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*COMMUNICATE: Andy Mullan (left) and Greg Townsend (right) consult with client Bret Pierce, who farms with his family near Woodward. Pierce keeps in close touch with landlords, letting them know what's happening on their land.*

**MANAGEMENT > LAND MANAGEMENT**

## Cultivate your investment

*A lot more goes into being a non-operating landowner than renting out the farm each crop year.*

Rod Swoboda 11 May 26, 2017

he traditional way a landlord rents farmland has changed from solely managing the lease and charging rent. A successful rental arrangement today requires greater communication between landlord and farm operator. Sharing the risk of farming in years of low or no profitability, the rewards in better years, and the stewardship to take better care of the land are now part of a landowner's list of concerns.

Real estate agent Mark Gannon saw these changes coming in 2008 when he established U.S. Farm Lease, a consulting firm working with landlords and tenants to help them reach "a fair cash rent" for both parties. The name was changed to Farmland Stewardship Solutions two years ago, focusing on the total package.

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"We make landowners aware of the three most important aspects of owning land: the economic, agronomic and environmental stewardship responsibilities," says Andy Mullan, a farm leasing specialist with FSS. "That's how we analyze each farm for our clients. We make them aware of what's going on in all three areas and help improve the situation, so the farm is managed the best possible way."

This involves gathering and analyzing data — yield, soil fertility, soil erosion and more. “The older tenants tend to be apprehensive; they’ve never used a data analysis system to look at the land they farm,” says Gannon. “But if the owner values it, the tenant will support it. We have a lot of farm operators who welcome this analysis.”

### **Need to share information**

These tenants are sharing their yield data and other production information with their landlords, because “they realize we can analyze it and help them,” says Mullan. Also, more farm operators want to use a flexible cash lease to share the financial risk with the landlord, and yield and production information is needed for this type of lease.

Soil fertility, drainage and other management may need to be improved so the value is in the production. Some areas of a farm may not be naturally productive or are so environmentally fragile that they may be better off in the Conservation Reserve Program or a wetlands program than intensively farmed with row crops.

FSS uses the Agren Soil Calculator to analyze soil erosion and recommend conservation practices. After plugging in various crop rotations, tillage systems and conservation practices, the tool predicts the resulting erosion. Farmers and landlords can evaluate alternatives side by side to maximize profit, conserve soil, preserve yield and reduce inputs.

Greg Townsend, an agronomist who heads FSS, adds: “Two of our goals are to make sure the farm is well-maintained on fertility and that we have precise information on yields, so we can document the present situation, then work to make it better. Many rented farms need to get on a better path of open communication so the owner can know the farm is performing the best it can. That’s where we can help.”

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