Illinois

AGRICULTURAL

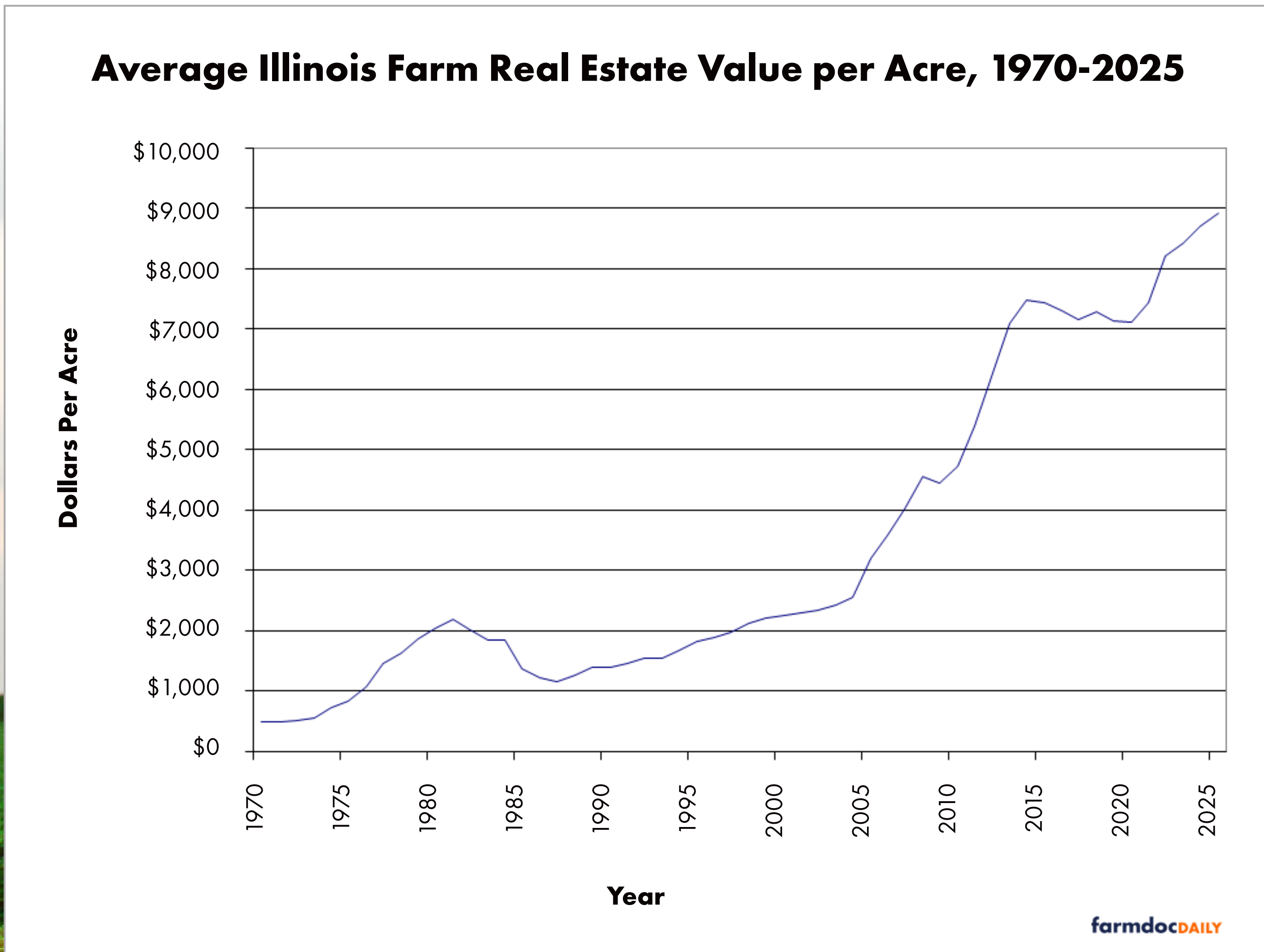
QUARTERLY MARKET ANALYSIS

PEOPLES COMPANY
INTEGRATED LAND SOLUTIONS

2026 Quarter 2

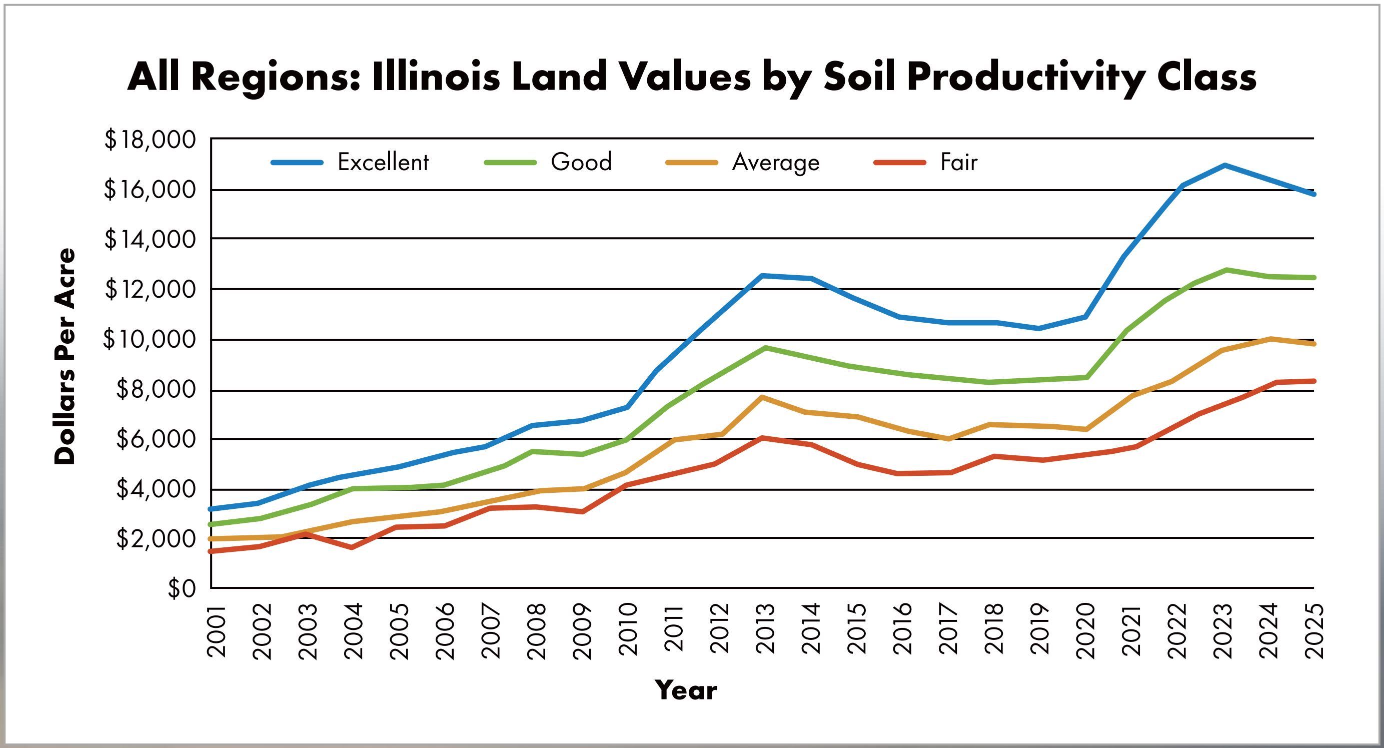
MARKET OVERVIEW

The Illinois farmland market has remained resilient through the first half of 2026, supported by strong balance sheets, limited land supply, and continued investor demand. While lower commodity prices have softened farm income expectations compared to the 2021–2023 period, farmland values have generally held firm, reflecting long-term confidence in high-quality Midwest agricultural assets. Data from Peoples Company auction results and regional lending institutions indicate that values across much of Illinois have stabilized near recent highs, with variability driven by location, soil productivity, and tract size. High-quality Class A farmland continues to command strong interest, while secondary-quality tracts have shown greater sensitivity to changing income expectations.



SALES ACTIVITY AND PRICING TRENDS

Sales activity across Illinois continues to reflect a market characterized by limited supply and steady demand. Auction and private treaty transactions indicate competitive bidding for well-located, high-quality farms, particularly those with strong productivity indices and efficient field layouts. While moderating farm income has led some producers to become more selective, investor demand remains strong and continues to provide meaningful support to farmland values. High-quality farms continue to attract the greatest competition, while lower-quality tracts exhibit greater variability depending on local demand and buyer composition.



PEOPLES COMPANY AUCTION DATA

Peoples Company's Appraisal Team tracks public farmland auctions throughout Illinois to measure how market conditions are reflected in open-market transactions. During the second quarter of 2026, public auction activity varied considerably from month to month, reflecting the limited number of farms offered for sale rather than a meaningful shift in overall market direction.

Auction values averaged $10,991 per acre in April, before softening to $9,400 per acre in May and rebounding to $14,700 per acre in June. During the quarter, 23 public auction tracts totaling approximately 1,392 acres were tracked, with monthly activity ranging from 4 to 12 tracts sold.

Although monthly auction averages fluctuated, those changes were largely driven by differences in the quality, location, and number of farms offered for sale. Overall, the second-quarter auction data continues to support a market that has stabilized, with investor participation remaining strong alongside local producers. Competitive bidding for high-quality farmland persists, while average-quality tracts continue to exhibit greater variability depending on local demand and buyer composition.

Monthly Auction Results | 2026

Illinois	$/Acre	$/Tillable	$/Point	Tracts Sold	Acres Sold
January	$11,730	$14,322	$112	32	2,764.00
February	$13,002	$14,571	$112	40	3,234.29
March	$10,834	$12,829	$120	72	4,180.97
April	$10,991	—	—	7	347.19
May	$9,400	—	—	4	233.66
June	$14,700	$15,938	$120	12	811.16

Quarter 2 2026 | ILLINOIS

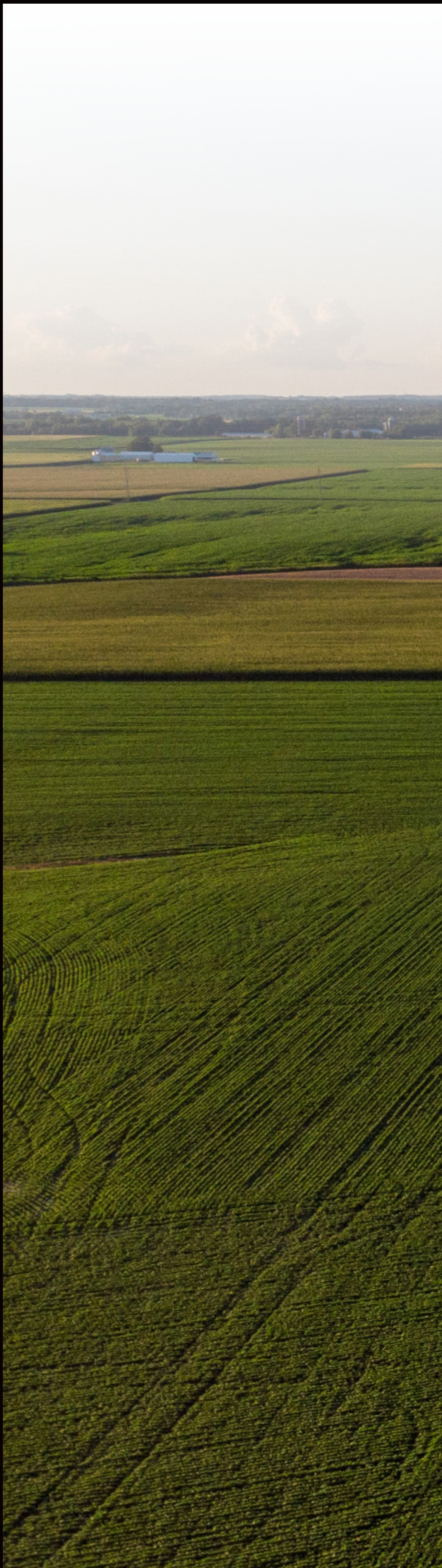
Tracts Sold	**23**
Acres Sold	**1,392**
$/Gross Acre	**$11,697**
$/Tillable Acre	**$15,938**
$/Point	**$120**

NOTE: In April and May, Illinois did not have a sufficient number of qualifying sales to calculate reliable $/tillable acre and $/point averages. Qualifying sales must be at least 35 acres, 85% tillable, and contain no substantial buildings/improvements.

INCOME AND PROFITABILITY TRENDS

While crop margins remain compressed relative to recent years, favorable growing conditions and generally solid yield expectations have improved sentiment compared to earlier in the year. Geopolitical concerns and global trade uncertainty have eased from the heightened levels experienced earlier in 2026, although they continue to remain in the background of buyers' long-term investment decisions.

On the expense side, input costs remain elevated compared to pre-2021 levels. Although some inputs such as fertilizer and crop protection products have declined from peak levels, overall production costs remain historically high. Additionally, ongoing geopolitical instability continues to impact energy markets, contributing to volatility in fuel and fertilizer costs. As a result, breakeven levels remain elevated, tightening margins and reinforcing the importance of efficient farm management.



INTEREST RATES AND CAPITAL MARKETS

Borrowing costs remain elevated compared to the historically low-rate environment experienced earlier this decade, although interest rates have generally stabilized. As a result, lenders continue emphasizing conservative underwriting standards and strong borrower liquidity. While financing costs remain a consideration, Illinois farmland continues to attract both producer and investor demand, particularly for high-quality assets with strong long-term income potential.

SUPPLY AND DEMAND DYNAMICS

The supply of farmland in Illinois remains limited, continuing to provide underlying support for land values. Many landowners remain reluctant to sell, keeping available inventory below historical norms. Demand continues to be driven by a combination of local farmers, 1031 exchange buyers, and private investors seeking stable, income-producing assets. Investor participation has become increasingly noticeable at public auctions and, in many markets, now rivals that of local producers. This broader demand base has helped maintain price stability, particularly for high-quality farmland.

OUTLOOK

Looking ahead through the remainder of 2026, the Illinois farmland market appears well positioned for continued stability. While tighter farm margins may temper aggressive bidding from some operators, limited land availability, strong equity positions, and sustained investor demand continue to support values. Rather than signaling either significant appreciation or broad-based declines, current market conditions suggest farmland has entered a period of price stabilization, with individual sale results becoming increasingly dependent on farm quality, location, and bidder composition.

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1907 Jumer Drive, Suite D | Bloomington, IL 61704
855.800.LAND | Info@PeoplesCompany.com

PEOPLESCOMPANY.COM