

# Lovas Farms

## PHILOSOPHY OF FARMING

### THE VALUE OF LAND

As most of you are well aware, the price of land, land rental rates, and competition for land has exploded in the last ten years. A strong farm economy, coupled with heavy investor pressure, has pushed land prices up faster than most thought possible. Locally, we've seen farmers aggressively pursuing land purchases, as well as investors buying land as a way to secure and diversify their wealth. Investor interest in landownership has been sparked by a number of economic factors:

- A combination of extremely low interest rates resulting in poor rate of return on CDs and bonds
- An underlying concern about another stock market correction
- A hedge against inflation

These factors have led investors to seek landownership.



The Post Farm. Photo by Jeannine Lovas Bryant

## THINGS TO CONSIDER

What are some factors for both landowners and land renters to be aware of in this market?



### Fourth-generation farmer.

A popular “coffee shop” topic is what the latest cash rent bids are. A landowner has to ask themselves, “What is best for me and my land when deciding on a tenant?”

Landownership is a responsibility that we take very seriously and treat our rented land the same as our own land. As farmers, our livelihood depends on the land and the care we provide it. We’re extremely proud to be the third and fourth generations of Lovases to have farmed out of the same location and on the same original land. This land has not only provided for us, but for all of the previous generations of Lovases. The land has always been there for us because previous generations worked diligently to care for it, and now it’s our turn to care for it so this land can provide for generations to come.

### Minimizing soil erosion.

We only have so much topsoil to work with, and it’s very slow to rebuild. Losing topsoil reverses many years of soil development and must be minimized.

Our most important tool in minimizing soil erosion is careful crop residue management. Leaving more crop residue at the soil surface is a powerful way to minimize both wind and water erosion. Gone are the days when moldboard plowing was a necessity, because today’s herbicide technology allows us to spray and selectively kill weeds.

Another important development in protecting topsoil is advances in planting technology. Modified tillage and new vertical tillage practices have made it possible to plant a crop in a higher-residue environment.

On our farm, soil erosion is also minimized by proper water management. Proper water management can be enhanced with drain tile. Drain tile allows water that is in excess of the soil’s water-holding capacity to drain away, thus alleviating a soil profile that is completely saturated and might otherwise be vulnerable to water erosion during a heavy rain event.

### Water drainage.

Water control is extremely important in the Red River Valley, and a successful water control strategy provides large dividends in soil health and crop production. Good land stewards should implement proper drainage on fields by:

- Maintaining and improving surface ditches
- Mowing ditches
- Keeping culverts clean



Managing water from a soil health perspective is important, as ponding is bad for our soils in many ways:

- Lack of oxygen available in the soil profile
- Possible development of saline areas
- Poor root development
- Possible loss of the crop in that area, which allows weeds to flourish and spread weed seeds later in the season

Drain tile further improves water drainage and will contribute to soil health.

### **Tenant sustainability.**

As observant participants in our local farm economy, we witness plenty of land leases with subleases attached to them. Our instincts tell us this just isn't right. When land is handled like this, how are everyone's best interests accounted for? It simply looks like a quick money-making proposition with no one really caring for the land, but simply using it as a pawn.

If a tenant is only going to farm the land for a year or two, is the tenant concerned or motivated to minimize soil compaction,

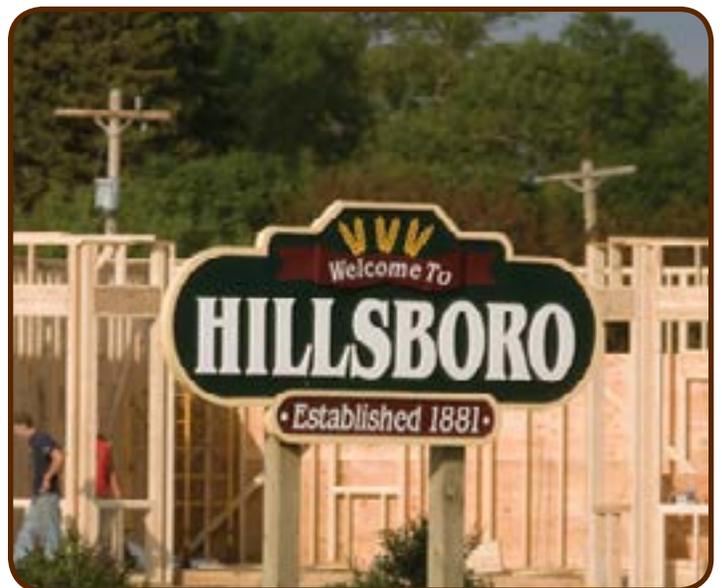
improve surface drainage, maintain or build soil nutrient levels, cooperate with adjacent landowners on mutually beneficial projects, or control weeds to the best of their ability?

I also wonder what the financial health of the tenant that sub-rents the land is. What is the financial health of the subtenant? Is the cash-rent check going to bounce? Do they have an extensive history of farming and doing business in the area?

### **Supporting local communities.**

Where are the inputs that are going on your land coming from? Are they coming from a local supplier? To me, a disheartening trend is farmers, especially large farmers, buying inputs from a national wholesaler, leading to a Walmart style of buying inputs. One should consider the importance of local community support. Small rural communities were set up partly to provide services to the land and those farming it. In order for that relationship to continue, the local farmers need to provide support for their local retailers, which, in turn, helps other local businesses. The agriculture dollar gets turned over multiple times in small

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607 5TH AVE SE • HILLSBORO, ND 58045  
SHOP LOCATION: 448 HIGHWAY 81 SE (1/2 MILE SOUTH OF ALTON GRAIN TERMINAL)

*THINGS TO CONSIDER (CONTINUED FROM PAGE 3)*

economies—at the elevator, seed and fertilizer retailer, hardware store, local dealership, local grocery store, and churches, to name just a few.

### **Weed management.**

How is your tenant managing weeds? What steps are being implemented? Is the land going to have more or less weed pressure after it's returned to you?

Weed management has always been paramount, and seed and herbicide technology developments have made the job of weed management not necessarily easier, but more effective. While making herbicide decisions, we don't think about who owns the land. We control weeds just as aggressively on the land we own as we do on the land we rent. Previous experience has taught us the importance of successful weed management, because the rewards are reaped by us and the landowner.

### **Soil nutrient management.**

A commonly overlooked land quality measurement is the level of nutrients in the soil. Advancements in research tell us how and what nutrients the plants take up and what the nutrients' specific function is within the plant. For the past several years, we have been soil testing and monitoring 13 different nutrients, as well as a host of other properties.

These include:

- Organic matter
- Carbonates
- Soluble salts
- Soil pH
- Cation exchange capacity

As farmers, we monitor these levels carefully. Decreased nutrient levels hinder crop development and cause a significant loss in land value because raising nutrient levels back to a normal level takes years to do.

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## **THANK YOU**

Thank you for entrusting your land to us. We promise to treat it as if it were our own. As fourth-generation farmers, we know how important it is to maintain your land for future generations, sustaining not only the land, but the local economy.

Our goal is to have a long relationship with you as our landlord. If you have any questions or concerns about your land, please contact us. We'd be happy to visit about them.