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

# AgUpdate

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

Winter '26
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## The Welty Family Carries a Love of Farmland Forward

When Paul Welty Jr. talks about helping the next generation appreciate the family's Iowa farmland, his advice is simple: get them out on the land.

"If you're not setting foot on the property and not feeling the land, then you cannot appreciate it," he said.



Clint Kaller, John Maxwell, Amy Welty, Richard Welty, Karen Welty-Wolf, Paul Welty Jr., and Eric Hill

That belief has guided the Welty family for decades. Longtime clients of Hertz Farm Management, the family has worked with Hertz farm managers across generations to care for approximately 1,100 acres of farmland in Story County, Iowa.

When we last featured the family in our newsletter in 2011, Paul spoke about sharing information with his children and encouraging them to return to Iowa. Fifteen years later, those children are helping guide the farms' future, bringing their own questions, interests, and commitment to caring for the land.

Today, Paul and his three children, Richard Welty, Amy Welty, and Karen Welty-Wolf, work with Hertz Farm Manager, Clint Kaller of the Nevada, Iowa, office. Although their lives have taken them across the country, the family's Iowa farms provide a shared connection and responsibility that now reaches into another generation.

### A Connection That Started Early

The Welty family's farmland ownership reaches back more than a century. Paul recalls his grandfather purchasing the Hilltop farm east of Nevada around 1915, with other farms added over the years.

Although his children grew up primarily in Florida, Iowa remained part of their lives. Visits to their grandmother brought them back to the area, where conversations about the weather and the farms were part of everyday family life.

Karen remembers longtime Hertz Farm Manager, Jim Frevert, stopping by and sitting at the kitchen table. Learning about the farms happened naturally, alongside time spent with their grandmother.

"I think coming into ownership has really just been a gradual and very natural evolution over time," Karen said.

Their grandmother also helped make that connection tangible. With Jim's guidance, the three siblings became owners of a farm while they were young. Its name, ARK, came from the first letters of Amy, Richard, and Karen. Once they owned a share, they began receiving farm reports and learning what farmland ownership involved.

For Amy, the connection deepened when her research into plant and microbial partnerships brought her to Iowa State University. Having the family farms nearby gave her

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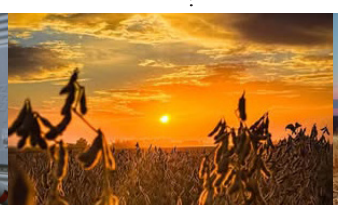
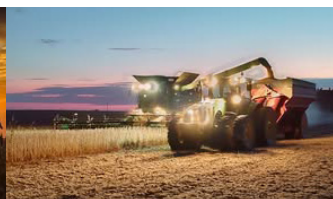
***Achieve Your Farm Ownership Goals!***





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opportunities to visit the fields and connect her scientific interests with agriculture. Her daughter helped in the lab and in the field, creating another generation's connection to Iowa.

## Shared Goals and Open Questions

Today, the family's conversations with Hertz Farm Management center on how to keep the farms productive while caring for the soil and surrounding communities.

"We happen to own it, but we have a duty to preserve it and maintain it for the long haul," Richard said.

When Clint began working directly with the family about five years ago, their priorities were clear: maintain strong relationships with their farm operators, improve conservation, and thoughtfully evaluate financial opportunities.

Those priorities guide his farm management recommendations, but the family stays actively involved. Clint brings information and ideas; the Weltys ask questions, research the possibilities, and discuss them together.

Karen appreciates both his interest in conservation and his use of data. The family values its history while remaining willing to consider new practices that support its goals.

"I think it helps us come to Clint with questions and I find that he has good answers and he respects our questions, which is really important to keeping up a good dialogue and communication going forward," she said.

That approach has led to opportunities to test practices before making broader changes. Amy recalled a conversation with retired Hertz Farm Manager, Tim Pick, and Clint during the management transition, when both managers and the family discussed how to evaluate a new product on a small scale.

For Clint, their curiosity makes the partnership rewarding. Trials involving reduced tillage and new products offer opportunities to learn what may improve production or reduce costs on their particular farms.

"I love their openness to continue and try new things and continue to develop and learn as landowners as that helps me continue and develop as a farm manager as well," he said.

## Putting Farm Management Plans into Practice

Some of the most significant recent changes on the Welty family's Iowa farmland have involved seed corn production. Their land lies in an area where seed companies contract with growers to produce the seed planted by other farmers.

With Clint's guidance, approximately 172 acres went into seed corn production in 2025, increasing to nearly 265 acres in 2026. Securing those opportunities involves attention to drainage, fertility, and operator experience.

On one farm that grows seed corn, the family invested in drainage tile to support production and help position the farm for future contracts. Cereal rye cover crops following seed corn harvest and reduced tillage on a portion of the acres also support their conservation goals.

The family's long-term approach to farmland ownership helps shape these decisions. Clint explained that the benefits of conservation practices build over time, and an investment in drainage is easier to evaluate when owners intend to hold the land for decades.

Clint also helped the family respond to an opportunity to sell a less productive farm to a buyer interested in its location. Through a tax-deferred exchange, they acquired a fully tillable farm with greater income potential.

Each decision reflects the same ongoing discussion between the family and their farm manager: how can the farms better meet the family's goals, now and in the years ahead?

## Relationships That Keep the Family Connected

For the Weltys, successful farmland management also means knowing the people who farm their land. Clint works with four farm operators on the family's behalf, including one relationship that extends back decades.

During a recent visit, the family began with a meeting at the Hertz Farm Management office in Nevada, Iowa, to discuss production, rainfall, grain markets, and farm improvements. They then headed out to see the farms and spend time with operators, including a new operator on a recently acquired farm.

Jim Frevert also stopped in that morning to greet the family, a reminder that their relationship with Hertz Farm Management has always extended beyond the professional side of managing farmland. Over the years, the Weltys have developed personal connections with their farm managers that have been especially

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> ***"We happen to own it, but we have a duty to preserve it and maintain it for the long haul"***
>
> - Richard Welty

# Morgan Troendle Named Farm Manager of the Year!

Hertz Farm Management is proud to announce that Morgan Troendle, AFM, has been named the 2026 Professional Farm Manager of the Year by the American Society of Farm Managers and Rural Appraisers® (ASFMRA®).

Presented by Syngenta, the national award recognizes an Accredited Farm Manager (AFM) who has made a significant impact on the farm management profession.

A native of Cedar Falls, Iowa, and graduate of Iowa State University, Troendle began his career with Hertz Farm Management immediately after college at the company's Cedar Falls office. Throughout his career, he has worked with farmland owners to navigate the complexities of land ownership, farm operations, and long-term stewardship.

*"Morgan's dedication to his clients and the farm management profession makes him incredibly deserving of this recognition. His commitment to building strong relationships, providing sound guidance, and helping farmland owners achieve their goals reflects the values we strive to uphold at Hertz."* - Chad Hertz, AFM, CEO of Hertz Farm Management

Troendle was recognized during ASFMRA's 2026 Awards and Accreditation Ceremony at The Wigwam in Litchfield Park, AZ.



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

# Congratulations To Our Farmland Professionals on their Newest Awards and Accreditations!



**Carrie Seidel, AFM**

**Congratulations to Carrie on winning the Early Career Award!** This national award, given annually by the ASFMRA, recognizes "early career" members who are making outstanding contributions during their first 10 years of membership.



**Chad Hertz, AFM**

**Congratulations to Chad for winning the H.E. Stalcup Excellence in Education Award!** This award recognizes individuals who have contributed his or her knowledge and countless hours toward the advancement of the ASFMRA educational offerings.



**Daniel Ganz, AFM**

**Congratulations to Daniel for earning his Accredited Farm Manager designation!** Daniel joined Hertz in 2023 as a farm manager in our Mt. Vernon, IA office.



**Mike Yegge, AFM**

**Congratulations to Mike for earning his Accredited Farm Manager designation!** Mike joined Hertz in 2022 as a farm manager in our Mason City, IA office.



# Grain Markets

David Krier, AFM
Farm Manager
Licensed Real Estate Salesperson
in IA, NE, and SD
*Humboldt, IA*

***U.S.-China trade negotiations and tariff discussions continue, with the agricultural community watching closely.***

Compared to previous years, 2026 was far from average and uneventful. Geopolitical events were predominant. Russia and Ukraine; U.S. and Iran; U.S. and China. No single factor tells the story. It's about multiple independent catalysts and their combined effects on grain trade and supply-and-demand fundamentals. Corn and soybean prices impact farm profitability, influence cash rental rates, and affect the economics of farmland ownership. Market reactions to physical conflicts and international relations are worth watching.

We entered 2026 with Russia and Ukraine in their fourth year at war. Intensified conflict has slowed Ukraine's grain exports. Reductions in Ukraine's corn exports could mean more room for U.S. corn in the global market. Stronger export demand for U.S. corn would be a bullish catalyst to look for.

On February 28th, 2026, the U.S. entered a war with Iran. Disruptions to oil production, refining, and shipping spread throughout the Persian Gulf region. Over time, soybean and corn markets (because of their use in biofuel and ethanol) generally correlate with diesel fuel and crude oil markets. For various reasons, energy and grain markets often moved independently and inversely this year. Higher energy costs compounded inflation. Diesel fuel prices doubled for farmers. While crude oil may not directly drive corn prices in the short term, overall inflation concerns support commodities. Fuel and fertilizer input costs are also important to farm profitability and future lease conversations.

U.S.-China trade negotiations and tariff discussions continue, with the agricultural community watching closely. China stores more corn and soybeans than any other country and is the world's largest soybean importer. China imports 60% of the world's soybean exports. China has agreed to buy 25 million metric tons of soybeans from the U.S., and the soybean market appears to have already reflected that figure. Will China increase purchases above and beyond this level? Will China fill its soybean demand with product from South America? Time will tell. Increasing U.S. export demand directly impacts local grain prices and farm profitability.

The grain complex needs stable trade with many different countries for many different reasons. In 2023, Canada became our primary ethanol export destination. In 2026, U.S. ethanol exports to Canada are well below their 2024 and 2025 peak levels. Mexico has been, and remains, the single largest buyer of U.S. corn.

Domestically, U.S. demand for corn and soybeans has been the shining star. The U.S. has consistently used nearly 5.5 billion bushels of corn for ethanol since 2017. 2026/2027 Soybean crush is expected to be a national record, consuming nearly 2.8 billion bushels of soybeans. South American countries are also expected to increase their domestic usage of corn and soybeans. These trends may open opportunities for the U.S. to expand exports. Stability in global grain trade would help. Strong, diversified demand is critical because it supports the grain prices that underpin farm income. Demand trumps supply.

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## Corn Futures




## Soybean Futures





# Farmland Values Update

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

I'm not sure anyone drew it up this way, but 2026 has been a pivot year for U.S. agriculture, and the Midwestern farmland market. Let's review the big rocks from this year thus far.

First, it seems we have grown a respectable crop – not a record, but widely hitting APH levels – it's good to have the bushels. Second, China has returned to the commodity table, buying large quantities of our soybeans – this is also a positive. Third, the strongest El Nino on record has organized in the Pacific, and has started to impact our weather and that for South America – another seeming positive for our market positioning. Next, Europe suffered through a historic drought this summer, effectively cutting production of everything they grow – bad for them, but again, good for our market positioning. And finally, Russia and Ukraine are now in year 5 of brutalizing each other, killing tens of thousands, and destroying both of their productive abilities and export capacities – this is awful – and it has drawn the world wheat market higher and is dragging corn and soybeans along for the ride. As I reflect on each of these market realities, I struggle to recall a time in my life when there have been so many concurrent worldwide issues – and I have not even mentioned the war with Iran, the resulting disruptions across the Middle East, the crazy oil/fuel markets, or our own farm policies – each of which impacts demand.

To be clear, not all these things were positive for the markets. But on the whole as we consider all this motion, we closed the summer months with 3-year highs in both the corn and soybeans markets. This put significant profit opportunity back in play, and Midwest farmers can make money with $5 corn and $12.50 soybeans. And with the positive change in economics, we saw a late summer/early fall uptick in demand for available land assets.

Now, since hitting those multi-year highs in late August and early September, two bearish USDA reports (late Sept. and early Oct.) have caused the grain markets to give back some of the strength. But it does not change the fact that producers in 2026 have had strong opportunities to make money. Have those profits yet showed up in the land market surveys? Not fully. Through most of this spring and summer, the big bushels from 2025 and the corresponding pile of government payments, had the land market mostly trending sideways. But as we approach the calendar year-end, I expect some of the 2026 strength to show itself more clearly in land market surveys. For now, here are the most recent state-level results we can share…

## Iowa Farmland Values Edge Higher

According to the September 2026 survey conducted by the REALTORS® Land Institute – Iowa Chapter, Iowa farmland values increased 0.6% from March to September, bringing the 12-month gain to approximately 1.9%. Six of Iowa's nine crop reporting districts recorded increases, led by East Central Iowa at 2.5%.

## Illinois Farmland Values Remain Relatively Stable

According to the Illinois Society of Professional Farm Managers and Rural Appraisers' 2026 Mid-Year Snapshot Survey, farmland values declined modestly during the first half of 2026. Values decreased 1.0% for "Excellent" quality farmland, 1.9% for "Good" quality, 2.6% for "Average" quality, and 2.3% for "Fair" quality land. Looking ahead, 61% of respondents expect values to remain unchanged through the remainder of 2026, suggesting continued stability.

## Nebraska Farmland Values Show Mixed Results

According to the University of Nebraska–Lincoln's early 2026 Farm Real Estate Market Survey, Nebraska agricultural land values declined 1% year-over-year. However, USDA figures released later in August showed a 3.5% year-over-year increase in farm real estate values. Areas with significant livestock presence have overall been strongest, as robust cattle markets continue to provide balance to any prior weakness in row-crops.

## Minnesota Farmland Values Face Modest Pressure

According to the Federal Reserve Bank of Minneapolis' agricultural credit survey, farmland values across the district experienced modest changes in early 2026. Non-irrigated cropland values declined 0.7% year-over-year, while irrigated cropland increased 1.4% and ranchland and pasture values rose more than 3%.

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***But, when farmers make money, they tend to reinvest those profits in either land or equipment.***

***Achieve Your Farm Ownership Goals!***

# Saturated Buffers: A Practical Way to Impact Water Quality

Hertz Stewardship Committee

***The result is a conservation practice that benefits the farm, supports the owners' goals, and can make a positive local impact...***

Iowa water quality continues to command attention in news coverage and policy discussion. At Hertz, that attention reinforces the importance of helping clients identify practical conservation measures that meet their goals, fit their farms, and can make a real impact.

One recent example is the implementation of a saturated buffer on a managed farm in Marshall County, Iowa. Saturated buffers redirect tile drainage water through the soil beneath perennial vegetation, where natural processes help extract nitrates before the water reaches nearby streams or ditches. This practice has shown to reduce annual nitrate load from drainage tile by 40-60%. Saturated buffers require little to no active maintenance and are expected to last for decades.

The project included installing four control structures treating drainage from six tile mains. In two locations, pairs of tile mains were connected and combined into a single control structure. The control structures distribute the water laterally into a grass filter strip. The design allows water from multiple parts of the farm to be treated efficiently while minimizing disruption to the farming operation and existing tile system.

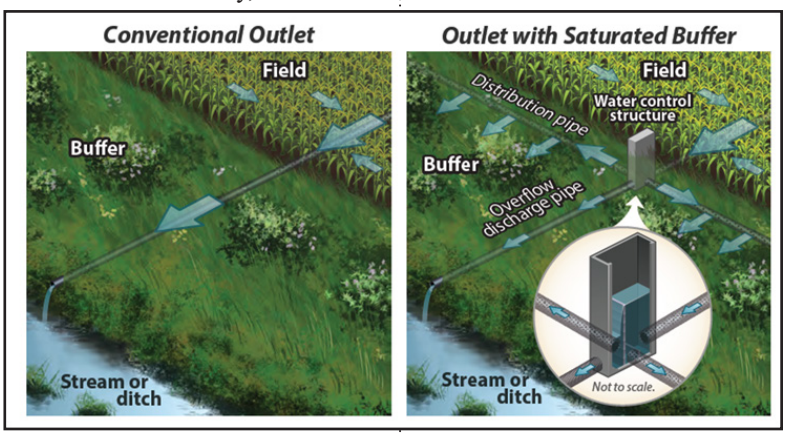
In addition, 7.2 acres along a stream were enrolled in Conservation Reserve Program (CRP) filter strips. These perennial areas complement the saturated buffer system and provide another layer of protection for water resources in a sensitive area.

For the landowners, the opportunity delivered both conservation and financial value. Thanks to investments from the local watershed, project costs were covered, and they received an incentive payment for each tile line treated. The CRP filter strips were enrolled at a payment rate close to what the land would otherwise generate in cash rent.

At first, the landowners were understandably skeptical. When explained that the costs would be covered and an additional payment would be provided, their reaction was essentially, "What am I missing?" After the paperwork was completed and they confirmed there was no hidden catch, they viewed the project as a "slam dunk" opportunity.

The project would not have been possible without a partnership with Heartland Cooperative's Conservation Agronomy team. Hertz and Heartland Cooperative worked together to identify sites within priority watersheds that were ideal for implementing saturated buffers and bioreactors at no cost to the landowner. The team at Heartland took care of all the fine details – surveying, project bidding, paperwork, and more. This led to multiple projects being completed across several different watersheds.

These practices are not a complete answer by themselves, but they are proven, site-specific tools that can contribute to broader nutrient-reduction efforts. This project illustrates how proactive farm management can connect landowners with programs that make meaningful conservation improvements available and financially workable. The result is a conservation practice that benefits the farm, supports the owners' goals, and can make a positive local impact on one of Iowa agriculture's most visible challenges - water quality.

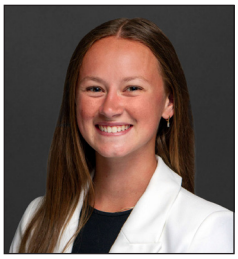



Talk with a Hertz Farmland Professional to learn more about conservation practices that could work on your farm.

# Welcome to the Team!



**Nick Runyon**
Nick joined Hertz in March 2026 as an associate appraiser in the Monticello, IL office.



**Chloe Van Etten**
Chloe joined Hertz in June 2026 as an associate appraiser in the Cedar Falls, IA office.



**Colin Jenks**
Colin joined Hertz in June 2026 as a professional farm manager in the Omaha, NE office.



**Brian McDowell**
Brian joined Hertz in June 2026 as a licensed real estate broker in the Monticello, IL office.

## The Welty Family

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meaningful to Paul and his children. Those relationships have helped build a foundation of trust that continues today.

Keeping those connections strong takes attention as the family grows. Written updates, financial reports, and virtual meetings allow relatives to follow the farms even when they cannot make the trip to Iowa. One of Paul's granddaughters has joined meetings from New York, and Karen's children receive the information and emails that keep them involved.

Paul acknowledges that busy lives make it difficult to bring everyone back. Still, the family continues creating opportunities to learn, ask questions, and visit.

Sometimes, that connection travels in an unexpected form. Paul once asked Clint to send corn from his Iowa grain bin to North Carolina so he could mill it and make cornbread. Clint shipped the corn and is still hoping Paul brings him a slice on a future visit.

For a family spread across the country, even a bag of corn can bring a piece of the farm home. The reports, conversations, and guidance from their Hertz farm manager help keep them informed, while returning to the fields gives them something Paul has valued all along: the chance to feel the land for themselves.

## Farmland Values

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### Looking Ahead

2026 has been a pivot year for Midwest farmers. While current fuel and fertilizer prices are painfully high, stronger commodity prices have presented profit opportunities not seen over the prior 2 to 3 years. This profit reality has not yet fully expressed itself in the farmland markets. But, when farmers make money, they tend to reinvest those profits in either land or equipment. We will see if that holds true in this off-season.

## Grain Markets

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As we enter 2027, supply and demand fundamentals for corn and soybeans will continue to drive the markets. The size of the 2026 crops, 2027 planted acres, exports and domestic usage will largely dictate price direction. Because no single factor creates a bull or bear market, we help manage risk through incremental sales when market factors create opportunities, with seasonal timing providing additional sales triggers. Watch for multiple independent forces stacking up to fuel a market rally.

***Written updates, financial reports, and virtual meetings allow relatives to follow the farms...***

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Corporate Headquarters
415 South 11th Street, P.O. Box 500
Nevada, IA 50201-0500
(800) 593.5263
www.Hertz.ag

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

Nebraska Offices
Norfolk, NE (402) 371.9336
Omaha, NE (402) 697.7500

Minnesota Office
Mankato, MN (507) 345.5263

Arizona Office
Avondale, AZ (602) 932.5874


# Landowner Educational Seminars

## Winter 2027 Schedule

**All landowners are invited to attend one of a series of Winter seminars.**
Our seminar topics will include Grain Markets, Farm Lease Trends, Transition Planning, 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, $75 per couple

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

**Registration includes:**
Lunch, break refreshments and handouts.

**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. 8** | Chandler, AZ | **Feb. 24** | Bonita Springs, FL |
| **Feb. 10** | Glendale, AZ | **Feb. 25** | Palmetto, FL |
| **Feb. 12** | Palm Springs, CA | **Feb. 26** | The Villages, FL |