

# Midwest Farmowner

News & Information from Soy Capital Ag Services

## Soy Capital Assists with Farmowner Wind Energy Opportunities

**W**ind energy continues to be at the forefront of U.S. energy policy. Stimulus funding exists for energy companies through the end of the current calendar year, which has led to increased interest in “prospecting for wind” over Midwest farmland.

“Positive economic benefits include an increased revenue stream for landowners and local tax-based institutions,” says David Klein, Soy Capital Ag Services managing broker based in the Bloomington office. “To date, farmland values have been positively affected by the presence of turbines, once they are up and running on a farm.”

Klein notes that as more landowners are approached, they are finding a wide variation in contract language. Soy Capital farm managers have reviewed options or leases for more than 30 projects in 22 counties throughout Illinois and western Indiana. Some contracts are more landowner friendly than others.

Klein outlines a few items that are often inconsistent in initial contract reviews:

**1. The lack of a clause that states the final contract is the same for all landowners.** Uniformity between neighbors in a project helps everyone be protected equally by the same conditions.

**2. Option periods.** Most are four to five years. If the period is longer, then compensation should be increased.

**3. Tile repairs.** Farmowners can reasonably expect electrical lines to be trenched, not plowed in. Documentation of tile lines cut, photographic evidence of repair, and a copy of a GPS “as built” map showing a record of all electrical lines, tiles crossed, and at what depth and size, are important reference tools and documentation for repairs and farm sales. All tiling work should be performed by local tiling contractors that will remain after the construction crew leaves.

**4. Compaction and crop damage fees.** Be certain the compensation clause will pay for enough compaction damage now and in future years, and that compensation will be paid if repairs are made in the future.

**5. Liability coverage.** Coverage levels vary significantly. The landowner should be a named additional insured.

**6. Annual inflation adjustments.** Many contracts use a Consumer Price Index (CPI) and shift with inflation.

**7. Payment dates.** Be sure a clause requires payment by December 15 of each calendar year and not after January 1 of the new year. You will receive a 1099 tax form, and you want it to match your records.

“Soy Capital farm managers welcome the chance to assist interested landowners with reviews as part of our management services,” says Klein. “Reviewing a contract with an attorney, or working with neighbors to have it reviewed by an attorney, is always recommended and can bring additional synergy to the opportunity.” **MF**



*Soy Capital Ag Services farm managers have reviewed wind energy opportunities with landowners for more than 30 projects in Illinois and Indiana.*

Inside: Landowner Finds Efficiency, Value in Soy Capital Farm Sale

# Smooth “Sale-ing” for McLean County Farmowner

**Q**uick, efficient and smooth is how Nancy Borgasser describes her experience with Soy Capital Ag Services in completing the sale of her McLean County farm.

“The process was pretty easy for me. I spent 20 or 30 minutes initially pulling together the information they requested. Then Soy Capital took the ball and ran with it,” says Borgasser. “I had heard that Soy Capital was very good at selling farmland, and that was certainly true. From start to finish, they were quick and efficient.”

Borgasser owned the 80-acre corn and soybean farm for about 15 years, and has lived in the area for more than 25 years.

“I contacted Brian Thompson in the Bloomington office to arrange the sale. He was very professional and answered all of my questions,” she says. “Within two days, Brian had gotten the land description put together and distributed the ad. He kept me in the know throughout the whole process through informative calls and emails.”

Borgasser was pleased the land auction held in Bloomington attracted about 40 people, many of them neighbors. She says the price she received was a fair value.

“The closing went smoothly. In fact, the entire sales process was hassle free and only took about a month. I would highly recommend Soy Capital to other landowners.” **MF**

## Soy Capital Helps Enhance Unproductive Land

**F**inding a solution for unproductive farmground in the river bottoms of Moultrie County is behind a fresh round of tree planting on the Beall Family Farms Limited Partnership operation. About 4,200 seedlings and several larger trees were planted this spring to enhance acres enrolled in the Conservation Reserve Program (CRP).

“About 23 acres were originally planted to trees in 2004, but about 10 of those acres needed to be replanted,” says Jim Flanigan, Soy Capital Ag Services Decatur regional office manager. “As a CRP cooperator, we were able to take advantage of the free seedling availability from the Illinois Department of Natural Resources.”

Seedlings planted included bur oak, bald cypress, pin oak, river birch, swamp white oak, shumard oak and swamp chestnut oak. Potted trees in the three to five foot range were purchased and planted among the seedlings as well.

“The landowner really wanted to get a jump start on new tree growth, and we were equally curious to see how the taller trees would do in a CRP planting,” says Flanigan. “The trees were planted in late April and so far look pretty good.”

Many of the potted trees planted were wrapped with woven wire and staked at the landowner’s request to try and protect them from deer predation.

“Having trees on the CRP ground was very important to the landowner,” says Flanigan. “The project provided us with the experience to help other landowners who may want to enhance their conservation acres. Planting trees on such ground provides another option to enhance land value by establishing hardwood timber.”

If you have questions about tree plantings or want to pursue a similar project, contact Flanigan at 217-421-9614, or [jflanigan@soybank.com](mailto:jflanigan@soybank.com) **MF**



*Perry Bushue with Forest Resources, Shumway, Ill., leads the effort to plant seedlings on the Beall Family Farms Limited Partnership operation in the river bottoms of Moultrie County.*

### Soy Capital Ag Services Demonstration Plot Day

Thursday, August 26 • 9:00 a.m. Registration

*New location!* 3.3 miles north of Bloomington on Towanda-Barnes Road

Featuring variety trials, twin-row corn, aphid-resistant soybeans and a market update.

# Long-Time Client Finds Value in Many Soy Capital Services

**D**orothy Harmes did not grow up on her family's farm, but she has had plenty of opportunities over the years to appreciate not only what it offers, but several of the services Soy Capital Ag has provided for her through the trust of her mother. Don McCabe, Soy Capital president, and others within the company, have assisted Dorothy with farm, trust and wealth management and now real estate sales.

"Dorothy, who is 90, inherited the land in DeKalb County in the late 1980s. It had been in her family since the mid-1800s," says McCabe. "Dorothy owned half personally and half was in a trust with Soy Capital Bank and Trust Co. The arrangement was based on estate tax planning her parents, Floyd and Eleanor B. Welty, did in the 1970s."

"I was living in Florida when my mother told me what they had done," remembers Dorothy. "I was surprised, but soon learned that Soy Capital was interested in pleasing me and my mother. I've grown very fond of them."

The 150-plus acres was farmed by long-time tenant, Roger Gustafson. While under Soy Capital Ag Services farm management, the acreage was continually conserved and improved by coordinating conservation farming practices with Gustafson. Some minor excavation was done along the creek, drainage tile was added and the farm was enrolled in USDA-supported ditch bank and waterway Conservation Reserve Programs.

When Dorothy made the decision to sell, Soy Capital worked with Dorothy, her attorney and the Illinois Department of Transportation to smooth a curve and redirect an intersection on the property which had been the site of several serious accidents.

"We helped value and negotiate to sell some of the land to the State of Illinois, along with granting work easements, monitoring new road construction and its impact on farming, and then purchasing back some abandoned older roadway once the new road was completed," says McCabe. "There also were negotiations with the electric company for the replacement of their line right-of-way that follows the highway."

The price of farmland when Dorothy decided to sell was at a peak in DeKalb County. Unfortunately, once on the market, prices started to soften. While Dorothy received a little lower price than anticipated, McCabe notes that the price received was a good value for the farm and helped Dorothy achieve her financial goals.

"Dorothy received her half of the sale proceeds. The trust's half of the proceeds went to her Soy Capital Bank Trust and are invested by the Soy Capital Wealth Management Group to provide income for Dorothy the rest of her life," says McCabe. "The principal of the trust will pass to Dorothy's family in the future, so Soy Capital continues to serve Dorothy and her family with financial management."

"At 90 years of age, I wanted to sell the farm to do things for my family and have a little extra for myself," says Dorothy. "I am thankful Soy Capital has the trust. Don is like family to me. I am very comfortable asking questions and he and the rest of the staff are very responsive. I know they will take care of me, and when other people ask me about Soy Capital, I am delighted to refer them to Don. I absolutely believe in him." **MF**

## Soy Capital Adds Farm Manager in Kankakee

**T**he Soy Capital Ag Services' Kankakee regional office has a new hire. Jaret Wicker will manage farms and soon handle farmland real estate brokerage.

"Jaret is a tremendous addition to our staff. He brings good experience to the position, as he was most recently working in agricultural and commercial banking with Wells Fargo in Rushville, Ind.," says Don McCabe, Soy Capital Ag Services president.

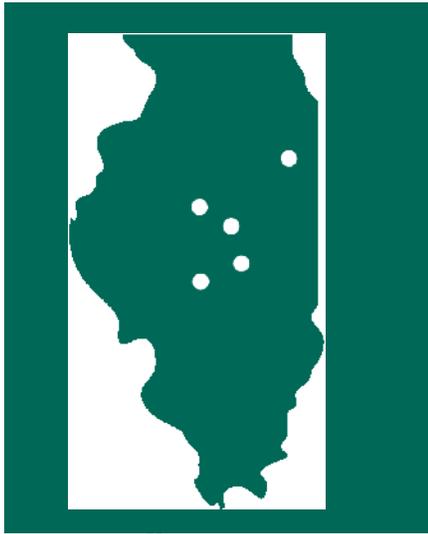
Wicker is a graduate of Purdue University. He has a bachelor's degree in agricultural systems management with minors in agribusiness management and animal science. During college, he was active in FarmHouse Fraternity, and today serves on the fraternity's association board. Wicker is a native of Rushville, Ind., and was raised on a family farm with 4-H and FFA livestock projects in beef and dairy cattle. He enjoys antique machinery, and has restored a John Deere BW tractor and a two bottom plow.

For more information about services, contact Wicker at 815-936-8978. **MF**



Jaret Wicker

**Ag Real Estate?  
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**Soy Capital Ag Services**

**Midwest  
Farmowner**

Courtesy USDA NRCS



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