

AGRICULTURAL

QUARTERLY MARKET ANALYSIS

PEOPLES COMPANY
INTEGRATED LAND SOLUTIONS

2026 Quarter 3

INTRODUCTION

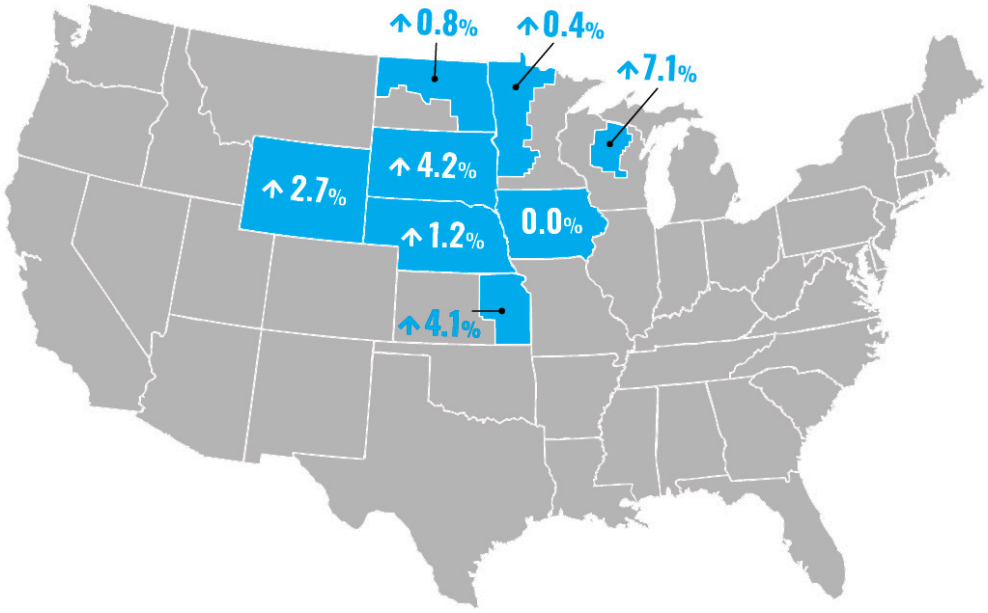
Nebraska's farmland market remained resilient through the third quarter of 2026, supported by limited land availability, strong producer equity, and continued demand from well-capitalized buyers. At the same time, softer commodity prices, elevated production costs, and higher borrowing costs continue to pressure farm profitability and influence purchasing decisions. These competing factors have resulted in a generally stable market, although performance varies considerably by land class, quality, location, and local buyer demand. High-quality farmland continues to attract competitive interest, while average-quality properties are experiencing more selective buyer participation.

RECENT MARKET PULSE

Current conditions continue to reflect a balance between softer crop economics and a limited supply of land available for purchase. Farm Credit Services of America reported that Nebraska benchmark cropland values increased 1.2% to an average of $8,916 per acre in its July 2026 benchmark report. The same report noted that demand is primarily being driven by established, well-capitalized producers and that limited land availability continues to support the market. Buyers remain focused on property quality, location, long-term equity, liquidity, and generational considerations rather than near-term operating returns alone.

Transaction volume remains constrained. Farm Credit Services of America reported that, through June 30, 2026, Nebraska dryland sales were down 50% and irrigated land sales were down 30% compared with the prior-year period. This reduced supply is an important consideration when interpreting individual auction results and continues to provide underlying support for desirable farmland.

Six-month average benchmark land values change (FCSA)



HISTORICAL TRENDS

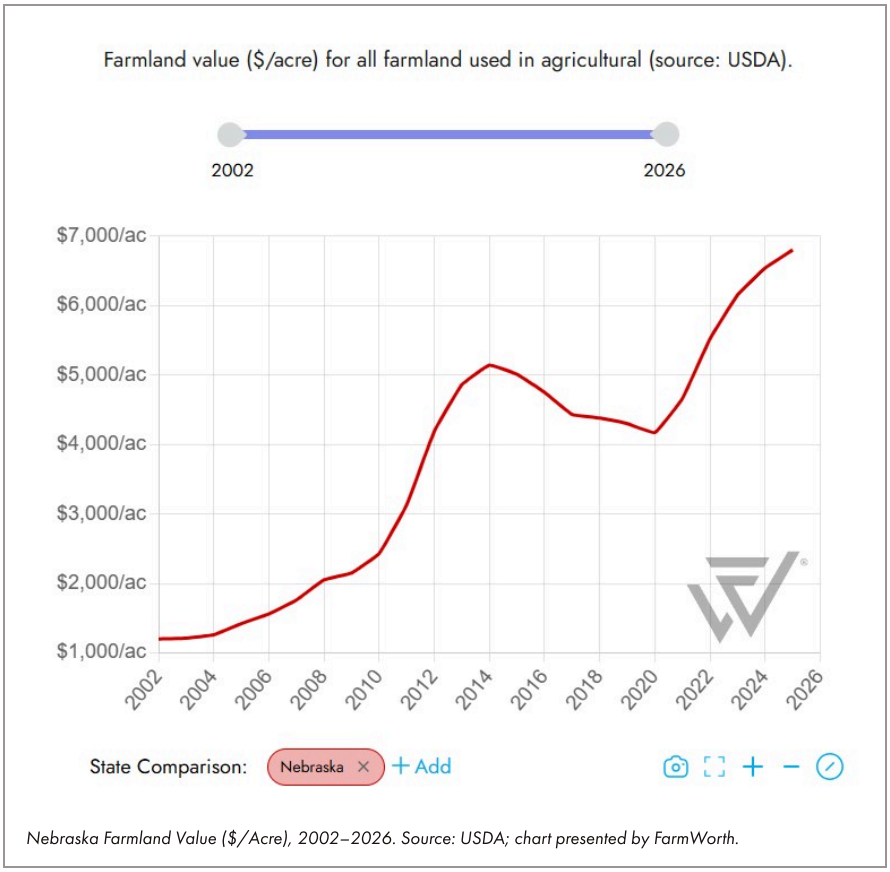
Nebraska farmland values have demonstrated significant long-term appreciation over the past two decades. USDA data presented by FarmWorth indicate that the statewide average value of farmland used for agriculture increased from approximately $1,200 per acre in 2002 to nearly $6,800 per acre in 2026. Values increased gradually through the 2000s before accelerating sharply between 2010 and 2014, when the statewide average surpassed $5,000 per acre.

Following this period of rapid appreciation, farmland values moderated from approximately 2015 through 2020 as agricultural profitability and commodity markets adjusted. The market began another period of substantial appreciation after 2020, with statewide values rising from just over $4,000 per acre to nearly $6,800 per acre by 2026. The continued increase through 2026 indicates that Nebraska farmland values remain near historically high levels despite tighter crop margins, elevated production costs, and higher borrowing costs.

While statewide averages provide useful context for the direction of the overall market, individual property values continue to vary considerably based on land class, productivity, irrigation and water availability, location, and local buyer competition. The long-term trend nevertheless demonstrates the underlying strength of Nebraska agricultural real estate and provides important context when evaluating more recent quarterly auction activity.

REGIONAL AND LAND CLASS DIFFERENCES

Nebraska's farmland market continues to vary materially by land class and intended use. Cropland remains sensitive to commodity prices, input costs, irrigation characteristics, and productivity, while pasture and grazing land continue to benefit from favorable livestock economics and sustained demand. Farm Credit Services of America reported Nebraska pasture benchmark values averaging $1,707 per acre in July 2026, representing a 3.5% increase over six months and a 16.7% increase over the prior year, with strength driven largely by higher demand in the central part of the state.



Nebraska Farmland Value ($/Acre), 2002–2026. Source: USDA; chart presented by FarmWorth.

The divergence between land classes remains an important feature of the market. Premium cropland, irrigated farms with dependable water resources, and productive grazing properties can continue to generate competitive interest. Average-quality properties are increasingly evaluated on a tract-specific basis, with buyers placing greater emphasis on income potential, location, improvements, water availability, and the depth of the local buyer pool.

PEOPLES COMPANY AUCTION DATA

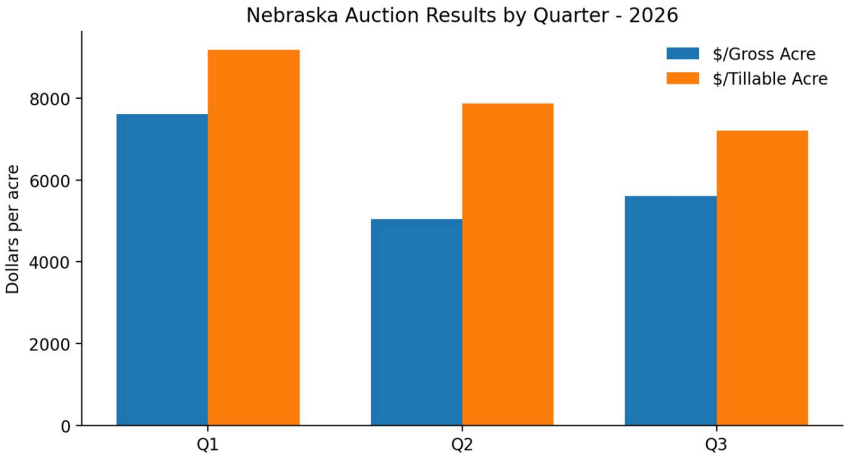
Peoples Company's Appraisal Team tracks public farmland auctions throughout Nebraska to measure how market conditions are reflected in open-market transactions. During the third quarter of 2026, 33 public auction tracts totaling approximately 3,847 acres were tracked across July, August, and September. The quarter averaged approximately $5,604 per gross acre, $7,204 per tillable acre, and $113 per productivity point.

Monthly gross-acre results remained variable, averaging approximately $6,048 per acre in July, $4,127 per acre in August, and $6,017 per acre in September. Five tracts totaling 526.54 acres were tracked in July, 12 tracts totaling 1,732.60 acres in August, and 16 tracts totaling 1,588.00 acres in September. September generated sufficient qualifying information to indicate an average of approximately $5,931 per tillable acre and $93 per productivity point.

Compared with the second quarter, the third-quarter average price per gross acre increased from $5,053 to $5,604, or approximately 10.9%. At the same time, the average per tillable acre declined from $7,879 to $7,204 and the average per productivity point declined from $132 to $113. The number of tracts increased from 28 to 33, while total acres declined from approximately 6,096 acres to 3,847 acres. These differences reinforce the importance of property mix when interpreting quarterly averages. Changes in land use, irrigation, productivity, tract size, geographic location, and buyer composition can materially affect aggregate auction statistics.

Nebraska Land Values | 2026

Nebraska	$/Gross Acre	$/Tillable Acre	$/Point	Tracts Sold	Acres Sold
Q1	$7,613	$9,182	$141	88	15,230.24
Q2	$5,053	$7,879	$132	28	6,095.52
Q3	$5,604	$7,204	$113	33	3,847.00



Source: Peoples Company Appraisal Team Nebraska public auction tracking.

OPERATING NET INCOME PERFORMANCE

Nebraska's farm income outlook has improved in 2026, although record production expenses and drought conditions continue to create challenges for agricultural producers. Statewide net farm income is projected to increase, supported by strong livestock markets, improved crop receipts, and government payments. However, higher fuel, fertilizer, feed, and other production costs continue to keep operating margins tight, particularly for crop producers.

Drought conditions across portions of Nebraska have added another layer of uncertainty during the 2026 growing season. Areas experiencing moisture deficits face increased production risk, including reduced crop yield potential, deterioration in pasture and range conditions, and greater reliance on irrigation where available. These conditions can also increase operating expenses and place additional pressure on livestock producers where forage and water availability become limited.

From a real estate perspective, drought reinforces the importance buyers place on water availability, irrigation capacity, soil productivity, and overall property quality. While short-term weather conditions do not necessarily translate directly into changes in farmland values, prolonged drought can affect property-level income expectations and buyer sentiment. Strong producer balance sheets and limited land availability continue to support the market, but current operating conditions are encouraging disciplined acquisition decisions.



COST OF CAPITAL EXPECTATIONS

The cost of capital remains an important influence on farmland demand. Financing remains considerably more expensive than during the low-interest-rate environment that supported the prior land value expansion, increasing the importance of equity and cash flow in acquisition decisions. Well-capitalized producers and cash buyers therefore remain particularly competitive for high-quality properties, while leveraged buyers continue to evaluate acquisitions more selectively.

The combination of higher financing costs and compressed crop margins is limiting aggressive expansion by some operators. However, the limited supply of farmland available for sale has prevented these pressures from translating into broad market weakness.



CONCLUSION

Nebraska farmland continues to be supported by limited land availability, strong producer equity, and demand from established operators and investors. Third-quarter Peoples Company auction data show a rebound in average gross-acre pricing from the second quarter, although lower tillable-acre and productivity-point averages demonstrate that the market remains highly dependent on the type and quality of property offered.

External market evidence supports a similar conclusion. Farm Credit Services of America reported modest appreciation in Nebraska benchmark cropland values and continued strength in pasture values, while also documenting substantially fewer dryland and irrigated cropland sales. Taken together, these indicators suggest a market characterized by constrained supply, selective buyer behavior, and continued competition for high-quality land rather than widespread price deterioration.

Looking ahead through the remainder of 2026, Nebraska farmland values are expected to remain generally stable, with performance varying by land class, location, productivity, water resources, and buyer composition. Premium cropland and productive pasture should remain well supported, while average-quality properties may experience greater variability. Current conditions continue to indicate a disciplined and fundamentally healthy land market, even as operating margins and financing costs temper the pace of expansion.





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