Preserving the Family Legacy

In the 19th century, John and Lusetta Roadman settled, operated and expanded their Grundy County farm. Early in the 21st century, Keene and Christian Roadman (John and Lusetta’s great-great-grandsons), took over ownership and responsibility for the farm.

What has the Roadman family sought through five generations of farm ownership? Larry (Keene and Christian’s father) believes that “each generation has sought to be good stewards of family, partnerships, land and community.”

Good family investment

John and Lusetta’s five children helped farm the land until other careers drew them away in the early 1900s. Earl, the fourth born, became a minister and educator, moving with his wife, Irma, throughout Iowa and South Dakota. In the 1940s, Earl and his son Keene began to purchase the interests of other second and third generation Roadmans. Keene’s son and daughter, Larry and Karen, completed these “uncle, aunt and cousin” purchases. When Karen and her children wanted to sell, Larry and his sons, Keene and Christian, bought their interests.

“Some wonderful things, both large and small, have happened as family members have been able to get cash for their farmland interest. The graces have been amazing,” says Larry.

Good partners

Just two families have farmed the Roadman land over the 90 years since the Roadmans were active farmers. From 1927, three generations of Dike, Iowa’s Petersen family lived on and operated the farm. Since 1994, the Dudden family has farmed the acres as part of a larger family farming operation. With the recent presence of Kyle, Gavin and Keaton Dudden, the Roadmans are currently working with three generations of the Dudden family.

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“We could not overstate the value, experience and enjoyment of working with our farming partners.”

-Larry Roadman

Since 1990, Hertz Farm Management has worked with the Petersens, Duddens and Roadmans to strengthen and grow the farm operation. In the last three years, Morgan Troendle has assumed responsibility as farm manager, moving the Roadmans into a second generation relationship with Hertz and the Troendles.

“We could not overstate the value, experience and enjoyment of working with our farming partners,” exclaims Larry.

Good farming

“Early on Hertz encouraged us to fully tile our tillable acres. The combined work of Hertz and our operating partners enabled us to get our first seed corn production contract in 2005,” exclaimed Larry.

“Over the last twenty years, the Roadman farm transitioned out of livestock production. Hertz helped us use the federal Conservation Reserve Program (CRP) to plant our rough pastureland in trees, and then guided us as we placed over a quarter of our land in conservation easements,” says Larry.

It is current conservation and environmental opportunities that draws the interest and involvement of Keene and Christian Roadman. They are working with Morgan Troendle, Kyle Dudden and Iowa State University (ISU), in piloting two conservation research programs, STRIPS (Science-based Trial of Row Crops Integrated with Prairie Strips) and Saturated Buffers. Iowa State’s research is showing STRIPS to be an affordable option for garnering combined conservation, environmental and production benefits.

An ISU STRIPS publication reports that conversion of 10% of a crop field to strips of diverse, native perennials can reduce soil loss from that field by 90% and surface runoff of nitrogen by up to 85%. On one 80-acre field bordering on a stream, the Roadmans took 10% out of crop production for the STRIPS project and added a saturated buffer to the field’s tile drainage system. ISU measurements showed drainage water to contain 14 ppm before intervention, but just 2 ppm nitrates entering the stream after intervention.

The strips also provide needed habitat for wildlife, pollinators and beneficial insects. “I’ve never seen so much wildlife; deer, turkey, pheasants, coyotes, rabbits and squirrels” commented Kyle Dudden, after the first year of the STRIPS project.

“We have found this to be something we can get involved with, even though we are not farmers,” exclaims Christian. “We have the opportunity to develop new farming and conservation practices ….. and we have felt comfortable engaging with our Hertz managers, first Jeff and now Morgan, about our hopes and dreams for the future of the farm.” Keene summarized that “it is so good to have Hertz help move farm operations forward and transition involvement and responsibility to our generation.”

“It is great seeing Morgan, Kyle, Keene and Christian working together to implement the STRIPS and saturated buffer program,” adds Larry.

Giving to the community

Earl Roadman donated 10 acres of the farm to Grundy County in memory of his father, for use as the John Roadman Memorial Park. It has served for almost fifty years...
Saturated Buffers: What You Need to Know

Advancements in tile drainage technology have had a profound impact on the agriculture industry. With effective tile drainage in place it’s possible to improve your yields, soil, and the environment around you.

However, as with any improvement, there are unintended consequences or challenges. With tile drainage excess nitrates and phosphates can sometimes be carried off of fields into ditches, streams, and rivers, especially in early spring after the first major rain event. While these nutrients are a natural part of aquatic ecosystems, too much entering the environment at once can have negative effects such as excessive algae growth. One possible solution to this issue comes from the idea of saturated buffers.

What is it?

According to the United States Department of Agriculture (USDA), a saturated buffer is a subsurface, perforated distribution tile used to divert and spread drainage system discharge to a vegetated area. By utilizing saturated buffers, a portion of the drainage water is diverted into lateral drainage tile installed along the buffer. This helps to increase the shallow groundwater level and provide effective nutrient removal. Essentially, it diverts flow into a buffer that absorbs nutrients before they can enter streams and other water supplies.

How does it work?

As shown in the images from Iowa State University Extension and Outreach, a conventional tile drainage system uses underground tile that takes excess water from the cropland and drains it into the nearest ditch or stream. With a saturated buffer, a second outlet for subsurface drainage is provided. By installing a water control structure in the main drainage outlet, the flow is diverted from the tile outlet to a lateral, perforated distribution line running parallel to the watercourse.

During periods of high flow in the tile system, the structure is set to bypass excess flow to the main drainage outlet. As the drain water seeps into the distribution pipe, the soil becomes saturated in the buffer area allowing vegetation and soil organisms to remove nitrate from the water.

What are the benefits?

One of the biggest benefits of utilizing saturated buffers is the environmental positives. Every summer, the Gulf of Mexico experiences what is referred to as a “dead zone.” A high level of nitrate from spring rain flushing through the soil profile creates a low oxygen level situation known as hypoxia, which causes an area to be unable to support living aquatic organisms. Saturated buffers could help to reduce this “dead zone” by limiting nitrate runoff into the Mississippi River basin. Using saturated buffers can also help the environment near your farm by removing sediment, phosphorus, and pesticides.

Effective tile drainage helps ensure optimal growing conditions for your crops. When used in combination with CRP filters or riparian buffer strips, saturated buffers can help farmers maintain an optimal water supply for their crops to increase yields but still rest easy that using the tile drainage system will not have a negative effect on the environment.

If you would like to know more about saturated buffers and whether your farm could benefit from them. Please contact one our Farmland Professionals in the Hertz office closest to your farm.

Source: Iowa State University Extension and Outreach
Doug Hensley Joins Hertz Farm Management as President of Real Estate Services

Doug Hensley joined Hertz Farm Management as the President of Real Estate Services on June 1, 2017, and is dedicated to continuing the 71-year tradition of the core values that Carl Hertz established for the firm back in 1946. Doug brings his own core values from his years as Owner, President & Managing Broker of Gorsuch-Hensley Real Estate & Auction, Inc., where he established a reputation for customer service, market knowledge and a commitment to delivering value for customers. His values mesh well with Hertz Farm Management’s mission of positively impacting people’s lives, helping families with generational transfer of land, and providing the best possible real estate experience. His leadership will continue and build on our legacy of great service.

Doug Brings Years of Diverse Experience

Prior to forming Gorsuch-Hensley in 2010, Doug spent a dozen years as a managing broker with The Loranda Group, Inc., a regional farmland brokerage and auction firm. He has actively served the agricultural marketplace since his graduation from the University of Illinois with a Bachelor of Science in Agricultural Economics and a Masters of Business Administration (MBA). Doug knows the farmland market because he has lived it throughout his career.

Sharing His Knowledge

As part of his work in real estate, Hensley has taught and helped lead seminars on land ownership, agricultural finance, real estate sales, auction law, and small business dynamics. He has collaborated with or presented to The Chicago Farmers, the St. Louis Agribusiness Club, the Illinois Farm Bureau, and The Center for Farm and Rural Business Finance at the University of Illinois, among others. In addition, he has written and taught continuing education courses for both real estate and auction professionals in Illinois.

Doug Hensley Keeps His Roots in the Farm Economy

Hensley comes from a background of knowing, personally, what it’s like to live and work on a farm. He was raised on a cash grain and livestock farm in western Illinois. Doug and his wife, Stacey, along with daughters Mary and Grace, will be relocating to Nevada, IA.

as a picnic spot, fishing hole and nature preserve for individuals and families from the surrounding area. The Conservation Easement recently added to the 110 acres surrounding the park insures the park will be protected from development encroachment well into the future.

Several years ago, Jeff and Morgan Troendle, and Kyle Dudden proposed that the Roadman farm join with Hertz, the Duddens, other area farmers and businesses, and Orchard Hill Church (Cedar Falls) in the church’s Food Resource Bank (FRB) program. With 80 acres of the farm’s land, the FRB program employs donated field inputs, equipment, trucks, labor and “Seeds of Hope” (seeds purchased with funds raised from “sponsors” of each row of the crop) to produce a corn or soybean crop. The funds raised from sale and donation then go to local (Waterloo) and international (Cameroon, Mozambique and Haiti) projects of the Orchard Hill Church.

Family, relationship, fertile land, productive work, partnership, community and grace are felt, explored and celebrated as generations of “farmers” eat and talk at a fall picnic in the John Roadman Memorial Park. The legacy lives on.
Grain Markets: Fundamentals, Technicals and Weather Drive the Market

Kirk Weih, AFM, ALC
Real Estate Broker – Iowa
Mt. Vernon, Iowa

The USDA Prospective Planting Report on March 31 indicated the expected 2017 corn and soybean acres to be 90.0 million and 89.5 million acres respectively. This would represent the most soybean acres ever planted and the most total corn and soybean acres planted if realized. The corn and soybean markets have since traded sideways to lower based on the fundamental increase in projected ending stocks on August 31. The most recent USDA Supply and Use information indicates an average corn price for 2017 of approximately $3.50 per bushel and average soybean price of approximately $9.60 per bushel. These are very similar to the 2016 prices.

The inventory of corn stocks is up 10% at 8.62 billion bushels and soybean stocks up 13% at 1.73 billion bushels. Record grain production in 2016 due primarily to favorable weather contributed to the increase in grain stocks. Overall, fundamentals in the corn and soybean markets remain negative. A majority of the 2016 soybeans have been priced and delivered to market, however the grain trade indicates substantial amounts of corn that remain unpriced. This corn continues to weigh heavily over the market and minimizes the potential for any rallies.

The recent election has created uncertainty over multiple international trade agreements and relationships with trade partners. The North American Free Trade Agreement (NAFTA) has promoted free trade between the United States, Canada and Mexico since 1994. In 2016, the United States exported nearly $18 billion of agricultural products to Mexico, the third-largest market for these American exports, according to USDA. Pork, dairy, and timber products are imported from Canada to the United States. The threat of disrupting this Trade Agreement has shaken agricultural business decisions throughout North America. China continues to be the world’s largest buyer of soybeans. In 2015-2016, more than a billion bushels of US soybeans were exported to China, roughly 28% of the U.S. crop. China’s needs are typically supplied by Brazil and Argentina during the February-August time period. The 2016-2017 soybean exports to China have increased again over the previous year.

Mexico recently surpassed Japan as the number one buyer of U.S. corn. China continues to be the primary customer of U.S. soybeans.

The uncertainty of exports to Mexico extends beyond corn to U.S. beef, poultry and pork products. Nearly one out of every three acres in the U.S. is planted to crops that will be shipped out of the country in some form. The grain market perceives uncertainty as a negative to prices and further minimizes rally potential. The value of the dollar has been increasing since last fall’s election. This has increased the price of our commodities as other currencies have become cheaper relative to the dollar. The lower commodity prices in recent years have encouraged growth in demand. The lower profit margins have reduced the corn and soybean production on marginal acreage throughout the world.

Corn and soybean demand continues to grow at a record pace. Corn and soybean market highs are typically made from May to September. We are positioned to take advantage of weather-related marketing opportunities as they occur during this growing season. Managing price risk and maximizing yield potential will be the key to positive profit margins in 2017. Our clients will continue to realize solid returns from their investments in farmland.

“Corn and soybean demand continues to grow at a record pace.”
Hertz Sponsors Initiative to Restore Natural Habitat

The Linn Landowner Forum encourages landowners to restore and protect natural habitat on their land.

On Saturday, April 29, 2017, Hertz Farm Management sponsored the Linn Landowner Forum in Marion, Iowa. The goal of the informational forum was to help educate and inform landowners in and around Linn County about restoring and protecting habitat for people and pollinators. Trees Forever, Linn County Conservation, the Monarch Research Project, and the Iowa Natural Heritage Foundation also partnered with the forum.

The landowner forum, which had over 200 attendees, consisted of several stories from landowners who had taken steps to restore and protect the natural land on their properties, as well as several experts in habitat restoration, funding, and permanent protection and conservation.

Linn County is slowly becoming the ‘ground zero’ for restoring pollinator habitat. Dennis Goematt from the Linn County Conservation Board encouraged people to join the movement by explaining how any help is better than none. “It doesn’t have to be a big area to make a difference.” From adding a small pollinator garden to restoring a larger area such as a prairie, woodland, or wetland, the forum gave landowners lots of information on different ways that they could get involved in the movement.

Hertz Farm Management employees Kirk Weih, Jim Rebhuhn and Troy Louwagie attended the event and helped to both inform and encourage landowners on the importance of taking the necessary steps to become a part of the initiative. Farm Manager Kirk Weih spoke to the crowd of landowners about ways that they could protect their land with topics like conservation easements and riparian buffers. Towards the end of his talk, Kirk also encouraged people by explaining that making a difference is possible if we band together. “We can do this, we have the ability.”

According to the NRCS (Natural Resources Conservation Service), “Pollinators are an integral part of our environment and our agricultural systems; they are important in 35% of global crop production. More than ¼ of food and beverages we consume are the product of animal pollination.” The restoration of natural land can benefit pollinators and wildlife, increase water quality and help mitigate flooding.

If you have any questions or would like to know more information about the Linn Landowner Forum or how you can restore natural land on your own property, please contact one of our Farmland Professionals at an office near you.
Farmland Value Update

Doug Hensley,
President of Real Estate Services
Nevada, IA

After decreasing 15 to 25 percent from highs in 2013/14, Midwestern farmland values are beginning to show some signs of leveling, dependent on location. Farmland available for purchase continues to tighten, as the number of farms sold has decreased each of the past five years. Recent reports from Iowa, Illinois and Nebraska show contrasting results, with local factors playing a role.

Iowa Farmland Values Show First Increase since 2013

The Iowa Chapter of REALTORS® Land Institute released its March 2017 Land Trends and Values Survey, which showed a statewide increase of 0.9 percent for tillable cropland values from September 2016 to March 2017. Combining this increase with the 3.7 percent decrease reported in September 2016 indicates a statewide average decrease of 2.8 percent for the year from March 1, 2016, to March 1, 2017.

“This is the first time since September 2013 that the values indicated an increase. Though small, the increase does signify a break in the past trend of decreases in land values for the state of Iowa,” said Kyle J. Hansen, real estate broker for Hertz Farm Management and Chairman of the Survey Committee.

Positive factors contributing to the current farmland values include: limited amount of land for sale, interest rates (still near all-time lows), cash on hand (excess liquidity), strong investor interest, good long term investment, and above-average commodity yields.

2016 Illinois Farmland Values Show Decreases up to 14 Percent

The recently released 22nd annual survey of the Illinois Society of Professional Farm Managers and Rural Appraisers (ISPFMRA) shows a decrease in farmland prices in 2016. Respondents of the survey indicated that farmland prices decreased in 2016 between 5 and 14 percent, depending on location and land productivity. Expectations are for continuing decreases into 2017.

“Two unique factors we believe determined land values in 2016 were neighboring landowners and how much land has been available in recent years. If local land availability was low in the last couple of years and the neighbor is the likely buyer, those sales seemed to show great strength,” said Eric Wilkinson, President of ISPFMRA and Managing Broker-Farm Manager for Hertz Farm Management.

2017 Trends in Nebraska Farmland Markets: Declining Agricultural Land Values

A summary from the University of Nebraska-Lincoln Institute of Agriculture and Natural Resources discusses the decline in agriculture land values. Preliminary findings from their 2017 Nebraska Farm Real Estate Market Survey indicate that as of February 1, 2017, the weighted average farmland value declined by about 10 percent over the prior 12-month period to $2,805 per acre. This decline marks the third consecutive year of downward pressure, totaling approximately 15 percent for the weighted average farmland value in Nebraska, which peaked in 2014 at $3,315 per acre.

The survey showed the largest annual margin of decreased values in dryland cropland with irrigation potential, at 13 percent; followed by tillable grazing land, at 12 percent. Lower commodity prices, and the anticipation of continued lower prices, were indicated by survey participants as major forces leading to land value declines in these land classes. Regulatory policies restricting development of dryland cropland with irrigation potential was also noted as a negative force on this land class.

Future

The overall U.S. farmland market in 2017 will continue to be impacted by the level of commodity prices, and the expectation of increasing interest rates. Also, keep an eye on President Trump’s foreign trade policy. The potential for trade tariffs and trade wars could increase uncertainty in the world of agriculture and impact farmland values. Sale prices are correlated to quality, location, neighbors and the strength of the neighborhood. Please call your Hertz professional if you would like to discuss farmland values, what is for sale in your area, or if you have interest in discussing a prospective sale of your farm.

“This is the first time since September 2013 that the values indicated an increase.”
Landowner Educational Seminars
Summer 2017 Schedule

All landowners are invited to attend one of a series of Summer seminars. Our seminar topics will include Grain Markets, Farm Lease Trends/Leasing Alternatives, Land Trends & Values, Agricultural Technology and a Tax Update.

If you are planning for the next generation, you’re encouraged to invite your children to attend with you.

Register Early, Pay Online and Save!
Cost is $30 per person or $50 per couple, but you can save $5 per person, $10 per couple, when you register and pay online at least 14 days prior to each seminar.

The fee is waived for existing Hertz clients.

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

For your convenience, you can register one of three ways:

- For your discount, register Online at www.Hertz.ag/seminars
- Contact: Denise Vallandingham
  Phone: 1.800.593.5263
  E-mail: DeniseV@Hertz.ag
- Mail the enclosed postcard

Dates & Locations

All seminars will be from 8:30 a.m.-3:15 p.m.

July 20, West Des Moines, IA
July 25, Cedar Rapids, IA
July 26, Fort Dodge, IA
July 26, Rock Island, IL
August 1, Normal, IL
August 2, Rochester, MN
August 3, Bloomington, MN
August 8, Huxley, IA
August 10, La Vista, NE