Hertz®
Farm Management, Inc.

Caring for You and Your Farm®

Professional Services for Farmland Owners and Investors

Land Trends & Values

Secure Your Farm's Future | Summer 2026

Agenda

- **Discuss Current Market**

- **Discuss What's Driving this Land Market & What has Changed in the Past Year**

- **Discuss Expectations for 2026+**

- **Questions?**

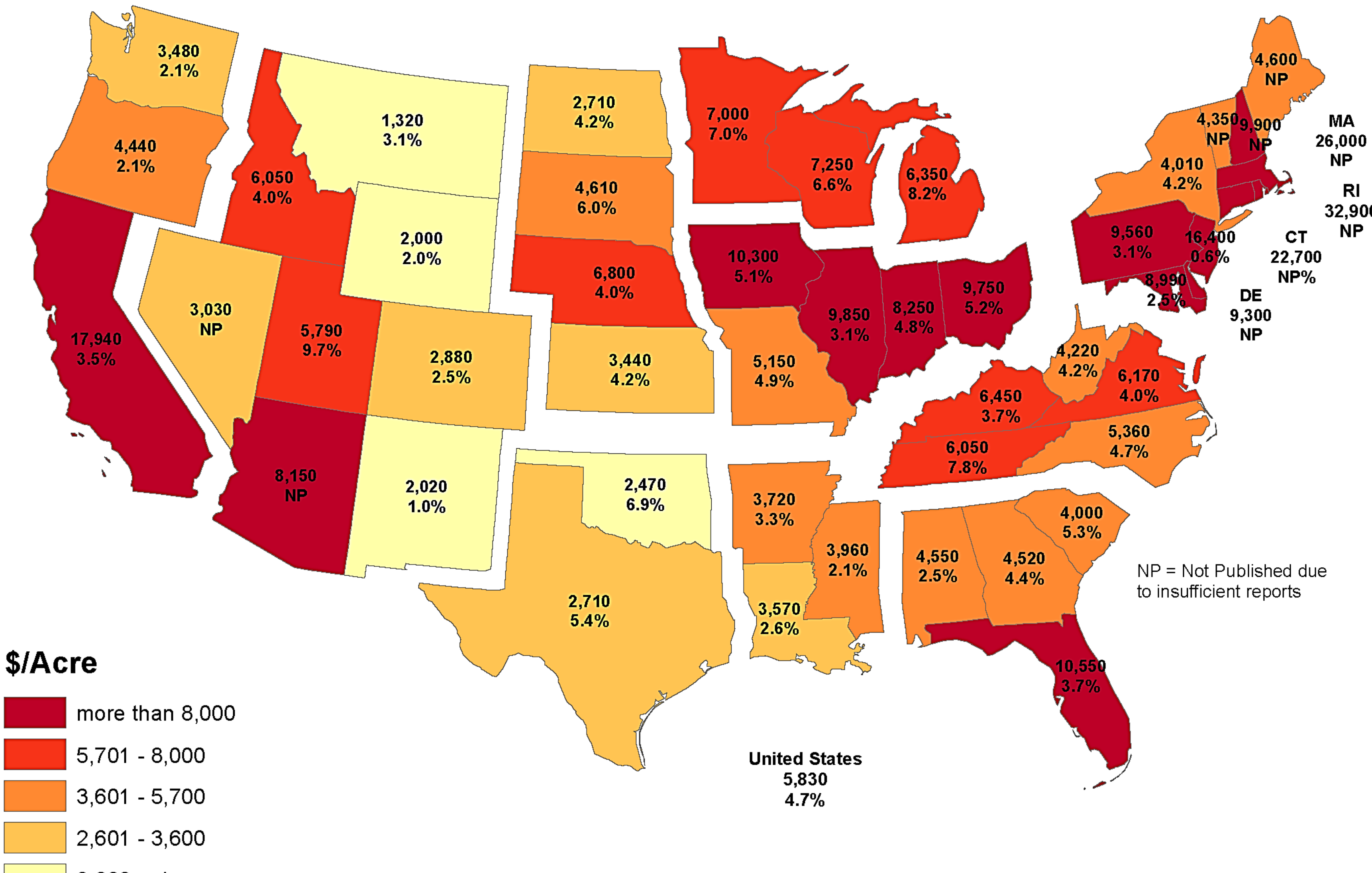
Where Are We Now?

Midwest Farmland Values

THE 2026 FARMLAND MARKET…

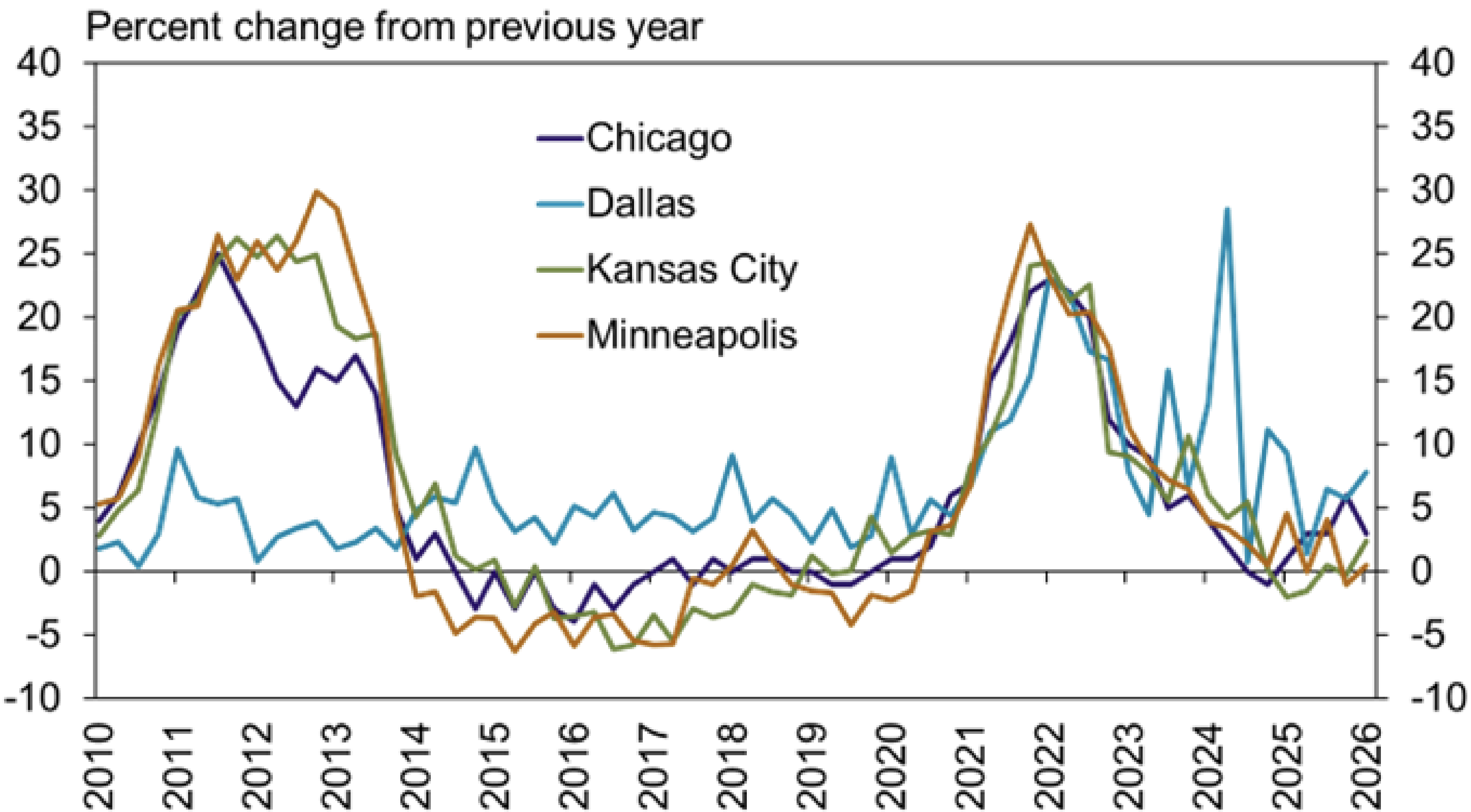
U.S. Farmland Values

Dollars per Acre and Percent Change from prior year.



USDA - NASS August 1, 2025

U.S. "Breadbasket" Farmland Values



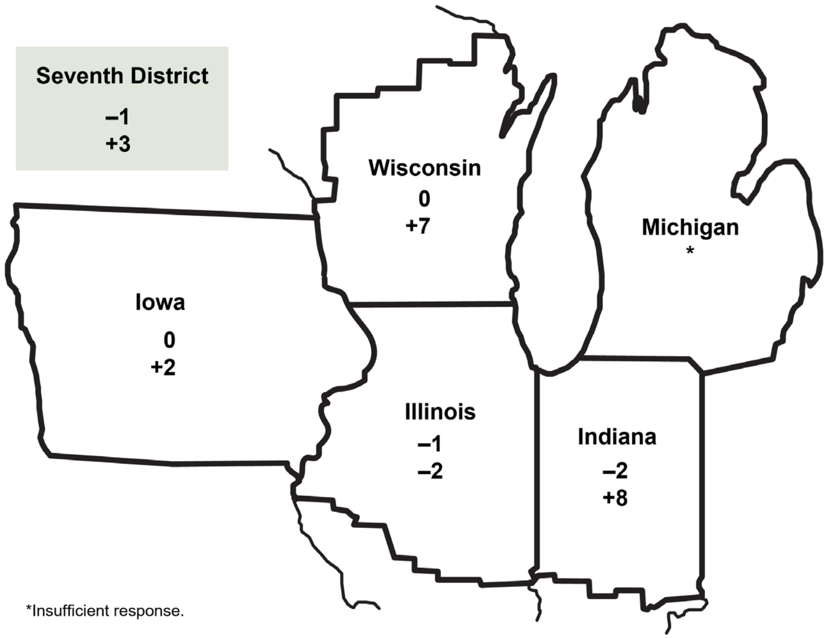
Source: Federal Reserve Surveys of Agricultural Credit Conditions

Chicago Federal Reserve Survey

Percent Change in Dollar Value of "Good" Farmland

	January 1, 2026 to April 1, 2026	April 1, 2025 to April 1, 2026
Illinois	-1	-2
Indiana	-2	+8
Iowa	0	+2
Michigan	*	*
Wisconsin	0	+7
Seventh District	-1	+3

Top: January 1, 2026 to April 1, 2026
Bottom: April 1, 2025 to April 1, 2026



*Insufficient response.

Iowa RLI & Iowa State University

March 2025 – September 2025	–1.2%
September 2025 – March 2026	+1.3%
March 2025 – March 2026	**+0.1%**

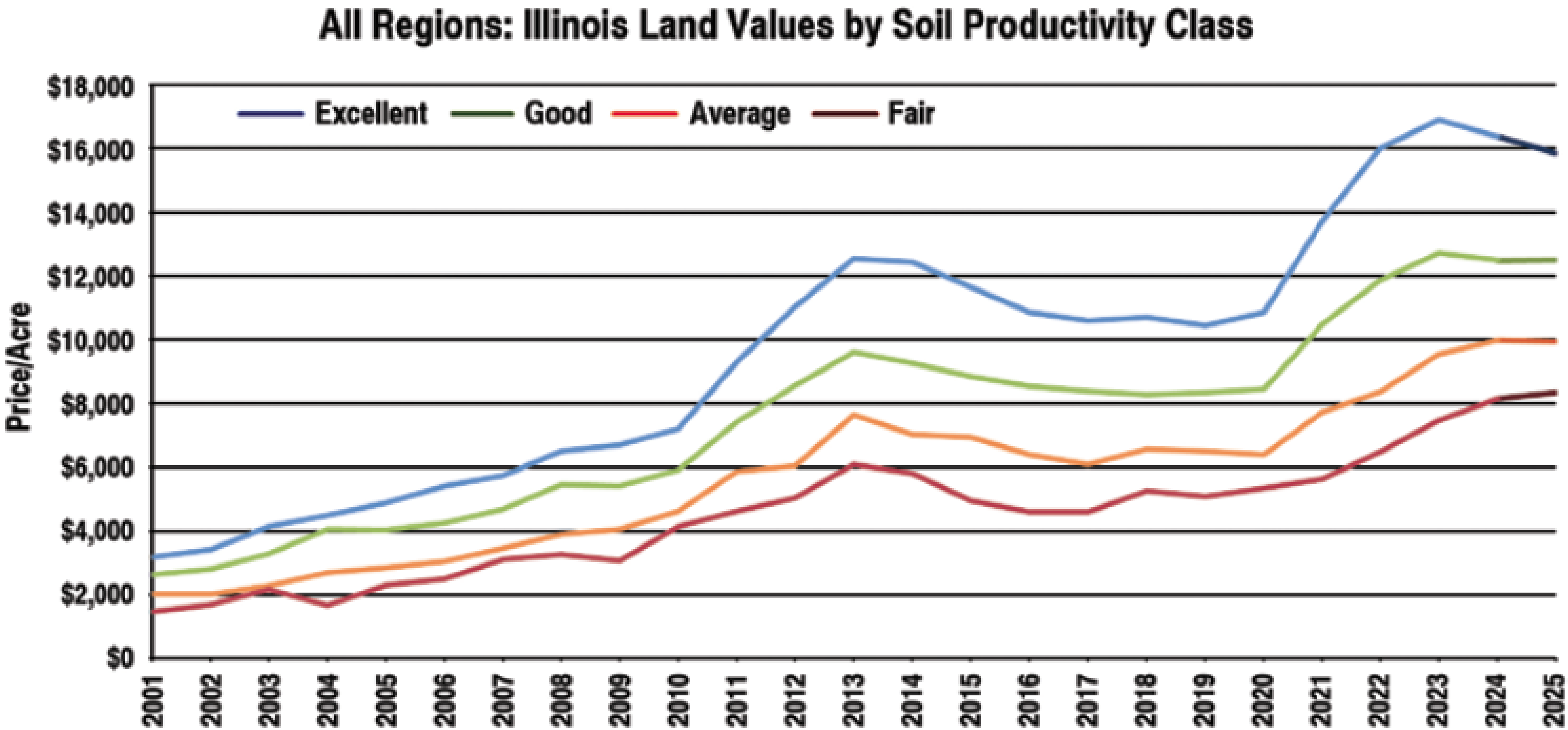
REALTORS® LAND INSTITUTE
RLI IOWA CHAPTER

IOWA STATE UNIVERSITY

December 2024 – December 2025	**+0.7%**

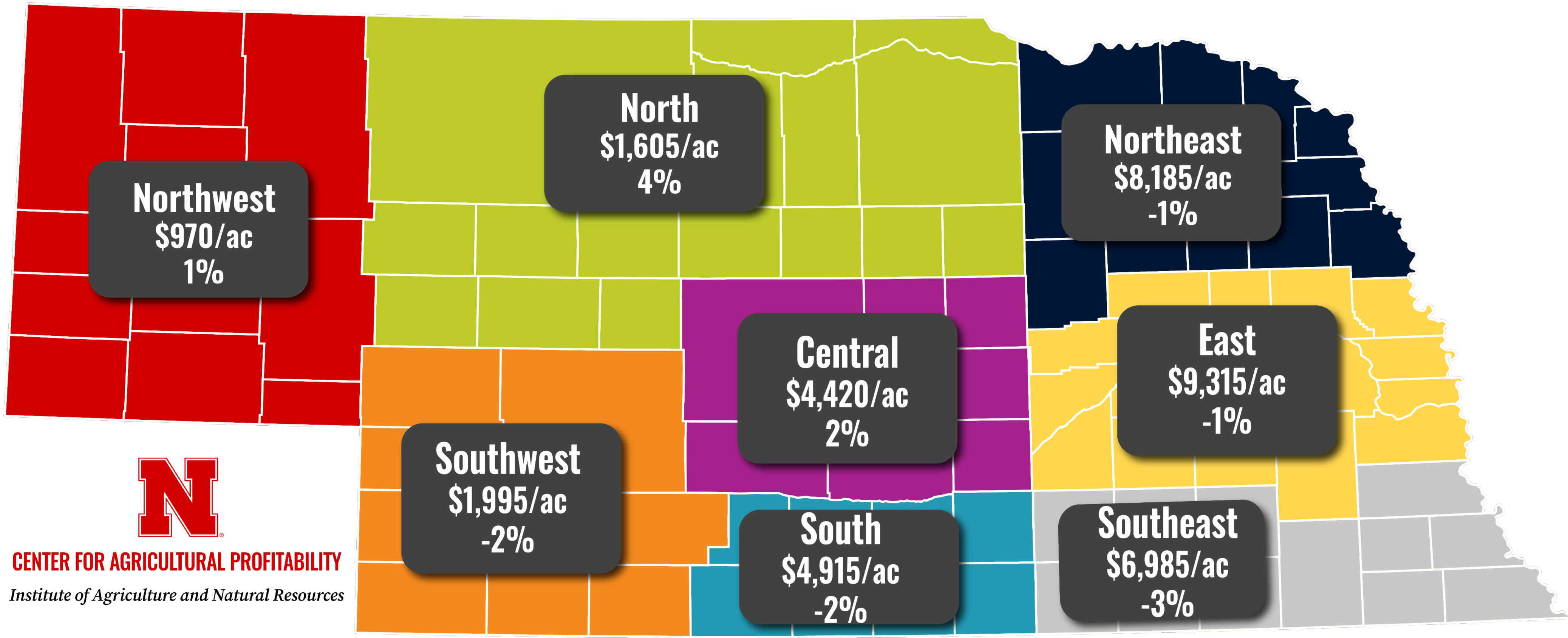
Source: Iowa RLI & Iowa State University

Illinois – 2026 Land Values



Source: FCS Illinois, Q3 2025

Nebraska – 2026 Land Values



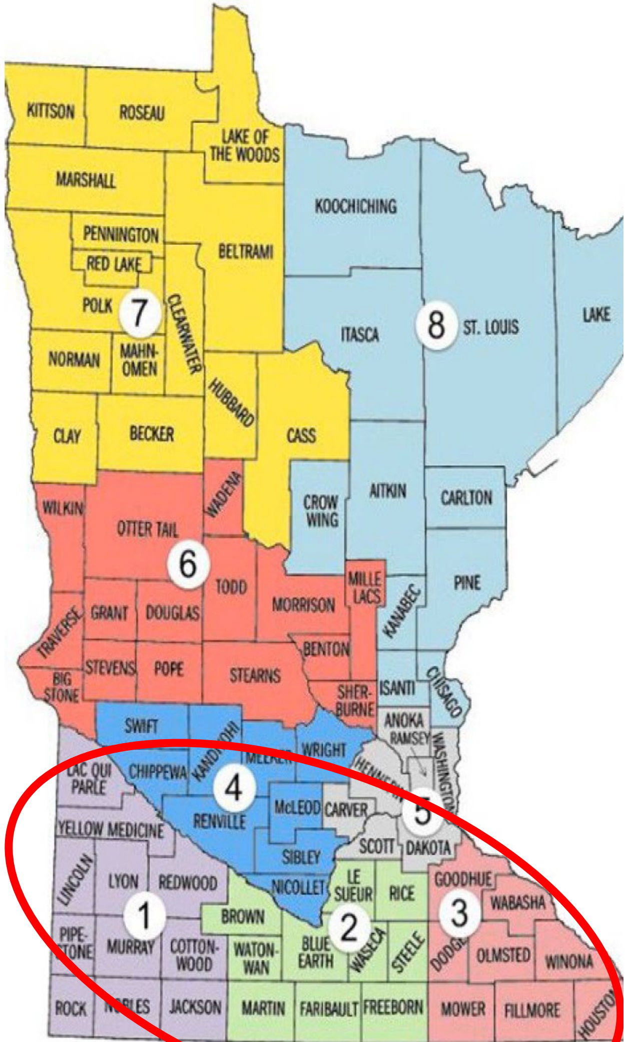
CENTER FOR AGRICULTURAL PROFITABILITY

Institute of Agriculture and Natural Resources

Statewide All-Land Average: $3,905 per Acre (-1%)

Source: University of Nebraska at Lincoln, Spring 2026

Minnesota – 2026 Land Values



STATEWIDE TRENDS

Regional Cropland Average Value Trend

Regional Index *		2018	2019	2020	2021	2022	2023	2024	2025
Region 1		$ 6,675	$ 6,659	$ 6,856	$ 8,673	$ 10,311	$ 10,977	$ 11,170	$ 11,512
	% Change	2%	0%	3%	27%	19%	6%	2%	**3%**
Region 2		$ 6,763	$ 6,808	$ 7,122	$ 9,022	$ 11,280	$ 11,627	$ 11,306	$ 10,923
	% Change	-6%	1%	5%	27%	25%	3%	-3%	**-3%**
Region 3		$ 7,114	$ 6,719	$ 6,472	$ 7,319	$ 9,288	$ 11,275	$ 10,852	$ 10,918
	% Change	5%	-6%	-4%	13%	27%	21%	-4%	**1%**
Region 4		$ 6,233	$ 6,475	$ 6,539	$ 7,967	$ 10,752	$ 10,783	$ 10,585	$ 11,024
	% Change	3%	4%	1%	22%	35%	0%	-2%	**4%**
Region 5		$ 7,134	$ 7,619	$ 7,200	$ 8,025	$ 11,325	$ 10,860	$ 12,274	$ 12,605
	% Change	-1%	7%	-5%	11%	41%	-4%	13%	**3%**
Region 6		$ 3,761	$ 3,677	$ 4,084	$ 4,773	$ 5,440	$ 6,333	$ 6,885	$ 7,183
	% Change	-13%	-2%	11%	17%	14%	16%	9%	**4%**
Region 7		$ 2,609	$ 2,778	$ 2,952	$ 3,067	$ 4,053	$ 4,617	$ 4,489	$ 4,764
	% Change	-15%	6%	6%	4%	32%	14%	-3%	**6%**
Region 8		$ 1,953	$ 2,400	$ 2,600	$ 2,657	$ 4,000	$ 3,757	$ 4,924	$ 5,578
	% Change	0%	23%	8%	2%	51%	-6%	31%	**13%**

*The Regional Index gives equal weight to each reporting market area within the designated region

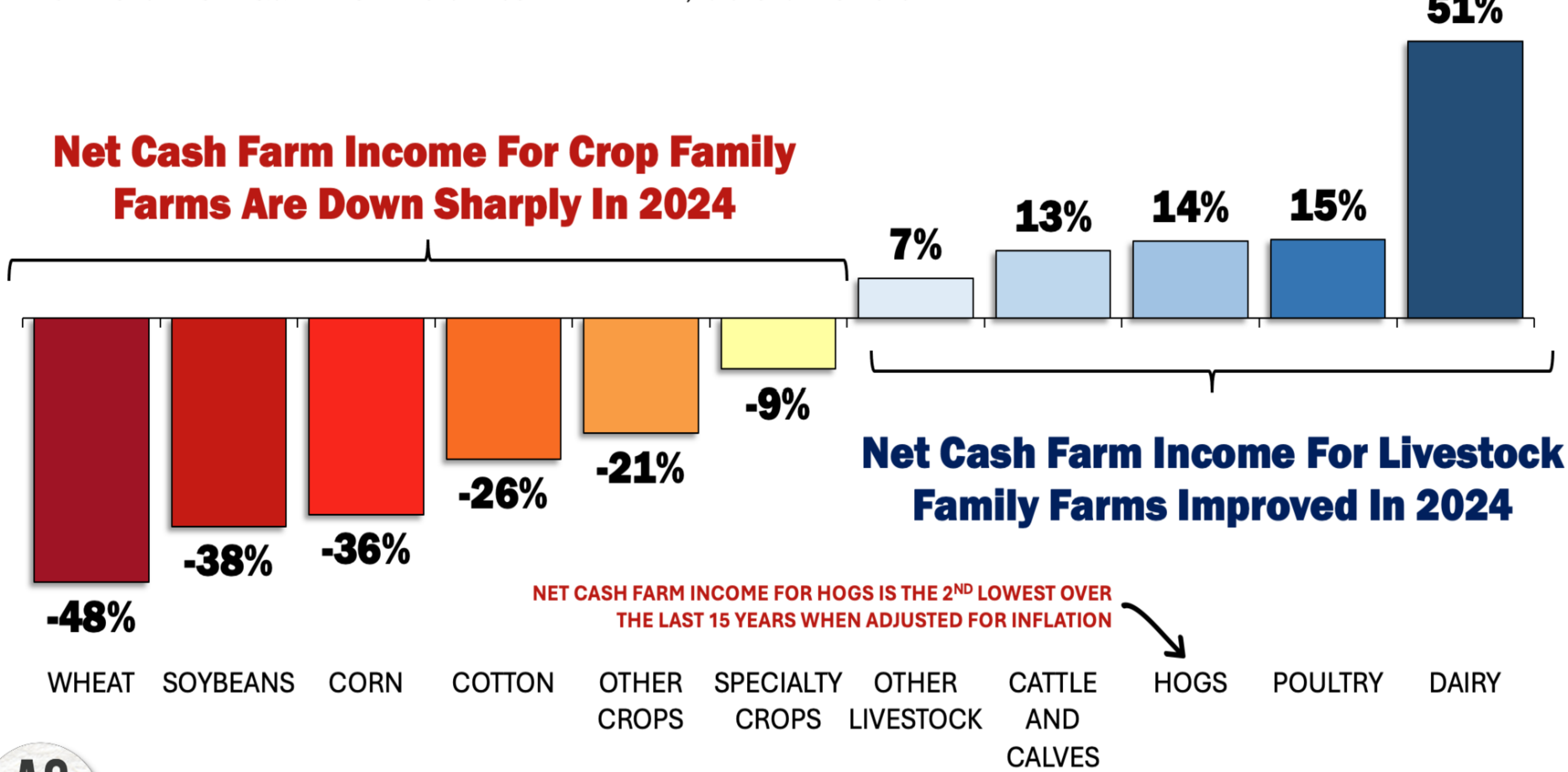
Source: Minnesota ASFMRA, Spring 2025

Midwest Farmland Values

WHAT'S DRIVING THE LAND MARKET?
-FARM INCOME

FARM INCOME CHANGES BY SECTOR

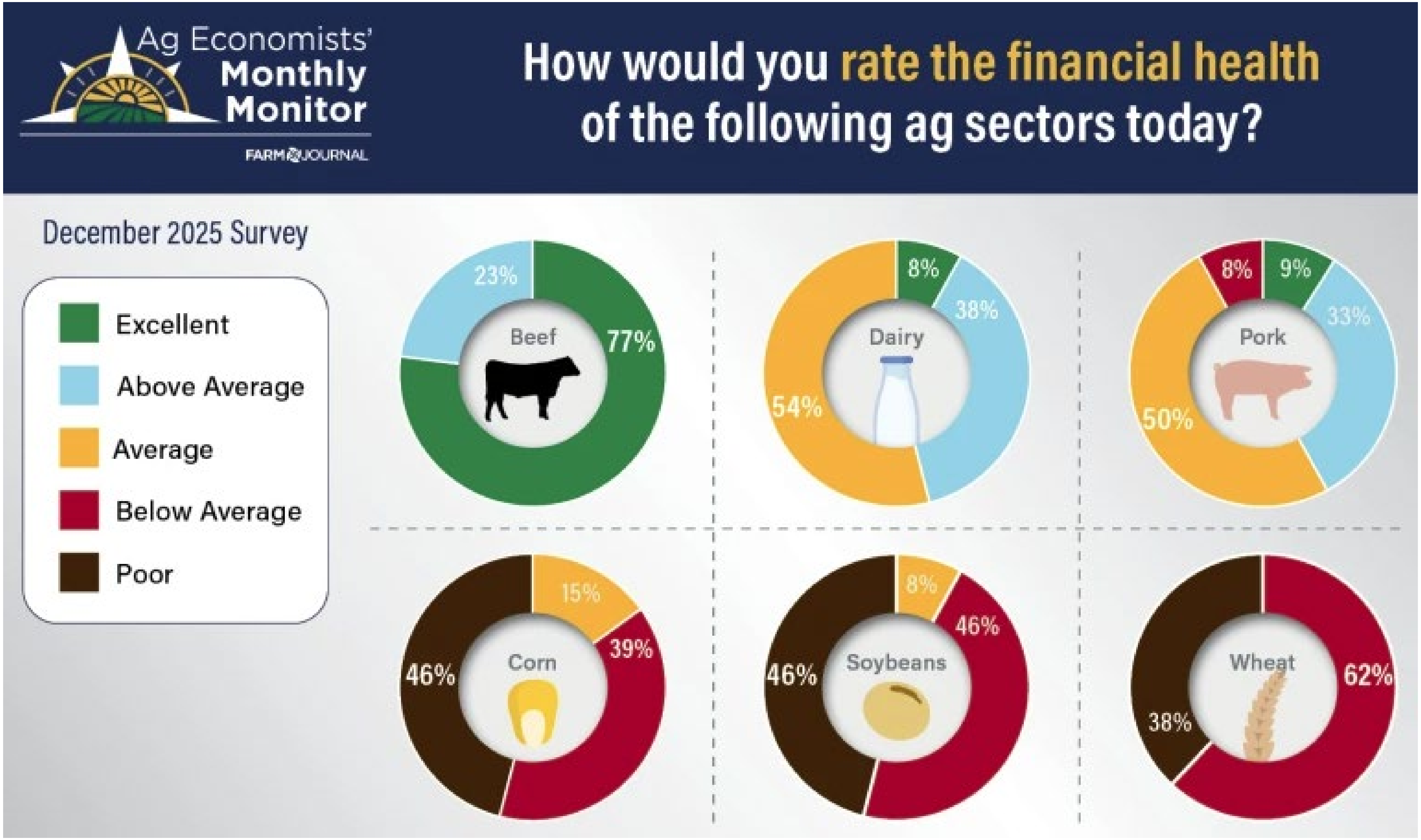
PERCENTAGE CHANGE IN U.S. AVERAGE NET CASH INCOME BY FARM TYPE, **2023 TO 2024 FORECAST**



AG COMMITTEE SENATE GOP

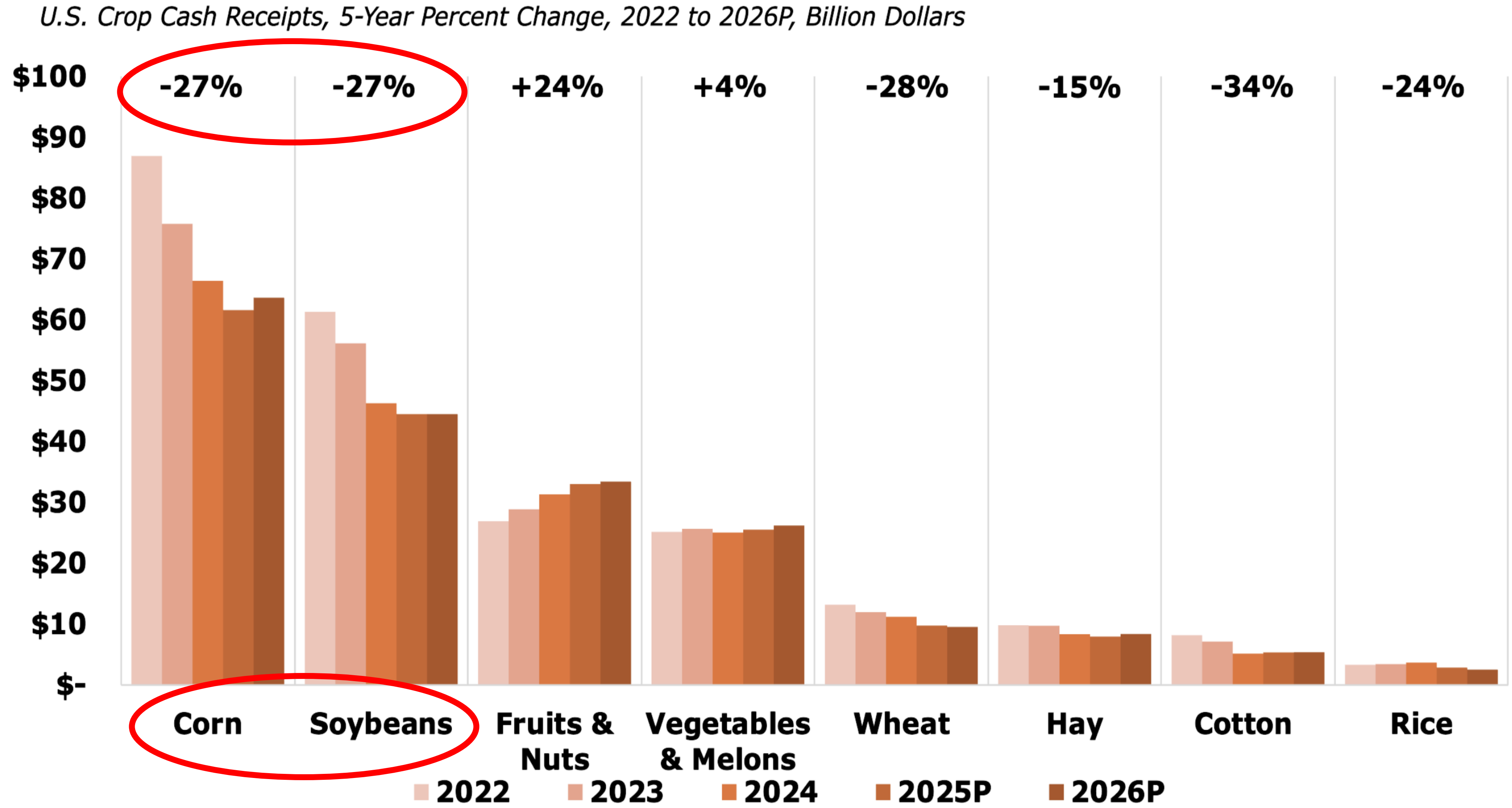
SOURCE: SENATE AG GOP ANALYSIS, USDA ERS SEPTEMBER 2024 FARM SECTOR INCOME FORECAST

More Farm Income in 2026?



Source: Farm Journal Ag Economist Survey, January 2026

U.S. Cash Receipts for Select Crops

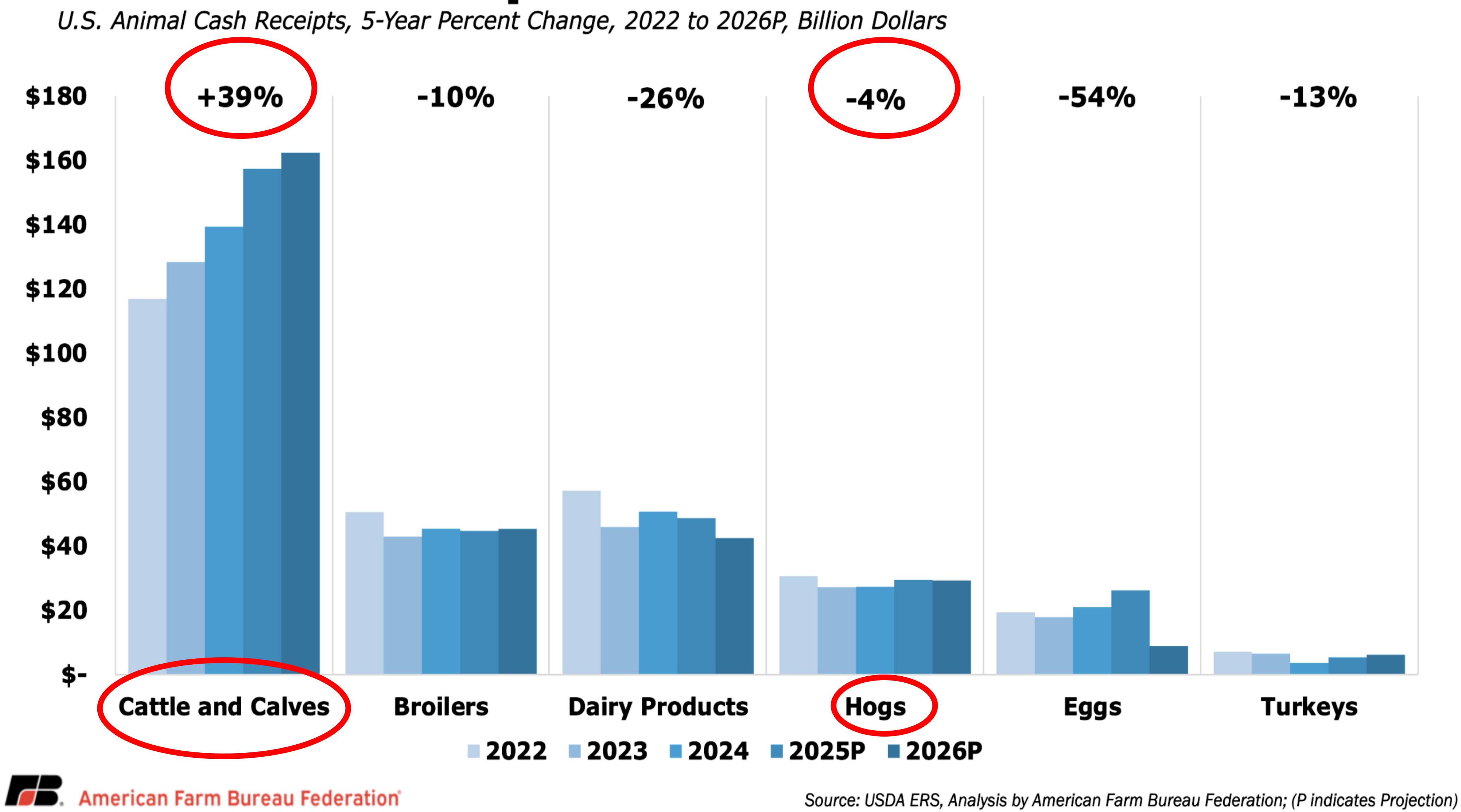


American Farm Bureau Federation

Source: USDA ERS, Analysis by American Farm Bureau Federation; (P indicates Projection)

Source: AFBF, February 2026

U.S. Cash Receipts for Select Animal Products



Source: AFBF, February 2026

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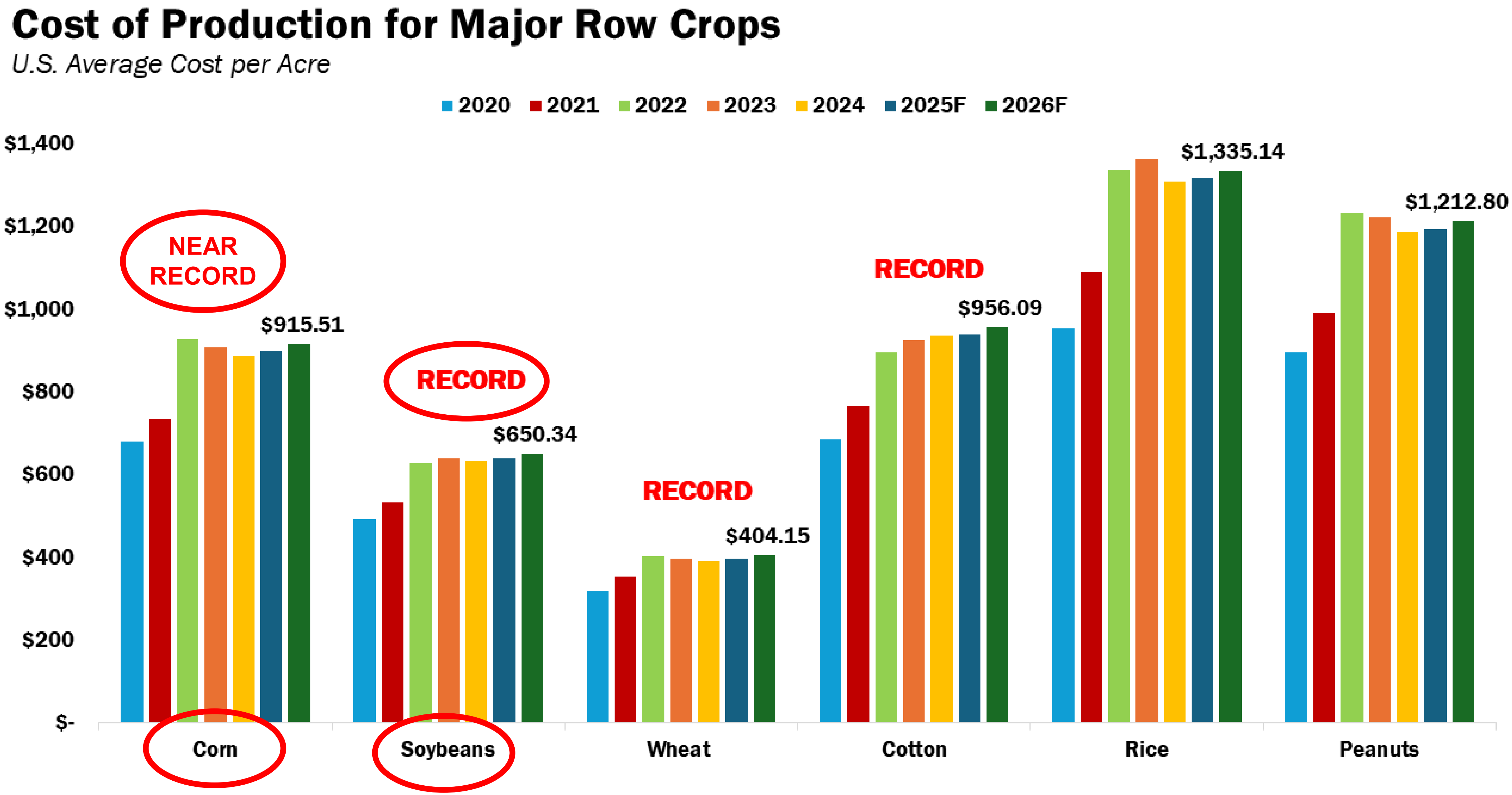
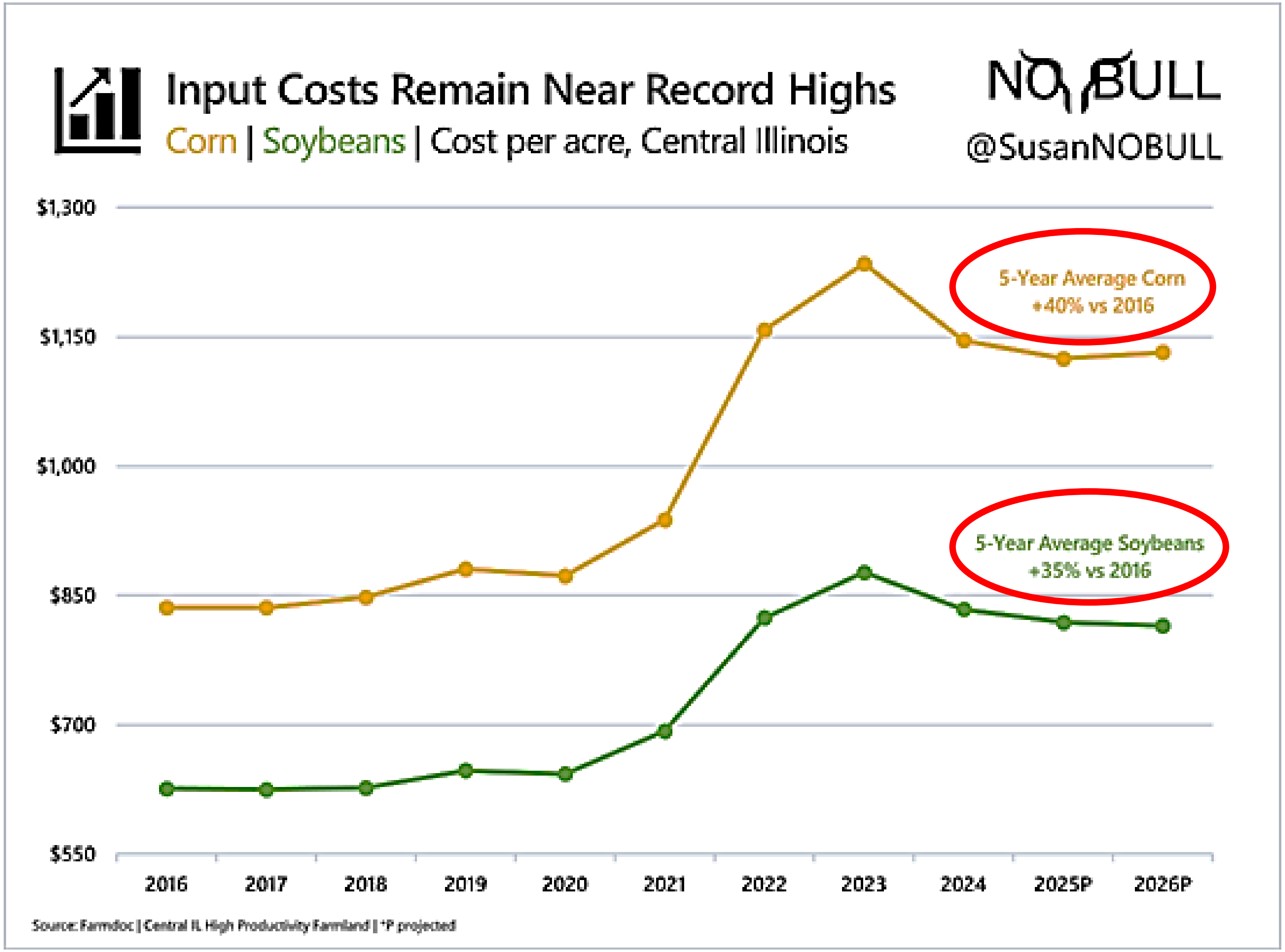
Lower Revenues w/ Higher Input Costs…

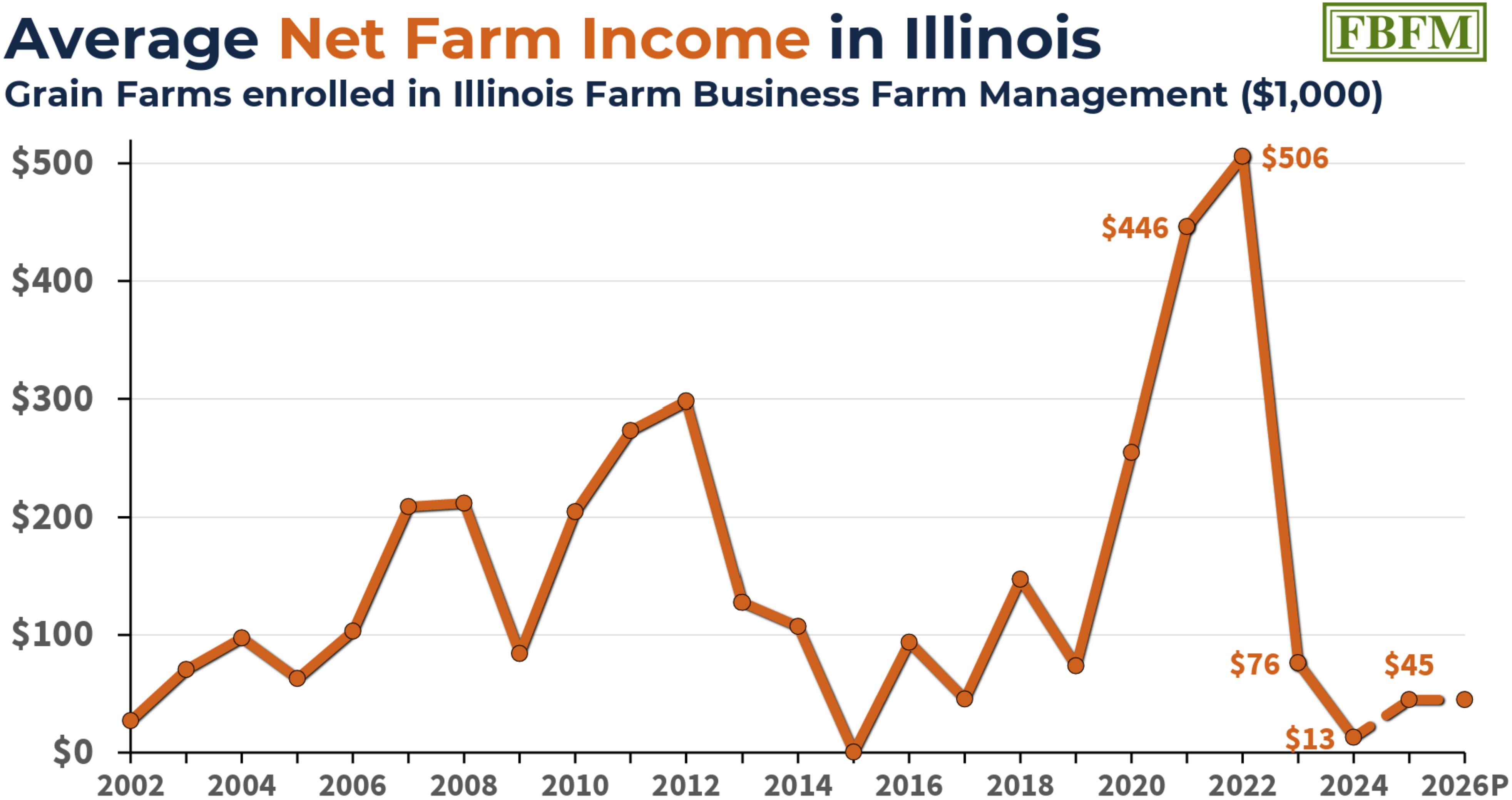


Source: AFBF & USDA

One More Chart View…



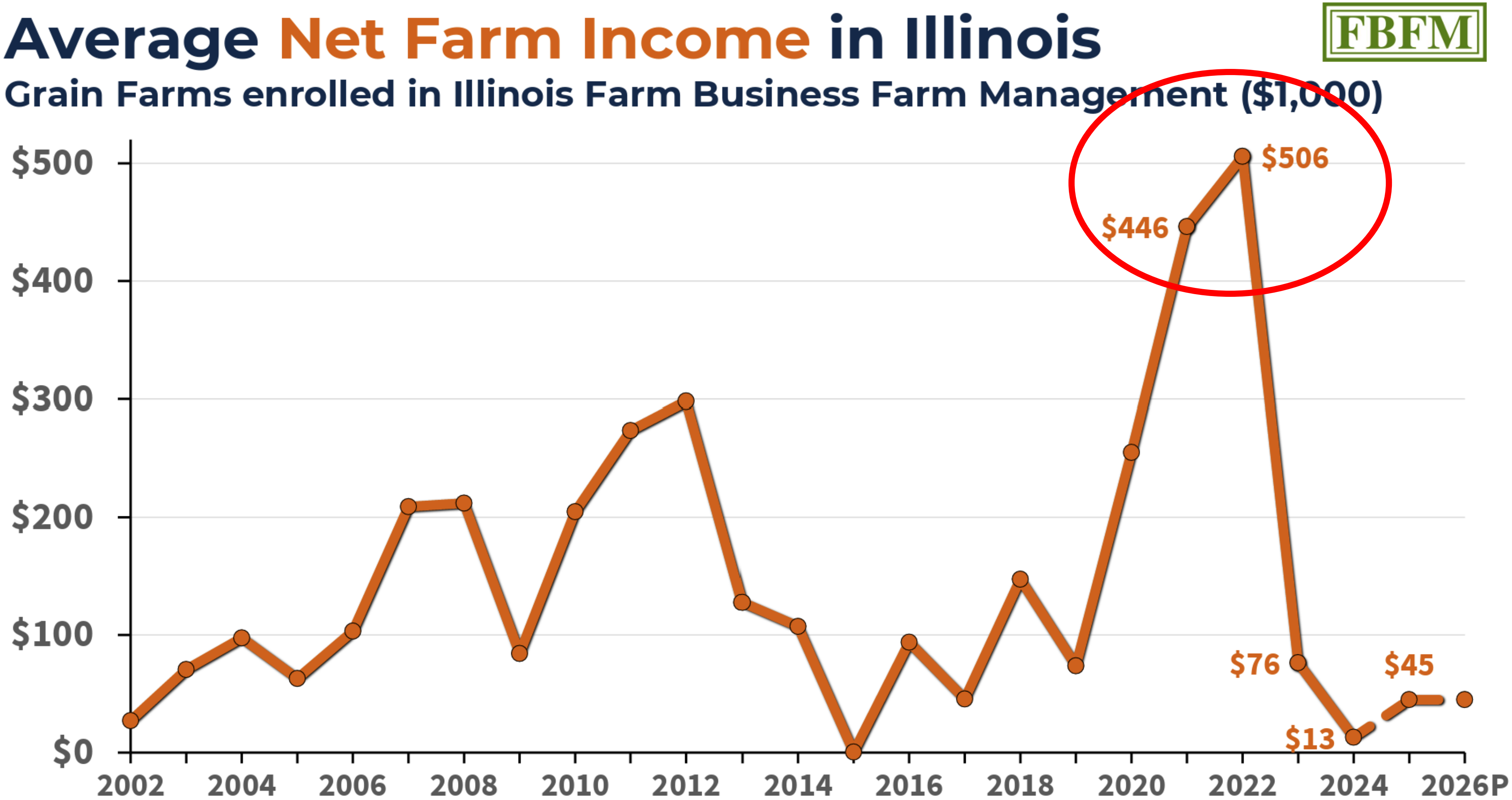
“Breakeven Agriculture”



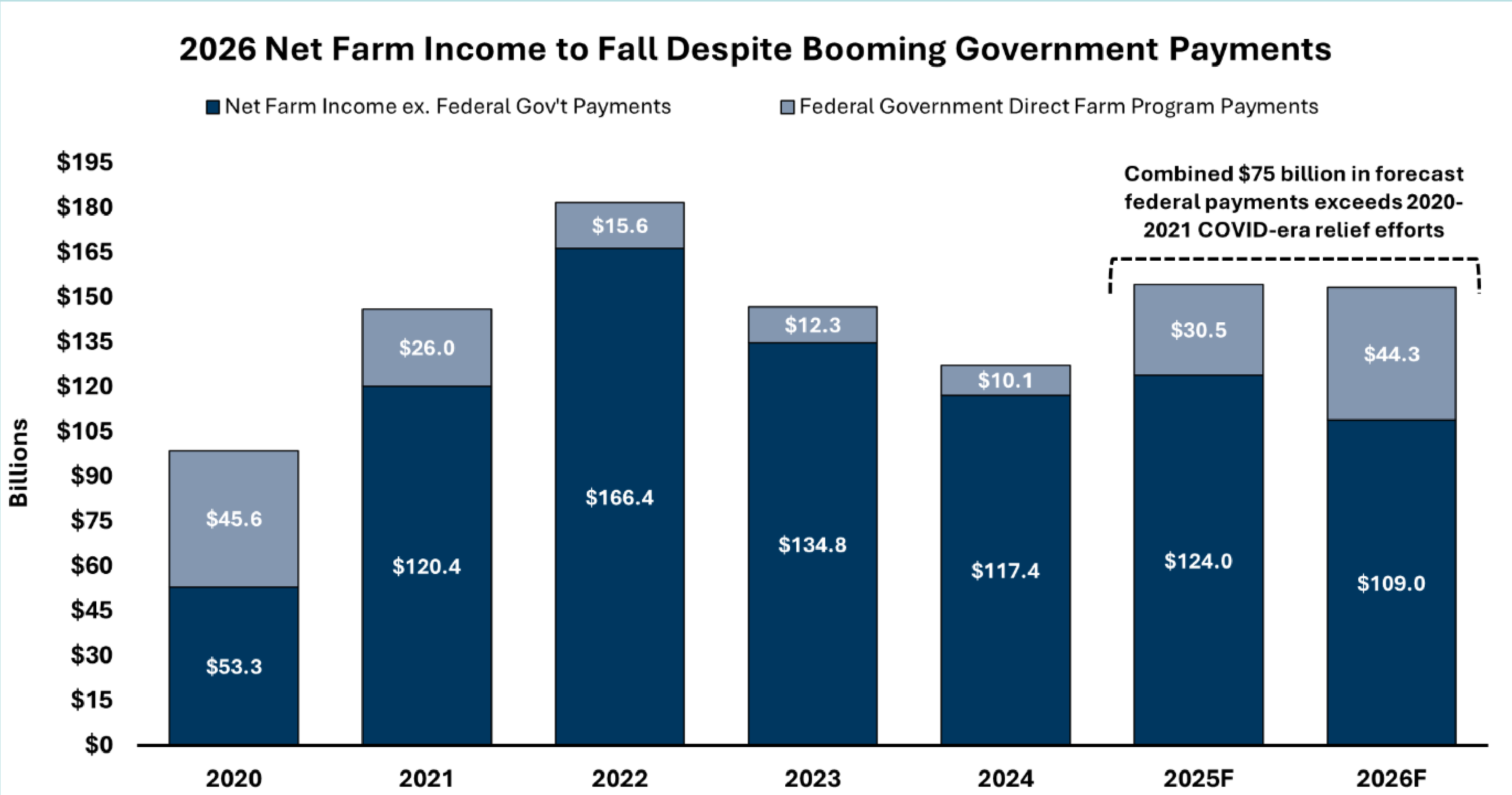
Source: FarmDoc & Illinois FBFM, Q3 2025

So, How Are Land Values Stable??

"Breakeven Ag" followed Record High Profits…



I'm from the Government…

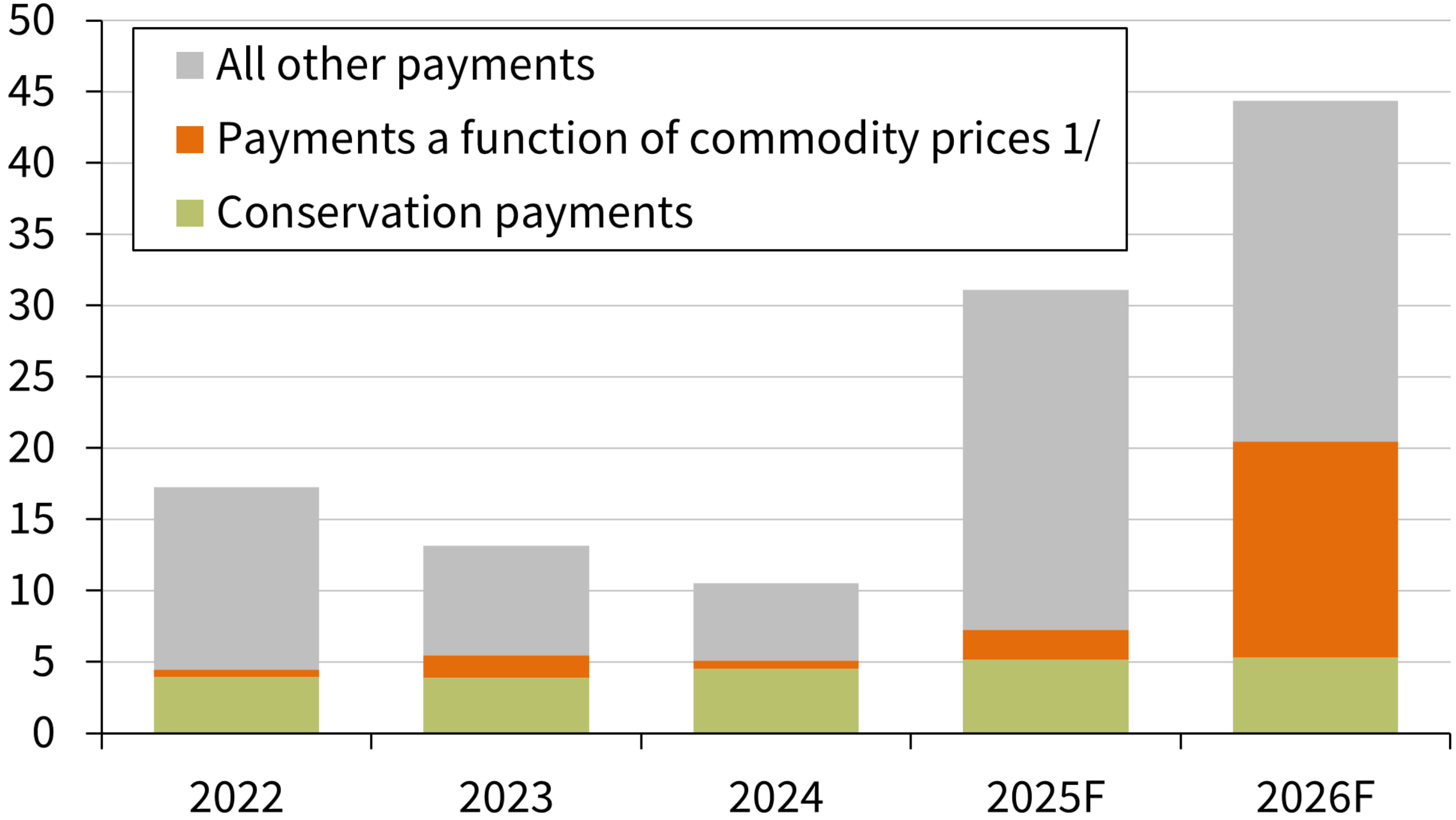


Source: USDA ERS, February 2026

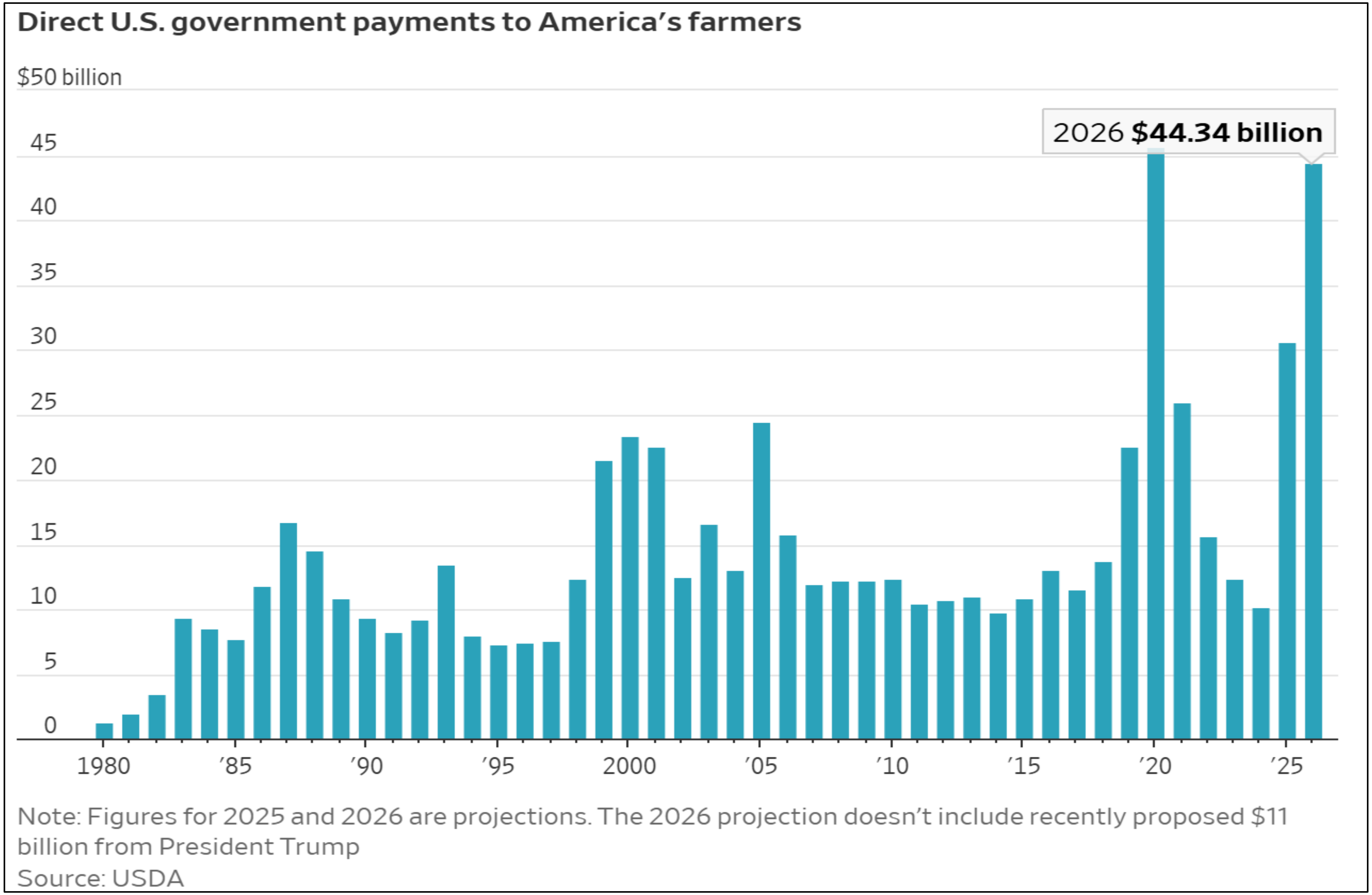
… And I'm here to help!

Direct Government payments to U.S. farm producers, 2022–26F

2026 dollars (billions)

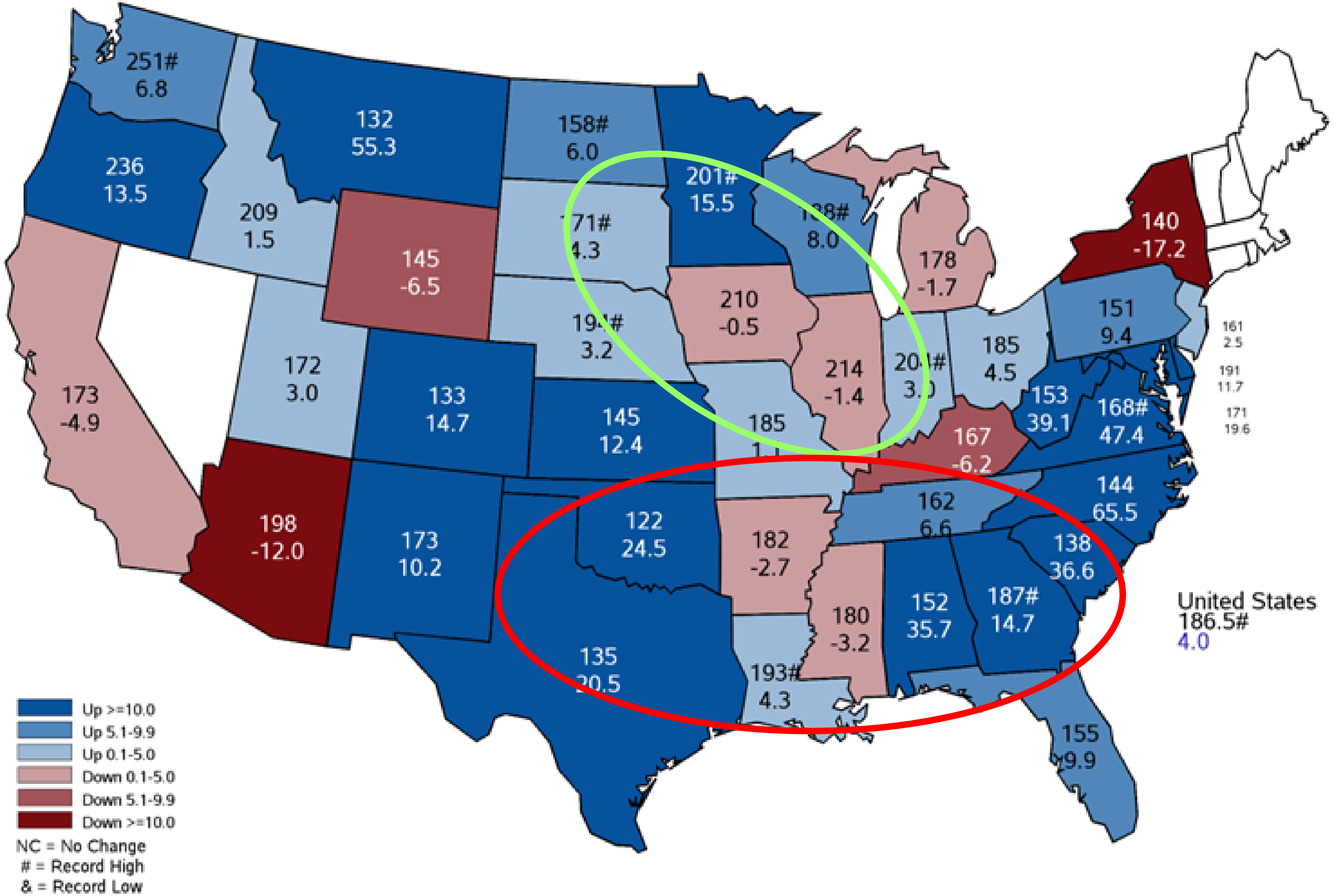


… And I'm here to help even more!



2025 Corn Yield

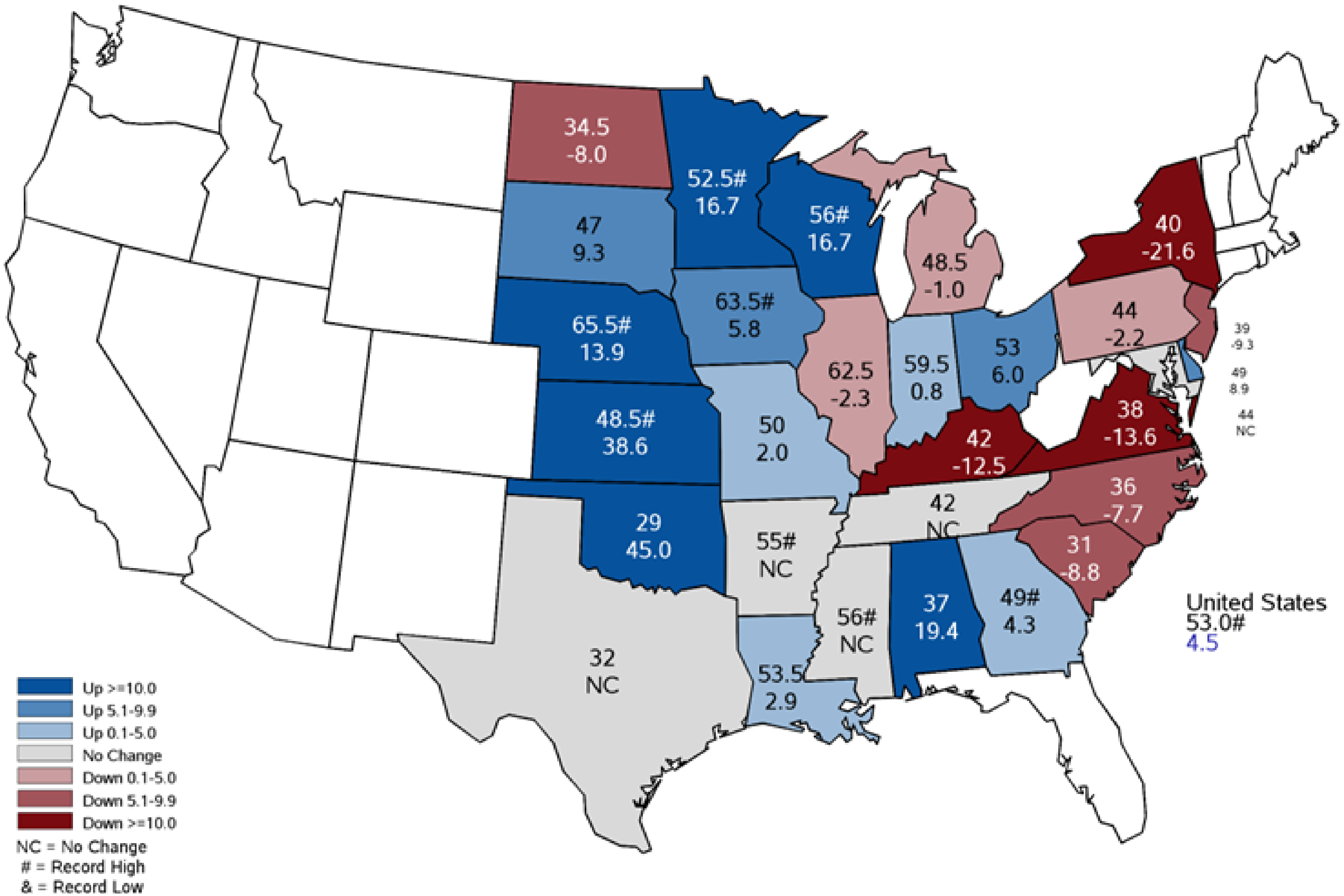
Bushels and Percent Change from Previous Year



Source: USDA, January 2026

2025 Soybean Yield

Bushels and Percent Change from Previous Year

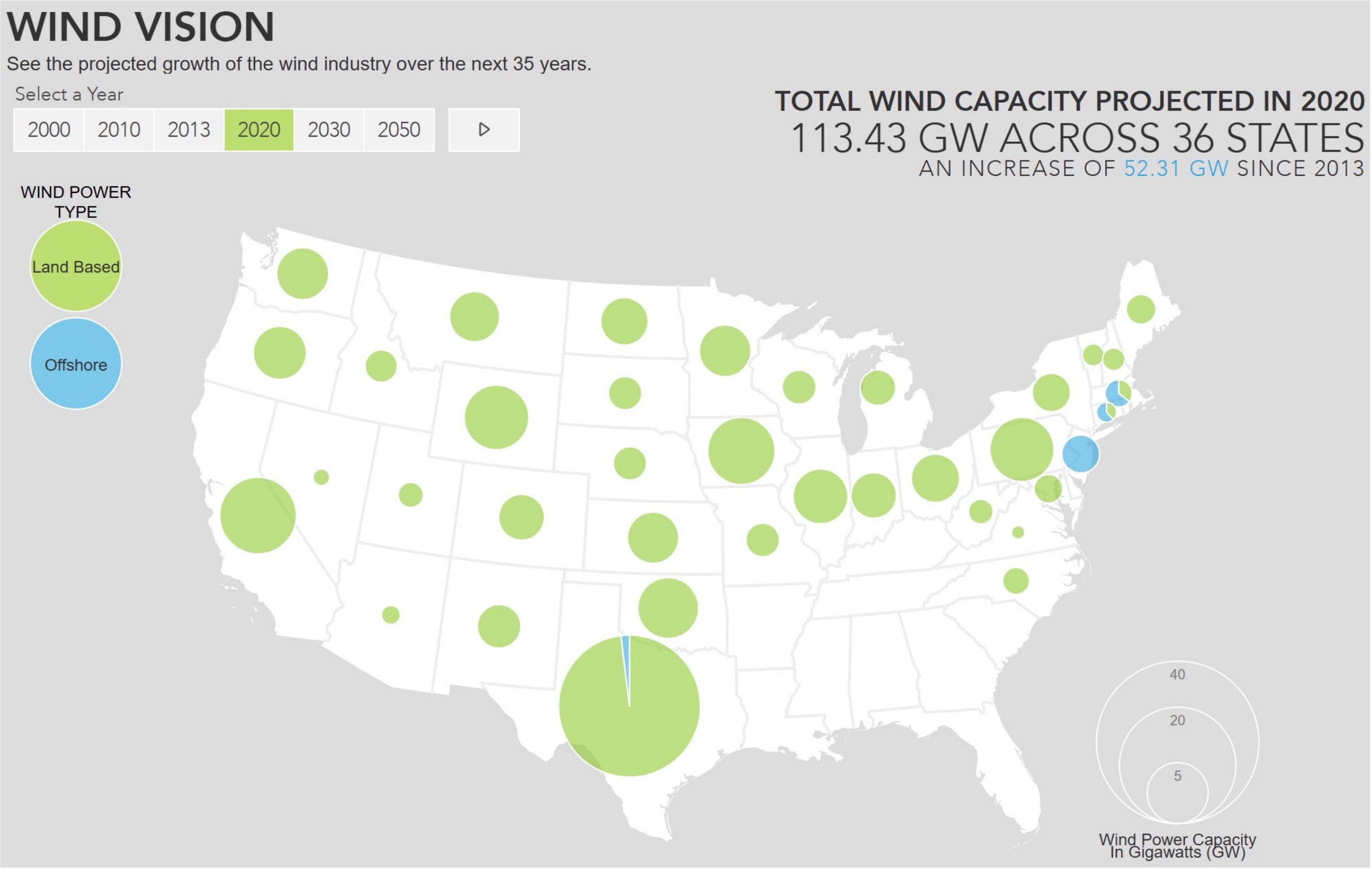


Source: USDA, January 2026

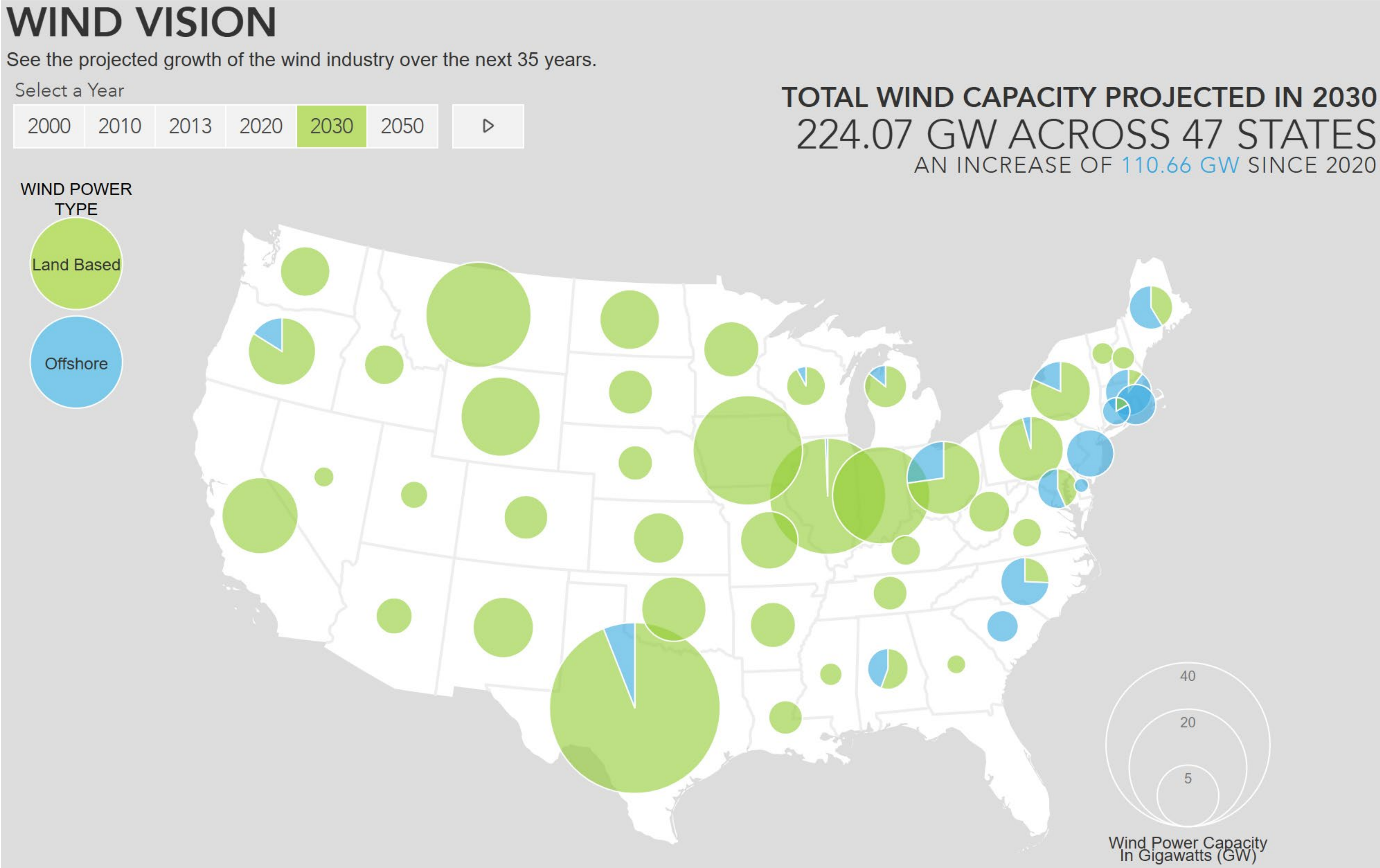
Midwest Farmland Values

WHAT'S DRIVING THE LAND MARKET?
-OTHER REVENUE SOURCES

Wind Energy Growth - 2020



Wind Energy Growth - 2030



Source: U.S. Department of Energy

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Wind Energy - 2026

Top 10 states generating electricity from wind

State	Wind energy production - March 2026 (Thousand Megawatt Hours Produced in Month)	Percentage of total U.S. wind energy generation
Texas	15,131	29.0
Iowa	4,752	9.1
Oklahoma	4,577	8.8
Kansas	3,271	6.3
Illinois	3,062	5.9
Colorado	1,735	3.3
California	1,631	3.1
Minnesota	1,618	3.1
North Dakota	1,580	3.0
Wyoming	1,417	2.7

Source: U.S. Energy Information Administration

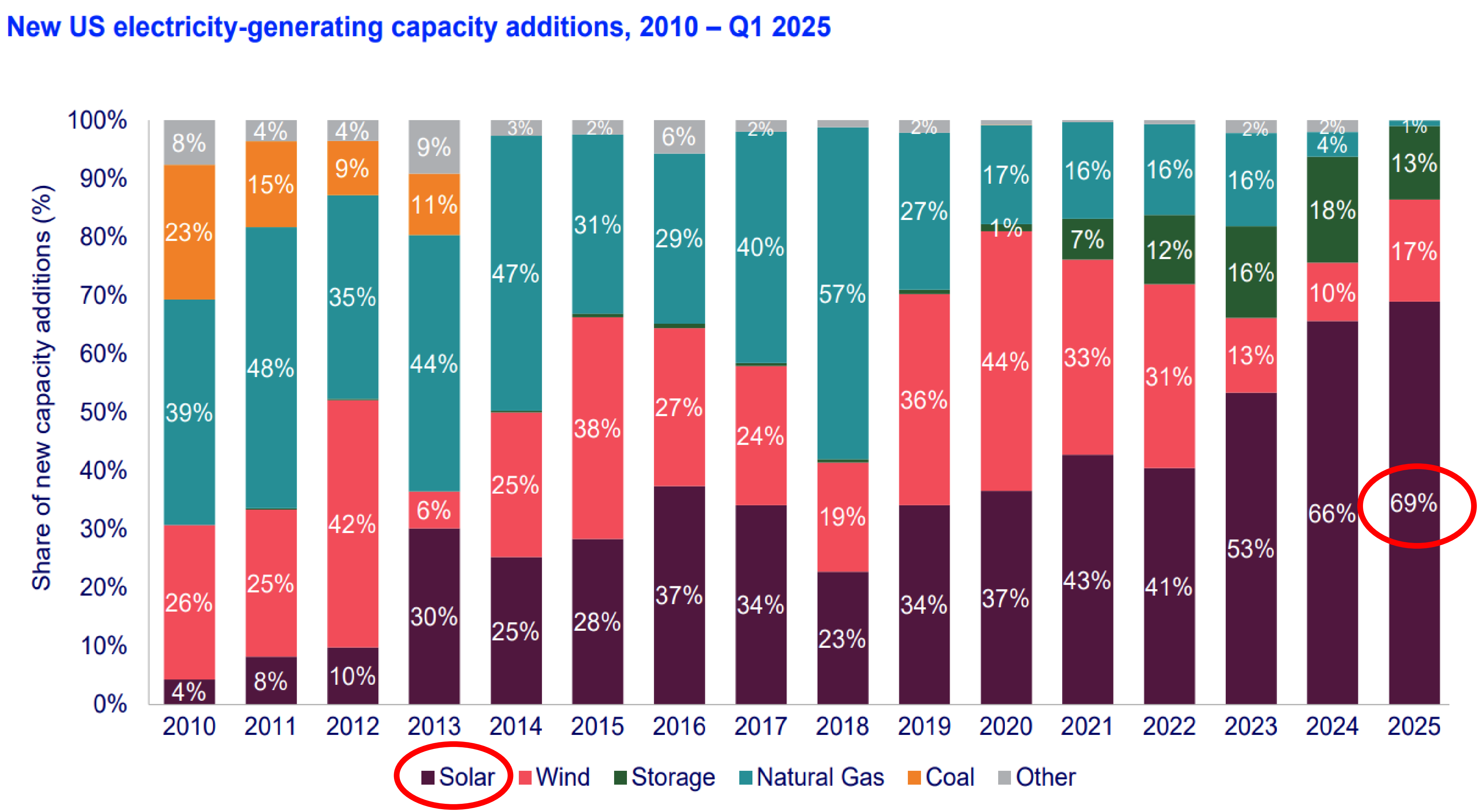
Wind Energy - 2026

Top 10 states generating the highest percentage of electricity from wind power

State	Wind energy production - March 2026	Total electricity generation by state	Percentage of electricity generated from wind energy
Iowa	4,752	6,479	73.3
Oklahoma	4,577	7,306	62.6
Kansas	3,271	5,490	59.6
South Dakota	1,300	2,185	59.5
Wyoming	1,417	3,359	42.2
North Dakota	1,580	3,854	41.0
Colorado	1,735	4,491	38.6
New Mexico	1,358	3,588	37.8
Nebraska	1,251	3,330	37.6
Minnesota	1,618	4,876	33.2

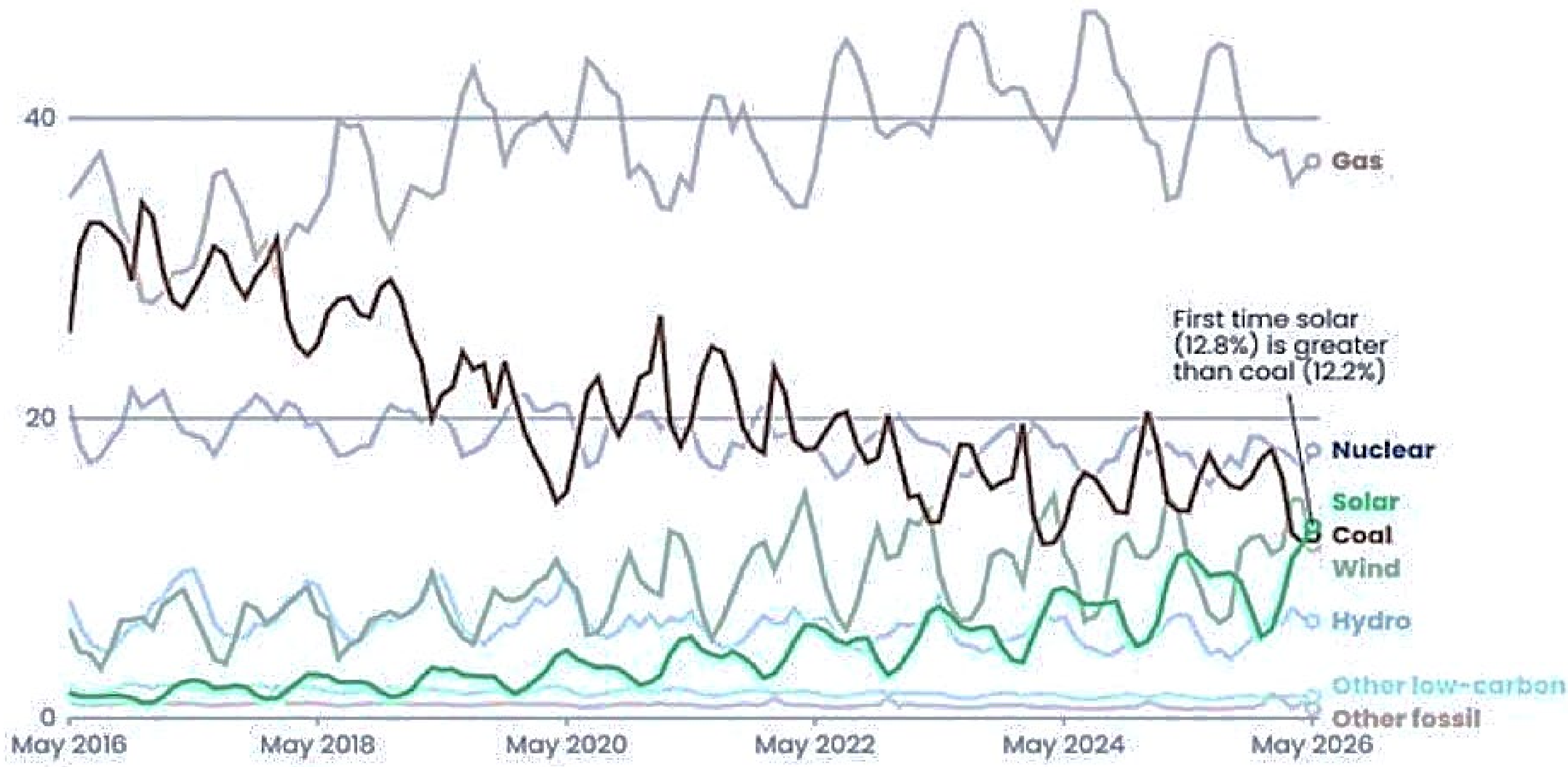
Source: U.S. Energy Information Administration

New Electricity Production – All Sources



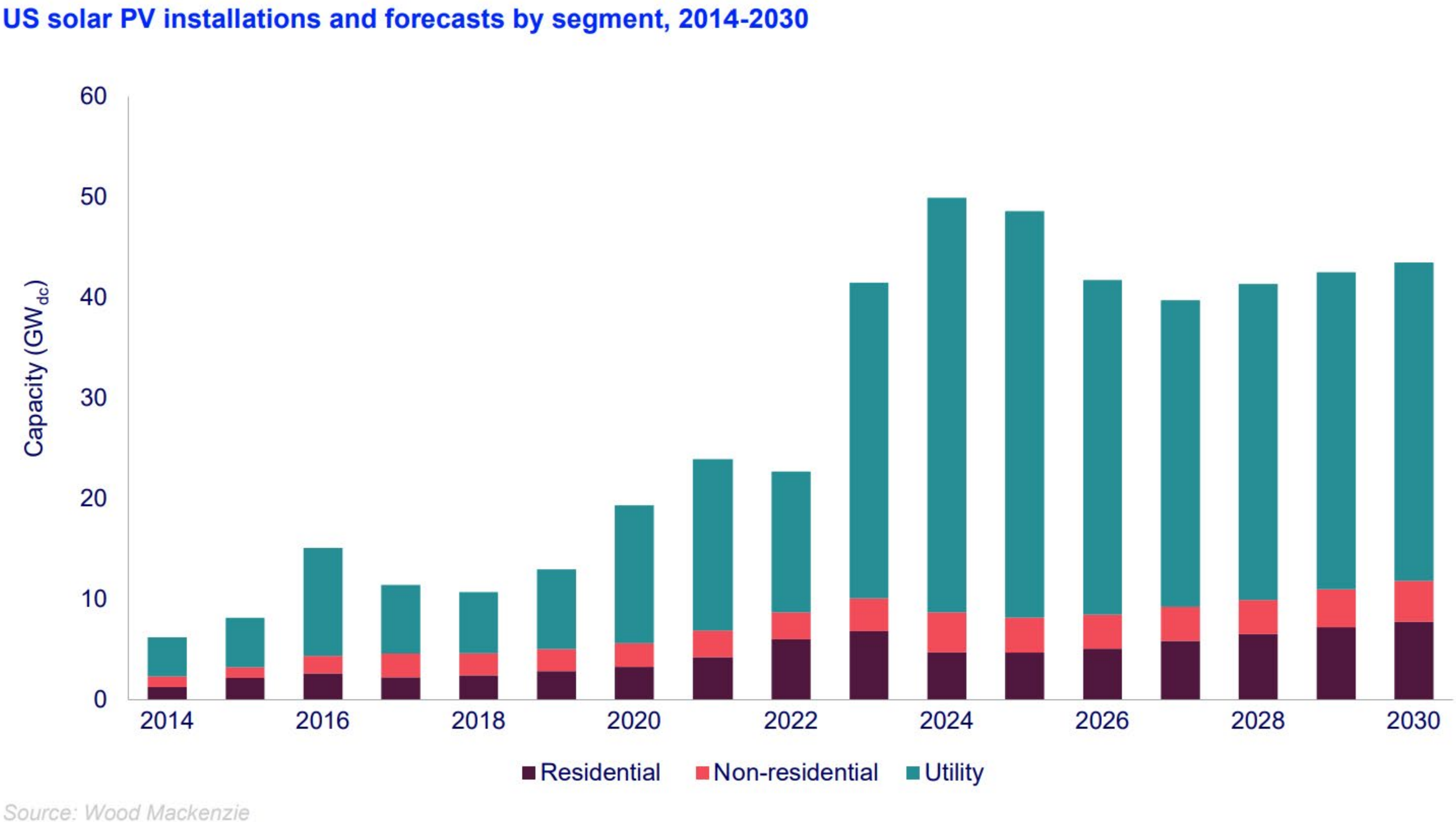
Solar overtakes coal in US electricity generation for the first month ever in May 2026

Share of electricity generation (%)



Source: Ember, U.S. Energy Information Administration

Solar Energy Installations by Segment



Source: U.S. Energy Information Administration & Wood Mackenzie

Solar Energy - 2026

Top 10 states for solar power production the United States

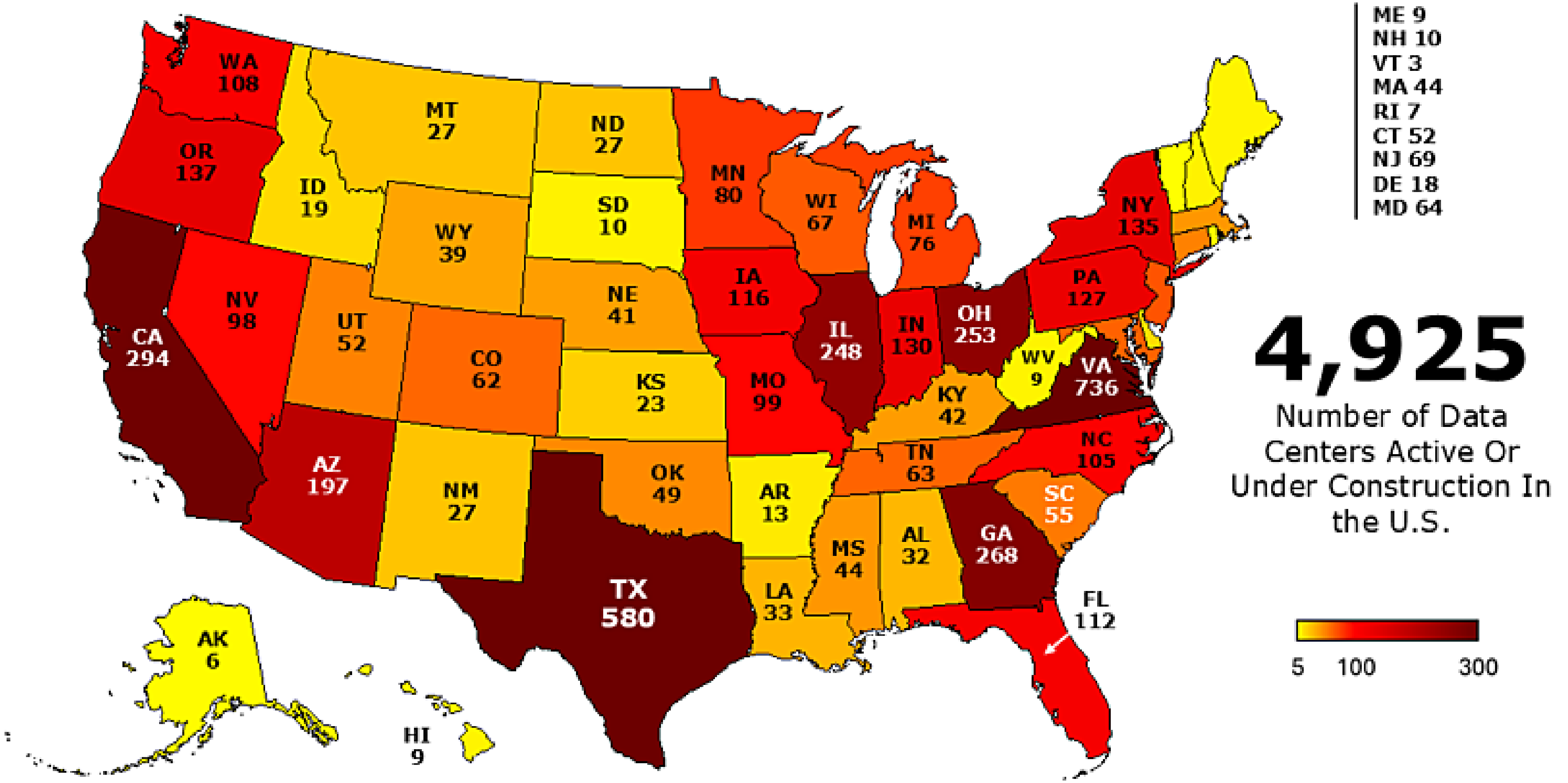
State	Solar power production March 2026 (Thousand Megawatt Hours Produced in Month)	Percentage of national solar power production
California	8,220	21.7
Texas	6,445	17.0
Florida	3,016	7.9
Arizona	2,027	5.3
Nevada	1,437	3.8
North Carolina	1,272	3.4
Georgia	1,111	2.9
New York	997	2.6
Illinois	996	2.6
Virginia	964	2.5

Source: U.S. Energy Information Administration

The Growth of AI & Computing Power

Data Centers Across The U.S.

Number of Data Centers, Active and Under Construction



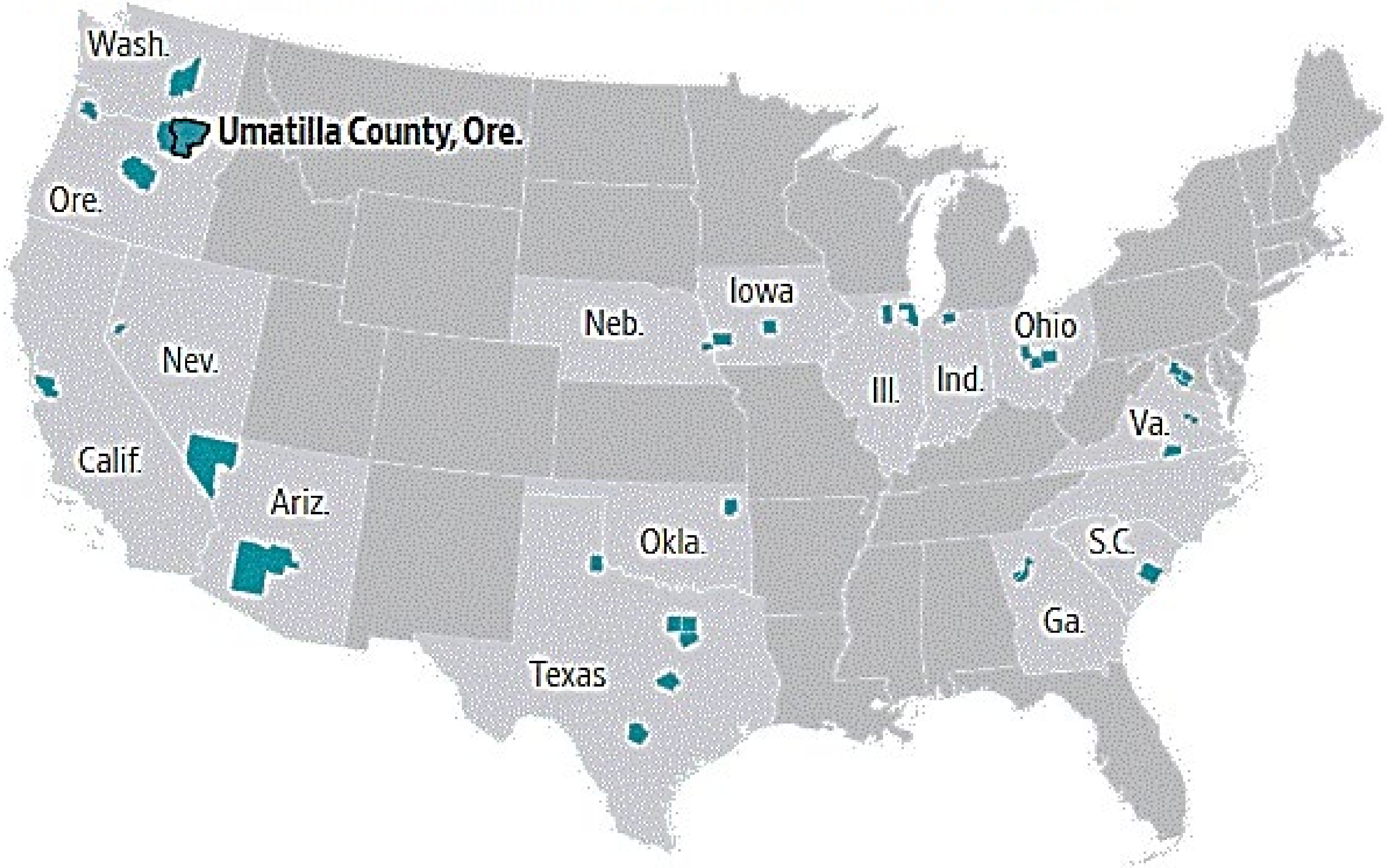
American Farm Bureau Federation

Source: Data Center Map, Analysis by American Farm Bureau Federation

Source: AFBF, April 2026

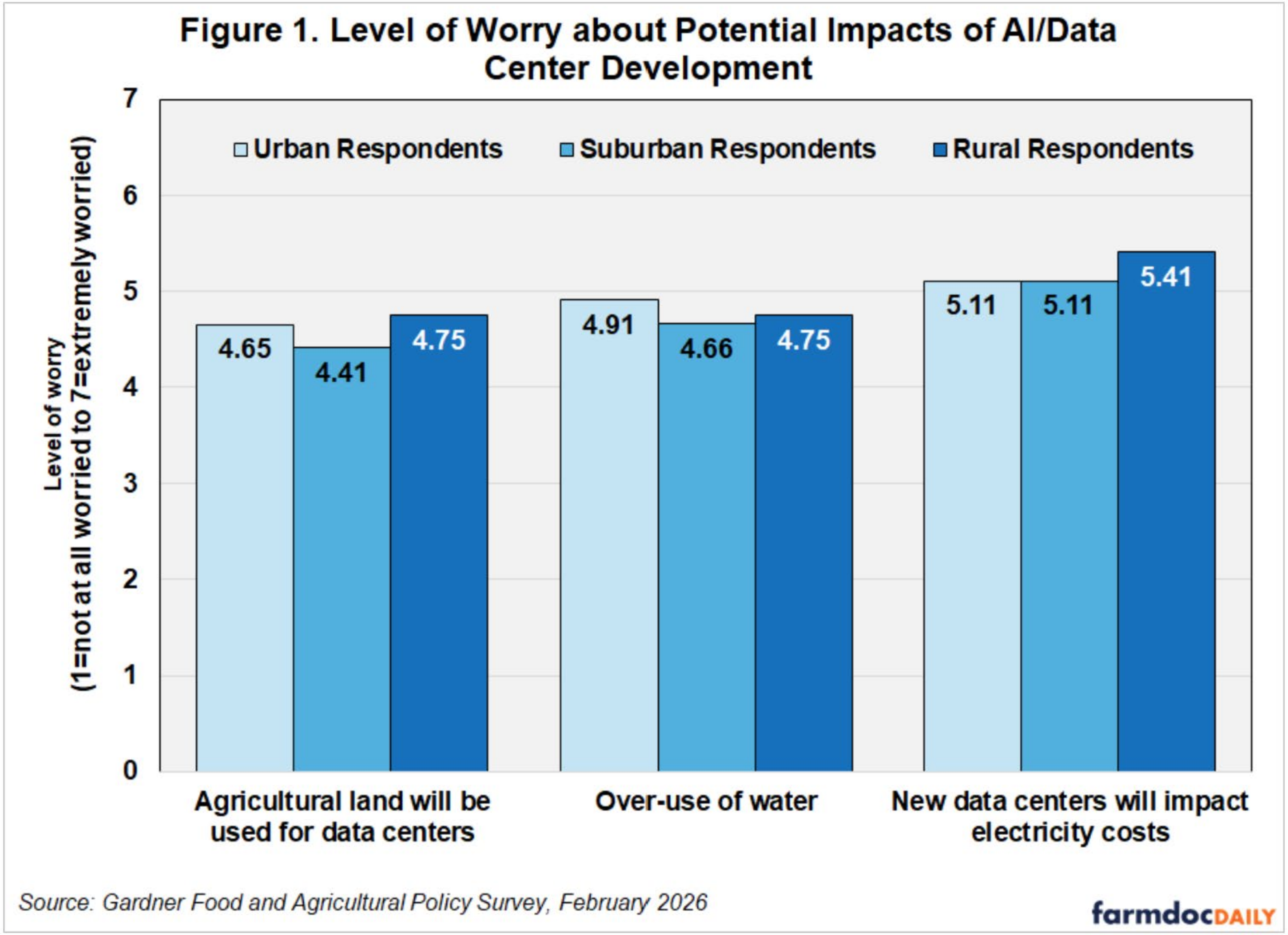
Data Centers & The Growth of AI

The 33 counties that account for 72% of U.S. data-center capacity



Source: Wall Street Journal & Goldman Sachs, July 2025

Data Centers & The Growth of AI



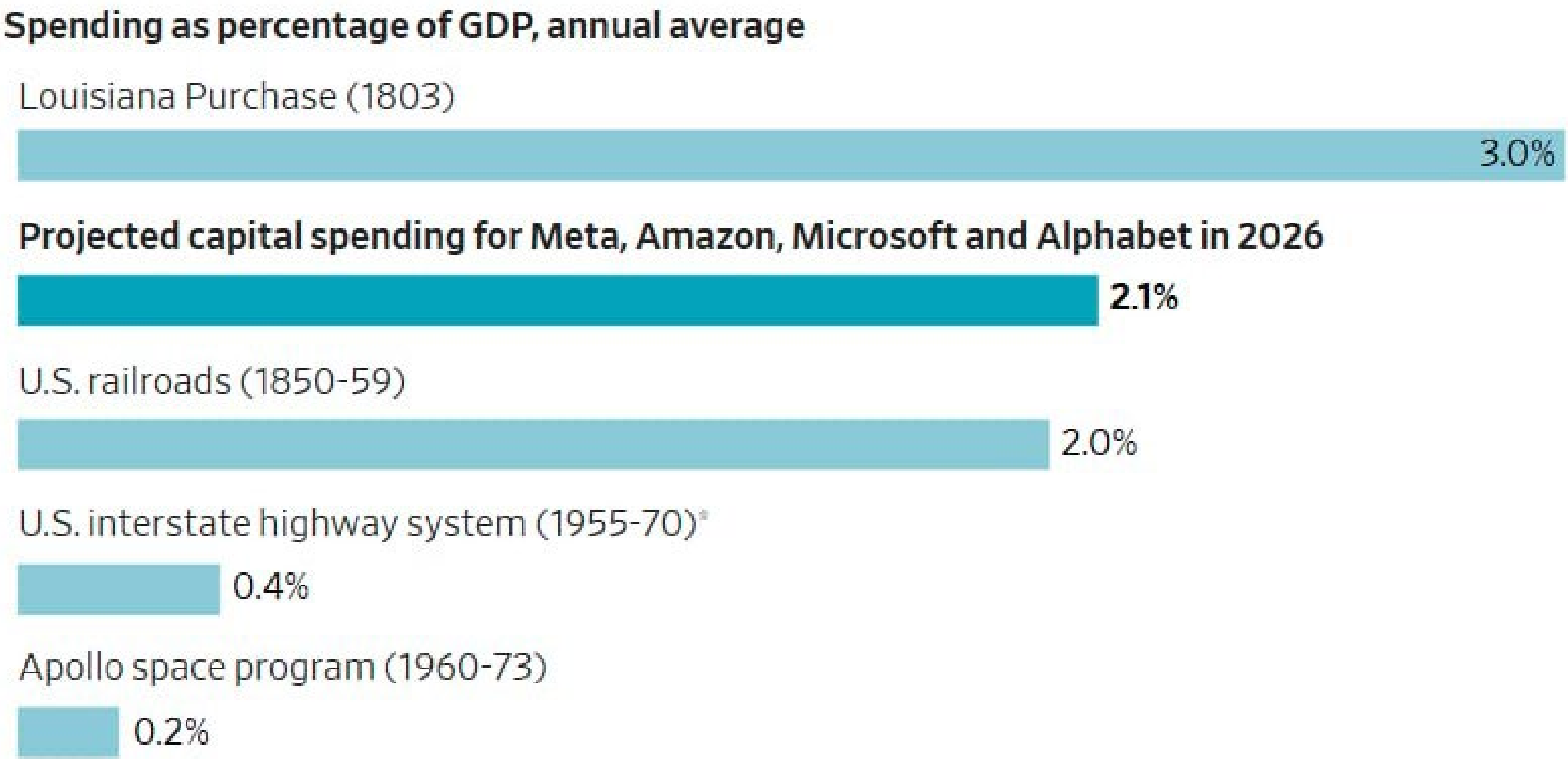
Source: FarmDoc & Gardner Survey

Data Centers & The Growth of AI

Source: Goldman Sachs, July 2025

Data Centers & The Growth of AI

Data Centers & The Growth of AI



*Federal highway spending

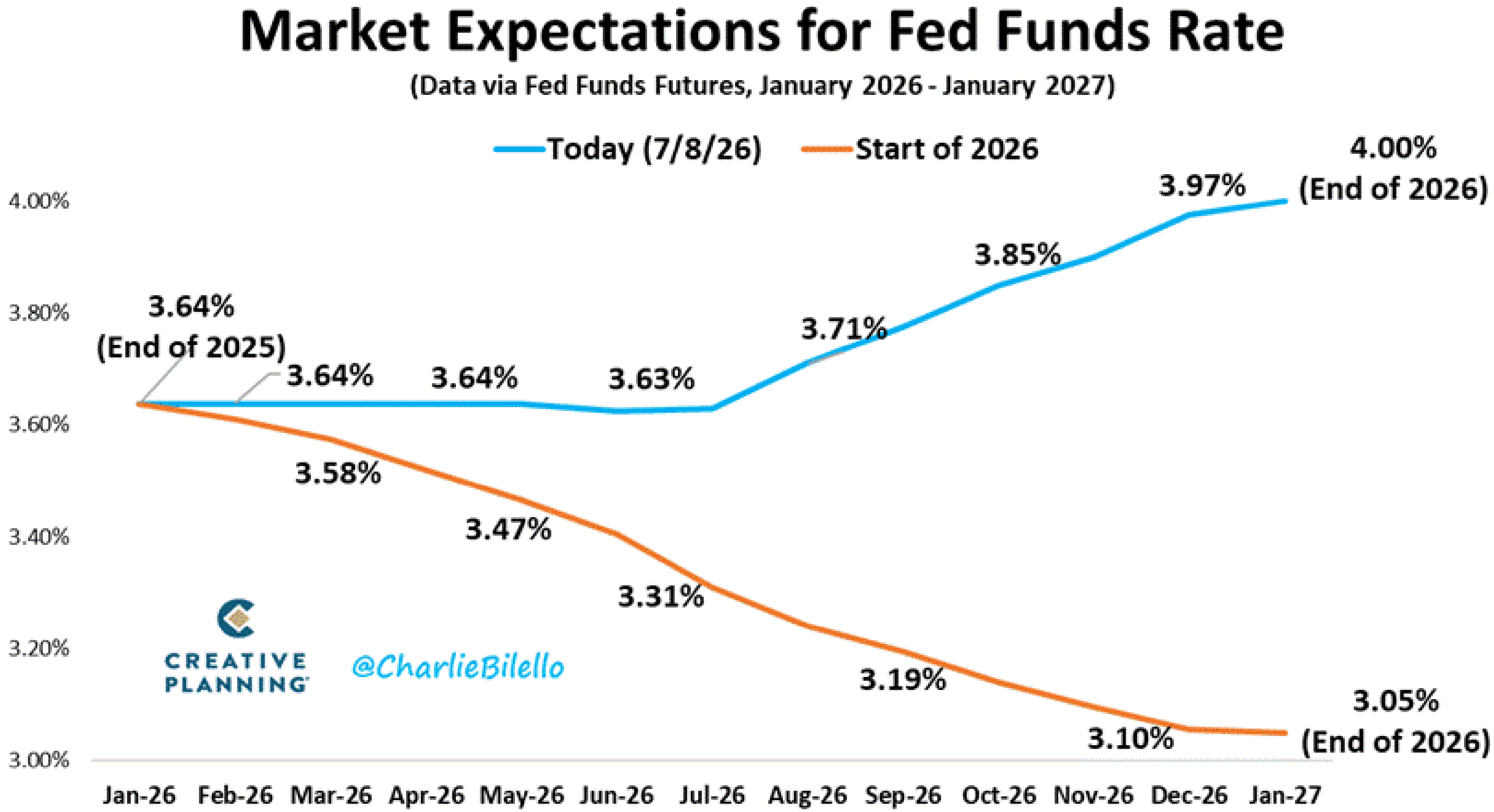
Sources: National Archives and Measuring Worth (Louisiana Purchase); the companies (Tech capital spending); Visible Alpha (projected Microsoft capital spending) Louis P. Cain (U.S. Railroads); Robert Gordon (U.S. interstate highway system); Planetary Society (Apollo); Wall Street Journal calculations (all ratios)

Source: Goldman Sachs, July 2025

Midwest Farmland Values

WHAT'S DRIVING THE LAND MARKET?
-INTEREST RATES

Interest Rates – Federal Funds Rate



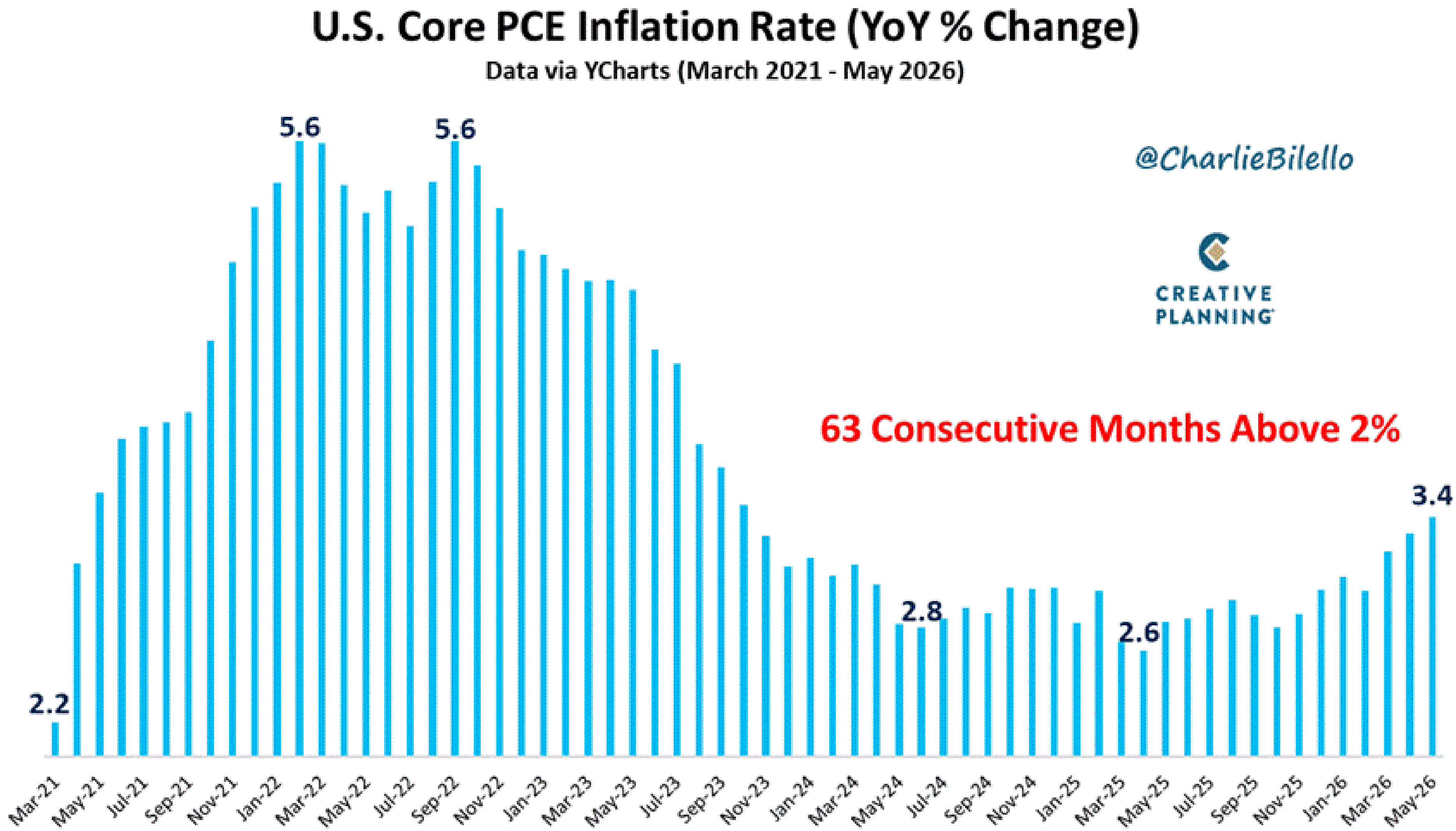
Fed Funds Rate *(Noun)* – the interest rate at which commercial banks borrow and lend their excess reserves overnight. This rate is set by the Federal Open Market Committee (FOMC, “the Fed”).

– Rate used to influence Monetary Policy… 12 Regional Fed Banks meet 8x annually.

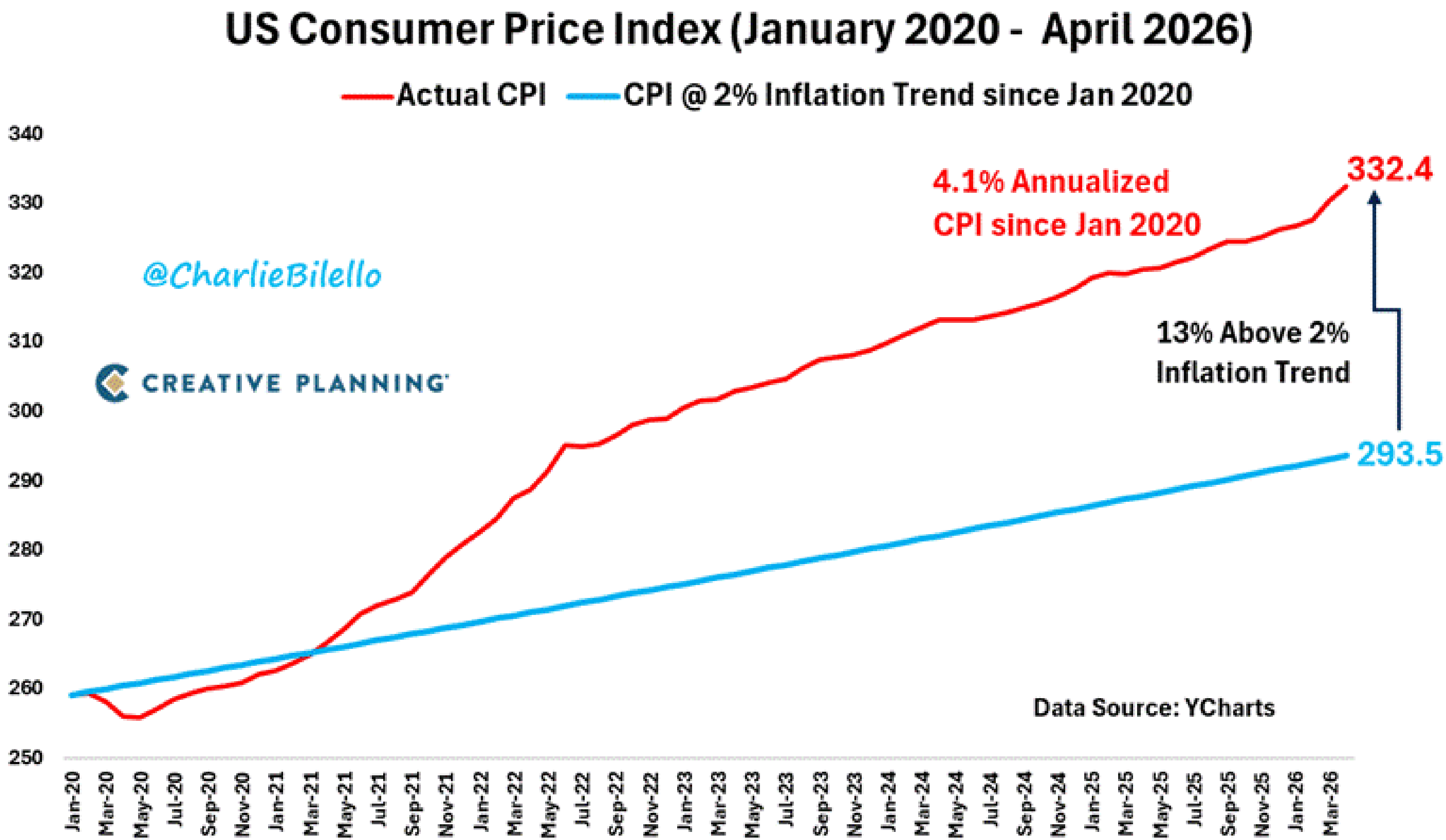
– Directly affects consumer loans and credit cards.

– Currently 3.64%

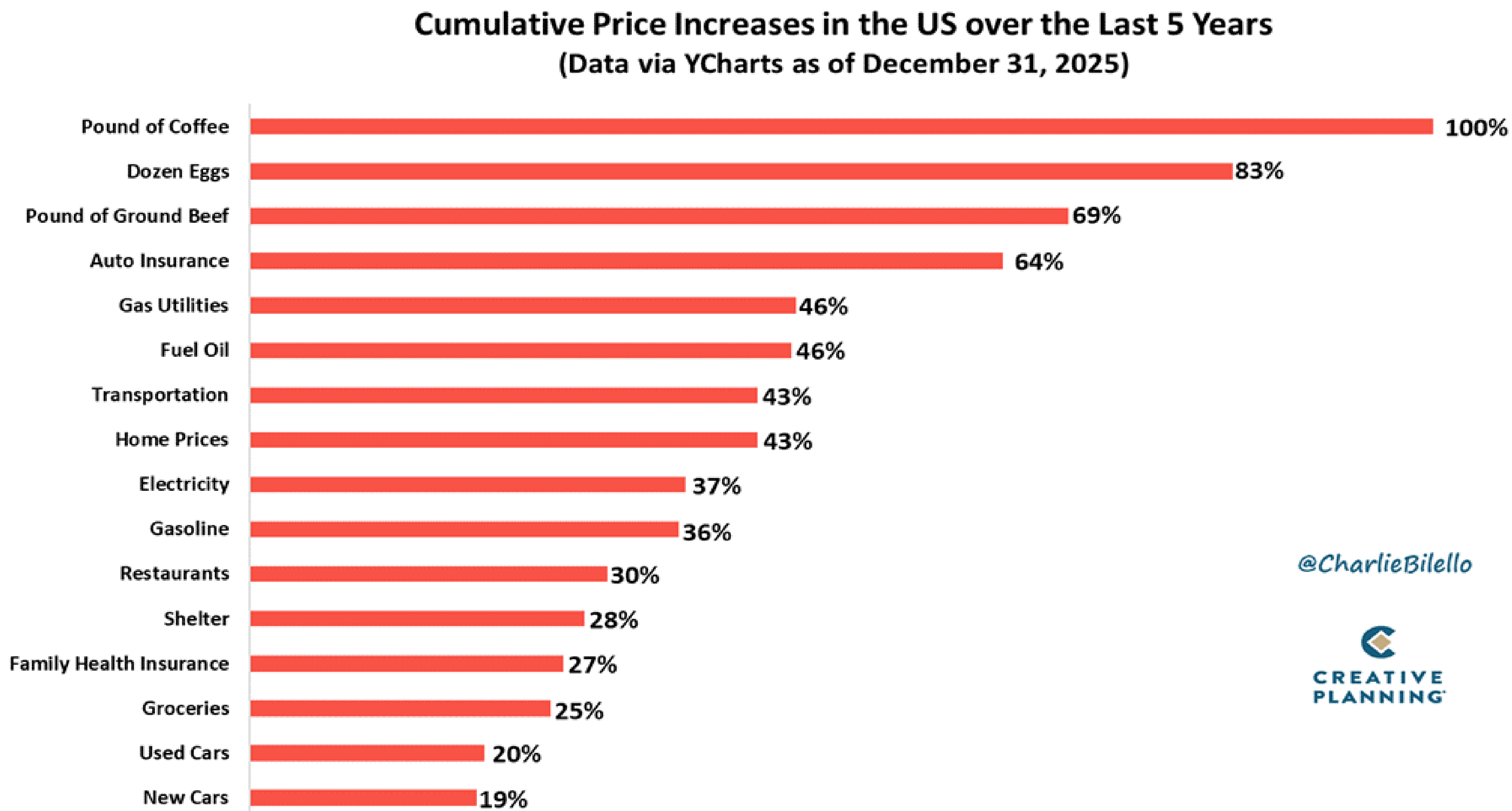
Lower Interest Rates? Not w/ higher Inflation…



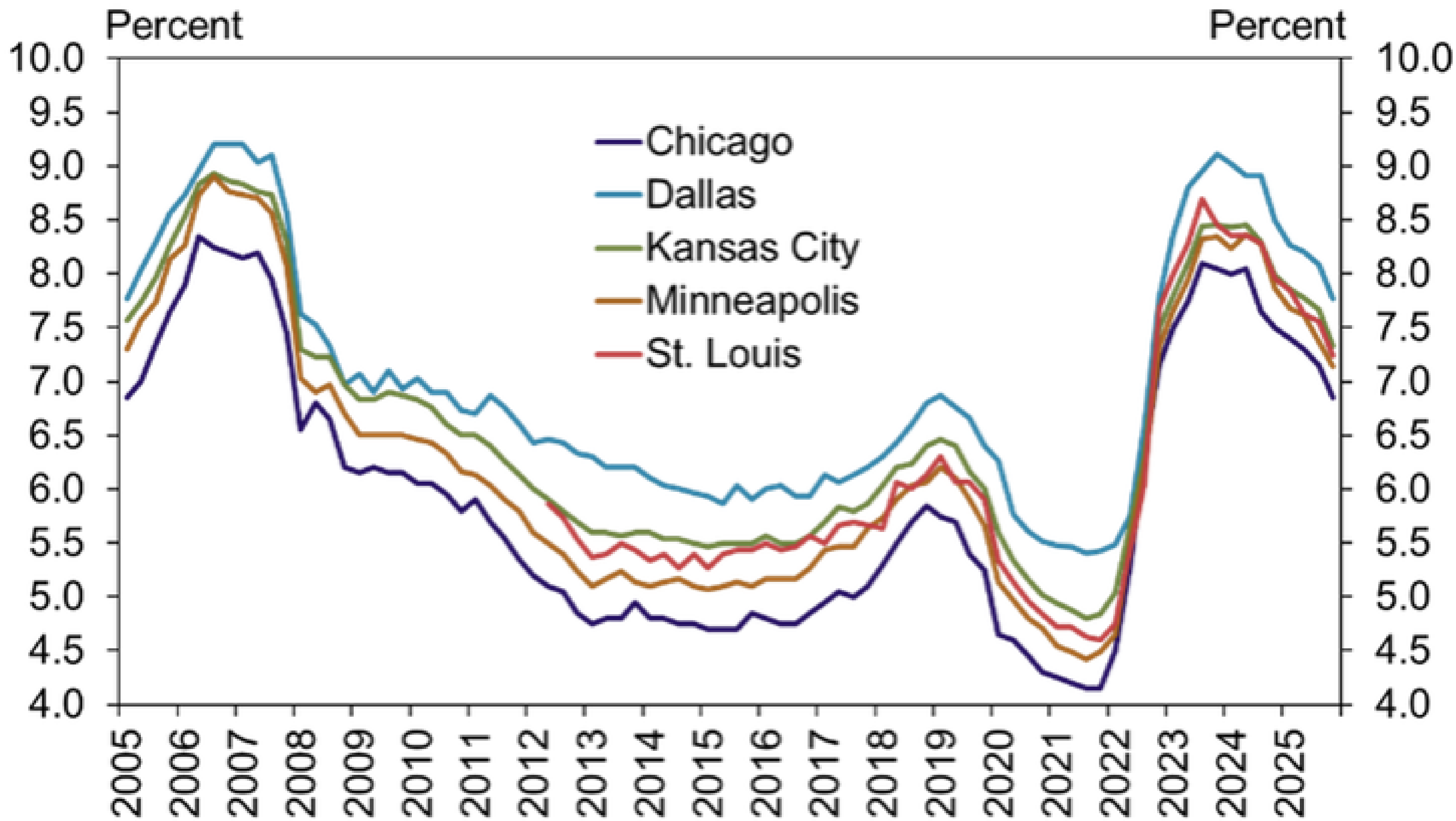
Inflation Becomes Permanent…



Some Common Products…



Ag Interest Rates… Long-Term



Source: KC Federal Reserve, March 2026

Farm Mortgage Rates… Actual

Here are a sample of interest rates offered by [redacted] as of 7/1/2026.

- 5-yr ARM, 30-yr Am at 5.87% to 6.37%
- 10-yr ARM, 30-yr Am at 5.98% to 6.48%
- 15-yr ARM, 30-yr Am at 6.18% to 6.58%

- 15-yr Fixed, 15-yr am at 5.98% to 6.48%
- 20-yr Fixed, 20-yr am at 6.15% to 6.65%
- 20-yr Fixed, 30-yr am at 6.36% to 6.86%
- 30-yr Fixed, 30-yr am at 6.52% to 7.02%

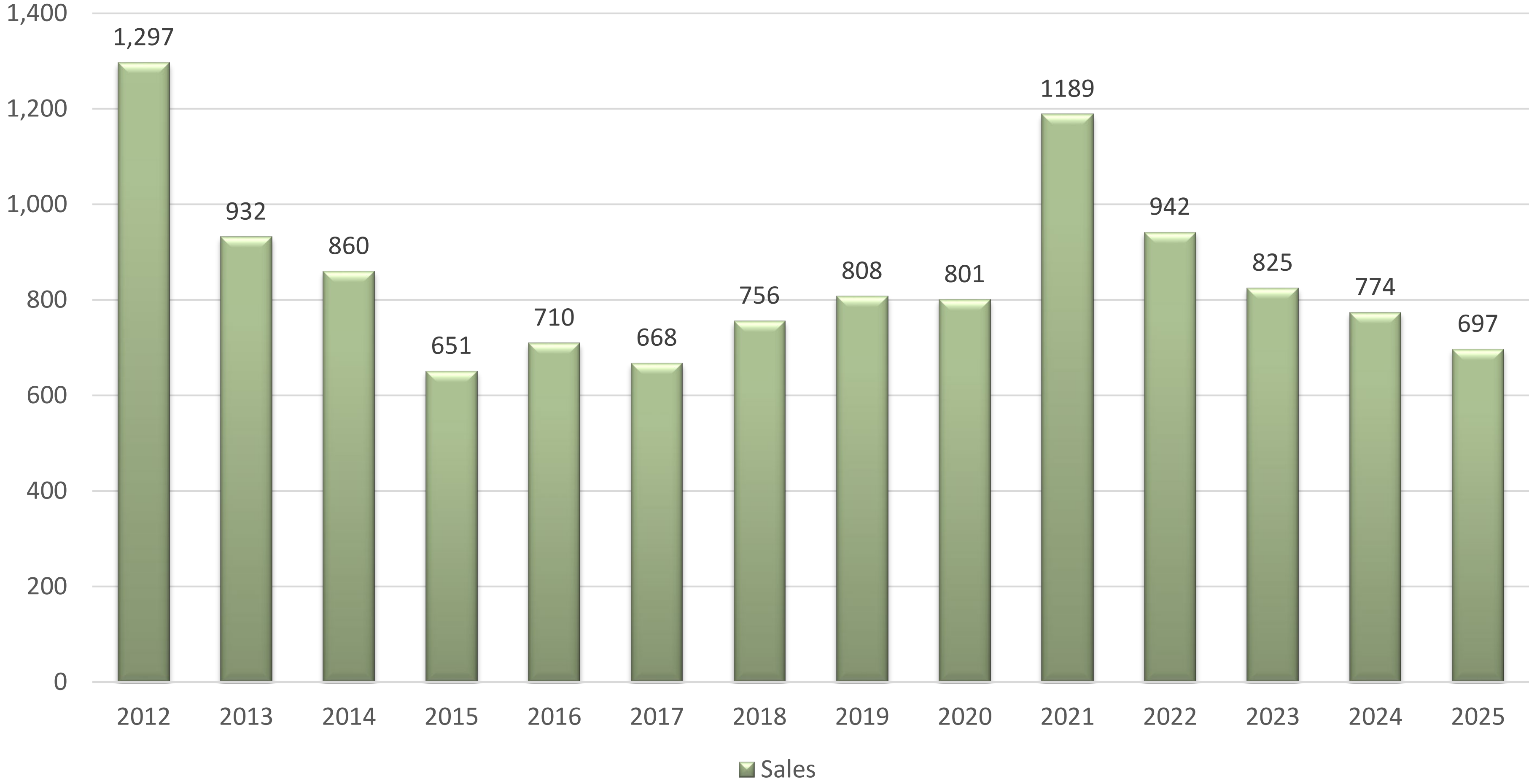
Rates are based on a good quality borrower with semi-annual payments.

These rates are only estimates and are subject to change daily.

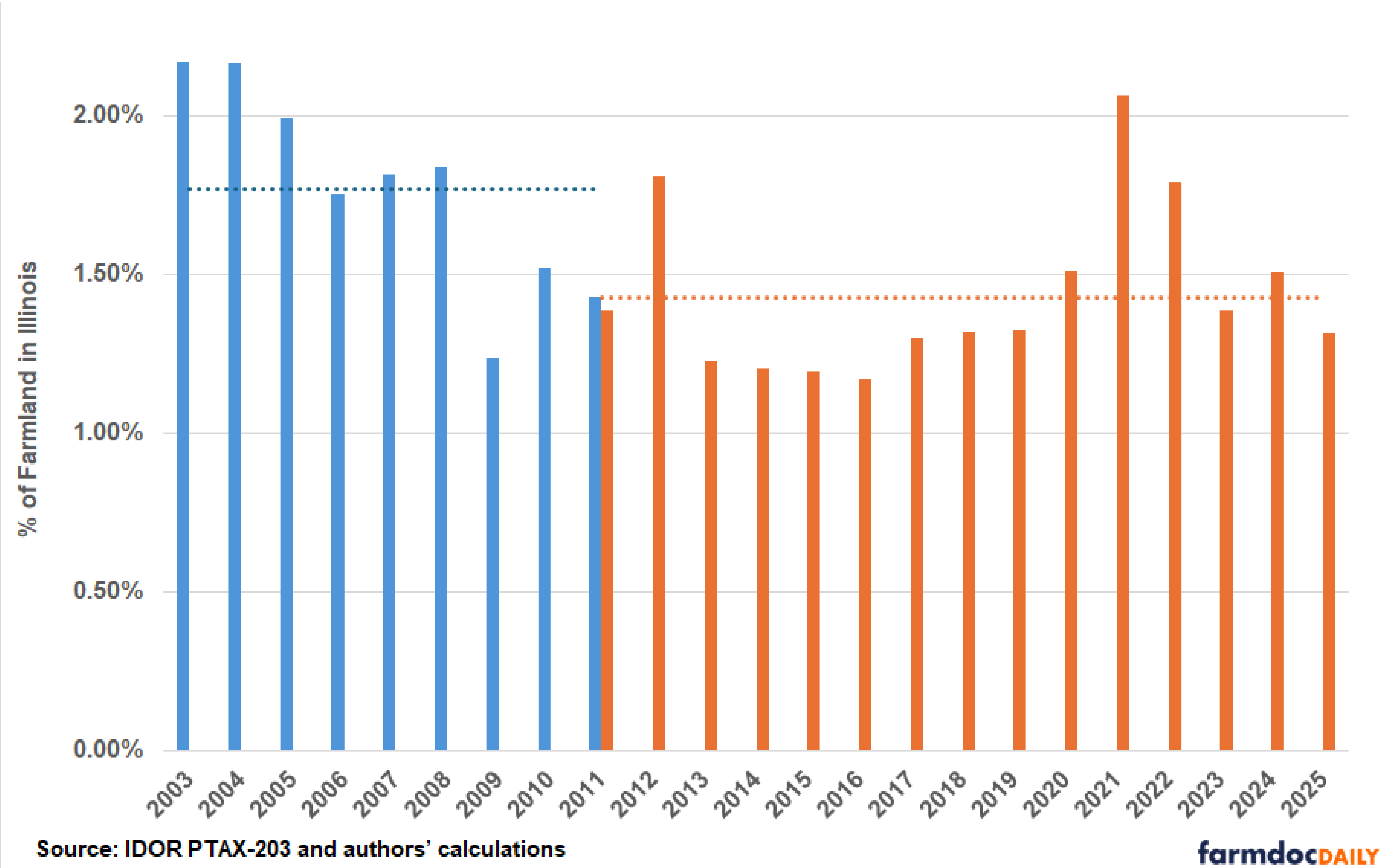
Midwest Farmland Values

WHAT'S DRIVING THE MARKET?
-SUPPLY OF LAND

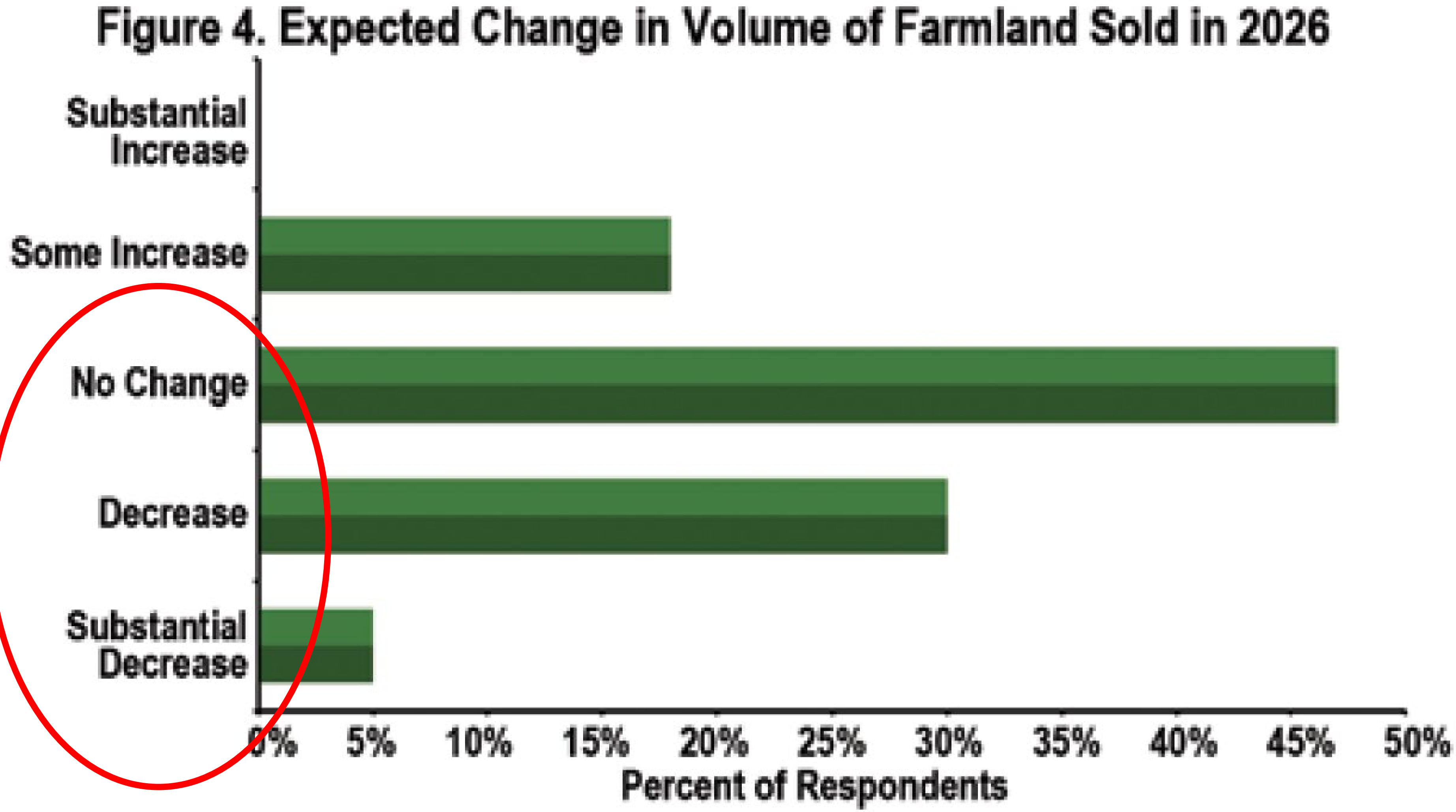
Land Sale Volume – Iowa Farmland Market Sales



Land Sale Volume – Illinois Historic



Land Sale Volume – Illinois 2026



Midwest Farmland Values

WHO BUYS & OWNS FARMLAND?

Who Are The Buyers – Illinois?

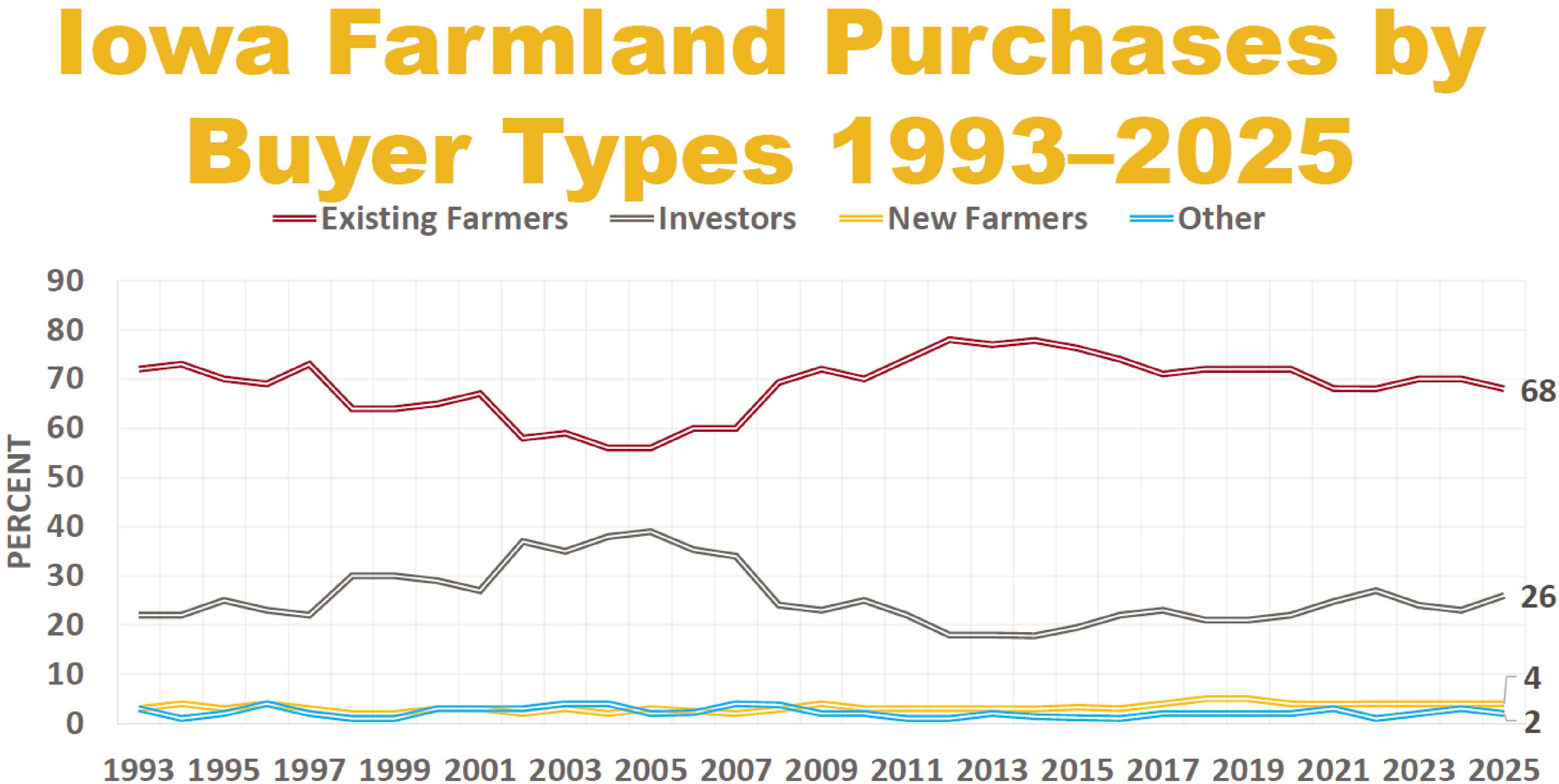
Farmland market participants (2025)

Participant category	Buyers	Sellers
Farmers	**61%**	10%
Local investors	17%	11%
Non-local investors	10%	7%
Institutions	10%	4%
Estate sales	0%	**67%**
Other	2%	1%

SOURCE: ILLINOIS SOCIETY OF PROFESSIONAL FARM MANAGERS AND RURAL APPRAISERS MID-YEAR SURVEY, 2025

Source: ISPFMRA, Q3 2025

Who Are The Buyers – Iowa?



84%

Source: ISU Land Values Survey, December 2023

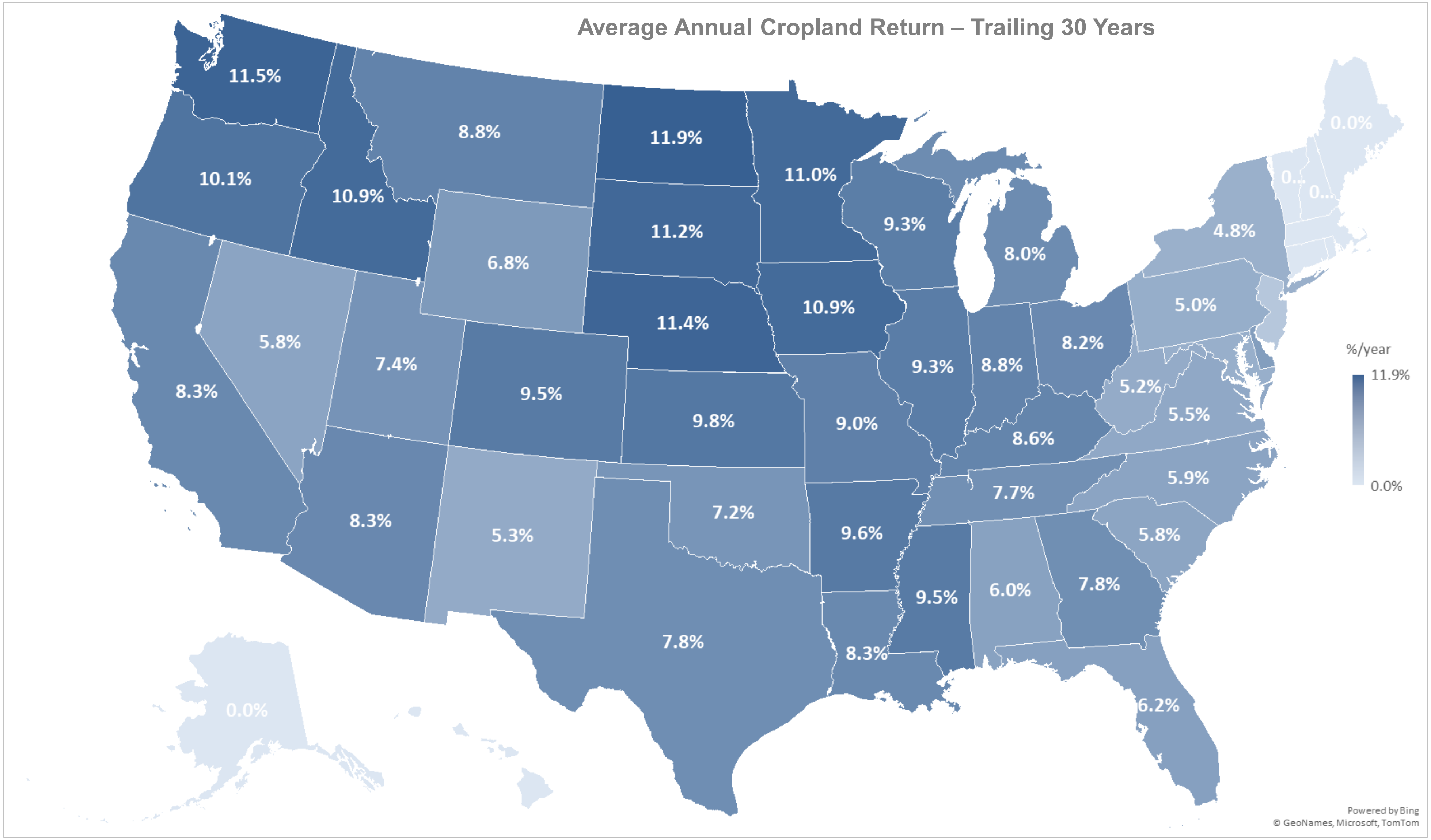
Farmland: Financial Performance 1991-2025

Asset Return Characteristics

Asset/Index	Annual Ave. Return	Standard Deviation	Coefficient of Variation	US Ag 32 States Correlation	Minimum Return	Maximum Return
			------------- 1991 - 2025-------------			
US Ag 32 States	8.8%	4.0%	0.45	1.00	-1.0%	20.7%
NCREIF Total Farmland	10.0%	6.7%	0.67	0.73	-1.0%	33.9%
Illinois	9.4%	6.0%	0.64	0.86	-0.3%	28.8%
Indiana	8.9%	5.5%	0.61	0.70	-3.1%	21.2%
Iowa	11.0%	7.9%	0.72	0.70	-5.3%	28.9%
Minnesota	10.8%	6.3%	0.58	0.79	-1.6%	25.3%
Nebraska	11.4%	8.6%	0.75	0.61	-3.3%	37.4%
Dow Jones	8.3%	13.8%	1.66	-0.11	-41.3%	28.9%
CompositeREITS	9.3%	18.1%	1.94	-0.12	-47.5%	33.7%
AAA	5.5%	1.6%	0.30	0.18	2.5%	8.8%
TCM10Y	4.1%	1.8%	0.43	0.24	0.9%	7.9%
TCM30Y	4.7%	1.7%	0.35	0.19	1.6%	8.1%
Mort30F	5.9%	1.7%	0.29	0.25	3.0%	9.2%
Gold	6.9%	15.5%	2.23	-0.04	-32.2%	48.2%
PPI	2.3%	4.7%	2.09	0.16	-7.1%	18.5%
CPI	2.5%	1.3%	0.52	0.25	0.0%	6.9%

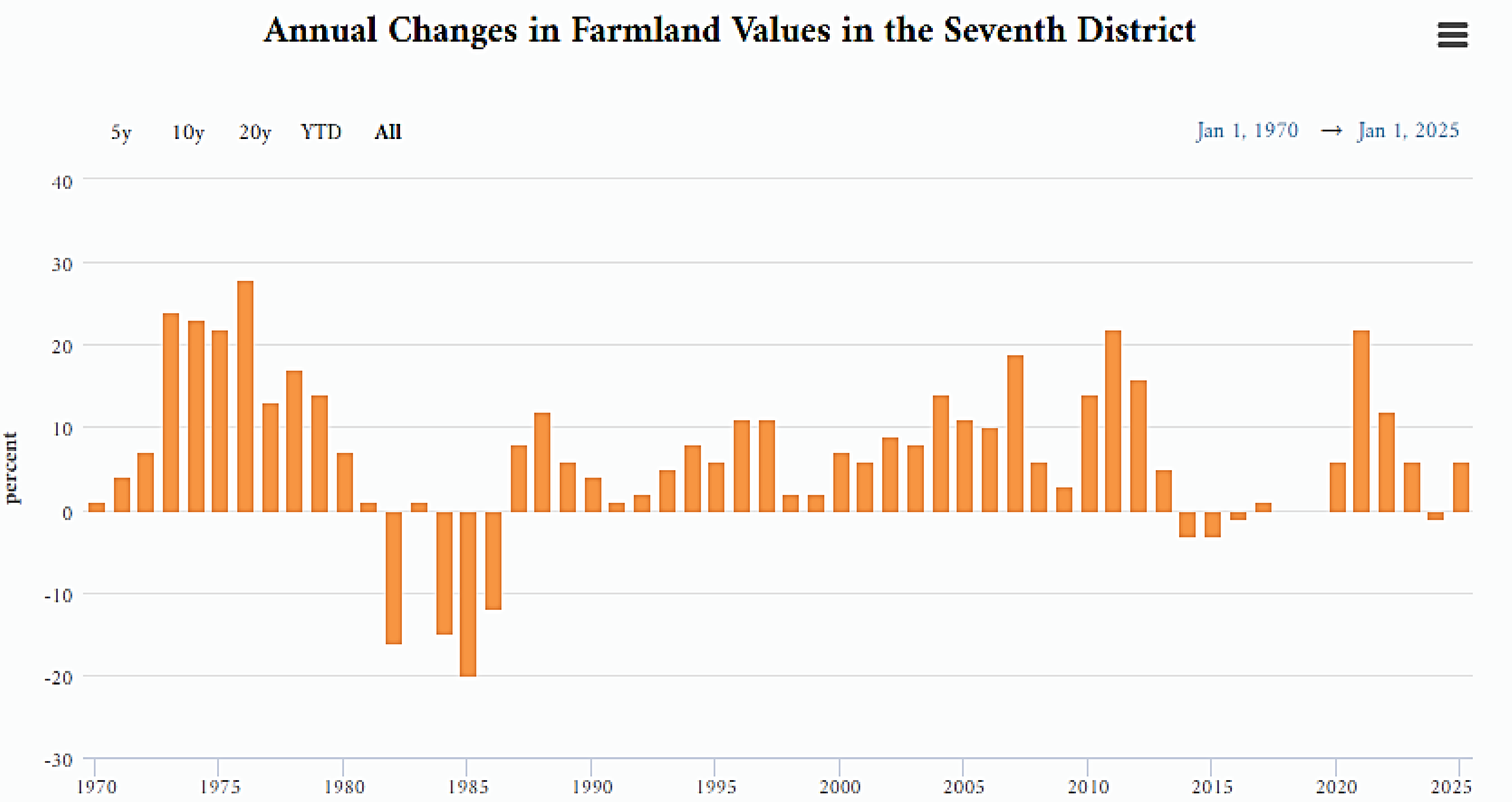
Source: University of Illinois, TIAA Center for Farmland Research

Farmland: Financial Performance 1995-2025



Source: University of Illinois TIAA Center for Farmland Research & USDA

Farmland: Financial Performance

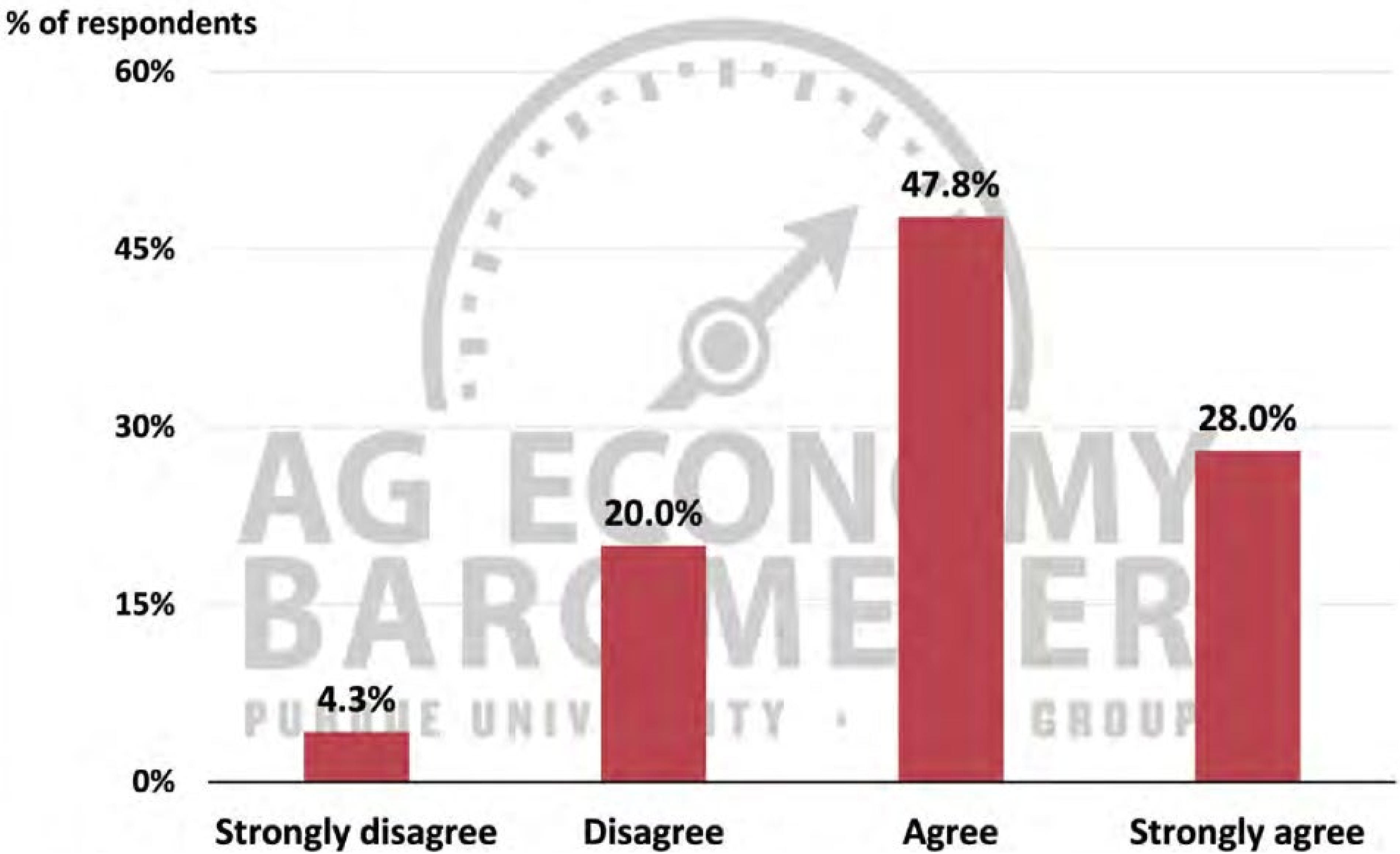


Source: Chicago Fed, January 2026

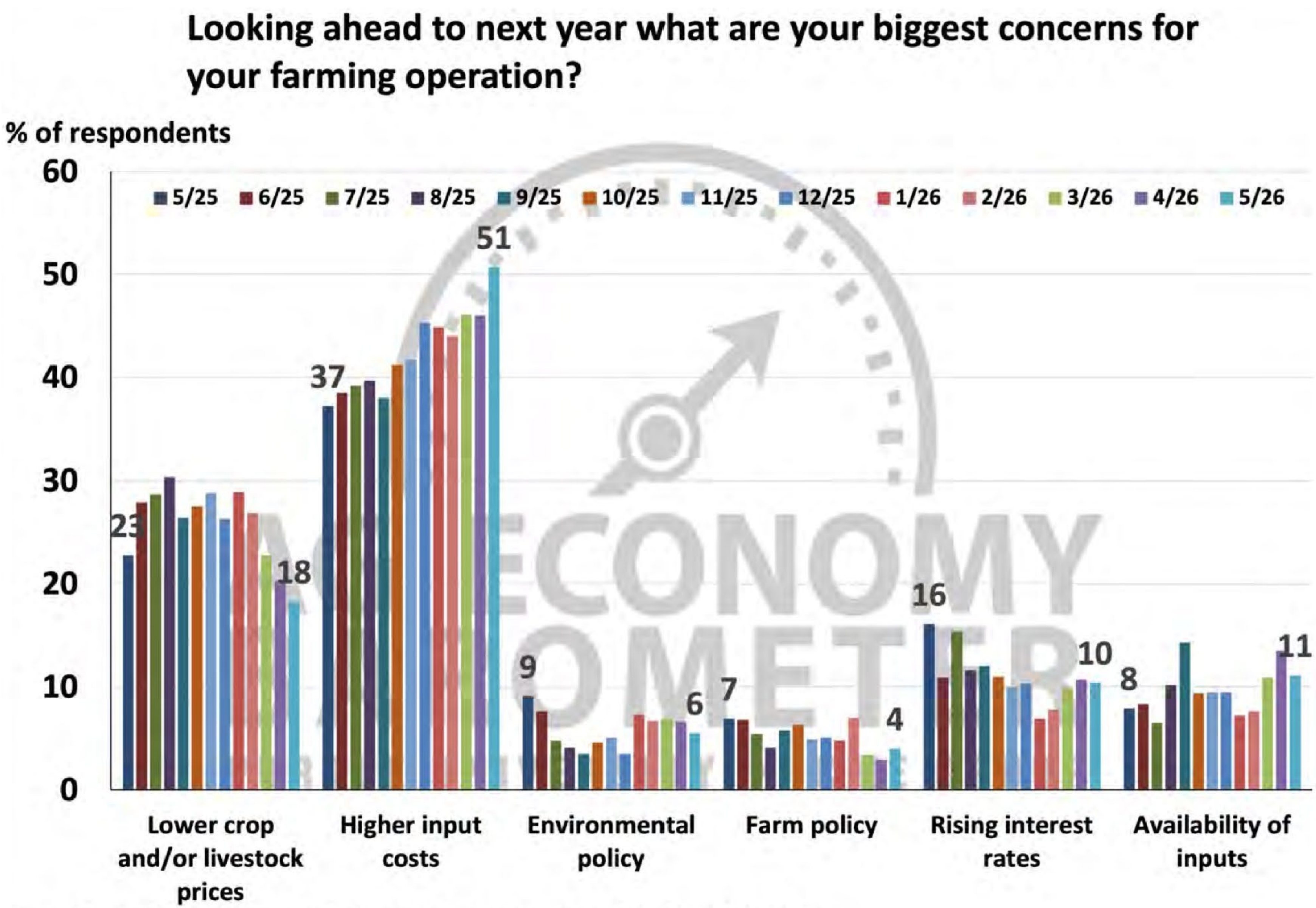
Midwest Farmland Values

WHAT TO EXPECT IN THE NEAR FUTURE?

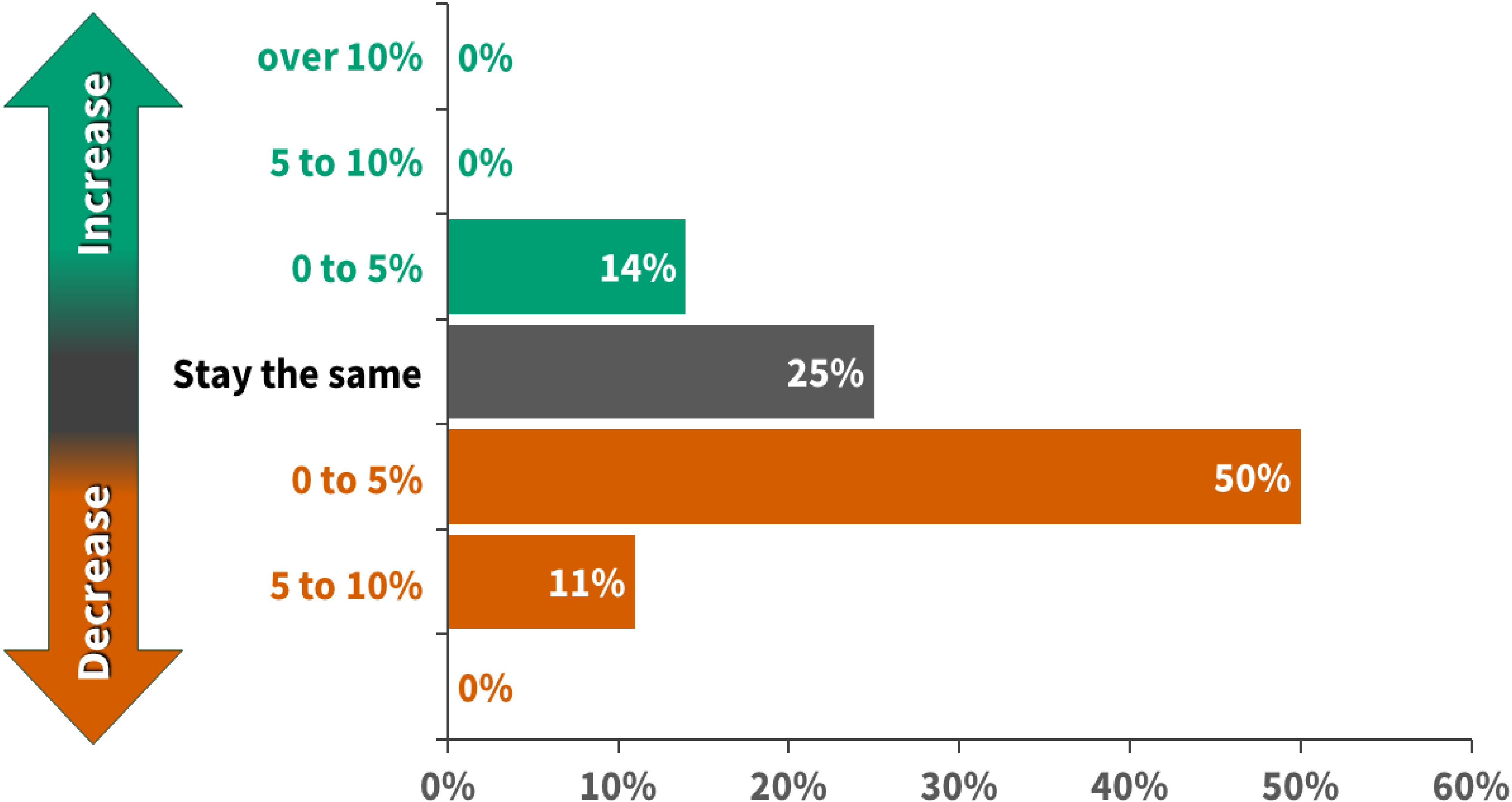
How strongly do you agree with the following statement? We have a strong balance sheet.



But Farmer Do Have Concerns…



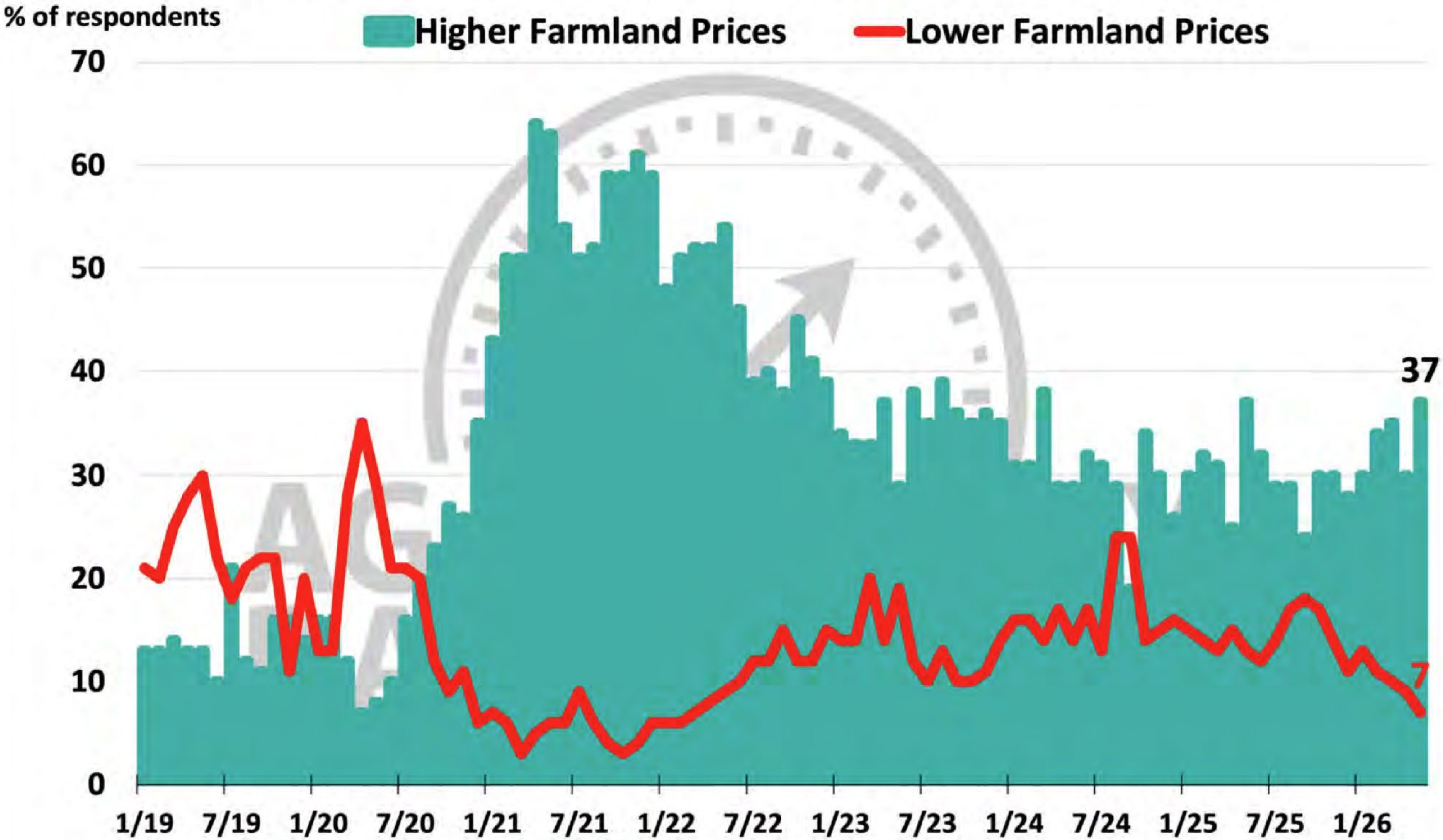
Farmland Price Expectations – Rest of 2026



ILLINOIS (Source: 2026 ISPFMRA Annual Farmland Report)

farmdocDAILY

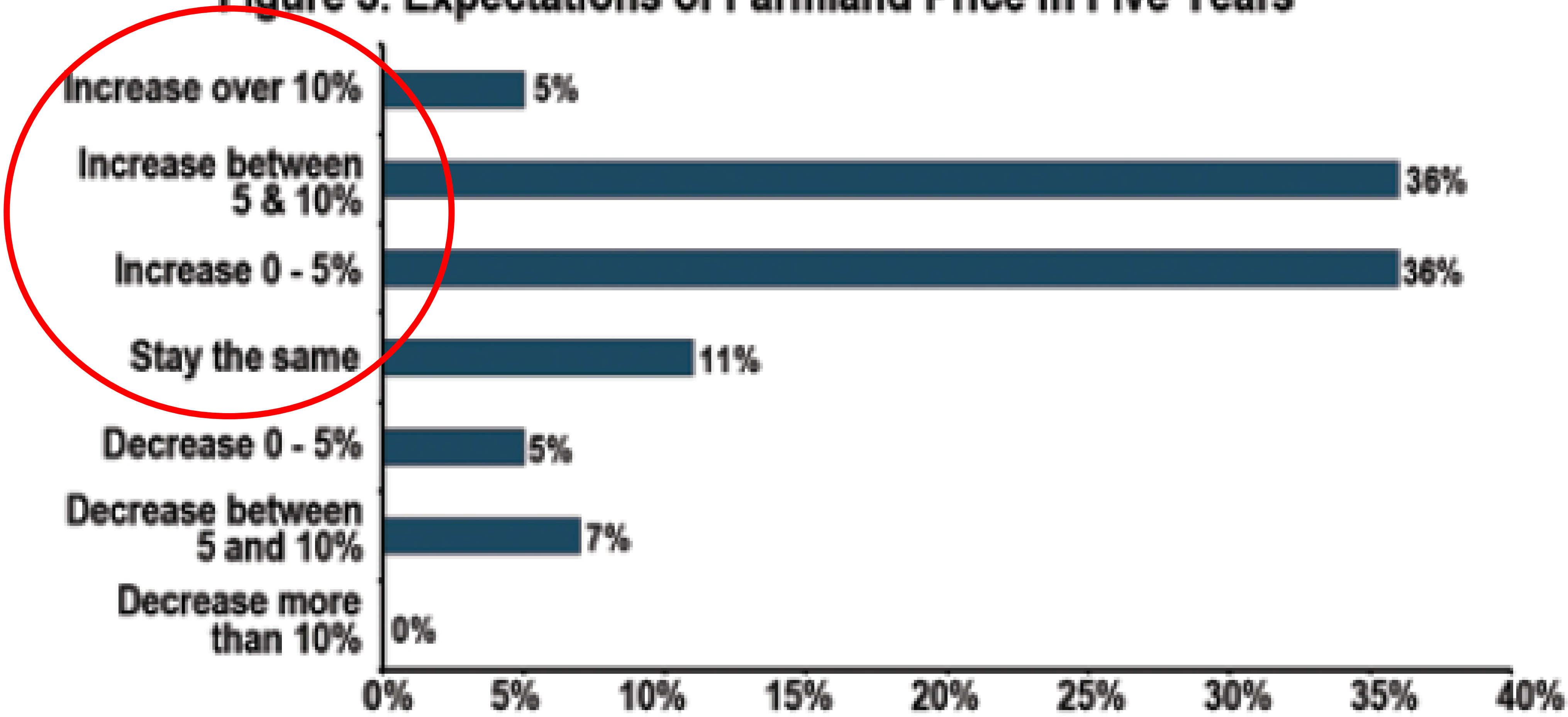
12-Month Expectations for Farmland



Source: Purdue Ag Economy Barometer, May 2026

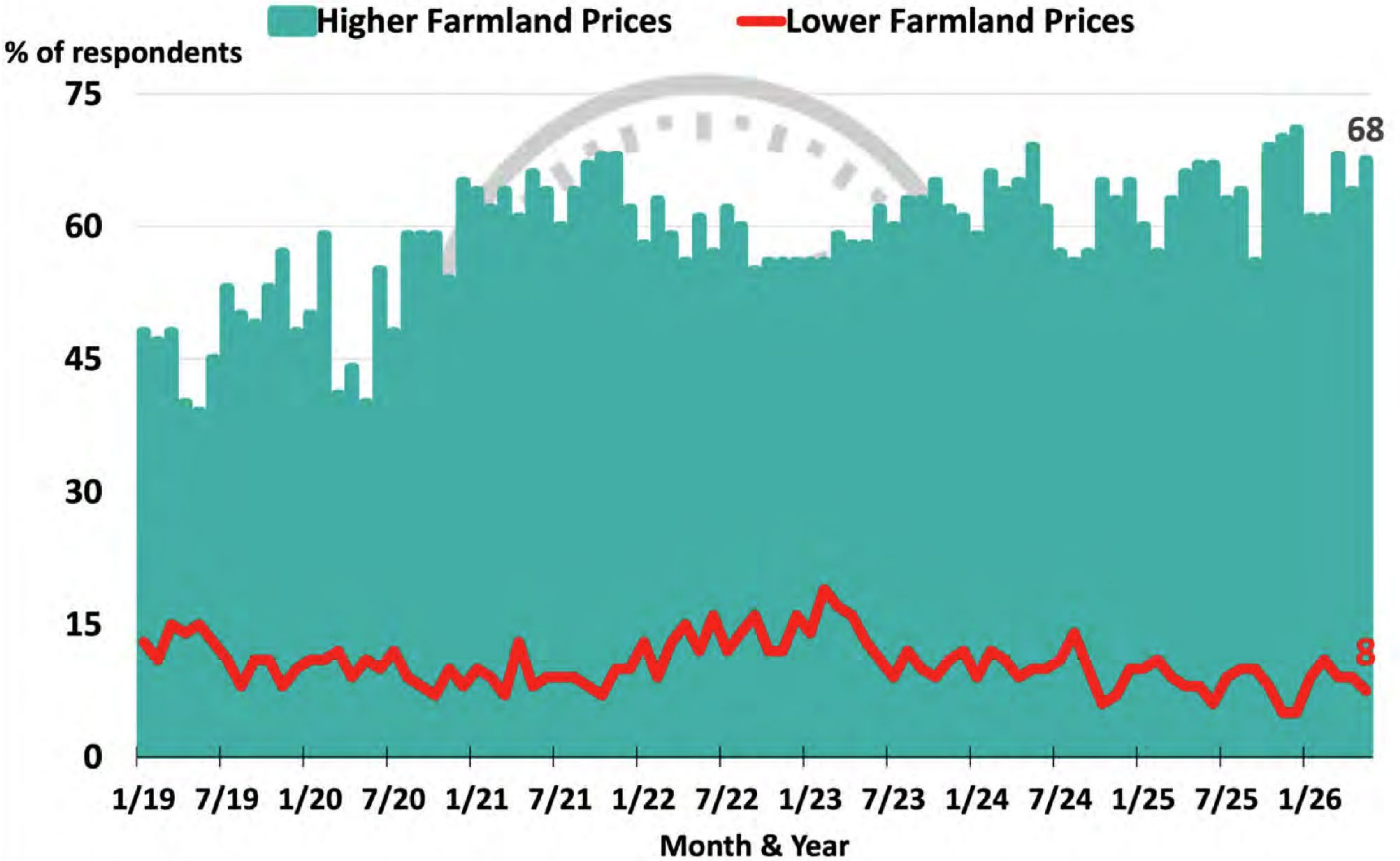
5-Year Expectations for Farmland

Figure 3. Expectations of Farmland Price in Five Years



Source: Illinois Land Values Report, Spring 2026

5-Year Expectations for Farmland



Source: Purdue Ag Economy Barometer, May 2026

What to watch in the coming months…

- **Commodity Prices**
  - What happens in remainder of 2026?
- **Interest Rates & Inflation**
  - New Fed Chair – will Trump get the lower rates he wants?
  - Inflation – can the economy settle down without higher rates?
- **Land Sales Volume**
  - Will Supply Grow in Q3 & Q4 2026?
  - Demand is down from ‘21-’24, but supply was down comparatively more, thereby maintaining price levels.
  - May become “localized” issue.
- **Farmland Sale-Leasebacks**
  - Recapitalizing Balance Sheets for the 25%?

What to watch in the coming months…

- **Farm Policy Under Trump**
  - "Skinny" Farm Bill in 2026 for CRP, E-15, & other typical farm policies?
  - Crop Insurance protected!
- **Tax Policy Under Trump**
  - The Big Beautiful Bill… implemented!
  - Keep eyes open for new "wealth tax" in various States
- **Tariffs, Trade under Trump**
  - China. Mexico. Canada. New Biz?
  - Ad-Hoc $$ Support continue to bridge the gap?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