

## When price is right

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HILMAR -- Randy Edwards and Jeff Lien traveled parallel career paths before the two businessmen joined forces in 2001.

They earned agricultural business degrees in college, went to work for ag lending institutions and each eventually opened an ag appraisal business.

"We met each other during our days as ag lenders and stayed in touch after we opened our own businesses," Edwards recalled. "A few years ago, we realized the benefits of working as a team."

Today they own Edwards & Lien, an appraisal business that specializes in dairies and other ag property.

"It's a lot more than just knowing the value of the land," said Lien, the vice president and a graduate of California Polytechnic State University, San Luis Obispo. "Crop prices, environmental regulations, buyers and sellers they're all in the mix."

The firm appraises everything from open land to packing sheds, but dairies produce about half of its \$1 million in annual revenue.

"We have a lot of knowledge about dairies, and we're at the heart of the industry in Hilmar," said Edwards, the firm's president and a graduate of California State University, Fresno. "Appraising dairies can be a complicated business because of all the regulations placed on the industry."

Dairy farm prices are on the rise. "The market is strong because it's much easier to buy an existing dairy than obtain permits for a new one," Lien said. Another factor, Lien said, is the need for adjacent property to disperse manure-laden wastewater.

There's also the quality of the milking facility, condition of the barns and value of any houses on the land.

"The cows are usually sold separately," Lien said. It can cost \$250,000 or more for the required environmental impact report, according to consultants, and then there's no assurance the permits will be issued.

Appraisals are crucial for farmers because most lenders, whether banks or farm credit organizations, accept land as collateral.



Randy Edwards, left, and Jeff Lien look over a rotary milking barn in Hilmar.

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"If the property is improperly valued, our loan position is out of whack," said Gary Helin, the appraisal manager for Wells Fargo Agricultural Industries.

Appraisal fees at Edwards & Lien can range from \$500 for a piece of open land to \$65,000 for a recent job that included 36 properties in six counties. The typical fee is \$3,000, Edwards added.

When the duo and their seven appraisers aren't analyzing dairies, they're often out determining the value of orchards, vineyards and cropland.

"They're probably our No. 2 provider for agricultural appraisals in the Central Valley," Helin said. "Randy and Jeff have years of experience, they're both farm kids, and we have similar backgrounds that include working in the farm credit system."

Edwards and Lien each have a certified general license, allowing them to appraise everything from houses to office buildings.

They had to attend 180 hours of appraisal-related courses, compile 3,000 hours of experience -- at least 1,500 hours on non-residential property -- and pass the federal Appraisal Qualification Board exam to be licensed.

Why the rigorous process? Because appraising ag land can be a complicated process.

"You need to talk to the buyer or the seller, because often times there is another component in a sale," Lien said. "Maybe the value of that year's almond crop was included in the price, or often we see equipment included."

Large commercial almond orchards are worth up to \$8,500 an acre, Edwards said. The 20- to 40-acre orchards, which often double as home sites, can bring higher prices.

"There's intense competition between farmers looking to expand and people wanting a country house in the middle of an almond orchard," Edwards said.

For more information on the qualifications for becoming an appraiser, visit [www.calasfmra.com](http://www.calasfmra.com).

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## AT A GLANCE

**OWNERS:** Randy Edwards, 37, is president, and Jeff Lien, 39, is vice president of Edwards & Lien Inc., 8408 Lander Ave., Hilmar. Phone: 634-9484. Web: [www.edwardsandlien.com](http://www.edwardsandlien.com)

**BUSINESS:** Formed in 2001, Edwards & Lien provides appraisals on agricultural property in California, Nevada and Oregon. That can include cropland, vineyards and orchards, production and packaging facilities, livestock and residential structures on the property.

**BACKGROUND:** Edwards and Lien each owned ag appraisal companies before becoming partners. They previously worked for ag lending institutions and have a combined 30 years' experience.

**ANNUAL REVENUE:** \$1 million

**EMPLOYEES:** Five in-house workers and seven subcontractors

**ANNUAL PAYROLL:** \$600,000