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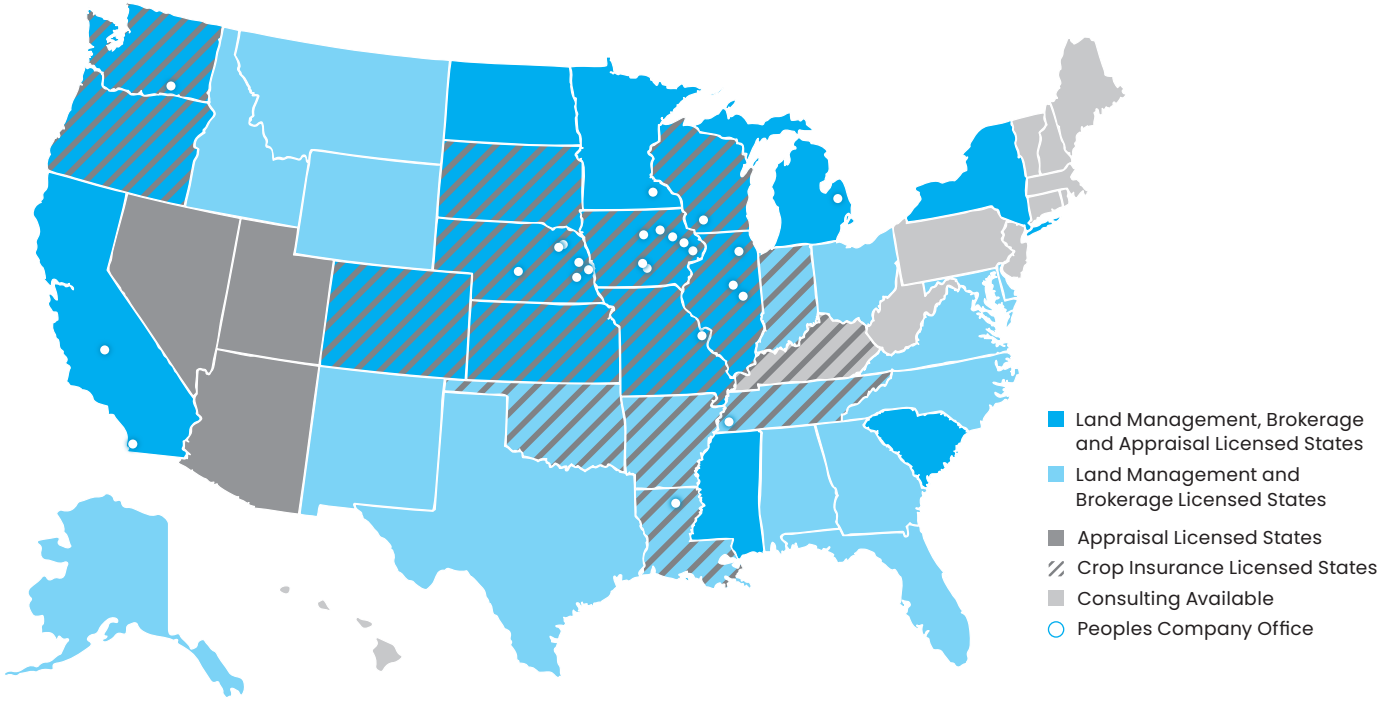

Peoples Company is honored to provide thought leadership for the farmland marketplace. Our annual National Land Values publication delivers timely, data-driven analysis of farmland values across the United States, covering a diverse range of production systems including row crops, permanent crops, dryland, and irrigated farmland.

First published in 2020, this year marks the sixth edition of our annual National Land Values report. Each year, our Peoples Company Capital Markets team compiles this publication using real transaction data to provide stakeholders with a current and objective assessment of farmland markets. We extend our sincere gratitude to Bruce Sherrick, Professor and Director of the TIAA Center for Farmland Research, for his continued collaboration and invaluable research contributions. The sixth annual report examines this past year's trends in appreciation and cash yield, while also offering perspective on how tariffs, government payments, and the cost of capital may influence farmland values and returns in 2026.

Tariffs and trade tensions have dominated much of the agricultural conversation over the past year and are likely to remain in the headlines throughout 2026. Last year's report emphasized uncertainty as the Trump administration was preparing to take office at the time of publication—a theme that is likely to persist. Commodity prices have remained under pressure amid tariff impacts, while farm incomes continue to be supported by government payments. While some refer to this period as the "Trump effect," the 2026 midterm elections may introduce additional shifts in policy priorities and market sentiment.

Farm income, interest rates, and inflation remain the primary drivers of farmland values; however, forecasting these dynamics has become more complex. This complexity is due to increased support of farm income by public subsidy programs, including crop insurance and government payments, as well as the elevated cost of capital which is likely to continue relative to pandemic-period levels. Crop insurance programs largely benefit row crop producers more than permanent crop operations, leaving permanent crop returns more exposed to volatility. As a result, we are entering an environment in which adaptability and innovation are essential, and where less resilient operations may struggle to compete.

The 2024 report noted lower transaction volumes, a trend that continues to support farmland prices. Simply put, even during periods of compressed farm income, the limited supply of farmland in the United States continues to place upward pressure on values. While uncertainty persists and farm bankruptcies have shown an uptick, broad market data does not indicate widespread valuation declines, even among more marginal farmland.

Farmland continues to perform as it historically has—serving as a durable store of value. Its role as an inflation hedge and its strength as a real asset continue to emphasize its long-term resilience. Peoples Company remains committed to providing industry leading data for the industry to assist in navigating market uncertainties.

To learn more about farmland performance, we encourage readers to visit the Peoples Company website, which hosts comprehensive research, including historical farmland returns, values, and rental rates across states as well as numerous informative white papers.

STEVE BRUERE | President, Peoples Company

Table *of* Contents

NATIONAL FARMLAND MARKET OVERVIEW

U.S. farmland markets in 2025 churned without consistent direction as buyers and sellers grappled with elevated uncertainty around commodity prices, government support programs, and persistent questions about interest rates and inflation—concerns that have lingered far longer than anticipated a year ago. In 2025, the traditional cadence for a Farm Bill debate was completely upended, with many of the expected provisions instead both affected and effected by the OBBBA legislation and associated administrative changes to long-standing commodity and crop insurance titles. Massive additional ad hoc transfer payments to farmers occurred intermittently under a collection of different policies, and at times with justifications untethered from actual farmer-level experiences. The tariffs and trade policies enacted by the Trump administration were implemented and then frequently modified in response to individual country political motivations, resulting in severe challenges to specific commodities that historically depended on large-scale export market sales. Concerns about agricultural labor impacts were also amplified in 2025 as new immigration enforcement regimes emerged, with effects concentrated in areas that depend on substantial immigrant labor forces for seasonal work and, in the case of large dairies and processing firms, which also disproportionately rely on immigrant farm labor. All of this happened while macroeconomic debates about the role of the Federal Reserve Bank system and its Open Market Committee left it struggling to react to (i) mixed but persistent inflation signals while operating in the new reality of an apparent structural disconnect between labor markets and interest rates, and (ii) the impact of massive AI-related spending and data center developments that propped up aggregate measures of economic activity, but which are incredibly concentrated in just a few equity names and which seem immune to either stimulus or austerity restrictions. Thus, in a publication that has in the past begun with descriptions of ag-sector features—farm income, farmland appreciation rates, transactional velocity, commodity yields and prices, interest rates, farmer debt levels, world grain stocks, investor motivations, themes related to upstream industries, downstream consumer demand implications, and so on—it instead is forced to note that the overall macro-environmental risks are orders of magnitude larger at the moment, and that resolution of those uncertainties will be the primary determinants of if/when the ag-sector's "exit velocity" allows it to return to a more traditional economic orbit.

That somewhat nihilistic introduction is not meant to imply that the traditional determinants of farmland value no longer apply, only that they currently require evaluation within a framework that has changed with the degree to which additional or offsetting factors tied to government responses in particular can be balanced and relied upon through time. As with previous years, it is useful to list some of the most important features of the farmland market's evolution and to assess both the prologue provided from past assessments as well as to offer informed prospects for the future. A useful organizing framework is to assess farm income levels and factors that created shocks or deviations—both good and bad—from the long-term

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upward progression in both incomes and ag-sector asset values, and then move to interest rates and the associated discount rate or "cap rate" factors that translate future expected income into current valuations, and to do so while understanding the uniquely consistent response to inflation that farmland returns have historically demonstrated. These remain the primary structural determinants of farmland values. What has undeniably changed in the recent past is the degree to which direct government income transfers are being used to offset or manage the implications of the other primary factors that traditionally have had reasonably understandable influences on valuation and returns.

Historically, government farm programs were developed primarily in response to systemic risks of production and a public desire to avoid geographically concentrated hardship among producers, as might happen with weather events or other natural disasters. The Commodity Title and Crop Insurance Title programs contained in the Farm Bill are generally designed to be countercyclical in the sense that if market or production (primarily weather) conditions lead to lower-than-average financial outcomes, they pay higher amounts, and if incomes or other outcomes are better than normal, then the programs should pay less. The general countercyclicality features have been well-accepted tenets for most Farm Bill-related program designs for decades and have driven the majority of historic ad hoc disaster payments—or one-time single-purpose payments that were made in response to unique events that were not covered in the traditional programs. Crop insurance program changes beginning with the 2011 crop year provided substantially improved income protection options and effectively eliminated calls for widespread ad hoc payments in response to weather or price shocks across covered crops (including after the drought of 2012, for which no ad hoc disaster payments were required). This fact is an important point to note, as it was used to argue that crop insurance was actually cheaper than ad hoc payments and more directed, and thus the growth in that title of the Farm Bill was accepted for its implied offset of the demand for ad hoc payments when natural in-year hardships occurred. The remainder of the Commodity Title was designed with the general intent to provide multi-year or through-time price floors. While an oversimplification, farmers' incomes for most of a decade were thereafter primarily exposed to market forces with an effective crop insurance floor within years, and a second layer of price protection from commodity floor price programs across years. The beginning of the end of "normal" government farm policy and "normal" payments began, however, with the first trade war with China in 2018, and then continued with massive pandemic assistance payments closely following. Both forms of payments necessarily occurred outside of the normal Farm Bill process and were intended to be temporary additions to the ad hoc spending programs that had been rendered less needed with crop insurance and commodity programs. For context, total ad hoc payments averaged about $2.4 billion per year from 2002–2018 and then were dramatically expanded through the Market Facilitation Payments program (MFP) to $8.6 billion in 2018 to offset losses primarily to soybean producers as a result of China's response to U.S. tariffs. That, and related offset programs, expanded to $14.5 billion in 2019 along with $3.7 billion of additional direct payments. In 2020, pandemic assistance payments flooded the consumer economy and farmers likewise received ad hoc and pandemic assistance payments totaling $39.4 billion, and in 2021 received an additional $38.1 billion in direct payments. The confluence of trade-related and pandemic-related factors was at the time used to argue for historically unprecedented payments to offset exogenous factors outside the control of agricultural producers. Note that aggregate net farm income in 2020–21 averaged $102 billion prior to the government transfers, and thus the payments represented nearly 40% of farmers' aggregate incomes and resulted in highly profitable years. Farmer balance sheets into 2022 were further strengthened both by strong farm incomes

from livestock and crops, and by follow-on pandemic relief and tariff-related payments that in many cases resulted in more income than was lost due to the causes. In 2024, aggregate net farm income was $140.6 billion comprised of $10.1 billion from government payments and $130.5 billion farm-related income. In 2025, farm-related income is forecasted to increase by almost $10 billion to $140.1 from farm-production-related sources, but expand to over $180 billion with the $40 billion in ad hoc payments distributed as of September. Since that estimate from USDA was released, an additional $12 billion in relief to "bridge" the period of tariff-induced prices was announced as the Farmer Bridge Assistance (to be paid in early 2026). Moreover, the expected payments from the 2025 ARC/PLC programs are now reasonably estimable at just over $13 billion (again, the 2025 triggered payments will be paid in 2026). Notably, the OBBBA contained a provision to automatically pay the higher of either the ARC or PLC payments regardless of the program a farmer signed up to receive. Prior to this provision, ARC payments received from 2016 to 2025 averaged $1.4 billion per year while PLC payments averaged $1.6 billion per year. In total, the additional payments of about $13 billion announced in the fourth quarter of 2025 for payment in 2026 could actually result in a new record for farm income on an accrual basis for the sector in total. The difference from a normal income record, which could result in upward pressures on the assets that generated that income, of course, is the magnitude of the payments that are coming from the government and the timing related to actual farm activities.

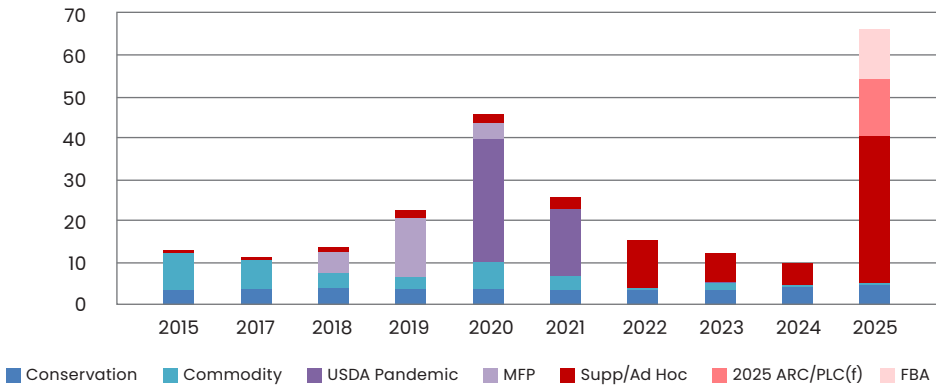
The implied question from the massive increase in government spending is to what degree do payments that are *not* based on farm activities support the asset values of the farmland used to denominate the distribution. This question has been studied in the past by academics and found to range all the way from roughly 20% to 80% depending on the nature of the transfer payments. Unfortunately, the historic cases available to study for clues occur in regimes where government transfers were (i) substantially smaller as a share of farmer income, and (ii) were not as heavily weighted in the form of ad hoc payments which, by definition, should not be viewed as recurring. The quip that "nothing is as permanent as a temporary government program" was spawned with reference to traditional expansions of programs like ARC, PLC, or additions to insurance coverage such as SCO or ECO. These types of programs are fairly countercyclical and thus could be viewed as reducing riskiness and leading to lower discount rates and thus higher values of capitalized income. The fundamental risk raised with increased reliance on ad hoc payments is the degree to which they represent risk-reducing effects and thus support asset values through "de-risking" and lowering the discount rate, or are simply treated as income windfalls which still improve the ability to buy assets, but not lead to appreciation from more expected future income or lower cap rates on generated income.

Figure 1 helps to emphasize the degree to which the government transfers to agricultural producers have become heavily weighted toward ad hoc sources through time, and the general growth in magnitude as well. The Conservation Title and Commodity program base payments ebb and flow but are more countercyclically driven by farm-level economics than the others. The MFP payments were viewed as offsets of lost revenue due to tariff effects from China, but the loss of long-term market access and the expansion of production systems in the remainder of the world also took a small but permanent slice out of expected future income as well. The Supplemental Ad Hoc payments are, of course, the most complicated payments to assess, as the degree of offset to lost revenue from tariffs and substitution for low revenue generally would not be expected to have as direct an effect as increased income from expanded demand, for example. The top two shaded sections on the 2025 year bar reflect payments that are announced or formulaically tied to 2025 programs but which will not be paid until some time in 2026.

The FBA is particularly curious because it somewhat mimics the Emergency Commodity Assistance Program (ECAP) and without reference to that program has evolved with payment calculations that are likely to mimic that program but at even higher levels. Estimates of the payments from both ECAP and the FBA have been likewise tabulated and also result in payments heavily skewed toward lower southern crops of cotton and rice, despite much of the justification being built around the case of soybean price response to tariff-induced price losses. For reference, estimates from farmdocdaily (Paulson et. al, 12/16/25) of payment rates are presented in table 1, with county-level estimates of payment rates following in figure 1.

FIGURE 1 **Direct Government Payments Through Time**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research



Importantly, the set of transfers shown in the graph does not include crop insurance subsidies because they are treated differently in the crop insurance title and are fully dependent on farm-level outcomes. The magnitude of subsidy transfer embedded in crop insurance programs has averaged around $10 billion per year through government payments paid against farmer insurance premiums. These payments are not paid directly to farmers, but by subsidizing the cost of crop insurance and reducing the farmer-paid premium. The crop insurance program is required to maintain actuarial fairness, which means that it should pay out all premiums that it brings in through time. Thus, if a farmer had an insurance policy that had a total cost of $1 on which the government paid $.50 and the farmer paid $.50, and if average indemnities were $1, implying actuarial fairness, then the farmer gets $.50 more through time than paid, and the $.50 premium subsidy would be an effective transfer to the farmer. This analogy does describe the total effect well, but the crop insurance loss ratios are not uniform across all production regions with particularly low indemnity payments in the Corn Belt, while loss ratios for rice, for example, are greater than 2:1 through time and thus the crop insurance subsidy is not distributed uniformly across regions or crops. The expected increase in net subsidies to crop insurance is discussed in more detail in a later section, but it could be reflected as a government transfer payment as well as a true risk-reducing program that would drive implied cap rates lower and asset values higher.

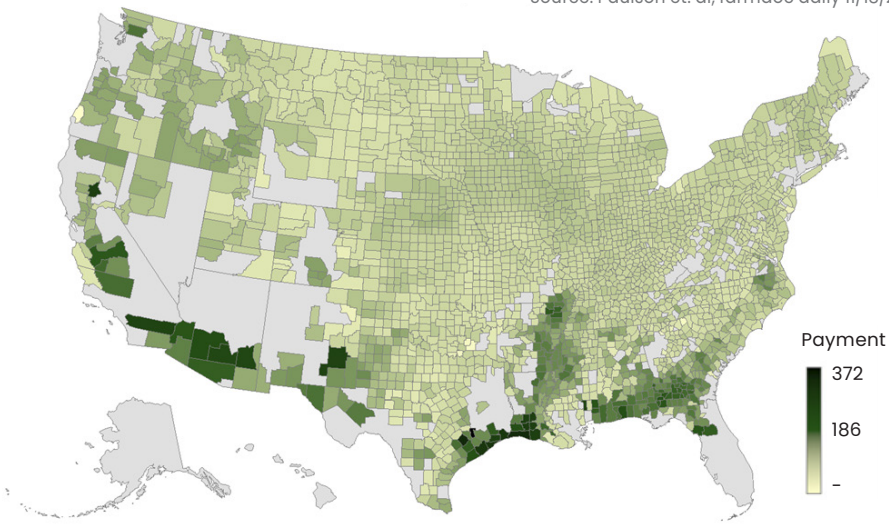
TABLE 1 **Estimated Farmer Bridge Payments by Crop Acre**

Crop	Payment Acres (est.)	Est. FBA Payment $/Acre	Total Payment ($millions)
Corn	98,163,473	$46	$4,519
Soybeans	80,936,746	$25	$2,007
Wheat	49,027,762	$39	$1,908
Cotton	9,288,215	$115	$1,066
Rice	3,170,493	$134	$425
Peanuts	1,955,208	$64	$124
Sorghum	6,247,108	$48	$299
Oats	2,082,100	$92	$192
Barley	2,240,413	$21	$46

For reference, the average ARC-PLC payment for counties in Iowa is estimated to average about $57/acre and in Illinois around $54 if the calculation methods are not changed. These rates are, of course, heavily weighted toward corn and soybeans with relatively uniform costs and yields. By contrast, the regions containing intense cotton and rice production will receive far higher benefits per acre but because of lower acreage, a lower fraction of the total payments.

FIGURE 2 **County Estimates of 2025 ARC-PLC Payments**

Source: Paulson et. al, farmdoc daily 11/18/2025



In addition to the enormous increases in government payments triggered in 2025, the OBBBA passed in July 2025 contained several provisions with important implications to farmland markets. Some of the changes were linked to previous legislation like the 2017 Tax Cuts and Jobs Act (TCJA) and either expanded or eliminated sunset provisions, and some created new features that are meant to foster additional non-farm investments in rural communities and into farmland directly.

The TCJA contained a provision known as Bonus Depreciation which allowed up to 100% of equipment and other qualifying property to be immediately expensed, thereby potentially shielding income or at least deferring or delaying tax obligations. That provision was scheduled to phase down by 20% per year beginning in 2023 and the OBBBA permanently restored the 100% bonus depreciation restarting as of January 2025. This provision applies to installed tiling, irrigation, orchard replanting, and other improvements that would have been less economical in its absence. Somewhat related, the Section 179 expensing limits were made permanent and doubled to $2.5 million while the phase-out threshold was increased to $4 million per year. This feature also facilitates meaningful investments in equipment, facilities, and related expenses and thus also indirectly supports farmland values through improved profitability of farm operations. The Farm Equipment Dealers Association estimated that the provisions cover about 90% of all farm purchases annually, and thus also support the farm equipment manufacturing industry. And while not a change, Section 1031 like-kind exchange provisions were considered for repeal in 2017, but a concerted industry effort was mounted and the issue was dropped and the current legislative white paper discussions identified 1031 exchanges as being particularly impactful for agricultural producers who have highly appreciated assets or want to move their operations away from development-pressured areas but roll their basis into a similar asset and avoid realization of the capital gains. In a related section, the OBBBA enacted a provision allowing the spreading of capital gains over four years if the buyer agrees to keep the land in agricultural use for 10 years. Finally, the OBBBA permanently eliminated the perennially reconsidered sunset provision on the Federal Estate Tax Exemption and also increased the base to $15 million per person in 2025 and indexed its annual revision to inflation moving forward.

Next, while Opportunity Zones already existed (and one unique to agriculture already formed and funded), the OBBBA reaffirmed and made permanent the original legislation which was scheduled to sunset in 2026. The essential features of an OZ investment are that an investor can roll capital gains into the investment and defer taxes and receive a step up in basis after a five-year hold period. The property has to be improved and in the case of farmland, the threshold for a "more than insubstantial improvement" is significantly less than for other properties like warehouses or brownfield redevelopments. After a 10-year hold period, the appreciation and any gains from the improvements become fully tax free upon sale (full basis treatment). This provision, while not widely used, does hold significant promise for investors who might be rolling out of significantly appreciated financial assets and want a farmland vehicle to both preserve wealth and protect against inflation, but also to effectively capture the tax benefits of avoided long-term gains and improvements being taxed. The strategy also has promise for individuals who might want to access liquidity up to their existing basis in an appreciated asset, but who were reluctant to trigger the capital gains tax needed to access their equity portion below their basis.

The OBBBA also has several provisions that promote other forms of rural investment other than direct ownership of farmland, but does not extend or expand several of the features of the Inflation Reduction Act that promoted investments in renewable energy or certain other extended infrastructure investments in rural areas which might have indirectly supported farmland values. As a theme more generally, the current administration has not continued to stress the development of greener energy sources that naturally meshed with farmland through solar and wind in particular. Nonetheless, solar development leases continue to provide compelling opportunities in areas near intersections of transmission capacity and use-load pressure. Solar lease rates are virtually completely insensitive to the ag-use valuation of the underlying properties due to the enormous potential generation values, and thus debates about taking out "the best farmland from production" and other "not in my back yard" conversations have to be navigated carefully to realize the potential gains from conversion.

Outside of the traditional Farm Bill process, crop insurance subsidy and allowed coverage features were also massively increased in 2025 through USDA "administrative actions" that did not involve any legislative participation. The entries in table 2 below show the previous and new farmer subsidy levels by coverage level for multiperil crop insurance policies. Coverage level refers to the fraction of expected yield or expected revenue the farmer chooses to insure, and Basic, Optional, and Enterprise elections affect the choice of individual field insurance, groups of fields, or all fields of the same crop. If a farmer elected to insure 75% of their expected revenue in an Enterprise Unit (most common), the government would pay 80% of their associated premium, for example. If the expected cost of that insurance were, say, $50/acre, the farmer would pay $10 and the government would pay $40, implying a long-run subsidy transfer of $40/acre. As a result of the subsidy structure, crop insurance covers nearly 100% of commercially important production of major crops in the U.S. Total annual premiums in the program have peaked at over $18 billion with around $200 billion in covered liabilities. The program undoubtedly represents the cornerstone of most farmers' risk management programs, and has become an important part of the income transfer system of federal policy as well.

TABLE 2

Farmer Federal Crop Insurance Subsidy Rates by Coverage Level and Unit

Coverage Level ›	50%	55%	60%	65%	70%	75%	80%	85%
2025 Subsidy	67%	64%	64%	59%	59%	55%	48%	38%
2026 Basic/Opt	67%	69%	69%	64%	64%	60%	51%	41%
Enterprise Unit	80%	80%	80%	80%	80%	80%	71%	56%

While these subsidies may seem generous, it again can be argued that achieving broad participation in insurance markets effectively stemmed the call for ad hoc payments for years and could have in fact been far less expensive than less countercyclical and less targeted disaster or income transfer programs that would have been used instead to prevent farmer losses from systemic and widespread natural causes. The expansion of coverage in 2025 does not end here, however, as the more impactful subsidy changes have accrued through products referred to as "area coverage" insurance which can be purchased on top of individual coverage. These products allow a producer to "buy down" individual coverage at lower cost levels and then "buy up" group or area coverage based on the county results instead of their own. Details omitted do matter, but essentially the combination of SCO and ECO allow a farmer to select an individual coverage level (e.g., 75%) and then buy area coverage up to 95% of the expected revenue per acre, or yield per acre. These policies are also supposed to be rated to be actuarially fair, meaning that subsidy rates are effectively transfers to purchasers. The subsidy rate for ECO was increased from 44% or 51% based on coverage in 2024 and prior years, and was raised to 65% in 2025, resulting in a fourfold increase in its use to over 60 million acres. The subsidy rate was again raised by administrative action to 80% in August 2025 for coverage beginning in 2026 and beyond. These changes are scored to add $13.2 billion or more to the federal expense compared to around $3 billion for the changes made within the Farm Bill to crop insurance (see farmdocdaily (15):227, UI-ACE, 12/10/25 and related for additional details).

Turning now to more traditional features of the farmland market space, transactional volumes and sales velocity are still substantially below the long-term norms, with reasonable explanations given the widened sales price intervals that have been registered. Importantly, when prices are surging, there is a tendency to have more land brought to market in non-random cases where there are abnormal pressures resulting in sales prices that exceed the average values of all farmland. In times of less robust demand, the sales tend to be more typically driven by liquidation needs around estate settlements, or financial hardship, and sales prices tend to understate the equilibrium value of all farmland.

In much of what follows, the analysis is informed from a variety of sources including data from USDA surveys, along with actual farmland managed within the NCREIF system, and finally broad measures from actual sales data and curated farm manager sales evaluations. These are used to provide as much accuracy about farmland valuation as possible. With approximately 35 years of built-up experience in using these to examine farmland markets, it has become clear that all of the data are correct, or at least useful, and there are just differences in informational content based on the sourcing and treatment. The USDA data contain non-commercial (e.g., hobby farm) units and represent all farms. The NCREIF data are from actual managed farms with strategic designs behind the included investments through time. The property tax-related data from sales are actual sales prices but include non-arm's length and other recorded transfer data that likewise have specific interpretations, and finally a professionally curated long-term selected set of roughly 1,000 farm sales per year gives a view of most representative impacts of things like locational differences, price per PI point, and so forth. The low turnover that has persisted for a couple of

years will also likely revert to the mean over time as well, and thus while lower sales volume data presents challenges to some analytic tasks, it is also part of the market's response to the elevated uncertainty about valuation and an important informational signal on its own.

While not tied to a singular event, a notable change also has been emerging in the sources of demand by non-operators for farmland investments. Previous issues of this publication have noted the emergence of and increased interest in "Alt" investments including real estate by high-net-worth investors and family office-style funds. Additionally, the professional financial management industry is increasingly interested in access to farmland in forms that do not require individual identification, or property-level management involvement. The institutional investment space for qualified investors, including pension funds and insurance company investment accounts, has become well established and can efficiently deploy large quantities of capital, but the transactional pipeline and higher interest rates have limited the movement of these sources due to some measure of requirement for current yield.

> At the same time, new sources of demand for farmland as an investment asset are emerging by a class of capital providers seeking safe returns with inflation protection and the preferred mix of appreciation and income represented by farmland. Short term variations in return have a lower relevance to investors seeking to preserve wealth through safe and tax-advantaged long-term investments in farmland.

These investors value the low or negative correlation that farmland has maintained with equity market investments and the strong correlation with inflation that is important for long-duration investors.

Additionally, the role of renewable energy uses of farm- and bio-based or photosynthetic production of feedstocks for fuel (separately from solar and wind) serves as a residual demand for production that is in excess of uses for food and feed. Historically promoted by the enactment of the Renewable Fuels Standard, or RFS, the use of ethanol as an oxygenate in liquified fuels has become pervasive enough around the entire globe that the oil and gas industry now also is indistinguishable in many ways in refining and blending relationships that are now more symbiotic than conflicting. As a general relationship, the higher a country's standard of living, the more that country's agricultural output is directed to demands further away from direct human consumption, and closer to use as animal feed and energy uses. Additionally, the higher the standard of living, the lower the share of consumers' income is spent on food, and the higher the quality of diet that is consumed at the same time. This fact has two important implications: first, the lower the share of income, the less elastic the demand for that category becomes, which allows more price variation to be passed along to final consumers; and secondly, higher quality diets in wealthier populations consume higher quality proteins and diets that require feeding more grain to animals first, which multiplies the total caloric demands for production significantly. On the flip side of this argument, questions are often raised about the increasingly prevalent use of GLP-1 drugs on final demand. While it is too early to fully judge, the shifting diets toward higher quality proteins and less total quantity would not be expected to reduce spending on total food proportionally. Interestingly, restaurants have begun offering "-OMPIC" or On Medication Portion/Incline Control options in response to the pervasive usage of GLPs. This debate is important in much of the developed world's population, but that is to be balanced against simple standard-of-living changes for the portion of the world's population that is still moving up the diet-quality scale, or increasing longevity, or both. Reliable population forecasts indicate that the population will cross 9 billion around 2037 and peak at around 10.8 billion by 2080 with a massive shift to Africa and slowing and declining Asian populations. The implications for long-term caloric demand from this set of demographic changes has supported the long-term thesis for demand growth for agricultural production, but has also raised important issues about where production will occur, with South American sources in particular emerging as the supplier for the majority of the demand changes in soybean and feed grain production. Implicit in this discussion is the dependence on trade relationships for food and energy derived from the sector as a necessary component of demand. Long-term trade and export patterns can be dramatically altered by tariffs or trade renegotiations that can expand access to the growing demand for calories around the world, or lead to the need for additional large government offset payments to agriculture during episodes of conflict—the reliability of which is critical to assess when evaluating farmland valuation and return effects.

The continuing intent of this annual publication is to provide both a fact-based update with consistent data and reasoned explanations of empirical outcomes, and to provide context to interpret major contemporary issues impacting the future performance of agricultural assets. It has developed a pattern of revisiting information and predictions from previous year's National Land Values reports, and to provide updated and extended discussions of factors that remain or have newly appeared on the horizon

related to agricultural assets. This year's focus was simple to identify as the shifting dependence on government support has no remotely similar analog, and at the same time, the interest in agricultural land as an investable asset class has evolved and grown as new channels for making investments have emerged. Farmland returns have long demonstrated strong positive correlation with inflation and negative or low correlation with equities as shown in previous editions of the NLV report and in related academic work. There is no obvious reason to expect a structural break in those features, but changing sources of demand and income in the sector, and the evolving channels providing access to alternative investment vehicles within the ag-space still require investment/divestment decisions to be made within specific time periods whose contexts include far greater macro uncertainty. This point is noted to remind the reader that the long-term patterns and expectations have not materially changed in terms of the belief in the role of the agricultural sector as fundamentally critical and the farmland acting as residual claimant on the necessary provision of food to a growing and increasingly affluent world population. The short-term empirical documentation of price and income changes can be viewed as identification of specific challenges and opportunities when evaluated within an investor's larger strategy. Last year's report correctly anticipated the continuing slowing or potential reversing of farmland appreciation, continued lower transactional volumes, and predicted falling inflation, increasing capital costs, and pockets of reductions in farmland values.

Last year's report also contained the following passage in which the initial dysfunction in the traditional Farm Bill debate process was being discussed as: "disjointed signals from a farm bill described at times as DOA, and then resurrected with announcements that turned at the last minute into exceptionally broad and strong proposals for increased ad hoc spending programs in advance of a farm bill extension while more permanent increases are negotiated…the Farm Bill moved from whether 'we should…' to 'how much can we…'." On this point, the previous year's summary prediction of higher uncertainty in the market from political and policy-related events along with much higher direct spending on agriculture turns out to have been correct in direction but ***spectacularly understated*** in magnitude. It simply was not in the field of view to anticipate the chaotic nature of the challenges to world trade relationships and the expansion of federal support directed toward agriculture, and yet the reaction of farmland markets was, if anything, under-responsive. It seems as if the market is simply waiting to more fully ingest the degree to which short-term disruptions of the traditional "algorithm" governing agricultural policy will persist or whether the events of this current episode with upsized federal support become more permanent features rather than external impediments to long-run performance based on competitive markets.

> It turns out that predicting government actions is even more difficult than predicting farmland markets that in turn depend on those actions.

In what follows next, updated data on national land values and indicators of the long-term performance of the asset class are provided building on past reports, and further highlighting new influences and changes in conditions that were introduced above. An emphasized treatment of the role of government payments and the precariousness of substituting subsidy for market revenue is implicit, but the scale and sheer mass of the agricultural asset markets seem to have absorbed a reasonable amount of the shocks to date and resulted in muted changes in many cases. After reviewing updated features of the national markets, the report presents regional updates that include updated performance and more specific treatment of local factors impacting returns to that region's agricultural assets. The core takeaway of the presentation is that while uncertainty has intensified, the farmland market remains fundamentally rational despite the massive realignments in income, remaining uncertainties about inflation, and slight moderation in interest rates. Its attractiveness as a portfolio asset is more complicated to assess as a result of these disruptions, but a return to longer-term market fundamentals would be expected to lead to continued positive long-term performance as well.

NATIONAL FARMLAND MARKETS IN REVIEW

Farmland markets can be broadly classified by use as annual cropland, permanent cropland, or rangeland/pastureland, and can also be aggregated into a category that is simply cropland, or into farm real estate which combines all farm-related land and real estate including buildings and fixtures. The investable segment of farmland markets focuses on cropland which can be further subdivided into categories of annual row-crop production (e.g., corn and soybeans, wheat, forages) and permanent crops (e.g., citrus, tree nuts, wine grapes). USDA publishes an annual survey of both farm real estate and cropland values along with lease rates by category and related information about acreage and use changes. These data are for all farmland- and cropland-related acres including farms that would not be considered to be commercial scale given the inclusion of small-scale, hobby farms, and other units not realistically used in an income producing manner. As a result, the USDA values tend to be attenuated toward the low end of valuations, but patterns of performance and derived rates of return are consistently collected and deemed to be highly reliable through time. Additionally, the National Council of Real Estate Investment Fiduciaries (NCREIF) provides complete detailed information on a quarterly basis on performance of institutionally owned and professionally managed agricultural assets, all of which are reported on an identically accounted basis. NCREIF has grown to the point of being the largest and most relied upon system for evaluating performance of professionally managed farmland under what could be termed "return-seeking capital" fiduciary requirements. NCREIF data can be further subdivided into regions that naturally group states with similar production features, and even further subdivided by management type whether directly operated or leased to a tenant-operator. A more complete presentation of the NCREIF-based results is provided later in the publication. Finally, the TIAA Center for Farmland Research at the University of Illinois has developed and maintains a comprehensive data system on farmland returns including the impacts of property taxes, scale, and other features of operations. In addition, it has a returns database on equities, commercial real estate, REITs, fixed income, bond returns, and measures of inflation and input cost indexes that are developed with consistent statistical treatment of returns intervals to use in portfolio evaluations of farmland in the context of alternative investments. In the materials that follow, these and derived summaries from individual states and production regions are presented to provide a comprehensive view of the performance of farmland investments through time by crop/region of major influence from as far back as 1969 in some cases on an uninterrupted basis to the most recently available period (generally through 3rd quarter 2025, or to the forecasted end of 2025). In the "real"

market, farmland values are determined by the relative level and riskiness of income earning potential in agricultural use, which is in turn derived from relative productivity and output market conditions, along with optionality of conversion. And, as with other financial assets, farmland is valued based on what it is expected to earn relative to its cost of capital and the relative performance of alternative investments—and the intent of this publication is to provide an unbiased and consistent presentation of those factors and their implications for farmland values through time.

To first establish relative scales and recent movements in values, Figure 3 displays average USDA estimated cropland values by state for 2025; Figure 4 shows the percentage change in value by state over the previous year; and Figure 5 shows the percentage change in value over the period from 2020–25 (additional details for two years to thirty-four years in both price change and total return form are provided in the individual regional sections that follow). It is often noted that USDA prices for all farmland result in levels that are a consistent fraction of cropland that farmers and investors consider to be investment grade and at a scale suitable for commercially viable production. A rule of thumb is that high-quality farmland at scale often trades at about 1.5 times the averages of all parcel values depicted in the USDA data. Across the entire U.S., all farm-sector assets have grown at an annual geometric rate of 4.97% per year since 1991. Farmland occupies about 83.6% of the total $4.4 trillion value and has grown in value (capital gains only excluding income) at an average geometric rate of 5.35% per year from 1991–2025.

Figure 4 simply provides a very short-period snapshot of the mid-year price change year over year from 2024–2025. Many survey results report that the prices at auction have pulled back substantially at the high end, and that lower-quality parcels have held their values well, but in many locations there are simply fewer exceptionally priced sales that occurred in the height of the market in late 2022 and the top end has declined relative to record prices since. Overall, USDA data show that farmland continued its slow but steady appreciation but at rates well below the long-term averages.

FIGURE 3 **Cropland Values $/Acre 2025**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research

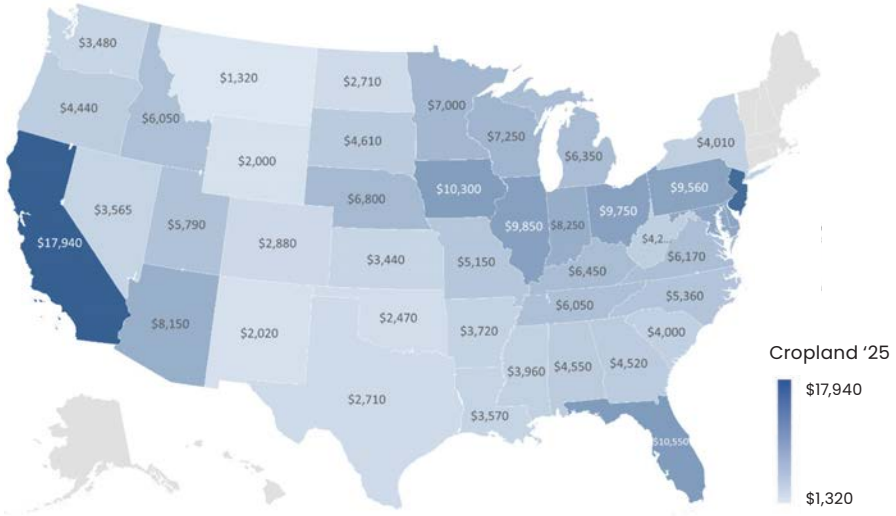


FIGURE 4 **Cropland Percentage Change $/Acre 2024-25**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research

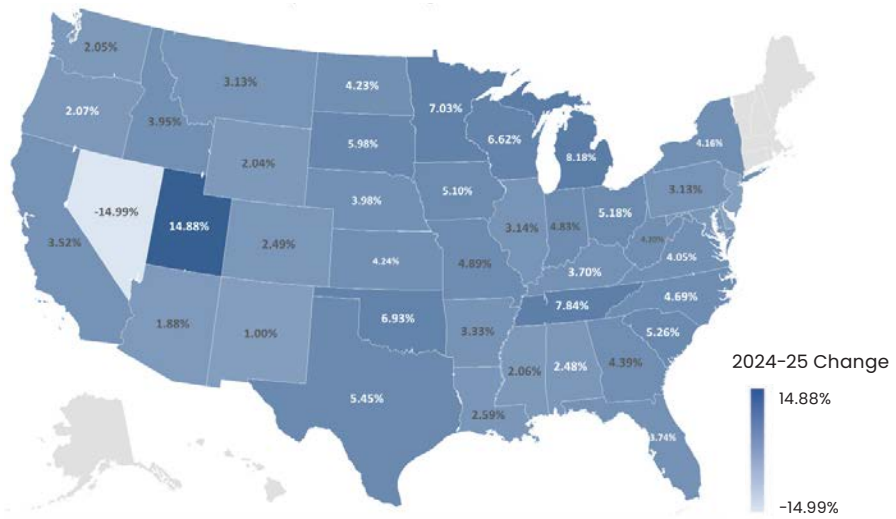


FIGURE 5 **Cropland Percentage Change $/Acre 2020-25**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research

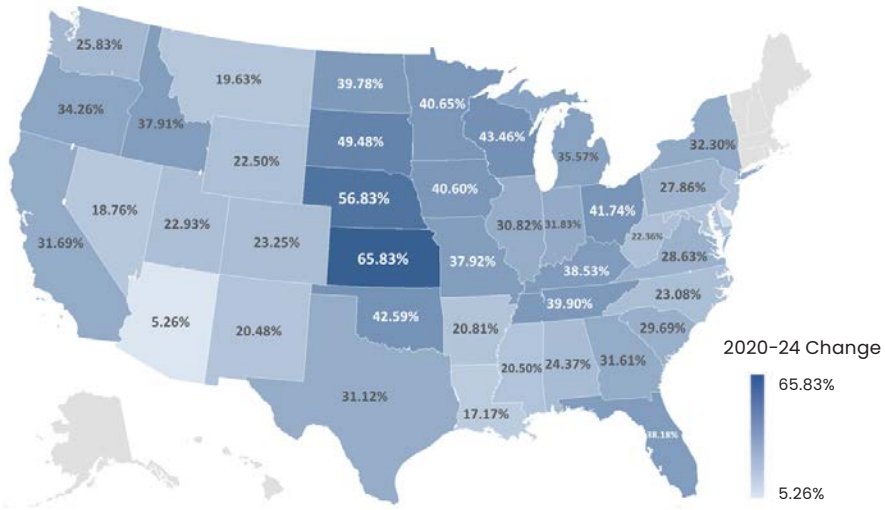


FIGURE 6 **Total Cropland Return 2025 (Preliminary)**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research

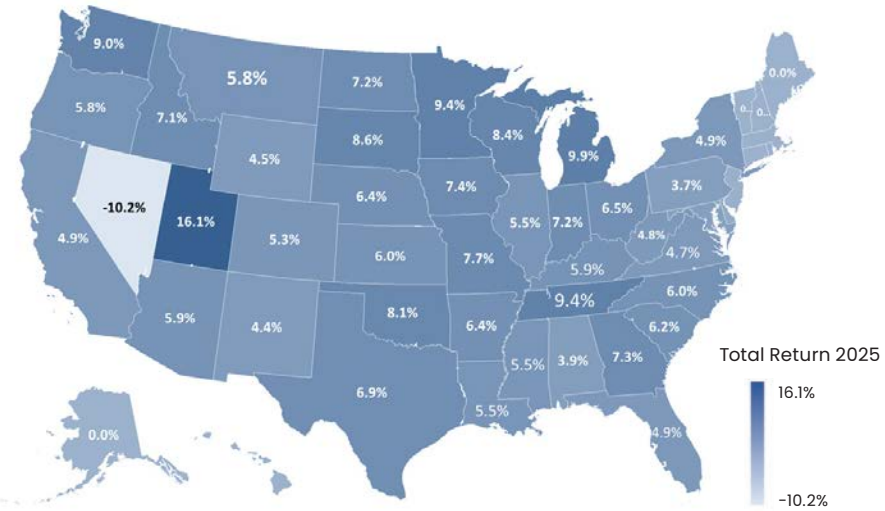


Figure 5 puts the past five-year window into a slightly more informative framework with both the period of rapid increase and the recent two-year period of moderated values together to show the region of the country that had the greatest price appreciation. The Lake States, along with the Northern and Southern Plains regions, experienced rapid price appreciation during and immediately after the pandemic, at least partly fueled by the large ad hoc payments received across much of that region along with strong prices and revenues protected by crop insurance. Livestock operations are heavily concentrated in this region as well, and livestock-related income was also strong during this period, which further supported farmland values.

Moving to financial return performance, figure 6 shows the estimated total return comprised of income plus capital gains less property tax and maintenance as a ratio to value. The one-year rates are highly variable and range from -10.2% to 16.1%—both of which occur in states with very low agricultural intensity. The more typical outcome was to have average returns that were roughly 2% to 2.5% below long-term average performance for the past 30-year period which is shown in figure 7 for comparison. Notably, these return levels actually compare favorably with broad equity indexes like the Dow Jones over comparable periods but tend to have less "draw down" or extreme movement risk. Importantly, these are estimates averaged across all properties in a state and thus mask the wide variation in individual experiences that could be expected to be encountered on a single farm, and are also likely conservative relative to commercial-scale agricultural operations' results. Note that these estimates are revised with each following year's release and may be revised downward or upward based on final end-of-year information.

Table 3 provides additional historic context by aggregating time series of this information into the same production regions used by the National Council of Real Estate Investment Fiduciaries (NCREIF) to group areas with similar production crops and practices. The returns are reported as average geometric returns by hold period over selected intervals from 1 to 25 years and over the lifetime available in the NCREIF Index back to

FIGURE 7 —— **Average 30-Year Annual Cropland Return by State**

Source: USDA Land Values 2025 Summary, TIAA Center for Farmland Research

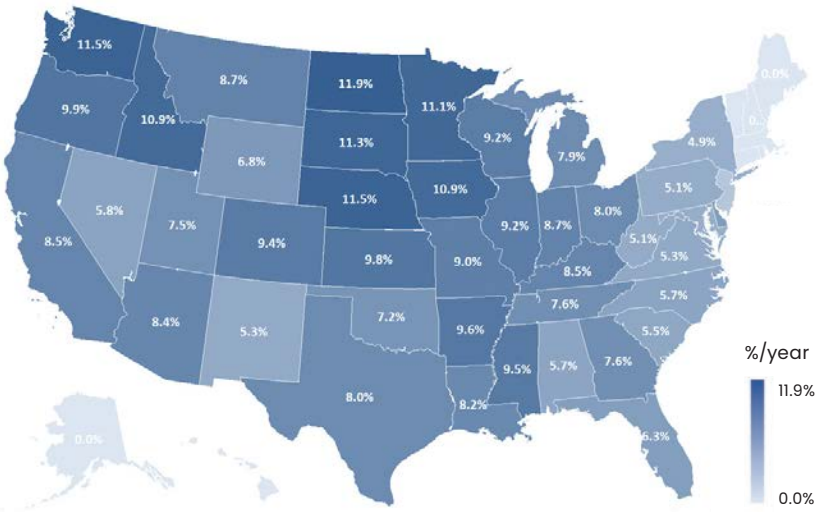


TABLE 3 —— **Average Annual Cropland Return by Hold Period**

Source: USDA, NCREIF, TIAA Center for Farmland Research

	HOLD PERIOD					
Region	**1-Year**	**5-Year**	**10-Year**	**15-Year**	**25-Year**	**1991-Present**
Appalachia	6.69%	7.59%	5.79%	5.11%	6.37%	6.76%
Corn Belt	7.14%	8.89%	5.61%	9.09%	9.38%	9.91%
Delta	6.09%	7.43%	7.37%	8.91%	9.40%	9.62%
Lake	9.75%	9.59%	6.82%	8.57%	9.54%	10.17%
Mountain	8.56%	7.58%	6.31%	5.78%	7.09%	9.46%
Northeast	2.74%	4.68%	3.82%	2.91%	5.08%	4.85%
Northern Plains	7.56%	11.14%	6.73%	12.72%	12.62%	12.33%
Pacific Northwest	7.64%	11.09%	10.29%	11.17%	11.12%	12.21%
California	5.45%	7.87%	7.85%	7.21%	8.42%	8.38%
Southeast	5.69%	7.85%	6.25%	5.01%	5.75%	5.72%
Southern Plains	7.87%	8.59%	6.82%	7.50%	8.01%	7.99%
*Total Farmland**	*-0.43%*	*4.68%*	*5.40%*	*8.76%*	*13.43%*	*9.96%*
*Annual Cropland**	*3.73%*	*9.06%*	*6.87%*	*8.78%*	*12.86%*	*9.78%*
*Permanent Cropland**	*-6.47%*	*-1.72%*	*2.98%*	*8.59%*	*13.65%*	*9.76%*

**annualized each Q3*

1991. In addition to regional totals based on USDA data, the lower three rows provide total performance for assets held in the NCREIF index by type of production for comparison (more information on NCREIF farmland performance is provided later in the report).

As evident in the table, longer-term patterns become more consistent across regions and have been reliably strong and consistent in the major production regions. The low permanent cropland returns in the NCREIF index for 2025 (as of Q3 annual) and the low 5-year and 10-year returns result from heavy concentrations in almonds, pistachios, and apples, which have had very low and variable returns in specific years even though the longer-term returns are quite strong. Each of the major regions in the table have their own sections later in this report that provide additional detail and context about the factors resulting in their individual performance statistics.

A final observation about notable market transactions in 2025 and the move toward information-centric analysis of farmland investments helps to highlight the improvement in "investability" that continues to occur in the farmland sector. There were several signals in the market of derived demand from retail investors to have better access to farmland investments and the necessary information systems to evaluate these options. WisdomTree purchased Ceres Partners—a notable "alternative asset manager specializing in farmland investments"—with announcements that indicated that WisdomTree "believes there is significant opportunity for growth. The asset class historically provides resilient, inflation-protected returns and is largely uncorrelated to traditional equity and bond markets. As demand accelerates for income-generating, inflation-hedged private investments, this transaction well positions WisdomTree to offer differentiated access on an institutional scale." Likewise, Proterra purchased AcreTrader with announcements that also indicated that they believe that the asset class was at a position that informational impediments no longer should constrain evaluation of agricultural asset investments. Nuveen likewise launched a retail-focused fund in 2025, also signaling the attractiveness of the asset class and the intent to expand their offerings beyond the traditional large-scale platform that they lead in the industry. In total, the evidence is that meaningful industry players have invested in research and information systems that allow more complete and accurate understanding of the asset class and believe that it is ready to move toward platforms that provide improved access to retail investors. The inside joke has been that the industry has been two years away from having a retail ag-investment product for the past 15 years, but the scale and intensity of the movement toward more efficient investment vehicles has palpably changed and is worth careful attention. AI advances are often overhyped and may take years to materialize, but it does seem plausible that emerging tools to simply understand and perform better diligence and evaluate assets will continue to create distinguishing values across agricultural asset managers and help move the asset class ever closer to a "normalized" investment with lower costs of acquisition, improved liquidity options, and embedded tools for analysis of investment opportunities that reside closer to retail investor sources.

In what follows in this publication, different features in the agricultural markets that define the major production regions are discussed and highlighted with implications for performance of farmland investments going forward. Providing accurate information resources related to farmland markets and creating improved understanding for participants in agricultural markets is a long-standing goal of this publication, and each new year will provide an opportunity to continue to add to the overall understanding of the asset class through updated data and discussions of contemporary issues impacting agriculture. The resolution of market forces in the continued production of food for an increasingly large and affluent world population, the needs to navigate consumer and environmental demands, and the impacts of the political frameworks in which these forces play out have defined the tagline of this now annual publication and its intent to provide ***food for thought*** about farmland markets for years to come.

REGIONAL MARKET UPDATES

To get a more detailed view of some of the regional differences in farmland markets, the remainder of this report provides an update of the major regional markets.

PACIFIC WEST
CALIFORNIA Market

California's farmland market warrants discussion both as a leading contributor to the nation's agricultural production system, and as a distinct regional production area with unique physical features and several specific contemporary issues impacting its performance. The state remains the largest agricultural producer in the United States by value, with annual cash receipts of over $60 billion across more than 400 commercially grown commodities representing over 12% of the total U.S. agricultural production (USDA, 2025). Dairy production tops the list of agricultural outputs with $8.6 billion in annual production, though that is down from a peak of over $10 billion in prior years. Almonds moved back into second place with $5.66 billion in production value with over a 95% share of U.S. production, and grapes came in third with a total of $5.64 billion in production value, though considerable pressure has emerged in winegrapes from a broad range of pressures from trade policy, the secular decline in wine production, location-specific impacts of water regulations, and changing varietal preferences. In addition, California is responsible for roughly 90% of the U.S. domestic strawberry production valued at $3.5 billion annually, and produces almost 99% of the U.S. pistachio production worth $2.04 billion per year. California also grows over 95% of the U.S. production of artichokes, celery, figs, garlic, grapes/raisins, kiwifruit, melons/honeydew, nectarines, olives, peaches, other stone fruit, plums/prunes, walnuts, and many nursery crops and seed production.

Critically, though, California's agricultural sector is heavily dependent on export markets, which account for 44% of its total production, which in turn represents 12–13% of all U.S. agricultural exports. California dominates the share of U.S. exports in tree nuts, wine, fresh fruit and vegetables, and dairy products. The top export destinations are Mexico, Canada, and China, followed by the EU, Japan, South Korea, and India. In this regard, California is the most directly exposed state to the impacts of trade policy, immigration policy, labor pressures, and current tariffs. California has a particularly outsized exposure to Mexico and China—locations which were historically closely allied with California and the U.S. in general, but which now face heightened uncertainty over trade and labor issues, as well as other increased political frictions at the federal level.

If those pressures were not enough, the Sustainable Groundwater Management Act (SGMA) has become one of the most consequential factors impacting valuation patterns across the state as it has progressed from a prospective constraint to an operational reality in many locations. SGMA was enacted in 2014 and requires areas with over-drafted aquifers to achieve sustainable pumping levels by 2040. In short, land with reliable and affordable water access has had dramatically higher appreciation rates than land that is likely to be increasingly subjected to water availability constraints

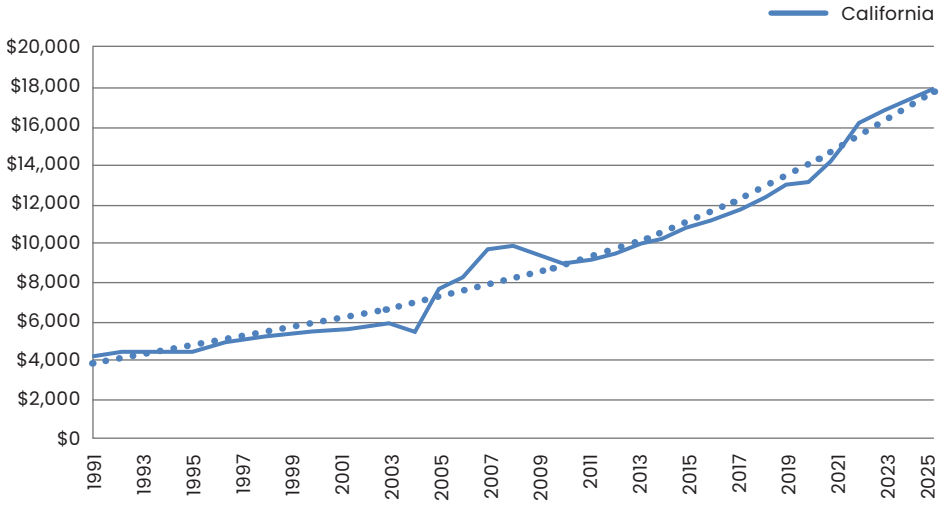
as SGMA becomes more binding. Importantly, this feature is not simply a result of the annual cost of water as an input, but because land markets are increasingly capitalizing expectations about long-run water availability into the underlying asset value. This fact has resulted in water reliability becoming a primary sorting mechanism, and has resulted in increasingly divergent land values across the major production regions of California.

These effects are especially important to evaluate in permanent crop systems, where capital intensity and biological continuity requirements amplify water-related risk. Annual crops under drought may suffer a single-year loss (although, ironically, they have the most comprehensive crop insurance availability), while permanent crop losses can require years or even decades to restore productivity. The results of differential water pressures are also apparent in the ongoing "rightsizing" of acreages, with remaining acres in sensitive crops often increasing in value as higher-risk acreages are removed. Almond acreage, for example, expanded rapidly through the late 2010s, reached a high point in bearing acres around 2022 before flattening and then beginning to modestly decline. Recent industry estimates for eventual acreage removal vary from one-half million to nearly a million total acres in California due to SGMA, with an outsized impact in tree nuts which are high-water crops and disproportionately located in areas with more binding water district impacts (Public Policy Institute of California, 2024).

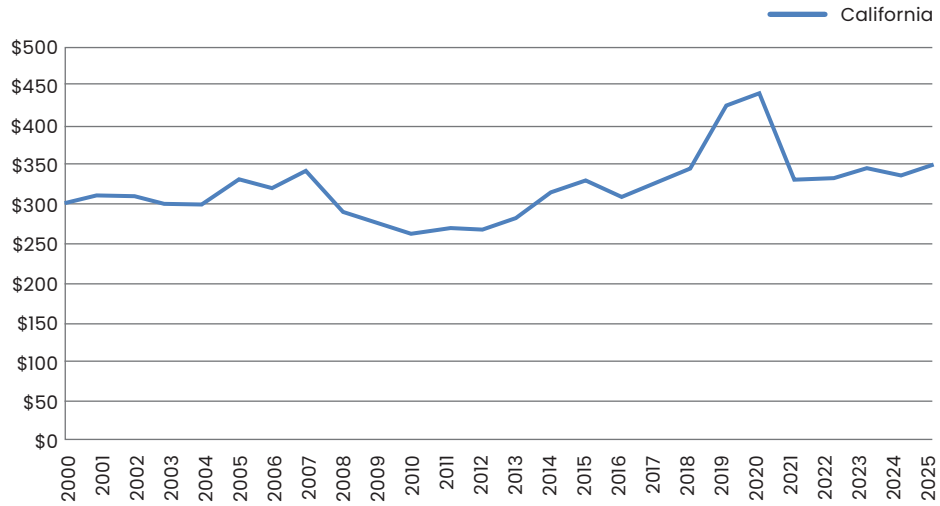
Winegrape acreage has also been affected, but somewhat less so by water pressures than tree nut crops, and more so by other market and socioeconomic factors. Bearing acreage of winegrapes in California peaked around 2018–2019, and has declined more steadily, reaching approximately 550,000 acres by 2024. In this case, water availability interacts with, but does not dominate, acreage responses which are instead being primarily driven by oversupply, slower growth in wine consumption, and weaker demand in lower-priced segments in particular.

While the overall increase in cropland value from 2024–2025 was 3.5% (USDA, 2025), the regional outcomes diverge dramatically. Within the Central Valley, SGMA has exacerbated differences in land values between

Price - $/Acre Pacific West



Cash Rent - $/Acre Pacific West



areas served by irrigation districts and surface water sources compared to the groundwater-reliant areas—or even across parcels with water rights based on historically different levels. In contrast, portions of the Central Coast—particularly irrigated vegetable ground—have experienced greater increases in values based on production "resilience" implied by water access and limited land availability. A recent report from TerrainAg.com documented changes in land values through 2024 to have declined by over 20% from their peak in 2023 in much of the Central Valley, while southern and northern Coastal Region values increased markedly over the same period. The vastly differentiated valuation responses to both water stability and crop market exposures makes a simple summary of the PacWest region impossible other than to note the increasingly bifurcated market outcomes.

In terms of transactional activity, a market shift began in the second half of 2023 toward a greater volume of smaller sales at more competitive prices; however, this elevated quantity of sales can be misleading because distressed dispositions began in earnest in 2024 and a few large distressed portfolios were liquidated on a tract-by-tract basis, resulting in many transactions.

Prevailing sales trends since 2023 include:

- Larger investment groups have largely remained on the sidelines.
- Growers with favorable balance sheets and small investors have been active at the smaller end of the market, taking advantage of more favorable asset pricing.
- Notable distress deals have slowed the market as buyers wait to see if value reset lower.

> "Farming the water" remains a descriptive term for many areas of California with water reliability becoming the primary sorting mechanism, frequently outweighing soil quality or historical yield potential in underwriting and investment decisions.

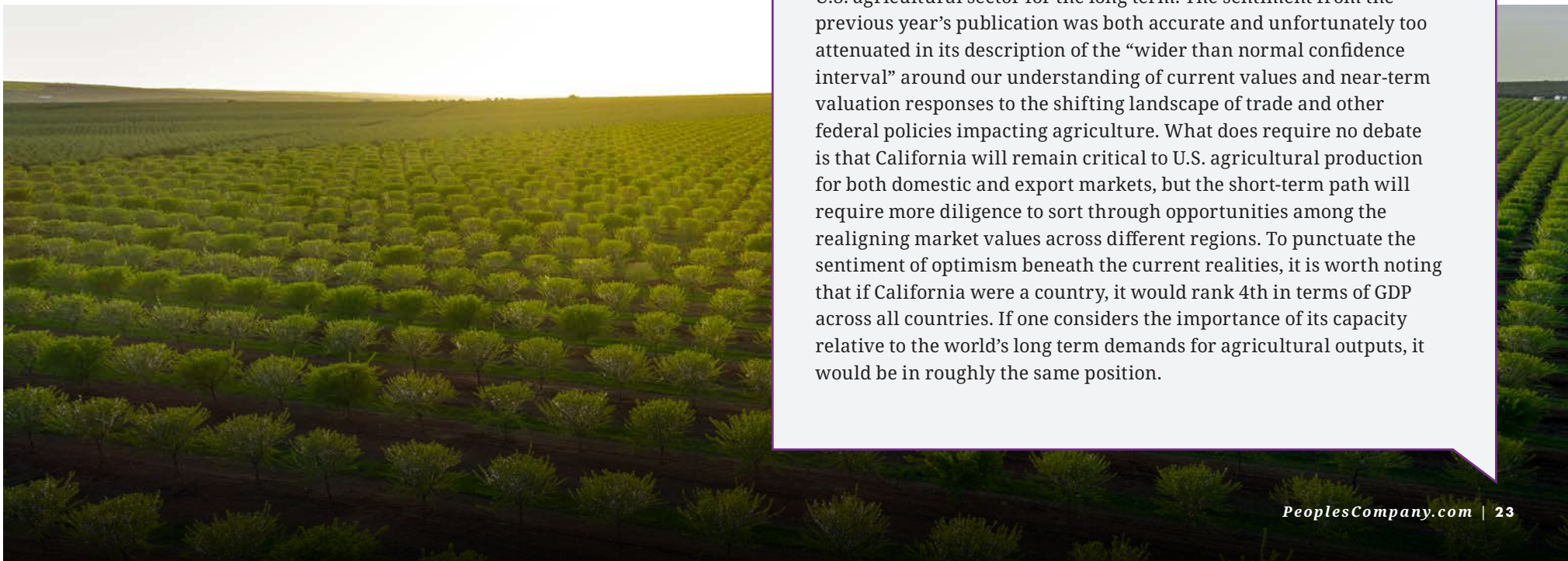
Despite the heavy headwinds noted above and the widely diverging current market features by location, long-term prospects for California cropland and its role in supplying the ever-growing total world caloric demand remain intact. Schumpeterian destruction and the associated market mechanisms for consolidating production into the most efficient units tends to occur most quickly when structural changes create differences in costs and returns across previously similar production systems.

> To be certain, the increasing costs associated with water, and potentially for increased labor and trade-related expenses will result in stresses and adjustments from current situations, but the relative advantages of California agriculture with its vast major production regions relative to the rest of the world will clearly not be displaced at-scale. Finding opportunities requires there to be differences across previously similar options and savvy investors will look to use the current heightened uncertainty to capture transient opportunities.

Turning to the data, the average long-term appreciation rate for cropland in California has averaged 4.76% per year (shown as the dotted line in the graph) and income/year has averaged 3.62% for a total of 8.37% per year across the entire 1991–2025 interval shown. This performance is relatively constant across different holding periods other than during the final few years of the sample. The averages obscure the regional variation to some degree, and permanent and row-crop returns have recently diverged substantially as well, but the long-term results remain viewed as representative and accurate depictions of the realities in the region. As shown later in the NCREIF portion of this publication, the divergence between

permanent and annual cropland returns has been greatest in the Pacific West region of any location reported, so the performance in total is perhaps even more surprising given the recent low to negative returns to permanent crops that are included in the averages. It is typical to delineate measures of performance into permanent versus annual crop production when making investment decisions or evaluating performance, and perhaps in the future, it will also make sense to delineate performance tabulations based on the water-related characteristics as well.

PACIFIC WEST - CA	1991-2025 35 Years	2011-2025 15 Years	2016-2025 10 Years	2021-2025 5 Years	2023-2025 3 Years	2024-2025 2 Years	2025 1 Year
Income %/year	3.62%	2.80%	2.57%	2.27%	1.99%	1.97%	1.93%
Capital Gain %/year	4.76%	4.41%	5.28%	5.60%	5.77%	3.52%	3.52%
Total Return %/year	**8.38%**	**7.21%**	**7.85%**	**7.87%**	**7.76%**	**5.49%**	**5.45%**
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

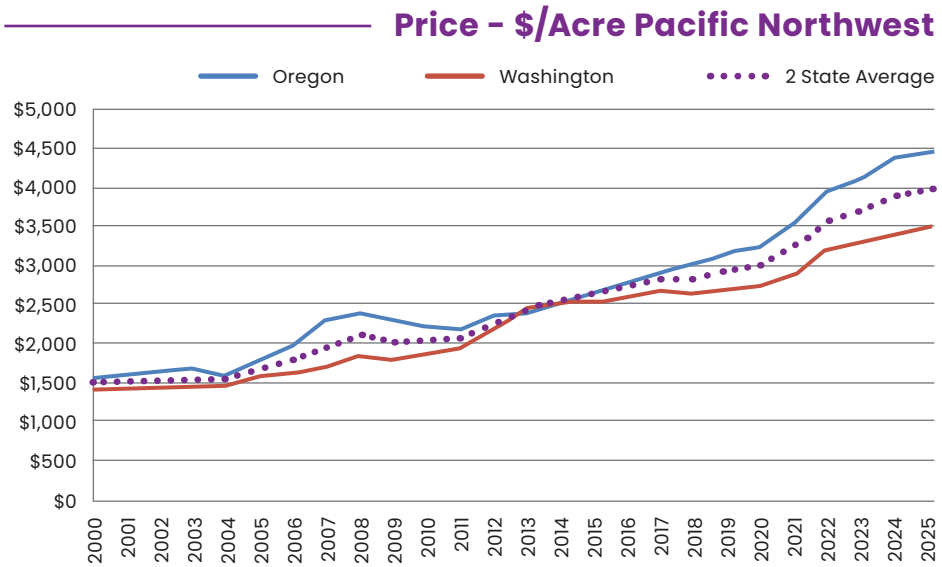


PACIFIC WEST CALIFORNIA SUMMARY

The California farmland market remains the most massive and diverse in the country with unique climactic delineations, unique soils and growing conditions, and favorable proximity to consumers and export channels that create additional opportunities as well as heightened risks. The current episode of trade-related disruptions is unlikely to be permanent and the expanding domestic and global demand for agricultural products for which California holds a strong comparative advantage is likely to be more persistent. Water-related exposure and access to long term secure water sources have amplified both stresses and opportunities as SGMA results in a steepened valuation gradient even over the single previous year, and these sorting mechanisms will continue to create greater differences in values through time as SGMA moves closer to full implementation.

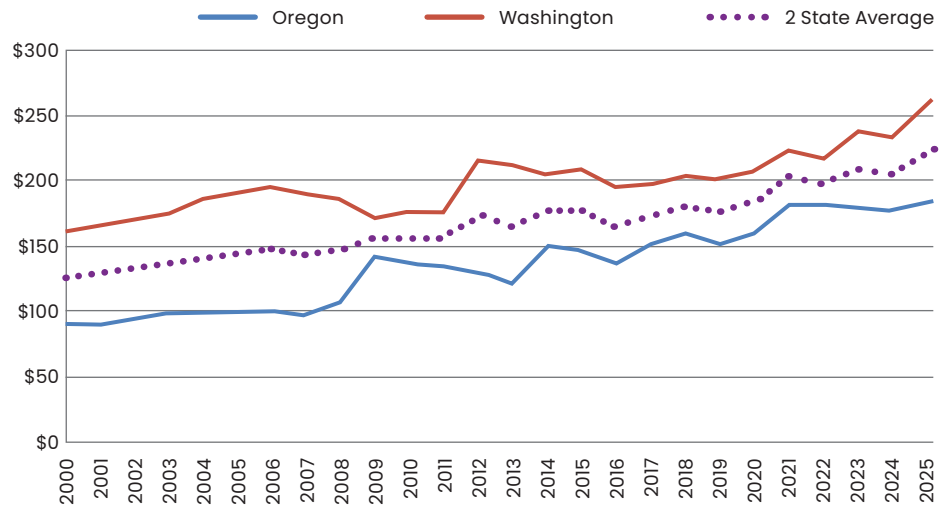
While the current uncertainties in the Pacific West Region are heightened relative to longer-term histories, “these too shall pass” and the enormous scale and diversity of its agricultural production guarantee that California remains a critical component of the U.S. agricultural sector for the long term. The sentiment from the previous year’s publication was both accurate and unfortunately too attenuated in its description of the “wider than normal confidence interval” around our understanding of current values and near-term valuation responses to the shifting landscape of trade and other federal policies impacting agriculture. What does require no debate is that California will remain critical to U.S. agricultural production for both domestic and export markets, but the short-term path will require more diligence to sort through opportunities among the realigning market values across different regions. To punctuate the sentiment of optimism beneath the current realities, it is worth noting that if California were a country, it would rank 4th in terms of GDP across all countries. If one considers the importance of its capacity relative to the world’s long term demands for agricultural outputs, it would be in roughly the same position.

PACIFIC NORTHWEST Market



The Pacific Northwest (PNW) includes the highly productive and diverse agricultural regions of Washington and Oregon. Washington leads the region in terms of the size of the agricultural sector, with roughly $13 billion in average annual production receipts, with approximately 60% of that total represented by crop production. Apples represented about 15% of the state's total value of agricultural production, or 25% of all crop receipts. Washington's total apple production accounts for more than 60% of total U.S. apple production—more than six times as much as Michigan (second place) or New York (third) (USDA, 2025). The 2025–26 apple crop forecast is for a 180 million bushel crop, with top varieties including Gala, Honeycrisp, Granny Smith, and Fuji leading the expansion of bushels. Red Delicious still represents a large share as well, but is consistently shrinking as other "-crisp" varieties come online. The apple industry in Washington suffered from oversupply and demand interruptions beginning in 2018 due to its dependence on export markets, but recently has begun to rebound for operations adopting newer production technologies and modern varieties. Despite improvement, the apple industry has not returned to widespread profitability or even to levels seen a decade or more earlier. In many ways, the apple industry parallels other cases where consolidation, scale, and modernization have separated profitable from less profitable operations, but within an industry subject to higher-order market disruptions. Milk production ranks second in terms of value, with wheat, cattle, and potatoes rounding out the top five. Washington is also the top U.S. producer of blueberries, hops, pears, and sweet cherries, and is the second-largest U.S. producer of apricots, asparagus, grapes, potatoes, and raspberries. In total, over 300 agricultural products are commercially grown in Washington, and the flexibility to shift production based on evolving demand is a key differentiating feature for the region. In contrast to permanent crops, annual crop production returns have followed a steadier performance path and have access to more government support and stabilization programs as well.

Cash Rent - $/Acre Pacific Northwest



Oregon's total annual value of agricultural production is about half that of Washington's, at approximately $7 billion per year, but it also produces an exceptionally diverse set of more than 220 commercially reported crops over 15.3 million acres of production. By acreage, the top crops are hay and wheat, covering approximately 930,000 and 730,000 acres, respectively. Greenhouse and nursery crops are top-ranked by value of production, followed by cattle and calves, which are concentrated in the southeastern portion of the state in areas less competitive for row-crop or permanent-crop agriculture. Other critical crops (with 2024 rankings) include grass seed (3), milk/dairy (5), wine grapes (7), potatoes (9), blueberries (10), and hazelnuts, pears, onions, Christmas trees, hops, cherries, and apples. Interestingly, Dungeness crab landings have also climbed into the top 20 sources of agricultural receipts for Oregon, approaching $100 million per year. A key takeaway is that, unlike many other regions of the country, there is substantially greater flexibility for rotational variation across seed, feed, vegetable, and horticultural crops, with broadly available and well-developed offtake industries supporting this diversity. Oregon is substantially less dependent on export markets, but does have some regions that are heavily dependent on fewer and more specific demand crops (e.g. garlic) than is the case in Washington.

It is worth noting that portions of western and southern Idaho, which are sometimes included in the broader PNW footprint, directly compete with production regions in eastern Washington and Oregon. Taken together, Idaho and Washington form the top potato production region in the United States, with Idaho producing approximately 13.5 billion pounds, Washington accounting for just over 10.1 billion pounds, and Oregon adding 2.7 billion pounds. For completeness, Wisconsin produces approximately 2.6 billion pounds of potatoes, and these four states collectively account for roughly 70% of total U.S. production. In addition to potatoes, Idaho ranks first nationally in the production of barley and alfalfa hay. Idaho is also the second-largest U.S. producer of sugar beets and hops, and the third-largest producer of cheese and milk, with rapidly growing dairy cow numbers, while Washington's dairy herd has been shrinking.

Key features of the PNW region include extensive water resources and a highly developed water-rights system. Producers with access to the Columbia River system and historically permitted wells hold a major advantage relative to producers in other parts of the country in terms of irrigation costs. Approximately 8 million acres are irrigated with water from the Columbia and Snake Rivers, representing roughly 6–8% of the Columbia River Basin's total annual runoff. Hydropower from dams in the region also provides access to clean energy sources that rank among the most affordable in the United States. Low-cost energy for irrigation results in a substantial cost advantage relative to California, for example, where electricity costs can be roughly ten times higher per kilowatt-hour, and where direct water access is increasingly restricted by SGMA-related regulations. Irrigation infrastructure in the region is highly developed, and historic water rights are therefore highly influential in determining best-use decisions, production locations for major crops, and farmland values and returns. Favorable water economics, combined with low energy costs, result in financial performance that is more closely tied to output prices and access to export markets than to water or other input costs in many cases.

Headwinds for the region are similar to those faced elsewhere, including macroeconomic and trade uncertainty, and—particularly for fruit and hand-harvested crops—heightened labor uncertainty related to current immigration concerns. Winegrape production in the region is facing strong consolidation pressures due to loss of access to historic export marketing channels and secular declines in wine demand. Vineyard costs are well below those in major California production areas, which has contributed to observed overplanting as well. Land transaction volumes slowed in 2023 and 2024 and have not recovered in 2025. Highly mixed motivations for sale have been observed, and there have been exits in certain areas by institutional investors. A common quip is that high prices cure high prices, and in land markets, elevated prices tend to bring additional acres to market. The converse is now being tested, as weaker prospects have left more potential sellers in a "wait-and-see" mode. In most cases, lower current turnover volumes build pressure for longer-term turnover patterns that tend to revert to the mean over time, but for now, activity remains mixed at best.

Turning to longer-term financial performance, the Pacific Northwest has been among the strongest-performing regions, despite ongoing challenges in permanent crops and current export-market uncertainty. USDA continues to report relatively positive overall land values, with traditional crops helping to buoy the broader market. The pattern of land appreciation in the region has been somewhat smoother than in other production regions, though it did experience rapid growth during 2020–22, particularly in row-crop and annual-crop production areas, before slowing and continuing to taper into 2025. Over the long term, gross returns to cropland in the region have averaged more than 10% per year, representing an exceptionally attractive investment profile with low annual income risk and relatively stable appreciation. These characteristics make the region especially attractive for long-duration investors and have contributed to concentrations of institutional ownership, including significant holdings associated with the Mormon Church, which operates one of its larger and more sophisticated agricultural platforms in the region. It should be noted that a focus on permanent crops should not overshadow the broader performance of the region, and that production flexibility provides a meaningful advantage relative to other major row-crop regions as market conditions evolve. While it may take several years to fully assess the impacts of changing export-market dynamics, long-term optimism remains given the region's advantages in production flexibility and relative cost competitiveness.

PACIFIC NORTHWEST	1991–2025	2011–2025	2016–2025	2021–2025	2023–2025	2024–2025	2025
2 State Average for:	35 Years	15 Years	10 Years	5 Years	3 Years	2 Years	1 Year
Income %/year	7.83%	6.66%	6.04%	5.77%	5.53%	5.51%	5.51%
Capital Gain %/year	4.39%	4.51%	4.25%	5.32%	5.70%	3.62%	3.62%
Total Return %/year	**12.21%**	**11.17%**	**10.29%**	**11.09%**	**11.23%**	**9.13%**	**9.13%**
AfterTax and Exp	11.58%	10.67%	9.83%	10.65%	10.83%	8.77%	8.77%
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.99%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.15%

PACIFIC NORTHWEST SUMMARY

The Pacific Northwest remains well positioned to respond to shifting production signals as other regions face mounting pressures or changes in production emphasis. The region is characterized by flexibility in productive capacity, low energy and water costs, proximity to a strong consumer base, and a solid reputation as a supplier of vegetable crops, specialty crops, and wine grapes, alongside well-established hay, wheat, potato, dairy, apple, and seed production industries. The region's historic performance and demonstrated adaptability to changing demand conditions suggest it will continue to rank among the stronger-performing agricultural regions over the long term. As with other regions, however, current volatility may obscure underlying economic signals and create both opportunities and stresses in the near term.

DELTA Market

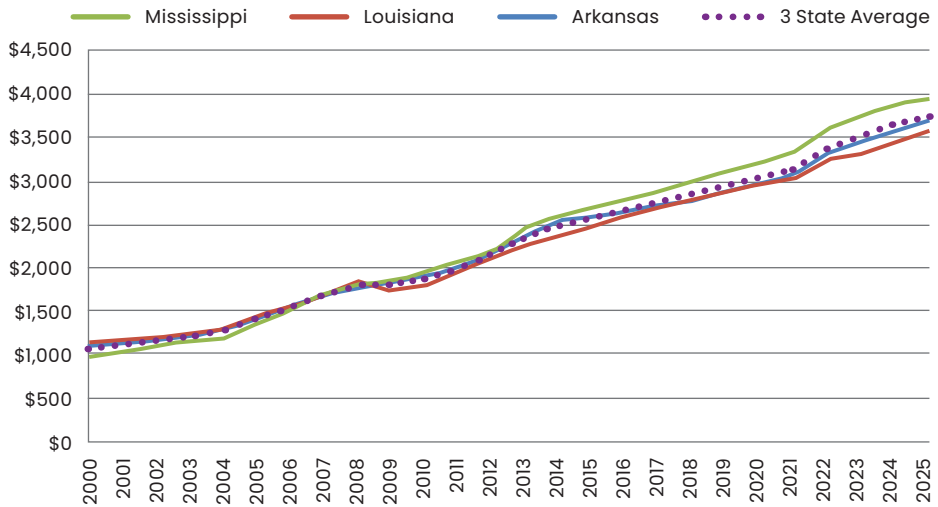
The Delta region is comprised of Arkansas, Mississippi, and Louisiana. The region's principal agricultural products include rice, soybeans, corn, sugarcane, cotton, grain sorghum, and peanuts on the crop side, while on the livestock side the region relies primarily on broiler production, followed by beef and pork production.

> Farmland productivity levels and values generally decrease with distance to the Mississippi River, with higher productivity and better water resources nearer to the river.

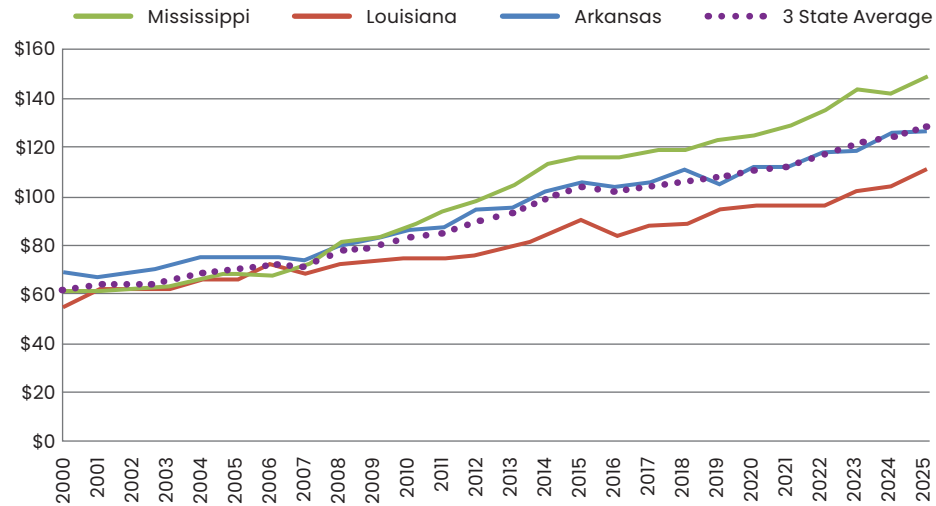
The region benefits from adequate to excess rainfall and groundwater resources that are generally well suited for irrigation. However, the Delta is also subject to significant extreme weather risks, including periods of excessive heat as well as hurricanes and catastrophic rainfall events that result in flooding and soil erosion. Access to the river transportation system results in a much stronger commodity price basis than in areas where transportation costs to final markets are higher, but recent low-water events on the lower Mississippi River in each year since 2022 have raised concerns about transportation reliability. Persistently low soybean prices for volumes that historically would have been exported by this point in the marketing season represent the most immediate concern in the region.

With annual direct agricultural production valued at approximately $13.4 billion, Arkansas agriculture represents the largest single industry in the state and the largest agricultural economy within the Delta region. Farm numbers have continued to decline while average operational size has increased, with approximately 37,400 farms operating across 13.6 million acres. Arkansas is the leading producer among the three Delta states and ranks first nationally in rice production, producing nearly 50% of the nation's rice at a value approaching $1.4 billion. Arkansas has also historically exported well over half of its rice production, with Mexico and Canada serving as the primary destinations. The state is also the region's leading soybean producer, with approximately 170 million bushels annually, while Louisiana and Mississippi each produce roughly 120 million bushels (for context, total

Price - $/Acre Delta



Cash Rent - $/Acre Delta



U.S. soybean production averages approximately 4.4 billion bushels per year). Arkansas is also a major chicken broiler producer (over 1.1 billion birds annually) and turkey producer (approximately 27 million birds per year), and it has a growing cattle industry as well. Agriculture in Mississippi generates approximately $7.8 billion in annual receipts and employs over 17% of the state's workforce, according to the Mississippi Department of Agriculture and Commerce. The state has just under 31,000 farms covering approximately 10.2 million acres (for context, Mississippi also contains more than 19 million acres of forestland). The highest-value agricultural outputs include poultry ($3.82 billion), soybeans ($1.3 billion), corn ($496 million), cattle ($482 million), cotton ($372 million), and catfish ($214 million). Louisiana is the second-largest sugarcane producer in the United States, behind Florida, with annual production valued at nearly $1.5 billion. The state's other top commodities include soybeans, cattle, and rice, with aquaculture and feed grains each contributing approximately $500 million annually as well (USDA, 2025).

The Delta region has a unique concentration of major firms within their respective segments, including Walmart—the world's largest food retailer—Tyson Foods—the nation's largest poultry and meat processor—and Riceland Foods—America's largest rice exporter—all of which are headquartered in the region. These firms provide access to reliable annual crop offtake, and integrated livestock operations related to poultry production continue to

thrive. The Delta has historically attracted institutional farmland owners due to its large contiguous tracts and highly productive soils, particularly in areas near stable loadout facilities along the Mississippi River. While agricultural investors have long favored the region, they also note a less formalized system of professional farm management built around tenant networks, which creates both challenges and opportunities in establishing highly efficient, commercial-scale farming operations. Although agriculture in the region has traditionally focused on row-crop production, there is a growing effort to attract large-scale vegetable operations and to develop the associated infrastructure for vegetable and small-format fruit production. These efforts introduce competitive pressure to other U.S. regions facing higher constraints from population growth and water scarcity. Transaction volumes were low in 2024 and did not return to historically normal levels in 2025. Development of solar and wind resources in the region has been characterized as "fits and starts," with many more potential projects identified than ultimately completed. While supportive of land values at the margin, renewable energy development has not progressed to a scale that meaningfully affects production acreage. As with other export-dependent regions, tariffs and trade policy remain the primary sources of uncertainty affecting near-term profitability, even as ad hoc government payments supporting southern agricultural producers have reached all-time highs.

DELTA **3 State Average for:**	**1991–2025** 35 Years	**2011–2025** 15 Years	**2016–2025** 10 Years	**2021–2025** 5 Years	**2023–2025** 3 Years	**2024–2025** 2 Years	**2025** 1 Year
Income %/year	4.78%	3.91%	3.62%	3.49%	3.43%	3.43%	3.44%
Capital Gain %/year	4.84%	5.01%	3.75%	3.94%	4.47%	3.36%	2.65%
Total Return %/year	**9.62%**	**8.91%**	**7.37%**	**7.43%**	**7.90%**	**6.79%**	**6.09%**
AfterTax and Exp	9.09%	8.27%	7.05%	7.11%	7.59%	6.49%	5.82%
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

DELTA SUMMARY

In summary, annual price appreciation and annual income features of the region have historical patterns that are even steadier compared to other row-crop production regions without the higher and lower patterns experienced in other regions over the past few years. The Delta performs somewhat like a "moving average" version of the Corn Belt, with similar but slower and somewhat more muted reactions to major market forces.

The Delta has lower land costs, plentiful water, larger parcel size, and longer-term return performance that has been highly competitive even if the transactional market volume remains slow. The region will continue to remain popular with investors despite complexities of management due to the larger average deal sizes and lower-per-acre initial costs. This region has a relatively small footprint but unique connections to both integrators and offtake channels. Assuming that export markets are eventually restored, the low costs access to growing world demand through the Gulf of Mexico also helps to make its long-term relevance in the U.S. ag sector secure.

LAKE STATES Market

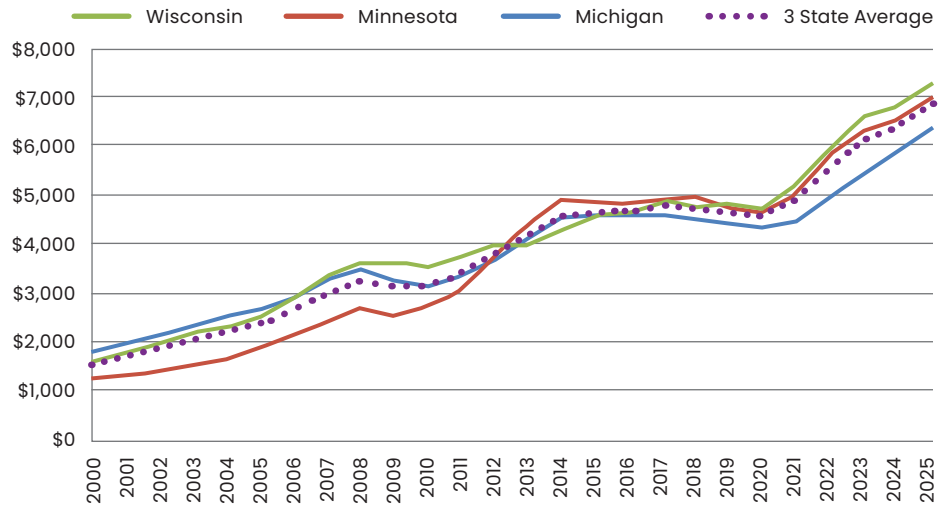
The Lake States region consists of Michigan, Minnesota, and Wisconsin. As a group, total returns from 2020 through early 2024 were impressively strong, driven by high appreciation rates fueled by inflationary pressures and strong federal support payments. Recent price appreciation, while still positive, has clearly moderated or paused in the second half of 2025, with a definite "wait-and-see" sentiment in the market. Current income returns, or "cap rates," have been somewhat lower in this region than in other row-crop regions. Across the states in this region, Michigan has the most varied production profile, with areas of strong row-crop production in the southern portion of the state, as well as the "fruit rim" along the western side near Lake Michigan, and the Thumb region, which has concentrations of dairy and truck farming operations. Michigan agriculture has historically depended on apple, stone fruit, and berry and cherry production, and has an emerging wine grape and agritourism sector discussed in more detail below. Wisconsin's agricultural history has been driven by dairy production and crops used to support livestock, but the concentration and emergence of large-scale dairies in the West and Southeast have led to consolidation of the dairy industry in Wisconsin and the Lake States more broadly. The southern tier of counties in Minnesota is nearly indistinguishable from neighboring areas in northern Iowa, with high-quality soils primarily used for corn and soybean production. The western and northwestern portions of Minnesota include the Red River Valley and, together with the southern counties, effectively form an "L"-shaped area of intense agricultural production. The northeastern quadrant of Minnesota has more mixed-use agriculture and a larger share of land devoted to outdoor recreation.

> The region in total shares many features with the Pacific Northwest in that there are numerous microclimates influenced by bodies of water, and incredible diversity in the agricultural industries supported which results in greater flexibility to change crop mixes through time.

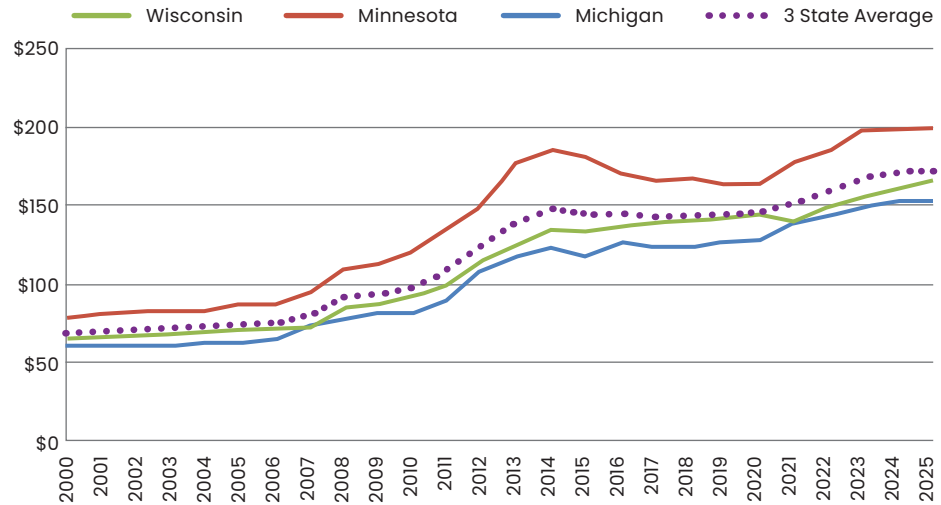
Michigan often advertises itself as the most diverse agricultural state in the United States, producing more than 300 different types of food and agricultural products. The state has approximately 9.4 million acres of farmland across roughly 44,000 farming operations and generates over $11.8 billion in annual agricultural receipts. Michigan is best known for its apples (third in the United States in production at over 1 billion pounds per year), Montmorency tart cherries (first), and sweet cherries (fourth). It also has the greatest dependence on export markets among the Lake States, which results in elevated income risk. Michigan is the sixth-largest producer of milk, ranks second nationally in the production of all dry beans, and is a major U.S. producer of potatoes for potato chip processing (USDA, 2025). The blueberry industry has faced profitability challenges from expanded production in other parts of the country and from varietal obsolescence over the past several years, but conversion to alternative crops is relatively easy and low cost, which has led to reductions in acreage devoted to less profitable blueberry varieties. Western counties near Lake Michigan have embraced agritourism and made significant investments in micro-wineries and destination activities tied to agriculture and outdoor event spaces. Institutional investors were historically active in Michigan but have largely held steady, liquidated positions, or pivoted away from the state in recent years. Corn and soybeans remain the dominant crops by acreage and tend to be driven by the same factors as in the Corn Belt, though with greater development pressure.

Minnesota has approximately 65,000 farms operating across more than 25.4 million acres, with corn and soybeans as the leading crops—primarily in the southern portion of the state—where economic and production systems closely resemble those of other Corn Belt states. Total farm receipts average approximately $23.7 billion per year, with corn and soybeans accounting for about one-third of the total (USDA, 2025). Sugar beets, wheat, and pulses (beans, lentils, and peas) are grown in the northwestern portion of the state, particularly in the Red River Valley. Minnesota also has a mix of dairy, beef cattle, and turkey and poultry production and can be subdivided into several distinct subregions. In addition, Minnesota benefits from substantial investment in healthcare and pharmaceutical industries and is known as “Medical Alley” due to the presence of major institutions such as the

Price - $/Acre Lake States



Cash Rent - $/Acre Lake States



Mayo Clinic, strong ties to medical research, and a large medical device manufacturing sector. To the extent that healthcare expenditures continue to grow faster than spending in other industries, these sectors also provide indirect support for asset values in the state, including agricultural land.

Wisconsin—historically known as America's Dairyland—has nearly 1.3 million dairy cows across approximately 5,445 dairy farms, producing more than $7 billion in dairy products annually and ranking second nationally behind California (USDA, 2025). Wisconsin cheesemakers produce approximately 25% of the nation's cheese, or more than 3.4 billion pounds per year. Direct agricultural receipts in Wisconsin total approximately $16.3 billion, and the broader agricultural sector—including production and processing—contributes more than $100 billion annually to the state's economy. Wisconsin ranks first nationally in snap beans for processing, cranberries, ginseng, dry milk products, milk goats, and corn for silage, and the state is also among the top producers of processing vegetables, hay, and silage-related crops.

Farmland returns in the Lake States were exceptionally strong during the post-pandemic run-up but have tapered over the past year while still exceeding returns in many neighboring regions. Income returns, or "cap rates," have remained below 3% for roughly a decade, and while appreciation rates experienced some degree of "catch-up" through 2024, concerns about tariffs and export-market exposure have introduced greater uncertainty and variability in reported farmland sale values. Price and rental rate trends over time suggest the potential for additional moderation in returns in future periods if clarity around export market access remains limited.

As in other regions, transaction volumes have not returned to historical norms, making accurate valuation more difficult to assess. Long-term investments in the Lake States remain attractive, but—similar to much of the U.S.—sales volumes have declined significantly, making it challenging to assemble portfolios at the scale often required by institutional investors. Low turnover and generally strong farmer balance sheets continue to support the region, and livestock returns have tended to be somewhat countercyclical to row-crop returns, providing additional stability. However, concerns persist regarding longer-term market conditions for fruit and vegetable production regions, as well as ongoing pressures driving consolidation within the dairy sector.

LAKE STATES SUMMARY

Farmland performance in the Lake States has benefited from steady production of basic commodities, fruits, and vegetables, along with a natural symbiosis with the region's livestock industries. Financial performance has begun to cool following a period of substantial outperformance relative to other annual-crop regions in the United States during the post-pandemic run-up. That response to inflation, elevated transfer payments, and strong incomes is now being challenged by higher interest rates, lower commodity prices, and uncertainty surrounding export-market access, though it is also supported by significant increases in federal support and reductions in crop insurance costs. The region offers more optionality than many others and benefits from strong support from non-agricultural industries, but it has fewer clear long-run production advantages relative to the core Corn Belt for annual crops, the western rim for dairy and fruit production, and the southern and southeastern regions for poultry. The smaller scale of agricultural units, combined with demand for recreational and lifestyle farms, should not be overlooked as sources of valuation support, and the region's proximity to population centers and export channels provides additional long-term positives.

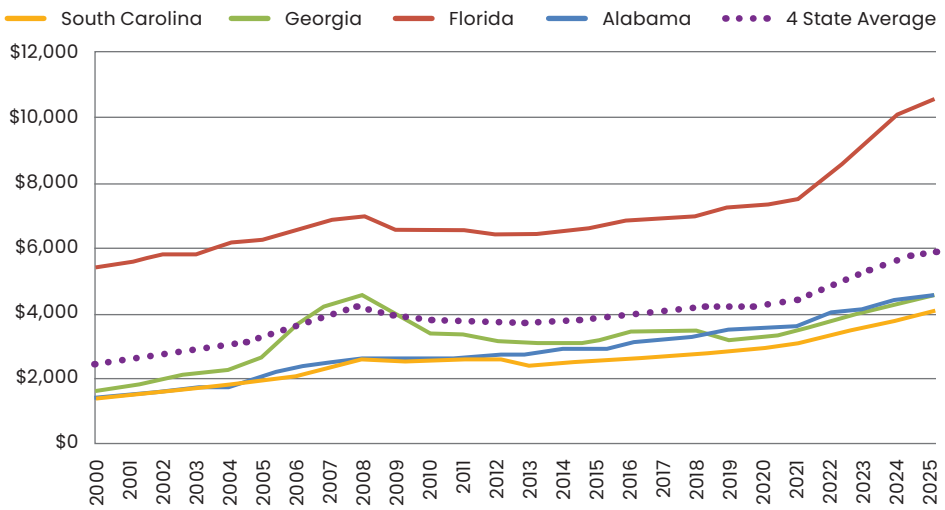
LAKE STATES	1991–2025	2011–2025	2016–2025	2021–2025	2023–2025	2024–2025	2025
3 State Average for:	35 Years	15 Years	10 Years	5 Years	3 Years	2 Years	1 Year
Income %/year	3.76%	2.98%	2.94%	2.84%	2.69%	2.64%	2.51%
Capital Gain %/year	6.42%	5.58%	3.88%	6.75%	8.78%	7.20%	7.24%
Total Return %/year	**10.17%**	**8.57%**	**6.82%**	**9.59%**	**11.47%**	**9.84%**	**9.75%**
AfterTax and Exp	9.35%	7.88%	6.25%	9.01%	10.94%	9.36%	9.23%
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

SOUTHEAST Market

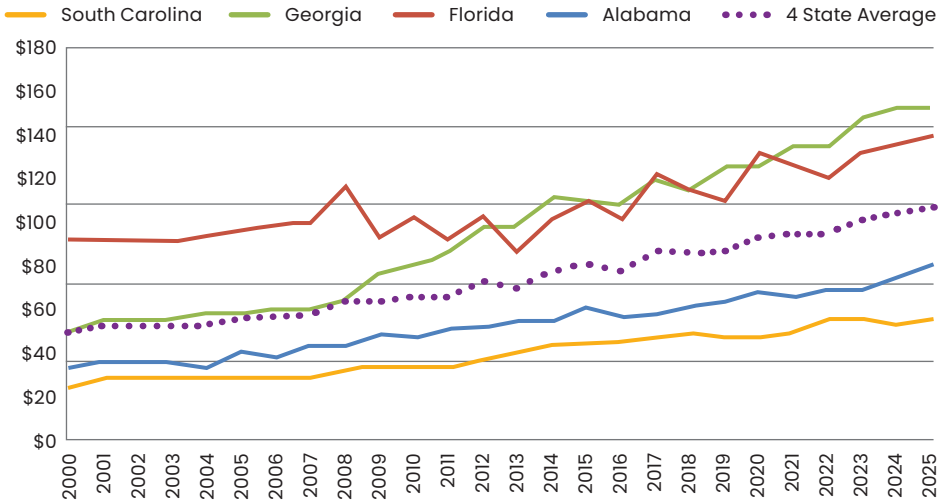
The Southeast market definition includes Florida, Georgia, Alabama, and South Carolina, though North Carolina has features that align with the region despite being excluded from the NCREIF regional grouping and the USDA consensus groupings. The value of agricultural production in North Carolina is roughly five times that of South Carolina and is therefore discussed in this section as well. The Southeast agricultural market spans an expansive region with highly differentiated crop production patterns. It also exhibits significant variation in population density, agricultural productivity, and climatic conditions from the tip of Florida to the northern coastal plains of the Carolinas. The region has a warmer climate, generally flatter terrain, and comparatively good water availability relative to other production regions at similar latitudes or with similar crop types, but it also faces severe weather and flooding risks, inadequate access to farm labor, and both competition and support from residential uses of agricultural land associated with housing growth and population-driven infrastructure development. The 2024 season included two major hurricanes that caused widespread agricultural damage, and 2025 included two significant storms in Florida that damaged more than 2 million acres of agricultural production and caused widespread losses to nursery crops, though no major hurricane landfalls occurred. Many of the disaster and supplemental disaster payments related to Hurricane Helene were disbursed in 2025, helping to maintain financial stability in areas affected by severe weather. Crop insurance is best suited to protecting annual crop revenues, and crops with significantly higher-than-average payout rates, including cotton, are concentrated in this region.

Georgia leads the region in terms of agricultural production value, with more than $12.1 billion in direct production receipts (USDA, 2025). Georgia's highest-valued agricultural output is broilers, with a rapidly growing flock of approximately 1.4 billion birds in 2024 and nearly $7 billion in annual sales. Cotton ranks second by value of production at approximately $1.4 billion, though acreage has declined over time, followed by eggs, peanuts, timber, corn, blueberries, and pecans, each ranging around $500 million annually depending on commodity prices and growing conditions. Georgia remains the top U.S. producer of peanuts and the second-largest producer of pecans. Despite being known as the "Peach State," Georgia has only about 8,200 acres of peach production, generating approximately $40 million in annual sales, which places it a distant third or fourth nationally behind California and South Carolina, and in some years New Jersey.

Price - $/Acre Southeast



Cash Rent - $/Acre Southeast



Florida's citrus industry has been severely impacted by Huanglongbing (HLB), or citrus greening, and has ceded much of its fresh-market citrus production to Texas, California, and imported sources. As recently as 2001, Florida accounted for more than 70% of total U.S. citrus production, but that share declined to approximately 15% by the early 2020s. For context, Florida's strawberry production—valued at roughly $550 million per year—is now approximately double the value of citrus production. The citrus acreage that remains is primarily used for juice oranges and grapefruit and, despite advances in genetics and disease management, does not appear positioned to recover lost acreage through redevelopment. Much of the former fresh-market citrus acreage has been opportunistically converted—often following weather-related losses covered by crop insurance—to population-centered uses, including residential development, solar installations, sod production, and recreational or amenity-oriented developments. Florida remains the top U.S. producer of fresh tomatoes, fresh sweet corn, and watermelon, representing approximately 18%, 25%, and 32%, respectively, of national cash receipts for those crops. Florida also leads the nation in sugarcane production for sugar, producing roughly 50% of the U.S. total, valued at approximately $787 million annually. Other significant

commodities include vegetables such as bell peppers, cucumbers, and cabbage, contributing to Florida ranking second nationally in cash receipts for vegetables and melons behind California. Overall, Florida generates approximately $9.2 billion in annual agricultural sales, though that figure has declined over time as agricultural land is converted to other uses.

North Carolina's agricultural sector generates approximately $20.7 billion in annual cash receipts (USDA, 2025 estimate for 2024), with roughly two-thirds derived from poultry, hogs, and dairy production, and the remainder from crops. Due to this livestock concentration and limited opportunities for large-scale row-crop production, North Carolina is not a frequent target for agricultural land investors. The state ranks among the top five nationally for several commodities, including tobacco, sweet potatoes, poultry and eggs, cucumbers, and bell peppers. North Carolina was particularly hard hit by storms in 2024, and some areas—particularly around Asheville—have yet to fully recover. Historically, North Carolina has been heavily dependent on export markets, ranking 12th nationally, with significant reliance on foreign demand for pork, tobacco, and broiler meat.

South Carolina has gross agricultural receipts of approximately $3.7 billion, but related agribusiness activity contributes an estimated $52 billion and more than 259,000 jobs to the state's economy, according to the South Carolina Farm Bureau. The state has the third-largest timber acreage in the United States, behind Georgia and Oregon, though timber prices have remained weak and industry sources note a need for modernization of processing facilities. Crop enterprises occupy approximately 5 million acres of farmland, with top commodities including corn, cotton, hay, soybeans, and peanuts. The Port of Charleston is the eighth-largest container port in the United States and plays a major role in agricultural trade, accounting for approximately 25% of U.S. poultry exports, 22% of forest product exports, and 22% of coffee imports.

Alabama has approximately 37,100 farming operations covering about 8.6 million acres. Corn is the state's top agricultural commodity, followed by cotton, which is grown in 59 of Alabama's 67 counties. Alabama is the nation's second-largest peanut producer, with annual production of approximately 472 million pounds. Peanut production benefits from relatively generous but complex federal support systems tied to historic base acres and other program-specific features related to insurance and commodity title payments, which tend to limit land transfers and transaction volumes. Rounding out the major agricultural enterprises, Alabama producers typically rank second or third nationally in poultry production, with approximately 1.17 billion broilers produced annually as of 2025 estimates.

Agricultural production in the Southeast continues to evolve, particularly in Florida and in coastal areas well suited for residential and lifestyle development.

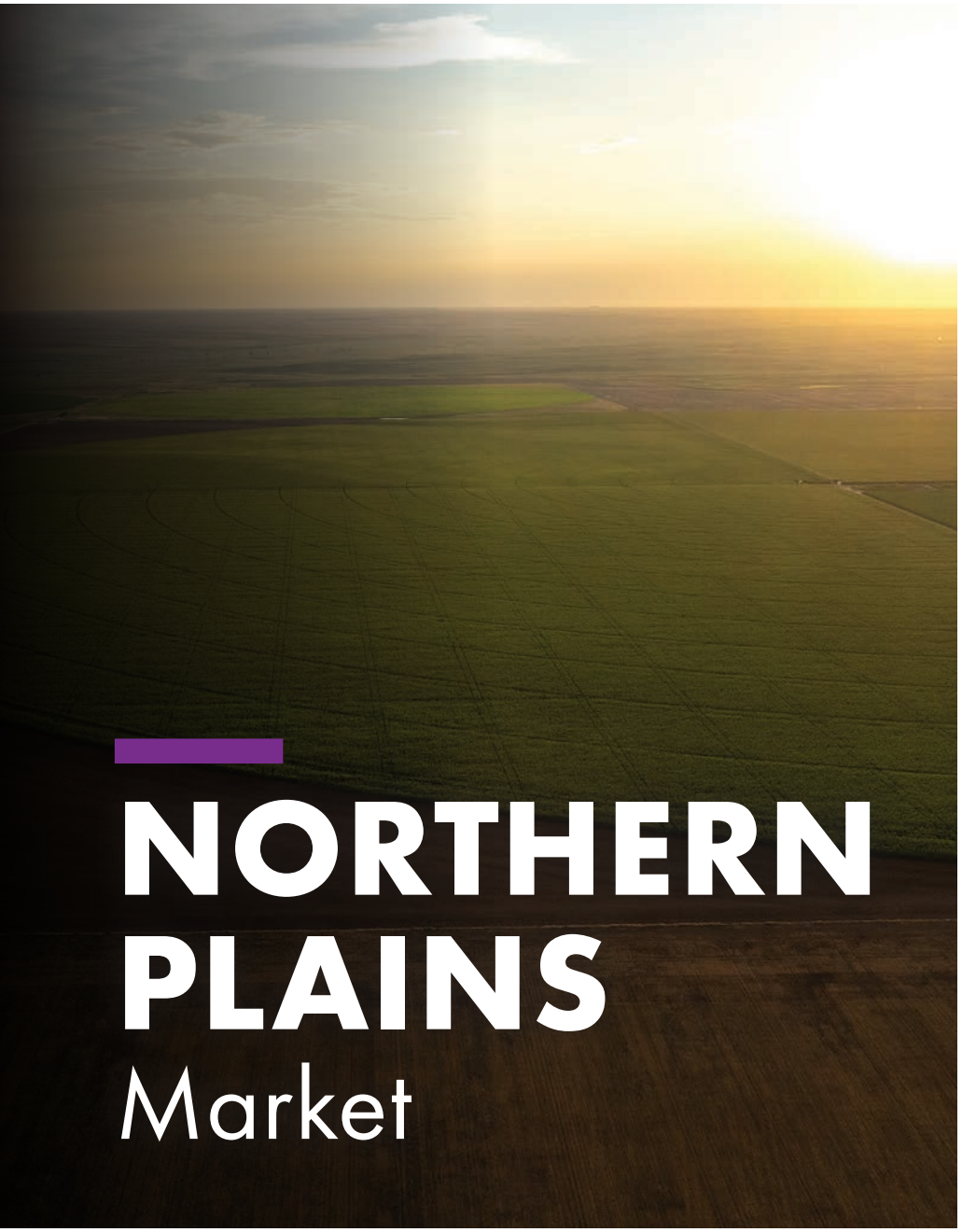
> The interaction between population growth and farmland in production remains the key features of this region as conversion to residential uses creates an enormous source of return.

Solar development across the southern corridor from southern Georgia through north-central Florida has also become an important influence on farmland valuation over areas far larger than those ultimately developed, as landowners and investors evaluate optionality and development potential. The region holds a comparative advantage in solar generation and is therefore less affected by recent reductions in policy attention or support for renewable energy. Georgia ranks fourth nationally—behind California, Texas, and Illinois—and Florida ranks among the top eight states in the number of constructed data centers, implying that population growth, energy generation, and transmission infrastructure will increasingly influence land valuation. In such contexts, agricultural use values become less dominant determinants of land prices. Farmland transactions independent of development considerations have slowed to the point that it is increasingly difficult to isolate agricultural-use value from development and lifestyle influences. While returns to agricultural production continue to support farmland values where agriculture remains the highest and best use, they represent only part of the valuation equation and are increasingly influenced by non-agricultural factors. Livestock production in the region has also been supportive of returns and has been highly profitable over the past 18 months. There is growing awareness of the challenges associated with securing insurance coverage in the region, and while adverse weather events create localized disasters, their impact on agricultural assets has tended to be less severe than on residential real estate—a dynamic that, in some cases, argues against development. Overall, empirical results continue to support higher-than-average returns to agricultural land in the Southeast, even though an increasingly important share of those returns is not derived from direct crop or annual production income. As reflected in historical return data, lower income yields combined with higher appreciation rates have characterized the region over time and are likely to remain the prevailing pattern for the foreseeable future.

SOUTHEAST	1991-2025	2011-2025	2016-2025	2021-2025	2023-2025	2024-2025	2025
4 State Average for:	35 Years	15 Years	10 Years	5 Years	3 Years	2 Years	1 Year
Income %/year	2.00%	1.89%	2.02%	1.97%	1.88%	1.86%	1.82%
Capital Gain %/year	3.72%	3.12%	4.24%	5.87%	7.47%	6.60%	3.87%
Total Return %/year	**5.72%**	**5.01%**	**6.25%**	**7.85%**	**9.36%**	**8.46%**	**5.69%**
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

SOUTHEAST SUMMARY

The Southeast comprises a set of distinct markets that present both complex challenges and opportunities for agricultural asset owners. Florida appears to experience one to two extreme hurricane events per year, yet has repeatedly demonstrated an ability to adapt and reconfigure its agricultural industry following such disruptions. The state is less dependent on export markets than many others and supports a wide range of land uses. Notably, row crops—and to a lesser extent vegetable crops—benefit from stronger federal crop insurance programs than citrus, pecans, and other permanent crops, which has supported relatively strong performance in commodities such as strawberries and sweet corn across the region. In areas near population centers or natural amenities, development opportunities, retirement transitions, and lifestyle-oriented farming have supported overall land values and are expected to continue doing so in the foreseeable future. Georgia, in particular, appears to have re-established itself as an attractive destination for agricultural investment as livestock-related returns have been strong, though that cycle is likely to moderate as the beef herd is rebuilt over time. Recent periods of strong returns are expected to ease in the near term, and—as in most regions—ongoing volatility associated with agricultural and market transitions is likely to create both risks and opportunities.



NORTHERN PLAINS Market

11% average total return since 2020

The Northern Plains containing Kansas, Nebraska, North Dakota, and South Dakota experienced particularly rapid appreciation and strong income growth beginning in 2020 and, while substantially tapered in 2025, recorded an average total return of more than 11% per year over that interval.

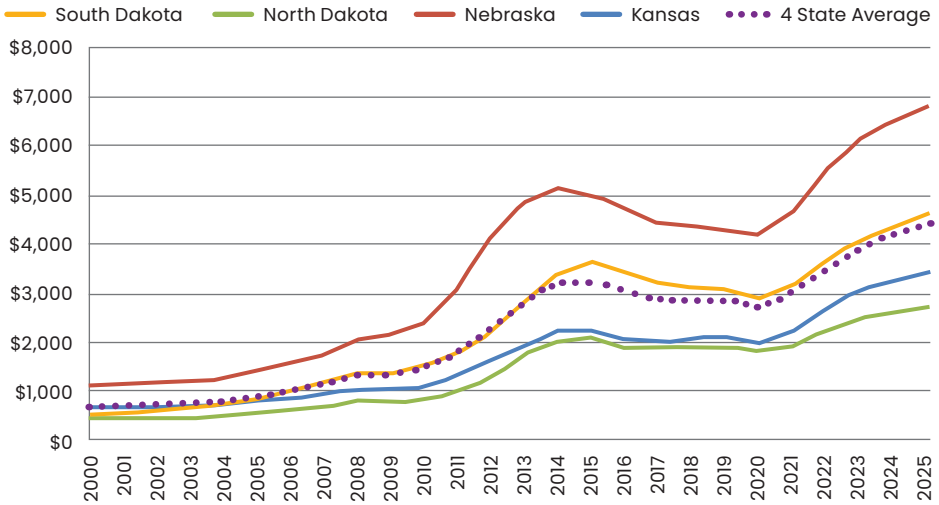
Returns in the region have moderated but continue to generate relatively attractive risk-adjusted performance. The second half of 2024 and 2025 were notably more variable than the prior two years, and different areas within the Northern Plains registered wider ranges in both valuations and transactional velocity. The region has experienced some of the strongest yield improvement rates for corn in particular, driven by significant genetic advancements and increasing customization to specific growing conditions. The impact of exceptionally strong federal program support through crop insurance, direct and ad hoc payments, and commodity title programs should also be acknowledged.

North Dakota has grown into a major agricultural producer, with approximately 39 million acres devoted to agriculture and about $13 billion in direct annual production. The state's leading enterprises include wheat, edible beans, canola, and livestock, with sugar beets, corn, soybeans, barley, and sunflowers representing highly valued crops grown in specific regions. The Red River Valley and eastern prairie regions contain the majority of annual crop production, while western areas support more intensive livestock and forage systems. Farm sizes are large, and average land values remain lower than in the Corn Belt, reflecting generally lower soil productivity. However, certain areas have emerged as strong corn-producing regions as yield improvements and evolving climate risk profiles are increasingly recognized. On a dollars-per-bushel-of-yield basis, or relative to NCCPI (National Commodity Crop Productivity Index) points, North Dakota farmland may be viewed as attractively priced, though this must be balanced against higher yield variability and weather risk.

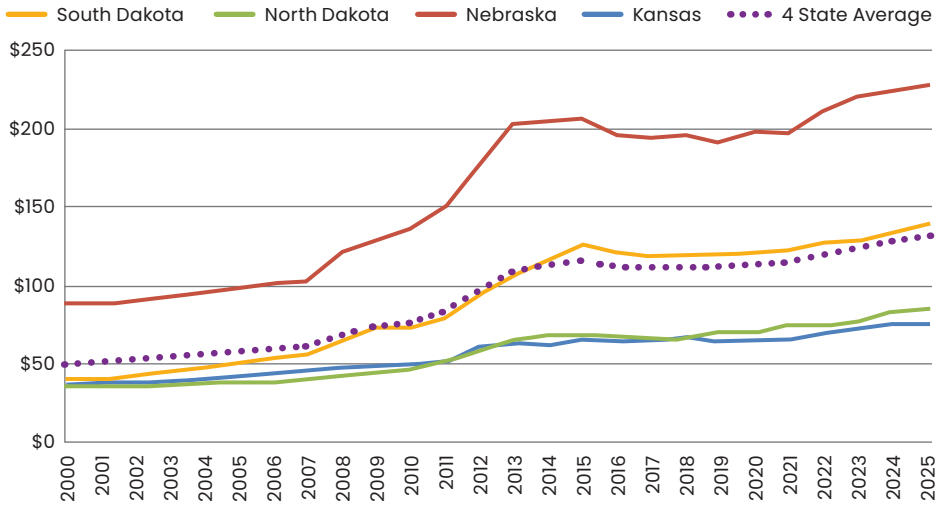
South Dakota has more than 43 million acres devoted to agricultural production, with just under one-third allocated to corn and soybean production—the areas generally considered most investable. The southeastern corner of the state, defined by the area between the Missouri and Big Sioux Rivers, experienced a major flood event in 2019 that significantly affected production. However, crop insurance, disaster payments, and special provisions for late planting that year largely mitigated widespread financial losses. Southeastern South Dakota shares certain characteristics with northeastern Iowa and southwestern Minnesota, although the river systems that separate these regions also correspond to some differences in weather patterns. Over the past decade, South Dakota has attracted increased hog and dairy production and has improved yields and productivity in its primary crops through genetic advancements, pest management strategies, and practices tailored to shorter growing seasons. South Dakota generates slightly higher total agricultural receipts than North Dakota, at approximately $15 billion annually.

Nebraska has approximately 45 million acres devoted to agricultural production and typically ranks among the top three or four states in total agricultural production value, alongside California and Iowa and, in some years, Texas. Crop and livestock production values, in descending order, include cattle and calves, corn, soybeans, hogs, dairy, hay, and wheat. As the state with the largest number of irrigated acres in the United States, Nebraska faces persistent drought risk and a heavy dependence on the Ogallala Aquifer for irrigation across more than 9 million acres (NDEE, NDR). The state has also experienced significant challenges related to volatility and uncertainty in agricultural property taxation. In 2023, the legislature enacted changes to increase the minimum tax credit in a manner intended to alleviate farm-level property tax burdens, in response to prior reforms that had substantially increased taxes on agricultural land. As of 2025, the broader tax system remains contested, as per-acre tax burdens for agricultural land remain higher than in neighboring states with comparable productivity. While water-use regulatory structures are less developed

Price - $/Acre Northern Plains



Cash Rent - $/Acre Northern Plains



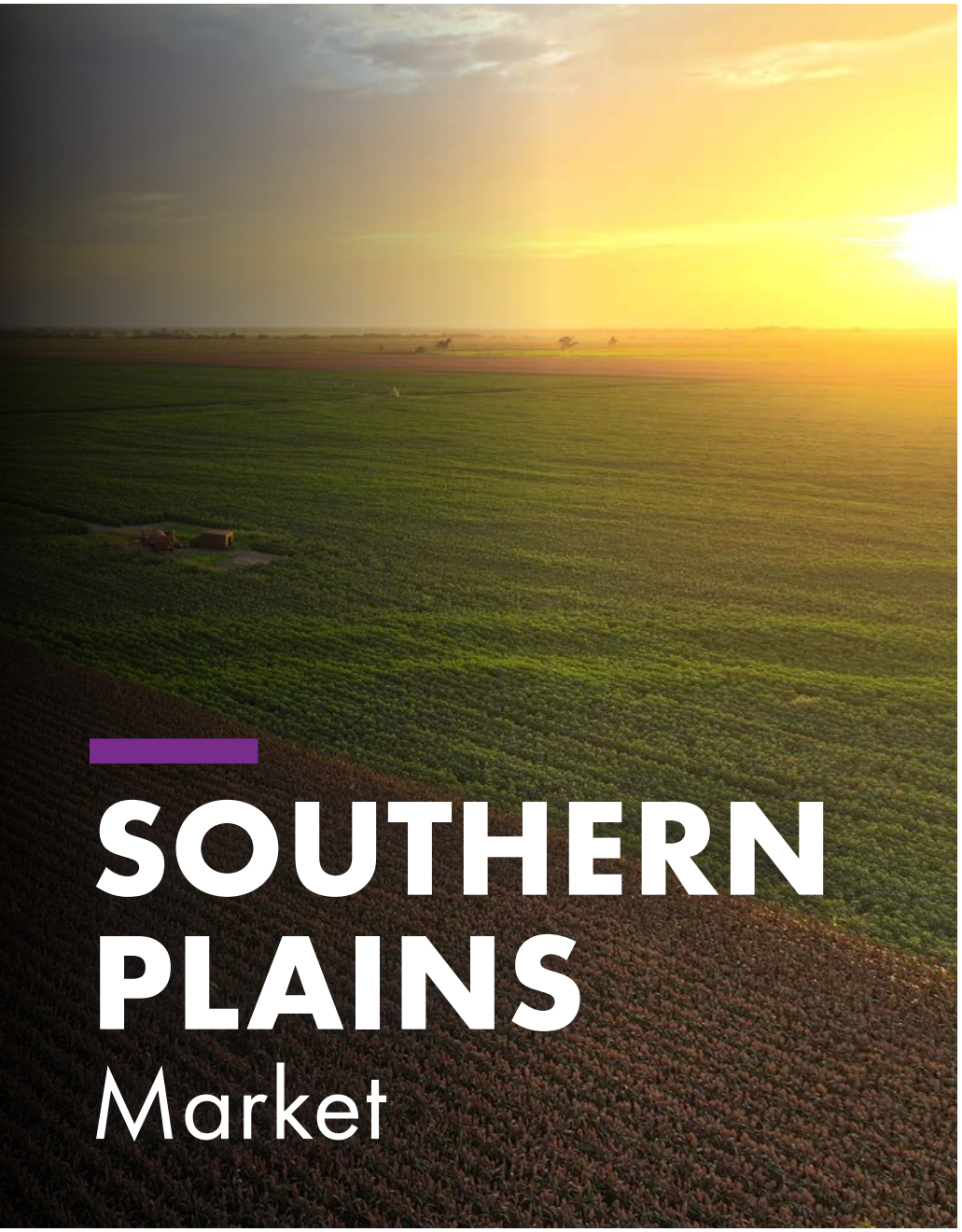
than in California, water availability, reliability, and cost are increasingly capitalized into land values, widening the "price gradient" across irrigated and non-irrigated land. These dynamics have resulted in wide valuation ranges, which can also be interpreted as part of an orderly process of economic price discovery. Livestock returns have been well above average and provide diversification benefits, as livestock and crop returns tend to offset one another. Nebraska, along with other Northern Plains states, maintains specific and impactful restrictions on corporate farmland ownership (others include Iowa, Kansas, Minnesota, Missouri, North Dakota, Oklahoma, and Wisconsin). While there is ongoing debate regarding these policies, economic theory suggests that ownership restrictions may reduce demand for farmland and potentially limit value support during downturns. Sales values in 2025 showed a slowing in appreciation, with both cash returns and appreciation rates declining, though not generally turning negative. Transactional volumes remain largely paused in areas of intensive agricultural production.

At the southern edge of the region, the Sunflower State—Kansas—entered the recent period with lower average cropland values but has exhibited similar appreciation-driven returns, challenging the notion that lower-quality land necessarily produces inferior long-term returns. Kansas includes approximately 45.7 million acres devoted to agricultural production and generates about $26 billion in direct annual receipts, with roughly two-thirds derived from livestock and one-third from crop production (USDA, 2025). Commodities ranked by value include cattle, corn, wheat, soybeans, and sorghum. Despite its nickname, Kansas ranks fourth nationally in sunflower production, in part because higher-value crops compete effectively for the same land base. Kansas ranks third in beef production, supplying nearly 7% of the nation's total output. As in Nebraska and parts of western Oklahoma and Texas, water challenges associated with declining levels in the Ogallala Aquifer remain a critical management issue, particularly in the western and west-central portions of the state.

NORTHERN PLAINS **4 State Average for:**	**1991-2025** 35 Years	**2011-2025** 15 Years	**2016-2025** 10 Years	**2021-2025** 5 Years	**2023-2025** 3 Years	**2024-2025** 2 Years	**2025** 1 Year
Income %/year	5.84%	4.13%	3.59%	3.42%	3.15%	3.06%	2.98%
Capital Gain %/year	6.49%	8.59%	3.15%	7.72%	10.01%	7.53%	4.59%
Total Return %/year	**12.33%**	**12.72%**	**6.73%**	**11.14%**	**13.15%**	**10.59%**	**7.56%**
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

NORTHERN PLAINS SUMMARY

The Northern Plains has been an exceptional financial performer in terms of cropland returns over the 35-year period tracked, as well as over more recent intervals. Strong support from related agribusinesses and the central role of agriculture in state economies provide a favorable operating environment. Historically lower cropland values, combined with rapid advances in production efficiency, have created a form of "operational leverage," amplifying returns per dollar of underlying asset value and contributing to returns that exceed those in many other agricultural regions. In addition, there has been—and is likely to remain—a strong willingness to support agricultural producers through public policy, and to the extent that many transfers are acre-based, they tend to favor regions with lower initial land values. Water-related challenges will remain important, though generally less acute than in California, and the sorting of land values based on water costs and reliability is occurring in a relatively orderly manner. Should demand for renewable energy from wind and solar re-emerge broadly, the region possesses substantial generation capacity, albeit with higher transmission costs. The primary challenges in fully realizing returns in the Northern Plains stem from low turnover and evolving production systems. Nonetheless, the region warrants close attention, as infrequent but potentially attractive investment opportunities are likely to emerge in the years ahead.

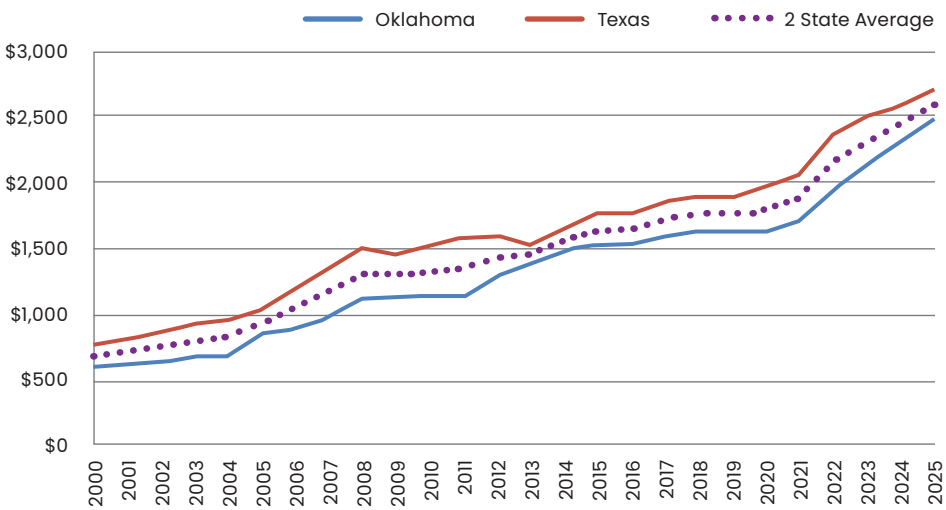


SOUTHERN PLAINS Market

The Southern Plains region of the United States is represented by Texas and Oklahoma, which together encompass approximately 158.4 million acres of cropland and pasture or ranchland. This region accounts for roughly 18% of the U.S. agricultural land base and is responsible for an outsized share of both beef and wheat production nationally. Oklahoma effectively completes Texas's geographic footprint from the top of the Panhandle eastward to the Arkansas border, and together the two states occupy a prime corridor for future wind and solar energy development.

Texas has the largest agricultural land base in the country, at approximately 124.5 million acres, and ranks fourth nationally in total annual agricultural receipts at roughly $31 billion. Texas is also the national leader in beef production, with more than 4.1 million beef cows and over 12 million calves and cattle on feed, representing more than 13% of total U.S. production. The Panhandle region has the greatest concentration of livestock, including a rapidly growing broiler industry, with nearly 730 million broilers produced annually—an increase of nearly 20 million over the past two years. In terms of annual production values, Texas generates approximately $15.5 billion from cattle, $5.0 billion from poultry and eggs, $1.5 billion from cotton,

Price - $/Acre Southern Plains



$11.8 Billion

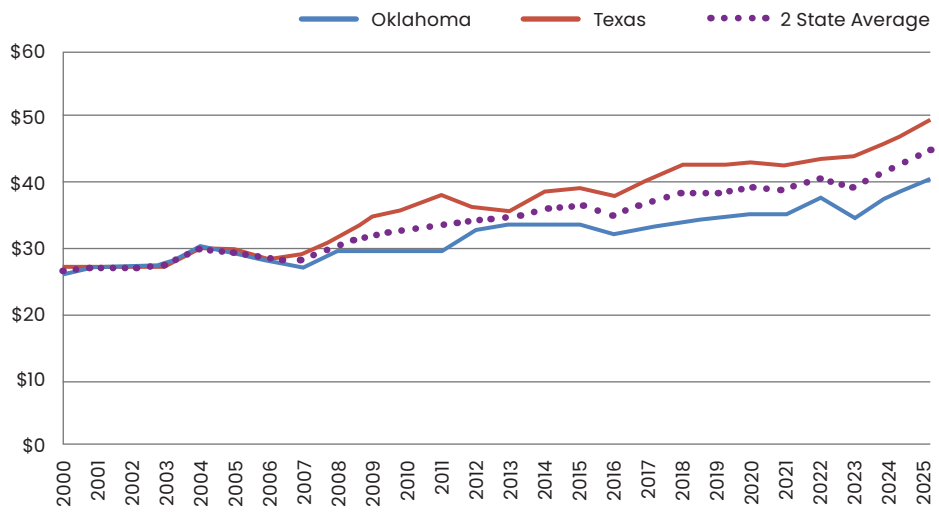
While these figures are exceptionally large, they are dwarfed by the value of oil and gas production in the state, which provided strong support for state and local governments through royalties and taxes totaling $11.8 billion in 2025 alone. These revenues, in turn, support land values through energy leases and production-related payments.

$3.5 billion from dairy products, more than $1.0 billion from corn, and just under $433 million from sorghum (USDA, 2025). The current Secretary of Agriculture, Brooke Rollins, is a Texas native and a Texas A&M graduate, and the chair of the Senate Agriculture Committee is also viewed as supportive of the Southern crop coalition, particularly with respect to cotton, rice, and cattle production. It is noteworthy that changes to federal crop insurance programs implemented in 2025 have had an outsized impact in Texas and other high-loss production regions in two key ways. First, a provision was added to compensate approved crop insurance providers with an additional 20% payment in cases where loss rates are especially high—traditionally concentrated in western Texas cotton regions. Second, as discussed in the National Overview, crop insurance subsidy rates were increased by approximately 3% to 5% across most policies, in many cases resulting in the federal government covering up to 80% of producer premiums, and coverage levels of up to 95% of expected area revenue were added. Finally, cotton and rice received among the highest per-acre payment rates in the recently announced farmer assistance program, with payments expected to begin in early 2026. Taken together, federal transfers to agriculture have been highly supportive of agricultural asset values and are expected to remain favorably oriented toward disaster relief over time.

Texas sits at the center of national debates regarding immigration policy while simultaneously serving as a major destination for domestic migration, particularly from California and New York. Housing demand supports agricultural land values in limited areas surrounding major population centers, and these effects are reflected, to a modest degree, in statewide average land value statistics. The region is also home to many of the most prominent mega-ranches and cattle operations in the United States and serves as the archetype of traditional ranching and cattle production. This identity has fostered strong values for recreational and hunting land alongside traditional agricultural production assets.

Oklahoma ranks second nationally in beef production behind Texas, with approximately one-third the scale in terms of beef cows and cattle on feed. The state ranks second in the United States for hard red winter wheat production and typically falls between third and fifth in total wheat bushels harvested. Oklahoma features a relatively diverse set of production regions, with significant acreage devoted to sorghum, soybeans, and cotton, but it is also subject to periodic droughts and increasing pressure on irrigation systems. While Oklahoma does not have a regulatory framework comparable to California's SGMA, water access and pumping costs remain key long-term issues, as the state's major aquifers are monitored for depletion relative to annual recharge capacity.

Cash Rent - $/Acre Southern Plains



In addition to the traditional oil and gas industries that have long defined the Southern Plains, renewable energy development has become increasingly important, with the region emerging as a major center for wind energy production. Although recent federal policy has de-emphasized initiatives aimed at expanding renewable energy, substantial installed wind capacity already exists in Texas and Oklahoma. Furthermore, many data center developments favor renewable energy sources, creating incentives for incremental expansion of local generation capacity. Over the long term, competing forms of energy production are likely to be shaped primarily by market forces, and the Southern Plains holds a comparative advantage for both wind and solar generation. The biofuels industry also intersects the region in meaningful ways, particularly through refining and blending capacity concentrated along the Texas Gulf Coast, where renewable fuels infrastructure has developed alongside traditional refining operations. The energy sector's influence extends beyond production to include infrastructure investment, job creation, and broader economic growth, and its capacity to support farm and ranch incomes through diversified revenue streams helps explain the relative stability of farmland values in the region.

The Southern Plains' strategic location, extensive transportation networks, and generally supportive regulatory environment have attracted significant investment, leading to expansion of energy-related infrastructure such as pipelines, refineries, power plants, and major import and export linkages for crude oil and renewable liquid fuels. Large-scale operations in Texas, combined with strong support for the livestock sector—which has experienced exceptionally positive income conditions in recent years—have helped offset declining incomes for row-crop producers across the region.

SOUTHERN PLAINS	1991-2025	2011-2025	2016-2025	2021-2025	2023-2025	2024-2025	2025
2 State Average for:	35 Years	15 Years	10 Years	5 Years	3 Years	2 Years	1 Year
Income %/year	3.38%	2.20%	2.01%	1.88%	1.76%	1.71%	1.72%
Capital Gain %/year	4.62%	5.30%	4.81%	6.71%	8.32%	6.41%	6.15%
Total Return %/year	**7.99%**	**7.50%**	**6.82%**	**8.59%**	**10.07%**	**8.12%**	**7.87%**
AfterTax and Exp	7.62%	7.35%	6.43%	8.24%	9.78%	7.88%	7.51%
CPI	2.54%	2.50%	2.95%	3.90%	3.79%	2.99%	2.86%
CMT-10	4.13%	2.91%	2.65%	2.96%	3.85%	4.15%	4.29%

SOUTHERN PLAINS SUMMARY

The Southern Plains remains a powerhouse in both animal agriculture and energy production, with its extensive land base supported by multiple high-value industries. The region is expected to maintain its leadership in traditional oil and gas production as well as in renewable energy sources, whether through liquid biofuels, wind, or solar. Its ability to manage water and energy challenges while adapting to changing consumer protein demand will be critical in determining long-term land value outcomes. The region will continue to play a central role in livestock production, which provides a natural hedge against volatility in annual crop markets, even as cotton and other row-crop sectors face ongoing pressure. Heavy reliance on federal agricultural policy—particularly crop insurance, biofuels programs, and cotton-specific support—may serve as either a stabilizing force or a source of elevated risk depending on political developments over time. Near-term volatility across agricultural markets remains elevated, but longer-term fundamentals suggest that total returns near the 8% range remain achievable over time, with periodic episodes of both opportunity and stress.

CORN BELT Market

The Corn Belt contains approximately 111.2 million acres of farmland across the relatively homogeneous, row-crop–dominated production region of Iowa, Illinois, Indiana, Ohio, and Missouri. Iowa and Illinois consistently rank first and second in the value of agricultural output within the region, and all five states rank among the top 13 nationally in agricultural production value, as well as within the top 10 for both corn and soybean production. Gross farm receipts total approximately $110–120 billion annually across the five-state region (USDA, 2025). As the name implies, the region dominates corn and soybean production, with Iowa and Illinois together accounting for more than 30% of total U.S. production. Iowa leads the nation in corn production, while Illinois leads in soybeans. Iowa is unique within this group due to its substantial reliance on livestock production, generating nearly $19.5 billion in annual livestock revenue—ranking third nationally behind Texas ($24 billion) and Nebraska ($20 billion). Indiana, Missouri, and Ohio each generate approximately $6–7 billion annually from livestock, while Illinois generates roughly $4 billion per year in that category. Livestock income is of particular importance, as livestock and crop sectors tend to move inversely: lower commodity prices reduce feed costs for livestock operations and vice versa.

The financial performance of cropland investments in the Corn Belt is characterized by a long history of steady annual income that generally exceeds Treasury returns, combined with reliable—though more variable—appreciation over time.

6% Annual Appreciation

There is an adage that says, *"you make more on your balance sheet than on your income statement with farmland,"* and this has historically held true in the Corn Belt, with long-term appreciation averaging around 6% per year and income returns averaging approximately 3.5% annually.

Total returns have exceeded those of publicly traded equity indexes (e.g., the Dow Jones Industrial Average) with substantially lower volatility for nearly every possible 10-year holding period since 1990. However, the "thin market" and heterogeneous nature of farmland investments complicate access to the asset class relative to equities. Corn Belt farmland has also served as a strong inflation hedge, with returns exceeding inflation in all but one year since 1990. As a result, farmland in the region is widely viewed as an exceptionally attractive portfolio asset, offering steady returns, diversification benefits, and inflation protection—attributes that continue to attract investors focused on wealth preservation.

Contrasting with these long-term characteristics, recent developments have introduced elevated uncertainty. While the "three I's" identified in last year's summary—income, interest rates, and inflation—remain critical drivers of farmland valuation, their impacts have proven far more pronounced than anticipated due to short-term structural and policy-related changes. Inflation has been more persistent than expected, compounded by the effects of broad-based tariffs, uncertainty surrounding interest rate policy, and tensions between the administration and the Federal Reserve regarding monetary independence. Interest rates have remained higher for longer

than anticipated, while labor issues—though less concentrated in the Corn Belt—have had ripple effects across the broader food system. A fourth "I," international trade, has had an outsized impact on the Corn Belt due to its heavy reliance on export markets. Historically, nearly 50% of U.S. soybean production was exported, with China alone accounting for approximately 45% of exports and Mexico an additional 9%. Following tariff announcements in April, China largely halted U.S. soybean purchases, shifting to Southern Hemisphere suppliers, and returned only marginally in late 2025. These shifts have resulted in lower U.S. soybean prices and a permanent reallocation of global demand. Corn exports have also been affected, though to a lesser extent. Even if trade relationships normalize, lost income during the disruption period is unlikely to be recovered, reinforcing expectations that federal support will be required to offset producer losses linked to policy-driven market disruptions.

As detailed in the front section of this publication, agricultural sector income is *not* highly correlated with commodity prices alone.

> That discussion also identifies other changes in tax, estate, and other policies that are particularly impactful for agricultural producers and asset owners, but the largest item of influence in the Corn Belt is clearly the role of ad hoc and commodity-title related government payments.

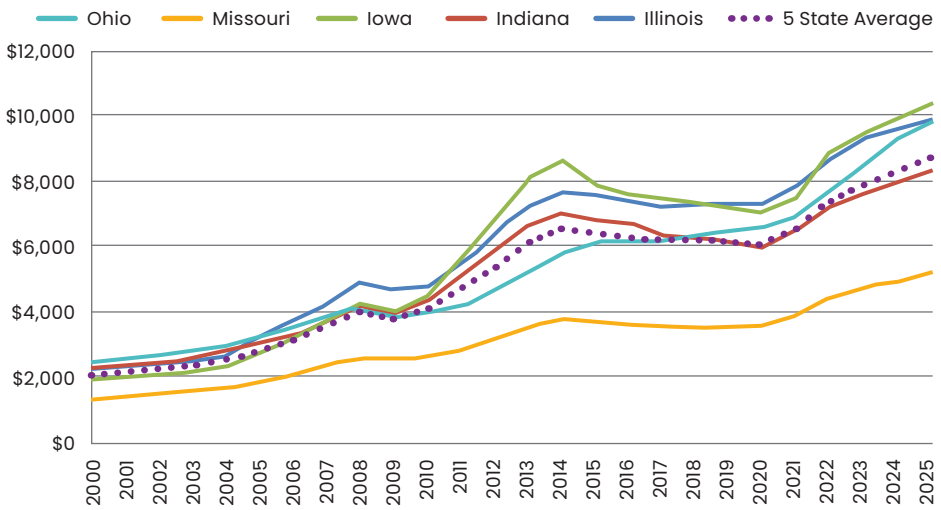
It is worth restating some history to put the current cases into context. During the first Trump administration, Market Facilitation Program (MFP) payments totaled more than $23 billion in 2018–2019, largely compensating soybean producers for trade-related losses. This was followed by approximately $31 billion in Coronavirus Food Assistance Program (CFAP) payments during 2020–2021. Additional loan forgiveness programs further boosted farm incomes, and in many cases, total transfers exceeded market losses, resulting in net positive income effects. Farmland values rose accordingly, reinforced by inflationary pressures stemming from broader monetary expansion. By late 2023, land values peaked in many areas, but strong balance sheets and thin markets prevented sharp declines. Instead, 2024 and early 2025 were characterized by increased dispersion in transaction prices around modest declines. Notably, lower-quality farmland often appreciated during this period, likely because many government payments are acreage-based rather than yield-based, disproportionately benefiting lower-valued land.

In 2025, major changes to crop insurance further increased government support. Premium subsidies rose substantially—particularly for area-based products—often covering up to 80% of premiums and allowing coverage of up to 95% of expected area revenue. Net premium transfers to producers are estimated at approximately $10 billion in 2025 (USDA and RMA data). The American Relief Act passed in late 2024 also provided significant payments in 2025, and USDA forecasts indicated total direct farm payments of $42.3 billion, with 73% classified as ad hoc. Subsequent authorization of

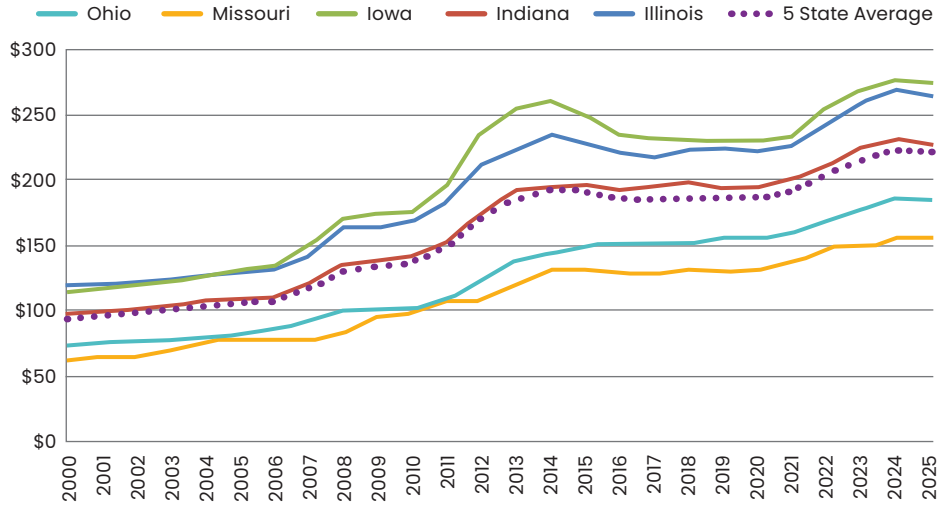
an additional $12 billion in Farmer Bridge Assistance suggests this figure will rise further. ARC/PLC payments for the 2025 crop year (paid in 2026) are also expected to average $30–65 per acre across much of the Corn Belt.

Thus, as is the theme of the overall National Land Values Summary, the short-term question in this region about valuation and financial performance of farmland markets is somewhat removed from basic economics of costs of inputs and prices of outputs, and instead depends to an uncomfortable degree on the short-term responses by the federal government to policy-influenced structural market impediments. If the government "more than makes up for" market-based losses, then the differences are reasonably expected to be partially capitalized into asset values based on the degree to which they are viewed as permanent. If instead, there are shortfalls, then prices of assets that have had their income potential reduced would be likely to retreat, again based on the fraction of the change in support viewed as permanent. Academic studies tend to find that government payments are viewed as reasonably difficult to remove once in place for a few years and view anywhere from 15-30% of a government payment as the equivalent of permanent while changes in export market volumes have more directly transmitted impacts to longer term income expectations. Using history as a guide, it is difficult to see that the government support during times of policy-driven market disruptions will not favor farmers over the broader taxpayer base, and thus the chaotic current episode could be "more than paid for" even as the eventual return to market conditions has a partially eroded floor. To be clear about the long-term thesis, the growth in world demand for calories, and in particular for feed grains and bio-stock will continue to grow and will be farm more influenced by standard of living changes than any short term government program. For those reasons, long term confidence in corn belt agriculture remains, but the short-term handicapping markets are simply at wider spreads than at nearly any other time in history. Given the thin market conditions that still occur in transactional markets with roughly 1.5% to 1.75% average annual turnover, strength of local buyer balance sheets may be the primary short-term factor in supporting or even improving asset values, and that strength is increasingly dependent on government program payments.

Price - $/Acre Corn Belt



Cash Rent - $/Acre Corn Belt



The figures on the left are provided to show long term price and rental-rate histories for states in the Corn belt. While the current uncertainty is clearly elevated relative to the recent past, there have been other highly notable shocks through time and several different epochs of inflation and interest rates represented in the period shown. It is interesting that Iowa farmland prices appear to react a bit more than Illinois or Indiana in both increasing and decreasing environments, but all three of the "I" states share very similar patterns which also correspond closely with rental rates as well. Iowa has restrictions on corporate/institutional ownership that is sometimes noted as having an effect of eliminating some demand, but the overall evidence is somewhat limited that the effect if present is large. Ohio and Missouri have lower productivity on average, and more diversified agriculture with dairy and livestock representing a larger share of the land base along with recreational areas as well. The general reduction in returns over recent periods is also evident in the table below with current returns below 3% for the past 10 years, but with strong appreciation averaging 6% over the entire sample period. For reference, the ten-year treasury rate (CMT-10) and the inflation rate (CPI) are provided to help confirm the relative returns against different inflationary and interest rate level cases. Importantly, returns from this region also display the highest correlation with inflation over longer term holding periods (nearly 75% at 10 years) and the lowest drawdown risk or lowest standard deviation of the major production regions as well.

Transactional volumes remain low driven by a sense of caution and uncertainty, and while neighboring farmers have always been the primary purchasers of farmland in the Corn Belt, others including high net worth and family office buyers have begun a more intentional investigation at least. Higher interest rates compared to 2020-2023 have kept some leveraged buyers and institutional buyers on the sideline as well, but farmers are beginning to view these levels as a new normal and remain fairly lowly leveraged so the impacts of elevated borrowing costs register primarily in the cost of operating loans.

Finally, farmland markets in this region continue to move even more toward cash rent and flexible cash rental arrangements with an increase in the

use of custom farming arrangements as well. Around 60% of total acreage is leased in the Corn Belt, and for the first time this year, a lease proposal was investigated with terms that included sharing any additional ad hoc payments that occurred during the lease term. It is not known if that lease was ever implemented, but the fact that it was explored does indicate that the awareness of the importance of new or changing government support programs in terms of total revenue available to production activities and an awareness that the "residual claimant" on any excess rent tends to be the most fixed factor of production, or the underlying land and its ownership.

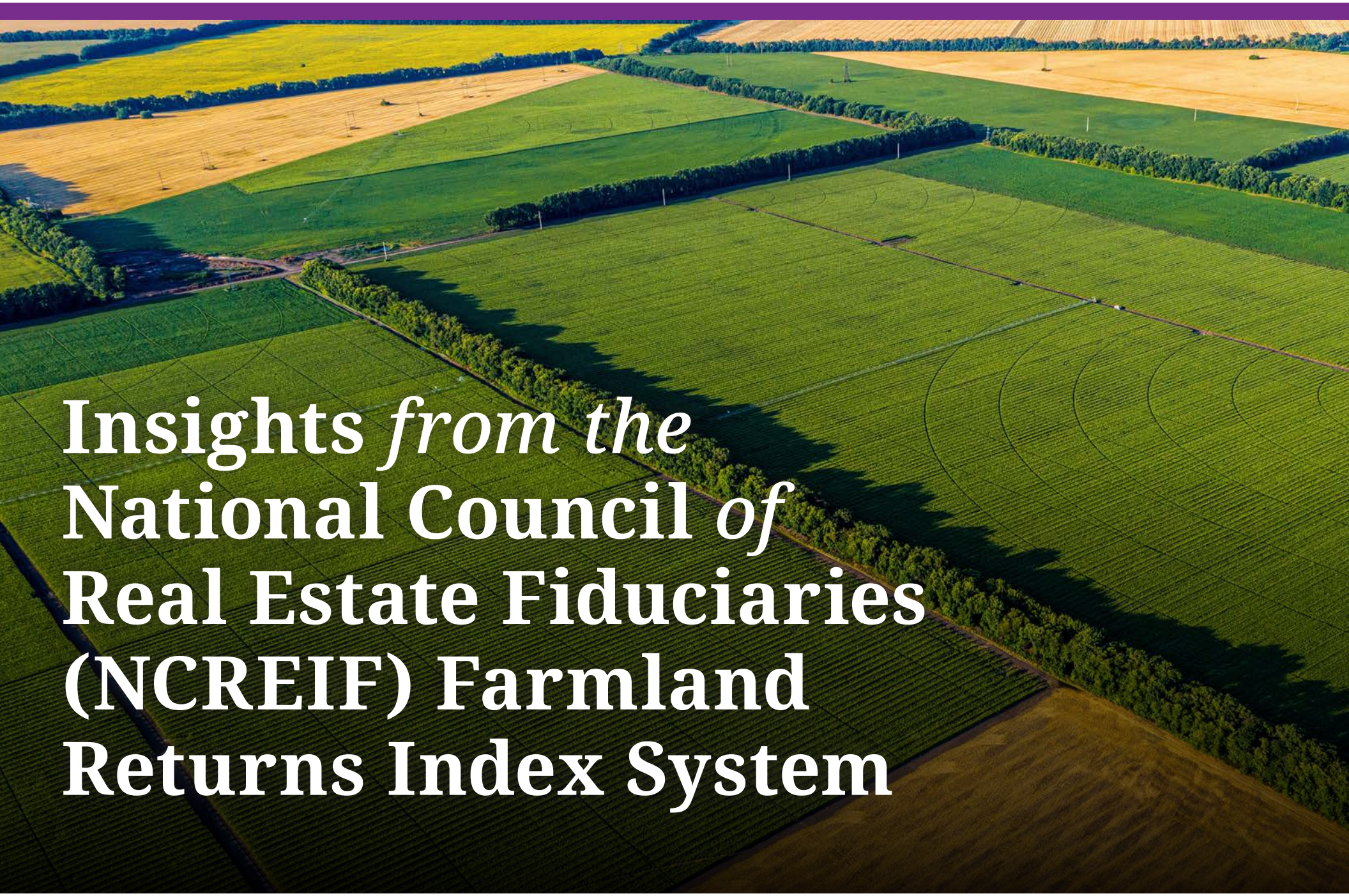
CORN BELT	1991-2025	2001-2025	2011-2025	2016-2025	2021-2025	2022-2025	2023-2025	2024-2025	2025
5 State Average for:	35 Years	25 Years	15 Years	10 Years	5 Years	4 Years	3 Years	2 Years	1 Year
Income %/year	3.95%	3.36%	3.07%	2.90%	2.80%	2.75%	2.70%	2.66%	2.55%
Capital Gain %/year	5.97%	6.02%	6.02%	2.71%	6.09%	7.42%	7.49%	5.54%	4.59%
Total Return %/year	**9.91%**	**9.38%**	**9.09%**	**5.61%**	**8.89%**	**10.16%**	**10.19%**	**8.20%**	**7.14%**
AfterTax and Exp	9.40%	8.94%	8.57%	5.37%	8.60%	9.84%	9.84%	7.87%	6.86%
CPI	2.54%	2.54%	2.50%	2.95%	3.90%	4.42%	3.79%	2.99%	2.86%
CMT-10	4.13%	3.32%	2.91%	2.65%	2.96%	3.37%	3.85%	4.15%	4.29%

In simplest terms, lease management thus has an increasingly important role in determining the economic splits when more of the cash flows are associated with government payments.

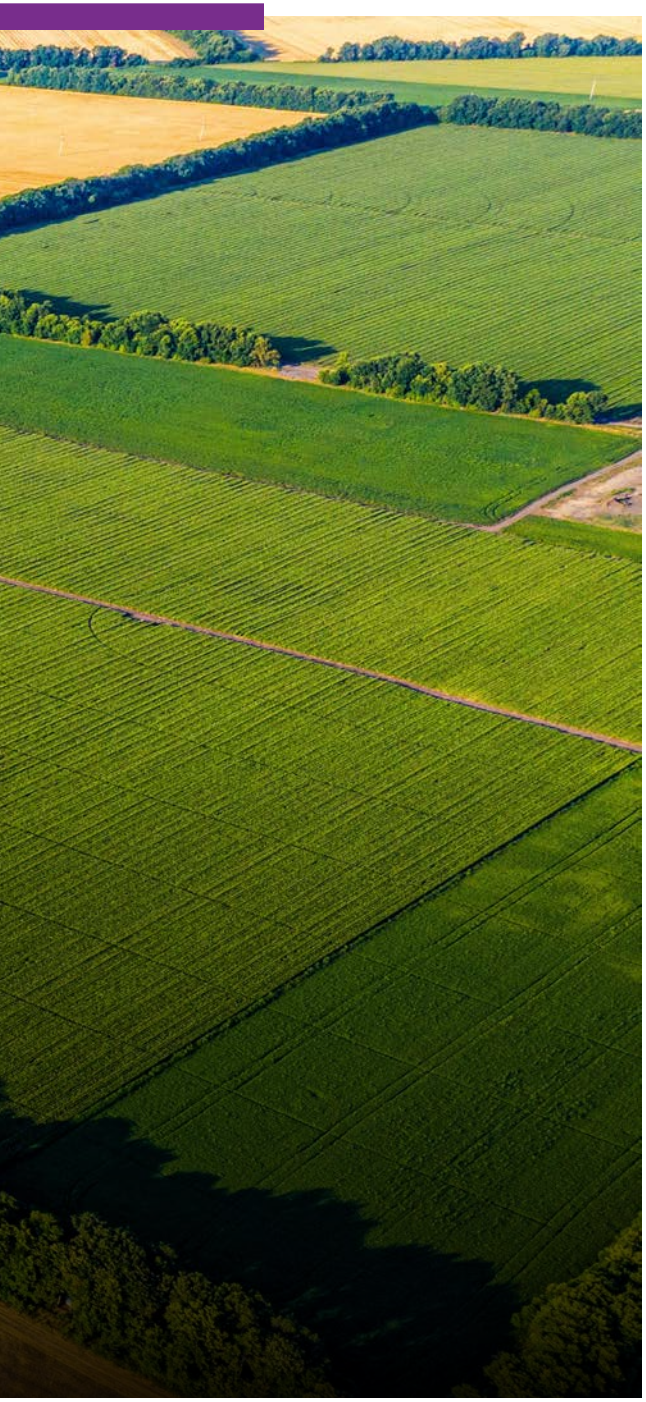
CORN BELT SUMMARY

The Corn Belt has long been a target for both financial investment in agriculture, and the region with the most efficient and sophisticated farm operations. The historic financial performance has been remarkable relative to competing investments, but the current uncertainties stemming from recent policy changes are amplified at minimum and have created even greater variability in local market conditions than have occurred from market or weather conditions in the past.

Farmland remains a slow-turnover, long-duration asset with higher acquisition and disposition costs than pure financial assets, and thus requires intentional and committed acquisition strategies to attain meaningful holdings. Uncertainty does provide both opportunities and risks, and investments in information technologies, and improved broad-scale data have become reasonable responses by those evaluating deal flow and unique opportunities. Interest by non-operating investors is actually increasing with new capital sources including family offices and high net worth investors which may provide additional support during the current uncertainty about economic conditions. Government payments have eclipsed all other factors impacting markets and for now the diminished attention on renewable energy policies has tabled many investment strategies in lower carbon energy sources that would have had a reasonable concentration in the Corn Belt. Interest rate markets have stabilized at slightly higher levels than anticipated a year ago, but unemployment uncertainty has emerged instead to occupy a new level of importance in Fed policy decisions instead. Inflation has had, and is expected to continue to have a positive impact on long-term appreciation, but is inextricably linked to issues that affect demand as well and has become a political argument rather than an endogenous outcome from other economic activities. In total, the factors surrounding agricultural production and investment valuation models that created the steady and competitive returns, inflation hedging features, and diversification benefits in the Corn Belt region appear to remain; and returns are still relatively attractive, but in a widely-expanded possibility set. The longer-term prospects remain positive, but shorter term minor additional pullbacks would not be surprising. The best summary may still be that there will be both opportunities and disappointments as the markets churn back to a longer-run position of greater market certainty.



Insights *from the* National Council *of* Real Estate Fiduciaries (NCREIF) Farmland Returns Index System



Investors need accurate information about the return profiles for alternative investments and insight into how performance responds to factors that influence the outcomes through time. For most fixed-income and equity-related investments, accurate historic information is readily available, and there are numerous competing investment vehicles available to manage preferred exposures based on investors' preferences or views about macro conditions or future scenarios. For agricultural real estate investments, the most relied-upon broad-based independent indexing system is the National Council of Real Estate Investment Fiduciaries (NCREIF) Farmland Returns Index. While NCREIF is more well known for its family of commercial real estate fund indexes, it also produces indexes for timberland and farmland investments, along with other specialty returns indexing systems. NCREIF Farmland Returns data were first made available beginning in 1991, and the index has since grown to represent a broad and representative set of institutional investors who report their property-level returns information under a consistent set of accounting conventions and requirements. The performance results of properties in the index can be delineated by region, property type, and management type. The properties in the index are predominantly held by qualified investors and are regularly appraised under specific and complete guidelines intended to provide an accurate mark-to-market valuation each quarter and to reflect specific treatment for sales, partial sales, and capital improvements. The index contains commercial-scale properties used in active agricultural production, and all returns are reported on an accrual, unlevered basis to allow a direct assessment of property-level performance on a common basis. Importantly, both current income and appreciation returns are reported separately to better understand the components of return.

$16.8 Billion Total Farmland Market Value

As of third quarter 2025 (the most recent available at time of publication), the total market value of the index was $16.8 billion across 1,031 properties comprised of $10.52 billion in annual cropland and $6.27 billion in permanent cropland.

The data can be further classified across nine different production regions which have sufficient scale for separate reporting (plus a couple of other growing regions). Average property values are high relative to the broader population of farms in the U.S. at approximately $16.3 million per farm, but in this sense represent commercial-scale operations with clear return-seeking motivations in management, in contrast to some components of the broader USDA data which include hobby farms and lifestyle units as well. While $16.8 billion is a relatively small share of the $4.3 trillion U.S. agricultural sector assets, it is viewed as highly representative and is the most commonly used system for benchmarking and evaluation of relative performance.

Table 1 contains summary information about farmland returns organized in panels from top to bottom that represent different classifications by type of property, region, and crop features, as well as hold-period returns for different durations. Returns are presented as annual returns by different hold periods as of each third quarter-end. Each year's property weights are determined by the actual properties in the fund at each point in time, and the through-time averages are computed as simple averages across each of the annual results. Because the weights are not constant through time and tend to be greater in periods of higher return for each component, the lifetime returns do not reflect the same weightings at each point in time as exist at the final point in the sample.

Over the 34-year history, the **Total Farmland** returns have averaged 9.96% per year with a standard deviation of returns of 6.74%, as shown in the top portion. For comparison, the Dow Jones index has averaged about 8.2% with a standard deviation of 14.2%. Importantly, the minimum return during that period was roughly -0.43% for Total Farmland and -41.3% for the Dow Jones index. Recent annual returns have been around lifetime lows for permanent crops—which pulls the overall index returns down despite the annual cropland returns. Notably, the lifetime permanent crop returns and annual crop returns are nearly identical, but annual cropland has much lower volatility. The table is arranged with columns from left to right that provide the returns as of Q3 2025 for 1- to 20-year holding periods as well as for the lifetime of the measure reported. Annual Cropland returns from 2021–23 were well into double digits but fell back to 5.66% for the full year in 2024, and to 3.73% annualized as of Q3 2025. Permanent cropland returns over the past three years have been low to negative, but also appear to have begun rebounding a bit. Despite the recent performance of permanent crops in particular, the longer-term volatility of both permanent and annual crop returns is lower per unit of return than for most equity investments.

Importantly, the properties in the NCREIF index have historically generated higher rates of return across annual or row-crop farmland than similar measures derived from USDA sources. The lower returns for permanent crops reflect the relative overweighting of tree nuts in areas of production that have had abnormally lower returns over the past few years compared to all farms in the USDA data.

The next panel in the table groups all asset and management types by **Region Totals** and provides the same information in cases where the region contains only annual crops to highlight those cases (note that the Delta, Corn Belt, and Southern Plains regions contain only Annual Cropland). A recent addition to the reportable portion of the index is the Northern Plains, which has performed relatively well over its short period during which it had enough properties to be reported without risk of individual property or manager information being shown. The most heavily represented regions in the index are in the Pacific West, with California's heavy dominance in permanent crops in particular.

The third section of the table shows **Annual Cropland** returns by region ordered by total value. The lower section of that panel also summarizes by crop type to provide a sense of the impact of crop-type differences among regions. In all cases, the longer-term averages are more similar than the short-term recent performance, which strongly favored Corn Belt and Lake States region annual crop production. By their nature, annual crops tend to have more stable returns, or lower standard deviations, than permanent crop returns and are viewed by many as equivalent to "fixed income" with strong appreciation performance as a bonus.

The final section showing **Permanent Cropland** is subdivided by management type, region, and crop to highlight the differences among crop types, periods of time, and type of management within the Permanent Crop category. It would be expected that over the long run, directly operated permanent crops would generate slightly higher returns than leased crops, reflecting the additional risk. This relationship holds over the long run, but exposure to a single crop type, or a marketing episode, can substantially impact the short-term returns, as can be seen across the most recent few years' measures of performance. There is some emerging optimism as nut and fruit prices have shown signs of beginning their rebound, and as lower-productivity farms are being taken out of production, often to consolidate the associated water resources on more efficient production blocks.

TABLE 1

NCREIF Farmland Property Returns by Type, Location, and Hold Period

	Total $ Value Q3 2025	1-Year	5-Years	10-Years	15-Years	20-Years	Lifetime	Standard Deviation	Years in Index
Total Farmland	16,793,055,253	-0.43%	4.68%	5.40%	8.76%	10.74%	9.96%	6.74%	34
Annual Cropland	10,520,308,087	3.73%	9.06%	6.87%	8.78%	10.09%	9.78%	4.81%	34
Permanent Cropland	6,272,747,166	-6.47%	-1.72%	2.98%	8.59%	11.14%	9.76%	10.26%	34
Region Totals									
Pacific West	6,153,411,646	-6.11%	-1.22%	3.42%	9.12%	11.57%	10.95%	11.21%	34
Delta States	3,387,267,758	3.26%	8.79%	6.42%	8.64%	10.14%	9.43%	4.76%	34
Corn Belt	1,901,259,515	-0.72%	12.03%	6.48%	9.08%	10.12%	9.99%	7.51%	34
Pacific Northwest	1,605,248,289	1.12%	4.19%	5.26%	7.08%	7.67%	6.50%	7.83%	34
Mountain	1,594,302,985	5.62%	8.08%	6.67%	9.29%	10.30%	9.29%	5.30%	34
Southeast	843,073,498	7.17%	6.00%	6.91%	7.15%	9.23%	8.44%	10.61%	34
Lake States	440,838,326	6.16%	10.68%	6.05%	6.36%	9.57%	8.30%	9.48%	31
Northern Plains	401,259,841	5.15%	11.91%	6.65%			6.65%	6.95%	10
Southern Plains	320,816,530	4.78%	7.20%	7.15%	7.63%		8.59%	3.64%	19
Annual Cropland									
Delta States Annual Cropland	3,387,267,758	3.26%	8.79%	6.41%	8.64%	10.14%	9.43%	4.76%	34
Corn Belt Annual Cropland	1,901,259,515	-0.72%	12.03%	6.48%	9.08%	10.12%	9.99%	7.51%	34
Mountain Annual Cropland	1,572,235,952	5.68%	8.03%	6.64%	9.27%	10.44%	9.40%	5.45%	34
Pacific West Annual Cropland	1,014,776,285	0.84%	4.10%	5.65%	7.63%	8.99%	9.77%	7.64%	34
Pacific Northwest Annual Cropland	792,827,921	13.14%	10.79%	10.29%	10.54%	11.13%	9.23%	6.16%	34
Southeast Annual Cropland	681,617,133	5.55%	8.15%	7.88%	7.82%	6.84%	7.63%	2.52%	18
Lake States Annual Cropland	341,588,151	5.79%	10.93%	6.67%	7.90%	9.12%	8.26%	6.45%	31
Southern Plains Annual Cropland	320,816,530	4.78%	7.20%	7.15%	7.63%		8.59%	3.64%	19
Annual - Corn/Soybeans Crop Type	3,467,872,796	1.47%	10.88%	6.25%	8.96%	10.04%	9.92%	6.80%	34
Annual - All Other Crop Category	3,221,773,089	5.54%	7.82%	7.09%	8.39%	10.03%	9.97%	5.74%	34
Annual - Rice/Soybeans Crop Type	1,807,432,137	3.18%	8.93%	6.44%	8.70%	9.72%	9.34%	4.67%	34
Annual - Fresh Vegetable Crop Type	1,255,635,240	5.70%	6.53%	7.13%	8.41%	9.48%	9.70%	7.14%	32
Annual - Wheat Crop Type	203,063,714	11.32%	9.06%	8.79%	10.42%	10.82%	10.82%	5.80%	20
Annual - Cotton Crop Type	116,149,767	2.71%	10.14%	8.24%	9.37%	11.02%	9.77%	6.52%	34
Permanent Cropland									
Permanent Cropland Directly Operated	4,513,965,096	-7.83%	-3.12%	2.31%	8.79%	11.67%	9.82%	11.56%	34
Leased Permanent Cropland	1,758,782,070	-2.70%	2.35%	4.79%	7.62%	8.11%	8.54%	9.49%	34
Pacific Northwest Permanent Cropland	812,420,367	-7.37%	-1.27%	0.75%	3.95%	4.97%	2.99%	11.70%	28
Lake States Permanent Cropland	99,250,175	7.24%	10.04%	4.70%	3.99%		7.64%	12.91%	18
Permanent - Wine Grapes Crop Type	2,121,077,579	-8.80%	-0.65%	4.16%	6.80%	8.20%	8.67%	8.78%	29
Permanent - All Other Crop Category	299,624,719	1.91%	1.92%	3.51%	8.26%	11.48%	9.45%	9.25%	33

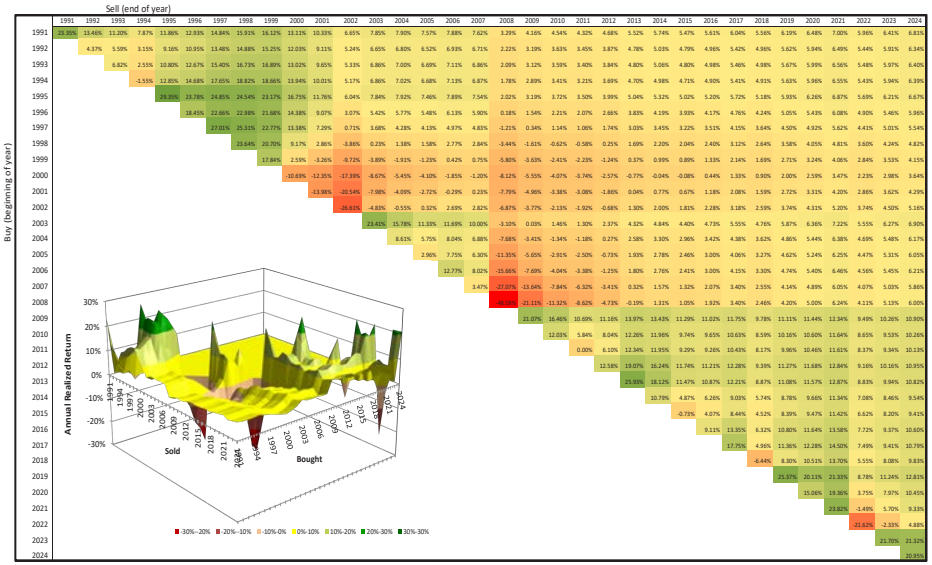
While the categorizations and subsamples of holding periods are instructive, these all necessarily refer to a sample period that ends with the most recent data. To more completely understand the returns data in the table and to provide a comparison to a broadly referenced equity indexing alternative, a pair of graphics that depict the returns realized over all possible combinations of sample periods are provided in the form of all possible buy-sell pairs of time in the data.

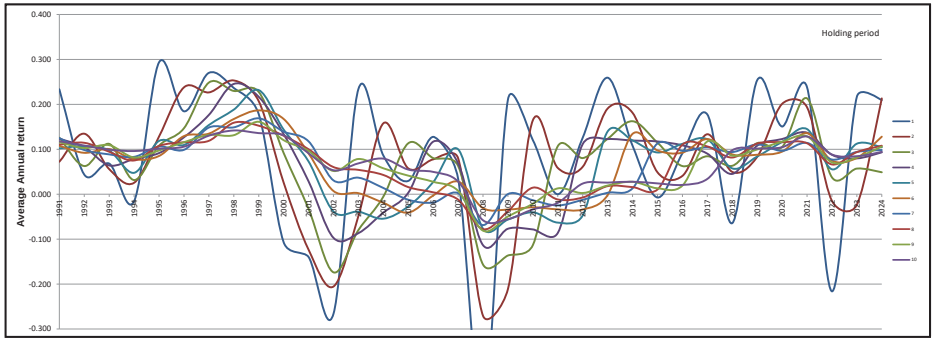
Figure 1 below shows the rates of return generated by the S&P 500, with the rows corresponding to the date purchased (beginning-of-year by convention) and the columns corresponding to the date sold (end-of-year convention). Figure 2 contains comparable information for the NCREIF Total Farmland index. The set of stair-stepped "boxes" down the diagonal of the shaded triangle simply contain the single-year returns data that would occur if you bought on January 1 of each year and sold on December 31 of each year. Moving into the triangle on the diagonal to the right of the annual returns provides the two-year holding-period returns for each starting period (row). The three-year holding period is depicted in the third diagonal to the right, and so on for any holding period originating at any point in the sample period. The furthest right cell on the top row contains the average over the longest period available, and the rightmost column shows the average over each potential starting point through the present. The uniformity of that column helps to provide a sense of the stability of the process, or the importance of the starting date of any investment period. The potential impact of a poorly or fortunately chosen starting date can also be viewed in the triangle portion as the length of the discernable "stripes" that occur and the number of periods it takes to recover from a bad initial entry. In 2008, for example, if you entered the S&P 500 index on January 1, it would have taken nearly eight years to recover that year's loss. The vertical stripe in 2008 also gives a sense of the nonstationarity (also confirmed with formal tests) and its long-lasting impact as a structural change in the data-generating process.

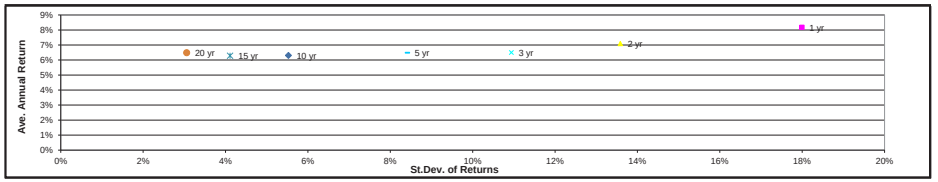
The 3D inset graph can be thought of as "walking over the surface" in any direction and determining the impact on the average of however far up or

FIGURE 1

S&P 500 Buy-Sell Returns for all possible hold periods, 1991-2024



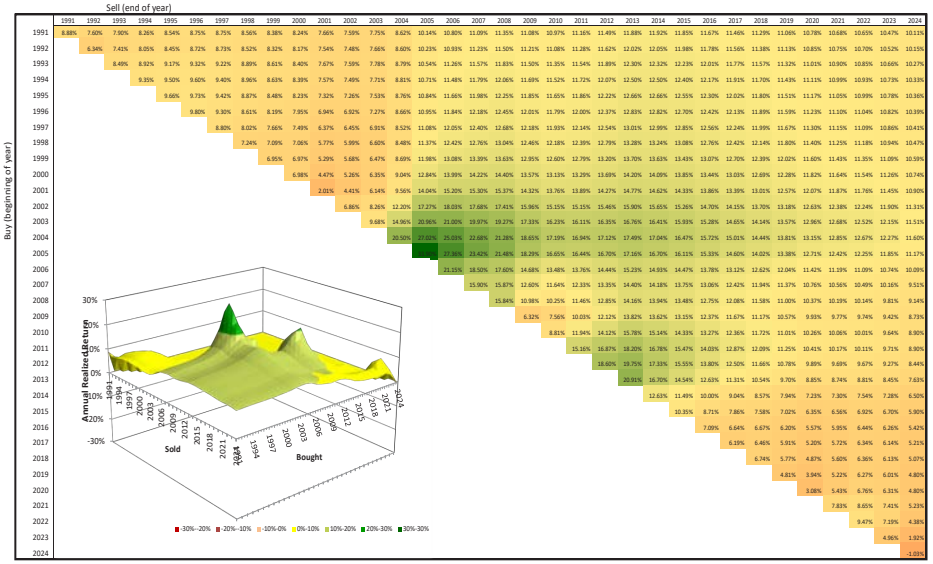


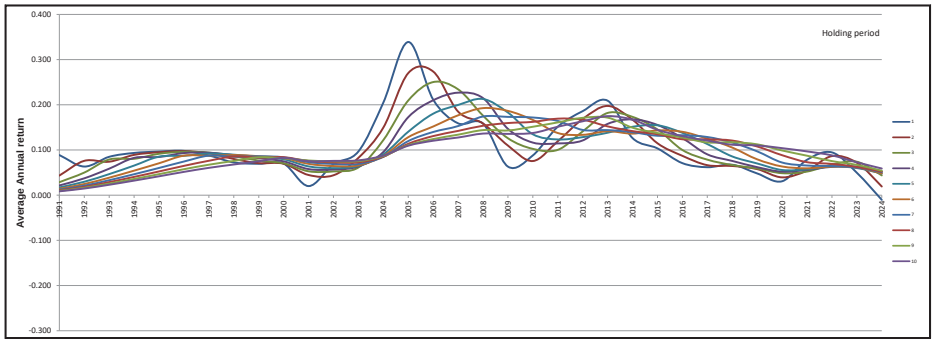


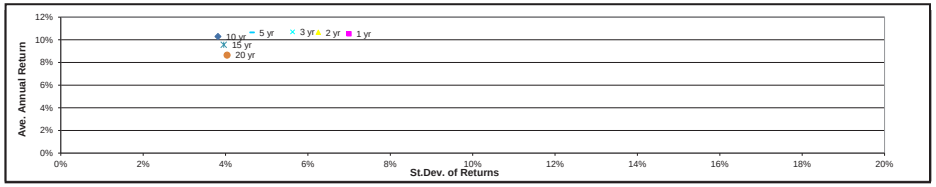
down that unit of time affected the height or average. In this case, the dark green areas show the high-returns periods and the red spike downward through the floor of the returns set occurs in the 2008 housing crisis and in 2022 when the Federal Reserve began its aggressive monetary tightening cycle. The front right face of the 3D graph is analogous to the "held until present" information provided earlier, and "slices" at different previous disposition dates can be viewed in terms of units of time toward the left axis. This perspective helps avoid the possibility of selectively presenting particularly good or bad results due to sample-period issues.

The top-right panel of the graph helps further display the rate at which return measures converge on more stable ranges, and on the width of the ranges. Within that panel, the various possible holding periods from one year to 10 years are provided as annualized values. Starting from the left, the one-year returns (blue line) is followed by the two-year line (red) and three-year (green), and so forth. The relationship is more obvious in the case of farmland returns that follows in the second graph, but as the holding period increases, it would be expected that the variability of the sample would stabilize if the returns were randomly generated and sequenced from a single data-generating process. In this case, as the holding period increases, the returns stabilize a bit until a red box appears above. The bottom panel contains a plot of the sample average and standard deviation. The natural pattern would be for the average to remain relatively constant across time, but for the standard deviation to shrink at a rate proportional to the square root of the sample period. As there are limitations on the number of holding periods of various length that can be constructed, the single-period average has more of the areas represented as dark green due to starting and ending years being slightly higher than the longer-period average. Note that summary statistics in empirical studies often only report the longest sample period—in this case, the single point in the top-right corner of the shaded triangle, or the single frontmost corner point in the 3D graph. The extent to which sampling variability impacts this measure as an accurate summary of other length holding periods is more evident in this type of presentation.

FIGURE 2 **NCREIF Total Farmland Buy-Sell Returns for all possible hold periods, 1991-2024**





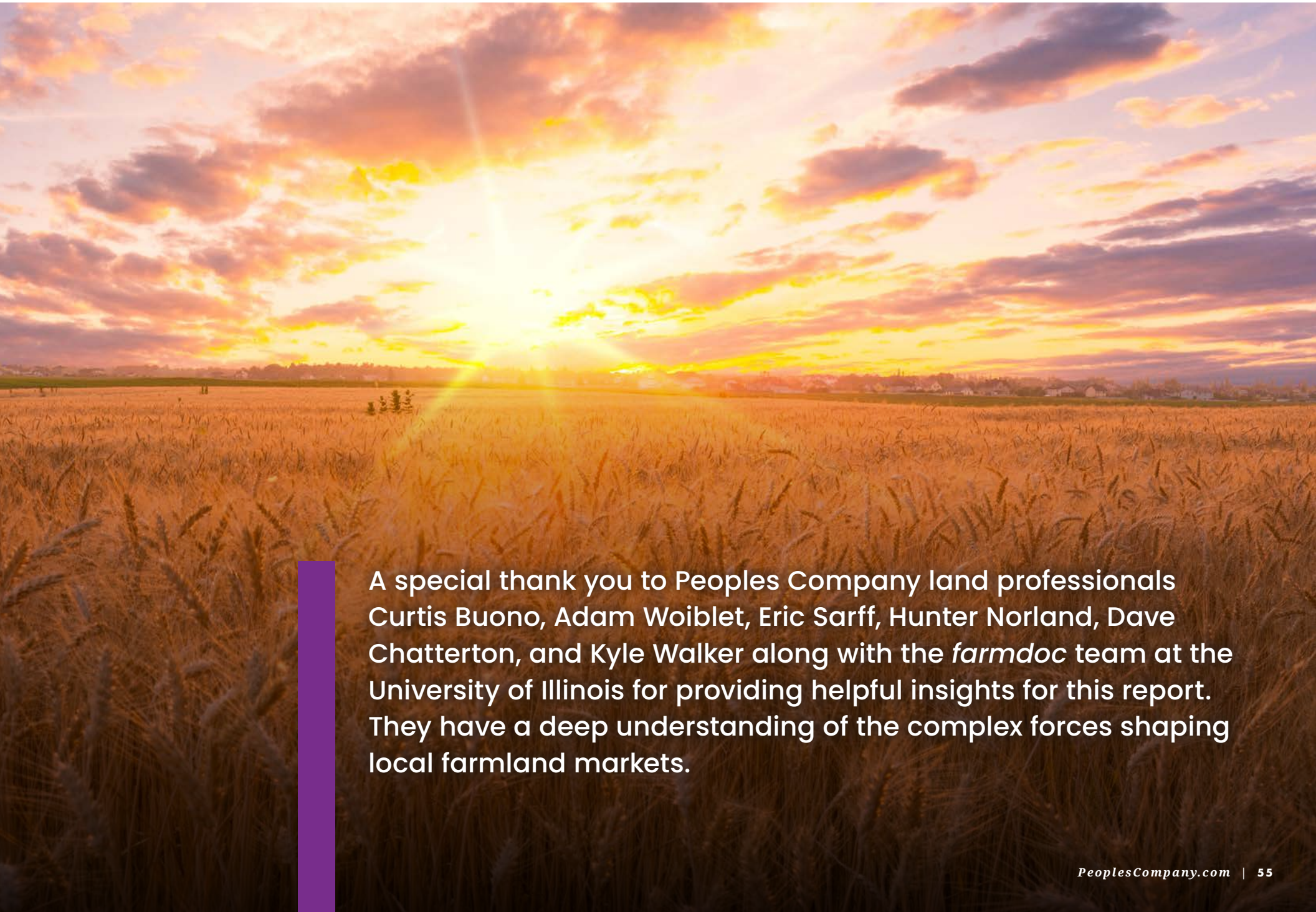


At least two stark differences emerge when examining the NCREIF Total Farmland Returns information in the second graph. First, the returns "surface" is remarkably smooth, corresponding to the low and somewhat bunched measures of volatility by holding period in the lower section of the graphic. Second, there is less importance in terms of when to initiate the purchase, as even the most poorly timed entry points show little persistence in low returns, and no "stalactites" of stark and meaningful negative total returns. This presentation could explain the recent increase in investors interested in pivoting out of equities and into agricultural assets as part of a longer-term wealth-preservation strategy, and implicitly to hedge against future possible resets in equity markets. And, while not stressed in this presentation, the long-term correlation with inflation of agricultural returns in general provides an additional nominal smoothing effect and creates a tax-efficient return composition with the majority of the total return to agricultural investments accruing through capital appreciation.

NCREIF SUMMARY

Since the inception of the indexing system over 34 years ago, it has grown and matured into the most broadly referenced and most reliable source of data for measuring and describing returns to at-scale investments in farmland managed under fiduciary requirements for third-party investors. As such, it has earned credibility for its relevance both in terms of the actual values, and for comparison to alternative investments. Despite the current concerns and the recent performance of specific categories of agricultural investments, the overall performance for longer-duration investment strategies has been impressive.

It is safe to say that farmland is now an accepted asset class and that the NCREIF Index has served a critical purpose in developing reliable information on the financial performance of institutionally managed farmland investments. In terms of the "investability" of the asset class, the conclusion remains that farmland is an incredibly good diversifying investment with low relative risk, good inflation-hedging performance, and strong capital preservation security over the long run.



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