

Peoples Company Land Agent Andrew Zellmer offers three examples of how to leverage your land professional

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The average age of landowners and farmers continues to increase. Results from the most recent Iowa State Farmland Ownership and Tenure Survey shows that 60% of landowners are 65 years or older. While Iowa's corporate farming laws impact these demographics to a degree, the fact still remains that across the country many billions of dollars of farmland will be changing hands over the next 20 years.

On a weekly basis, I interact with farm operators who are looking to sustain and grow their land base. This will become increasingly more complicated moving forward as a higher percentage of land changes hands.

The following three examples demonstrate how you can leverage your Peoples Company Land Professional to benefit your farming operation.

Example One: Retaining Rented Land That is Being Sold

You can work with your Peoples Company Agent when you, as a farm operator, are contacted by an existing landlord who plans to sell their farm. In this situation, if you are not in a position to purchase the farm or farms, or are saving your resources for a neighboring property or family land buyout, your Peoples Company Land Agent can help. Using the Peoples Company Investment Team and large network of investors, we can likely match you up with the appropriate investor client that will purchase the farm and allow you to continue farming it. In this scenario, you get to maintain your land base without significantly impacting the working capital position in your operation.

Example Two: Trading Into a More Desirable Farm

You can work with a Peoples Company Land Agent when you want to trade into a different or more desirable farm. In this situation, you may have a farm next to your home farm or a desirable farm coming up for sale in your area. If you don't have the financial ability or want to take on the additional burden of adding a new farm, trading out of one of your outlying or lower quality farms via a tax-free exchange may be a great option. Once again, in this scenario the operator leverages the Peoples Company Agent to find an investor and obtain a sale-leaseback on the lower quality or outlying farm. The farmer is able to keep farming the outlying or lower quality farm and has the ability to purchase the more desirable farm, all the while keeping a healthy financial position.

Example Three: Adding Working Capital Back Into Your Operation

You can leverage a Peoples Company Agent when you are feeling extended financially and need to add liquidity back onto the balance sheet. In this scenario, you may want to sell a farm to regain that working capital and reduce your debt load. Peoples Company may be able to connect you with an investor so you can continue to farm the property. Doing a sale-leaseback on the property will allow you to continue to farm the land and at the same time clean up and strengthen your balance sheet.

These are just a few examples of the ways Peoples Company Agents can work with operators to grow, maintain, and strengthen their farming operation.

“Investor” seems to be a dirty word in the farming community. That is until you need one. With the demographics of land ownership and the amount of land that will be turning over in the next 20-30 years, the need for capital will be essential to farming operations that want to continue to grow or maintain their current base.

Partnering with an innovative, land focused company such as Peoples Company is a great way to have access to these capital sources. With a network of agents, large investor database, national footprint, and events such as the Land Investment Expo, a Peoples Company Land Agent can help you and your operation reach its goals.

If any of these scenarios fit your operation or if we can ever be a resource, don't be afraid to reach out. It's always better to be proactive rather than reactive.