

If you're buying property for feedlot expansion, read this first

Part 1 of a two-part series on buying property

Phil Brink

Look before you leap. Good advice whether diving into a pool or buying property. Real estate agents and brokers provide valuable services for prospective buyers, but they may not be aware of industry-specific issues that should be reviewed prior to any purchase. If you are considering buying a feedyard or purchasing land to expand your capacity, the following four areas should be included on your review list. Additional topics, such as specific environmental issues, will be discussed in part two of this series.

Zoning / Neighbors:

Make sure the prospective parcel is zoned for your proposed use, and find out how surrounding areas are zoned. Residential and/or commercial zoned areas nearby typically mean trouble down the road. Neighbors can make or break the usefulness of a site. The higher the number of neighbors nearby, the greater the chance for conflict. Even if all necessary government permits are obtained and nuisance conditions are minimized, a continual stream of complaints from neighbors will make doing business a frustrating experience.

Count the number of neighbors within a three-mile radius of the proposed site, and note the variety. A residential subdivision within one mile of a site should be viewed as a big red flag. A town within three miles is another. Even if the close neighbors are all farmers, remember that land can change hands. The next owner might want to build a housing development. Regardless of zoning, owning a large buffer strip around a facility is valuable insurance. Ideally, the buffer area should provide both a physical (distance) and visual barrier.

Water & Power:

Feedlots require large amounts of water. A 10,000-head feedlot can easily use 100 acre-feet of water per year, and much more in some instances. The importance of a dependable, high quality supply of water is hard to overestimate. So, there are important questions to ask up front, such as where is the water coming from? If it is from a municipal source, find out if the provider is willing and able to supply additional water for a future feedlot expansion. If the water is derived from private wells, what is the age, depth and condition of each well? Obtain a copy of the well permits from the state and look at the quantity, rate of withdrawal, and type of use specified on each permit. If the combined quantity of water is inadequate to meet your intended needs, consider how and where you will get the additional water. Also find out if the permits are still valid and in good standing. If the wells are not metered, see if pumping records are available for past years.

Even if the water quality of the wells has been tested in the past, the wells should be re-tested prior to purchasing the property. At a minimum, the water should be analyzed for bacteria, nitrate, sulfate, chloride, total dissolved solids, heavy metals, and VOCs (volatile organic compounds). Satisfactory test results may be included as a condition in the contract.

Feedlots also require a large and dependable supply of electricity. Make certain the existing power grid can adequately support all anticipated power needs.

Transportation Infrastructure:

High truck traffic is part of cattle feeding. But, trucks turning off and onto busy highways increase the potential for accidents, and can create problems for both drivers and the feedyard alike if road construction prevents the timely shipment of cattle, feed and other products. For this reason, it is advantageous if a site can be accessed by more than one road.

If roads are gravel, remember that increased traffic means more dust, which can be detrimental both to cattle health and neighbor relations. Consider paving the driveway to reduce dust, maintenance, and enhance the visual appeal of the facility. In some cases, the county may be willing to pave the road in front of the site as well in order to reduce potential complaints and promote commerce.

A review of a site's transportation pros and cons should also include a visit to county department of transportation to find out if any roads in the area are slated for widening and/or paving. Both of these activities signal higher traffic volume.

Site Characteristics:

Slope and soil characteristics are critical to cattle performance. Flat pens drain poorly and steeply sloped pens are vulnerable to erosion. A three percent slope is considered ideal for pens.

Sandy soils can allow nutrients and bacteria to percolate through underlying soil layers. High clay content soils provide a nearly impermeable surface but may be subject to expansion and contraction. The ideal pen surface is a mixture of sand, silt and clay. The ideal site is also high and dry. Contact a flood insurance company or FEMA to find out if any part of the property is located within the 100-year floodplain.

Taking the extra time to really investigate a prospective site requires a little more effort and cost up front, but the research will pay you back in multiples by insuring that there are no unpleasant "surprises!"