



Cultivating Legacies

BETWEEN THE ROWS

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Welcome back! Ringing in the year 2023 gives us time to reflect on another successful year. Our accomplishments and milestones in 2022 are thanks to our clients and our employees. We hope the last year brought you joy and happiness! Thank you for being here with us.

In the first issue of the year, we will give updates on our staff members and welcome some new little ones to the NFM family! You can also find a summary of our 2022 land sales, get a glimpse into what the winter months look like for our staff, and learn about how we can guide you through estate planning.



Pictured: Our conference room decorated for the holiday season



The Off Season



The success of your farm in the upcoming production season relies heavily on the work that we do in the off season

Follow us on social media!



Courtney Vroman | Marketing & Communications Lead

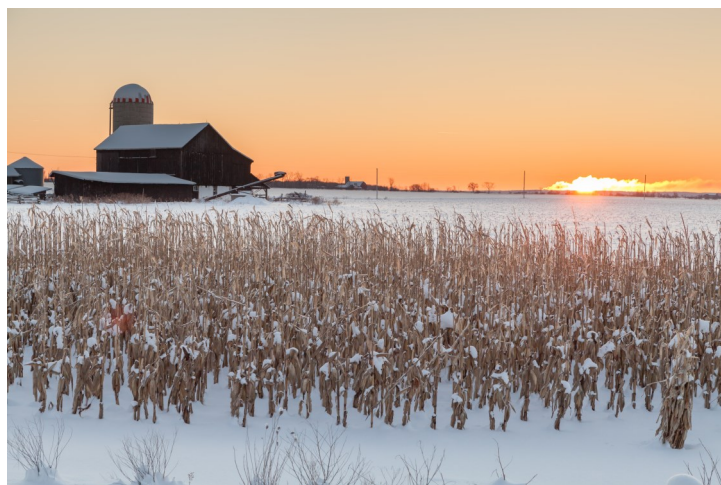
The winter months can be considered the “off season” for farming. But even now the industry is hustling just as much as any time of the year! Preparation is the name of the game during the colder days, and the Farm Managers at Northwestern Farm Management Company are hard at work for our clients. **The success of your farm in the upcoming production season relies heavily on the work that we do in the off season.** Let’s take a closer look at what our Farm Managers do for you as the snow falls.

Creating budgets for the next production season is at the top of everyone’s list. If it is not at the top of yours, it is time to talk to your farm manager. Creating a budget for the upcoming growing season may very well be the most important item on our to-do lists, as this sets the tone for what will and can be done on your farms. Our Accredited Farm Managers work with landowners, producers, vendors, and countless other entities to ensure that money is well spent and our clients’ returns are predicted to be acceptable. Trends are analyzed across the markets, as well as growing conditions and weather patterns in recent years. These are variables we take into consideration when creating farm budgets.

Continuing education is at the forefront of the services Northwestern Farm Management offers our clients. We work hard to stay up-to-date on the latest technologies and certifications, and are always striving to have the most knowledgeable staff in our field. Hours upon hours can be spent in the classroom or at conferences, as our managers and real estate salespersons are always excited to learn more and better serve our clients.

Input costs can be a daunting item on your list of preparations. Purchasing inputs plays a major role in creating farm budgets and planning for the upcoming growing season. This is when our Farm Managers can take data from previous seasons and use that to best decide which inputs will benefit your operation the most. Based on the needs of each farm, we will also plan or perform farm improvement projects, such as installing tile, waterways, culverts, field driveways, and CRP maintenance,

From the outside looking in, the colder months may seem like a long break for landowners and producers to “head south for the winter.” The Farm Managers at Northwestern Farm Management know that this valuable time of year is full of preparations for the coming growing season. ***Let us help you grow in 2023, and schedule a consultation with a manager today!***



Farmland Year In Review



Mike Norgaard | Co-Owner, AFM, Licensed Real Estate Broker

2022 was another very active year for our real estate brokerage. All of the right factors came together for our clients to capture some of the highest sale values ever recorded for some regions. One of the factors that led to strong sales is very good profitability for our farmers. This is mostly led by strong commodity markets and respectable yields. Although the weather in 2022 was less than ideal, most of our farmers ended up with ample bushels in the bin. The allure of farmland goes beyond the demand from farmers.

Monetary policy over the last several years has fueled demand as well. Years of very low interest rates were beneficial and made farmland returns look attractive in comparison to other financial products. The most recent factor that we are all feeling is inflation. Inflation has most certainly impacted all of us in some way. Farmland investments have always been viewed as a hedge against inflation. As you will see in this newsletter, investors have also been very active buyers of farmland.

Higher interest rates will undoubtedly have an impact in the real estate market going forward. We noticed this in our auctions late in 2022. We know that the buying power for borrowers is less than what it has been in recent years, however we continue to observe that demand is still quite strong.

As we look forward to 2023, our staff is well prepared to guide sellers through the complexities involved with land sales. Please reach out to our team for a free, confidential consultation.

Proven Results | Trusted Advice

7	2	3				1	5	9
6			3		2			8
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5				7				3
4			1		3			6
9	3	2				7	1	4

Farmland investments have always been viewed as a hedge against inflation

Sudoku puzzle answers will be in our next issue!

2022 Land Sale Summary

\$44,884,085
Total Sales

74% of buyers
were local farmers.

5,057
Total Acres

14% of buyers
were investors.

20
Counties

The remaining 12%
were hunters, private
buyers, and public
entities.

3
States

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Farm Management • Farm Sales • Farm Appraisals
301 S O'Connell Street • Marshall, MN 56258



Mike Norgaard
Co-Owner

Accredited Farm
Manager

Licensed Real
Estate Broker



Corey Prins
Co-Owner

Accredited Farm
Manager

Licensed Real
Estate
Salesperson



Tyler Erickson
Accredited Farm
Manager

Licensed Real
Estate Salesperson

Certified General
Appraiser



Dallas Mahoney
Accredited Farm
Manager

Licensed Real
Estate Salesperson



Brandon Kirk
Accredited Farm
Manager

Licensed Real
Estate Salesperson

Certified General
Appraiser



Dan Sprengeler
Farm Manager

Licensed Real
Estate Salesperson

Real Estate
Appraiser

County	Closing Date	Acres	\$/Acre	Land Type
McLeod	14-Jan	80	\$6,875	Tillable
Cottonwood	28-Jan	80	\$10,400	Tillable
Lincoln	16-Feb	160	\$7,400	Tillable
Lincoln	9-Mar	26.32	\$4,000	CRP
Foster, ND	5-Apr	318	\$3,565	Tillable
Lac Qui Parle	5-Apr	120	\$6,700	Tillable
Yellow Medicine	5-Apr	67.4	\$8,450	Tillable
Yellow Medicine	6-Apr	150.8	\$10,200	Tillable
Yellow Medicine	6-Apr	159.86	\$6,350	Tillable/Recreation
Yellow Medicine	6-Apr	80	\$10,650	Tillable
Lyon	19-Apr	70	\$12,000	Tillable
Sibley	15-Jun	140	\$4,107	Conservation
Sibley	30-Jun	10	\$3,000	Conservation
Chippewa	7-Jul	120	\$1,458	RIM
Renville	15-Jul	154	\$7,240	Tillable/CRP
Murray	17-Jul	80	\$10,500	Tillable
Chippewa	18-Jul	160	\$7,000	Tillable
Chippewa	18-Jul	26.17	\$2,637	Tillable/Conservation
Yellow Medicine	27-Jul	78.79	\$7,000	Fractional Interest
Nobles	9-Aug	159	\$10,200	Tillable
Lyon	15-Aug	75.67	\$11,650	Tillable
McLeod	22-Aug	40	\$6,125	Tillable/Building Site
Murray	22-Aug	80	\$12,500	Tillable
Nobles	29-Aug	160	\$13,200	Tillable
Redwood	1-Sep	92.59	\$9,800	Tillable
Jackson	1-Sep	160	\$7,500	Tillable
Lyon	6-Oct	156.89	\$14,700	Tillable
Lyon	6-Oct	80	\$14,400	Tillable
Lyon	6-Oct	66.32	\$11,350	Tillable
Brown, SD	20-Oct	79	\$15,300	Tillable
Hand, SD	20-Oct	160	\$9,000	Tillable
Brown, SD	20-Oct	79	\$5,000	Tillable
Spink, SD	20-Oct	160.04	\$8,200	Tillable
Beadle, SD	20-Oct	160	\$5,500	Tillable
Yellow Medicine	21-Oct	200	\$7,740	Tillable
Yellow Medicine	24-Oct	6	N/A	Building Site
Lyon	25-Oct	159	\$10,750	Tillable/Grass/Site
Redwood	31-Oct	160	\$13,531	Tillable
Redwood	31-Oct	77.7	\$13,369	Tillable
Redwood	31-Oct	77.7	\$14,301	Tillable
Murray	8-Nov	40.06	\$4,244	Recreational
Cottonwood	11-Nov	100	\$7,600	Tillable/CRP
Sibley	18-Nov	78	\$9,400	Tillable
Fairbault	28-Nov	80	\$11,234	Tillable
Fairbault	28-Nov	80	\$11,435	Tillable
Mower	1-Dec	208.21	\$10,800	Tillable
Sibley	13-Dec	44	\$3,281	Recreational
Murray	15-Dec	177.06	\$11,000	Tillable
Yellow Medicine	15-Dec	160	\$10,000	Tillable
Renville	16-Dec	148.22	\$1,150	RIM

**Our growing
team is ready to
serve our
clients year
round!**

Staff Highlights

Appraisals Have Value

Corey Prins | Co-Owner, AFM, Real Estate Salesperson

In our last newsletter, Brandon Kirk, our lead appraiser, highlighted the reasons an appraisal might be needed, the three approaches to calculate an opinion of value for an appraisal, and the differences between a BPO (Brokers Price Opinion) and appraisal. Brandon, and the team of appraisers, excel at guiding clients through the appraisal of BPO process.

In fact, the team of appraisers at Northwestern Farm Management is growing. In December, Heidi Guttormsson, joined our team and is working towards her real estate and appraisal license. Heidi is a recent college graduate, has a financial and lending background. Heidi's understanding of agriculture, inquisitiveness to learn, and great work ethic make her an excellent new team member at Northwestern Farm Management.

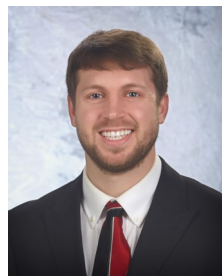
Please give Brandon, Tyler, Dan or Heidi a call to discuss your appraisal or BPO questions.

New Hire!



Heidi Guttormsson
Licensed Real Estate Salesperson

Congratulations!



Brandon Kirk
Accreditation received this fall! Now an Accredited Farm Manager, as well as a Certified General Appraiser and Real Estate Salesperson.



Tyler Erickson
Received his certification this summer! Now a Certified General Appraiser, as well as an Accredited Farm Manager and Real Estate Salesperson. Tyler was also joined in marriage this October to his wife Mikaela! Congratulations Ericksons!

Welcome to the NFM Family!

River Thomas Mahoney was born on December 5, 2022 to Dallas & Morgan
Jaxton Jon Werpy was born on January 13, 2023 to Heather & Walker

Passing the Torch

Dan Sprengeler | Farm Manager, Licensed Real Estate Salesperson, Real Estate Appraiser

As a farm manager one of the most rewarding tasks we help families with is developing a succession plan. Sometimes that can consist of working through the landowners' goals step by step to help decide how to split all farm assets as equitably as possible, and other times it might be as simple as determining a rental rate that is fair to all parties involved. We often step in to facilitate negotiations between family members, keeping family relationships at the top of the list. As a management firm we also act as the central checking account for farm-related income and expenses and manage the day to day work. This keeps the farm money in a neutral party's control and help to minimize familial stress and eliminates the burden of detailed work landing on one or two family members. One of the most important things we help remind all parties is that "Fair isn't always equal." We explain the difference between "fair" and "equitable".

Every person has different opinions and motivations in life, which can lead to stressful and complicated family decisions when it comes to farmland and planning for the future. Although our company is not in the business of estate planning, we do advocate for the landowner, and we have the connections to direct our clients to the appropriate professionals, such as licensed Estate Planners. We are often a vital link in the communication between family members as a non-biased third party. Many times, when someone inherits a valuable asset such as land, they struggle with deciding to sell the property or keep it due to the previous owner's wishes and goals which may differ from their own. The decision to keep the asset can be multi-faceted. We are here to help weigh the options and ease the stress of that decision to make the best choice for your family.

An article written by Neil Thapar on "civileats.com" stated that in the 10-12 years ending in 2030 around 400 million of the 910 million farmland acres in the U.S. will change hands due to the aging population of farmers and ranchers. Many other sources indicate that between 30 and 70% of the farmland in the states will change hands in the next 10-20 years. **With those numbers in mind and talk of the elimination of "step-up in basis" whatever your goal is for land you own, it's never too early to start developing a plan and we are here to help!**



We are here to help weigh the options and ease the stress to make the best choice for your family

Specializing in Farm Real Estate Services since 1959

We serve Minnesota, Iowa, North & South Dakota

*as of January 2023



NORTHWESTERN
FARM MANAGEMENT CO.

Cultivating Legacies

Since 1959

“

Thank you on behalf of our family. You made me confident about selling my parents' farm. It seemed overwhelming for me until I met you. It went so smooth and with a positive outcome.

”

-Deb, April 2022