



PRESS RELEASE

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FOR IMMEDIATE RELEASE

Limited Supply, Strong Demand Fuels Ag Land Market

OMAHA, NEB. — There are more motivated land buyers in today's market than there are willing sellers, according to Farmers National Company.

Despite the pressures created by lower net farm income, declining commodity markets, higher interest rates, and increased input costs, land values have remained quite stable across the Midwest. While most university and industry land value reports published at year's end reflect a flat or slight downward trend compared to production expenses, the stability in those values reveals the resiliency of the land market and its ability to maintain the high values set over the past five years.

"There are many factors for buyer motivation, but much of it can be explained by mindset translating to demand," said Paul Schadegg, senior vice president of real estate operations at Farmers National Company. "Farm operators continue to be the primary buyers of ag land. Their mindset or motivation revolves around reinvesting in their farm enterprise, expanding operations, and utilizing today's farm equipment fully. Location of land offered for sale also plays a large role in their decision making, as often this land has not changed hands for generations and once sold, may not be sold again."

Considering the average age of today's farmers, most have experienced the rise and fall of farm cycles and, along with it, the long-term appreciation of land value. They fully understand what an exceptional value land presents as an asset to their farm operation and investment asset, Schadegg said.

"We anticipate that operating farmers will continue to be the primary land buyer as we move into 2025. Changes in the ag economy will determine if the percentage moves up or down," he added.

Land investors make up the second largest segment of ag land buyers. Investors include individuals, groups, and land investment funds. Schadegg said that this group's mindset is business-oriented.

“There is virtually no emotional motivation, as buying decisions are based on return on investment or anticipated appreciation of land value. The motivation lies in expanding the portfolio, opportunities in productive regions, and improving ROIs in declining land markets. Many land investors have not experienced the rise and fall of agriculture cycles but fully appreciate the long-term value of land. As pressures on the ag economy increase, investors stand ready to bid on land that fits their investment criteria.”

Across the industry, land listings are down, on average, 25% from the active and accelerating value market experienced between 2020-2023. The principle of supply and demand fits into the current land market, as many landowners understand the long-term appreciation of land value while providing an annual return on that investment. Schadeegg said that the result of this thought is to retain ownership, further reducing the amount of land offered for sale.

“Motivated buyers remain in the current land market both as farm operators and land investors ready to deploy available cash to further their operations or portfolios,” he added.

Farmers National Company has experienced an active fall selling season, marketing \$223 million of land value for clients across the Midwest in the past three months. FNC conducted 123 sales through public auction methods. Real estate activity moving into the first quarter of 2025 remains brisk, with an above-average level of auctions and traditional listings being negotiated.

“Optimism remains moving into 2025, and with positive signals for the ag economy, opportunity will exist for those involved in agriculture production,” Schadeegg noted.

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Employee-owned Farmers National Company is the nation's leading landowner services provider. Farmers National Company manages nearly 5,000 farms and ranches in 30 states comprising more than 2 million acres. Over the last five years, Farmers National Company has sold 5,250 properties (2,050 at auction) and more than \$3.25 billion of real estate. Additional services provided by the company include energy management, appraisals, insurance, hunting lease management, forest management, FNC Ag Stock, consultations, and collateral inspections. For more information, please visit www.FarmersNational.com.