Hertz®
Farm Management, Inc.
Caring for You and Your Farm®

Your Professional **Farm Management Experience**

What to Expect

Hertz Farm Management, Inc.

Your Farmland, **Our Expertise**

At Hertz Farm Management, Inc., we help Farmland Owners make Confident and Informed Decisions so they can Achieve their Ownership Goals... Financially, Emotionally, and Relationally.

Iowa Offices

Cedar Falls, IA	319.234.1949
Humboldt, IA	515.332.1406
Mason City, IA	641.423.9531
Mt. Vernon, IA	319.895.8858
Nevada, IA	515.382.1500
Washington, IA	319.382.3343

Illinois Offices

DeKalb, IL	815.748.4440
Geneseo, IL	309.944.2184
Kankakee, IL	815.935.9878
Monticello, IL	217.762.9881

Minnesota Office

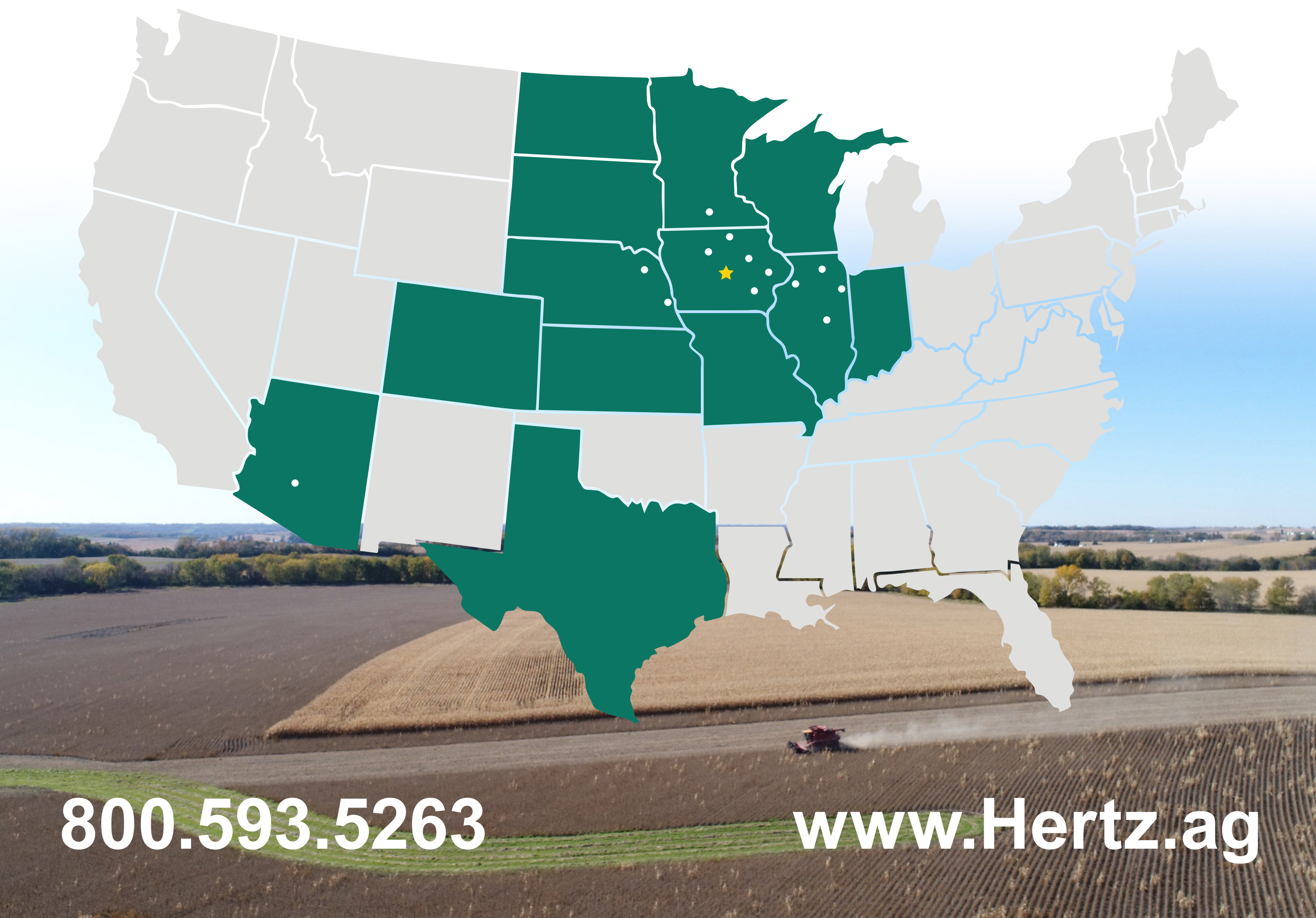
Mankato, MN	507.345.5263

Nebraska Offices

Norfolk, NE	402.371.9336
Omaha, NE	402.697.7500

Arizona Office

Avondale, AZ	602.932.5874



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Why Choose Hertz

We understand the weight of entrusting your farm to others. At Hertz, we're dedicated to easing your worries and ensuring your farm operation thrives. When you partner with us, your success becomes our mission; **we only thrive when we help you and your farm succeed.**

Some strengths of Hertz Farm Management include:

1. **Peace of Mind:** Let us handle the details. With Hertz, you can rest assured knowing that we manage everything—from detailed records to consistent on-site supervision. Collaborating with top agricultural operators, we're committed to your success and satisfaction every step of the way.
2. **Expert Farm Managers:** Our team brings practical farming experience coupled with 4-year college degrees. Continuously updating their skills and actively involved in professional societies like the American Society of Farm Managers and Rural Appraisers, our managers are equipped to navigate any challenge.
3. **Client-Centered Approach:** Your satisfaction is our priority. Through a collaborative, team-oriented approach involving farm owners, operators, and our support team, we ensure success through integrity and shared knowledge.
4. **Effective Communication:** Stay informed and comfortable with your investments through timely reports, on farm tours, and open communication channels via phone, email and personal visits
5. **Intensive Management:** We're dedicated to maximizing your goals and objectives, whether that be farm profits, sustainability, or a combination of personal goals, through informed selection of crop inputs, pest scouting, government program exploration, soil conservation efforts, and strategic grain marketing.
6. **Robust Accounting System:** Our accounting system allows for separate client bank accounts and helps to ensure clear, accurate, and understandable financial statements, income and expense summaries, budgets, and cash flow reports.
7. **Satisfied Clients:** Our success is measured by yours. With a proven track record of satisfied clients driving our steady growth for over 75 years. We are happy to provide references upon request.

Experience professional farm management with Hertz, where your success is not just a goal, but our top priority.

Farm Management Services

Management of your farm is based on a management plan developed around your unique personal goals and investment objectives, and once approved by you, executed by your farm manager.

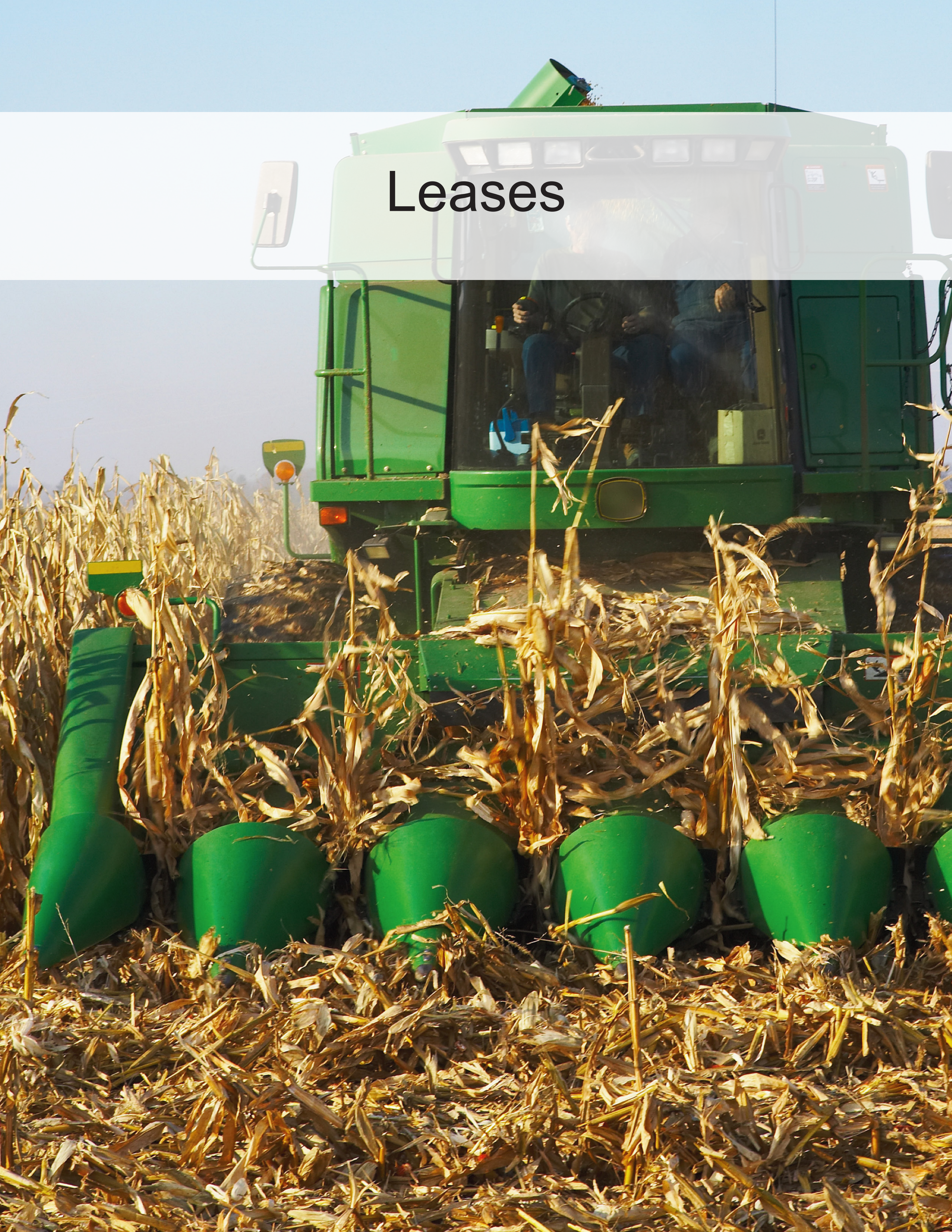
Our farm management service includes:

- Frequent on-farm visits to ensure proper management of your investment.
- Careful selection of seed varieties, fertilizer, chemicals, crop rotation and livestock program.
- Handling all government farm program details.
- Profit and financial analysis with budget and cash flow projections.
- Emphasis is placed on timely marketing of your crops and livestock.
- Supervision of repairs and capital improvement projects approved by the landowner.
- Stewardship of the soil including recommendations and implementation of soil conservation practices.
- Leasing recommendations and negotiations with the operator.
- Written reports, telephone calls, e-mails, and personal contact with all owners.
- Owner farm tours. We encourage you to include the next generation in these tours.
- An easy-to-read personalized year-end report that provides analysis of your yield, production and financial records, summarizes crop and livestock inventories, and includes the necessary financial information to simplify your tax work.

You can expect to receive accurate, up to date records, consistent on-the-farm supervision, and assurance that your best interests are being represented. We select top operators who respond to our management, building a solid team based on mutual respect and shared knowledge. In addition, you will receive the benefit of the shared experiences of all of our farmland professionals, as your manager will be able to draw on the experience of other Hertz team members through our bi-weekly conference calls. There are also a number of subject matter experts across the company that are available to help answer specific questions on topics ranging from crop production to transition planning. Even if your farm manager has not run into a particular question or issue, be assured one of our other 70+ farmland professionals has and is willing to help.

An individual farm checking account is maintained for each client at a bank of their choice. All income and expense items are approved by the manager and transacted through this account. Statements of the account are mailed periodically to the client and all transactions are summarized at the end of the year in our Annual Report.

Leases



Farm Leasing Alternatives

There are several types of leasing arrangements that can be negotiated. The exact terms of the lease will vary depending upon market conditions and individual situations. The return and risk of each type of lease should also be considered.

Following is a brief description of several of the most common farm lease options:

50-50 Crop Share Lease

The 50-50 Crop Share Lease used to be the most common type of lease across the Midwest. Crop income and crop expenses were typically divided equally between the landowner and farm operator. However, increased land values, higher crop yields, and technology have changed the traditional balance, particularly in the eastern and central Corn Belt. Larger and more sophisticated farming equipment, reduced tillage, better drainage and reduced field work, due to the use of herbicides, have allowed farmers to dramatically increase the size of their farming operations. The result is a willingness of farm operators to rent good productive land on more aggressive lease terms.

For those that like the 50-50 crop share lease concept, we have modified some of the terms, with the farm operator paying for more than 50% of crop input costs or making a supplemental cash payment to the landowner, to help keep this lease more competitive with other alternatives.

50-50 Crop and Livestock Lease

In addition to sharing the crop income and expenses noted above, the landowner participates in the livestock production with the farm operator. The specific lease terms depend on the type of livestock and the livestock facilities.

Modified Crop Share Lease

In addition to the land, the landowner provides all of the seed, fertilizer and chemicals. The operator provides the machinery, fuel, and labor. Each party is responsible for insuring, drying and storing their respective share of the crop. The owner receives from 72 to 80 percent of the crop depending on the quality of the land and crop mix. This arrangement will normally provide a higher return to the landowner as compared to the 50/50 crop-share lease and also provide the landowner more control over the farming practices and inputs used on their farm.

Custom Operation

- The owner receives the entire crop and government payments.
- The owner pays for all crop inputs.
- A farmer in the local community is paid to complete all field work, including planting, and harvesting the crops.

Most progressive and timely operators have more than an adequate line of equipment to farm their current operation and are interested in custom farming to have a guaranteed cash flow and to spread their capital and labor costs over more acres.

The custom operation will generate a higher net income on above-average land, particularly with favorable yields and commodity prices. It also provides landowners with the highest return for land improvements such as tile or grain storage and more complete control of the farming practices on their farm.

Farm Leasing

Alternatives Cont.

Percentage Lease

A percentage lease is similar to a cash rent lease. However, the owner receives a specified percentage of corn or soybeans delivered to an agreed grain terminal or location and a percentage of any government payments. All crop input expenses are paid by the operator. This gives the owner some inflation protection and the ability to increase his return through effective grain marketing. It is important to evaluate the credit worthiness of the proposed operator, evaluate their crop input selection and their farming methods, to protect your land investment. Improper application rates and farming methods can reduce the production potential of the farm both now and in the future. Generally, the owner's percentage varies from 30% to 40% depending on the quality of the land and crop.

Cash Rent

An operator pays a set amount of cash and the landowner does not participate in the crop production. Usually, all the rent is paid March 1 at the beginning of the crop season or one-half of the rent is paid on March 1 and the balance is paid after harvest is completed.

Due to increased volatility in commodity prices, flexible cash rent leases have become more popular. There are numerous ways to structure a flexible cash rent lease. Typically, there is a guaranteed base rent with a provision for an additional bonus rent based on crop revenue.

Similar to the percentage lease, careful evaluation of your operator's farming practices and financial health is a critical success factor. The cash rent level should be reviewed each year and adjusted for market conditions. It is important to execute and file a UCC-1 financing statement to perfect the landowner's lien and provide a security interest in the crop in most states for any lease with a rent payment due at or after harvest.

A cash rent lease is "passive" income. Cash rental arrangements eliminate the option of utilizing Section 179 deductions (Expense Method Depreciation). Cash renting also eliminates the option of utilizing some estate planning tools – the installment method of paying federal estate tax and special use valuation are two examples.

At Hertz Farm Management, the resources of each farm and the landowner's goals and objectives for the farm are taken into consideration in recommending the type of lease. A "Lease Comparison" similar to the one on the next page is provided specifically for each farm showing an estimate of the landowner's net income under various leasing alternatives. A change in lease type would only be made with the landowner's full knowledge and approval.

OBJECTIVES	Custom Agreement	Modified Crop Share	Crop Share	Net Share	Variable Cash Rent	Cash Rent
Grain market opportunities	●	●	◒	◒	◒	○
Productivity and technology advances	●	●	●	◒	◒	○
Income tax flexibility and deductions	●	●	●	◒	○	○
Minimal investment	○	○	◒	●	●	●
Benefit from land improvements like drainage tile	●	●	◒	◒	◒	◒
Influence farm operations and care	●	●	◒	◒	○	○
Participate in a higher value crop (seed corn)	●	●	◒	◒	○	○
Conservation practices– cover crops, no-till	●	●	◒	◒	○	○

● Highest Benefit ◒ Moderate Benefit ○ Least Benefit

Five Year Avg Lease Comparison
High Producing Farm
200 Acres m/l in the Midwest Region

Hertz Farm Management, Inc.

ASSUMPTIONS : 80/20 Split on Modified Crop Share					
Tillable Acres	200.0			Cash Rent $/ Tillable Acres	$370
Pasture Acres	0.0			Building/Lots Rent	$0
CROP INFORMATION	**ACRES**	**YIELD**	**$/BU**		
Corn	100.00	215	$4.80		
Soybeans	-100.00	62	$11.60		

INCOME	$/ACRE	CUSTOM	MODIFIED CROP SHARE	50/50 CROP SHARE	CASH RENT
Corn	$1,032	$221,880	$177,504	$110,940	
Soybeans	$719	$44,590	$35,672	$22,295	
Cash Rent - Land	$370				$74,000
Pasture	$85	$0	$0	$0	$0
Buildings/Lots	$0	$150	$150	$150	$150
CRP Payment	--	$5,000	$5,000	$5,000	$5,000
TOTAL INCOME		**$271,620**	**$218,326**	**$138,385**	**$79,150**
EXPENSES					
Corn - Seed	$135	$29,025	$29,025	$14,513	
Fertilizer	$170	$36,550	$36,550	$18,275	
Crop Insurance	$25	$5,375	$4,300	$2,688	
Dry and Store	$40	$8,600	$6,880	$4,300	
Custom Hire	$165	$35,475	$0	$0	
Pesticides	$80	$17,200	$17,200	$8,600	
Soybeans- Seed	$80	$4,960	$4,960	$2,480	
Fertilizer	$85	$5,270	$5,270	$2,635	
Pesticides	$90	$5,580	$5,580	$2,790	
Custom Hire	$140	$8,680	$0	$0	
Crop Insurance	$20	$1,240	$992	$620	
Storage	$5	$310	$248	$155	
Property Taxes	$35	$7,000	$7,000	$7,000	$7,000
Repairs	$500	$500	$500	$500	$500
Management Fees	--	$20,372	$19,649	$13,839	$6,332
Int. on Operating @ 8%	8%	$7,240	$5,915	$2,958	$0
Insurance - Liability & Property	$120	$120	$120	$120	$120
TOTAL EXPENSES		**$193,496**	**$144,189**	**$81,471**	**$13,952**

NET INCOME & RETURN ON INVESTMENT	CUSTOM	MODIFIED CROP SHARE	50/50 CROP SHARE	CASH RENT
OVERALL NET INCOME	**$78,124**	**$74,137**	**$56,914**	**$65,198**
NET INCOME/TILLABLE ACRE	**$390.62**	**$370.68**	**$284.57**	**$325.99**
ROI 200.0 ACRES @ $15,000/AC or $3,000,000	2.60%	2.47%	1.90%	2.17%

(AFTER ALL EXPENSES INCLUDING PROPERTY TAXES, REPAIRS, LIABILITY, AND PROPERTY INSURANCE.)

*** Above is only one estimate based on the assumptions listed and cannot be guaranteed by HFM Inc. or its staff.**

Quarterly Reports

Hertz Farm Management, Inc.
Caring for You and Your Farm®

Professional Farm Managers
•
Real Estate Appraisers
•
Real Estate Sales and Acquisitions
•
Real Estate Auctions
•
Consultants

415 South 11th Street P.O. Box 500 Nevada, IA 50201-0500 (515) 382-1500
Fax: (515) 382-3762 www.Hertz.ag

April 15, 2025

Mr. Jim Smith
123 County Home Rd
Oelwein, IA 50662

Re: 10999 Smith Farm LLC

Dear Jim:

STATEMENT OF ACCOUNT

A statement of your farm checking account is enclosed for the period January 1 through March 31, 2025, showing a balance of $44,027.21. Your account is currently earning 2.0% interest. We have also enclosed a Detailed Summary of Income and Expense showing a net farm income interest for the year through March 31, 2025.

SPRING WEATHER

Central Iowa enters the 2025 growing season with drier than normal soil conditions for the fifth year in a row following an abnormally dry fall and below normal winter precipitation. Soil conditions appear conducive for early planting as there are limited chances of rainfall in the forecast for the rest of April. Temperatures are expected to be above normal, raising soil temperatures to adequate levels for planting.

Some very early planting began across the area the week of April 6. Kevin Jones planted the soybeans on your farm on April 10. The corn was planted on April 12. Soil conditions were excellent. Rainfall is forecast across the state on Easter Sunday, which would be well timed for your crops. We have enclosed a copy of the 2025 Crop Plat for your farm, showing the field locations and crop inputs to be used for the 2025 crop production.

EMERGENCY COMMODITY ASSISTANCE PROGRAM (ECAP)

The USDA is issuing up to $10 billion in direct payments to producers of eligible commodities for the 2024 crop year through ECAP, a one-time economic assistance payment program to assist with mitigating impacts of high input costs and a drop in commodity prices. Payments will be $42.91 per acre for corn and $29.76 per acre for soybeans, based upon 2024 planted acres. The payments will be issued in two stages: 85% up front now, and the remaining 15% later in 2025 if enough funds remain.

Applications opened for ECAP on March 19. We have applied for the program on your farm and expect to receive the first set of funds in the second quarter. Exact dollar amounts received will be shown in your next report.

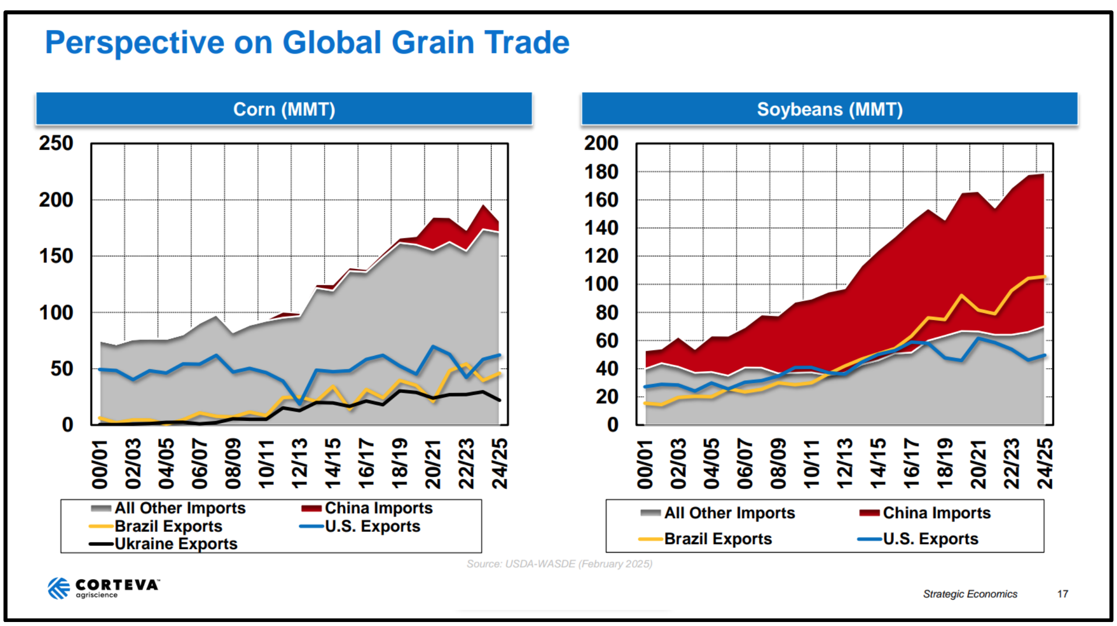
TARIFF IMPLICATIONS ON AGRICULTURE

As expected, alterations to U.S. trade policy have been a major storyline for agriculture to begin the year. Early in 2025, President Trump announced a baseline tariff of 10% on products from all countries, 20% on imports from China, and 25% on imports from Mexico and Canada would begin in April to address trade imbalances.

On April 9, President Trump suddenly announced a 90-day pause on reciprocal tariffs above 10% for most countries to provide time for negotiations. Despite the pause, China was imposed with an additional 34% tariff, bringing the total to over 60%. In response, China enforced an 84% tariff on U.S. agricultural products, further escalating the trade conflict. President Trump reciprocated by raising the tariff on Chinese imports to 145%.

The tariffs have caused major market volatility as policies seem to change by the minute. The tariffs on China are expected to have little impact on U.S. corn exports with China's total imports down sharply amid Beijing's emphasis on grain self-sufficiency. The U.S. exports only about 15% of its corn production, making the impact of tariffs for corn relatively minor. In contrast, the tariffs may significantly impact soybean exports as the U.S. exports about 40% of its soybean production. While Brazil has already captured a strong hold of the Chinese soybean market over the past decade, Chinese buyers will likely further shift purchases away from the U.S. while tariffs are in place.

The charts below from Corteva Agriscience illustrate the U.S. and Brazil's share of world corn and soybean exports, along with China's imports, over the past 25 years:



Most crop inputs have already been purchased for 2025 crops, so tariffs are unlikely to impact input prices for this growing season. Fertilizer imports from Canada, which supplies a vast amount of U.S. potash use, appear to be exempt from tariffs. Nitrogen and phosphorus fertilizers are mostly produced domestically. Chemical crop protection products may face price hikes for 2026 purchases as an estimated 50% of products used in the U.S. have an active ingredient that originates overseas.

The pause on tariffs offers temporary relief for farmers, but the uncertainty surrounding the relationship between the U.S. and China will continue to linger. The long-term impacts will depend on future trade negotiations and the ability of U.S. agriculture to adapt to changing global demands.

GRAIN MARKETS

Grain prices rallied to start 2025 after the USDA made surprise changes to the U.S. grain balance sheet, showing lower supplies than had been projected following harvest last fall. However, prices quickly turned lower in mid-February as concerns over tariff impacts on grain exports weighed on the markets. Despite some recovery over the past week, prices remain below the highs set earlier in the year.

The USDA released their Grain Stocks and Prospective Plantings report on March 31. The report showed an expected 95.3 million acres of corn planted in 2025, up 4.73 million from last year and the fourth largest total on record. 83.5 million acres of soybeans are expected to be planted, down 3.55 million from 2024. The estimate for corn was 0.9 million acres above trade expectations, while the soybean estimate was in line with pre-report estimates. The USDA will update planted acres again on June 30. Final acres can vary widely from the March estimates, making the June report critical to watch.

U.S. and global corn supplies are trending lower, providing support to the corn market. On the other hand, domestic and world soybean supplies are on the rise. Volatility will be the key word in the grain markets for the rest of 2025 as traders balance news on world trade developments and the upcoming growing season. Price activity for new crop futures contracts since January 1 is shown in the following charts:

DECEMBER 2025 CORN FUTURES

NOVEMBER 2025 SOYBEAN FUTURES

2024 GRAIN SALES

Below is a summary of the sales that have been made for your 2024 crop production:

2024 GRAIN SALES			
Crop	**Bushels Sold**	**Avg. Sale Price**	**Percent Sold**
Corn	12,883.02 bu.	$4.61/bu.	66%
Soybeans	3,655.89 bu.	$10.41/bu.	72%

Current cash prices at local processors you deliver to are near $4.80 per bushel for corn and $10.25 per bushel for soybeans.

2025 GRAIN SALES

Forward sales that have been made for your 2025 crop production are summarized below:

2025 GRAIN SALES				
Crop	**Acres**	**Bushels Sold**	**Avg. Sale Price**	**Percent Sold**
Corn	66.5	2,000.00 bu.	$4.06/bu.	10%
Soybeans	72.5	900.00 bu.	$9.80/bu.	20%

Cash prices for fall delivery to local elevators are currently near $4.20 per bushel for corn and $9.50 per bushel for soybeans.

Grain prices often make seasonal rallies during April, May, and June as weather risk is amplified for the U.S. growing season. We will continue to closely monitor market activity to make sales on favorable pricing opportunities for both old and new crop grain during this period.

IOWA LAND VALUES

The REALTORS® Land Institute - Iowa Chapter released the results of their most recent Land Trends and Values Survey on March 26. The survey showed that the average price for Iowa farmland as of March 1, 2025, dropped by 1.0% since September 2024. This represents a cumulative decrease of 6.0% over the past 12 months. A rally in the grain markets in early 2025 helped stave off the downtrend in values seen in 2024. However, the outlook is more uncertain for the rest of 2025 until more is known about the impact of tariffs on commodity prices and how the U.S. growing season progresses.

Sincerely,

HERTZ FARM MANAGEMENT, INC.

Craig J. Welter
Accredited Farm Manager
e-mail: CraigW@Hertz.ag

CJW:oan
Enclosures

STATEMENT OF 10999 Smith Farm LLC
State Bank & Trust Company
NEVADA, IA 50201
HERTZ FARM MANAGEMENT, INC.

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
	BEGINNING BALANCE 01/01/25					19,911.49
1/8/2025	**10999-00999 Smith Farm LLC** **Fertilizer - 2025 Corn** NH3 overrun 6.29 total ton NH3 (155 lb) 75.2 qt N-Serve	211202560500		1,226.59		
	10999-00999 Smith Farm LLC **Fertilizer - 2025 Corn** 18-61-88-29-1 N-P-K-S-Zn VRT P&K w/flat elemental S	211202560500		7,530.32		
	10999-00999 Smith Farm LLC **Fertilizer - 2025 Soybeans** 16-55-120-18-1 N-P-K-S-Zn VRT P&K w/flat SO4	311202560500		7,791.12		
	10999-00999 Smith Farm LLC **Custom Hire - 2025 Corn** NH3 application	211202562000		1,142.96		
	10999-00999 Smith Farm LLC **Custom Hire - 2025 Corn** VRT Dry Fert Application	211202562000		738.16		
	10999-00999 Smith Farm LLC **Custom Hire - 2025 Soybeans** VRT Dry Fert Application Total Check: $19,199.33	311202562000		770.18		
	Paid To: KEY COOP 13585 620TH AVE ROLAND, IA 50236		1247			712.16

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
1/9/2025	**10999-00999 Smith Farm LLC**	211202440001			10,809.08	
	2024 Corn Sold					
	2,284.01 BU @ $4.73/BU					
	10999-00999 Smith Farm LLC	211202460200		139.37		
	Custom Drying - 2024 Corn					
	10999-00999 Smith Farm LLC	211202465100		22.84		
	Checkoff - 2024 Corn					
	10999-00999 Smith Farm LLC	211202466100		5.71		
	Grain Insurance Fund - 2024 Corn					
	10999-00999 Smith Farm LLC	211202466300		22.84		
	Test Weight - 2024 Corn					
	Amount Received: $10,618.32					
	Received From:					11,330.48
	KEY COOP					
	13585 620TH AVE					
	ROLAND, IA 50236					
1/9/2025	**10999-00999 Smith Farm LLC**	211202494200		648.54		
	Management Fee - 2024 Corn					
	Paid To:		ACH0043624			10,681.94
	HERTZ FARM MANAGEMENT INC					
	PO BOX 500					
	NEVADA, IA 50201					
1/13/2025	**10999-00999 Smith Farm LLC**	211202440001			8,120.92	
	2024 Corn Sold					
	1,715.99 BU @ $4.73/BU					
	10999-00999 Smith Farm LLC	211202460200		8.63		
	Custom Drying - 2024 Corn					
	10999-00999 Smith Farm LLC	211202465100		17.16		

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
1/13/2025	**Checkoff - 2024 Corn**					
	10999-00999 Smith Farm LLC	211202466100		4.29		
	Grain Insurance Fund - 2024 Corn					
	Amount Received: $8,090.84					
	Received From:					18,772.78
	KEY COOP					
	13585 620TH AVE					
	ROLAND, IA 50236					
1/13/2025	**10999-00999 Smith Farm LLC**	211202560700		9,108.00		
	Seed - 2025 Corn					
	30 bags Pioneer P1027AM					
	10999-00999 Smith Farm LLC	311202560700		4,581.60		
	Seed - 2025 Soybeans					
	80 bags Pioneer P28Z30E					
	Total Check: $13,689.60					
	Paid To:		1248			5,083.18
	KEY COOP					
	13585 620TH AVE					
	ROLAND, IA 50236					
1/13/2025	**10999-00999 Smith Farm LLC**	211202494200		487.26		
	Management Fee - 2024 Corn					
	Paid To:		ACH0043625			4,595.92
	HERTZ FARM MANAGEMENT INC					
	PO BOX 500					
	NEVADA, IA 50201					
1/16/2025	**10999-00999 Smith Farm LLC**	211202460300		32.83		
	Drying-Electricity - 2024 Corn					

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
1/16/2025	12/01/24-01/01/25 Paid To: CONSUMERS ENERGY 2074 242ND ST MARSHALLTOWN, IA 50158-9137		1249			4,563.09
1/21/2025	**10999-00000 Smith Farm LLC** **Advance from Another Farm/Same Owner** In Bank Transfer Received From: Jim Smith 123 County Home Rd Oelwein, IA 50662	990202527100			10,000.00	14,563.09
1/22/2025	**10999-00999 Smith Farm LLC** **Herbicide - 2025 Corn** Pre-Keystone Post-Resicore, Atrazine, Roundup, Jackhammer	211202560100		2,615.29		
	10999-00999 Smith Farm LLC **Herbicide - 2025 Soybeans** Pre-Kyber Pre Burndown-2,4-D, Tapran Post-Enlist One, Roundup, Everprex, Tapran, Corn Killer	311202560100		4,160.66		
	10999-00999 Smith Farm LLC **Fertilizer - 2025 Corn** 4.89 ton UAN 32-0-0 (45 units N)	211202560500		1,685.92		
	10999-00999 Smith Farm LLC **Fertilizer - 2025 Soybeans**	311202560500		1,029.00		

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
1/22/2025	Utrisha - .31 lb/ac					
	10999-00999 Smith Farm LLC	211202561400		208.50		
	Insecticide - 2025 Corn					
	Kendo					
	10999-00999 Smith Farm LLC	311202561400		220.50		
	Insecticide - 2025 Soybeans					
	Kendo					
	10999-00999 Smith Farm LLC	211202561500		903.50		
	Fungicide - 2025 Corn					
	Aproach Prima					
	10999-00999 Smith Farm LLC	311202561500		955.50		
	Fungicide - 2025 Soybeans					
	Aproach Prima					
	Total Check: $11,778.87					
	Paid To:		1251			2,784.22
	Complete Ag Services LLC					
	10669 E 116th St N					
	Gilman, IA 50106					
1/31/2025	**10999-00000 Smith Farm LLC**	910202644000			43.90	
	Interest Income					
						2,828.12
2/3/2025	**10999-00999 Smith Farm LLC**	211202462300		278.75		
	Custom Hire-Trucking - 2024 Corn					
	2,322.85 wet bu. to Grinnell Feed Mill					
	Paid To:		1252			2,549.37
	RUBENDALL TRUCKING					
	365 310TH AVE					
	GRINNELL, IA 50112					

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
2/20/2025	**10999-00000 Smith Farm LLC** **Interest Income**	910202644000			4.04	2,553.41
2/20/2025	**10999-00999 Smith Farm LLC** **Drying-Electricity - 2024 Corn** 01/01/25 - 02/01/25 Paid To: CONSUMERS ENERGY 2074 242ND ST MARSHALLTOWN, IA 50158-9137	211202460300	1253	35.27		2,518.14
3/4/2025	**10999-00999 Smith Farm LLC** **Professional Service** 2024 Tax Prep Paid To: Carter PC 301 College St STE 320 Asheville, NC 28801	910202594000	1254	1,550.00		968.14
3/5/2025	**10999-00999 Smith Farm LLC** **2024 Corn Sold** 908.03 BU @ $4.41/BU	211202440001			4,004.41	
	10999-00999 Smith Farm LLC **Checkoff - 2024 Corn**	211202465100		9.08		
	10999-00999 Smith Farm LLC **Grain Insurance Fund - 2024 Corn** Amount Received: $3,993.06	211202466100		2.27		

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
3/5/2025	Received From: KEY COOP 13585 620TH AVE ROLAND, IA 50236					4,961.20
3/5/2025	**10999-00999 Smith Farm LLC** **Management Fee - 2024 Corn**	211202494200		240.26		
	Paid To: HERTZ FARM MANAGEMENT INC PO BOX 500 NEVADA, IA 50201		ACH0043626			4,720.94
3/7/2025	**10999-00999 Smith Farm LLC** **2024 Soybeans Sold** 900.00 BU @ $11.67/BU 900.00 BU @ $10.20/BU 1,855.89 BU @ $9.91/BU	311202440001			38,070.37	
	10999-00999 Smith Farm LLC **Checkoff - 2024 Soybeans**	311202465100		190.80		
	10999-00999 Smith Farm LLC **Inspection - 2024 Soybeans**	311202465400		30.00		
	10999-00999 Smith Farm LLC **Grain Insurance Fund - 2024 Soybeans** Amount Received: $37,840.43	311202466100		9.14		
	Received From: KEY COOP 13585 620TH AVE ROLAND, IA 50236					42,561.37
3/7/2025	**10999-00999 Smith Farm LLC**	311202494200		2,284.22		

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
3/7/2025	**Management Fee - 2024 Soybeans**					
	Paid To:		ACH0043627			40,277.15
	HERTZ FARM MANAGEMENT INC					
	PO BOX 500					
	NEVADA, IA 50201					
3/10/2025	**10999-00000 Smith Farm LLC**	990202514100		10,000.00		
	Transfer to Another Farm/Same Owner					
	Paid To:		1255			30,277.15
	Jim Smith Farms					
	Nevada, IA 50201					
3/12/2025	**10999-00999 Smith Farm LLC**	211202460300		35.34		
	Drying-Electricity - 2024 Corn					
	02/01/25-03/01/25					
	Paid To:		1256			30,241.81
	CONSUMERS ENERGY					
	2074 242ND ST					
	MARSHALLTOWN, IA 50158-9137					
3/18/2025	**10999-00999 Smith Farm LLC**	211202440001			13,635.59	
	2024 Corn Sold					
	3,091.97 BU @ $4.41/BU					
	10999-00999 Smith Farm LLC	211202465100		30.92		
	Checkoff - 2024 Corn					
	10999-00999 Smith Farm LLC	211202466100		7.73		
	Grain Insurance Fund - 2024 Corn					
	Amount Received: $13,596.94					
	Received From:					43,838.75
	KEY COOP					

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
3/18/2025	13585 620TH AVE ROLAND, IA 50236					
3/18/2025	**10999-00999 Smith Farm LLC** **Management Fee - 2024 Corn**	211202494200		818.14		
	Paid To: HERTZ FARM MANAGEMENT INC PO BOX 500 NEVADA, IA 50201		ACH0043628			43,020.61
3/19/2025	**10999-00999 Smith Farm LLC** **Custom Hire-Trucking - 2024 Corn** 4,489.29 bu. to Grinnell Feed Mill	211202462300		538.71		
	10999-00999 Smith Farm LLC **Custom Hire-Trucking - 2024 Soybeans** 3,655.89 bu to ADM-DSM Total Check: $1,343.54	311202462300		804.83		
	Paid To: RUBENDALL TRUCKING 365 310TH AVE GRINNELL, IA 50112		1257			41,677.07
3/20/2025	**10999-00999 Smith Farm LLC** **Real Estate Tax** 2nd half	910202579200		3,369.00		
	Paid To: JASPER COUNTY TREASURER 315 W 3rd St N Ste 500 PO BOX 1387 NEWTON, IA 50208		1258			38,308.07

DATE	DESCRIPTION	CODE	CHECK	DISBURSEMENT	RECEIPT	BALANCE
3/26/2025	**10999-00999 Smith Farm LLC**	211202440001			6,102.58	
	2024 Corn Sold					
	1,383.02 BU @ $4.41/BU					
	10999-00999 Smith Farm LLC	211202465100		13.83		
	Checkoff - 2024 Corn					
	10999-00999 Smith Farm LLC	211202466100		3.46		
	Grain Insurance Fund - 2024 Corn					
	Amount Received: $6,085.29					
	Received From:					44,393.36
	KEY COOP					
	13585 620TH AVE					
	ROLAND, IA 50236					
3/26/2025	**10999-00999 Smith Farm LLC**	211202494200		366.15		
	Management Fee - 2024 Corn					
	Paid To:		ACH0043629			44,027.21
	HERTZ FARM MANAGEMENT INC					
	PO BOX 500					
	NEVADA, IA 50201					
	ENDING BALANCE 12/31/25					44,027.21

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October 22, 2025

Mr. Jim Smith
123 County Home Rd
Oelwein, IA 50662

Re: 10999 Smith Farm LLC

Dear Jim:

STATEMENT OF ACCOUNT

A statement of your farm checking account is enclosed for the period July 1 through September 30, 2025, showing a balance of $44,844.14. Your account is currently earning 1.85% interest. We have also enclosed a Detailed Summary of Income and Expense for the year through September 30.

2025 TAX PLANNING

The following table shows actual income and expense through September 30:

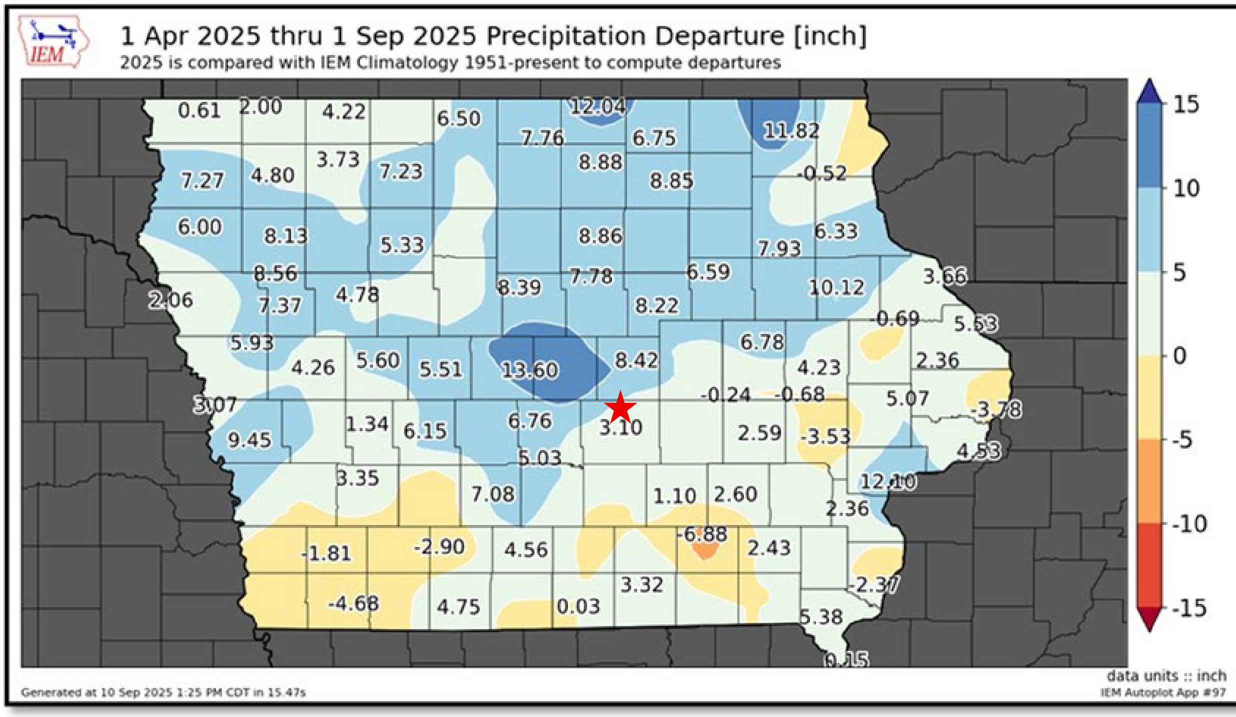
2025 NET FARM INCOME	
1/1/25-9/30/25	
Farm Income	$154,669.85
Farm Expense	99,487.20
Net Farm Income	$55,182.65

We estimate that the net farm income for 2025 will be in a range of $35,000 to $55,000. If you prefer to see the net farm income significantly different than this amount or at a specific number within this range, please contact us by the end of November.

CROPS & WEATHER

The 2025 growing season in central Iowa will be remembered for two things: excess rainfall and disease pressure. Our last report indicated that the region had received a significant amount of rainfall from mid-June through early July. That trend continued into early August, with conditions then turning dry as harvest neared.

The following map shows departure from normal precipitation from April 1 through September 1, indicating that much of the area was anywhere from 5 to 14 inches above normal rainfall during the growing season:



The red star indicates the county that your farm is located in. Your farm received approximately 7 inches above normal rainfall during this period. There was more rainfall locally than across the rest of the county. Rainfall was particularly excessive in July, with your farm receiving over 11 inches of rain compared to the usual 3.5 inches.

In mid-August, disease pressure began to appear at higher rates than normal in corn. We had greatest concern over a disease called Southern Rust. Southern Rust is not a disease we are usually concerned about in the Midwest, as it generally must “migrate” from Central America via southerly winds. This year, it arrived earlier than usual. The disease thrives in the warm and wet conditions that July and August featured. It quickly covered plant leaves, shortening the grain fill period. This, combined with dry September and October weather caused corn plants to shut down prematurely and has prevented most fields from reaching the very high yield potential that was present in early July.

At the time the disease pressure arrived, it was uncertain whether a second application of fungicide would provide a return on investment. With hindsight, most farmers would likely have applied twice. Single applications made in July helped protect yield from slipping significantly, as fields that did not receive an application have shown disappointing results. Fortunately, Southern Rust is not a disease that overwinters in Iowa, so there is no guarantee it will be present again in 2026.

HARVEST PROGRESS

Kevin Jones completed harvest on the farm in late September.

2025 CROP PRODUCTION			
Crop	**Acres**	**Total Bushels**	**Avg. Yield**
Corn	66.5	14,965.00 bu.	225.0 bu./ac.*
Soybeans	72.5	6,100.00 bu.	84.1 bu./ac.*

*Based on bin estimates

The farm appears to have set a new record soybean yield, topping the previous record of 79.2 bushels per acre from 2021. The corn yield is disappointing compared to past production on the farm. The combination of excess rainfall and heavy disease pressure was detrimental to yield potential on the farm. A revenue crop insurance claim will be close to triggering for corn depending on the insurance adjuster's bin measurement.

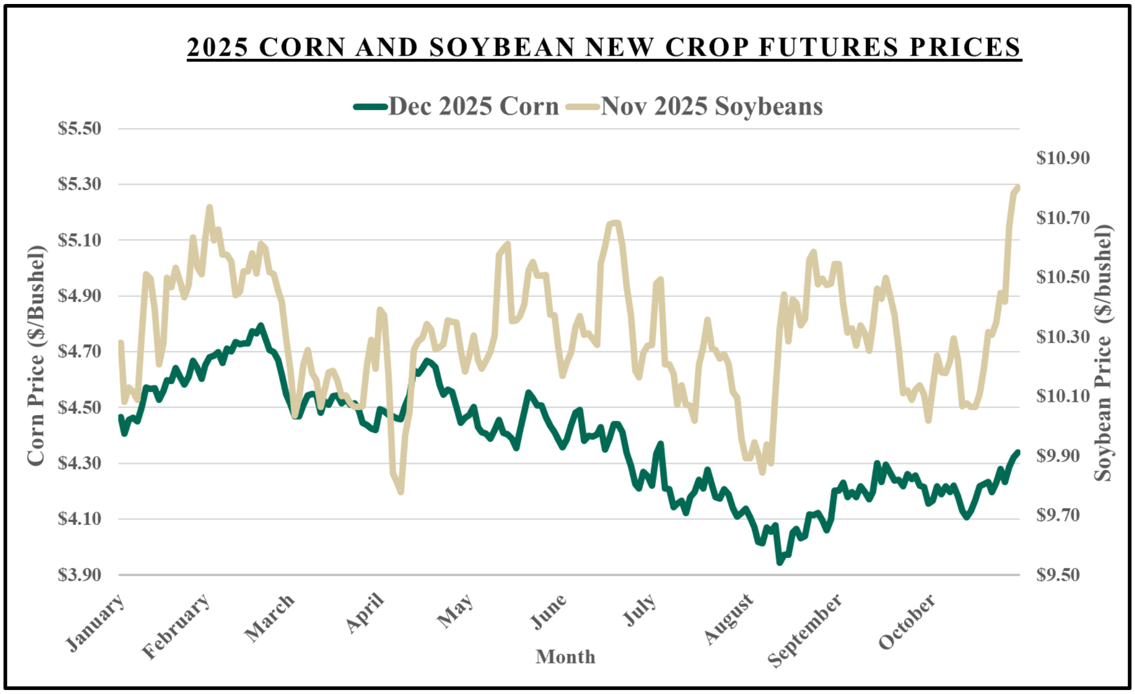
GRAIN MARKETS

Corn and soybean prices extended their trend lower into late summer as U.S. production expectations remained at record levels. In a surprise to everyone, the USDA's August World Agricultural Supply and Demand Estimates (WASDE) report raised the projected national average corn yield to 188.8 bushels per acre, nearly 10 bushels per acre above last year's record, and well above trade estimates. Additionally, acres planted to corn increased, sinking corn prices to contract lows. The report was favorable for soybeans as planted acres decreased, lowering total production.

In the September 12 WASDE report, USDA reduced corn yield to 186.7 bushels per acre, but increased acres planted to corn, up to 98.7 million acres. This would be the highest planted area for corn in the U.S. since 1936. These projections are leading to expectations for another year of large corn supplies, adding further strain on prices. However, prices have been supported by strong export and domestic demand for corn.

Very minimal changes were made to soybean fundamentals in the September report. The headline concern in the soybean market is China's lack of purchases due to the ongoing tariff battle. Aside from China's absence, soybean demand has been quite good, providing support to prices. We do not expect soybean supplies to rise to the record levels seen during the 2018-19 trade dispute. The soybean market has rallied strongly this past week following positive news from a meeting between President Trump and Chinese President Xi.

The following chart shows new crop futures price activity since January 1:



As yield reports have begun to come in, producers and traders are beginning to question the USDA's lofty corn yield estimate. Reports have been highly variable across the Corn Belt, which will make it very difficult to reach a new national record. Due to the ongoing government shutdown, we will not see another USDA report until November 10 at the earliest. It may take several months for a reduction in national yield to be realized.

2024 GRAIN SALES

We have finalized sales of your 2024 crop production, which is summarized below:

2024 GRAIN SALES				
Crop	Acres	Bushels Sold	Avg. Yield	Avg. Sale Price
Corn	72.5	20,554.09 bu.	283.5 bu./ac.	$4.41/bu.
Soybeans	66.5	5,168.56 bu.	77.7 bu./ac.	$10.38/bu.

The final 2024 corn yield represents the second best yield in farm history.

2025 GRAIN SALES

Sales that have been made for your 2025 crop production are summarized below:

2025 GRAIN SALES			
Crop	Bushels Sold	Avg. Sale Price	Percent Sold
Corn	6,000.00 bu.	$4.29/bu.	40%
Soybeans	2,750.00 bu.	$10.42/bu.	45%

Cash prices for harvest delivery are near $4.00 per bushel for corn and $10.80 per bushel for soybeans at local processors you deliver to. We rewarded the rally in the soybean market this week but are staying patient before advancing corn sales given the expectation that lower-than-expected U.S. yields will soon be realized by the market.

2026 GRAIN SALES

We have begun pricing a portion of your 2026 crop production as shown below:

2026 GRAIN SALES			
Crop	**Bushels Sold**	**Avg. Sale Price**	**Percent Sold**
Corn	2,000.00 bu.	$4.22/bu.	10%
Soybeans	900.00 bu.	$10.54/bu.	20%

IOWA LAND VALUES

The REALTORS® Land Institute - Iowa Chapter recently released the results of their September 2025 Land Trends and Values Survey. The survey showed a 1.2% decrease in land values on a statewide average since March 2025. Year-over-year, the survey shows values have declined by 2.2%. Despite the significant drop in corn and soybean profitability over the past several years, land values have remained fairly steady, with continued support from a lack of farms coming available to the market. The average value for high quality land in the central district was reported at $13,891 per acre.

FARM REPAIRS/IMPROVEMENTS

We will meet with a local contractor this fall to review the grass waterways and terraces on the farm. Repair work may need to be completed to maintain proper erosion control. We will also prepare a quote for installing drainage tile on the flat areas north and south of the grain bins to improve drainage and yield potential.

Sincerely,

HERTZ FARM MANAGEMENT, INC.

Craig J. Welter
Accredited Farm Manager
e-mail: CraigW@Hertz.ag

CJW:oan
Enclosure

Annual Report

2025 ANNUAL REPORT

10999 Smith Farm LLC

150.0 ACRES, M/L JASPER COUNTY, IA

Southeast Corner Looking Northwest

515-382-1500 | 415 S 11th Street | Nevada, IA 50201 | www.Hertz.ag

CRAIG WELTER
Accredited Farm Manager
Licensed in IA
319-480-7182
CraigW@Hertz.ag

2025 ANNUAL REPORT

10999 – Smith Farm LLC

150.0 Acres m/l – Jasper County, IA

FOR

Mr. Jim Smith
123 County Home Rd
Oelwein, IA 50662

February 6, 2026

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February 6, 2026

Mr. Jim Smith
123 County Home Rd
Oelwein, IA 50662

RE: 10999 Smith Farm LLC

Dear Jim:

Enclosed with this letter are the following items:

1. Your 2025 Annual Report, including an Appendix with supporting documents and all 1099 forms received. Any income or expense handled directly by you should be added to the values shown in the financial reports.

2. A "Year in Review", providing an overview of the 2025 crop year and updates in agriculture.

3. A statement of your farm checking account from October 1 through December 31, 2025, showing a balance of $1,997.14. These funds are currently earning 1.7% interest.

The format for our Annual Report has changed compared to previous years, providing a refreshed appearance, as well as a more succinct report that is very specific to your farm. We hope that you enjoy the updated format. Please let us know if you have any questions, comments, or concerns.

We appreciate working with you and look forward to serving you over the coming year.

Sincerely,

HERTZ FARM MANAGEMENT, INC.

Craig J. Welter
Accredited Farm Manager
e-mail: CraigW@hertz.ag

CJW:oan
Enclosures

TABLE OF CONTENTS

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2025 EXECUTIVE SUMMARY

Your farm was operated on a custom arrangement with Kevin Jones. You receive 100% of the farm income, pay 100% of the crop expenses, and compensate Kevin in cash for his labor and machinery. Based on the grain bin measurements and our estimate of acres planted, your 2025 corn and soybean yields are as follows:

2025 CROP PRODUCTION			
Crop	**Acres**	**Total Production**	**Average Yield**
Corn	66.5	14,965.00 bu.*	225.0 bu./ac.*
Soybeans	72.5	6,100.00 bu.*	84.1 bu./ac.*

* Estimated

The soybean yield produced appears to be a new farm record, marking the first time it has exceeded 80 bushels per acre. Early planting and timely late summer rainfall helped achieve the strong yield. Southern Rust severely limited the 2025 corn yield. Early expectations for another tremendous yield were thwarted in late summer as the crop prematurely shut down, despite receiving a fungicide application. This was the lowest corn yield on your farm since the derecho year in 2020.

ESTIMATED FARM VALUE

A conservative estimate of the current market value of your farm is shown below:

ESTIMATED FARM VALUE				
Land Use Type	**Acres**	**CSR2***	**$/Acre**	**Total Value**
Tillable	139.0	81.6	$14,430	$2,005,770
Non-Tillable	8.8		3,450	30,360
Grain Bins	0.3		--	17,500
Roads	1.9		--	--
Total	150.0			$2,053,630
Value Per Acre				**$13,690**

**The CSR2 rating is a relative ranking of soil quality in Iowa from 5 to 100.*

Please note that our estimate is based on recent professional survey results and our general knowledge of area farm values. A specific appraisal was not completed to arrive at this value.

Iowa State University released the results of their most recent Farmland Value Survey in December 2025. The report showed a statewide increase in farmland values of 0.7% since November 2024, though values in central Iowa fell by 2.0%. We have included a reference to the 2025 Iowa State Land Value Survey in the 2025 Year in Review.

FARM PRODUCTION AND PRICE HISTORY

Below is a ten-year summary of average crop yields produced and prices received on your farm.

PRODUCTION & PRICE HISTORY						
	CORN			SOYBEANS		
Year	**Acres**	**Bu/Ac.**	**Avg. Price**	**Acres**	**Bu/Ac.**	**Avg. Price**
2016	72.5	258.6	$3.60	66.5	68.0	$10.00
2017	66.5	277.1	$3.48	72.5	71.2	$9.25
2018	72.5	284.2	$3.60	66.5	77.4	$8.80
2019	66.5	266.9	$3.53	72.5	75.4	$8.47
2020	72.5	203.6	$4.62	66.5	64.1	$9.85
2021	66.5	269.4	$6.01	72.5	79.2	$12.95
2022	72.5	255.7	$6.61	66.5	70.1	$14.64
2023	66.5	266.1	$4.99	72.5	73.6	$12.99
2024	72.5	283.5	$4.41	66.5	77.7	$10.38
2025	66.5	225.0	$4.30	72.5	84.1	$10.31
10-Yr. Average		**259.0**	**$4.52**		**74.1**	**$10.76**

GRAIN INVENTORY

The following table summarizes the estimated grain inventory as of the end of the year.

OWNER'S ESTIMATED GRAIN INVENTORY				
December 31, 2025				
Crop	**Location**	**Bushels**	**Price/Bu.**	**Value**
Corn	Grain Bin on Farm	14,933.00	$4.30	$64,470.00
Soybeans	Grain Bin on Farm	6,100.00	$10.31	$62,890.00
			Total Estimated Inventory:	**$127,360.00**

Prices used to value the inventory are an average of the actual sale prices on grain which has been forward contracted and the approximate local cash prices on December 31 for the grain which remains unsold.

STATEMENT OF ACCRUAL PROFIT AND DISPOSITION OF EARNINGS

The Statement of Profit shown below details your farm's profit on an accrual basis. This considers changes in inventories, prepaid expenses, and bank account balances. Profits on an accrual basis are a more accurate way to judge your farm's performance year after year.

STATEMENT OF ACCRUAL PROFIT			
10999 Smith Farm LLC - 01/01/25-12/31/25			
INCOME			
	Operating Income	$157,619.48	
	Interest Income	693.74	
	Closing Inventory - 12/31/2025	127,360.00	
	Prepaid 2026 Expenses	23,912.51	
	Accounts Payable - 1/1/2025	29,413.74	
	Accounts Receivable - 12/31/2025	0.00	$338,999.47
LESS			
	Operating Expenses	$125,260.51	
	Beginning Inventory - 1/1/2025	140,330.00	
	Prepaid 2025 Expenses	4,627.59	
	Accounts Payable - 12/31/2025	28,941.62	
	Accounts Receivable - 1/1/2025	0.00	299,159.72
TOTAL PROFITS BEFORE DEPRECIATION			$39,839.75

DISPOSITION OF EARNINGS			
10999 Smith Farm LLC - 01/01/25-12/31/25			
Distribution to Owner			$30,000.00
State Income Tax Payment			504.00
Co-op Membership Purchased			250.00
PLUS INCREASE IN:			
	Prepaid Expenses	$2,298.71	
	Bank Account	19,284.92	21,583.63
PLUS DECREASE IN:			
	Accounts Payable		472.12
LESS DECREASE IN:			
	Grain Inventory		12,970.00
PROFITS BEFORE DEPRECIATION			$39,839.75
PROFIT PER TILLABLE ACRE (139.0 AC.)			**$286.62**

ACCRUAL PROFIT SUMMARY

The following table summarizes the farm's profit history alongside our estimated market value for each year to provide an estimated return on investment. The estimated land appreciation is shown as a reference but not added to the return calculation. The constant value shown represents the purchase price for your farm in 1979.

FARM PROFIT SUMMARY							
10999 - Smith Farm LLC **150.0 Gross Acres / 139.0 Tillable Acres - 81.6 CSR2** **Constant Value - 1979: $2,500/Acre = $375,000**							
Year	**Accrual Farm Profit**	**Accrual Profit Per Tillable Acre**	**Est. Market Value Per Gross Acre**	**Est. Total Market Value**	**Return on Market Value**	**Return on Constant Value**	**Land Appreciation**
2016	$29,883	$214.99	$9,048.26	$1,357,239	2.2%	8.0%	-3.2%
2017	$29,896	$215.08	$9,220.17	$1,383,026	2.2%	8.0%	1.9%
2018	$40,910	$294.32	$9,044.99	$1,356,748	3.0%	10.9%	-1.9%
2019	$41,766	$300.47	$9,370.60	$1,405,590	3.0%	11.1%	3.6%
2020	$22,893	$164.70	$9,550.00	$1,432,500	1.6%	6.1%	1.9%
2021	$90,607	$651.85	$12,760.67	$1,914,100	4.7%	24.2%	33.6%
2022	$91,465	$658.02	$14,765.33	$2,214,800	4.1%	24.4%	15.7%
2023	$50,816	$365.58	$14,980.00	$2,247,000	2.3%	13.6%	1.5%
2024	$39,295	$282.70	$13,970.50	$2,095,575	1.9%	10.5%	-6.7%
2025	$39,840	$286.62	$13,690.87	$2,053,630	1.9%	10.6%	-2.0%
10-Yr. Avg.	**$47,737**	**$343.43**	**--**	**--**	**2.7%**	**12.7%**	**4.4%**

Your farm has been able to generate strong returns on an annual basis when compared to both the current market value and the original purchase price of the property. The farm has also appreciated in value significantly, at a cumulative total of 44.4% over the past ten years. We expect these trends to continue over the long term.

CASH RENT EQUIVALENT

The table below utilizes the 2025 accrual net income to determine the cash rental rate required to generate the same level of accrual net income that was generated under the custom arrangement.

CASH RENT EQUIVALENT		
1099 Smith Farm LLC - 2025		
Accrual Net Income		$39,839.75
Plus:		
Real Estate Taxes	$6,861.00	
Repairs	230.00	
Insurance	778.39	
Tax Preparation	1,550.00	9,419.39
Adjusted Gross		49,259.14
Divided by: 1 Less Management Fee For Cash Rent		0.90
Gross Cash Rent Equivalent		54,732.38
Divided by Crop Acres		139.0
Cash Rent Equivalent Per Acre		**$393.76**
ISU Survey - Central IA. - High Quality Land		**$331.00**

ENTERPRISE ANALYSIS SUMMARY

A copy of your 2025 Enterprise Analysis, analyzing income and expense per crop enterprise, can be found in the Appendix. The table below provides a five-year summary of net income per acre for each crop enterprise and the farm as a whole, as well as a comparison of net income on your custom arrangement compared to that of a cash rent lease.

NET INCOME PER ACRE				
YEAR	**CORN**	**SOYBEANS**	**FARM**	**CUSTOM vs CASH RENT**
2021	$912.34	$508.63	$701.77	$463.74
2022	$825.18	$391.66	$617.78	$333.52
2023	$392.41	$291.28	$339.66	$33.03
2024	$422.53	$215.83	$323.64	$18.10
2025*	$223.06	$261.05	$242.87	-$22.77
5-Yr Avg.	**$555.10**	**$333.69**	**$445.14**	**$165.12**

* Preliminary

Participating in the crop production with a custom arrangement has given you an advantage of an estimated $165.12 per acre in net income since 2021. This would total $114,758 over five years. We expect that with the strong yields the farm is capable of producing, this trend will continue over the long term.

LEASE COMPARISON ANALYSIS

Below is a comparison of custom, modified crop share, and cash rent lease arrangements using the inventory values, actual grain income, and the projected final operating expenses for producing the 2025 crops. 2025 earnings under the custom operation were approximately $1,607 more than the earnings would have been on a modified crop share lease, and were approximately $3,165 less than earnings would have been on a cash rent lease. The cash rent lease was estimated at $350 per acre on 139.0 tillable acres.

The estimated income and actual expenses related to the 2025 crops are as follows:

LEASE COMPARISON ANALYSIS			
	Custom	**75-25 Crop Share**	**Cash Rent**
Income			
Crop Income	$127,360.00	$95,520.00	--
Government Payments	5,188.74	3,891.56	--
Insurance Comp.	2,741.00	2,055.75	--
Cash Rent	--	--	$48,650.00
Total Income	**$135,289.74**	**$101,467.31**	**$48,650.00**
Expense			
Herbicide	$6,784.84	$6,784.84	--
Drying	750.00	562.50	--
Fertilizer	23,842.15	23,842.15	--
Lime	0.00	0.00	--
Seed	15,729.60	15,729.60	--
Storage	0.00	0.00	--
Insecticide	430.55	430.55	--
Fungicide	1,865.74	1,865.74	--
Custom Hire & Trucking	30,997.47	0.00	--
Checkoff	564.41	423.31	--
Multi-Peril Insurance	2,838.00	2,128.50	--
Crop Hail Insurance	720.00	540.00	--
Management Fee	10,146.73	10,146.73	$4,865.00
Total Expense	**$94,669.49**	**$62,453.92**	**$4,865.00**
Net Income Before Taxes, Repairs	**$40,620.25**	**$39,013.39**	**$43,785.00**
Net Income Per Tillable Acre (139.0)	**$292.23**	**$280.67**	**$315.00**

Despite a below-average corn yield and low commodity prices, the custom arrangement was very competitive with a cash rent lease in 2025. We expect you to continue to benefit from participating in the crop production with a custom arrangement over the long term.

FARM INSURANCE

Liability insurance for your farm is carried through Auto-Owners Insurance. Your agent is Midwest Insurance Corporation, a subsidiary of Hertz Farm Management, Inc. Premiums are split between this account and your other farm account. The coverage for your farm is shown in the table below:

FARM LIABILITY INSURANCE		
Description of Coverage	**Limit of Liabilty**	**Premium**
Liability Coverage - Auto-Owners Ins.	$1,000,000	$89.40
Umbrella Coverage - Auto-Owners Ins.	$1,000,000	$115.00
	Total Premium:	**$204.40**

Farm property insurance is also carried on your farm to protect against property damage caused by a natural disaster. The property coverage is summarized below:

PROPERTY COVERAGES		
Item	**Coverage**	**Premium**
30' Grain Drying Bin (2015)	$72,400	$489.34
30' Grain Drying Bin	28,000	$168.61
24' Grain Storage Bin	17,900	$107.77
Power/Light Poles, Equipment	4,000	$12.67
Stored Grain (Avg.)	Peak Season	$136.94
Subtotal:	**$122,300**	**$915.33**

Both multi-peril crop insurance and hail insurance were purchased in 2025 and are summarized in the tables below. In addition to the multi-peril policy, we secured an Enhanced Coverage Option (ECO) policy in 2025. ECO provides an additional band of coverage on top of your multi-peril policy. Differing from the MPCI policy, ECO indemnity is based on county average yields rather than your actual farm production. With the increased level of coverage, there is improved protection in place in the event of reduced revenue due to softening prices, low area yields, or a combination of both.

CROP INSURANCE SUMMARY									
Crop	**Policy**	**Acres**	**Coverage Level**	**APH Yield**	**Yield Guarantee**	**Spring Price**	**Coverage Per Ac.**	**Total Premium**	**Cost Per Ac.**
Corn	MPCI	66.5	80%	264.0	211.2	$4.70	$992.64	$932.00	$14.02
Soybeans	MPCI	72.5	80%	72.0	57.6	$10.54	$607.10	$687.00	$9.48
Corn	ECO	66.5	4.5%	264.0	--	$4.70	$55.84	$439.00	$6.60
Soybeans	ECO	72.5	9%	72.0	--	$10.54	$68.30	$780.00	$10.76
Corn	Hail	66.5	DXS5	--	--	--	$500.00	$242.00	$3.64
Soybeans	Hail	72.5	DXS5	--	--	--	$400.00	$478.00	$6.59

A multi-peril claim was collected for corn due to a shortfall in revenue, totaling $2,741.00. We will not know if an ECO indemnity will trigger until county yields are finalized in 2026.

FARM REPAIRS

No repairs were completed on your farm in 2025. We plan to have Earthworks, Inc. reshape the grass waterways on the farm prior to planting this spring. This will assist with erosion prevention and help allow surface water to drain properly. We have also asked Earthworks to complete repairs to several grass terraces. We expect these repairs may total $7,500.

CAPITAL IMPROVEMENTS

No capital improvements were completed on your farm in 2025. We have recently discussed pattern tiling the most productive, flat acres on the farm to enhance yield potential and the long-term land value. The 37.5 acres south of the bin site would cost approximately $55,000 to fully pattern tile. The northeast corner of the farm also tends to stay wet after rain events, which would be a smaller project, around $15,000.

While these areas are not always exceedingly wet, the drainage tile would assist with removing excess water from the root zone, allowing the crops to receive more oxygen to the roots and grow more efficiently. We generally expect drainage tile to pay back in 5-7 years through improved yield potential. Please let us know if you are interested in pursuing a project.

SOIL FERTILITY

Soil fertility is a key element of maximizing crop production and is also an important contributing factor to the market value of land, which is why we frequently monitor fertility on your farm. Soil fertility can be determined by taking soil tests which are recommended every four years. However, it is important to remember that samples only represent a point in time and results can vary based upon soil conditions and the location of the samples taken.

Our goal is to build and maintain fertility to optimum or better levels for two macronutrients: phosphorus and potassium. Soil pH levels are also important for nutrient availability and uptake into the plant. The table below summarizes the levels from the most recent soil test results for your farm:

SOIL FERTILITY				
Field	**Soil Test Date**	**pH**	**Phosphorus (P1)**	**Potassium (K)**
North	Fall 2024	5.0-7.3	37	123
South	Fall 2025	5.3-7.2	35	131
	*Optimal**	*6.0-6.5*	*18-25*	*101-150*

*Optimal fertility levels are based on Iowa State University recommendations in parts per million on dried soil samples for phosphorus and moist soil samples for potassium.

The new soil test results on the North field showed stability compared to the last test in 2021. We are pleased with the current fertility levels on the farm. Fertilizer and lime will be applied using variable rate technology methods to maintain the current soil pH and fertility levels. Lime was applied across the farm following harvest in 2025 to raise the soil pH in low-testing areas.

GOVERNMENT PROGRAMS

The following government payments were received on your farm in 2025:

GOVERNMENT PAYMENTS		
Crop	**Program**	**Amount**
Corn	Emergency Commodity Assistance Program (ECAP)	$3,079.89
Soybeans	Emergency Commodity Assistance Program (ECAP)	$1,959.25
Corn	Supplemental Disaster Relief Program (SDRP)	$5,498.50

The USDA made several payments to commodity producers in 2025. Most notably was the Emergency Commodity Assistance Program (ECAP). ECAP, a one-time program to assist with mitigating impacts of high input costs and a drop in commodity prices, issued $10 billion in payments to producers of eligible crops for the 2024 crop year. Producers received per-acre payments of $42.91 for corn and $29.76 for soybeans.

A more selective program, the Supplemental Disaster Relief Program (SDRP), paid producers who experienced losses due to qualifying weather events in 2023 and 2024. Producers who had a related crop insurance claim in those years were eligible for Stage 1 of the program. Stage 2 was rolled out in late 2025, which will pay producers who experienced a “shallow loss”. SDRP payment amounts will vary by producer.

In December 2025, the USDA announced payments to be made in 2026 related to the 2025 crop production as part of the Farmer Bridge Assistance (FBA) Program. FBA will provide $11 billion through a one-time payment to eligible commodity producers. Payments are expected to be issued by the end of February at $44.36 per acre for corn and $30.88 per acre for soybeans.

Payments from the ARC and PLC safety net programs are likely for 2025 corn and soybean production but will not be known until later in 2026.

1099 FORMS RECEIVED

A summary of the 1099 forms received in 2025 is shown below:

1099 FORMS RECEIVED			
Received From	**Form Type**	**Received For**	**Amount**
State Bank & Trust	1099-INT	Interest	$693.74
USDA	CCC-1099-G	Gov. Payments	$10,537.64
Key Cooperative	1099-PATR	Patronage	$0.00*

Key Cooperative showed a Section 199A deduction of $3,032.83 attributed to you for 2025 as shown on the 1099-PATR. Please note this to your tax preparer.

Copies of all 1099s received are included in the Appendix.

1099 FORMS SENT

The Internal Revenue Service requires 1099 forms, for certain business classifications, to be filed for services rendered which amount to $600 or more by individuals. Payments to corporations do not need to be reported. Services we have reported for 2025 are as follows:

1099 FORMS SENT		
Name	**Services Rendered**	**Amount**
Kevin Jones	Custom Hire	$22,625.94
Carter PC	Professional Services	$1,550.00
Complete Ag Services	Fertilizer Application	$5,344.00
Geo Maps	Generate Fert. Files & Soil Sample	$2,073.63

WIND EASEMENT

A wind energy project is being proposed in the area that your farm is located in. You elected to pass on the offer to sign a wind easement on your farm in 2025.

2026 OUTLOOK

We plan to keep your farm in a corn-soybean rotation in 2026. Therefore, we anticipate Kevin Jones will plant the farm to approximately 72.5 acres of corn and 66.5 acres of soybeans in 2026. Dry fertilizer, anhydrous ammonia, and lime were applied on the farm following harvest for benefit of the 2026 crops. The other crop inputs including seed, chemicals, and nitrogen fertilizer will be purchased in advance to take advantage of favorable winter discounts.

2026 BUDGET

A budget summary for 2026 is illustrated below:

2026 BUDGET SUMMARY		
10999 - Smith Farm LLC		
Beginning Balance - 1/1/26 (rounded)		$22,210
Estimated 2026 Income	$147,849	
Estimated 2026 Expense	111,929	
Projected Net Farm Income		35,920
State of Iowa Tax Estimates		750
Funds Available for Transfer		35,000
Ending Account Balance - 12/31/26		**$22,380**

The budgeted distribution of $35,000 will be sent in the second quarter after all old-crop grain income is received. A total of $7,500 has been included in the budget for repair expense during the year. Complete Income and Expense and Cash Flow budgets are included in the Appendix.

We look forward to working with you and your farm in 2026.

This report respectfully submitted,

HERTZ FARM MANAGEMENT, INC.

Craig J. Welter
Accredited Farm Manager

FINANCIAL REPORTS

BANK ACCOUNT SUMMARY

10999 Smith Farm LLC

State Bank & Trust Company

1/1/2025 to 12/31/2025

BEGINNING BALANCE		19,911.49
RECEIPTS		
Taxable Farm Income	157,619.48	
Interest Income	693.74	
Advance Received/Another Farm	10,000.00	
TOTAL RECEIPTS	168,313.22	
DISBURSEMENTS		
Transfer Funds Another Farm	10,000.00	
Distribution	30,000.00	
State Income Tax	504.00	
Coop Membership Received	250.00	
Operating Expenses	125,260.51	
LESS TOTAL DISBURSEMENTS	166,014.51	
CHANGE IN RECEIPTS AND DISBURSEMENTS		2,298.71
ENDING BALANCE		**22,210.20**

TAX SUMMARY REPORT
All Farms for 10999 Smith Farm LLC
1/1/2025 to 12/31/2025

<u>FARM INCOME</u>			
Corn			
Corn	90,694.12		
20,554.09 BU @ $4.41/BU			
Soybeans			
Soybeans	53,646.72		
7,246.52 BU @ $7.40/BU			
Total Crop		144,340.84	
Agricultural Program Pmts			
Disaster Payment	10,537.64		
Total Agricultural Payments		10,537.64	
Insurance Compensation			
Insurance Comp Corn	2,741.00		
Total Insurance Compensation		2,741.00	
Other Income			
Interest Income	693.74		
Total Other Income		693.74	
TOTAL FARM INCOME			**158,313.22**
<u>FARM EXPENSES</u>			
Chemicals		-9,081.13	
Custom Hire		-30,769.24	
Fertilizer & Lime		-26,804.72	
Freight, Trucking		-3,940.34	
Gasoline, Fuel, Oil		-53.50	
Insurance		-4,882.13	
Seeds, Plants Purchased		-30,662.58	
Taxes		-6,861.00	
Utilities		-743.46	
Other Expense			
Licenses & Dues	-30.00		
Management Fee	-9,292.70		
Marketing Expense	-589.71		
Professional Service	-1,550.00		
Total Other Expense		-11,462.41	
TOTAL FARM EXPENSES			**-125,260.51**

TAX SUMMARY REPORT

All Farms for 10999 Smith Farm LLC

1/1/2025 to 12/31/2025

NET FARM PROFIT OR LOSS (-)	**33,052.71**

The above data is from records and accounts maintained by Hertz Farm Management, Inc. You and/or your tax consultant should review your situation for income and expense from other sources which are not included in the above summary.

TAX SUMMARY REPORT

All Farms for 10999 Smith Farm LLC

1/1/2025 to 12/31/2025

STATE INCOME TAX	DATE	
State Income Tax		
4th Quarter Estimate	12/1/2025	-504.00

DETAILED SUMMARY OF INCOME AND EXPENSE
WITH BALANCES

Checking Account Beginning Balance			19,911.49

10999-00000 Smith Farm LLC
1/1/2025 to 12/31/2025

<u>INTEREST INCOME</u>			
Interest Income	693.74		
TOTAL INTEREST INCOME		693.74	
TOTAL FARM INCOME		**693.74**	
<u>MISC EXPENSE</u>			
Licenses & Dues	-30.00		
TOTAL MISC EXPENSE		-30.00	
TOTAL FARM EXPENSE		**-30.00**	
FARM INCOME LESS EXPENSE			**663.74**
NON TAXABLE ACTIVITY			
<u>MISC CASH ACTIVITY</u>			
Advance from Another Farm/Same Owner	10,000.00		
Distribution	-30,000.00		
Transfer to Another Farm/Same Owner	-10,000.00		
TOTAL MISC CASH ACTIVITY		-30,000.00	
TOTAL NON TAXABLE ACTIVITY			**-30,000.00**

DETAILED SUMMARY OF INCOME AND EXPENSE
WITH BALANCES
10999-00999 Smith Farm LLC
1/1/2025 to 12/31/2025

CROP SALES		
Corn		
2024 Corn	90,694.12	
20,554.09 BU @ $4.41/BU		
Soybeans		
2024 Soybeans	53,646.72	
7,246.52 BU @ $7.40/BU		
TOTAL CROP SALES		144,340.84
GOVERNMENT PAYMENTS		
Disaster Payment		
2023 Corn	5,498.50	
2024 Corn	3,079.89	
2024 Soybeans	1,959.25	
TOTAL GOVERNMENT PAYMENTS		10,537.64
INSURANCE COMPENSATION		
Corn		
2025 Corn	2,741.00	
TOTAL INSURANCE COMPENSATION		2,741.00
TOTAL FARM INCOME		**157,619.48**
CROP EXPENSES		
Checkoff		
2024 Corn	-205.54	
2024 Soybeans	-268.68	
Custom Drying		
2024 Corn	-148.00	
Custom Hire		
2023 Corn	-1,415.80	
2024 Corn	-9,911.70	
2025 Corn	-4,112.12	
2026 Corn	-1,128.50	
2023 Soybeans	-426.74	
2024 Soybeans	-7,889.70	
2025 Soybeans	-4,386.68	

DETAILED SUMMARY OF INCOME AND EXPENSE

WITH BALANCES

10999-00999 Smith Farm LLC

1/1/2025 to 12/31/2025

2025 Farm	-1,350.00
Custom Hire-Trucking	
2024 Corn	-2,805.83
2024 Soybeans	-1,134.51
Drying Fuel	
2025 Corn	-53.50
Drying-Electricity	
2024 Corn	-335.87
2025 Corn	-440.42
Fertilizer	
2025 Corn	-10,427.57
2026 Corn	-6,220.02
2025 Soybeans	-8,526.12
2026 Soybeans	-409.89
Fungicide	
2025 Corn	-910.24
2025 Soybeans	-955.50
Grain Insurance Fund	
2024 Corn	-42.23
2024 Soybeans	-12.92
Herbicide	
2025 Corn	-2,625.97
2025 Soybeans	-4,158.87
Insecticide	
2025 Corn	-210.05
2025 Soybeans	-220.50
Inspection	
2024 Soybeans	-37.50
Seed	
2025 Corn	-9,108.00
2026 Corn	-10,701.90
2025 Soybeans	-6,621.60
2026 Soybeans	-4,231.08
Soil Sampling	-1,221.12

DETAILED SUMMARY OF INCOME AND EXPENSE

WITH BALANCES

10999-00999 Smith Farm LLC

1/1/2025 to 12/31/2025

Test Weight			
2024 Corn	-22.84		
TOTAL CROP EXPENSES		-102,677.51	
UTILITIES			
Electricity			
2024 Farm	32.83		
TOTAL UTILITIES		32.83	
INSURANCE			
Grain Protector Insurance			
2025 Corn	-70.14		
2025 Soybeans	-66.80		
Hail Insurance			
2025 Corn	-242.00		
2025 Soybeans	-478.00		
Liability Insurance	-178.80		
Multi-Peril Insurance			
2025 Corn	-1,619.00		
2025 Soybeans	-1,219.00		
Property Insurance	-778.39		
Umbrella Insurance	-230.00		
TOTAL INSURANCE		-4,882.13	
TAXES			
Real Estate Tax	-6,861.00		
TOTAL TAXES		-6,861.00	
PROFESSIONAL SERVICES			
Management Fee			
2023 Corn	-329.91		
2024 Corn	-5,626.44		
2024 Soybeans	-3,336.35		
Professional Service	-1,550.00		
TOTAL PROFESSIONAL SERVICES		-10,842.70	
TOTAL FARM EXPENSE		**-125,230.51**	
FARM INCOME LESS EXPENSE			**32,388.97**

DETAILED SUMMARY OF INCOME AND EXPENSE
WITH BALANCES

NON TAXABLE ACTIVITY			
MEMBERSHIP & STOCK ACTIVITY			
Coop Membership	-250.00		
TOTAL MEMBERSHIP & STOCK ACTIVITY		-250.00	
INCOME TAX			
State Income Tax	-504.00		
TOTAL INCOME TAX		-504.00	
TOTAL NON TAXABLE ACTIVITY			**-754.00**
Total Cash & Investments Ending Balance			22,210.20

TOTAL CASH & INVESTMENTS SUMMARY

Checking	22,210.20

APPENDIX

Hertz Farm Management, Inc.

10999 Smith Farm LLC
1-1-26 TO 12-31-26

Income & Expense Budget

INCOME		JAN-MAR	APR-JUN	JUL-SEPT	OCT-DEC	TOTAL
Corn:						
2025 Crop		26,000	38,470			**64,470**
2026 Crop	3,600 bu. @ $4.25				15,300	**15,300**
Soybeans:						
2025 Crop		10,000	52,890			**62,890**
2026 Crop						**0**
Government Payments		5,189				**5,189**
TOTAL INCOME		**$41,189**	**$91,360**	**$0**	**$15,300**	**$147,849**

EXPENSE	JAN-MAR	APR-JUN	JUL-SEPT	OCT-DEC	TOTAL
Corn:					
Seed				9,000	**9,000**
Fertilizer	9,330			4,200	**13,530**
Checkoff/Discount	50	150			**200**
Drying	150	150	150	500	**950**
Custom		13,012	1,110		**14,122**
Trucking	1,200	1,800			**3,000**
Herbicide	2,960		500		**3,460**
Fungicide	1,480				**1,480**
Insecticide	222				**222**
Soybeans:					
Seed		1,700		4,440	**6,140**
Fertilizer	8,000				**8,000**
Checkoff/Discount	50	200			**250**
Custom		10,570	612		**11,182**
Trucking	200	1,000			**1,200**
Herbicide	3,850		500		**4,350**
Fungicide	1,050				**1,050**
Insecticide	210				**210**
Lime	4,025				**4,025**
Accounting		1,500			**1,500**
Travel	195		200		**395**
Repairs		7,500			**7,500**
Management Fees	2,471	5,482		918	**8,871**
Property Taxes	3,492		3,600		**7,092**
Other					**0**
Insurance:					
Crop			3,000		**3,000**
Building and Liability				1,200	**1,200**
TOTAL EXPENSE	**$38,935**	**$43,064**	**$9,672**	**$20,258**	**$111,929**

Capital Improvements **0**

NET OPERATING INCOME: $35,920

Hertz Farm Management, Inc.

10999 Smith Farm LLC

1-1-26 TO 12-31-26

Cash Flow Budget

	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	TOTAL
BEGINNING BALANCE	**$22,210**	**$24,464**	**$37,510**	**$27,588**	**$22,210**
Income	41,189	91,360		15,300	**147,849**
Owner Advance					**0**
TOTAL INFLOW	**$41,189**	**$91,360**	**$0**	**$15,300**	**$147,849**

	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	TOTAL
Expense	38,935	43,064	9,672	20,258	**111,929**
Capital Improvements					**0**
State of Iowa Tax		250	250	250	**750**
Owner Distribution		35,000			**35,000**
TOTAL OUTFLOW	**$38,935**	**$78,314**	**$9,922**	**$20,508**	**$147,679**
ENDING BALANCE	**$24,464**	**$37,510**	**$27,588**	**$22,380**	**$22,380**

Hertz Farm Management, Inc.

10999 Smith Farm LLC

2025 Crop Plat

Operator- Kevin Jones
Cell Phone: 641-555-5555

Manager- Craig Welter
Cell Phone: 319-123-4567

Acreage Summary

Corn	66.5
Soybeans	72.5
Non-Tillable	8.8
Bin Site	0.3
Roads	1.9
Total Acres	150.0

Hertz Farm Management, Inc. **10999 Smith Farm LLC** **2025 Crop Plat**

Acreage Summary

Corn	66.5
Soybeans	72.5
Non-Tillable	8.8
Bin Site	0.3
Roads	1.9
Total Acres	150.0

FSA Data

FSA Farm #	1315
Farmland Acres	150.0
Cropland Acres	143.3
Corn Base Acres	69.97
Corn PLC Yield	200
Soybean Base Acres	70.03
Soybean PLC Yield	54

Corn 66.5 Acres

Tillage: Spring Field Cultivate

Seed:	Product	Amount	Unit	Population	Vendor
Planted: 4/12/25	Pioneer P1027AM	30	bags	35,000 plants/ac, 30" rows	Runner Seed

Chemicals:	Product	Rate/Acre	Unit	Application	Vendor
Herbicides	Keystone	1.5	qt	Pre-emerge	Complete Ag
	Resicore	1.3	qt	Post-emerge	Complete Ag
	Atrazine	16.0	oz	Post-emerge	Complete Ag
	Buccaneer 5	32.0	oz	Post-emerge	Complete Ag
	Jackhammer	6.8	oz	Post-emerge	Complete Ag
	Alpha Shot	0.2	oz	Post-emerge	Complete Ag
Funigicde	Aproach Prima	6.8	oz	Aerial - R1 Stage	Complete Ag
Insecticide	Kendo	1.7	oz	Aerial - R1 Stage	Complete Ag

Fertilizer:		Analysis	Rate/Acre	Unit	Application	Vendor
	Dry:	MESZ+Potash+SO4	18-61-88-29-1	lbs	Fall 2024 - VRT	Key - Newton
	Nitrogen:	NH3 82-0-0	155-0-0	lbs	Fall 2024 w/ N-Serve	Key - Newton
		UAN 32-0-0	45-0-0	lbs	13 gal/ac w/ Pre-emerge	Complete Ag

Soybeans 72.5 Acres

Tillage: Fall Vertical Disk + Spring Field Cultivate

Seed:	Product	Amount	Unit	Population	Vendor
Planted: 4/10/25	Pioneer P28Z30E	80	bags	155,000 plants/ac, 15" rows	Runner Seed

Chemicals:	Product	Rate/Acre	Unit	Application	Vendor
Herbicide	Kyber	16.0	oz	Pre-emerge	Complete Ag
	2,4-D	16.0	oz	Pre-emerge	Complete Ag
	Tapran	8.0	oz	Pre-emerge	Complete Ag
	Enlist One	32.0	oz	Post-emerge	Complete Ag
	Buccaneer 5	32.0	oz	Post-emerge	Complete Ag
	Everprex	16.0	oz	Post-emerge	Complete Ag
	Tapran	16.0	oz	Post-emerge	Complete Ag
	Volunteer	12.0	oz	Post-emerge	Complete Ag
	Alpha Shot	1.2	oz	Post-emerge	Complete Ag
Fungicide	Approach Prima	6.8	oz	Ground - R3 Stage	Complete Ag
Insecticide	Kendo	1.6	oz	Ground - R3 Stage	Complete Ag

Fertilizer:		Analysis	Rate/Acre	Unit	Application	Vendor
	Dry:	MESZ+Potash+SO4	17-57-120-19-1	lbs	Fall 2024 - VRT	Key - Newton
	Foliar:	Utrisha N	0.3	lb	w/ Fungicide	Complete Ag

ENTERPRISE ANALYSIS

2025 CORN & SOYBEANS (PRELIMINARY)

	Enterprise	Corn		Enterprise	Soybeans
	Crop Year	2025		Crop Year	2025
	Acres	66.50		Acres	72.50
	Yield	225.50		Yield	84.10
	Price	$4.30		Price	$10.31
	Lease %	100%		Lease %	100%
INCOME	**Total**	**Per Acre**		**Total**	**Per Acre**
Sold	$64,470.00	$969.47		$62,890.00	$867.45
Insurance Comp	2,741.00	41.22		0.00	0.00
Disaster Payment	2,949.94	44.36		2,238.80	30.88
TOTAL INCOME	**$70,160.94**	**$1,055.05**		**$65,128.80**	**$898.33**
EXPENSES	**Total**	**Per Acre**		**Total**	**Per Acre**
Herbicide	$2,625.97	$39.49		$4,158.87	$57.36
Drying-Electricity	750.00	11.28		0.00	0.00
Fertilizer	14,883.82	223.82		8,958.33	123.56
Seed	9,108.00	136.96		6,621.60	91.33
Insecticide	210.05	3.16		220.50	3.04
Fungicide	910.24	13.69		955.50	13.18
Checkoff	149.96	2.26		314.45	4.34
Discounts	50.00	0.75		50.00	0.69
Trucking	2,998.60	45.09		1,220.00	16.83
Machine Hire	13,234.19	199.01		13,544.68	186.82
Multi-Peril Insurance	1,619.00	24.35		1,219.00	16.81
Hail Insurance	242.00	3.64		$478.00	6.59
Management Fee	5,262.07	79.13		4,884.66	67.37
Property Taxes	3,282.42	49.36		3,578.58	49.36
TOTAL EXPENSES	**$55,326.32**	**$831.99**		**$46,204.17**	**$637.28**
NET INCOME BEFORE DEP.	**$14,834.62**	**$223.06**		**$18,924.63**	**$261.05**
INCOME PER BUSHEL		**$4.68**			**$10.68**
COST PER BUSHEL		**$3.69**			**$7.58**

2025
YEAR IN REVIEW

2025 IN REVIEW

Contents:

For more information regarding sources for land values, as well as other topics covered in this review, please refer to the AG-Industry link below:

Scan Me

https://www.hertz.ag/ag-industry/ag-industry-links

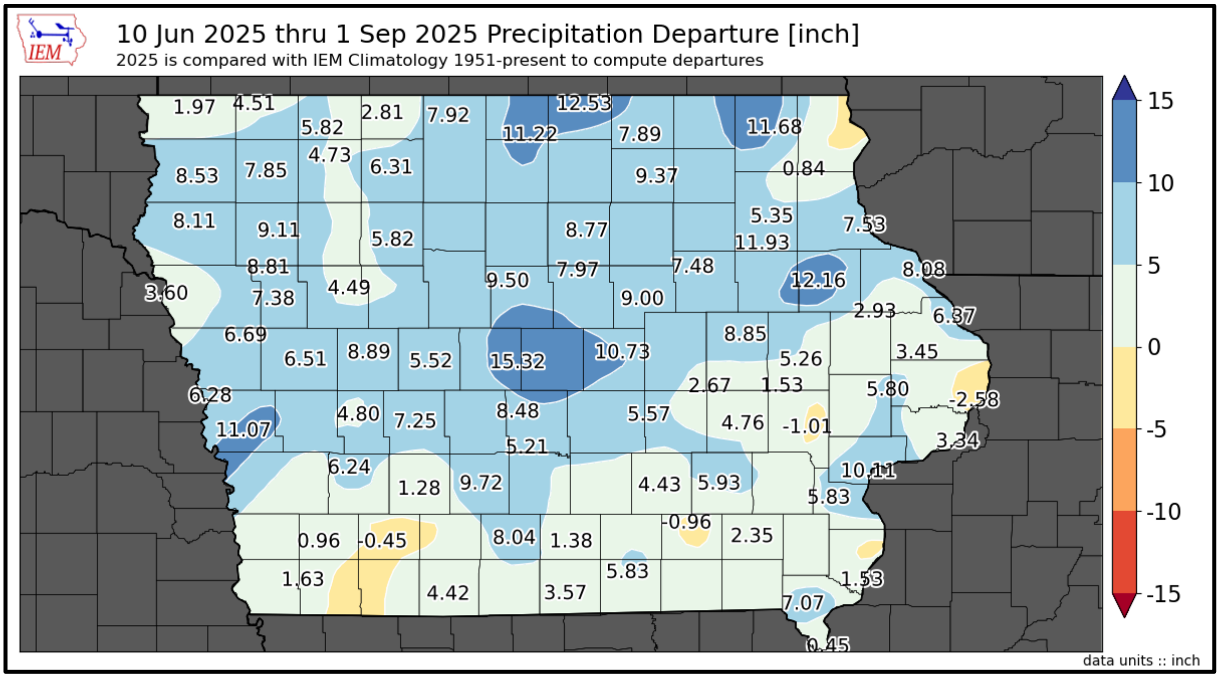
Summary of Iowa Agriculture During 2025

- **Challenging Growing Season:** Heavy rainfall and high disease pressure limited yield potential.
- **Economic Headwinds:** Falling commodity prices coincided with rising input costs, tightening crop profit margins.
- **Government Policy:** Tariff implementation and federal payments influenced farm income levels.
- **Land Values:** Mostly steady despite slim corn and soybean profitability.

2025 GROWING SEASON IN REVIEW

The 2025 growing season in central Iowa will be remembered for two things: excess rainfall and disease pressure. Favorable spring weather allowed for timely planting beginning in mid-April, with most finished by mid-May, putting crop emergence ahead of the average pace. Due to the strong start, area yield expectations were high.

After starting the year with precipitation near average, central Iowa farms were quickly oversaturated. From mid-June to the end of August, much of the area near Hwy. 30 and north received 8 to 16 inches of rainfall above normal, shown by the map below:

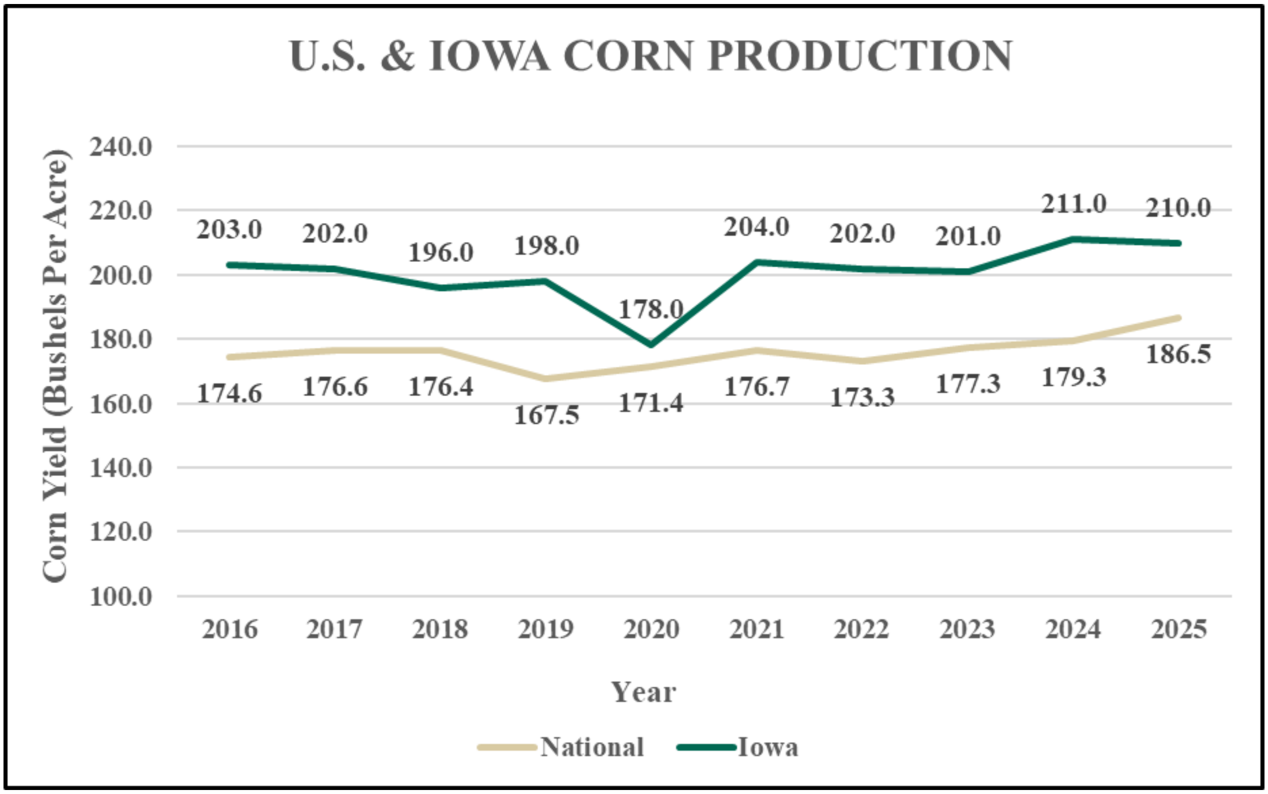


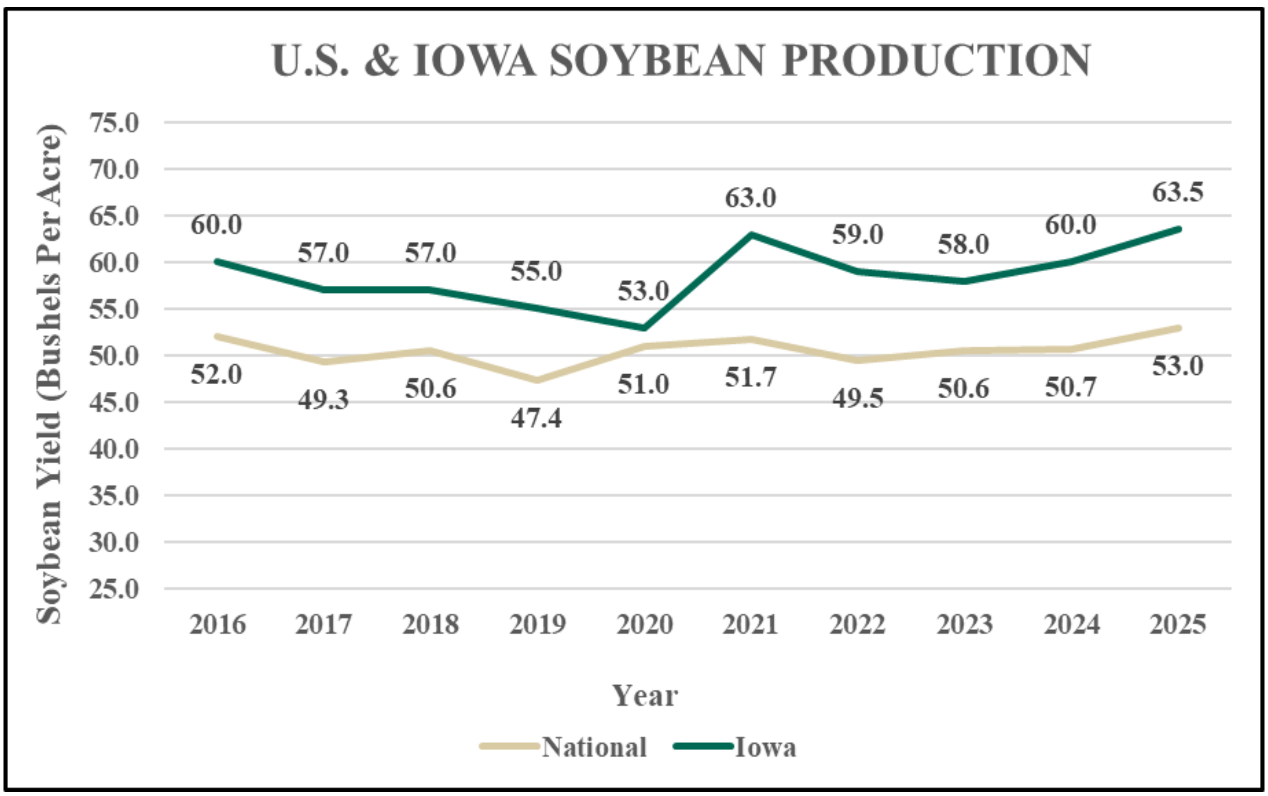
The excess rainfall led to oversaturated soil, prohibiting crop root growth, increasing chances of nitrogen loss, and drowning out wet areas of some fields. While crop conditions looked very good in early July, the persistent rainfall reduced chances of seeing new record corn yields.

Adding another detrimental factor to yield potential, unusually strong southerly winds blew a disease called Southern Rust up from the southern U.S. earlier than normal. High relative humidity in July and August combined with the constant precipitation provided the perfect conditions for the disease to thrive. The disease quickly covered plant leaves and effectively caused corn plants to shut down prematurely, shortening the grain fill period and reducing yield potential.

Area corn yields were roughly 10-20% below 2024's production. Hybrid disease tolerance, the timing of fungicide applications, and the presence of drainage tile were critical factors for yield performance. Soybean yields finished above average for much of the area, with some farms setting new records. The strong soybean yields were likely due to the ample late summer rainfall and having a timely start to planting.

USDA's projections for state and national corn and soybean yields since 2016 are summarized below. New national record yields are projected for both corn and soybeans. Iowa set a record state soybean yield, with corn the second best on record for the state.





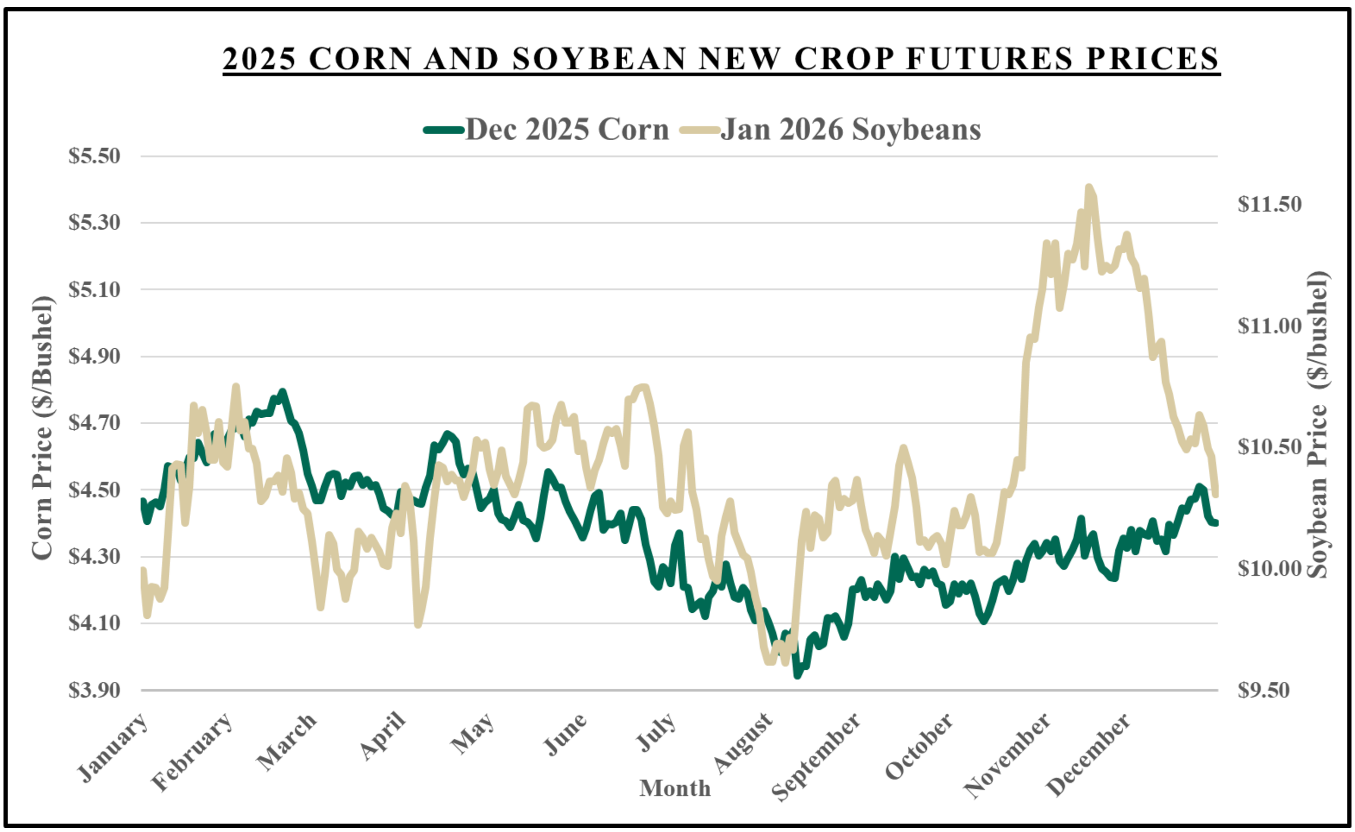
2025 GRAIN MARKETS

The corn and soybean markets faced continued pressure in 2025, mostly due to strong U.S. and World grain production. The year started on a positive note after USDA adjusted their 2024 crop production estimates, indicating there was less grain on hand than originally expected. The favorable start was thwarted by talks of tariff implementation in February, with prices then trending lower into the growing season.

As the growing season progressed, price activity was hampered by expectations that the U.S. would produce new record corn and soybean crops in 2025, as no significant threat to U.S. yields appeared. Corn prices were especially pressured by U.S. farmers planting nearly 99 million acres of corn, the most since the 1930s.

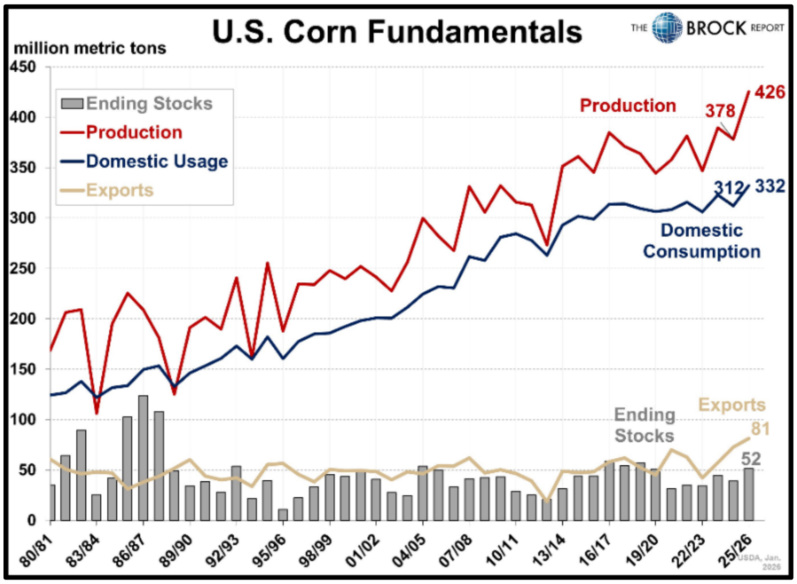
The year's lows were set in late August with prices rebounding into the fourth quarter, spurred by positive demand progress and corn yields falling below expectations. The most critical factor was productive trade discussions between the U.S. and China in late October, boosting soybean prices by over $1.00 per bushel. However, the grain trade's "wait and see" mentality watching for China's actual purchases caused prices to drop from the November highs to close the year.

The chart below shows price action in 2025 for the "new crop" futures contracts:

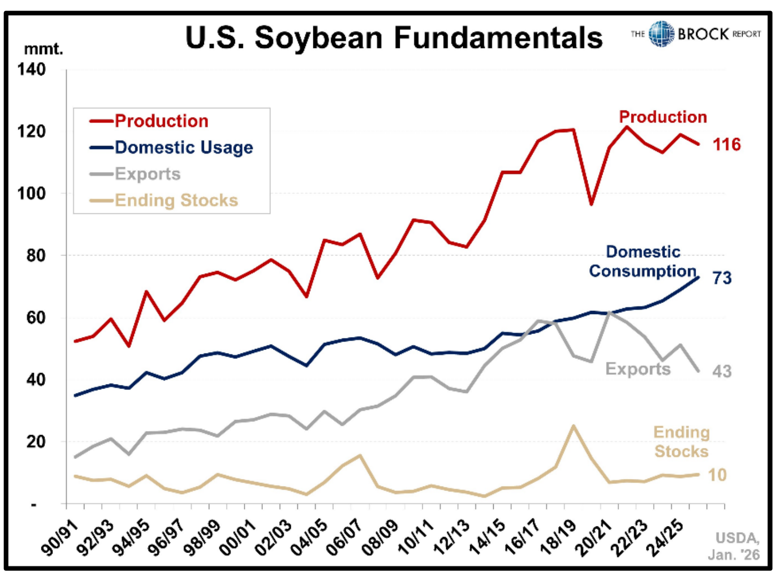


Cash prices ended the year near $4.00/bu. for corn and $9.60/bu. for soybeans at local elevators.

Looking ahead, current fundamentals will limit any potential price rallies. A bearish January 2026 USDA Supply and Demand Report sent prices reeling, as USDA surprised traders by increasing the 2025 U.S. corn yield and harvested acres, ballooning carryout to 2.2 billion bushels. The chart below shows that U.S. corn production has risen to new record levels, and ending supplies will be at the highest level since 2018-19. Demand is better now than it was at that time, providing some support for corn prices.



Shown below, U.S. soybean production is near record levels, while the elephant in the room is that export demand has fallen sharply with China's lack of buying and South America's increasing presence in the world soybean market. Domestic use of soybean oil in biofuels has improved demand in recent years. Still, with over 40% of U.S. soybeans exported, trade will remain the most critical factor for soybean prices moving forward.



USDA is projecting average prices of $4.10/bu. for corn and $10.20/bu. for soybeans in the 2025-26 marketing year.

GOVERNMENT PROGRAMS

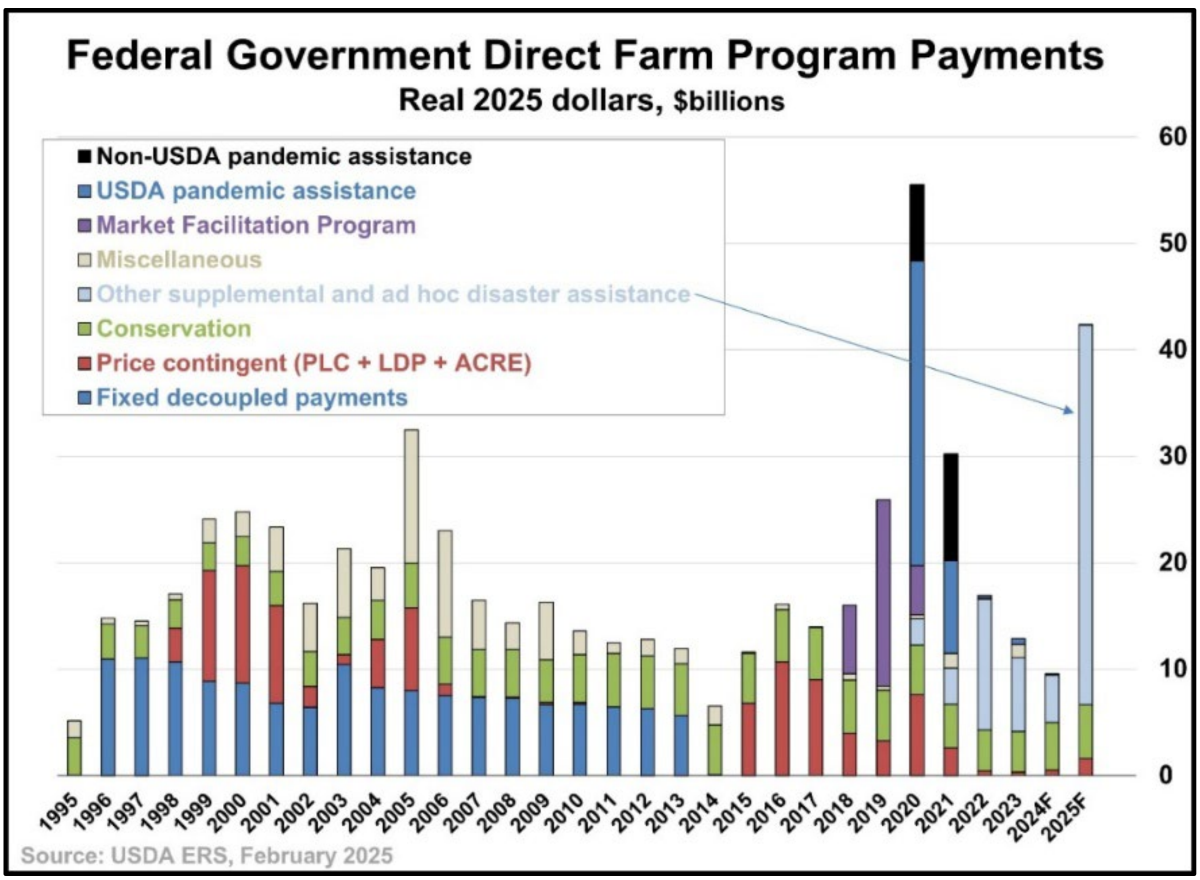
The USDA made several payments to commodity producers in 2025. Most notably was the Emergency Commodity Assistance Program (ECAP). ECAP, a one-time program to assist with mitigating impacts of high input costs and a drop in commodity prices, issued $10 billion in payments to producers of eligible crops for the 2024 crop year. Producers received per-acre payments of $42.91 for corn and $29.76 for soybeans.

A more selective program, the Supplemental Disaster Relief Program (SDRP), paid producers who experienced losses due to qualifying weather events in 2023 and 2024. Producers who had a related crop insurance claim in those years were eligible for Stage 1 of the program. Stage 2 was rolled out in late 2025, which will pay producers who experienced a "shallow loss". SDRP payment amounts will vary by producer.

In December 2025, the USDA announced payments to be made in 2026 related to the 2025 crop production as part of the Farmer Bridge Assistance (FBA) Program. FBA will provide $11 billion through a one-time payment to eligible commodity producers. Payments are expected to be issued by the end of February at $44.36 per acre for corn and $30.88 per acre for soybeans.

Payments from the ARC and PLC safety net programs are likely for 2025 corn and soybean production but will not be known until later in 2026.

For reference, the chart below shows government payments issued since 1995:

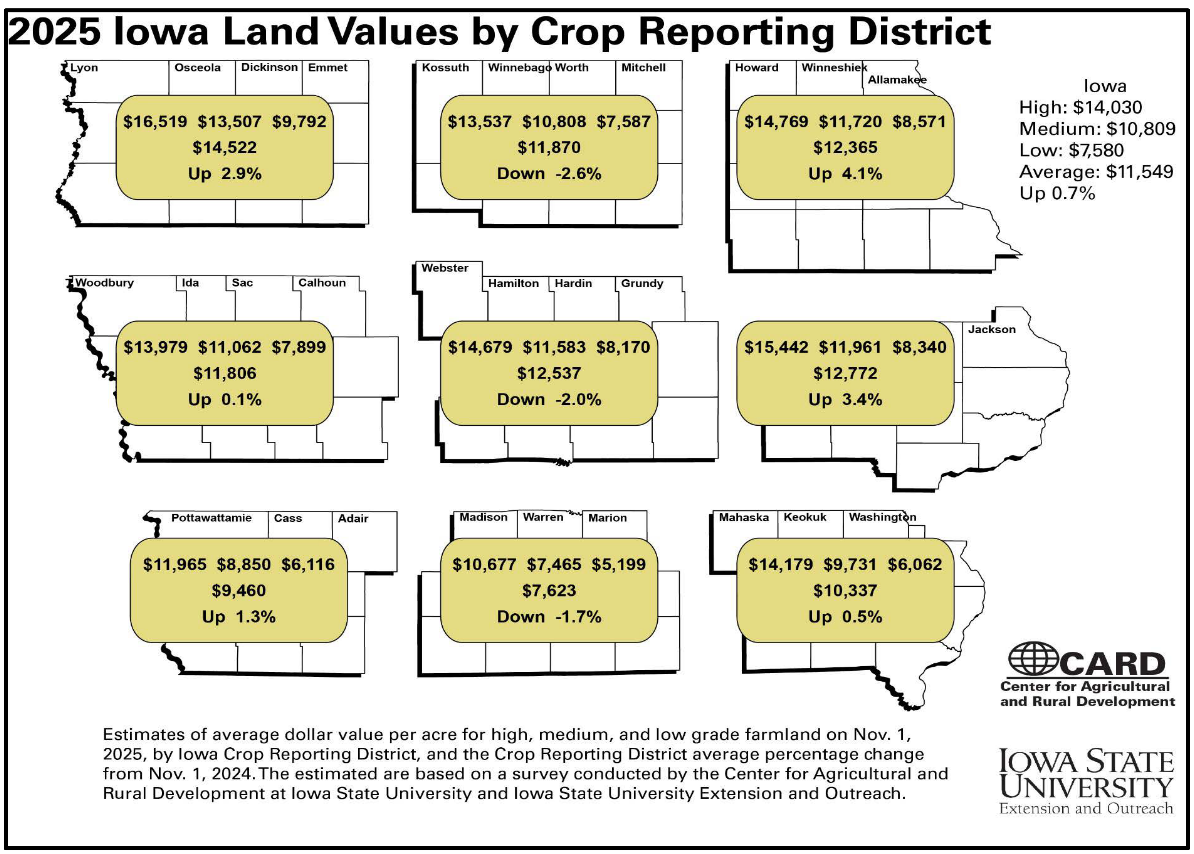


IOWA FARMLAND VALUES

Iowa State University released the results of their most recent Farmland Value Survey in December 2025. The report showed a statewide increase in average farmland values of 0.7% since November 2024, bringing the state average price to $11,549 per acre. The survey indicates that Iowa farmland values have been relatively stable over the last year. Statewide values have plateaued in recent years but are up by approximately 34% cumulatively since November 2020.

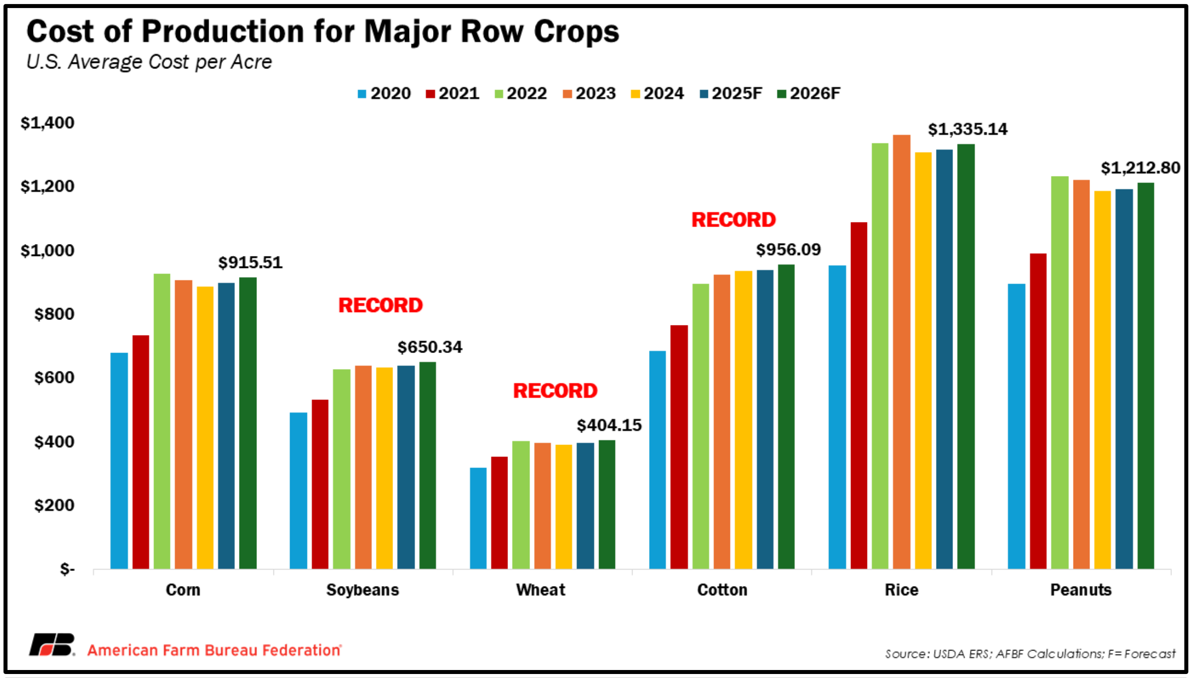
The farmland market has been supported by a limited supply of land on the market, strong crop yields, and steady demand from farmers and investors. These factors have helped stabilize the land market despite continued downward pressure from lower commodity prices, rising input costs, and the lingering effects of elevated interest rates.

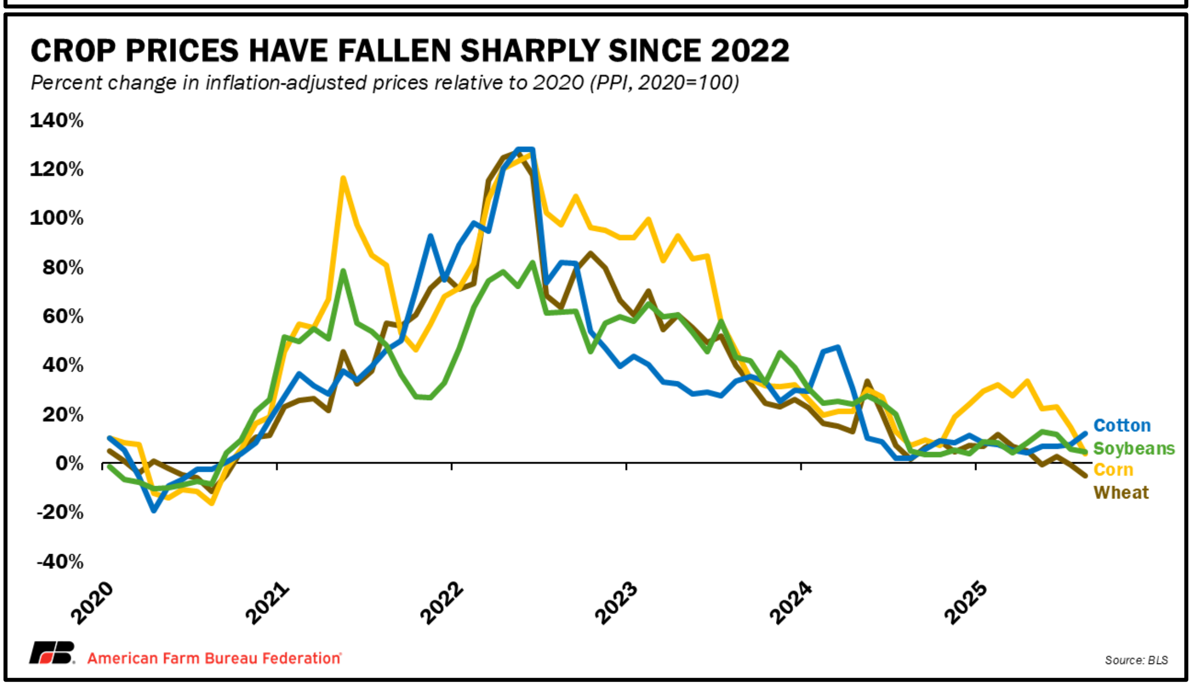
Average values for high, medium, and low-quality farmland, as well as the overall average, in each district are shown below. High-quality farmland in the central district was reported at $14,679 per acre which is down 2.0% from 2024. Several other crop reporting districts showed an increase in farmland value from a year ago.



2026 OUTLOOK

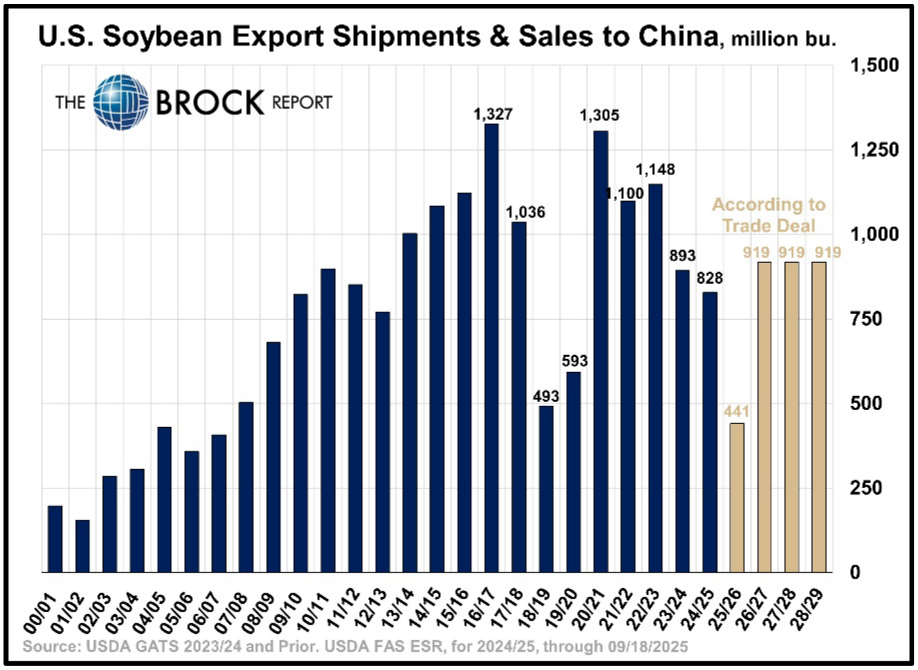
Farm Profitability: The following charts from the American Farm Bureau Federation show changes in commodity price and cost of production since 2020. Costs of production have increased over this period for both corn and soybeans, while prices received have been trending lower since 2023.



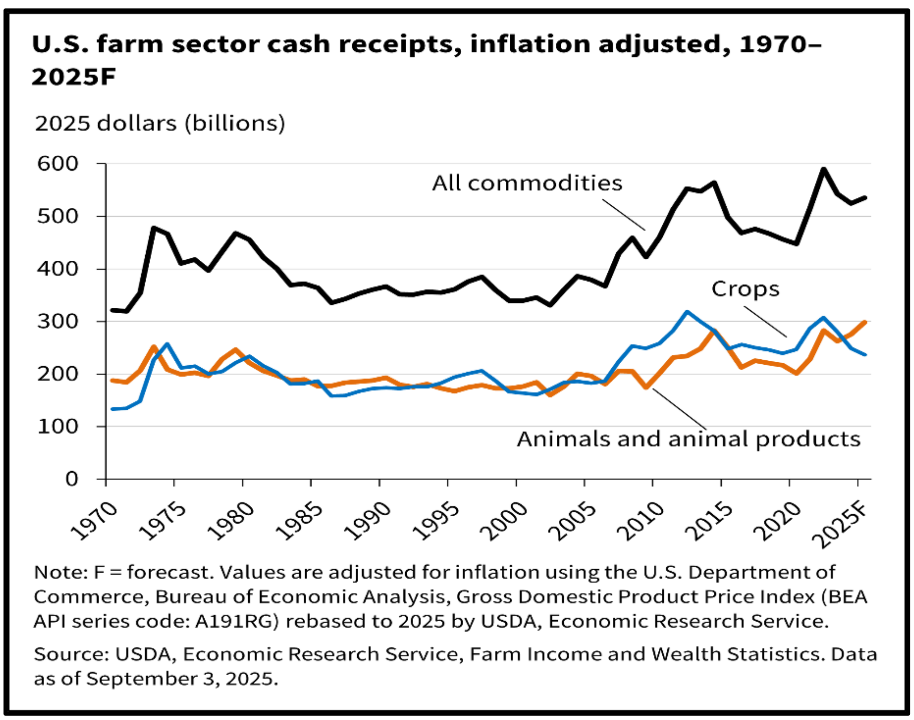


Margins are expected to remain compressed again in 2026 for row crop production as rising crop input prices, particularly for fertilizer, have made it difficult for producers to trim expenses. Once again, strong crop yields and prudent grain marketing decisions will be critical for profitability in the year ahead.

Trade With China: The 2025 trade deal with China implied that China would resume purchases of U.S. soybeans. As shown by the chart below, the commitment is still less than the annual amount purchased over most of the past decade. The grain trade will be carefully watching for reports of soybean shipments to China over the next several years.



U.S. Farm Income: The chart below shows gross U.S. farm income since 1970. Crop income has fallen over the past several years, while livestock production income has risen, particularly in cattle and poultry. This trend is likely to continue in 2026.



Farm Management Agreement

APPLICATION TO
HERTZ FARM MANAGEMENT,
INC. FOR
COMPLETE FARM MANAGEMENT SERVICE

Date: ______________________________

Hertz Farm Management, Inc.
415 South 11th Street
Nevada, IA 50201

Greetings:

This will authorize you to assume management of my farm legally described as:

Your farm management is to cover all phases of the operation of this farm including:

1. Farm plans, field arrangement, crop rotations, soil treatment, drainage maintenance and additions, erosion control, and rehabilitation and maintenance of improvements.

2. You are to organize the personnel, employ labor or contract with tenants, depending upon the type of operation, and you have authority to hire and discharge all farm employees and/or tenants.

3. You are to supervise the institution and carrying out of the plan of operation, supervising the work of the tenants or operators, and advising them regularly in regard to cultural and other practices adapted to the farm.

4. This is your authority to enter into lease and labor agreements and make renewals or extensions of same, to collect rentals, sell crops and other farm products, make purchases and settlements, and carry out any agreements made in behalf of the farm.

5. Farm income collected by you will be deposited in an individual farm account in a bank selected by you, and of which I approve, and held for the account of these properties. From such deposits you are authorized to make payments in behalf of the properties, including such items as taxes, repairs, crop expenses, insurance and management fees. You are to transfer funds to me that will not be needed for current or anticipated expenses when they are available or at my request.

6. Written reports will be furnished by you frequently enough to fully advise of the progress of the work on the farm.

7. When you consider it advisable to enter into contracts with the United States Department of Agriculture for crop control and sealing crops raised, and when required, I agree to give you a power of attorney authorizing the signing of these contracts.

8. I request you to look after the taxes and insurance and pay for same from the farm account.

9. Your management responsibility shall begin on_________________________, and shall continue until either of us desires that it shall end, and then said termination may be effected by a ninety-day written notice by either of us to the other. In the event of termination for any reason, you shall be entitled to your proper fee with inventories at current value for crops unsold and cash rents earned. In the event your services are terminated in less than one year, I agree to pay your fees for the first year of management.

10. For the service, compensation shall be based on a percentage of owner's gross income depending upon the method of farm operation:

Farming Operation	Fee
Custom Operation	%
Crop-Share Lease	%
Cash Rent Lease	%
Modified Crop-Share Lease	%

The minimum yearly fee shall be $1,800.

Your fees will begin with rentals earned after_______________________.

11. Owner is not aware of any existing environmental or hazardous waste problems associated with this farm. Hertz Farm Management will not be held accountable for any environmental and/or hazardous waste problems that may have existed prior to this

12. This contract shall be binding upon heirs, devises, assignees, grantees, and personal representatives of the Owner, and upon the successors of the Manager.

13. Hertz Farm Management is not responsible for filing Federal or State income tax returns.

14. This agreement does not attempt to outline all of the details of the services you are to render, or my obligations, but is merely to form a basis of understanding, setting forth primarily the period, broad duties, compensations and means of termination of work.

This letter shall constitute an agreement between us when signed by me and accepted by you.

Agreed and Accepted:

HERTZ FARM MANAGEMENT, INC.

____

By:

____

Date

Very truly yours,

____

Name

____

____

Name

____

Address

BANK AUTHORIZATION

DATE: ___________________________

NAME AND ADDRESS OF BANK

____
____
____

We (I), the undersigned, give our (my) consent and approval for Hertz Farm Management, Inc. to be authorized to establish appropriate accounts with your organization for the purpose of depositing income and paying expenses incurred with the management of our (my) farm. We acknowledge that our access to the account is limited to the verification and viewing of balances online where available and that Hertz Farm Management solely controls the funds in this account pursuant to the terms of our management agreement.

DATED THIS_________________DAY OF____________________, 20___.

____
Name

___________________________________ ___________________________________
Address Birth Date

____
Name

___________________________________ ___________________________________
Address Birth Date

REAL ESTATE TAX AUTHORIZATION

Date ______________________

____________________ County Auditor/Treasurer
____
____

We, (I), the undersigned, give our (my) consent and approval for Hertz Farm Management, Inc. to be authorized to pay the appropriate real estate taxes and receive any other real estate correspondence concerning our (my) property from your county. Hertz Farm Management, Inc. is paying expenses incurred with the management of our (my) farm which they are managing for us (me).

Please change the mail-to address to:
Hertz Farm Management, Inc.
PO Box 500
Nevada, IA 50201-0500

____
Owner -

____
Owner -

Date ________________________________

Hertz® Farm Management, Inc.

Client Financial Services

Your Farmland Income, Managed with Care and Expertise

From initial deposit to annual report, our Client Financial Services team handles every financial detail so you can focus on what matters most.

Personalized Account Management

You choose the bank. Our team has established relationships with our preferred banking partners, so setup is fast and your account is in good hands from day one.

- Choose from our network of trusted, preferred banks
- On-staff specialists with direct bank relationships
- New accounts opened quickly

Our Preferred Banking Partners:

- Availa Bank
- First Bank
- Hills Bank & Trust Company
- South Story Bank & Trust
- State Bank & Trust Company
- Alliance Bank

Competitive Returns With No Hidden Fees

Because we manage a large number of client accounts, we negotiate preferential interest rates that most individual landowners can't access on their own and our partner banks charge none of the fees that quietly reduce your earnings.

- Interest-earning accounts at rates above what most individuals qualify for
- No stop payment, overdraft, or monthly maintenance fees
- Free ACH and wire transfers means more of your money stays yours

Daily Protection and Peace of Mind

Your finances are monitored every single day. We don't wait for problems to surface, we catch them before they affect you.

- Daily account reconciliation and real-time activity monitoring
- Real-time fraud detection and data security protocols
- Proactive oversight so you're never caught off guard

Simple Experience, Professional Standards

We operate a professional-grade financial management system on your behalf — the kind typically reserved for large institutional investors. For you, it means accurate records, clear reporting, and confidence that everything is handled.

- Easy-to-read financial reports and year-end summaries
- Seamless coordination between your farm management and financial accounts
- Trusted Hertz expertise backing every decision since 1946

Experience Professional Financial Management Built for Landowners.

Give us a call to learn more.

800.593.5263 **www.Hertz.ag**

Hertz®
Farm Management, Inc.
Caring for You and Your Farm®

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www.Hertz.ag

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