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REGIONAL LAND VALUE REPORT

East Region: Indiana, Ohio, Michigan, Kentucky

Most areas in the eastern region have seen a continued decrease in land for sale in the second half of 2024, compared to the previous three years, which were very active, said Jay VanGorden, area sales manager for the east region.

"Several-year lows in commodity markets have led to less farmer buyer interest. In addition, rainfall was very spotty in the Eastern Corn Belt, with many areas seeing lower-than-average yields. However, some areas did receive excellent yields if rainfall happened to hit a localized area," VanGorden said.

"Even with these conditions, farmers and investor buyers are still looking to purchase land. With less land inventory for sale, land values have seen minimal price drops for highly tillable and quality soil-type farms in most areas. Farms with lower-quality soils, lower tillable percentages, and poorer drainage have dropped off more significantly. As always in areas nearer high population areas and urban development, land values can be higher for replacement properties when land is sold for development," VanGorden added.

East-Central Region: Illinois and Wisconsin

Land sale values are more localized than ever and have increased slightly in most territories in this area, according to Nate Zimmer, area sales manager for the east-central region.

"Many farms are still being sold at historically strong levels; however, record-breaking sales aren't as predominant as a few years ago. We've seen several auction 'no-sales' the past few months, which is a sign that seller and buyer expectations are not aligning as previously," Zimmer said. "The real estate market has always been about location; however, the location factor and the strength of possible buyers nearby means more than ever.

"When there are questions about the local buyer pool or overall farm quality, the method of sale is increasingly becoming the private treaty listing route as opposed to public auction. The current sentiment of most brokers in our area is that 2025 will bring about a tendency for land values to stabilize or decrease some. Farmer profitability looks to be down in 2025, and their profit margins directly affect land values as farmers are still the primary buyers of land," Zimmer added.

Central Region: Iowa and Southern Minnesota

Throughout 2024, average land values gradually declined from the record highs reached in 2021 and 2022, dropping 5-10% in the past year in Iowa and southern Minnesota. Buyer demand has weakened for poorly drained and lower-quality farms, while high-quality, highly tillable farms have maintained steady interest. This sustained demand has sometimes driven auction prices for premium farmland to levels comparable to those seen two years ago, according to Thomas Schutter, area sales manager for Iowa and southern Minnesota.

“With the decline in buyer demand, alternative sale methods have become more common, particularly for lower-quality farms. While higher-quality farms are still predominantly sold through auctions, there has been a noticeable increase in the use of traditional listings and sealed bids for marketing farmland in some areas,” Schutter said. “Looking ahead, it’s important for sellers to research and understand their local market to help set realistic expectations for their farmland’s value.”

South Central Region: Kansas, Eastern Colorado, and Western Missouri

According to Steve Morgan, area sales manager for Kansas, eastern Colorado, and western Missouri, agricultural profitability continues to be the main driver of the land market in this area.

“Land prices in southwestern Kansas have seen retracement, mainly irrigated land, due to the declining water availability in the area and the uncertainty surrounding GMD3’s future implementations of reducing allotments across the region. Eastern Colorado land prices have remained strong/stable with no marketable price decline,” Morgan said.

“Sales for top quality cropland irrigated and pasture remain strong with active buyer interest across the northwestern tier of Kansas counties. Central and eastern Kansas is seeing high demand for pasture and rec land, achieving top dollar. Crop land is highly dependent on location and local competition. We have maybe seen a price decrease on lower-quality properties in south-central Nebraska, but the high-quality properties have not seen the same decrease,” Morgan added.

Morgan added that the well-maintained, high-quality cropland in the western half of Missouri has not faltered either. Average cropland has been retraced in a 5-10% range. Morgan noted that recreation properties are still highly desirable, whether used in mixed use with crop acres or as pure recreation properties.

Western Region: Western Nebraska, Northwest Kansas and Northeastern Colorado

As the land market in central and western Nebraska, northwest Kansas, and northeast Colorado has settled over the past year, Cole Nickerson, area sales manager for the western region, says two consistent themes have emerged in recent sales.

“Neighborhood demand and land quality are the primary drivers in our area land market. Land values have remained high in regions with strong cattle production, driven by record beef prices. High-quality irrigated and productive dryland farms continue to command strong prices, reflecting recent trends. Quality grassland with good fences, ample water, and easy access have also maintained elevated prices,” Nickerson said.

“However, there has been a slight decline in values for land with productivity or access issues. Economic challenges in the corn and soybean markets have made farmland more difficult to sell in areas dominated by row crop production,” he added.

Recent sale highlights:

- 160 acres of Harlan County, Neb., dryland for \$4,200 per acre
- 324.41 acres of Phelps County, Neb., irrigated land for \$13,150 per acre
- 341.3 acres of Logan County, Neb., pastureland for \$1,700 per acre
- 156.94 acres of Stanton County, Neb., dryland/recreational land for \$9,500 per acre

West-Central Region: Eastern Nebraska and Western Iowa

Land values in eastern Nebraska and western Iowa, for the most part, have stayed steady, especially for highly production farms or areas where there has been a limited supply of properties for sale, said Chanda Scheuring, area sales manager for the west-central region.

“But, as the agriculture economy finds less readily available cash compared to prior years, I think the buyer pool has shrunk. This has led to properties with lower tillable, or less productive, acres being the first to feel the pressure of higher interest rates and tighter profit margins. Over the past six months to a year, these types of property have seen a slight reduction in value (about 5-10%) from the recent market peaks,” Scheuring said.

“Buyers, both local farmers and investors, are still interested in making farm purchases; they’ve just become more selective in which properties to add to their portfolio and the price they are willing to pay. It’s why understanding the local market with the help of a trusted real estate professional is as important now as it’s maybe ever been,” she added.

Northern Regions: Dakotas and Western Minnesota

Troy Swee, area sales manager for the Dakotas and western Minnesota, noted that land values in the northern region are holding fairly steady despite the reduction in commodity prices and higher-than-normal interest rates.

“With that being said, if I chose one word to describe the overall real estate market across South Dakota, North Dakota, and Minnesota, I would choose ‘chaotic.’ Land values remain very strong in areas where not much land has sold, and the producers had an above-average crop in 2024. However, in areas with less investor interest and where several farms have already been sold, land values appear to be down 10-15%,” Swee said.

“We have also seen substantially reduced bidders at our simulcast and online auctions. We often see about half the number of bidders as we did in the fall of 2022. With this shift in buyer demand, we have seen an increase in traditional listings and bid sales in some areas. When it is a seller’s market, and everything is selling strong, it is fairly easy to sell a farm. However, in times like these, it is imperative to work with a trusted real estate agent who understands not only the market but also the best way to market your farm asset,” Swee added.