Hello, and welcome to the small farms podcast, a production of the small farms program at Iowa State University Extension and Outreach. Our podcast covers the opportunities and challenges associated with rural life.

In this episode I interview Ann Johanss, Iowa State University Extension and Outreach extension program specialist and talk about acreage evaluation. I'm Olivia Hanlon, small farms extension specialist, and welcome to the small farm sustainability podcast. Ann welcome to the show, thanks for being on.

Yes, I'm happy to join you today, Olivia. All right.

It has been a while since you've been on so why don't we get started with a reminder of a little bit about what you do and your role here at Iowa State?

Yes, so I am a program specialist with our farm management team. So we have farm management field specialists around the state. There's eight of those. And then we have faculty on campus in the Econ department. We work really closely with the Center for ag law and taxation, the women in ag program. And so my kind of area statewide, I answered lots of
questions from out of the state. But ultimately, I coordinate the ag decision maker website, which is our online library of farm management information and work closely with our team on different programs they’re doing throughout the year.

O  Olivia Hanlon  01:33

And one of your big roles or big pieces of your role is ag decision maker. So why don't you tell us a little bit more about ag decision maker as a whole and kind of what all is included in that?

A  Ann Johanns  01:44

Yes. So as I mentioned, the ag decision maker is kind of our online library. And we have a newsletter we put out every month. But then we have a series of publications in several different areas covering those farm management decisions in crops and livestock. Whole farm things that impact the entire farm operation, some new business development materials. And then we have a nice series on cooperatives in the state. And we have some profitability models under our energy section that look at ethanol, profitability, biodiesel, profitability, some price series on fuel versus grain. And so there's a lot of materials in there, our decision tools are approaching between 150 gearing up toward 200 with a spreadsheet for every state looking at the net returns to carbon farming. So that's something new, you know that we're getting more and more information in that area, helping producers make decisions on things that impact their farms bottom line. And so lots of the things that get most used on the ag decision maker website are surveys that come out every year, our cash rent survey, our customer rate survey, the that'll be out here later this month, we release every January, I'll look at estimated cost of crop production, we link back to the fruit and vegetable budgets that you guys have, I'm trying to kind of interlink with our other units within Extension as much as we can and trying to know what other experts are out there in those areas that maybe we don't cover. But there's a wealth of information on the website, I'd encourage people to check out.

O  Olivia Hanlon  03:06

For sure one of those resources among the many great resources available on ag decision maker is the land Value Survey. And that was just recently updated, I believe. So why don't you talk to us a little bit about that, and how that can be of use to folks when they're looking at acreage evaluation?

A  Ann Johanns  03:22

Yes. So the land Value Survey comes out every December. Iowa State has released the survey for over 50 years now. And there's there's huge history and how the survey is done, and providing that trend of what land values are doing annually in our state. And we know that land values, there's a lot of factors, right that impact land values. The Iowa state survey is one of several that are done throughout the year by different organizations that we actually linked to several, we have ours and then links to the Iowa Realtors data. The USDA survey data. The Chicago Federal Reserve has a survey, they look at kind of Midwest trends. And so all of those provide great insight on what we're seeing. We always know that this survey is looking at
values. I know that folks listening might think well, I've seen auctions and I know of sales that are much, much much different than the survey. But that's just is that what you see at an auction is going to be the folks in the room and that particular piece of land. And I always always say every piece of land in the state is unique. We are so fortunate to have the land that we do in this state that we're able to take care of. And so the survey is one piece of information but it's not the answer for everything. But it's definitely something that I would encourage people to take a look at if they're either looking at purchasing an acreage a farm, as a gauge, right to just compare against and get an idea if they're not familiar with an area that state what land values might be there.

Olivia Hanlon 04:47
Okay, and do you get a lot of questions about purchasing acreages

Ann Johanns 04:51
A few. One thing that the land Value Survey doesn't cover and I think the questions I get about that are whether it encompasses, buildings, homes, you know, both livestock or storage or machinery. Right? So what all this survey covers, and so kind of being able to clarify that the land value survey is really looking at farmland. So it's not taking into account buildings structures, maybe perhaps water, you know, in a pasture like additional pieces, that's going to impact the ultimate sale value of that piece of property. So I get questions about that. And just being aware that the survey includes high medium and low land, but not taking into account the structures that might also be included or looking at, perhaps if that acreage has farmland associated with it, you know, if somebody is perhaps looking at buying an acreage to live on, you know, to move away from an urban setting, and they don't themselves farm and so then we get lots of questions on so what do we do with you know, a small piece of property? What are our options there? And so I think those are the majority of questions I get, and then perhaps where to find information.

Olivia Hanlon 05:59
You know, Ann I think if I was a betting woman, I would put my money on the fact that all of us extension, people get a lot of questions on what should I do with this extra land that I have?

Ann Johanns 06:09
Yeah, what options are out there for us? And those are great, like, what what are your goals? What do you want to do? And so just know that those resources are out there to help as they determine that? Yeah,

Olivia Hanlon 06:19
yeah. So along those lines, and when we are looking to purchase an acreage, what kinds of things do we need to consider before we get down and look a little bit deeper into that kind of information?
Ann Johanns 06:30

So when I get somebody who gives a call, and they're asking that my first question might be, do they already have one in mind? Are they just kind of starting this journey? If they have one in mind? Are they looking at, you know, a private sale between the current owner? Is it a family member? Or is it you know, changing generations, or buying it from maybe not a direct ascent, relative, but maybe an aunt or something like that, or, you know, we do see images that are on auction, so maybe they're just doing some homework prior to going to an auction to kind of determine what their thoughts are on that. And then one thing I usually say it's well worth the investment. If you're, if it's a private sale, especially, it's worth the investment to look into a professional appraisal, getting that third party unbiased look, we don't recommend specific appraisers. But I know Iowa has a professional appraisal program. And they can be of association that they're a part of, and so that database is searchable, can look at the Iowa appraisers and find people who might have specific specialties, and kind of drill down to people in the area that you're looking at. And so I would encourage them to look at that, for ideas on who they could contact.

Olivia Hanlon 07:38

Okay, so when we are getting started and looking for information, where are some good places to start Ann?

Ann Johanns 07:44

Yea, so I like to do a little digging, do my own research before looking into it farther. So I think there are more resources available than people realize there is so much available online before you really have to dig in elsewhere and start, you know, making phone calls and asking more questions. So you can get started right away anytime you want. And so all of the websites that I look at are public resources, their government websites, it's always good to know and trust you and the materials are looking at. And so I usually will start with Beacon Schneider, I think I could I can tell you that. So it's if the if you do a search for BeaconSchneidercorp.com. And that one has information from our state assessor's. And so you can drill down by state, and by county, it will vary. There's some counties will have more information than others on there. But you can search by there's multiple ways to kind of drill down to a particular piece of property, how it's owned, if you know some of the details of that property to be able to look at the history of the property tax information, there's soils information on there, you know, if you're separating an acreage from a farm, there might be different things that you need to consider than if you're just buying an acreage that is already a separate unit, you know, if it's 10 acres that have already been separated from perhaps a 80 acre field, that's going to be different than if you're trying to carve that out. So that's something to consider and something they might need to look into farther with their counties courthouse to see what steps they might need to take there. The next one I would look at would be where our county recorders post information publicly. And that is at Iowa land records.org. And so you can find information that's been posted through the recorders, office public materials there. And so that's another spot where I'll do a little digging. I think there's well information that can be publicly listed there. And so yeah, that's if you're looking at an acreage, what's the water access? Some areas of our state have
rural water that can provide that. There's other areas where maybe that is something to consider helps the well, if you're changing hands, do some of those things, the well the septic system. Are those things already up to code or is that something discussed with the seller? Are you working with a realtor or you're doing this between two private parties, then you might need to do a little bit more on what do you need to take care of right? A realtor has gone through those steps before and knows what boxes do that checklist. So those two and then I'm going to look at my County's courthouse website, know who works in there who if I have more questions I might want to contact or if I want to go to a courthouse and see those records, ask questions, they're very knowledgeable about what they have on hand. And so they can help you kind of learn more about a particular piece of property, look at what title information is available, you might contact somebody to have that title reviewed, just because some acreages in our state have passed hands through multiple generations. And perhaps there's something in the title that they've overlooked. And so just knowing that if you're going to take over a piece of property, me personally, I want to know that that title is clean, I'm not going to create, you know, an issue down the line if I would try to sell it or pass that on to a next generation. And so just making sure that I've looked into as much as I possibly can.

Olivia Hanlon 11:02
All right, Ann if we've decided on an acreage, but we think that there are going to be some changes that need to be made, whether it's before we actually take ownership or right after we take ownership, what kinds of things do we need to consider there?

Ann Johanns 11:14
Yes. So I was what are your goals? And I know, that's a difficult question. But maybe, maybe I need to use a different word because people are hesitant when they talk about goals. But is it to use the acreage yourself, right? So if you're purchasing it to live on, and then there's a livestock building associated with that, are you going to be using that? Or do you intend to rent that out? If there are some tillable acres or I say tillable, just with the fact that that could be put into production agriculture, right? Productive acres is maybe a better term, and so that you would look at doing a small, you know, a few acres that if you had small equipment that you could do yourself? Are you looking at? Is there a neighboring farmer that you would rent a few acres to? Or is it a pasture? And so then are there good fences? If there's not good fences, and you wanted to put livestock in there? Do you need to put up fencing. So there are some ag exemptions in some counties on, you know, what a person could build without needing to go to the planning and zoning board, but you would want to look into that. And so that's another, another unit through their county courthouse, you know, to check into what are the planning and zoning rules? Are they unique within a county? Or do they kind of follow what state guidelines are? And so then once they've decided those goals, then it's looking at? Do I need to have a cash rental agreement? Do I need to look into what cash rents are and you know, if you're only renting out a few acres, you're likely, you know, there's maybe some unique aspects to that, then can they access it from their field? Is it really a, you know, an addition to a farm, or you just kind of looking to give that piece of property, some use and a little bit of return as the land owner there? And if it's a pasture and you're putting out horses, or you know, a few cattle? Or how you would use that pasture? Or would you is it good pasture, where you might be instead using it for hay ground and that sort of thing. And so those really, it is going to be unique to any particular property that, you know, there's just a huge range within the state.
And so it's deciding these, you know, looking at, we can give some general guidelines, and then help people kind of drill down what are those specific questions? And then where would they go for answers for those?

Olivia Hanlon 13:19
Speaking of which Ann if anyone has any questions on stuff that we've talked about today? Or are looking for any more resources, where should they look? Or who should they reach out to?

Ann Johanns 13:29
I think that your office right can help really well on those small acreage questions. And our office is more than happy to help them understand better, the different surveys that Iowa state puts out. And I guess I mentioned the customer survey, they might be hiring some custom work done, right. So they might need to know why or how to set up that type of arrangement. If they have some, you know, if they have hay ground that they want to have that custom bailed and then they're going to sell the bales off of it is even a possibility. If they need to find local experts, we can help them get connected with perhaps their local extension office to get a little more insight there, too.

Olivia Hanlon 14:03
Okay. Ann we've covered a lot of good resources for folks and some good things to consider when they're looking at purchasing an acreage. Is there anything that we didn't get covered that you want to mention before we wrap up here?

Ann Johanns 14:14
I guess one thing that just popped in mind is that there's also some public information to look at recent sales. And so they might look into that with their county recorders office to see have there been other acreages in the area to give them kind of a baseline on what potentially they might be looking at. So you know, just that that we didn't even talk about but setting a budget, right, what is their budget? Is it to buy a house that's already ready to be moved into? Are you going to be adding on to that, and so then you need to factor that into your budget as well. And so, just telling folks, do your homework, ask lots of questions, find those local experts ask our Extension specialists, because the more you do, then the more you're prepared for what might come down the road?

Olivia Hanlon 14:54
Absolutely. Ann I think we could do probably 10 podcasts on this and we still wouldn't Here's everything that we wanted to. But thank you so much for being on today and sharing some of these resources with us and we hope to have you on again in the future.
Ann Johans  15:07
Thank you have a great day.

Olivia Hanlon  15:09
You too.

15:10
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