

# Whole Farm Planning for Landowners and Operators

## CREATING VALUE ON RURAL LAND

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# Evolution of US Agriculture

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*US agriculture has evolved based on abundant land resources and has transition from a “way of life” to mature, consolidated businesses. Decision-making for farm planning has become very complex. Landowners wield considerable power over the landscape, and can implement long-term vision which operators may not have incentive to consider. The whole farm plan brings the landowner and operator together to share the vision for the future of the farm.*

# SOLUTIONS IN THE LAND (SITL)

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## Why did we form?

As we entered into the 21<sup>st</sup> Century, agriculture mega trends and gaps emerged:

1. Access to the tremendous resources within agriculture agencies and organizations is not intuitive for landowners nor operators.
2. Shifting landowner base as operating landowners become a minority.
3. Underserved market for information services for landowners and land decision makers for comprehensive, integrated farming system plans.
4. The gap in communication and understanding between landowner and operator has widened.
5. Low awareness of revenue opportunities other than corn and soybeans.
6. Lack of any planning format that integrates conservation and profitability.

*Despite the value of the investment, the farm did not come with an operation manual.*

# The Whole Farm Planning Process

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Every farm is a micro-climate and is impacted and has impact on a defined watershed. It is unique in the region it exists, the history of the land use and the social interactions in the community and access to profitable markets for agriculture production.

- 1. Site Visit** - Our process begins with the site visit and identifying all persons involved in making decisions for the farm.
- 2. Guiding Principles** – In the early stages we get all parties to share guiding principles of future decisions.
- 3. Regional Context**- Customs, geology, watersheds, historical and current activities.
- 4. The Farm**- Past, present uses, operators, unique features, micro-climate
- 5. Opportunities and Constraints** – Markets, urban centers, human resources, etc
- 6. Revenue Generation**- 20 uniquely different forms
- 7. Recommendations**- Our perspective with understanding all of the above
- 8. Implementation**- Unique to the farm, the owners, operators and long-term plans.

# Guiding Principles

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Early in the process, we list the guiding principles that we share to guide the process. This recognizes family values, customs, beliefs and biases of the shareholders.

Future ownership of the land and succession plan.

Activities that are and are not permissible –

Soil building verses depletion – the land gets better every year

Socially acceptable practices – CAFO siting

Access to natural features of the farm

Maintaining privacy

# Regional Context

## REGIONAL OPPORTUNITIES *BLOOMING, WISCONSIN*

We use site visits, interviews and public records to understand the ecological region, cultural context, regional planning, transportation and infrastructure that both exist and is being planned. These realities have keys to future marketability of values that can come from the farm.

Ecological region- Cultural context-

*Watershed*

*Native areas*

*Outcrops*

Regional plans -transportation and infrastructure-

Population center-

Markets- marketing

**Nation's Breadbasket**

- Grains
- Large Farms
- Global Food Supply

**World-Class Farmland**

- Large production farms
- Cropland of national significance
- Bio-ag economy

**Interstate Highway Systems**

- IQ Corridor
- Transshipment

**Lake District**

- Recreation
- Summer homes
- Venture capital

**CHICAGO METRO**

- Global City
- Cultural Center
- Major Research Institutions
- Access to Capital & Entrepreneurs
- Technology Center
- Port City

# The Farm

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We take a deep-dive into the past and present use of the farm as a starting point. "The farm" encompasses a site assessment, including natural resources (soil, water), cropping history, ecosystem services, topographic features, human resources, history of the site...

Underground geology

Utility Easements

Farmed wetlands

Building Assessment

Energy Management

Future infrastructure

# Opportunities and Constraints

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The site and the region present unique opportunities as well as limiting factors. Through the lens of the site and region, we assess opportunities, including markets, activities, crops, conservation...

We investigate the markets and marketing opportunities of the farm and the barriers to gain access to those markets. Discretionary capital is often a barrier to sharply changing the direction of the farm.

Current margins on most crops are too narrow to provide investment capital. Co-investment from the buyer has been a successful model.

Proximity to population centers, transportation systems tend to dictate opportunity limits for certain products. (Fresh market vegetables).

# Revenue Generators

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As a part of opportunities and constraints, we like to identify unique revenue streams that are not corn or soybeans to diversify to become a supplier of choice for stable markets. This helps build resilience and stability.

Shifts in societal norms are presenting new revenue streams that can be quite attractive. Most require building market relationships and offering production flexibility. Lot size, JIT (just in time) delivery, packaging and telling the story often have much greater value than the featured crop.

Short rotational woody crops are a 10 year rotation. We strive to diversify rotation duration with a minimum percentage of the farm in annuals.

Federal entitlement and easement programs  
Water credit offsets  
Carbon offsets  
Novel livestock  
Medicinal plants  
Vegetables  
Nursery plants  
Eco and Agro tourism  
Fruit crops  
Heritage grains  
Baking quality grains  
Masa corn  
Corn for distillation  
Microbrewery supplier  
Hunting  
Fishing  
Birding  
Movie set  
woody perennial energy crops (WPECs)  
Direct marketing  
Flowers  
Hemp. . .

## Recommendations

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Our recommendations narrow the list of opportunities but also address changes we glean from the information gathered in the process and informed by other situations we have experienced.

Our recommendations span the broad-base of the information gleaned from our investigation of your farm and the many others we have experienced.

# Implementation

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The speed of implementing the plan is less important than the direction and resilient foundation of the plan.

The farm Lease becomes an important tool to implement the plan.

# Conclusions

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***Pick good partners – Operator, farm manager, USDA personnel, banker and others need to be going your direction, don't avoid making changes.***

***Share your plan with everyone – Good ideas beget good ideas***

***Build your toolbox – Lease requirements, farming benchmarks, horizontal community relationships . . .***

***– Savor the heritage of the farm, but nothing is going to be the way it used to be. Honor the past, embrace the future – change will occur with or without you.***

***Farmland ownership is an important role in sustainability - it can be a burden, a joy, a family legacy.***

**SOLUTIONS**  
IN THE LAND

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