

Information Overload: Adding Value to Your Farm

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We live in a society where we can find almost any information we are looking for by simply doing an internet search.

You can find anything from college basketball stats in 1978, to the part number of a headlight for a new John Deere R Series tractor. On the other hand, farm owners or potential farm buyers need to do a lot more

research to find property information, and some may not even be available.

When combining all of the new technologies in today's agriculture industry, including data collecting software and new differences in crop insurance plans with yield history and field knowledge gained by a farmer over the years, it's easy to see the overload of information we could have on each individual farm.

That being said, it takes more than a high Corn Suitability Rating or CSR value to get the top dollar out of a farm.

Compiling [all of this information](#) can make a large difference in the overall price of a farm when it is sold, or the cash rent numbers collected. A farm that has current tile maps, fertilizer maps, yield data, and soil test data will traditionally bring a sales or cash rent premium over a similar farm with less information available. Many of today's farmers have sophisticated data tracking software or have a working relationship with outside companies to provide them with data to enhance their yields. If a farm is being rented by a farmer, most of this information is rightfully owned by that operator. In those situations, the landowner conceivably should be writing language into their lease agreements allowing access to certain information if they decide to sell.

There are many instances where a string or two of tile was added by a farmer to improve the drainage, but they were never mapped out, similar to yield and fertilizer data which were never stored into memory and were long lost by the time a farm was ready to change hands.

Although collecting all of this information is the first and arguably the most important step, understanding what is collected is also very important. Increasing yield and preventing erosion are two of the best ways to add value to a farm, and the data collected can tell you where tile, fertilizer, waterways, or grass strips may need to be added to enhance the tillable acres.

Whether you are a farm operator, a farming landowner, or a non-farming landowner, collecting data and understanding how to use it to produce optimum results of each individual farm should be a top priority. With farm operations growing larger, there are more opportunities for tenant/landowner relationships to grow. Sharing information helps both parties by improving the land to help the current operator maximize yield along with increasing the value of the farm.

A few examples would be testing soil and adding fertilizer where needed, investing in tile and waterway work, and understanding situations where it may be best to increase or decrease tillable acres, such as removing trees or enrolling wet or erodible ground into a conservation program.

The [latest farm bill](#) has brought on new factors that could affect the value of the farm, too. The landowner has the option to update the base acres, and the farm operator can choose between PLC and ARC farm programs. The option that is chosen will be locked in through 2018, with the final payment coming in 2019, regardless if the farm changes hands during that time.

In closing, compiling and understanding all of the information associated with a farm can add value both annually and at the time of a sale. If a landowner doesn't want to take the hands-on approach such as compiling data and working with a farm operator to improve their property, a [land management](#) company such as Peoples Company can be a very affordable way to add value to the farm.

Farmers and investors are becoming more and more sophisticated in buying and renting farm ground and are demanding information on yield, fertility, and drainage before they will pay a premium for land. In today's market, that could be the difference between a sale or a no-sale.

As the late entrepreneur Victor Kiam once said, "Information is a negotiator's greatest weapon."

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