

Farmland Prices in a Most Interesting Time

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Fruin Professor of Farmland Economics



Gary Schnitkey

Soybean Industry Chair
in Agricultural Strategy



Luke Worrell, ALC

Worrell Land Services

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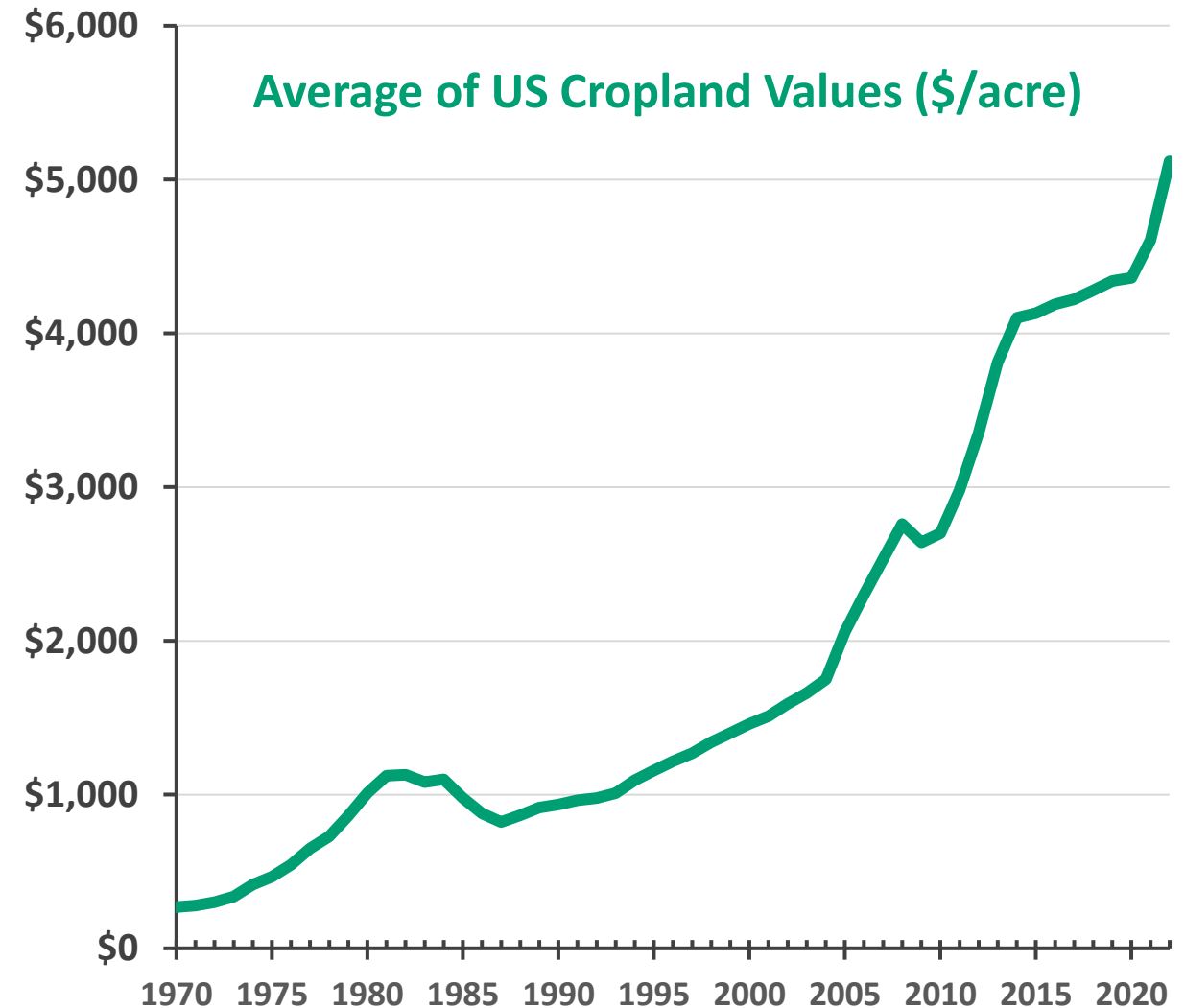
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Worrell Land Services

Farmland Markets – *Interesting times indeed*

Purpose:

- Identify factors that led to the recent massive increases in values and rental rates.
- Interpret current and future macro-market events, and future impacts.
- Discuss what is new, what is the same, and what is still unknown in farmland markets?
- Review results of Survey of Farmland Managers



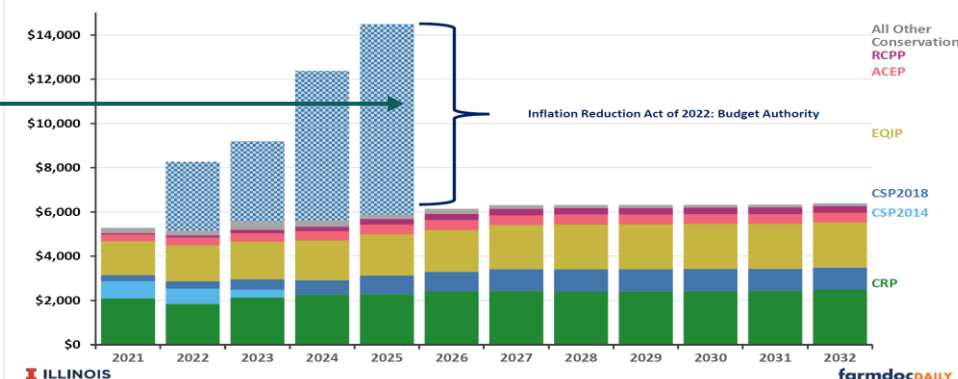
The Usual Suspects, and Some New Actors

- *Commodity/Ins. Prices*
- *Interest rates/spreads*
- *Inflation now/future prospects*
- *International trade/conflicts*
- *Policy and Farm Bill focus*
- *Technology innovations*
- *Carbon/Climate/Conservation*
- *Consumer preferences for food attributes*
- *Pandemic impacts/structural response(?)*
- *Crop Insurance changes/conservation tie*
- *Alternative investment characteristics*
- *ROW Demand expansion and demographic patterns through time*

Brief History of Time ...

- Increased commodity and input prices, long-term demand growth and world incomes.
 - *Ex-US drivers for US asset values? How will these register?*
- Massive support and fiscal stimulus payments, changing food preferences, and interest rate market interventions at unprecedented scale – “*to infinity and beyond*”.
 - *Length of continued intervention? IRA, and more election year spends*

Figure 3. Conservation Program Outlays by Fiscal Year in Million Dollars
Congressional Budget Office (CBO) May 2022

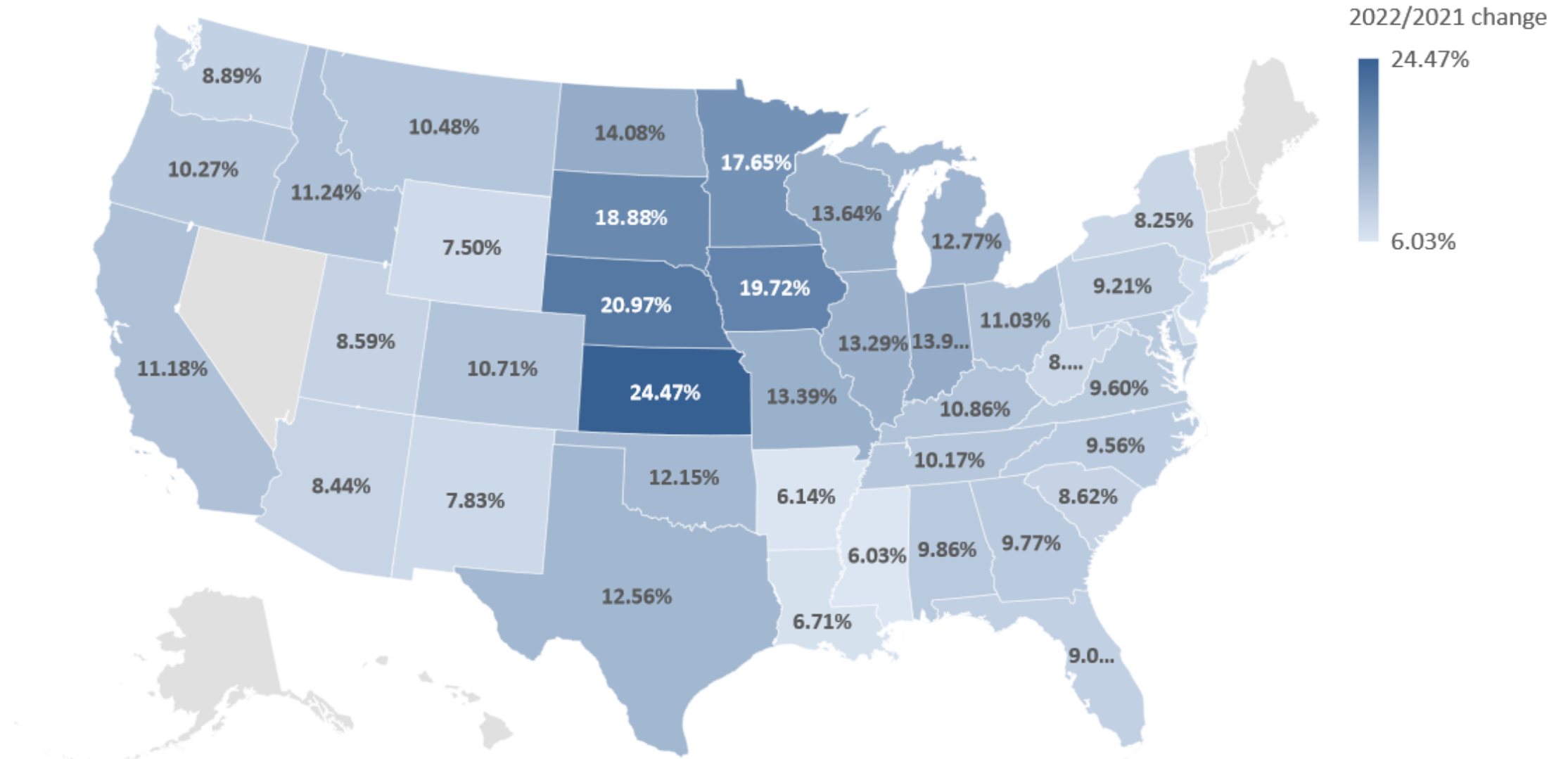


Brief History of Time ...

- **Inflation in Ag input prices, and energy remain, but debate about “landing” inflation remains. Ag assets positive inflation response...**
-Fed and ROW ability to manage growth, Central bank coordination?
- **Changed (?) policy targets and priorities; low concern about spending**
-Eco-service payments, “practice” information in downstream demand?
- **Interest Rates vs. Cap Rates and “income multiple”, equity markets**
*-Farmland as an asset class, institutional role,
buying appreciation instead of multiples of income*

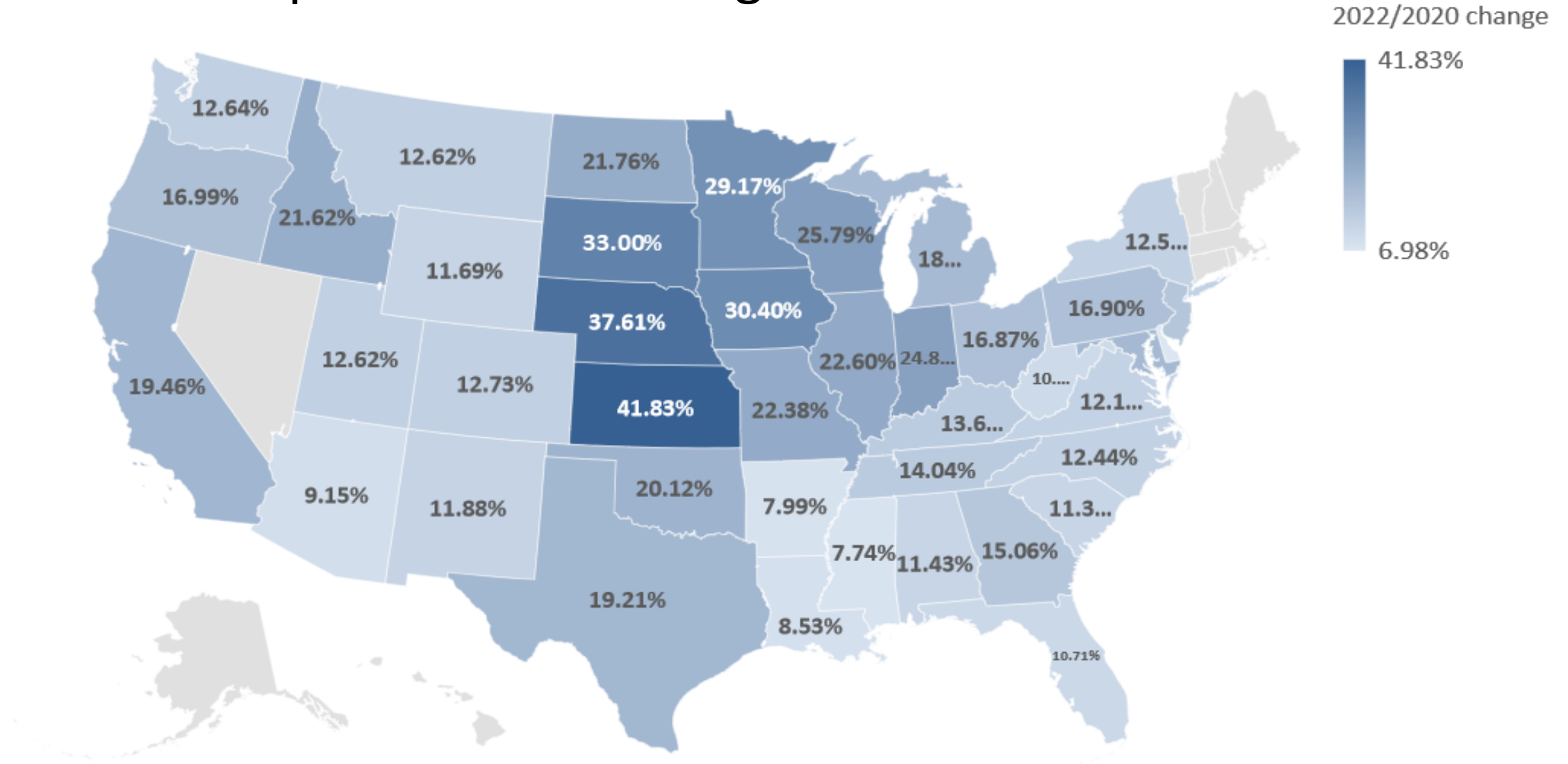
Farmland % increases (mid-year USDA estimates)

Cropland % Price Change 2021-2022



Farmland % increases (USDA 2-year estimates)

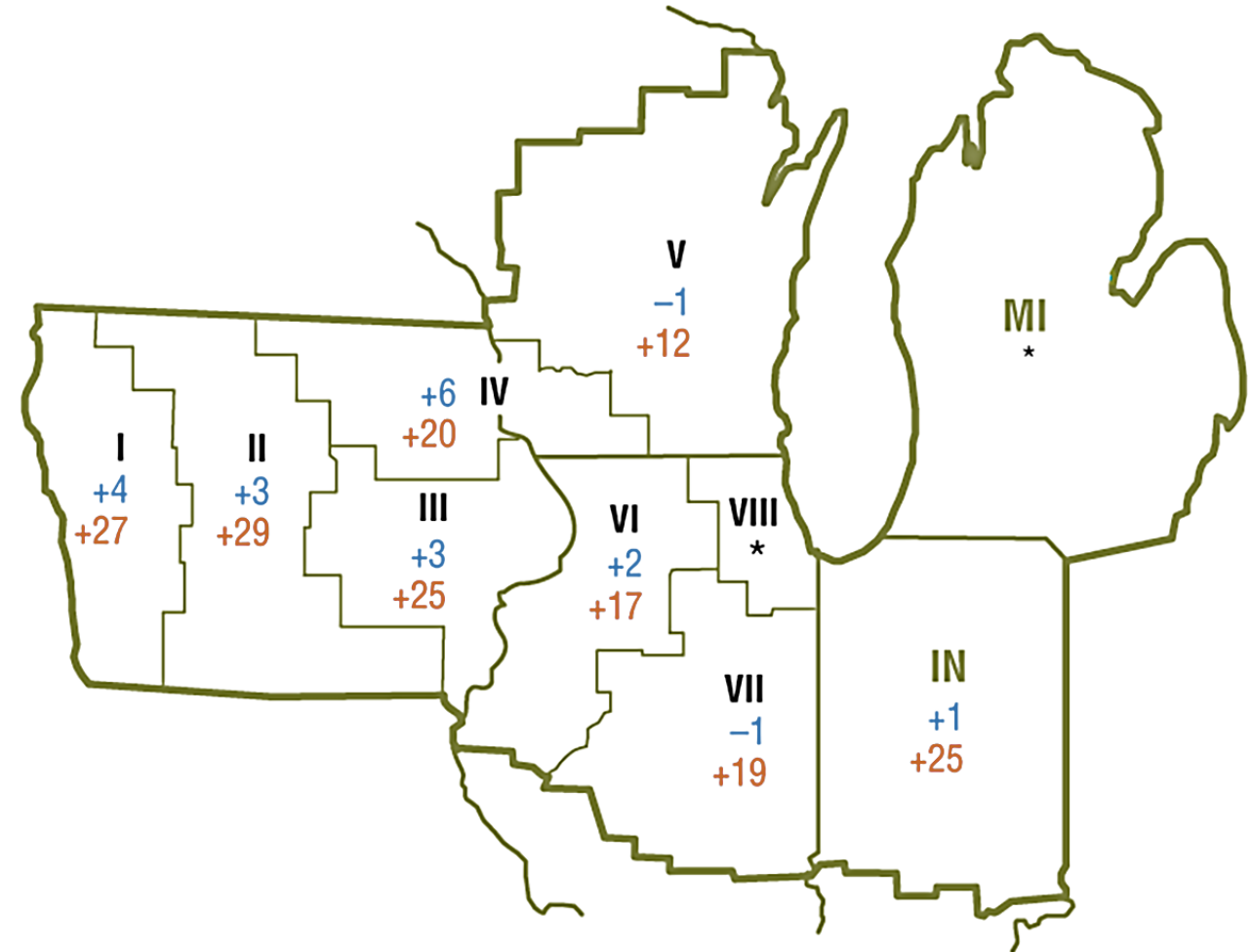
Cropland % Price Change 2020-2022



Federal Reserve Bank of Chicago, *AgLetter: August 2022*, David Oppedahl

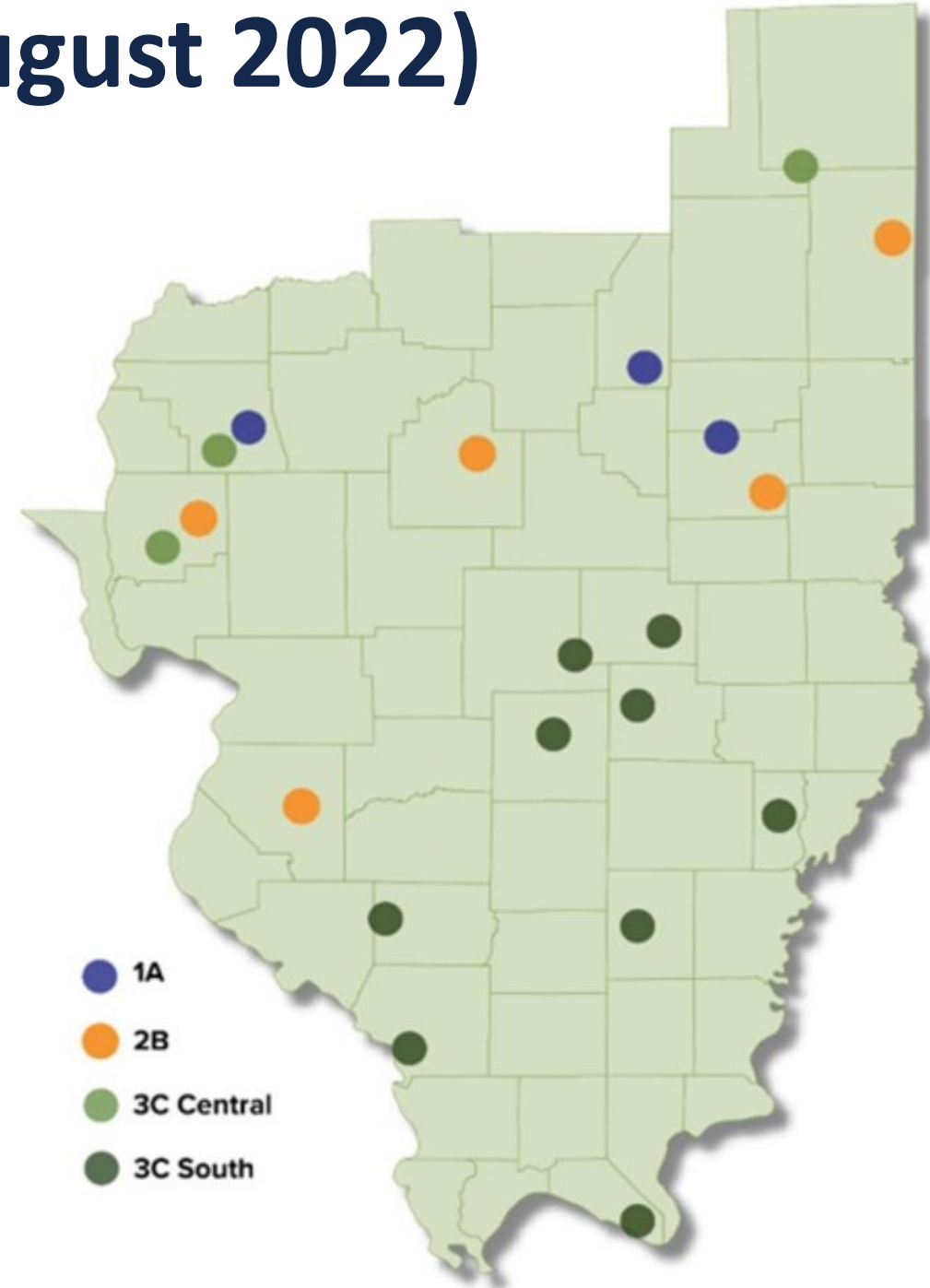
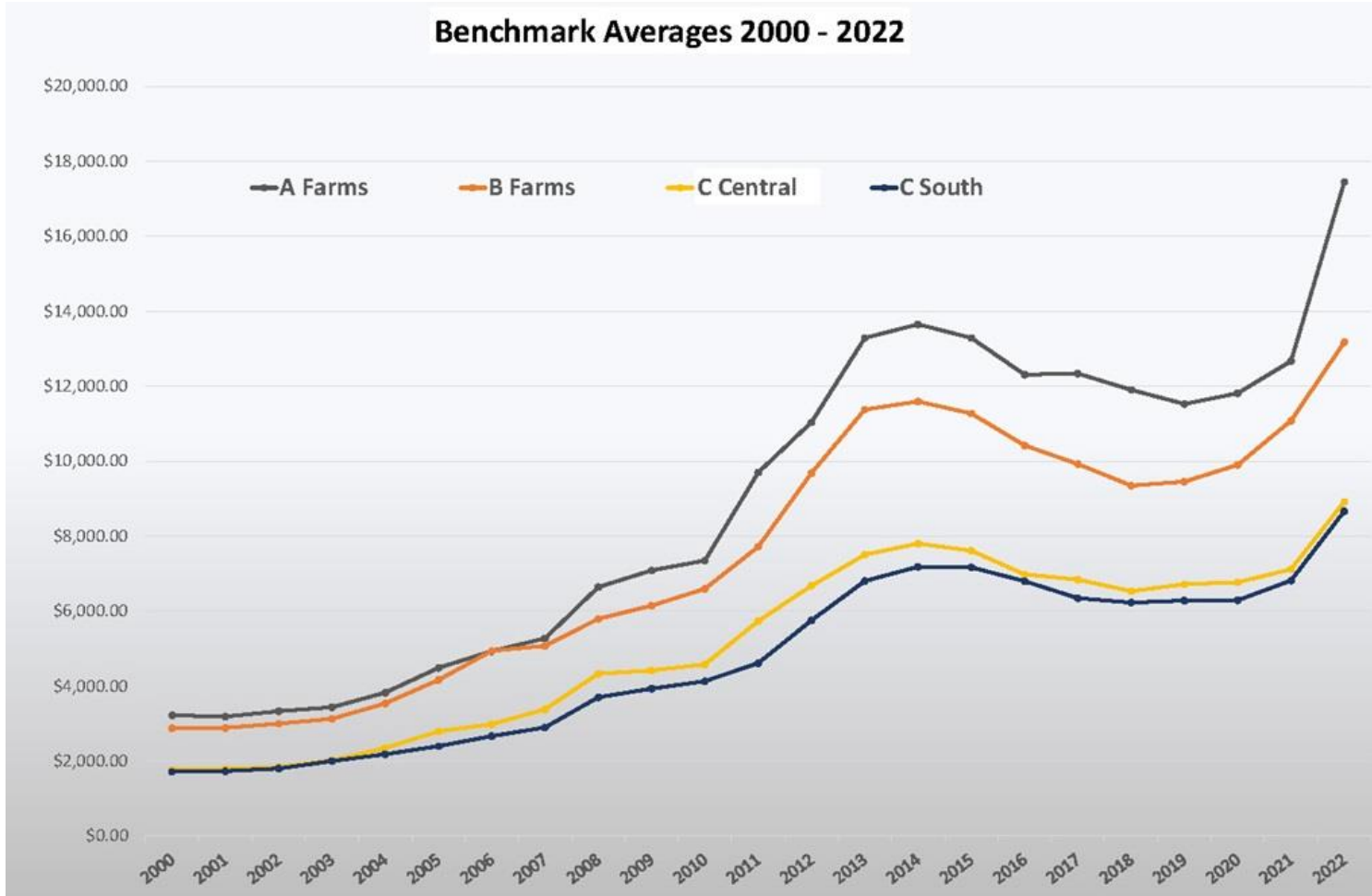
Percent change in dollar value of “good” farmland

	April 1, 2022 to July 1, 2022	July 1, 2021 to July 1, 2022
Illinois	0	+18
Indiana	+1	+25
Iowa	+4	+26
Michigan	*	*
Wisconsin	-1	+13
Seventh District	+2	+22



Top: April 1, 2022 to July 1, 2022
Bottom: July 1, 2021 to July 1, 2022

Farm Credit Illinois up 28% (August 2022)

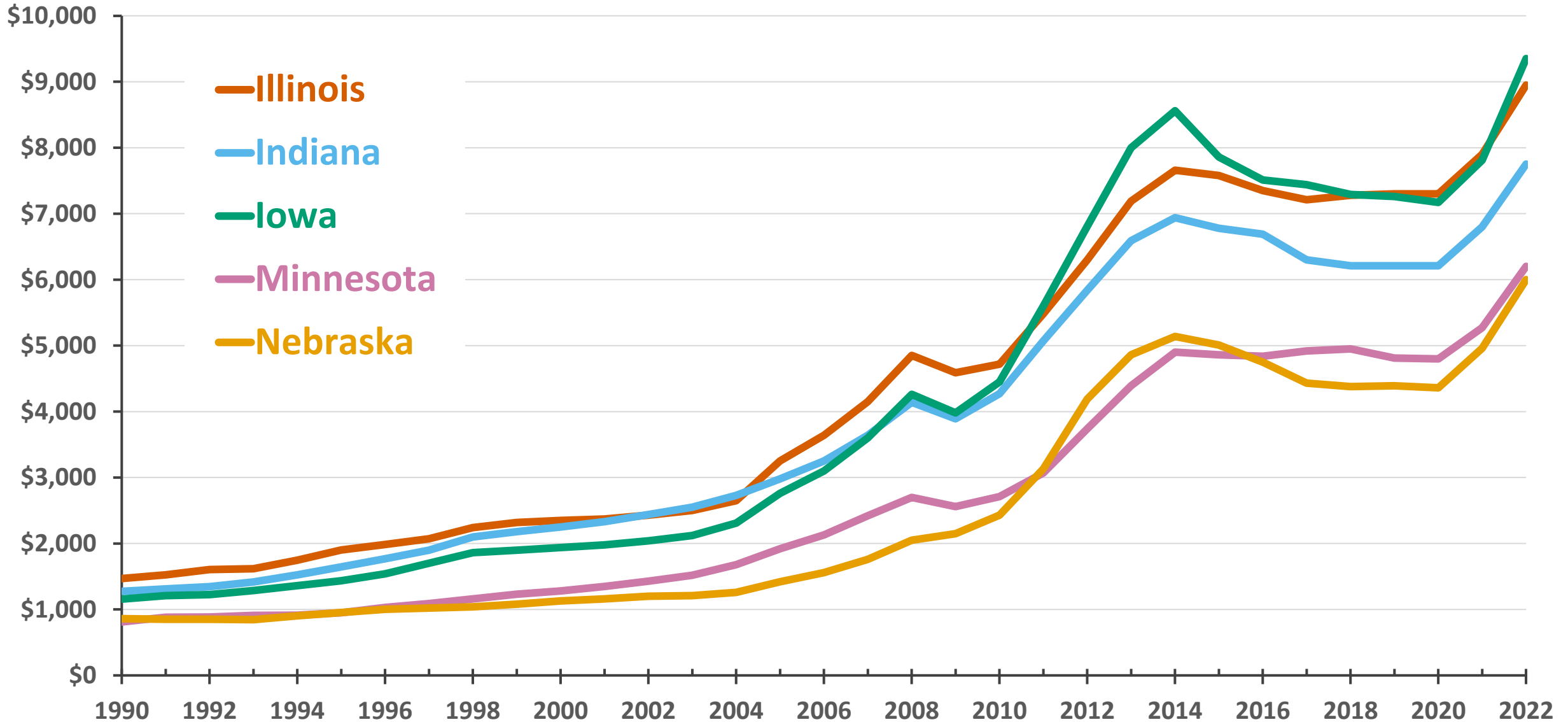


Farmland Value Benchmark Study Results

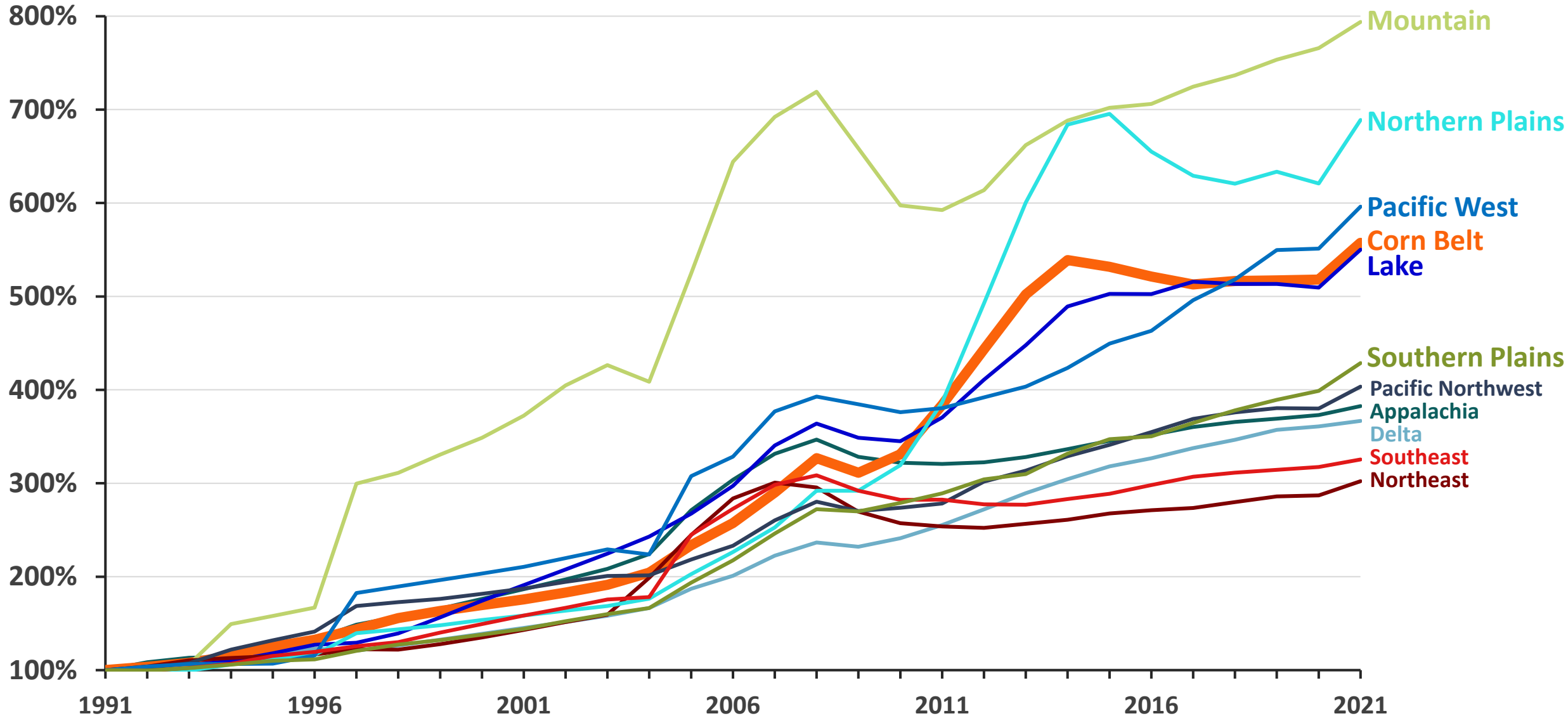


August 9, 2022 ★ Featured
BY **KENT REID** CHIEF APPRAISER
FARM CREDIT ILLINOIS, APPRAISAL SERVICES

Cropland Values in \$/acre for selected states



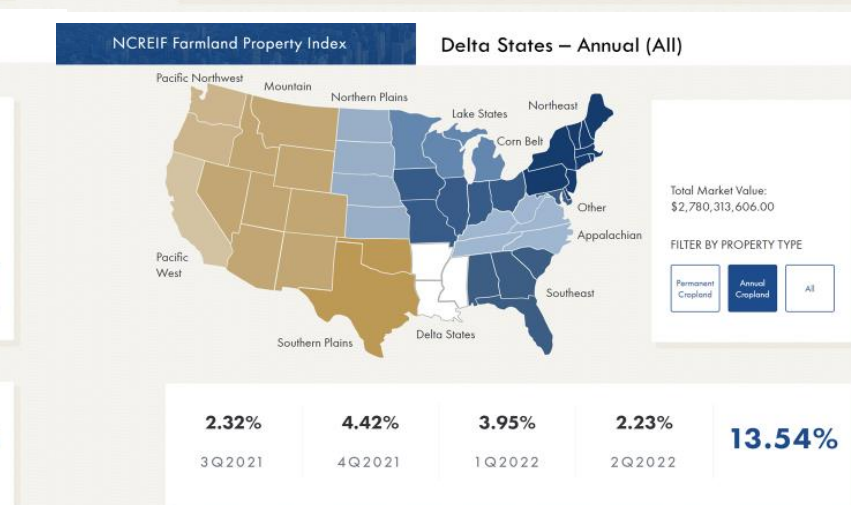
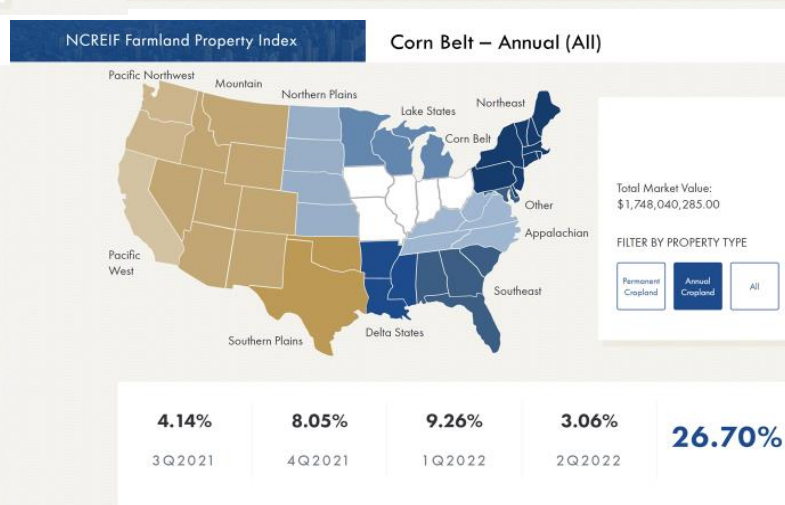
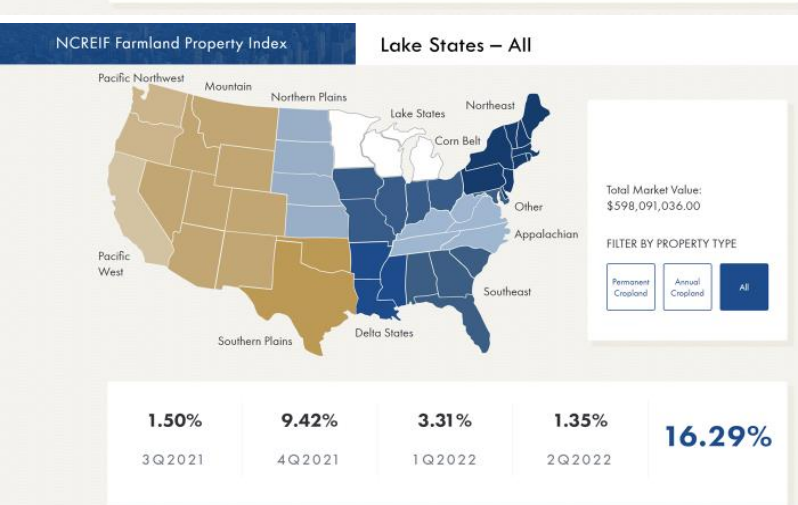
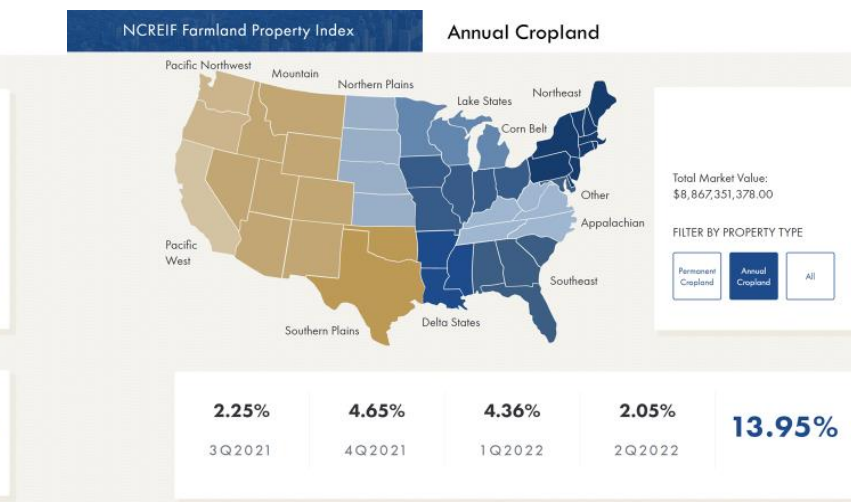
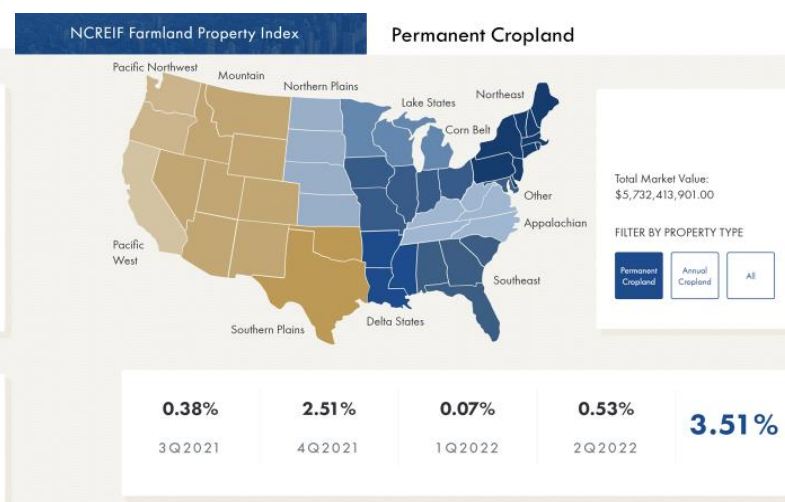
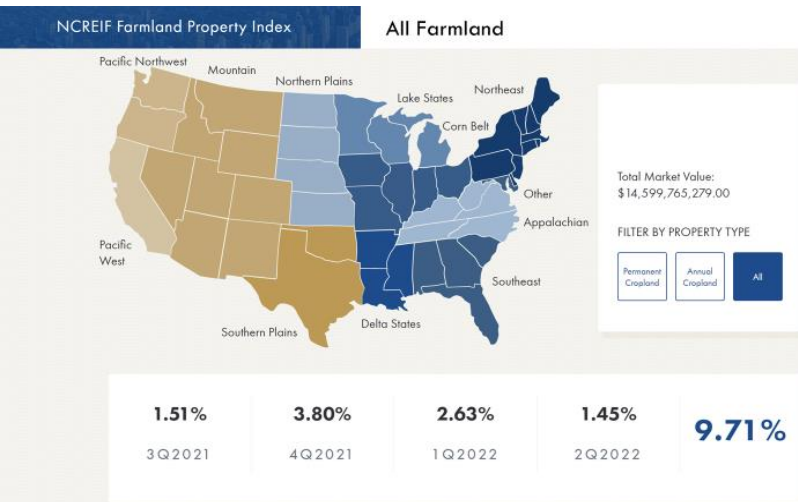
Farmland Prices relative to 1991

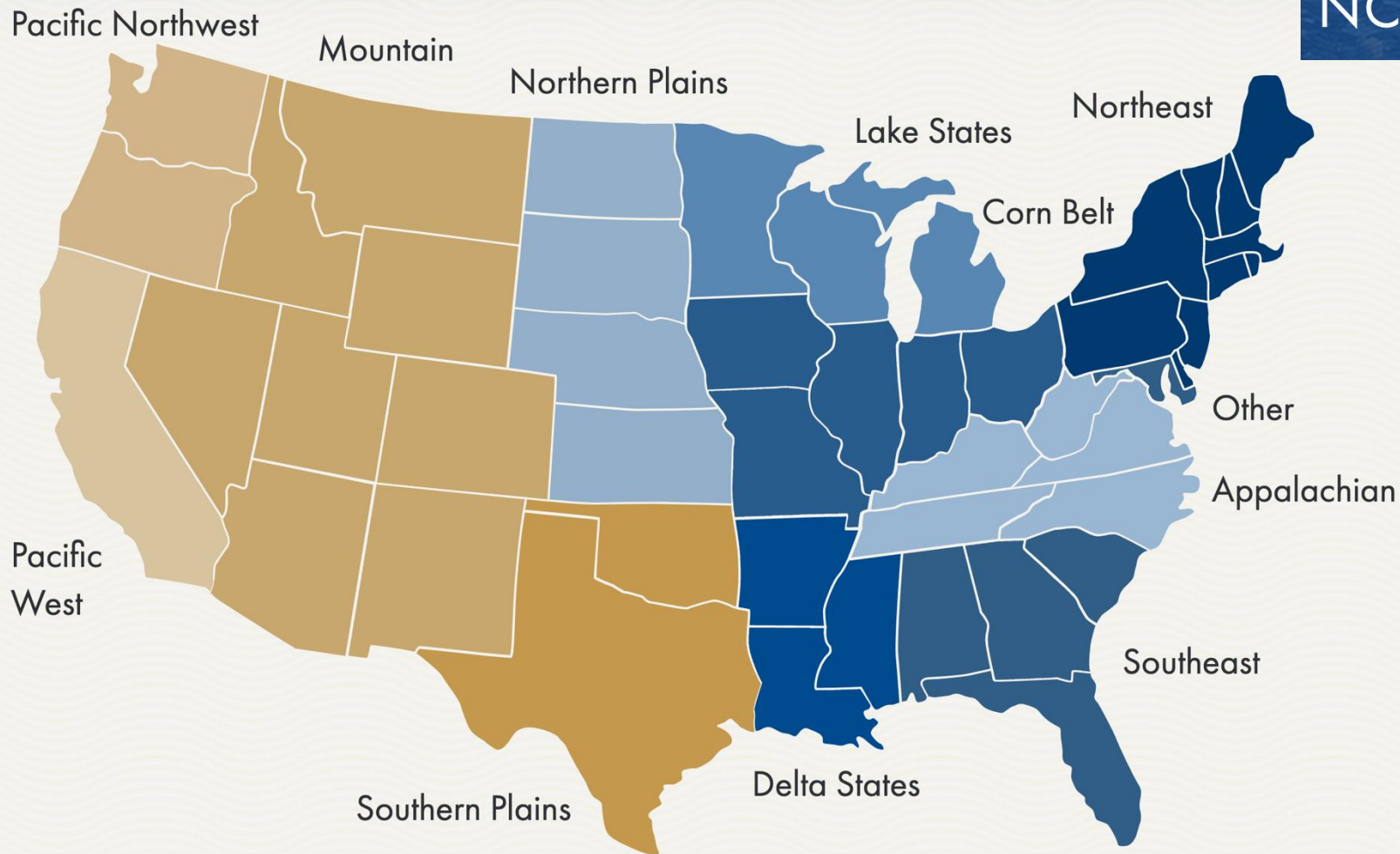


Farmland Returns by region (NCREIF 4Q rolling)

National Council of Real Estate Investment Fiduciaries

1,300 properties, \$14.6 Billion





2nd Quarter 2022

Total Market Value:
\$14,599,765,279.00

FILTER BY PROPERTY TYPE

- All
- Permanent Cropland
- Annual Cropland

1.51%

3Q 2021

3.80%

4Q 2021

2.63%

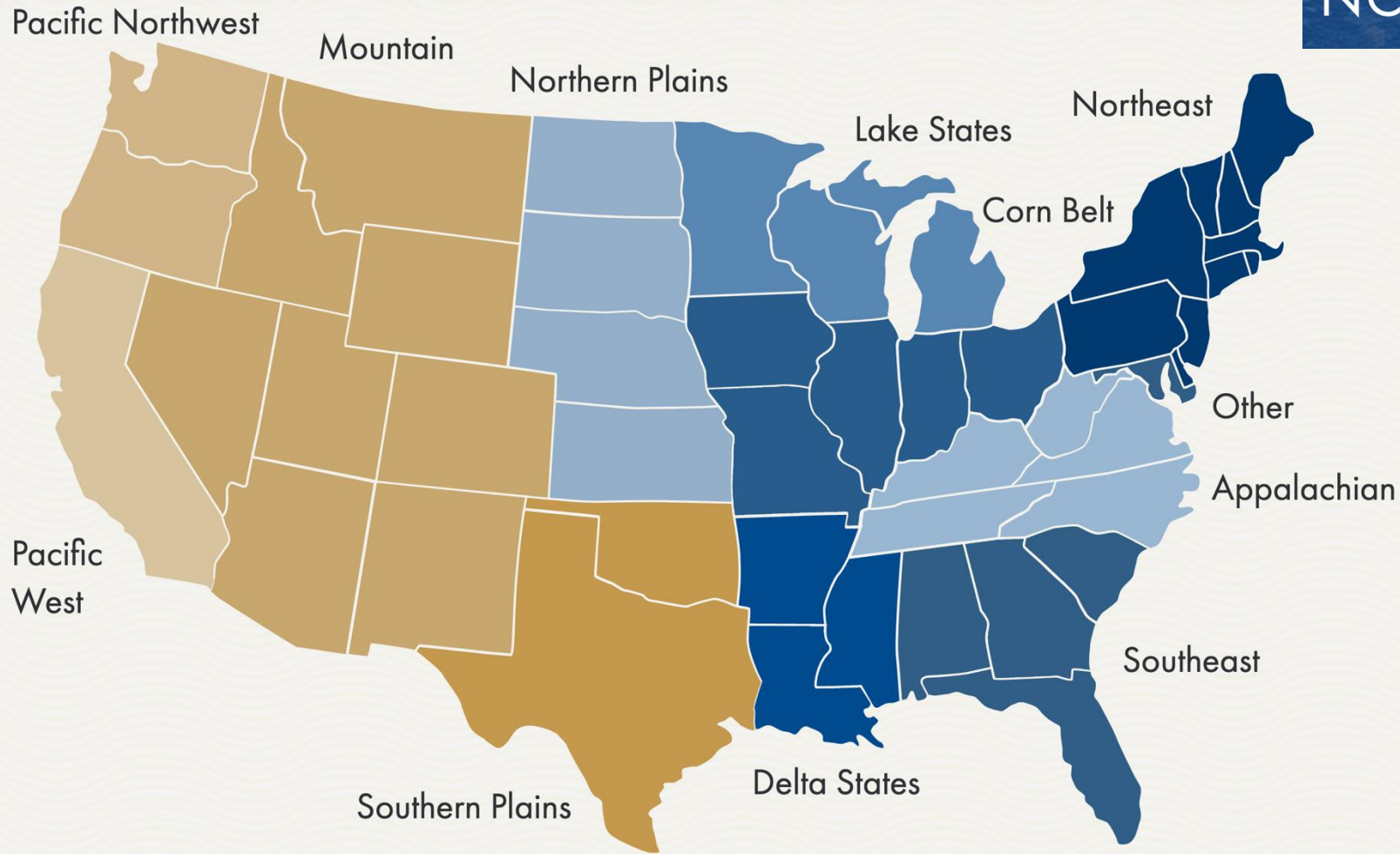
1Q 2022

1.45%

2Q 2022

9.71%

2022 ANNUAL TOTAL



2nd Quarter 2022

Total Market Value:
\$5,732,413,901.00

FILTER BY PROPERTY TYPE

All

Permanent
Cropland

Annual
Cropland

0.38%

3Q 2021

2.51%

4Q 2021

0.07%

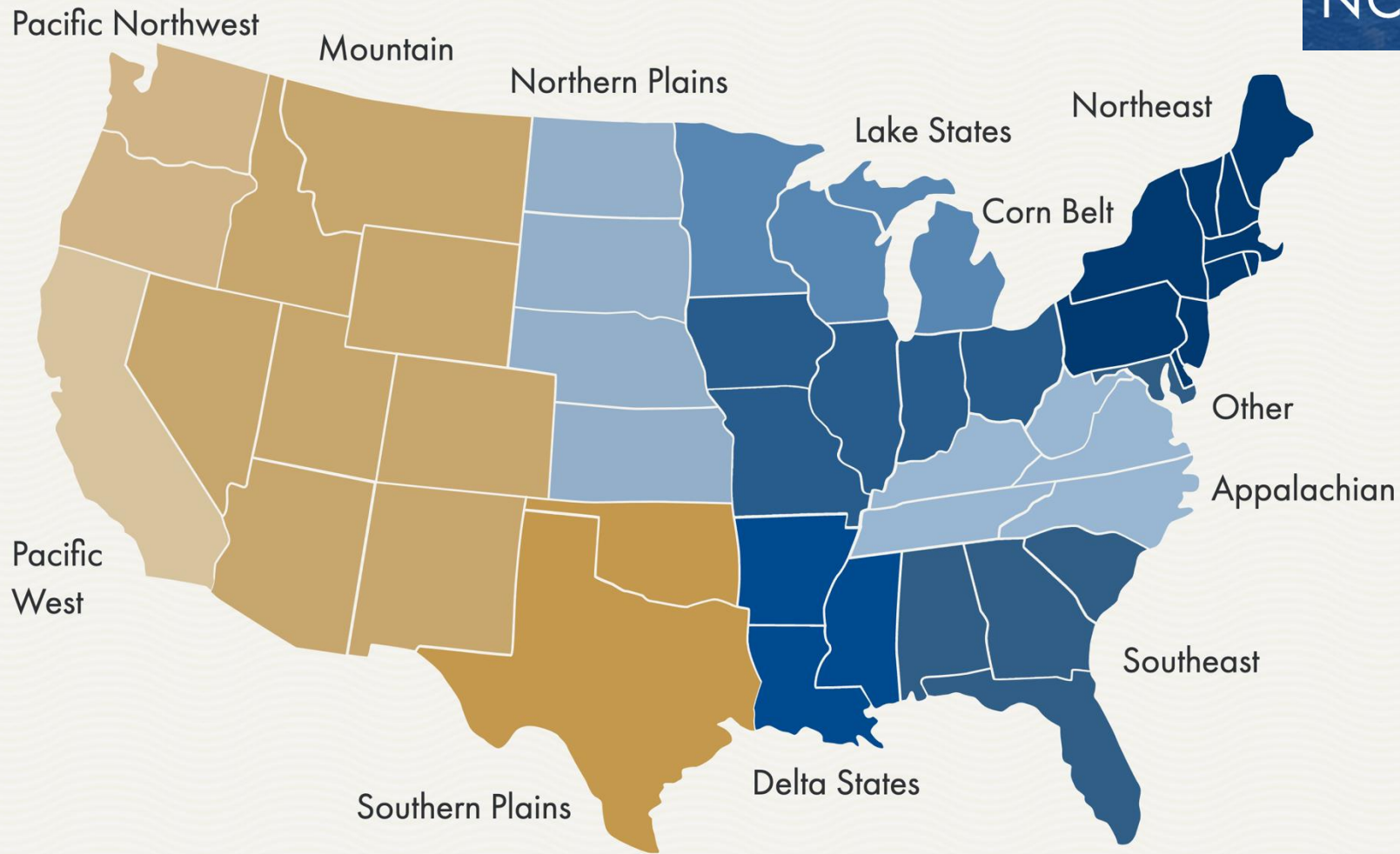
1Q 2022

0.53%

2Q 2022

3.51%

2022 ANNUAL TOTAL



2nd Quarter 2022

Total Market Value:
\$8,867,351,378.00

FILTER BY PROPERTY TYPE

- All
- Permanent Cropland
- Annual Cropland**

2.25%

3Q 2021

4.65%

4Q 2021

4.36%

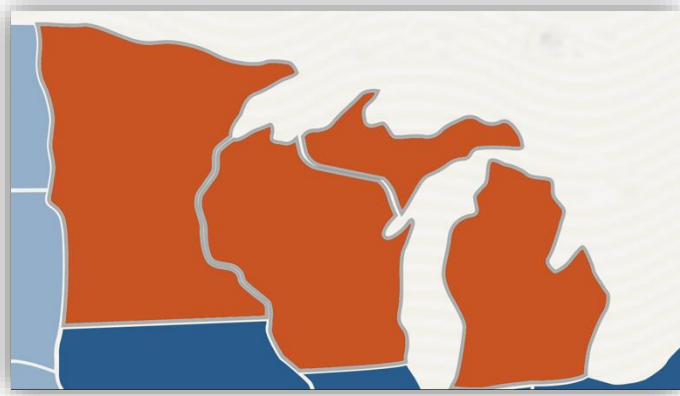
1Q 2022

2.05%

2Q 2022

13.95%

2022 ANNUAL TOTAL

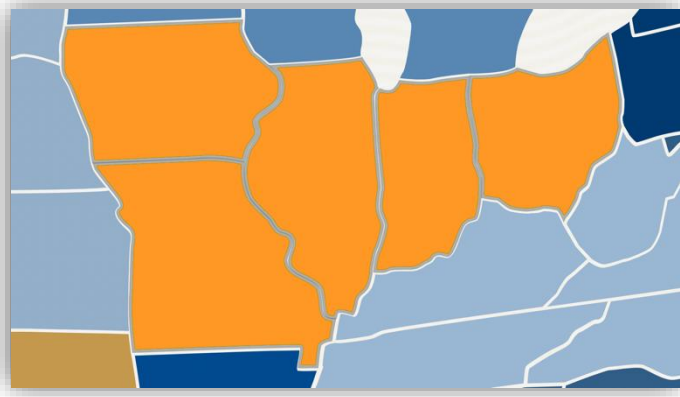


Lake States - ALL

2nd Quarter 2022

Total Market Value: \$598,091,036

1.50%	9.42%	3.31%	1.35%	16.29%
3Q2021	4Q2021	1Q2022	2Q2022	2022 ANNUAL TOTAL

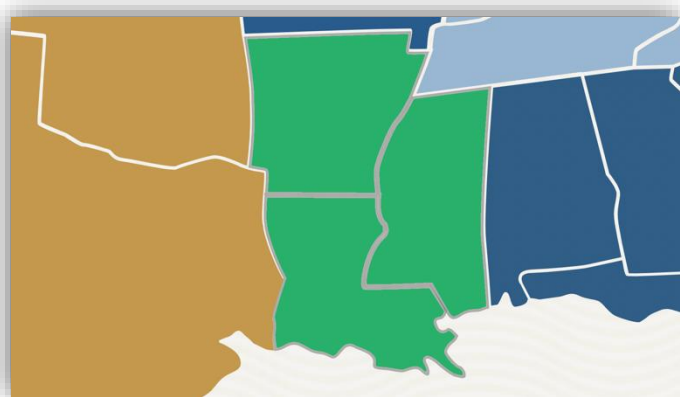


Corn Belt – Annual Cropland

2nd Quarter 2022

Total Market Value: \$1,748,040,285

4.14%	8.05%	9.26%	3.06%	26.70%
3Q2021	4Q2021	1Q2022	2Q2022	2022 ANNUAL TOTAL



Delta States – Annual Cropland

2nd Quarter 2022

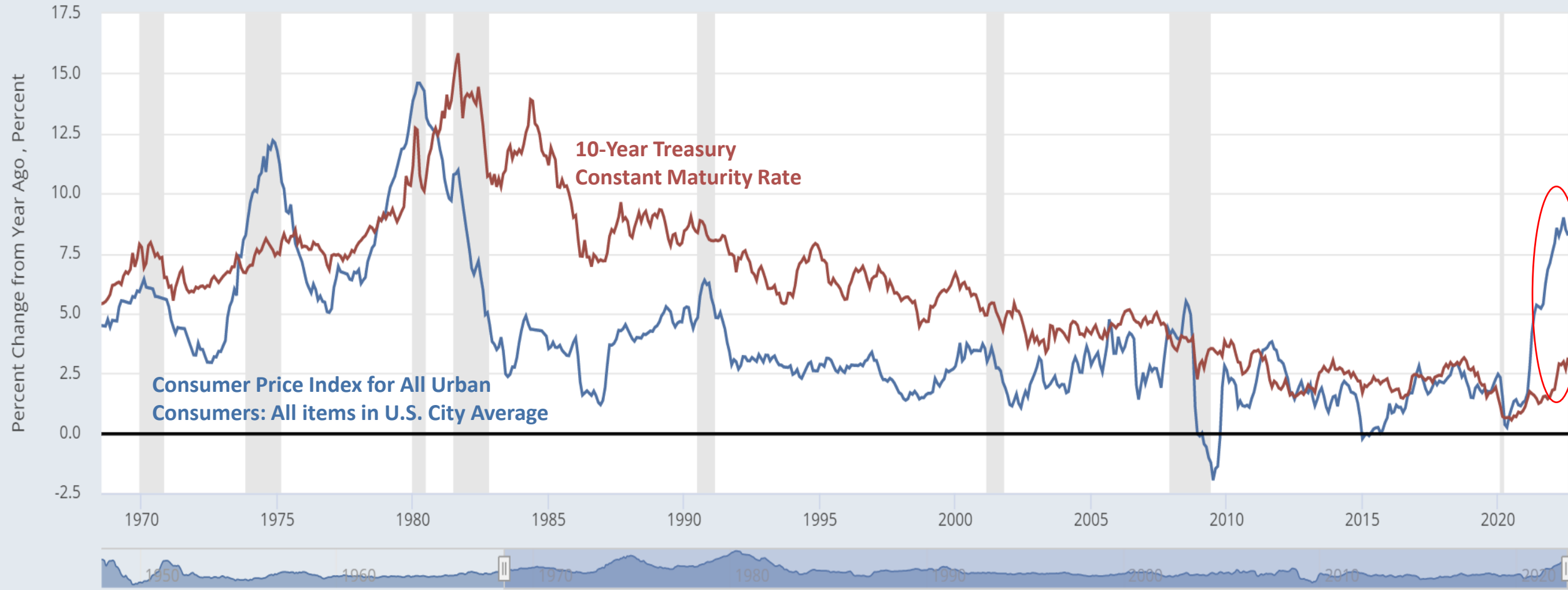
Total Market Value: \$2,780,313,606

2.32%	4.42%	3.95%	2.23%	13.54%
3Q2021	4Q2021	1Q2022	2Q2022	2022 ANNUAL TOTAL

Inflation and Interest Rate Relationships (to 8/1/22...)



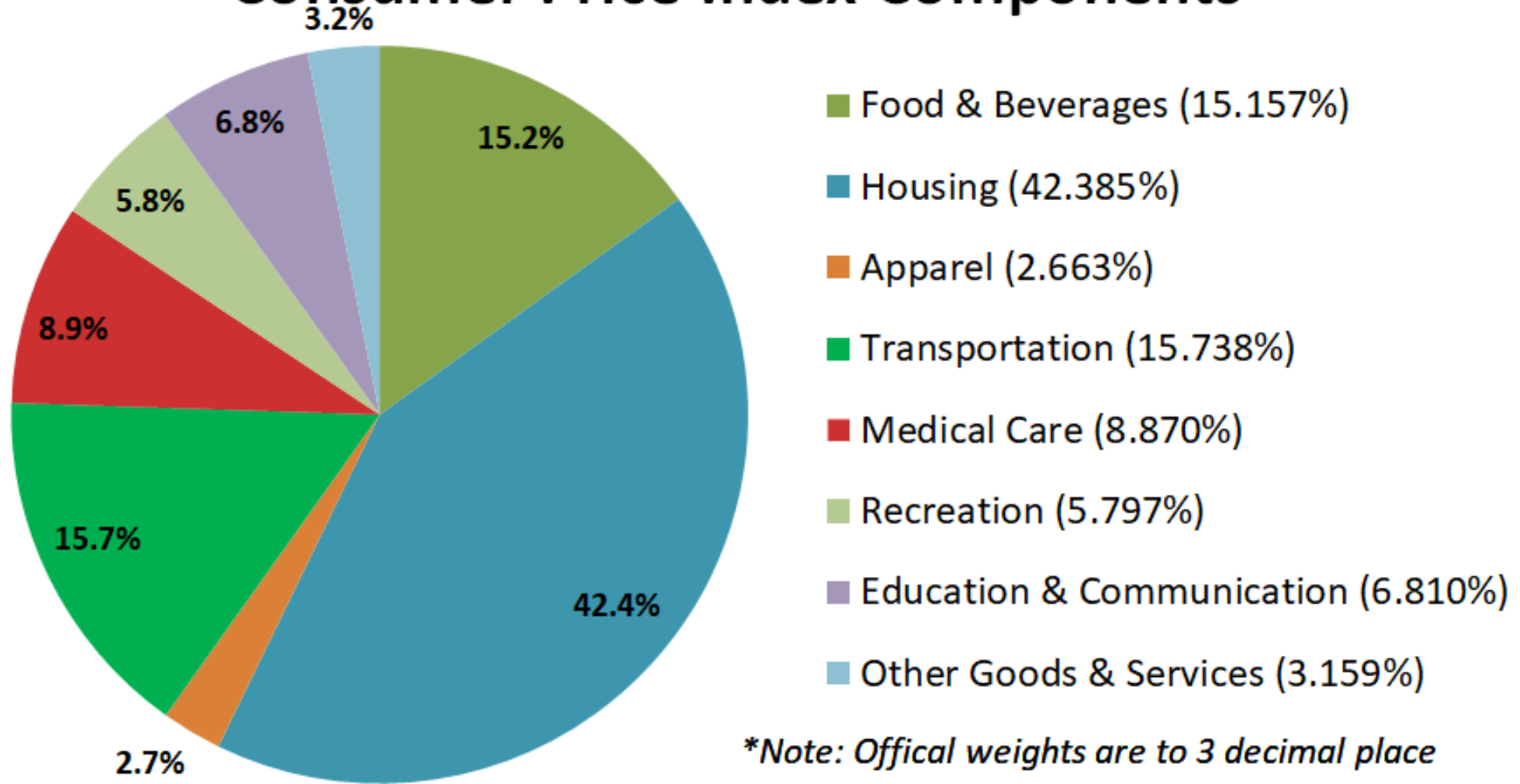
— Consumer Price Index for All Urban Consumers: All Items in U.S. City Average
— Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis



Shaded areas indicate U.S. recessions.

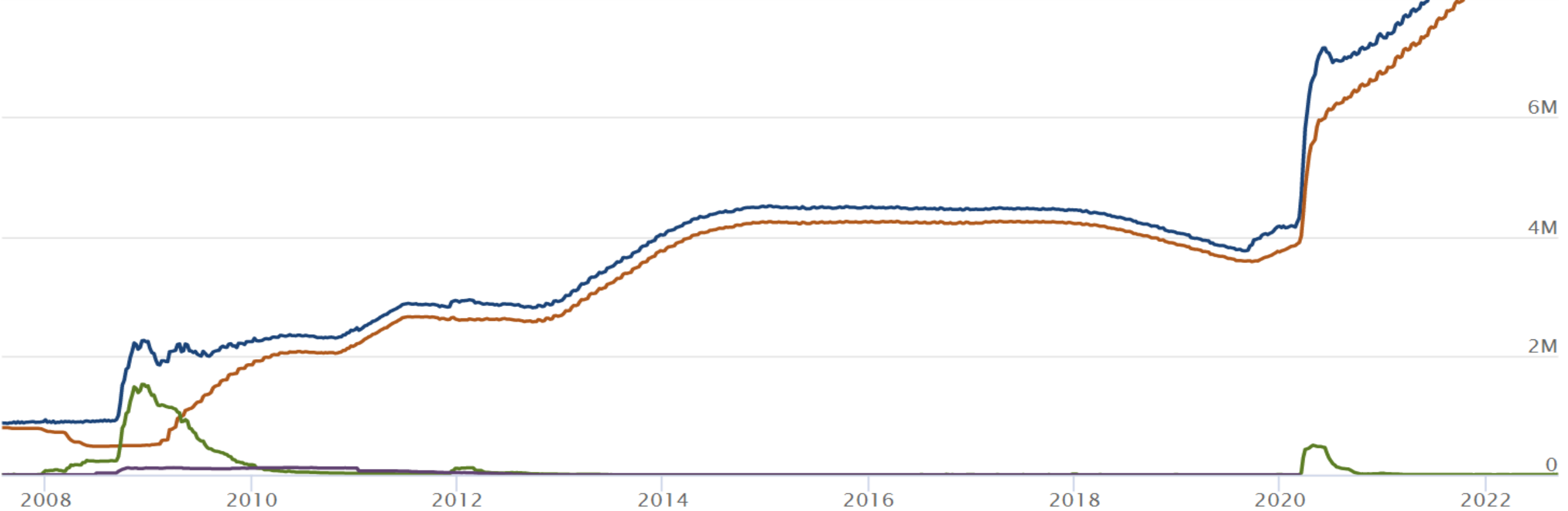
Sources: BLS; Board of Governors

Consumer Price Index Components*



Source: BLS; The most recent annual reweighting was in December 2020

Fed Balance Sheet through 9/14/22 (\$millions)



- Total Assets (In millions of dollars)
- Securities Held Outright (In millions of dollars)
- All Liquidity Facilities* (In millions of dollars)
- Support for Specific Institutions** (In millions of dollars)

Do you expect inflation for the next 2 years to:

- Exceed 6% inflation/year
- Average 4-6% inflation/year
- Average 2-4% inflation/year
- Average 0-2% inflation/year
- Be negative (experience deflation)

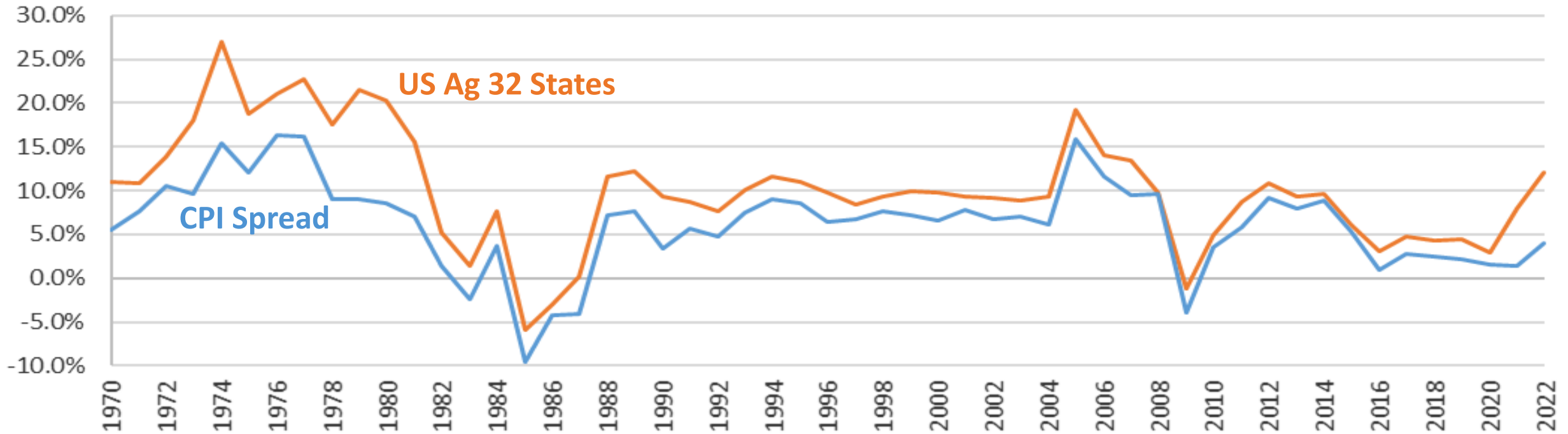
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Farmland returns and farmland returns minus inflation (spread)



Decade	Farmland to CPI Spread
1970 to 1979	11.1%
1980 to 1989	1.5%
1990 to 1999	6.7%
2000 to 2009	7.7%
2010 to 2019	4.9%
1970 to 2022f	6.2%

- Farmland returns have been **remarkably stable** with positive alpha
- Perfect Storm in 1980s – still relatively good performance
- **Low volatility annual returns**, appreciation positive except 1980s
- Positive Inflation effect has been **incredibly reliable**

Farmland Returns in Context

Asset/Index	Annual Ave. Return	Standard Deviation	Coefficient of Variation	US Ag 32 States Correlation	Minimum Return	Maximum Return
----- 1990 - 2022 -----						
US Ag 32 States	8.5%	3.6%	0.42	1.00	-1.2%	19.0%
Illinois	9.3%	5.5%	0.59	0.80	0.8%	26.0%
Iowa	10.9%	7.3%	0.67	0.64	-5.3%	24.9%
Indiana	9.1%	4.9%	0.54	0.64	-1.0%	22.0%
Minnesota	10.7%	5.5%	0.51	0.78	-1.8%	20.3%
California	8.3%	5.0%	0.60	0.55	2.5%	30.7%
Washington	12.1%	3.6%	0.30	0.45	5.4%	24.1%
Oregon	11.1%	4.8%	0.43	0.56	-1.6%	23.5%
Kansas	10.1%	6.8%	0.68	0.69	-4.6%	24.4%
----- 1990 - 2021 -----						
TCM10Y	4.30%	2.0%	0.47	0.28	0.9%	8.6%
S&P500	8.13%	16.7%	2.06	-0.14	-48.6%	29.3%
CompositeREITS	9.94%	18.3%	1.85	-0.13	-47.5%	33.7%
Gold	4.72%	13.9%	2.94	0.06	-31.9%	27.7%
PPI	2.43%	5.0%	2.07	0.14	-7.4%	20.5%
CPI	2.48%	1.3%	0.53	0.24	0.1%	6.7%

Source: USDA, TIAA Center for Farmland Research MSCI, FRED, NAREIT, London Bullion Market Association/GoldHub, U.S. Bureau of Labor Statistics (BLS).

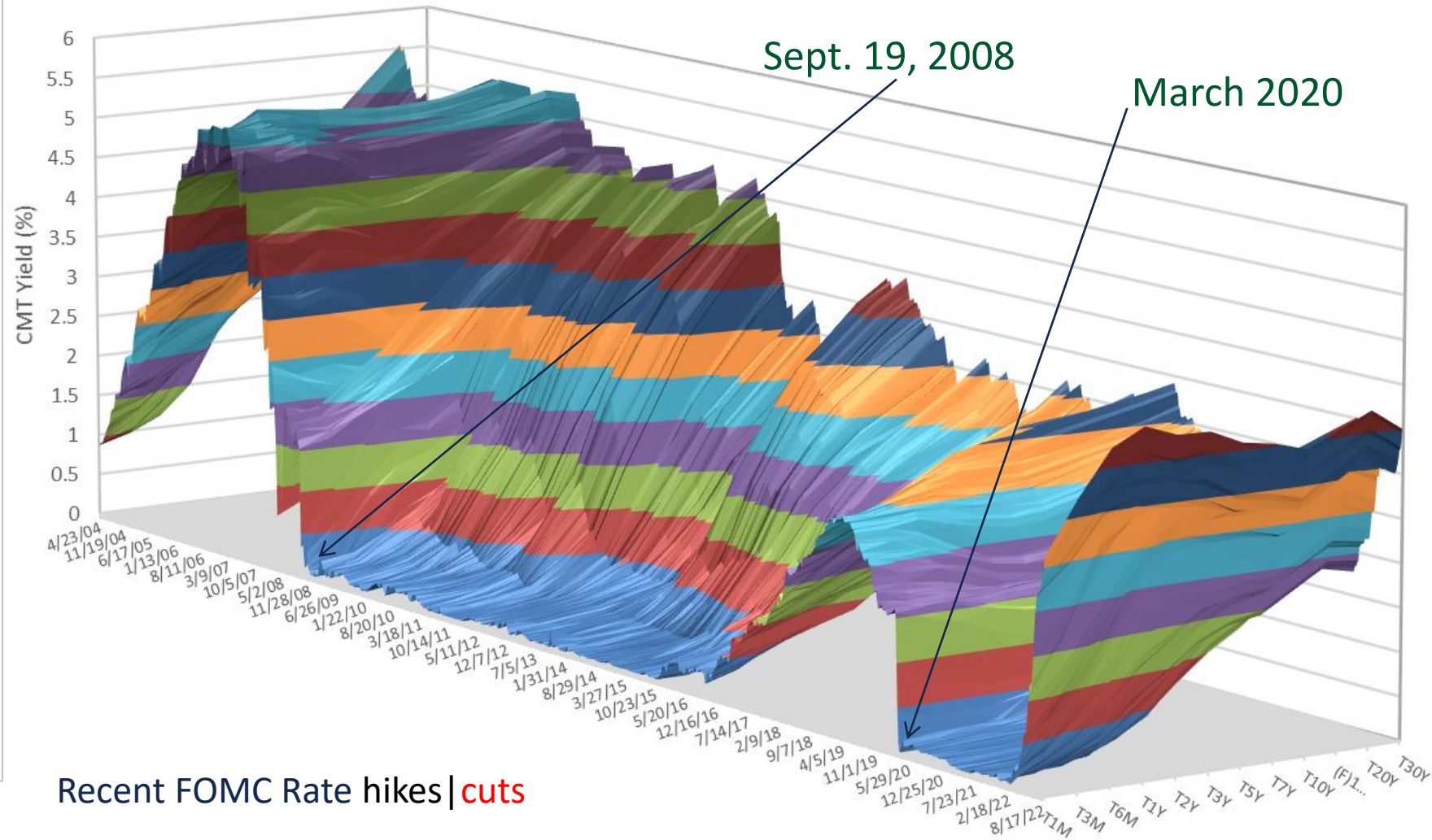
U.S. Ag Returns - correlation by rolling period intervals

Roll length	PPI	CPI	Gold	U.S. 10-year bonds	U.S. corporate bonds	U.S. listed real estate	European equities	U.S. equities
1	65.3%	59.6%	29.9%	15.1%	9.2%	-12.7%	-22.7%	-24.7%
2	70.3%	70.0%	31.6%	16.2%	10.5%	-11.8%	-19.7%	-23.9%
3	75.7%	71.4%	38.8%	17.1%	12.1%	-11.8%	-18.6%	-27.8%
4	80.4%	72.3%	45.6%	18.6%	14.3%	-14.5%	-20.6%	-35.5%
5	84.0%	72.9%	52.3%	20.9%	17.1%	-15.4%	-21.9%	-41.1%
6	86.2%	72.6%	57.5%	23.5%	20.2%	-13.8%	-21.1%	-46.9%
7	87.4%	72.1%	60.3%	26.3%	23.6%	-15.5%	-20.3%	-52.2%
8	86.9%	71.6%	60.1%	29.5%	27.4%	-17.4%	-18.7%	-55.2%
9	86.7%	71.1%	57.7%	33.0%	32.1%	-13.1%	-21.3%	-54.3%
10	86.3%	70.6%	54.9%	37.1%	36.6%	-8.8%	-21.7%	-52.5%

Yield Curve 2003 – August 2022 (weekly)

- Credit easing events *since 2008, and start of pandemic*
- Natural Multiple expansion/contractions
- Massive stimulus on top is a somewhat different effect
- Fed Purchases from Treas. to manage interest rates
- Forward Inflation forecasts seem to drive Fed + hope
- B/S debate settling on slow reduction

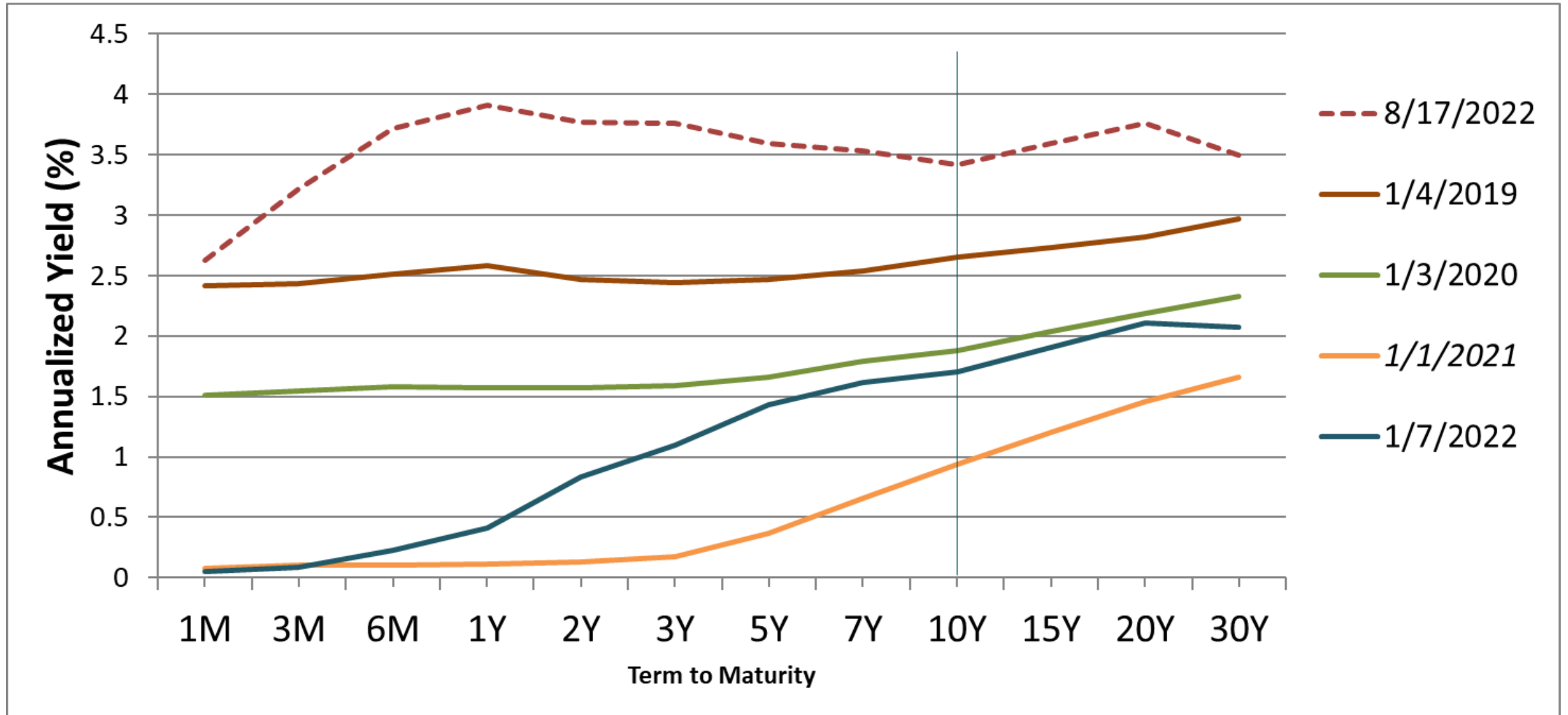
IMPACT ON REAL ESTATE?



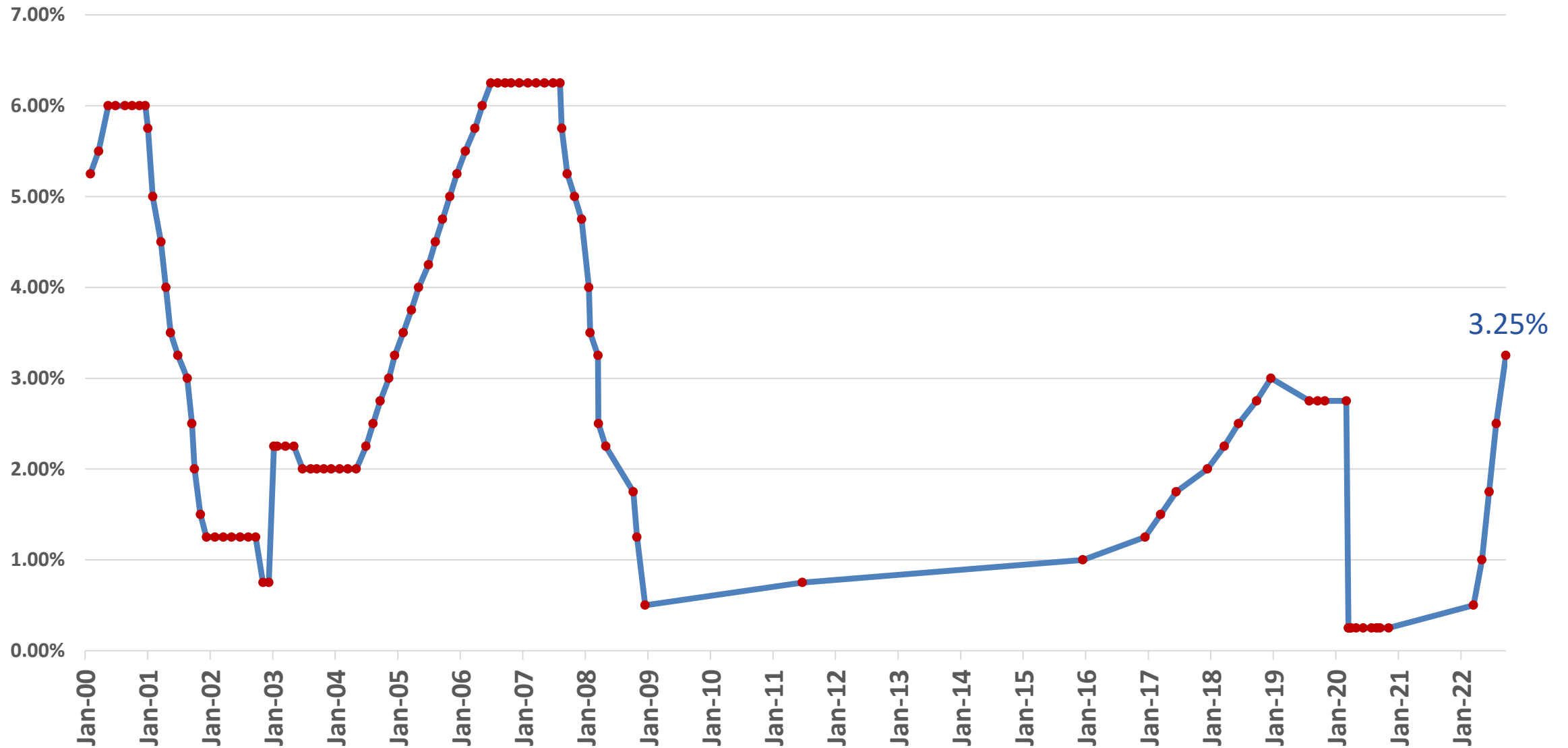
(12/15, 12/16, 3/17, 6/17, 12/17, 3/18, 6/18, 9/18, 12/18, 7/19, 9/19, 10/19, 3/20, 3/20, 3/20, 3/22, 4/22, 6/22, 7/22, 9/22 ..)

Expected future rates, and the discount rate for Ag

US Treasury Yield Curves



Fed discount rate and vote patterns (to 9/21/22)



What will interest rates on long term fixed rate farm mortgage loans be in one year:

- Over 7%
- 6-7%
- 5-6%
- 4-5%
- Under 4%

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Balance Sheet of Ag Sector -- US

Table 1. Selected Balance Sheet Characteristics of US Agricultural Sector

	1970	1980	1990	2000	2010	2017	2019	2021
	(\$ millions, except ratios - source ERS-USDA)							
Farm Assets	278,823	1,000,422	840,609	1,203,215	2,170,832	3,005,945	3,075,156	3,263,517
Real Estate	202,418	782,820	619,149	946,428	1,660,114	2,469,495	2,545,996	2,693,380
Non Real Estate	76,405	217,602	221,459	256,787	510,718	536,450	529,160	570,137
Farm Debt	48,501	162,432	131,116	163,930	278,931	390,425	419,691	454,111
Real Estate	27,238	85,272	67,633	84,724	154,065	236,243	267,937	301,705
Non Real Estate	21,263	77,160	63,483	79,206	124,865	154,182	151,754	152,405
Equity	230,322	837,990	709,493	1,039,285	1,891,902	2,615,520	2,655,465	2,809,406
Selected Indicators								
Debt/Equity	21.1%	19.4%	18.5%	15.8%	14.7%	15.0%	15.8%	16.2%
Debt/Assets	17.4%	16.2%	15.6%	13.6%	12.8%	13.0%	13.6%	13.9%
Real Estate/Equity	87.9%	93.4%	87.3%	91.1%	87.7%	95.0%	96.0%	95.9%
Real Estate/Assets	72.6%	78.2%	73.7%	78.7%	76.5%	82.2%	82.8%	82.5%
Real Estate D/Tota	56.2%	52.5%	51.6%	51.7%	55.2%	60.5%	63.8%	66.4%

Where do prices register? Depends on crop insurance...

Projected Prices, Harvest Prices, and Volatilities, Corn and Soybeans, SCD 3/15 (RMA)

Corn	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Proj Price	6.01	5.68	5.65	4.62	4.15	3.86	3.96	3.96	4.00	3.88	4.58	5.90
Harvest Price	6.32	7.50	4.39	3.49	3.83	3.49	3.49	3.68	3.90	3.99	5.37	
Volatility	0.29	0.22	0.20	0.19	0.21	0.17	0.19	0.15	0.15	0.15	0.23	0.23
Soybeans												
Proj Price	13.49	12.55	12.87	11.36	9.73	8.85	10.19	10.16	9.54	9.17	11.87	14.23
Harvest Price	12.14	15.39	12.87	9.65	8.91	9.75	9.75	8.60	9.25	10.55	12.30	
Volatility	0.23	0.18	0.17	0.13	0.16	0.12	0.16	0.14	0.12	0.12	0.19	0.19

- **Forward Market Prices** maintaining reasonable levels, insurance forwards similar.
- **Input expenses** (especially fertilizer and energy) dramatically higher, but slowing
- **Demand Expansion** thesis for Rest of World (ROW) positive but uncertain
- **Export demand** growth also dependent on strength of the dollar

Market's expected Dec 2022 Corn Prices (as of 9/20/22)



The implied distribution indicates that there is a 10.26% probability that the price will be below \$5.90 at expiration.

Probability Below	Price at Expiration
5%	\$5.64
15%	\$6.06
25%	\$6.33
35%	\$6.55
45%	\$6.76
50%	\$6.86
55%	\$6.97
65%	\$7.18
75%	\$7.44
85%	\$7.77
95%	\$8.35

Accessed on September 20, 2022, 09:25 PM.

Market's expected Nov 2022 Soybean Prices (as of 9/20/22)



Probability Below ▲	Price at Expiration ▲
5%	\$13.10
15%	\$13.68
25%	\$14.04
35%	\$14.34
45%	\$14.61
50%	\$14.74
55%	\$14.88
65%	\$15.16
75%	\$15.48
85%	\$15.88
95%	\$16.60

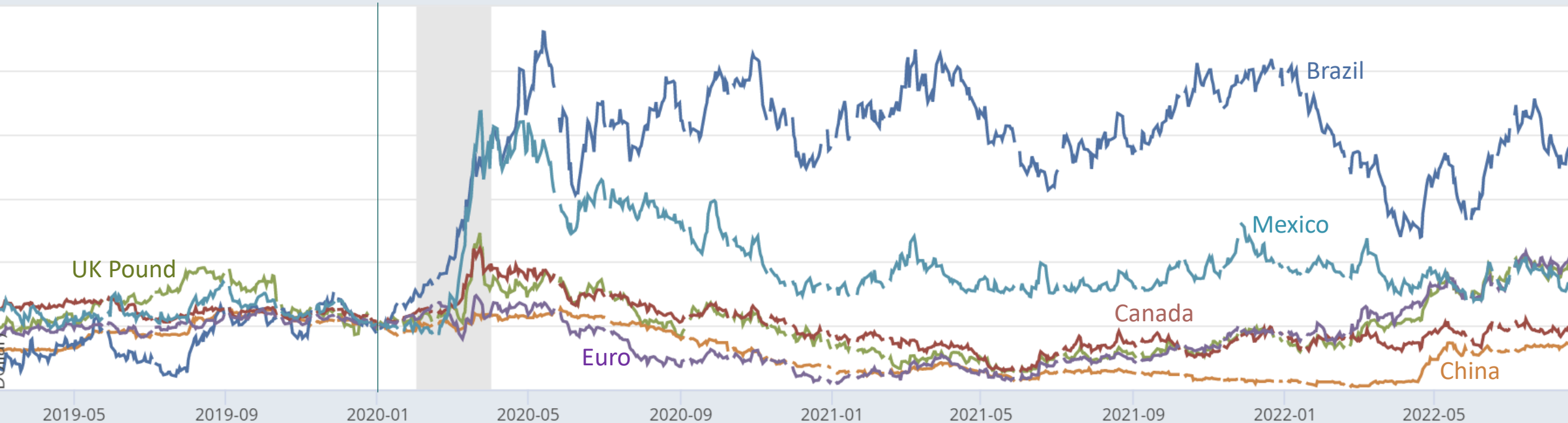
The implied distribution indicates that there is a 31.14% probability that the price will be below \$14.23 at expiration.

Accessed on September 20, 2022, 09:27 PM.

What About the Strength of *the* Dollar?...“well, it’s still complicated...”

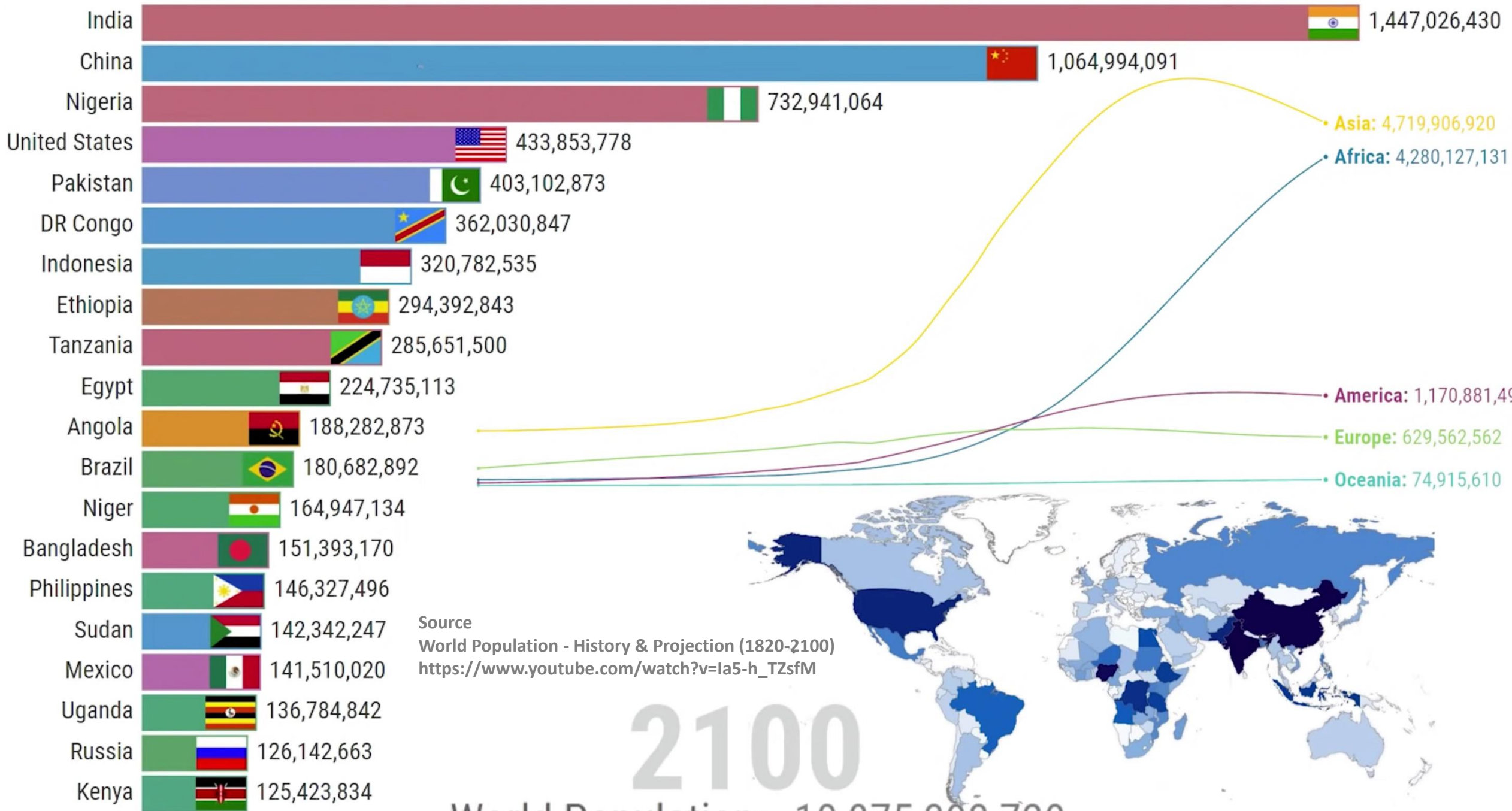
— (Brazilian Reals to U.S. Dollar Spot Exchange Rate), 2020-01-06=100
— (Canadian Dollars to U.S. Dollar Spot Exchange Rate), 2020-01-06=100
— (1/U.S. Dollars to U.K. Pound Sterling Spot Exchange Rate), 2020-01-06=100
— (1/U.S. Dollars to Euro Spot Exchange Rate), 2020-01-06=100
— (Mexican Pesos to U.S. Dollar Spot Exchange Rate), 2020-01-06=100
— (Chinese Yuan Renminbi to U.S. Dollar Spot Exchange Rate), 2020-01-06=100

- 1/6/2020 = 100
- Strength of trading relationship important
- Balance of trade – ag is rare category: exports > imports



Key policy issues impacting Ag assets

- Inflation or stagflation? Term structure resolution and productivity growth interaction – *(note: US [productivity](#) has not returned)*
 - FOMC stance becoming forced, world markets coordinated/integrated
 - Fed Balance sheet vs. stock market problem still matters....
- Ag Policy impacts and changing emphasis of US Federal policy
 - Untethered spending in non-traditional titles and direct interventions
 - “Climate” as proxy for payment linkages in ag yet to be resolved
- Demand for commodities in ROW increasing, strength of dollar and trade conflicts dampen effect. Massive caloric expansion will occur.



As income improves, life expectancy goes up

As income improves, demand for calories goes up

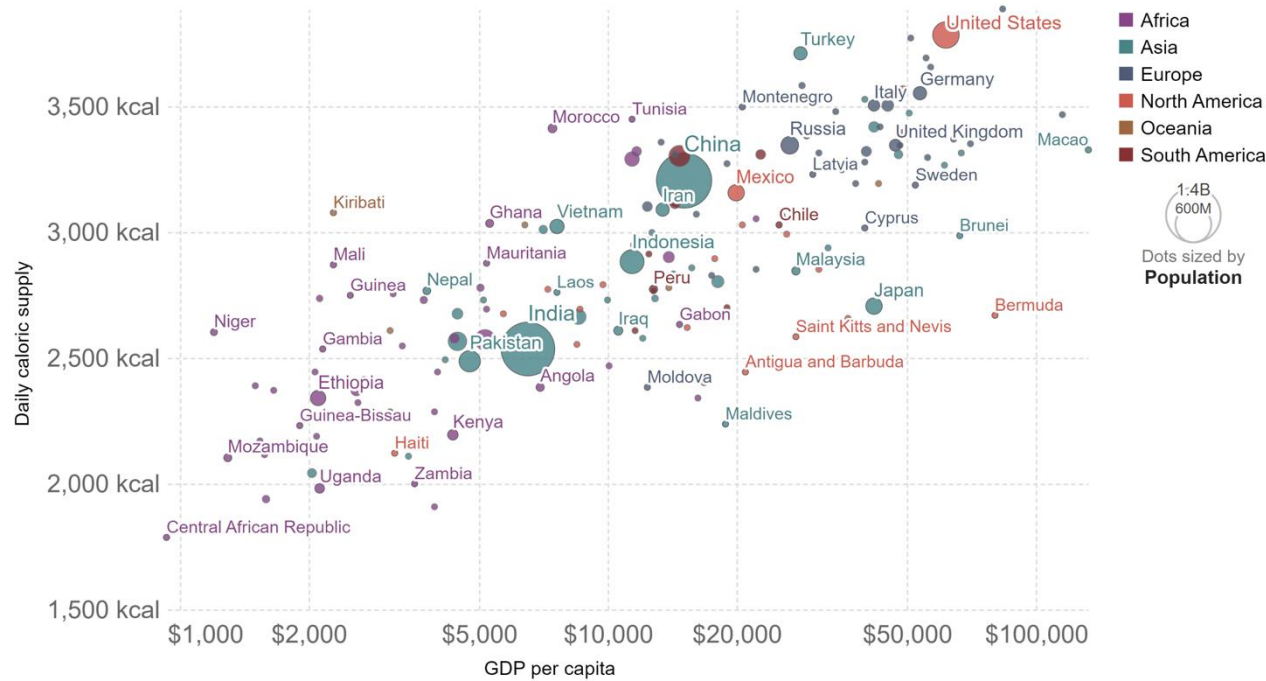
As income improves, quality of diet goes up

As income improves, % of income on food declines

ROW standard of living remains key driver

Daily per capita supply of calories vs. GDP per capita, 2018

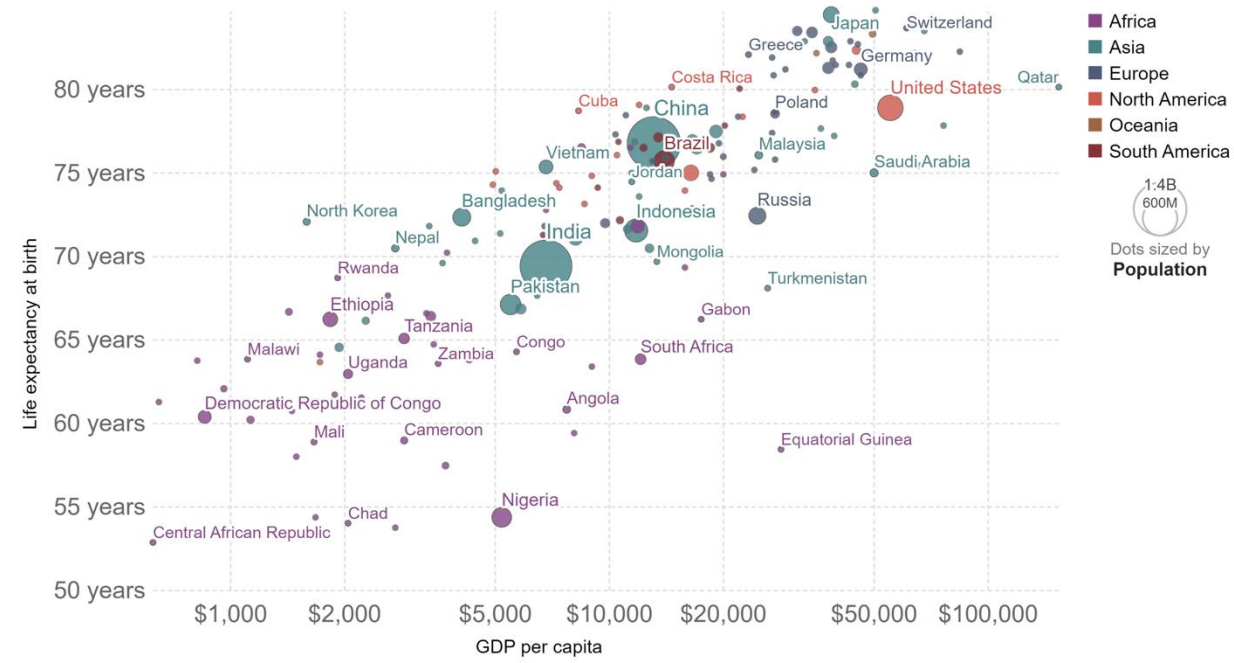
Daily per capita supply of calories is measured in kilocalories per person per day. Gross domestic product (GDP) per capita is measured in constant international-\$, which adjusts for inflation and cross-country price differences.



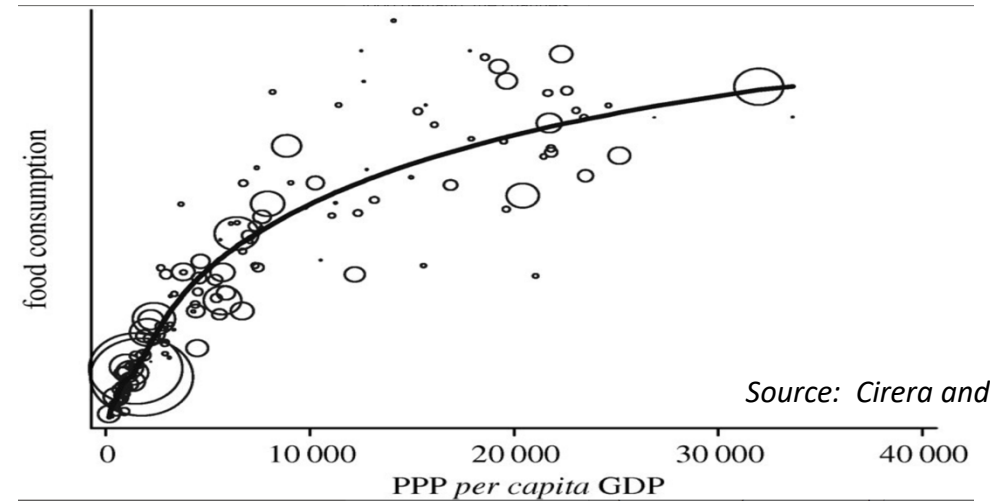
Source: Food and Agriculture Organization of the United Nations and various historical sources; World Bank
OurWorldInData.org/food-supply • CC BY

Life expectancy vs. GDP per capita, 2018

GDP per capita is measured in 2011 international dollars, which corrects for inflation and cross-country price differences.



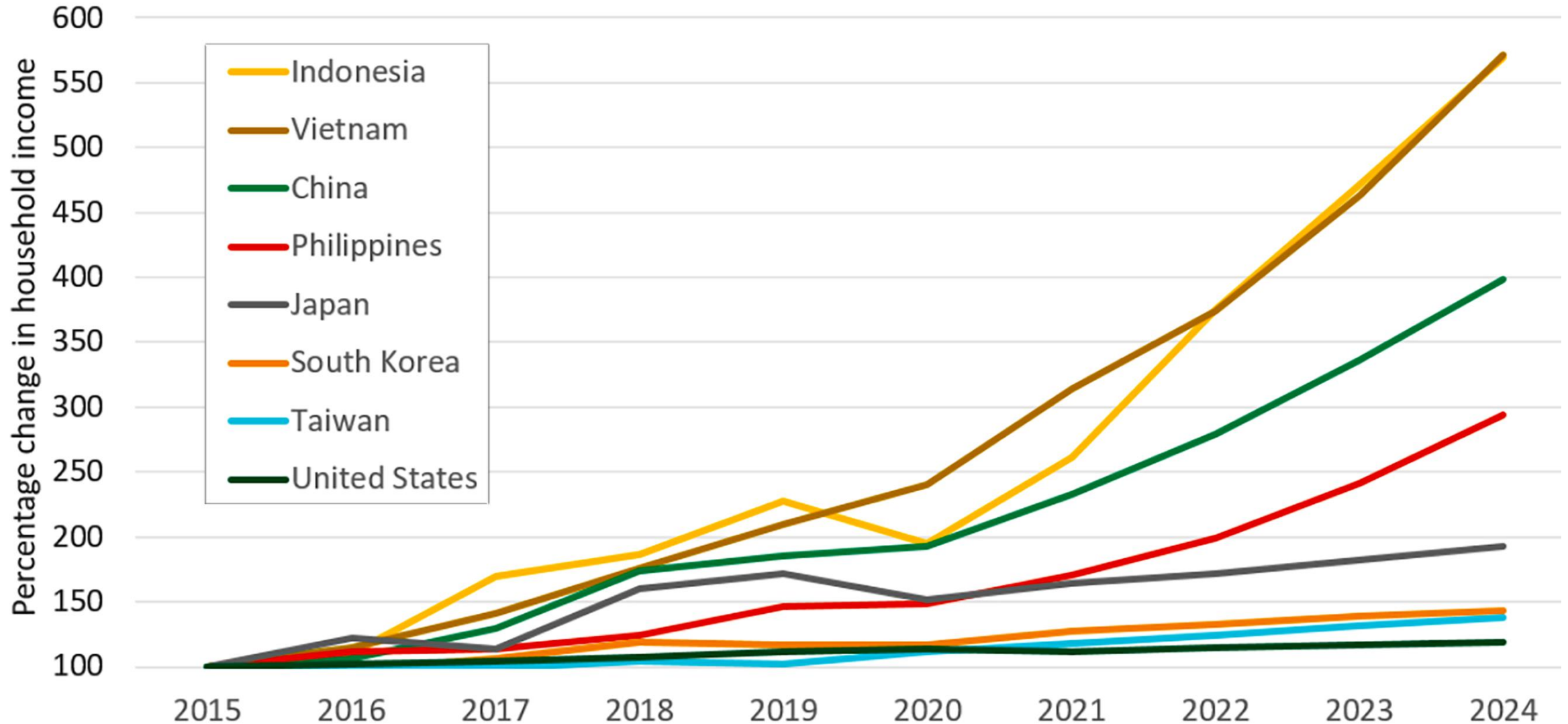
Source: Clio-Infra & UN Population Division, Maddison Project Database 2020 (Bolt and van Zanden (2020))
OurWorldInData.org/life-expectancy • CC BY



Source: Cirera and Masset

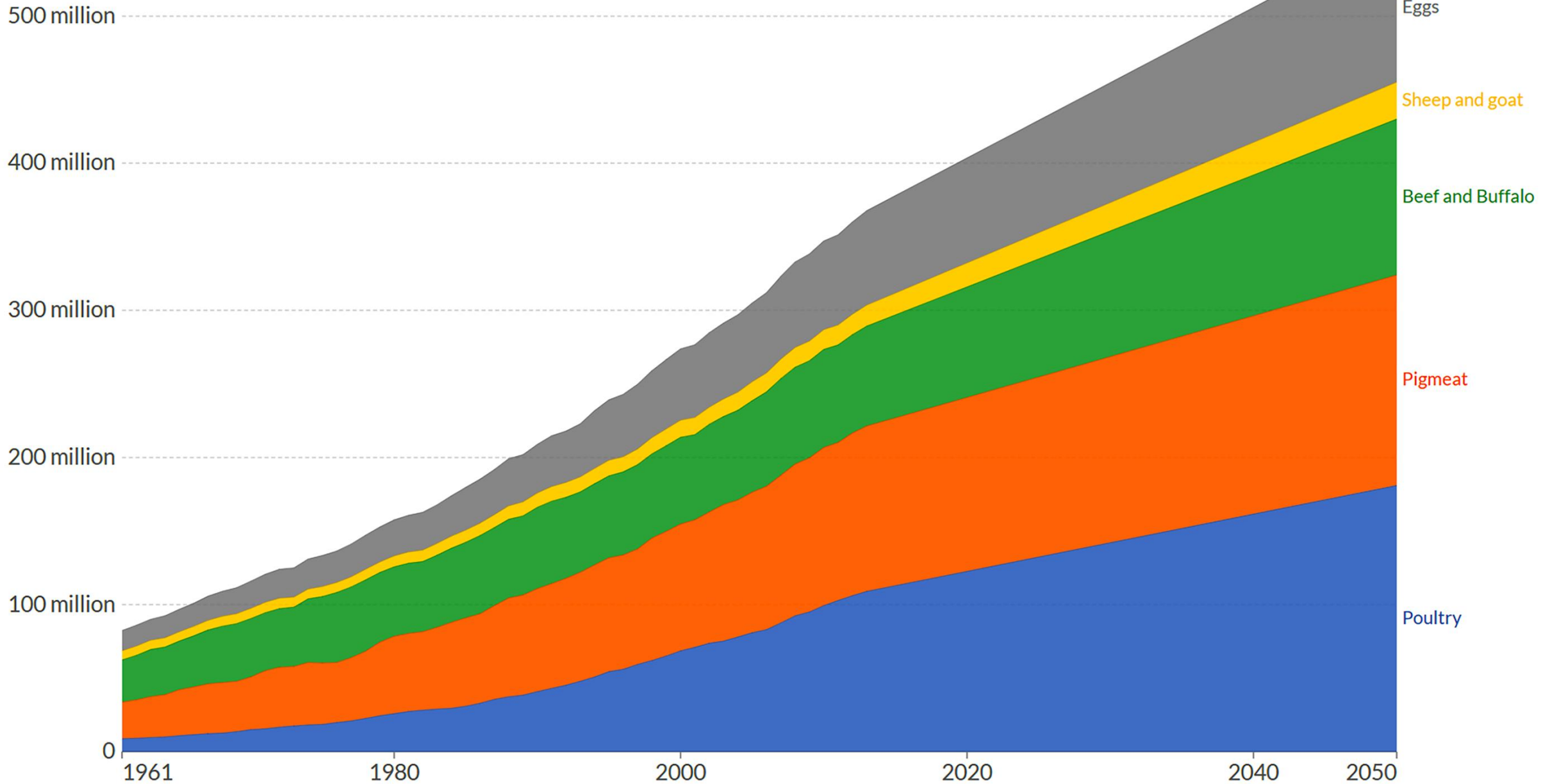
Growth in household income (US \$35,000+)

Indexed to 100 starting 2015



Source: Fitch Connect

Global demand for meat to drive commodities



Source: UN Food and Agriculture Organization (FAO)

Other key issues impacting farmland

- **Water issues** likely to create pressures in other areas for production shifts – declining aquifers and changing regulation
- **Ethanol demand and use of corn in energy markets** – EV impacts? Biodiesel and use of soybeans in energy markets



Other key issues impacting farmland

- **Farm Bill Titles and use of federal programs for new agendas**
 - Ag increasingly part of climate and carbon conversations
 - Developing markets for payments vs. regulatory overhead
 - “Carbon farming” issues far from settled, but only industry with enough capacity to make material change as the plant is still the main solar collector and the meaningful store of CO₂
 - Crop Insurance, changing technologies, and “practices” that overlap programs. Crop Insurance remains primary risk program.

Key issues impacting farmland

- **Financialization (“we’ve been 2 years away for the last 10”)**
 - Public vehicles (REITs, ETFs, Adjacency funds)
 - De-Fi vehicles (mAigma, AcreTrader, FarmTogether, Steward, etc)
 - Institutional investors, large HNW positions, role in scale expansion
 - Rationalization of debt within asset class did not occur while rates were low, lending reactions often rear-view mirrored.
 - Credit spreads in ag did not expand like commercial credit
 - Historic loss rates incredibly low
 - Capital in FCS and in community banks still exceptionally high

Do you expect farmland values in 5 years to be:

- More than 25% higher (increase more than 5% per year)
- 10-25% higher in total (increase 2-5% per year)
- 0-10% higher in total (increase 0-2% per year)
- Decline by 0-5% (decrease 0-1% per year)
- Decline by more 5% (decrease more than 1% per year)

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Expectations for 2022-3 Farmland Prices



Illinois Society of Professional Farm Managers and Rural Appraisers

The ISPFMRA is an organization of professional men and women engaged in the management of farms and the appraisal of rural property. The Society was founded in 1928 and has grown to a membership of over 350 active members and “friends.”



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WHO ARE WE?

The ISPFMRA is an organization of professional men and women

2022 Illinois Farmland Values and Lease Trends Report may be downloaded at <http://ispfmra.org/>



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WHO ARE WE?

The ISPFMRA is an organization of professional men and women engaged in the management of farms and the appraisal of rural property. The Society was founded in 1928 and has grown to a membership of over 350 active members and "friends." Members of the society manage the production and marketing of nearly 10 percent of the corn and soybeans produced in Illinois.

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Find an ISPFMRA Member

We've made it easy to connect with a professional farm manager or rural appraiser, no matter where you are in Illinois. You can search by name or keyword, or you can open a list of cities and find someone near you.

Search

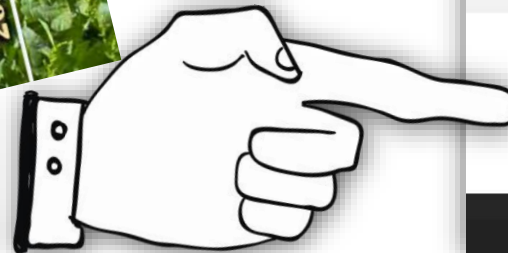
To search by city, [go here](#).

LAND VALUES AND LEASE TRENDS REPORT

Every year, the ISPFMRA conducts a survey of farmland values and lease trends in Illinois. You can see an archive of all our land values reports going back to 2005, including our 2020 report, now available as a [free download!](#)

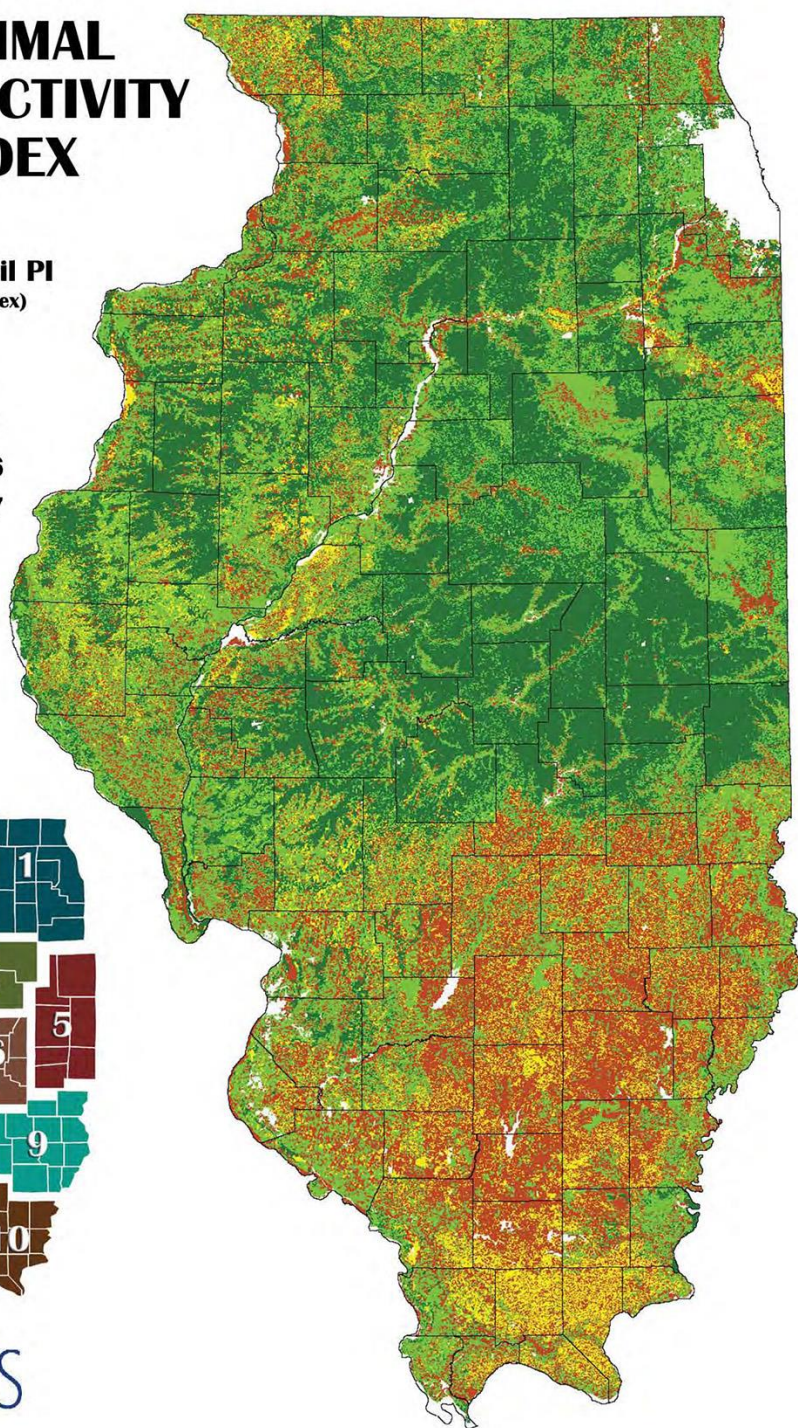
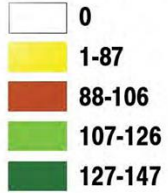
See the Archive

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OPTIMAL PRODUCTIVITY INDEX

LEGEND - Soil PI
(Productivity Index)



Illinois Farmland Values & Lease Trends

Understanding Our Farmland Categories

Using the Productivity Index from the University of Illinois (Bulletin 811)

Excellent Productivity 147 to 133

Good Productivity 132 to 117

Average Productivity 116 to 100

Fair Productivity Less than 100

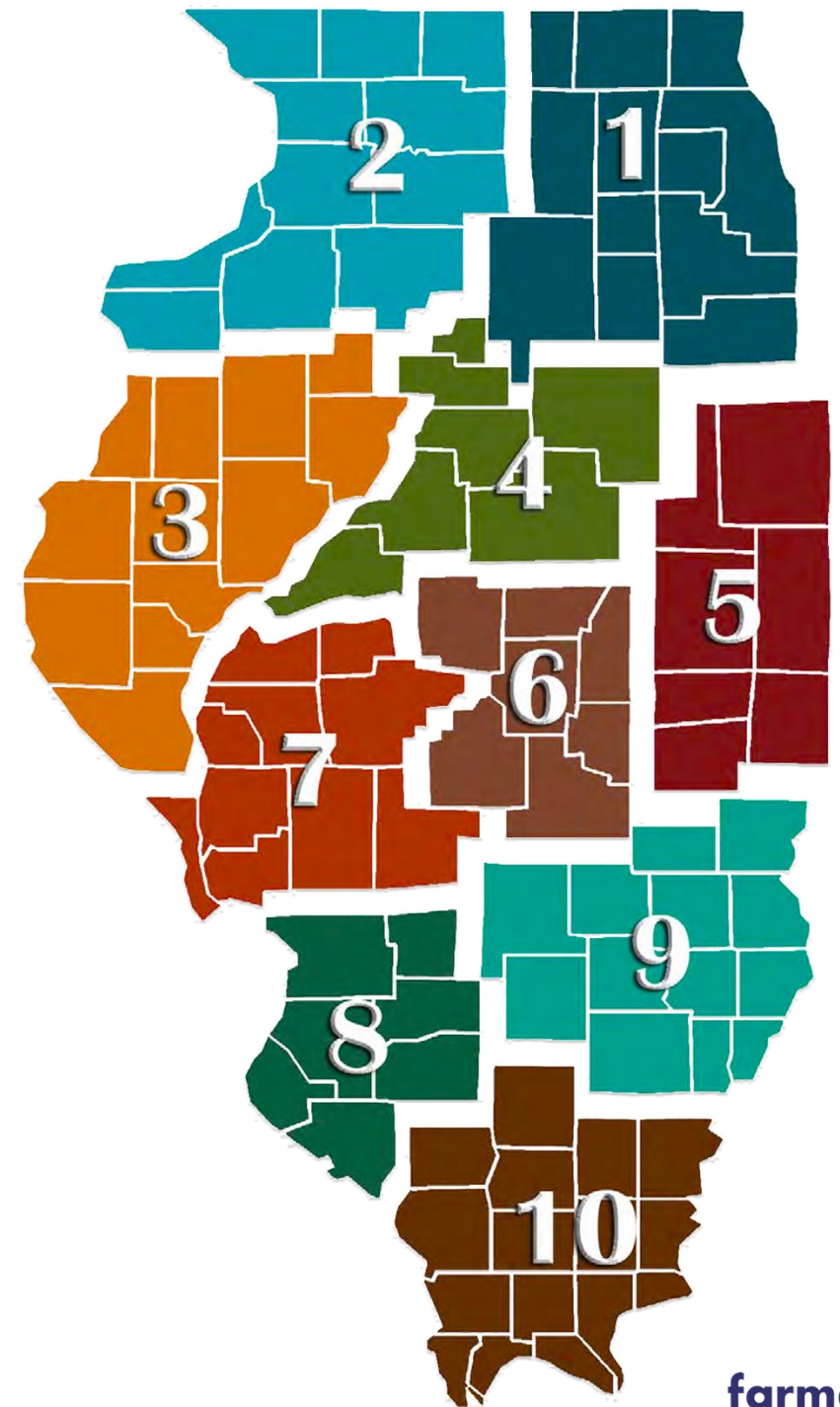
Recreational Tracts

Transitional Tracts



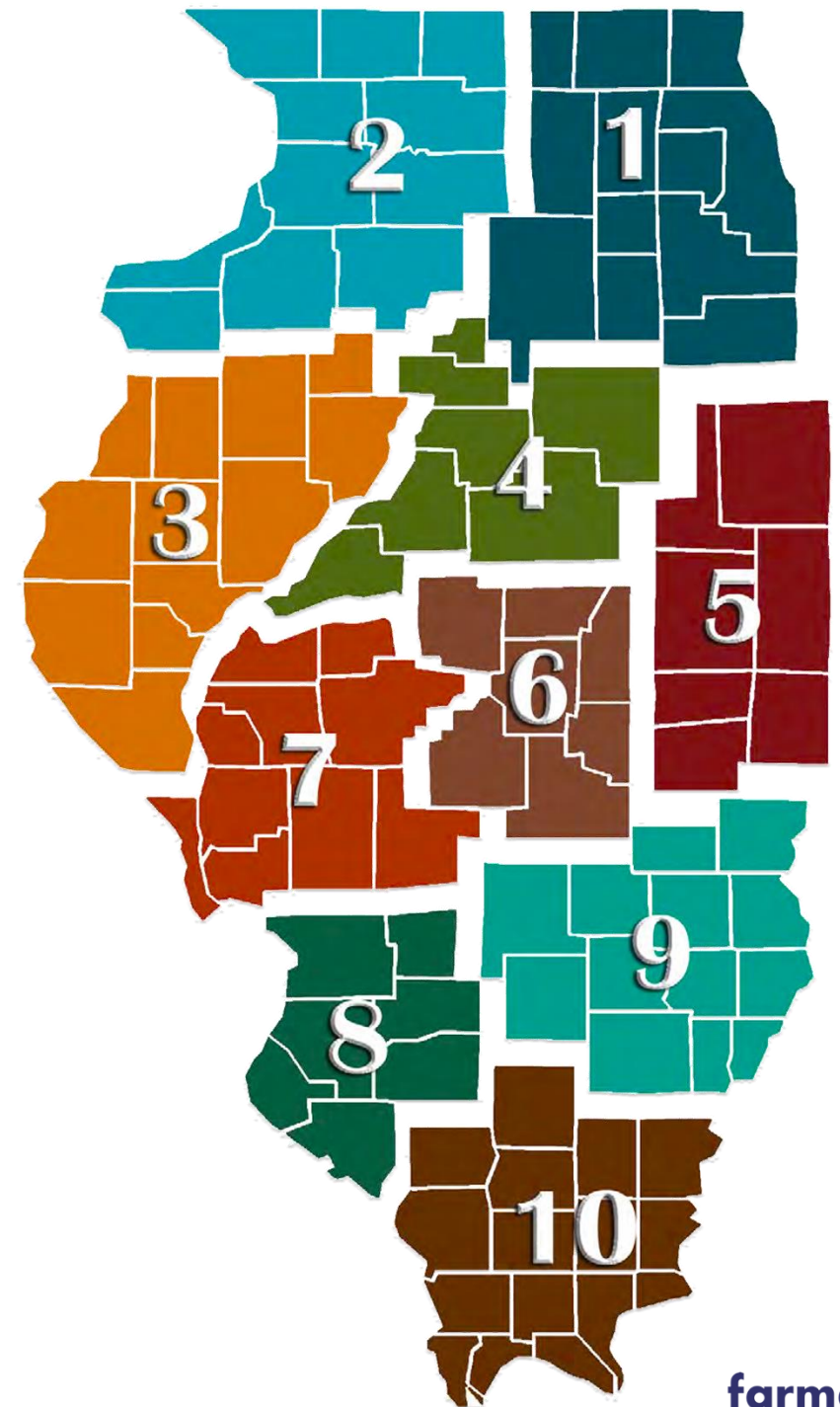
Excellent Quality Farmland

	<i>Farmland Price Jan 1, 2022</i>	<i>Mid-Year % change</i>
Region 1	\$12,000	+16%
Region 2	\$13,000	+21%
Region 3	\$14,056	+18%
Region 4	\$14,550	+11%
Region 5	\$12,998	+17%
Region 6	\$14,000	+20%
Region 7	\$14,200	+15%
Region 8		
Region 9		
Region 10		
All Regions	\$13,543	



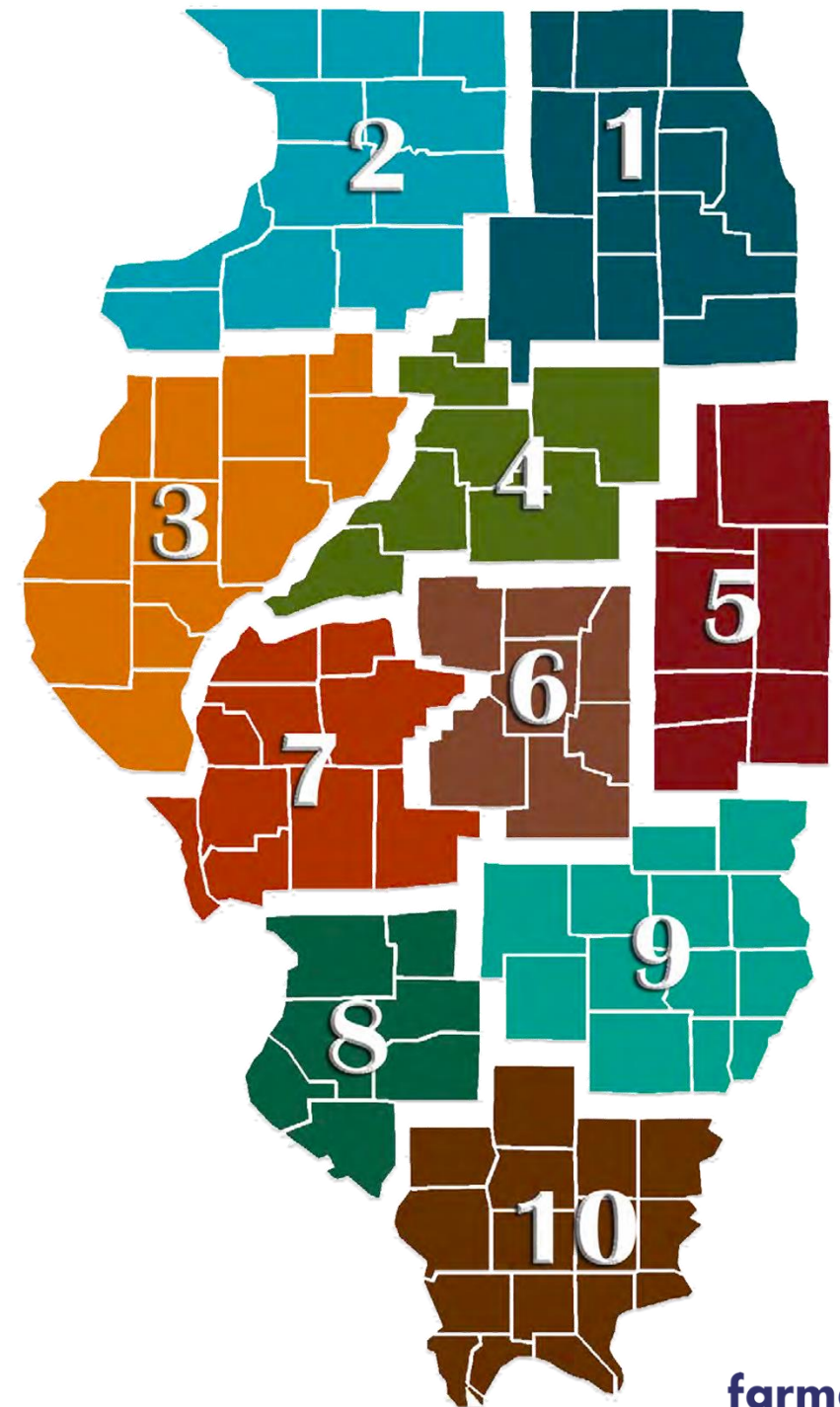
Good Quality Farmland

	<i>Farmland Price Jan 1, 2022</i>	<i>Mid-Year % change</i>
Region 1	\$8,725	+15%
Region 2	\$10,000	+22%
Region 3	\$8,550	+33%
Region 4	\$12,100	+8%
Region 5	\$10,512	+15%
Region 6	\$11,000	+28%
Region 7	\$10,000	+17%
Region 8	\$11,325	+19%
Region 9	\$9,050	
Region 10	\$10,000	
All Regions	\$10,126	



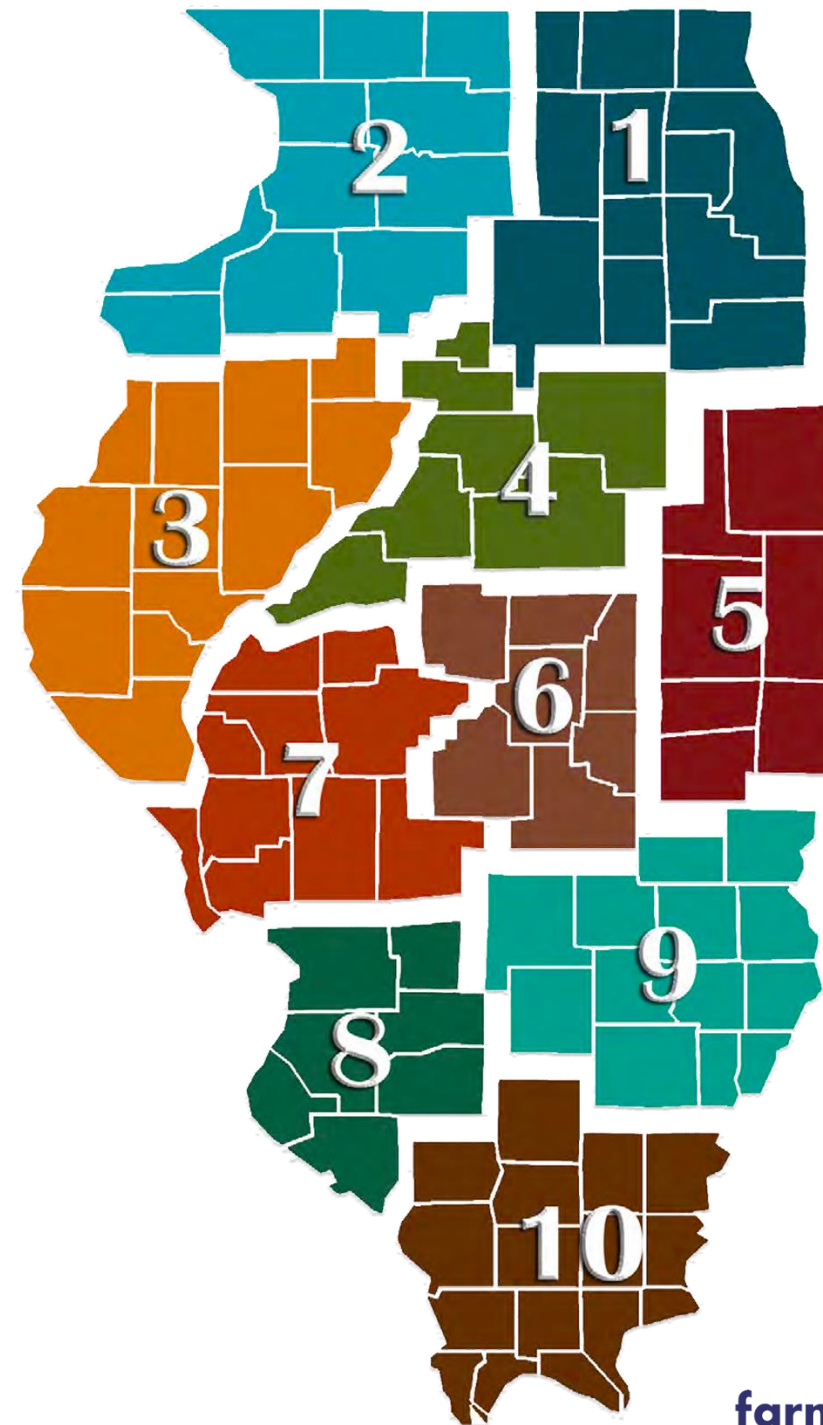
Average Quality Farmland

	<i>Farmland Price Jan 1, 2022</i>	<i>Mid-Year % change</i>
Region 1	\$6,055	+22%
Region 2	\$7,284	+25%
Region 3	\$6,125	+29%
Region 4	\$7,625	+13%
Region 5	\$7,125	+22%
Region 6	\$7,748	+32%
Region 7	\$6,600	+19%
Region 8	\$9,756	+17%
Region 9	\$7,296	
Region 10	\$5,860	
All Regions	\$7,147	

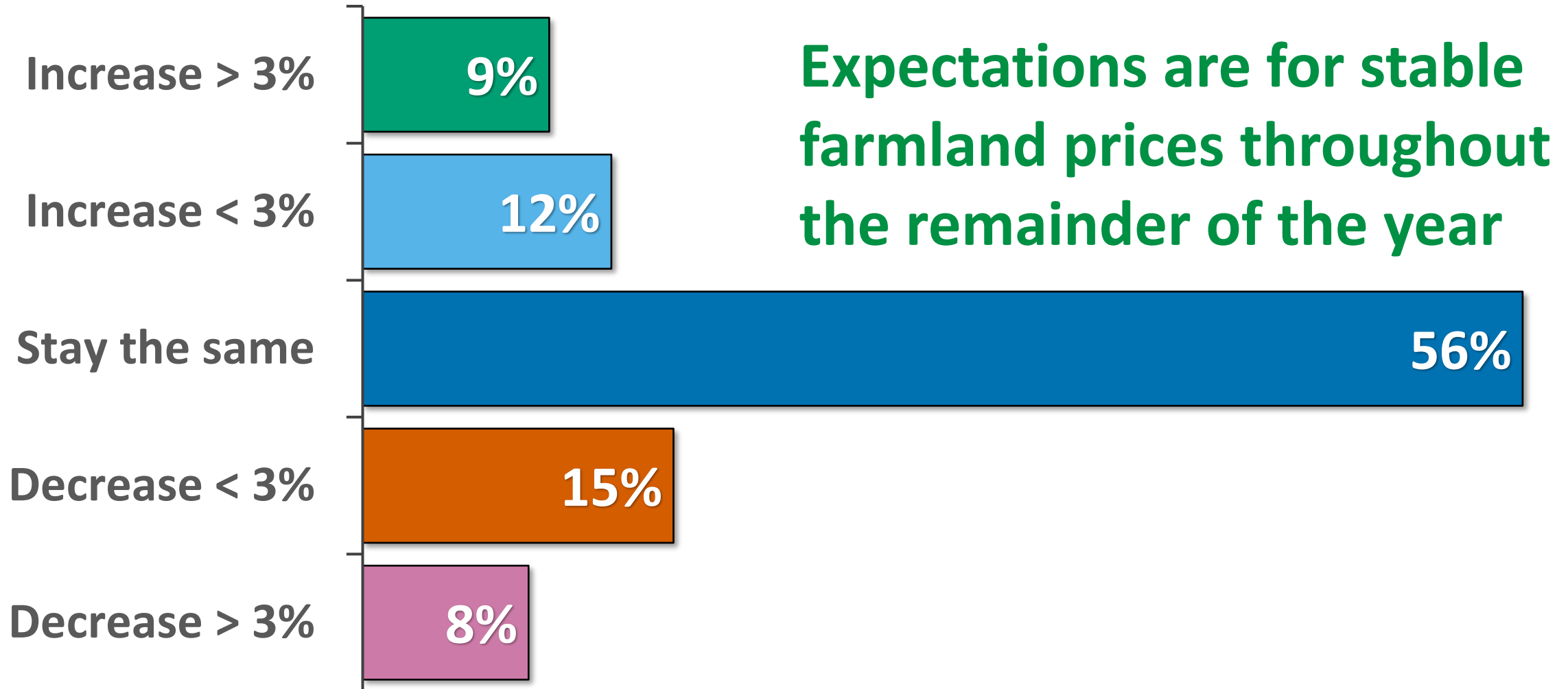


Fair Quality Farmland

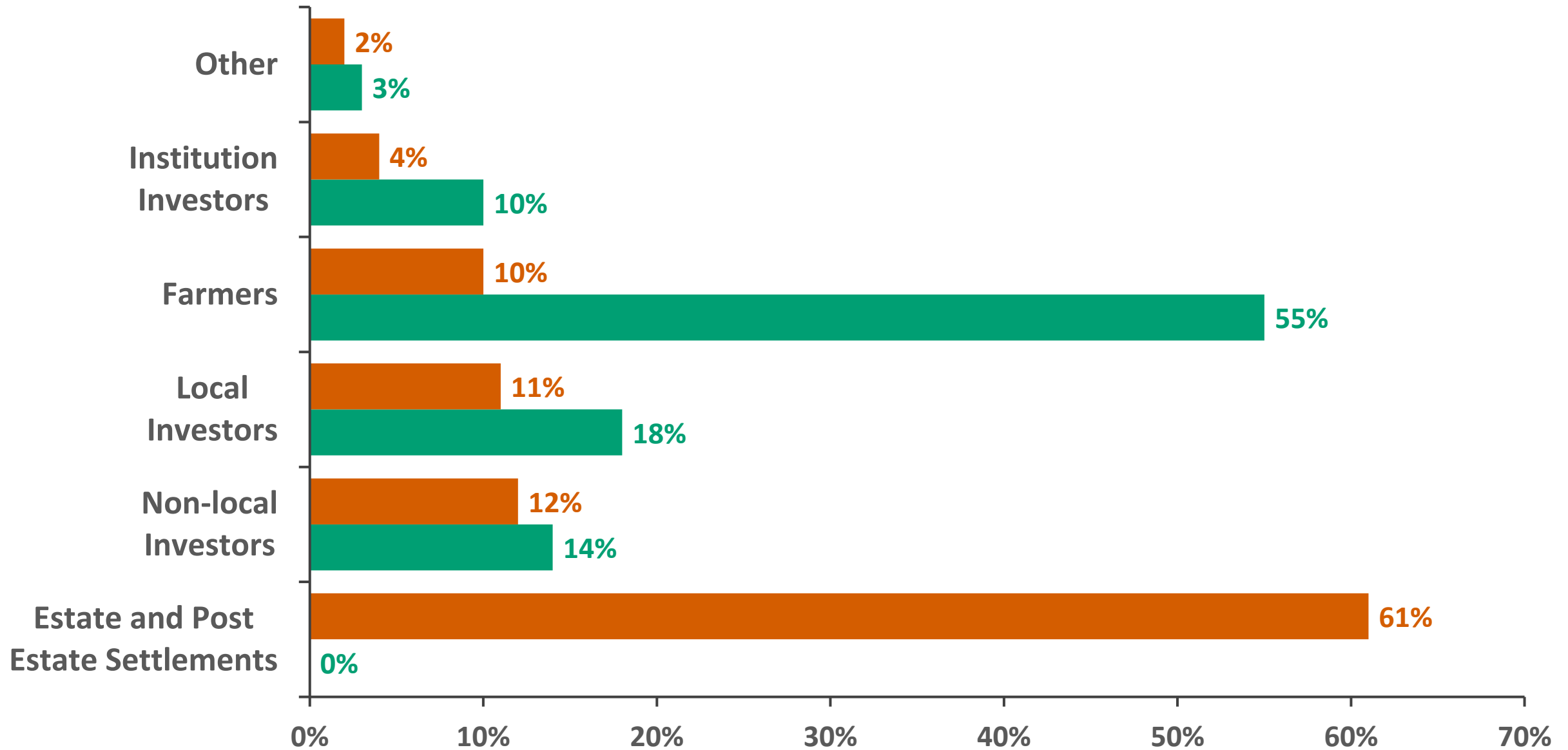
	<i>Farmland Price Jan 1, 2022</i>	<i>Mid-Year % change</i>
Region 1		
Region 2	\$4,923	+17%
Region 3	\$4,800	
Region 4		
Region 5		
Region 6	\$7,775	+15%
Region 7		
Region 8	\$7,250	+17%
Region 9	\$5,350	
Region 10	\$4,210	
All Regions	\$6,926	



Expectations of Farmland Prices in Remainder of the Year



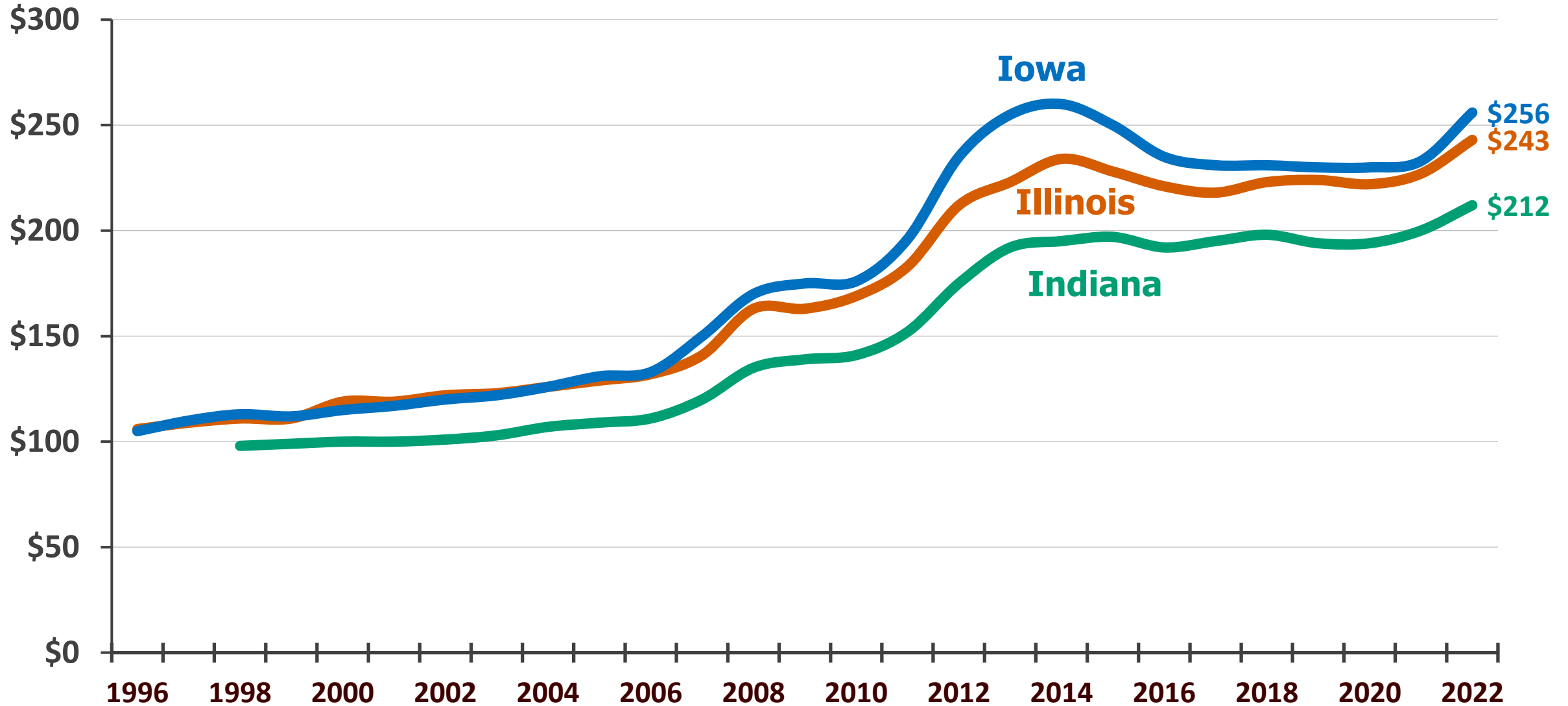
Buyers and Sellers of Farmland



Expectations for 2023 Cash Rents



Average Cash Rents in Illinois, Indiana, and Iowa



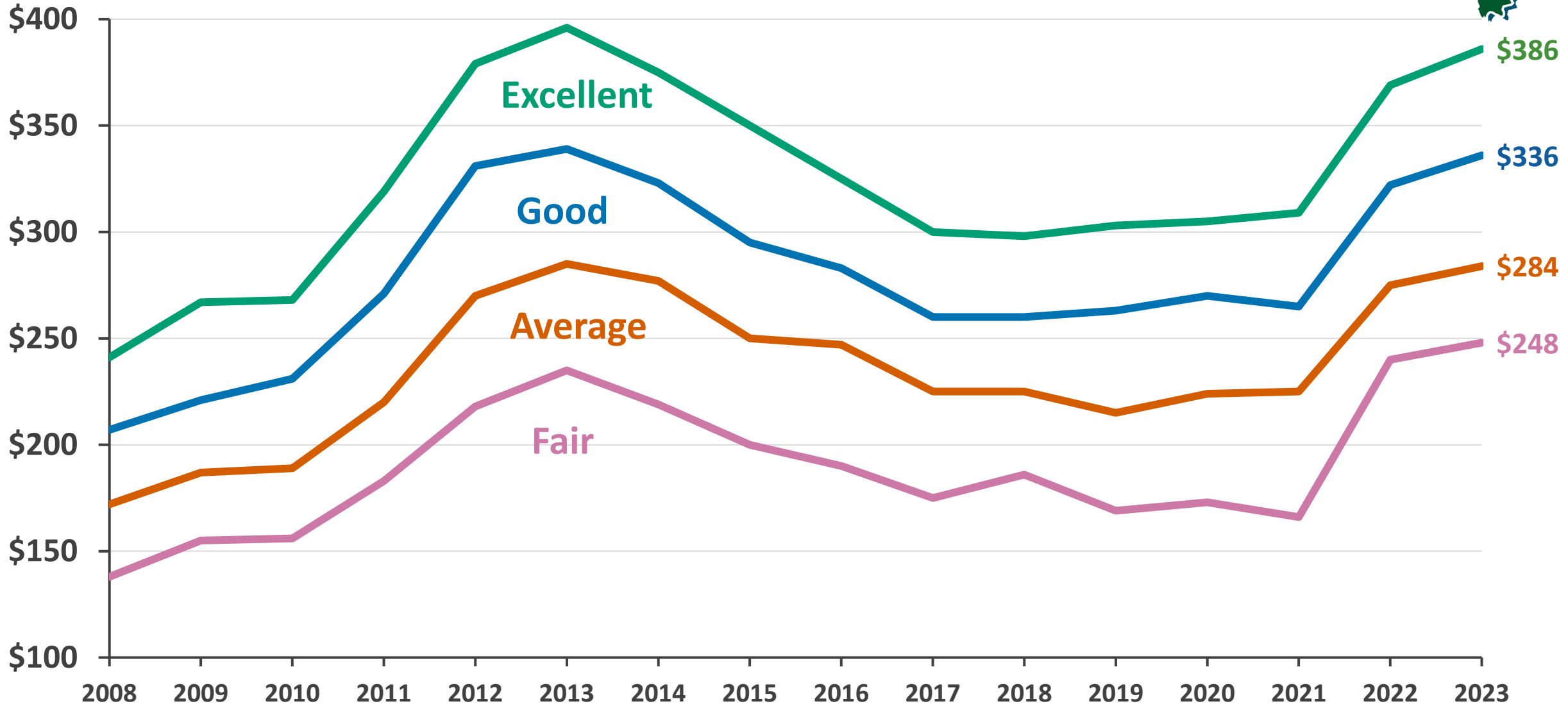
Trends on Professionally Managed Farmland

Cash Rents of Survey in \$ per acre



Year	Land Quality			
	Excellent	Good	Average	Fair
2007	\$183	\$164	\$144	\$120
2008	\$241	\$207	\$172	\$138
2009	\$267	\$221	\$187	\$155
2010	\$268	\$231	\$189	\$156
2011	\$319	\$271	\$220	\$183
2012	\$379	\$331	\$270	\$218
2013	\$396	\$339	\$285	\$235
2014	\$375	\$323	\$277	\$219
2015	\$350	\$295	\$250	\$200
2016	\$325	\$283	\$247	\$190
2017	\$300	\$260	\$225	\$175
2018	\$298	\$260	\$225	\$186
2019	\$303	\$263	\$215	\$169
2020	\$305	\$270	\$224	\$173
2021	\$309	\$265	\$225	\$166
2022	\$369	\$322	\$275	\$240

Historic Cash Rents of Survey in Dollars per Acre



Expectations for 2023

Expected
Soybean Price

\$13.20

Expected
Corn Price

\$5.60

Increases in interest rates

Professionally managed farmland

40%

of farm managers
have an
arrangement with a
wind company



38%

have an
arrangement
with a
solar company



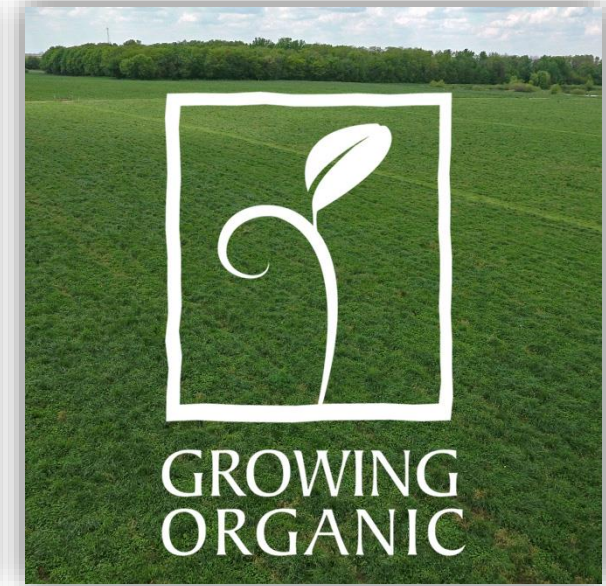
33%

expect an increase
in wheat acres
(southern part of
the state)

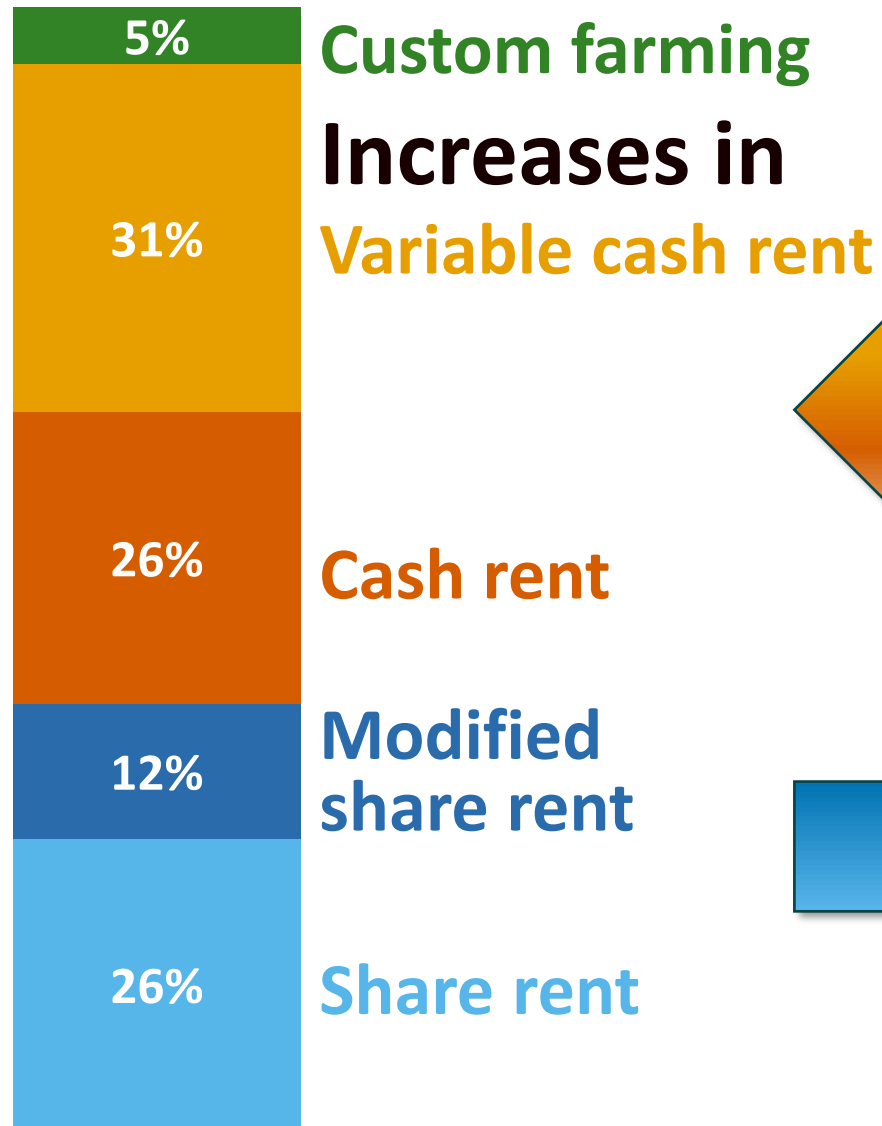


33%

indicate more
interest in
organic
farming



Leasing arrangements used by farm managers



**Shifts away
from share rents
to cash rents**

Variable lease arrangements

- 85% have a base cash rent
- 75% have a payment when revenue exceeds a specified level
- Price used in revenue
 - 52% use multiple prices at a local delivery point
 - 38% use future prices
 - 5% use actual marketing
- Yield used in revenue
 - 90% use farm yield, others use county yield

Mid Year Survey Results

- During the first half of 2022, **farmland prices rose by 18%**. The strong market during the first half of 2022 continues the increasing market from 2021. Survey participants do not expect as large an increase in the second half of 2022.
- Cash rents in 2023 are expected to **increase by \$17** per acre on excellent productivity farmland. Lower productivity farmland is projected to have lower increases, with fair productivity having an \$8 per acre projected increase.
- Survey participants expect prices for the 2023 crop to average **\$5.60 per bushel for corn** and **\$13.20 per bushel for soybeans**. These prices are a continuation of the strong commodity prices seen since the beginning of 2021.



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TIAA

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Farmland Research



Thank You!

Please send any questions/comments to: sherrick@illinois.edu

The screenshot shows the farmdocDAILY website interface. At the top, there is a navigation bar with the Illinois logo and links to 'Our Sites: farmdoc farmdocDAILY Farm Policy News'. Below this is a large green field image with the 'farmdocDAILY' logo. A secondary navigation bar includes links for 'Market Prices', 'Authors', 'By Month', 'Categories', 'Series', 'Tools', 'Webinars/IFES', 'Sponsors/Donate', and 'About Us'. Below the image, it lists 'EDUCATIONAL PARTNERS: Dept of ACE, FBFM, EXTENSION'. A 'Subscribe for Daily Email Updates' field and 'Connect on Social Media' icons (Twitter, Facebook, Instagram, YouTube, LinkedIn) are present. The main content area features a 'Latest Article' section with the title 'A Straight-Forward Variable Cash Lease with Revised Parameters' and a 'Read the Article' button. To the right of the article is a 'Sponsors' section with logos for TIAA, CORTEVA, GROWMARK, COMPEER FINANCIAL, FARM CREDIT ILLINOIS, and ILLINOIS SOYBEAN ASSOCIATION. At the bottom, there is a button to 'See the Latest News on Social Media' and a 'Recent Articles - View All' link.

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