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

AgUpdate

Timely information *for a select group of farm owners and investors*

Winter ’25
VOL. 42 / ISSUE 2

Stewardship in Action: A New Landowner’s Journey

When Portland Oregon resident, Shannon Bishop, placed a bid at a closed farmland auction in the spring of 2024, she never expected to win.

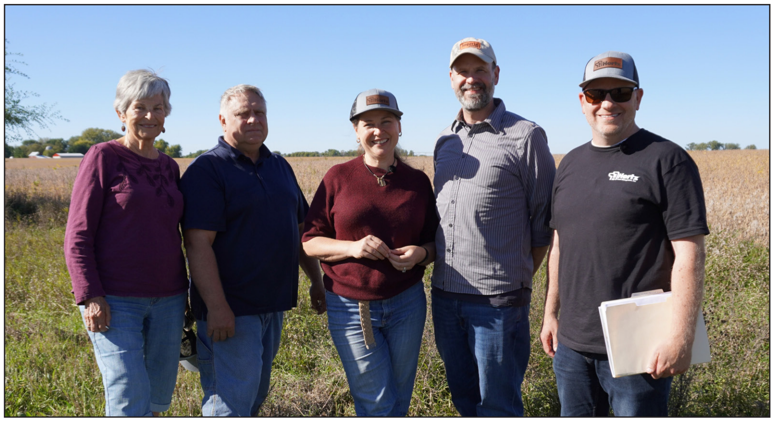
“I’d been looking at farmland for five or six years and had bid at auction once before. This was a [sealed bid sale], and I submitted my offer with no expectation of getting it. When they told me I had won, I was very worried that I’d overbid—fearful and overwhelmed because I didn’t know what to do next. But it moved very quickly, and I bought a farm,” Shannon recalled.

That single moment set her on a new path — one rooted in the same fields she grew up near in Minnesota, and one that would connect her with Hertz Farm Manager Steve Hiniker, AFM of Hertz’s Mankato office.

“Steve was the manager of this farm prior to the [sale]. They asked if I wanted to continue with Steve and I said, yes,” Shannon said.

Shared Goals

Although the purchase came as a surprise, Shannon’s vision for the land was anything but uncertain.



Jill Bishop, Lance Piepenburg, Shannon Bishop, Seth Lengkeek, Steve Hiniker

“I’m very interested in regenerative farming. That was the whole goal for this, that I would get a chunk of land and I would build up the soil and help regenerate and give diversity to the soil. When I told Steve about that, he was very excited and on board. That was really where his heart was also. When we talked about it, I think our goals were very well aligned from the start,” Shannon explained.

For Steve, it was refreshing to meet a new landowner with fresh ideas. “My relationship with Shannon has been a very good one. It’s been exciting to work with a new landowner. Shannon’s only owned this farm now for roughly two years. Typically, you work with clients that have been part of the ownership for quite a while, but it’s new and I’m enjoying it,” he said.

Turning Ideas into Action

Shannon arrived with an ambitious list of ideas for conservation, soil health, and crop diversity. Steve helped her focus on where to start.

“She had all these goals. I just said it’s hard to incorporate everything at the same time. It might be hard to incorporate everything, even long term, but let’s narrow this down. She was very adamant about trying to reduce tillage and to reduce crop inputs… So we decided to try winter camelina and that’s one crop we used this year on approximately a third of the acres,” Steve explained.

To make the project successful, Steve brought together industry experts to share knowledge and possibilities. “We reached out to professionals in the industry, including the University of

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Achieve Your Farm Ownership Goals!

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What is Winter Camelina?
Winter camelina is an oilseed crop in the mustard family, planted in the fall and harvested in early summer. Today it's being tested as a feedstock for sustainable aviation fuel, with potential food uses as well. Beyond its market value, winter camelina offers environmental benefits: it protects soil through the winter, reduces erosion, and helps improve water quality in sensitive areas. By acting as a cover crop, it also supports pollinators and promotes healthier soils.

it's about growing trust through a partnership, protecting the land, and creating a legacy for the future.

Minnesota and Cargill. We had a Zoom call where we all got together, and Shannon was just fascinated that we could brainstorm all these big ideas with a group like that," he said.

Shannon appreciated the collaboration. "When I first bought the farm, I talked to Steve about wanting to explore regenerative and conservation practices. Steve was really helpful in gathering a group of experts in that field."

A Learning Partnership

For Shannon, farm management has been a bridge between her passion for stewardship and the practical realities of farming.

"Management has enabled me to make decisions. I want to do things and management educates me about the details that go into decisions. I'm not a farmer and I don't have that background. There's a lot more that goes into the decisions… It helps me make informed decisions," she said.

Steve values the partnership just as much. "Working with Shannon's been a tremendous opportunity. Being a new landowner can quite often come with new ideas. We all get kind of set in our ways when we've been at something for a long time. Shannon has fresh ideas. She's helping me think outside of the box," he said.

Looking Ahead

The farm's first trial with winter camelina didn't bring big profits, but it achieved Shannon's main stewardship goal.

The next step is applying chicken litter as a natural fertilizer and rotating to corn. Looking further down the road, both Shannon and Steve are eager to explore Kernza, a perennial wheat with deep roots and strong soil-conservation benefits.

For Shannon, each step is part of a bigger picture. "I hope that my children share the same enthusiasm for land stewardship that I do. They will carry on the legacy of that."

Even though she lives across the country, Shannon has peace of mind knowing her farm is cared for. "I couldn't do it without a farm manager. Even if I lived 15 feet from my land, I could not do it because I don't have the skills or the expertise to do that," she said.

A Shared Commitment

Steve summed up the partnership simply: "I believe new landowners can benefit from working with Hertz because we are the boots on the ground… It's all about networking, relationships, and we've got connections. We can bring the pieces of the puzzle together."

For Shannon and Steve, the journey has been about more than growing crops — it's about growing trust through a partnership, protecting the land, and creating a legacy for the future. Together, they are proving that with shared vision and collaboration, farmland can thrive for generations to come.

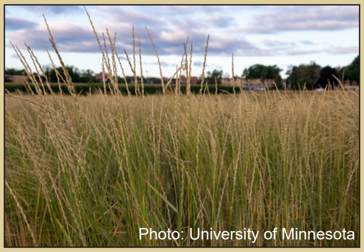
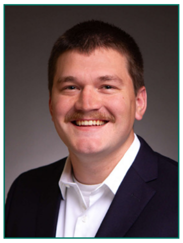


Photo: University of Minnesota

What is Kernza®?
Kernza is a perennial grain developed from intermediate wheatgrass that produces harvests for several years without replanting. Its deep root system — stretching 8 to 10 feet underground — helps build organic matter, reduce soil erosion, retain water, and store carbon. The crop also opens new markets, with its grain being used in baked goods, cereals, and even beer. For landowners, Kernza represents a powerful balance of conservation and economic opportunity.

Hertz Professionals Update

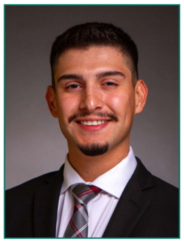
Welcome our Newest Team Members!



Eythan Blair
Eythan joined Hertz in 2024 as a Farm Manager in the Mason City, IA office.

Jenna Blessing
Jenna joined Hertz in June 2025 as an Appraisal Trainee in the Geneseo, IL office.

David Michaelis
David joined Hertz in August 2025 as a Farm Manager in the Omaha, NE office.

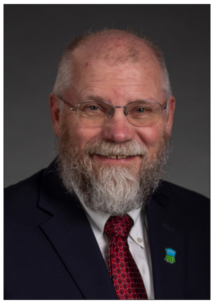


Jerson Kopka
Jerson joined Hertz in June 2025 as an Appraisal Trainee in the Mankato, MN office.

Chance Lambrecht
Chance joined Hertz in August 2025 as a Farm Manager in the Norfolk, NE office.

Hertz Farm Management continues to hire the best and the brightest, to serve the ever changing needs of our clients.

Meet ASFMRA's New National President



We're excited to announce Terry Kestner, ARA, RPRA, is the National President of the American Society of Farm Managers and Rural Appraisers (ASFMRA). Terry joined Hertz Farm Management as the Director of Appraisal in May 2022. He has an impressive background of experience in appraising agricultural, recreational, urban influence, and large swine confinement properties.

Terry, along with other newly elected officers and award winners, was recognized at the ASFMRA Annual Conference this November.

In addition to his career experience, Terry also has a notable educational background. Kestner received his bachelor's degree in Agriculture Business from Western Illinois University along with his MBA from Kaplan University. Terry joined the American Society of Farm Managers and Rural Appraisers (ASFMRA) in 1989 and received his ARA designation in 1995, and RPRA designation in 2008.

Terry and his wife reside in Cedar Falls, IA and enjoy spending time with their son and two daughters.

A Disciplined Approach to Grain Marketing: Hertz's Strategy for Stable Returns

Dylan Daehn
Farm Manager, Grain Marketing Comm. Chair
Licensed Real Estate Salesperson in IA
Mt. Vernon, IA

...marketing must integrate seamlessly with overall farm financial planning.

Hertz Farm Management's grain marketing philosophy emphasizes stability, discipline, and risk management through structured, research-based decision-making. Rather than speculating or reacting emotionally to market swings, Hertz employs a systematic approach guided by historical price patterns and market fundamentals. Our marketing committee meets regularly to evaluate local and global weather, USDA reports, input costs, export trends, and other fundamental and technical factors influencing grain prices. Our philosophy recognizes that corn and soybean prices typically experience seasonal rallies at specific time frames throughout the year, and these rallies are viewed as prime opportunities to make incremental sales. This strategy focuses on capturing profitable price levels while avoiding the risks associated with waiting for market peaks that may never materialize. By focusing on consistent execution—"hitting singles and doubles" rather than seeking "home runs"—Hertz helps clients maintain steady revenue streams and long-term financial stability.

The marketing committee's objectives help take the emotion out of marketing decisions by setting clear price and time targets. These guidelines recommend that managers typically sell 30–50% of new-crop grain during the spring and early summer rally window, with around 25–33% marketed by planting and 40–50% by pollination. The remaining bushels are generally sold as old-crop in the following marketing year. This disciplined timeline ensures that decisions are proactive and not reactive to short-term market noise. By making sales in smaller increments of roughly 10–15% per trigger point, managers can take advantage of favorable opportunities without overcommitting. This structure provides predictability and reassurance for participating landowners, reinforcing the company's commitment to consistent, prudent management rather than speculative behavior.

A central tenet of Hertz's philosophy is that marketing must integrate seamlessly with overall farm financial planning. Decisions about when and how to sell grain take into account storage capacity, cash flow needs, and each farm's budget. Accurate yield and inventory tracking—using grain bin measurements, settlement sheets, and yield monitor data—ensures that marketing decisions are grounded in reliable production estimates. Maintaining conservative estimates helps avoid contract shortfalls. Just as importantly, the company recognizes the psychological side of marketing. Managers are trained to resist the "emotional roller coaster" that can come with volatile commodity prices, focusing instead on the farm's profitability and long-term goals.

Hertz also uses a variety of marketing tools—such as hedge-to-arrive, basis, forward contracts, and options—to manage price risk and capture favorable market opportunities. Each tool serves a specific function in balancing price flexibility with protection from adverse market moves. Our approach combines both fundamental and technical analysis, examining chart patterns, support and resistance levels, retracements, and moving averages to refine entry and exit points. This blend of market science and discipline creates a marketing environment that is both proactive and data-driven.

Revenue Protection (RP) crop insurance plays a vital complementary role in Hertz's overall marketing and risk management framework. By guaranteeing a percentage of expected yield and price—typically

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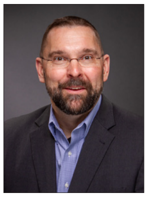
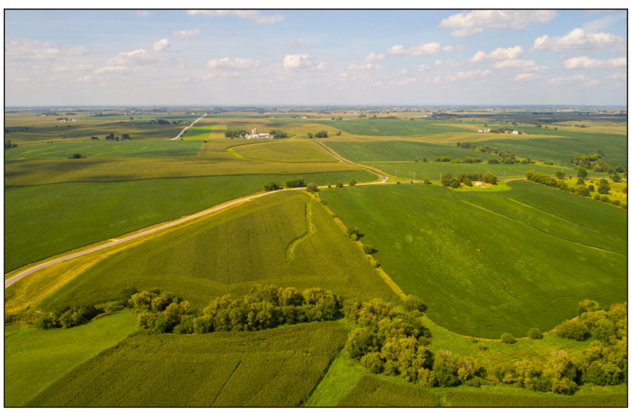


Farmland Value Update

Doug Hensley,
President of Hertz Real Estate Services,
Nevada, IA

I'm sure many of you have heard the phrase, "Steady as she goes" to describe a variety of things in life. "Steady as she goes" is a navigational command with a nautical origin, meaning to maintain the current course and pace of a vessel by keeping the ship steady and focused on its heading. As fall harvest concludes and the winter-planning-season emerges, that phrase is how I would currently describe the Midwestern farmland market. The early flush of September pre-harvest land sales surprised me in their overall stable results, and they were actually a tad stronger than I'd anticipated. None set a new high watermark, but there was competitive participation, and overall solid resulting prices. There's no denying that the pressure in the countryside is real, however, as grain markets are weak and 2026 input prices are sticky to decline.



Iowa Farmland: Modest Declines Amid Tight Supply

The Iowa Chapter of the REALTORS Land Institute reported a 1.2% decrease on a statewide average for the March 2025 to September 2025 time-period. This followed a 1.0% decrease in the prior 6-month period from September 2024 to March 2025, thus reflecting an annual 2.2% softening for the State of Iowa on tillable acres. Survey respondents described the market as stable, despite downward movements in corn and soybean prices across recent months. Lack of inventory is helping support land values.

Illinois Values Ease at Mid-Year Checkpoint

According to the Mid-Year Survey conducted by the Illinois Society of Professional Farm Managers and Rural Appraisers, nearly 70% of survey respondents reported 2-3% declines in land values during the first half of 2025, while the balance reported little to no change in land prices since January. More than 60% of land buyers across Illinois during this period were active farm operators, while the balance of buyers were local investors, non-local individual investors, and institutions.

Minnesota Mixed w/ Weakening Fundamentals

According to the Minneapolis Fed's Q2 2025 Ag Credit Survey, farmland values across the Ninth District that include Minnesota were mixed. Non-irrigated cropland was reported as marginally weaker (<1% off), while irrigated and ranchland values rose 2%. It has been widely reported by the Fed Reserve bank, as well as countryside lenders, that farm finances have weakened in 2025 for row-crop producers across Minnesota.

Nebraska Row-Crop Market Cools, Livestock Land Up

After several consecutive years of steady gains, Nebraska farmland took a step back in 2025. The University of Nebraska–Lincoln's annual survey pegged average cropland values 2% lower than a year ago. Weakness in land values for the row-crop sector stands in contrast to single-digit gains being seen for grazing and hay land values, which are being supported by strong performance from the livestock sector.

Conclusion

As for farmland sales between now and next spring, I've mentioned in some recent discussions and presentations that this market setup reminds me of 2015 to 2019, when we last experienced prolonged profitability pressures. During that time, producers did all they could to "bushel-through" the commodity price weakness, and they continued to participate in acquiring nearby farms when it made operational sense. Based on the early land sales this fall, I anticipate much of the Midwestern land market will approach buying farms this winter in a similar way. Long-game thinking. At times the market may feel a little like walking a tightrope – but for now, steady as she goes.

...respondents described the market as stable, despite downward movements in corn and soybean prices...

Meet Our Hertz Stewardship Committee

> ***Farm stewardship has long been a priority for Hertz Farm Management and our clients...***

The Hertz Stewardship Committee is a team of farmland professionals who meet regularly to discuss farm conservation and stewardship practices, programs, and emerging markets to help our clients make confident, informed decisions for the long-term health of their farm and its operation. Farm stewardship has long been a priority for Hertz Farm Management and our clients, and the committee's goal is to continue to preserve that legacy.

Here are some of the most impactful methods being used across our farms:

No-Till

No-till farming reduces soil disturbance by leaving crop residue in place. This helps prevent erosion, improves water retention, and builds organic matter—laying the foundation for healthier soils year after year.

Cover Crops

Cover crops like rye and oats are planted between cash crops to protect and enrich the soil. They reduce erosion, improve nutrient cycling, and support biodiversity, all while preparing the field for the next growing season.

Variable Rate Applications / 4Rs

Using precision technology, nutrients are applied based on the 4Rs: right rate, right source, right time, and right place. This approach improves crop efficiency and minimizes runoff, supporting both environmental and economic goals.

Saturated Buffers

Saturated buffers redirect tile-drained water through vegetated strips, where excess nitrates are naturally removed. These buffers improve water quality and provide habitat, all with minimal land taken out of production.

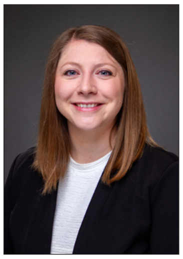
Prairie Strips

Prairie strips integrate native vegetation into crop fields to reduce runoff and soil loss. They also create habitat for pollinators and wildlife, making them a powerful tool for conservation and biodiversity.

Want to learn more?

Reach out to us to explore what conservation opportunities may exist for you and your farm. Whether you're just getting started or looking to expand your efforts, we're here to help.

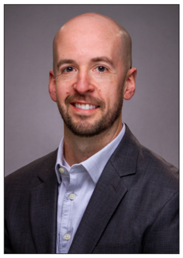
Saturated buffer



Allison Bishop, AFM

Craig Welter, AFM

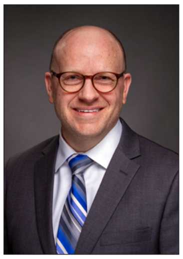
Clint Kaller



Morgan Troendle, AFM

Nicole Rustad, AFM

Tanner Clementz, CCA



Steve Hiniker, AFM

Troy Dukes, AFM

Trace Bolsinger

Blake Arnold

A Disciplined Approach to Grain Marketing

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75% or higher—RP coverage helps secure a minimum revenue floor for producer clients. This insurance not only protects against yield losses from adverse weather but also guards against price declines between planting and harvest. Because the policy is tied to futures market prices, it provides flexibility for producers to make forward sales with confidence, knowing that the insured revenue level helps buffer against unexpected losses. Hertz integrates RP insurance directly into marketing strategies, allowing managers to market grain more aggressively when protection is in place. For example, if a producer locks in 80% coverage on both yield and price, the insured revenue ensures that a significant portion of income is protected even if market prices fall or yields suffer from drought, flooding, or other perils.

This integration of marketing and insurance gives Hertz's participating clients a comprehensive risk management plan—balancing opportunity with protection. With a strong safety net provided by crop insurance, farm managers can make more disciplined and timely marketing decisions without the fear of catastrophic loss. The result is a consistent, professional approach to grain marketing that reduces volatility, protects profitability, and aligns with the long-term financial objectives our clients may have. In essence, Hertz Farm Management's philosophy is about managing risk, not chasing markets—turning uncertainty into a structured plan for financial stability and sustained success.

...integration of marketing and insurance gives clients a comprehensive risk management plan

Participate in the U.S. Farmland Market with Grainfield Partners II, LLP

Grainfield Capital Management offers individuals and families a unique opportunity to invest in high-quality farmland across the Corn Belt through a professionally managed fund. This fund aims to deliver attractive, risk-adjusted returns by building and actively managing a portfolio of productive Midwest cropland, primarily corn and soybeans.

Why Farmland?

Farmland has historically provided resilient, low-volatility returns, steady cash flow, and capital appreciation—even during varied economic cycles. It has shown negative correlation with equities and strong positive correlation with inflation, making it a potentially valuable addition to a diversified portfolio. As global demand for food, feed, and fuel rises and productive land becomes scarcer, farmland values should be well-supported.

Our Team

Grainfield's principals bring decades of experience:

- Chad Hertz, CEO of Hertz Farm Management, oversees 3,000 farms and 670,000 acres.
- Randy Hertz, Executive Chairman, has 40+ years in farmland brokerage and management.
- Dan O'Neil, former President of Charles Schwab Futures, has 30+ years in agricultural commodities.

Investment Strategy

The fund leverages Hertz's extensive network for sourcing deals and farm management expertise. Strategies include cash-flex leases for predictable income and value-add plans for each property. Prudent leverage (up to 20%) may be used to enhance returns

Fund Terms

- $10–$25 million capital raise; $100,000 minimum commitment.
- 10-year fund life, targeting 10–12% gross annual returns (including ~3% cash flow).
- Principals will make a sizable commitment to be fully aligned with limited partners.

For more information, contact **Dan.Oneil@Grainfield.ag** or visit www.Grainfield.ag.

Achieve Your Farm Ownership Goals!

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Omaha, NE	(402) 697.7500

Minnesota Office

Mankato, MN	(507) 345.5263

Arizona Office

Avondale, AZ	(602) 932.5874

Landowner Educational Seminars

Winter 2026 Schedule

All landowners are invited to attend one of a series of Winter seminars.
Our seminar topics will include Grain Markets, Farm Lease Trends/Leasing Alternatives, Land Trends and more!

If you are planning for the next generation, encourage your children to attend with you.

Early/Online Registration Price:
$35 per person, $50 per couple

Walk-in/Pay at the Door Registration Price:
$50 per person, $85 per couple

To Register, ***Scan the QR Code*** *or* ***Register Online*** *at*
www.Hertz.ag/seminars

Registration includes:
Lunch, break refreshments and handouts of the presentations.

Questions? Give us a call at 515.382.7979

Dates & Locations

All seminars will be from 8:30 a.m. – 3:00 p.m.

Feb. 9	Bonita Springs, FL
Feb. 11	Sarasota, FL
Feb. 12	The Villages, FL
Feb. 24	Chandler, AZ
Feb. 25	Glendale, AZ
Feb. 27	Palm Springs, CA

Please Note The Florida Seminars Are First This Year