



When the End Goal Isn't Just the Bottom Dollar

Facilitating sales that fit individual farm families.

Do you have a memory of a lesson that has stuck with you for years and been applied in many situations for decades since? I do. And that lesson has helped me understand that sometimes the right thing for a family selling a farm isn't just chasing the highest bidder.

I remember once, as a kid, Dad and I were doing evening chores. To be specific, I think we were about to milk cows. I must have said something like "I should get an allowance for doing chores every day, seven days a week." I can even remember the corner of the barn where we were standing when Dad replied: "It's not always all about the almighty buck."

Fast forward to my current profession.

I invited a family who had inherited a Mitchell County farm to a public auction in which Benchmark Agribusiness was partnered with Fox Auction Company. This family had never attended a farm real estate auction, and this happened to be an auction where Frank Fox and I had to put on our salesman caps and really work the bids because that afternoon the farm wasn't selling itself.

Days later, that family decided not to sell their folks' farm by auction because they couldn't imagine watching us up front in a crowded hall begging for bids on Mom and Dad's land—their legacy.

Customer Priorities

That experience gave me an insight I hadn't considered before. It's important to find the balance between acting as a fiduciary and matching the customer's true priorities. Dad's lesson was ringing in my ears. "It's not always about the almighty buck."

That's when Benchmark decided to carve out a niche for being the broker who will facilitate sales of the farms that are the "off-market" opportunities.

For most people, selling or buying a house is the biggest business decision of their lives. The same can be said for farms—particularly the first farm.

But I've noticed something. Real estate, which on the surface should be an objective business decision, is often a deeply personal event in the lives of those involved. That's true for both sellers and buyers.

Not every seller is motivated by getting the top dollar. They may want the next-door neighbor's son to have the first crack at the farm. Or they need to get most of what the farm is worth because Grandma's care center expenses are piling up, but they sure would like to see the long-term tenant have first chance. Maybe the aunts and uncles would like to see their nephew continue the title chain in the family name. After all, how else is the farm going to become a Heritage Farm?!

Fair Fees for Detailed Experience

The Benchmark commission structure is different for an "off-market" deal. It is less likely that there will be printing, mailing and advertising expenses. Plus, the deal happens more quickly because all the parties to the transaction already have a pretty good idea who is eventually going to buy the farm.

All the two parties really need is the guidance of a professional who has navigated the land sale process multiple times before.

I was involved in a recent deal where the tenant said he'd pay the landlord's full asking price. I said we were only half done. We still needed to work out the details such as closing date, cash rent proration, CRP proration and the reimbursement for the lime applied the fall before. "Oh yeah" he said, "I hadn't thought about that." The seller might not have thought of those things either. That was my job. That's the value I brought to the deal: experience and detail management.

Give me a call to discuss our services and the fee structure and how Benchmark Agribusiness can facilitate a sale that matches your family's values.

Fred Greder, ARA
23 Third Street NW
Mason City, Iowa 50401



American Society
of Farm Managers
& Rural Appraisers

641.424.6983
Cell: 641.425.0080
Fred@benchmarkagribusiness.com