



CAPITAL
AGRICULTURAL
PROPERTY
SERVICES

CAPITAL AGRICULTURAL PROPERTY SERVICES, INC.



Capital Agricultural Property Services (CAPS) provides property management, real estate brokerage, and auction services to land owners and investors nationwide. CAPS' offices and staff are strategically located in the prime agricultural regions of the U. S. giving us a unique perspective and skill set to help landowners meet their goals and objectives.

In 2011, CAPS celebrated its 25th year as an agricultural leader in farmland real estate sales and property management, and continues to focus on its Core Values of: **Honesty . Service . Trust . Performance**

**Farm Management &
Consulting**

**Real Estate
Brokerage**

**Auction
Services**

STRATEGIC EVALUATION

Develop Farm Operating Plan

- Meet with Owner to establish short term and long term goals and objectives.
- Prepare plan based on Owner's goal & objectives covering lease type, crop selection, and property development.
- Prepare cost estimates and projected returns for capital improvements.
- Meet with operator to relay relevant goals & objectives and establish guidelines for crop rotation, soil fertility, property development and appearance.

Analyze USDA Farm Programs

- Monitor available USDA programs to determine any of the conservation or other programs could be of benefit to the owners.
- Work with the operator to ensure property operates in compliance with the Natural Resource and Conservations Service (NRCS) and the Corps of Engineers regarding environmental matters.
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- Work closely with local USDA and Farm Service Agency (FSA) offices to ensure that your farm is properly enrolled in the current applicable farm programs and that it remains in compliance with their rules and regulations.
- CAPS can help determine if a tree or grass planting program is best suited for your farm. Such programs could include the Conservation Reserve Program (CRP), the Wetland Reserve Program (WRP), or a cost share improvement plan such as the Environmental Quality Incentive Program (EQIP).

ACTIVE FARM MANAGEMENT

Secure Farm Operating Personnel, Negotiate Leases, Collect Rent

- Negotiate leases that best fits the owner's goals and objectives.
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- Secure the owner's rent by either Irrevocable Letter of Credit, or, a UCC lien.
- Require operators to supply written verification from their lending institution stating operator has adequate financing for the current year.
- CAPS will be responsible for collecting the owners' rent whether it be in the form of a cash rent payment or collecting share rent after marketing the owner's share of the crop.

Formulate, Recommend, and Implement Capital Improvements

- Design projects, obtain bids, and submit profitability analysis to owner for approval.
- Oversee project from implementation until completion.
- Experienced with variety of projects including: Construction of grain bin systems, Farm shops, equipment sheds, and other farm buildings, Irrigation wells, re-lifts, and underground pipe, Tail water recovery systems, Land leveling, Center pivots, Drainage tile.

ACTIVE FARM MANAGEMENT *cont.*

Repairs and Maintenance

- Clearly define responsibilities of owner and operator for maintenance of farm improvements .
- Work with the operator to maintain the appearance of the property through mowing turnrows, maintaining improvements, and weed control.
- Evaluate the farm's drainage and irrigation capabilities and include maintenance and/or improvements recommendations in annual operating plan.
- In the event that repairs are needed hire qualified contractors that do quality work and can make timely repairs. Preventative maintenance is preferred where possible.

Asset Protection

- Review and track the farms fertility through regular soil tests.
- Assist owner in maintaining adequate levels of property and liability insurance coverage.
- Stay abreast of issues that can affect property values such as local water projects, commercial development, and community infrastructure development.
- Recommend and implement conservation practices that conserve both water and soil, by using terraces, contours, land leveling, tail water recovery systems, drop pipes, flashboard risers, underground irrigation pipe, etc.

ACTIVE FARM MANAGEMENT *cont.*

Crop Marketing

- Market the owner's share of the crop or owner's bushel rent.
- Establish a marketing strategy using forward contracting and cash sales that best fit the owner's goals and objectives.
- Track all crop marketing activity. Data will be included in accounting reports and/or inspection reports.

REPORTING

Inspection Reports

- Managers make periodic visits to the farm, as specified in the management agreement, and provide written reports to owners.
- Reports document current farm and crop conditions, tenant performance, crop marketing, and progress on any improvement projects.

Budgets & Accounting Reports

- Prepare and submit for Owner approval, annual operating budget with cash flow projections.
- A major expenditure authorization will be prepared and presented to the owner for signature that details large budgeted expenses.
- Establish individual checking account in farms name.
- Outline capital expenditures projected for the year.
- Pay bills, and track all of the owners' expenses including real-estate taxes, insurance, improvement bills, inputs, mortgages, etc.
- Quarterly financial reports are available including profit and loss and income statements.
- Enterprise budget for each crop grown which will show the profitability of each crop.
- The annual year end accounting report includes a written narrative that provides a synopsis of the crop year and an explanation of any major variances from the budget.

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Real Estate Brokerage

BUYING OR SELLING LAND?

CAPS real estate team is experienced, knowledgeable and positioned to market agricultural real estate. Licensed professionals are completely familiar with regional markets and commodities. They take the time to understand client objectives and then tailor a plan of action to meet those goals.

CAPS has experienced rapid growth in the real estate sector. CAPS recognizes that, as ag land investment objectives or market conditions change, the services required by the owner / investor may also change, and property assets may have to be sold or acquired. A full range service organization can provide farmland real estate services that are coordinated with the owner's / investor's overall plan of action.

When selling agricultural properties, CAPS provides:

- Superior Market Analysis
- Unique Pricing Strategy
- CAPS' network of qualified buyers
- Coordinate presentation of Ag Property to prospect buyers
- Effective Negotiation Skills
- Seamless closing of the transaction
- Satisfied Seller & Buyer

When acquiring agricultural properties, CAPS' real estate professionals can help find the properties that suit their clients' need because we.....

- Know the farm markets
- Negotiated billions of dollars in farm real estate transactions
- Operate with our clients' objectives first
- Work effectively to target quality, prime farmland or ranches
- Leverage the experience and contacts of our partners
- Experience assisting financial structuring
- Disciplined due diligence
- Great Communicators
- Effective and fast closings

AUCTIONS

The CAPS real estate team has provided auction services to our clients for over 15 years, in association with Curran Miller Auction Company. CAPS can now provide complete auction services through our on-staff licensed auctioneer, Tim Harris. CAPS' live auctions are tailored to meet the needs of the client. A few of the most popular auction methods available include:

- Single Parcel
- Multi Parcel
- Buyer's Choice and Privilege

The Single Parcel method is typically used for land that is not easily divided due to location or other physical characteristics. Auctions using the Multi Parcel method permit properties to be divided into smaller tracts, allowing more buyers to participate in the sale, and still give the Seller a specific date for the sale of all tracts to occur. All bidders have an equal opportunity to bid on any combination of parcels, allowing for more competition which can be advantageous for the Seller. With the Buyer's Choice and Privilege method, the property is divided into two or more tracts, and the bids are made on a per acre basis. The winning bidder can take one or all tracts at the winning price per acre. Tracts not taken by the winning bidder are offered with another round of bidding.

AUCTIONS *cont.*

Advantages of Real Estate Auctions

- Fair market value is achieved in a competitive, fair, open and transparent atmosphere.
- Quick and effective.
- Auctions accelerate marketing time, insure prompt closure and reduce seller's carrying cost.
- Competitive bidding between buyers.
- Seller dictates terms and conditions, selling and closing date.
- Auction does not allow buyer to place property in a holding pattern with contingencies.
- Property sells on sellers schedule.
- Creates a sense of urgency and brings interested parties to a point of decision.