

Sustaining Community: Selling the Family Farm to the Right Family at the Right Price

by Teresa Opheim

If it takes a village to raise a child, as an old adage says, how can the children, having left the village, repay and help sustain the village in response to its life-giving nurture? The village in this instance had provided an extra measure of support to the mom and her three young kids when death took the dad from the family.

Former Montgomery County farmland owners Dale Nimrod and his siblings came up with a response that enabled a family active in their home community to take over their farm. The family, unknown to the owners, was selected because of their participation in community and church and their demonstrated desire to own and operate a farm there. A creative approach to pricing the transfer was obviously necessary.

But let's start at the beginning.

Leonard Nimrod, the dad in this story, grew up on the farm near Stanton settled by his Swedish immigrant parents, stayed on, and shared in its operation. In 1934 he married a local school teacher, Janet Meyers, recently transplanted from New York. By 1944 Janet and Leonard managed to cobble together financing needed to purchase a farm of their own a couple miles away. That winter they looked forward to the March 1 possession date, when they would move their three young children to the farm. But in February Leonard was diagnosed with a brain tumor. While doctors were trying to save him with surgery, Janet, from his hospital room in Omaha, was arranging the March 1 move 60 miles away. Leonard died that July and never got to farm the new place.

At the time, Dale Nimrod was 5, his brother, Vance, was 8, and sister, Faith, was 2. Janet decided to stay. "My mother looked on it as a kind of calling that we should be raised at that place," Dale says. "She managed to make it work. The church and

the community were very instrumental in making it possible. I'm sure they put in the first crop. Countless acts of kindness followed. When the dad of a friend of mine, for example, was going to buy cattle in Omaha, he thought I should be along to learn how to do that. It was just things like that, on and on and on, a support network that was very tangible."

The three kids thrived in this supportive community and then left for college and careers. Dale married Sunny, and they raised their three sons on the rolling hills near Decorah, where Dale taught chemistry at Luther College. Vance and Faith settled their families in Mississippi and Des Moines. Janet continued to live on the farm and eventually transferred ownership to her three children, each getting 80 acres. The cropland was jointly rented out.

In 2004, the farm manager – who in 1948, unmarried and 24 years old, had moved out to the Nimrod Farm to work the place – decided to retire from farming. "By that time it was clear that none of us siblings, now in

our 60s, was interested in taking up farming at that point or moving back to our home town. So it was time to turn the farm over to someone else."

Land, Community Care More Important than Price

"We were no different from many aging land owners facing this very common situation – we aspired to find a nice young family who would appreciate the land, the community and the church, and would invest themselves in caring for all three," Dale says. "But far too often I have seen owners who fervently hope for such an outcome put their place up for auction with little more than their fingers crossed regarding their community. It is a misperception, I think, that selling to the highest bidder is the only way to be fair when disposing of property. We were determined to make the desired outcome a reality, and we were convinced that such an outcome would go much farther than, say, making a cash gift in sustaining community.

"So I started by calling the Lutheran pastor in Stanton and asked for names of anybody who might be looking to farm. That's how we connected with Mark Peterson," Dale recalls. "He had established himself and shown interest in the town and interest in the church. Mark was renting some land and owned some machinery, and this was really the kind of thing he was looking for. So we worked through how to establish a purchase price."

The Nimrods asked the Petersons to use some farm productivity spreadsheets from Iowa State University to calculate the production value of the farmland, which, as Dale says, "has little, if anything, to do with the market price." Mark put together a cash flow statement, which included a land payment to the Nimrods. He based it on 2004 prices and yields, and a land payment based on the interest rate at the time and 20 years worth of payments.

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▲ **Above:** Dale and Sunny Nimrod stand on their farm near Decorah.

▼ **Below:** Melanie Peterson stands in a field of rye – land that the Nimrods sold to her and Mark so they could farm in their southwest Iowa community of Stanton.



Committed to Fairness

“We wanted to get close to the real economic value of the farm, which is below the market price of course,” Dale reports. “We siblings looked over the figures carefully and concluded he did his calculations correctly. Then we set the purchase price at 25 percent higher than its calculated production value.”

Mark Peterson says, “When Dale first called, I thought he was looking for an agent to sell the farm, and I had my real estate license. Then the light bulb went on. Dale said he wanted to sell the farm to us. I said that we weren’t in the position to buy a farm. He said, stick with me and we’ll figure it out. Dale and his family had deep ties to the farm, but they could see that there was no one in their family who could carry it on and they wanted it to be a family farm. He wanted to give someone the chance to make it on their own. In his own way, he was trying to keep Stanton going.”

Mark and his wife, Melanie, also made two major investments to achieve the happy ending of this story. The second was a number of major land improvements, including his recent work with Practical Farmers to add cover crops. The first was to use their home equity in Stanton to buy back the acreage that contained the farmhouse, which the Nimrods had earlier sold off. The Petersons evicted the raccoons, renovated the house, and moved their

family of five boys from town to the country to their new home on their new farm.

Reports Dale Nimrod: “We are just enormously pleased that this farm is in the Petersons’ hands. I hear about people who have land for sale and it’s like it would be a sin if you sold it for less than what an auctioneer could get for you. I just can’t understand it. There are things more important and much more satisfying than money.” ■