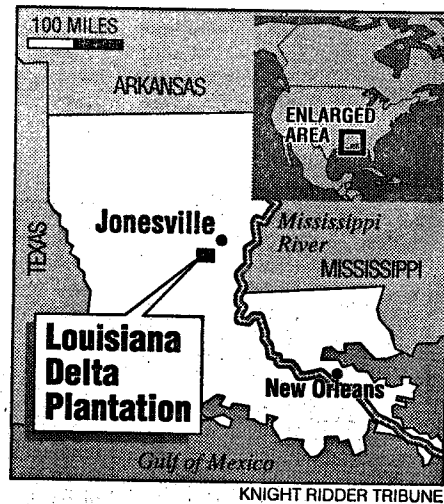
BY CHRIS OLSON
WORLD-HERALD STAFF WRITER

A group of eight investors, led by Chicago investor and former Atkinson, Neb., resident Gerard J. Keating, has purchased half of what is known as the Louisiana Delta Plantation — the largest contiguous row crop farm in the United States — and has an option to buy the other half.

The investors purchased the north 42,797 acres of the plantation 10 miles south of Jonesville, La., for \$40 million in February and have an option to buy the remaining 45,287 acres for another \$40 million by Nov. 1, Keating said.

The entire 88,084-acre plantation, plus assorted equipment and buildings, was listed for \$80 million.

The farm was developed by brothers Kenneth Morrison of Hastings, Neb., and Milton Morrison of Salina, Kan., who are planning to retire.



Keating is vice president of the Chicago-based real estate firm of Hiffman Shaffer

Association Inc. Keating's family came to Nebraska in 1885. His great-great-grandfather, Samuel Dunning, founded Dunning, Neb., in Blaine County. His parents, John and Dolores Keating, still live in Holt County.

Several Nebraska-based firms are playing a role in the purchase of the plantation, Keating said. They include:

- Ron Shonka, managing broker of the O'Neill, Neb., office of Farmers National Co., which represented the group in the purchase.

- James Estill, managing partner of the Atkinson-based Green Valley Irrigation, which consulted with Valmont Inc. engineers Jake LaRue and Dean Howard to plan to irrigate 22,000 acres with 126 center pivots.

- Steve and Mari Osborne, owners of Atkinson-based SRM Construction, which has been hired by the group to level 4,000

acres of land to irrigate for rice production.

- Keating's father, John Keating of Atkinson, who represented the group as a consultant in the Feb. 13 and 14 auction of more than \$3.5 million of farm equipment, which was purchased with the farm.

- United Agri Products, an entity of Omaha-based Con Agra, which purchased the chemical and fertilizer distribution facilities on the farm.

- Hastings-based Ingersoll-Dresser Pump Co., which is supplying the irrigation well pumps.

- Lyle Kinley, partner with the Omaha office of Deloitte and Touche, which is providing tax and finance consulting to the group.

- Omaha-based Farm Credit Banks of the Midlands, which along with the Farm Credit Bank of Texas is providing financing

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for the land purchase.

The plantation has been leased on a long-term cash basis to 23 farmers from Louisiana, Mississippi, Illinois and Texas for production of rice, cotton, corn and soybeans.

Keating said that during the next five years, the new owners will invest more than \$5 million on the north half of the farm to level 15,000 acres of land, which will be flood-irrigated for rice and soybean production. An additional 22,000 acres will be irrigated with 126 center-pivot irrigation systems.

After selling some of the plantation's

buildings and equipment, the new owners retained a cotton gin and United States Department of Agriculture warehouse, which has an annual capacity of 40,000 bales, Keating said.

In addition, the new owners are constructing a 370,200-bushel grain-drying and storage facility with expansion capability of up to 1,110,600-bushels. The facility has been leased to the farm's largest tenant, Black River Grain Co.

In addition to farming, Keating said, emphasis is being put on improving the already excellent hunting and fishing habitat on the farm. The farm has 70 water fowl blinds; that number will be tripled with the production of rice as a food source for water fowl. The blinds have been leased on a long-term basis to a Jackson, Miss.-based hunting guide.

Keating said the factors contributing to the decision to purchase the land included:

■ Competitively priced land at \$900

to \$1,100 per tillable irrigated acre.
■ Excellent yields of 150 to 180 bushels of corn, 140 bushels of rice, 45 to 60 bushels of soybeans, 70 bushels of milo and 800 to 1,100 pounds of cotton per acre.

■ Competitive market for grain at 25 cents to \$1 per bushel over the Chicago Board of Trade versus 25 to 50 cents per bushel in the Midwest because of the farm's location only 230 river miles from export facilities at the Gulf of Mexico.

■ A harvest time advantage prior to Sept. 1 to beat lower new crop pricing by the Chicago Board of Trade.

■ High quality and quantity of water, averaging 2,500 gallons per minute from wells at a depth of 140 feet, compared to 1,000 gallons per minute for wells 300 feet deep in the Midwest.

■ Longer growing season of 240 days, compared with 160 in the Midwest, permitting the harvesting of two crops per season.

Chief Industries

■ THINKING

The judge ordered Overnite to pay