

AN ASSET TIED TO THE LAND

There are mineral rights and water rights tied to the land, and these have value.

Covenants, zoning and easements usually are a means to bring value to land. As the 21st century begins, "Information Rights" are the newest value being added to land. Farm owners, bankers, and real estate brokers say this asset will grow in value in the coming years, according to Dr. Rick Beardmore, Director of Development, *mPower*³ Inc.

"We've been told by lenders, bankers, and land appraisers and brokers that a database of cropping history tied to a field could add as much as 10% to 15% to the value of that land when sold, if the information goes with it," says Dr. Beardmore. "Like any business, farming involves productivity assets. Every field is like a little factory. Documenting that field's productivity makes the business more attractive, and valuable."

Amid two centuries of sometimes dramatic change in American Agriculture, the one constant always has been the land. Soil fertility changes. Tillage, crops, and hybrids, weed complexes and weather always change. Bugs come and go, as do owners and managers. The land may be parched by drought one year and flooded the next, but it is the almost ideal anchor for data.

Meaningful Information Technology (IT) has come to agriculture at the grower level through the development of the *mPower*³™ system. The logical focal point is the land. By tying a database of annual field performance information to the land, the owner begins to build an archive of data that grows in importance year after year.

IT creates comparative as well as historical uses for this data, changing it from static "history" into an "information asset" that can be used for smarter planning or leveraged as part of a sale, loan or grower contract.

Data adds value

"Look at it this way," says Dr. Beardmore "You are wanting to buy a farm or field, or perhaps rent one. There are two pieces of land, identical in every way except one. The second parcel comes with a database of information: All varieties and hybrids planted and their performance; soil sampling information; scouting data; tillage records; irrigation amounts and dates and crops; fertility and chemical application data (what, when, who, why), weather history such as precipitation, heat units and even when it hailed; yield and quality records; break-even economics and marketing results.

"Which would you buy, field #1 with no data or field #2 with data? Everyone we spoke with seems to want

field #2, even if it's 10% more expensive. They feel they know what they're getting, and the data provides a head start on farming that land."

Data about a particular farm or field has been around a long time, but not always in the grower's hands.

"With *mPower*³, the grower finally has his own data. It's systematic and it's standardized to make it easy to use and share," says Dr. Beardmore. "The data is delivered to the customer via an Internet web site. It's also collected into an annual CD-ROM the grower keeps at the end of the year.

"The grower or land owner can do what he wants with his data. He can move that data to the farm's next owner. He can share it with a crop consultant, agronomist, farm manager, or retailer. He can produce reports from it to show lenders, insurers and USDA agencies.

"Bankers get excited about the idea that their customer could walk in for his annual operational loan and have this kind of

record-keeping available. They see in that a higher level of planning and professionalism. It builds confidence.

"The grower also could take his data to a food or seed company to show them what kind of productivity and management he can deliver as a contractor. That might even leverage some additional premium in some situations."

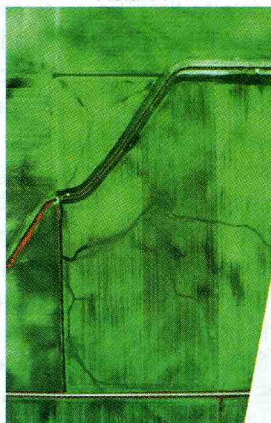
Quite rightly, growers feel strongly about the importance of keeping information about them and their farms confidential. That's why confidentiality is built into the *mPower*³ system through password access to the grower or landowner's *mPower*³ web site. The grower can give his password to anyone he wants to bring into his circle of confidence, and the password can be changed if someone falls out of that circle.

"Information Technology now makes it possible for growers to tap into the information economy and bring more value to their land and farming skills. *mPower*³ is the means to do that," says Dr. Beardmore.

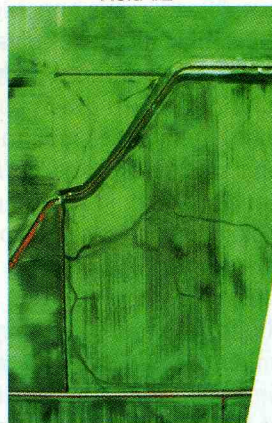


Building an asset

Field #1



Field #2



- variety
- soils data
- scouting data
- tillage
- irrigation
- applications
- weather
- yield
- quality
- economics
- imagery

Information has a value

Important data on a parcel of land makes it more valuable than an equal parcel that lacks production data.

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