

Farmland Values and Rental Agreements in Illinois for 2026



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Gary Schnitkey

Topics

- Farm Returns and Income
- Cash Rents
- Farmland Prices
- Some Observations



Which best describes your interest in farmland?

☐ Farmer

☐ Farmland owner
(landlord, not farming)

☐ Involved in agriculture
(agribusiness, lender, policy, farm manager, etc.)

☐ Just interested or curious



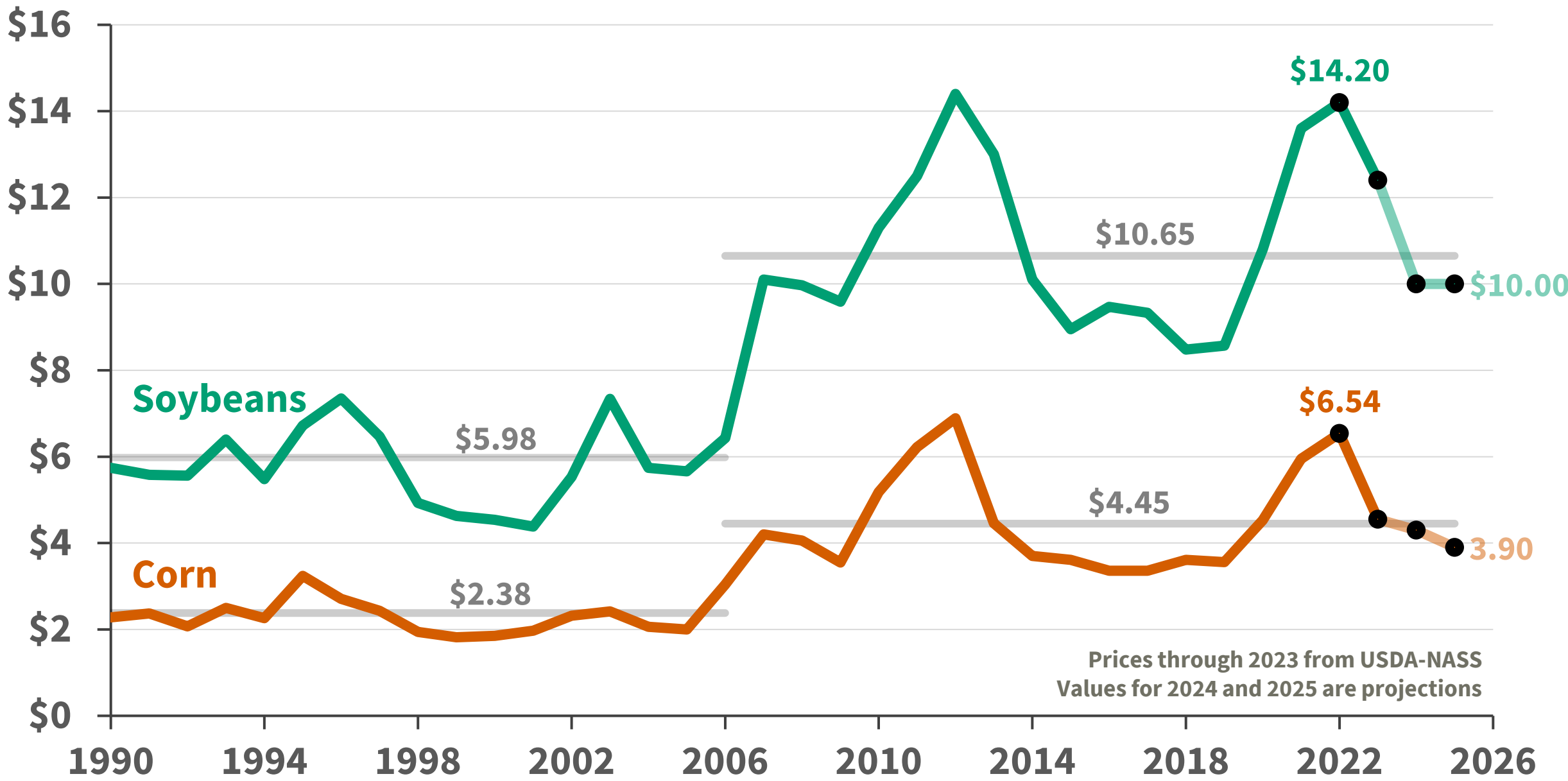
What do you expect the cash price of corn to average over the next year?

- ☐ Less than \$3.50
- ☐ Between \$3.50 and \$4.00
- ☐ Between \$4.00 and \$4.50
- ☐ Over \$4.50

Farm Returns and Income



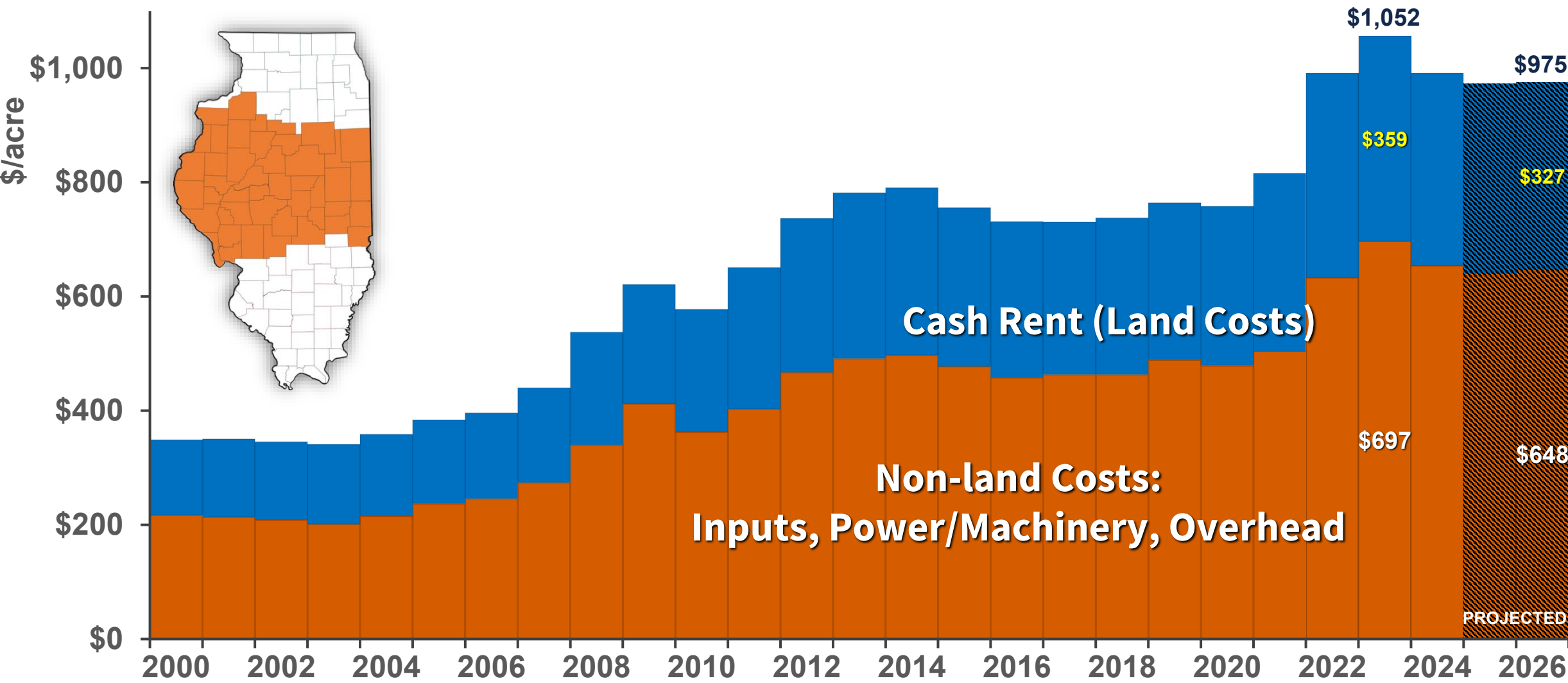
U.S. Market Year Average Prices for Corn and Soybeans 1990 to 2025P



Prices through 2023 from USDA-NASS
Values for 2024 and 2025 are projections

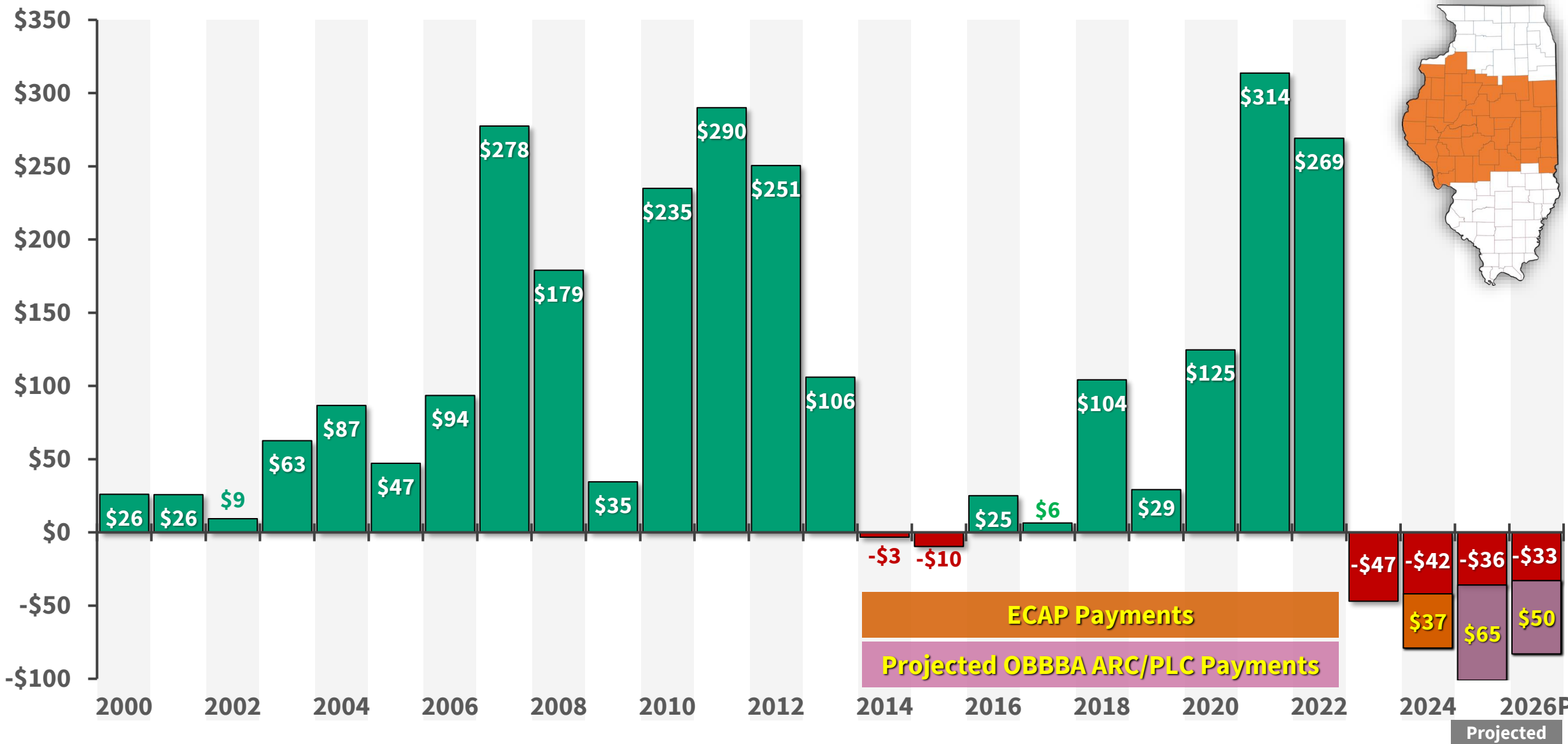
Production Costs for Central Illinois in \$ per acre

50-50 Corn-Soy Rotation, 2000 to 2026P



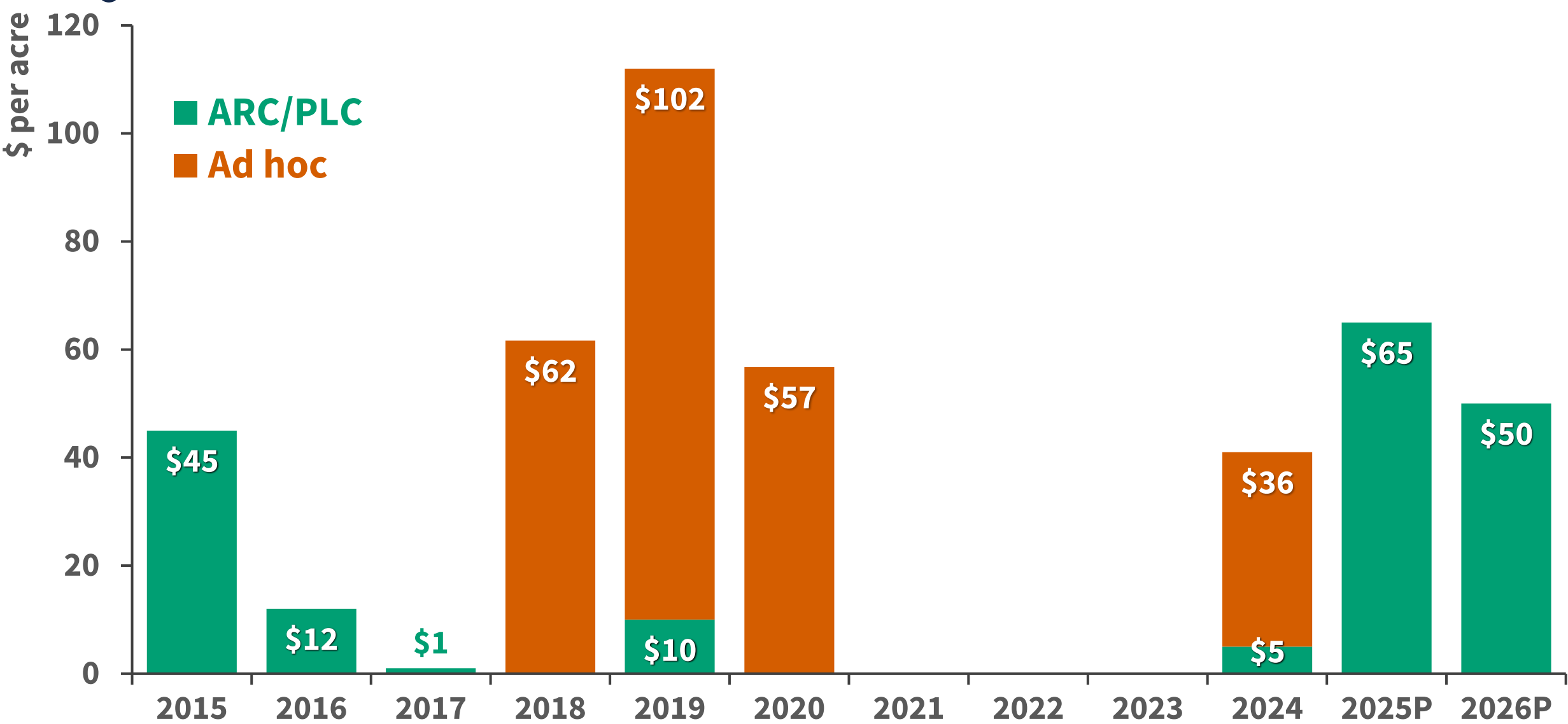
Farmer Returns to a 50% Corn – 50% Soybean Rotation (\$ per acre)

Central Illinois, Cash Rented Farmland, 2000 to 2026P



Commodity Title Versus Ad Hoc Disaster Payments

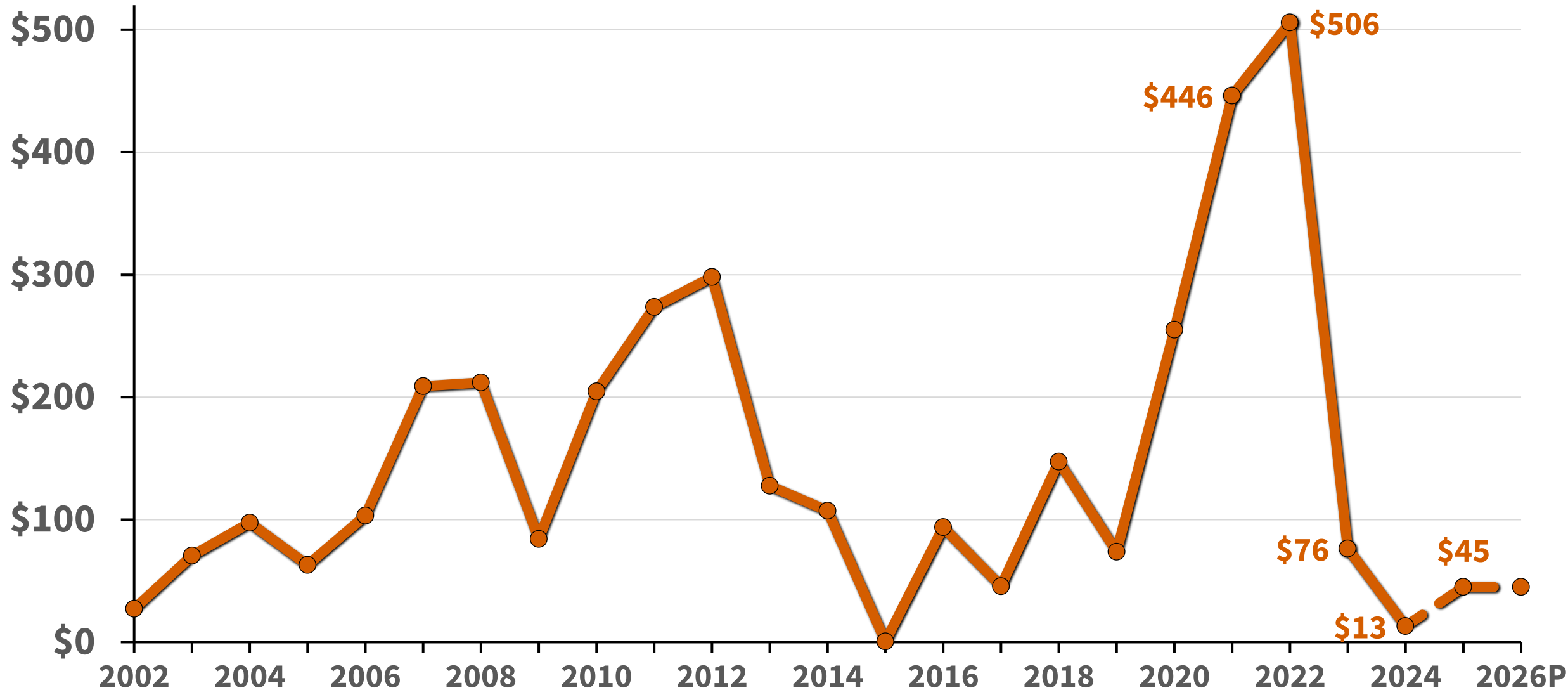
Average for Central Illinois



Average Net Farm Income in Illinois



Grain Farms enrolled in Illinois Farm Business Farm Management (\$1,000)



Economic environment

- Corn price near \$4.00 and soybean prices near \$10.00 per bushel for the foreseeable future.
- Cost increases since 2020, higher break-evens now
- The next set of higher prices is unpredictable, could be one-year, five-years, or ten-years in the future
- Government payments are important sources of revenue
 - Likely slowing/preventing downward cost adjustments

Cash Rents

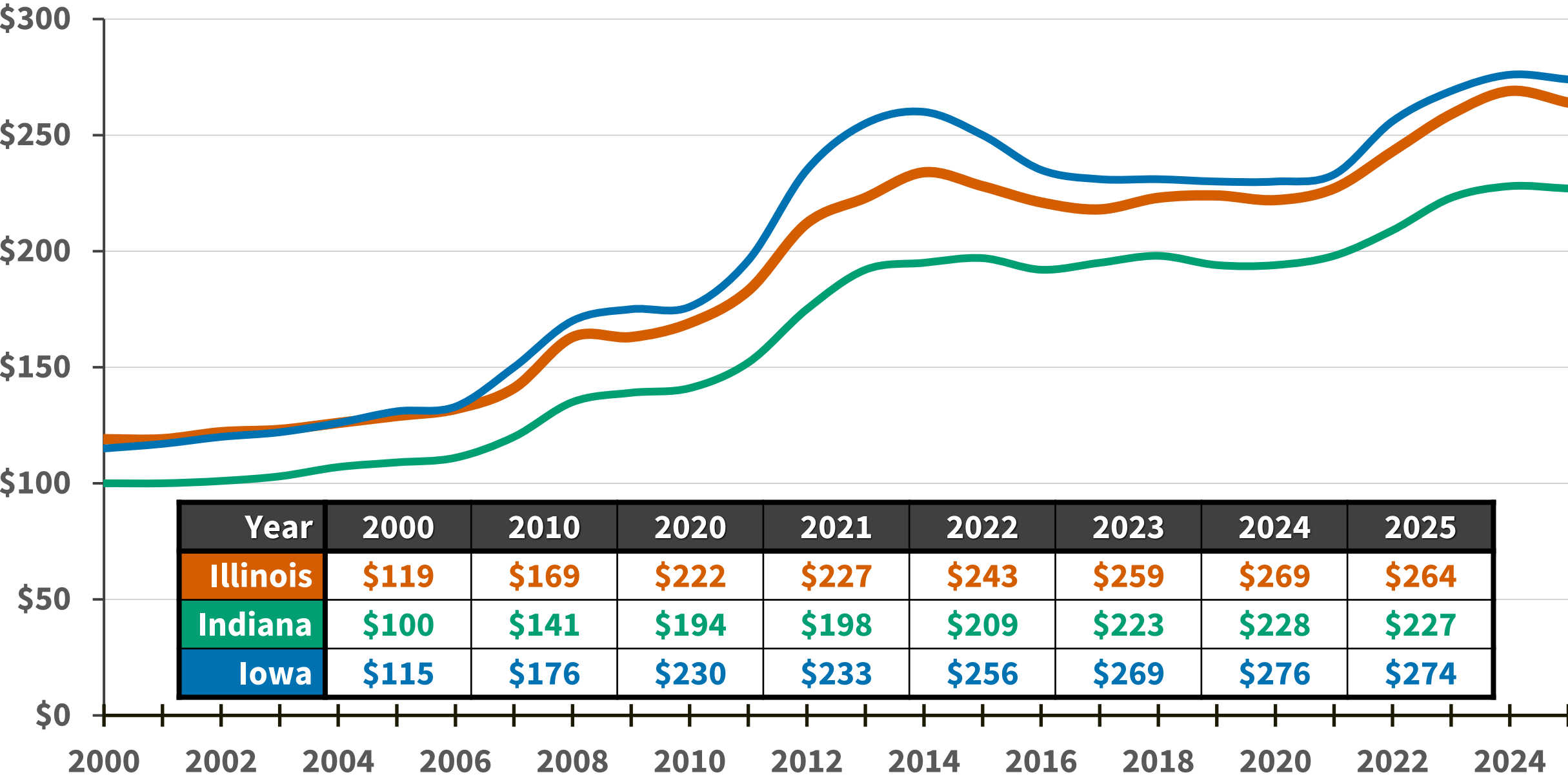


What do you expect to happen to cash rents in 2026?

- ☐ Decrease
- ☐ Hold steady
- ☐ Increase



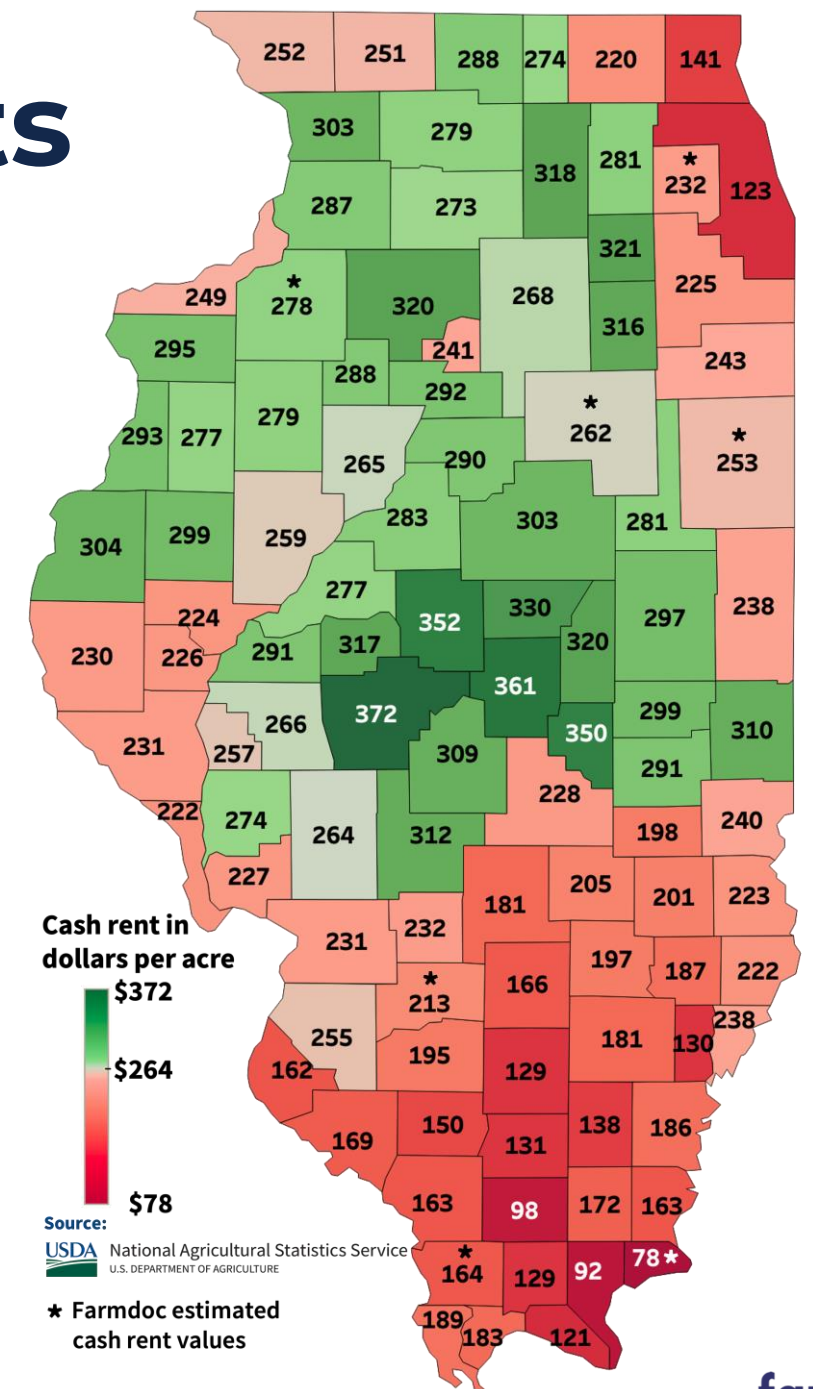
USDA Average Cash Rents in Illinois, Indiana, and Iowa



Illinois County Cash Rents

2025 Cash Rents Released by the
National Agricultural Statistical Service

More counties had lower cash rents than
higher cash rent compared with 2024



ISPFMRA Average Cash Rents by Soil Productivity Index (SPI)

Land Class	SPI	Average NASS 2024 Corn Yield	Average NASS Rent		ISPFMRA Rents		
			2024	2025	2024	2025	2026P
Excellent	133-147	236	\$349	\$328	\$410	\$391	\$374
Good	117-132	230	\$292	\$289	\$344	\$337	\$316
Average	100-116	200	\$226	\$234	\$278	\$276	\$259
Fair	<100	182	\$157	\$164	\$221	\$225	\$209

ISPFMRA Mid-Year Survey

August 2025

Participants expect 2026 cash rents to go down by an average of **\$15 to \$20 per acre**

Expect prices for the 2025 crop of:

\$3.95 per bushel for corn

\$9.95 per bushel for soybeans



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Farmland Values

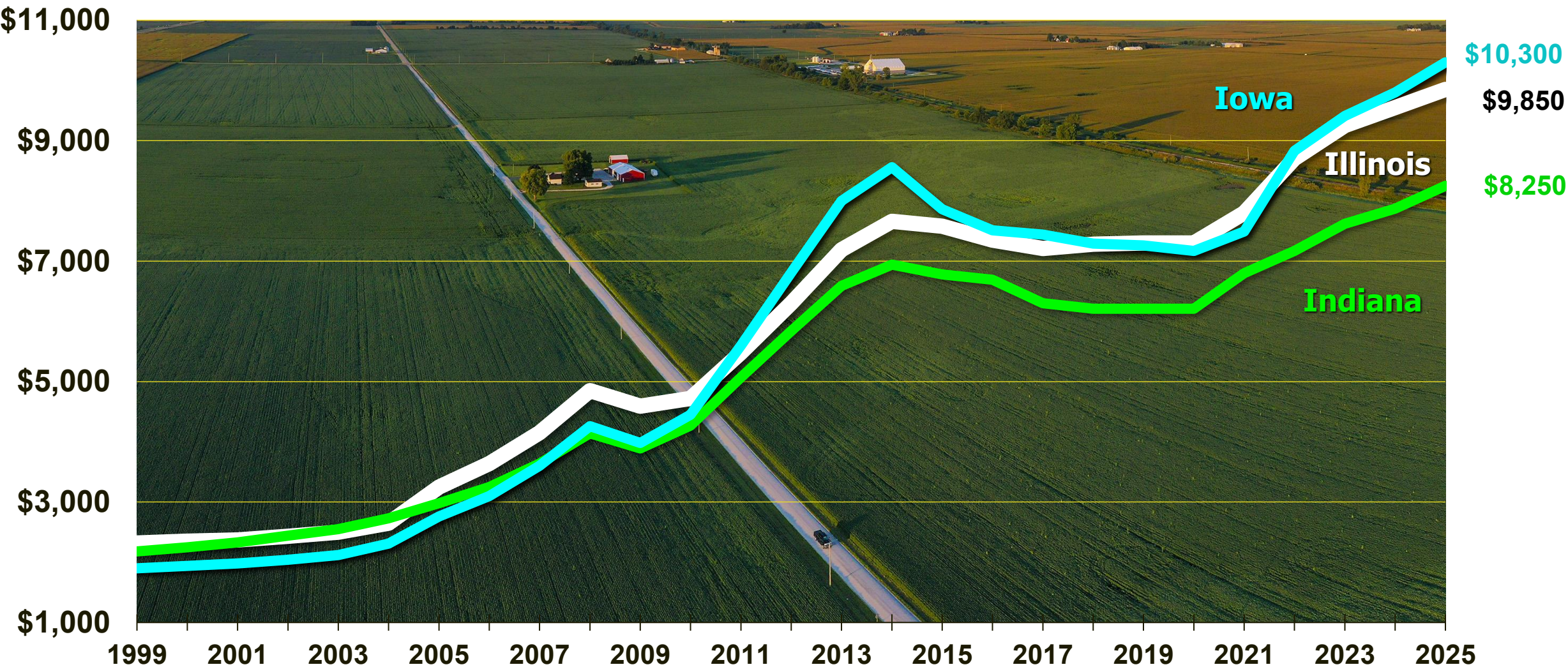


What do you expect to happen to farmland prices in 2026?

- ☐ Decrease
- ☐ Hold steady
- ☐ Increase



Farmland Values in the I-States



Midwest Farmland Values Continued to Grow in the Second Quarter

By David Oppedahl, Elizabeth Kepner

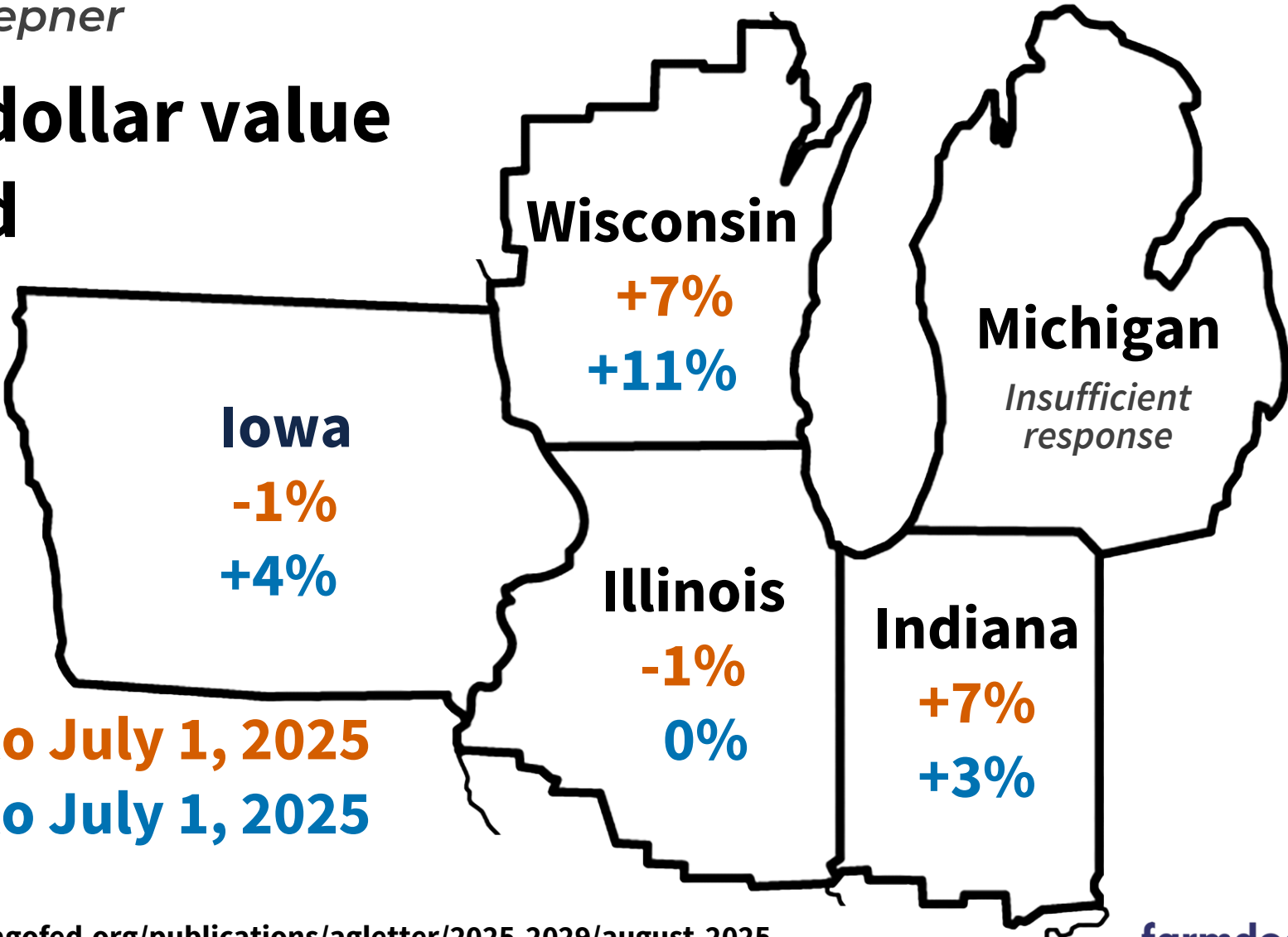
Percent change in dollar value
of "good" farmland

Seventh District

+1%

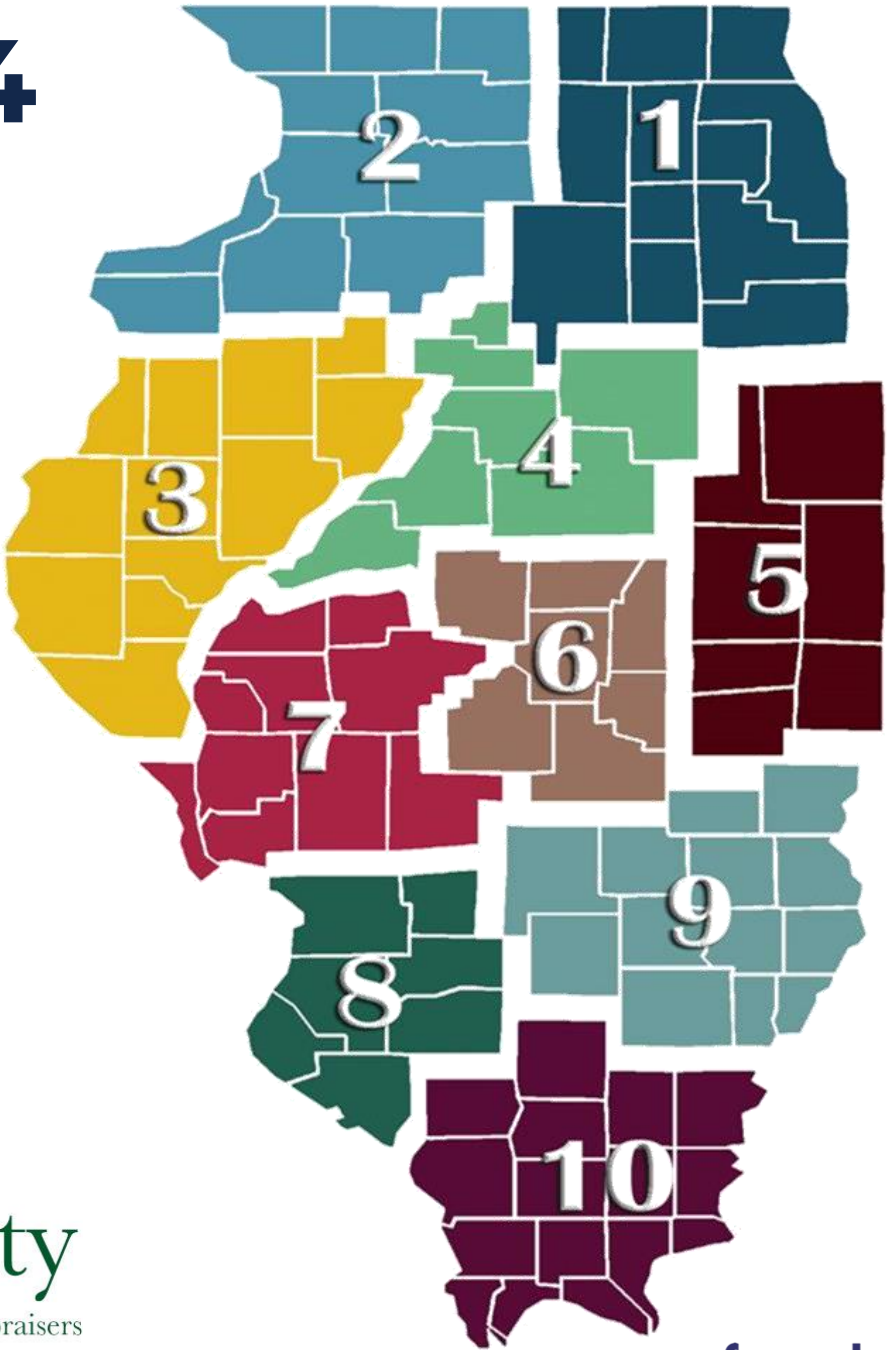
+3%

Top: April 1, 2025 to July 1, 2025
Bottom: July 1, 2024 to July 1, 2025



ISPFMRA Results for 2024

Land Category	Median Value of Sales	2024 YoY Change (Change from 2020)
Excellent	\$16,500	Down 2% (55%)
Good	\$12,416	Down 4% (50%)
Average	\$9,822	Up 7% (59%)
Fair	\$7,863	Up 11% (51%)
Recreational	\$5,250	Steady (44%)



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ISPFMRA Mid Year Survey Results

During the first half of 2025, respondents reported a decline of **2-3%** in farmland prices in Illinois

33% expect stable prices for the last half of 2025,

49% expect declines of less than 3%,

18% expect declines greater than 3%

Prices in 2027: **23%** expect higher farmland prices,

44% expect the same price, **33%** expect lower prices



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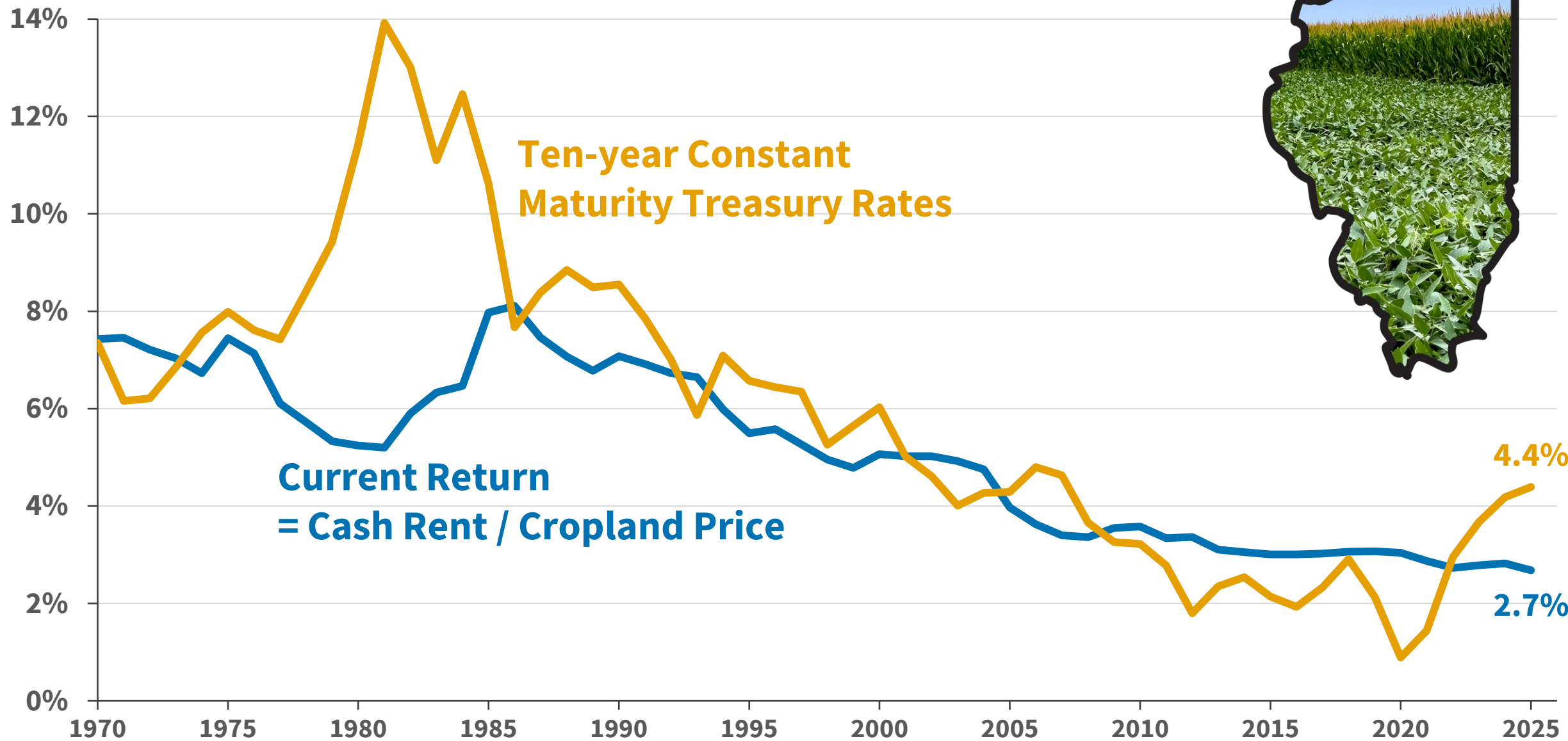
Purdue University Results

Released their *Farmland Value Survey 2025*

- Top quality farmland increased **3.0%**
\$14,826 per acre
- Average quality farmland **+5.4%**
\$12,254 per acre
- Poor quality farmland **+7.6%**
\$9,761 per acre

<https://ag.purdue.edu/commercialag/home/paer-publication/2025-08-paer-purdue-farmland-values-and-cash-rents-survey-results>

Ten-year Constant Maturity Treasury Rates and Current Returns to Illinois Farmland, 1970 to 2025



Our Observations and Expectations

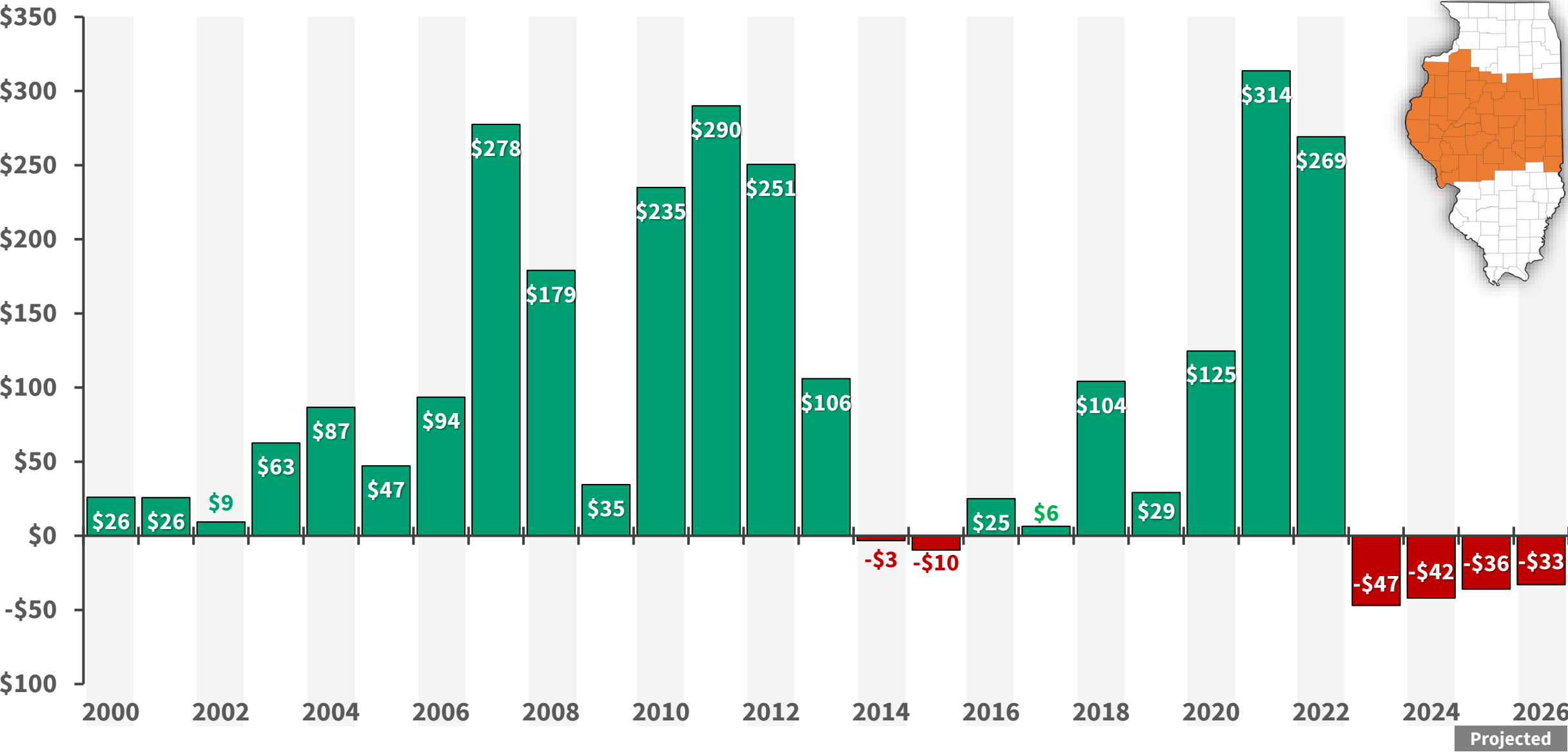
1. Pressure for reductions in farmland cash rents, but slow adjustments

- See what happens with ad hoc Federal payments
- Variable cash rents don't necessarily fix the problem in this environment



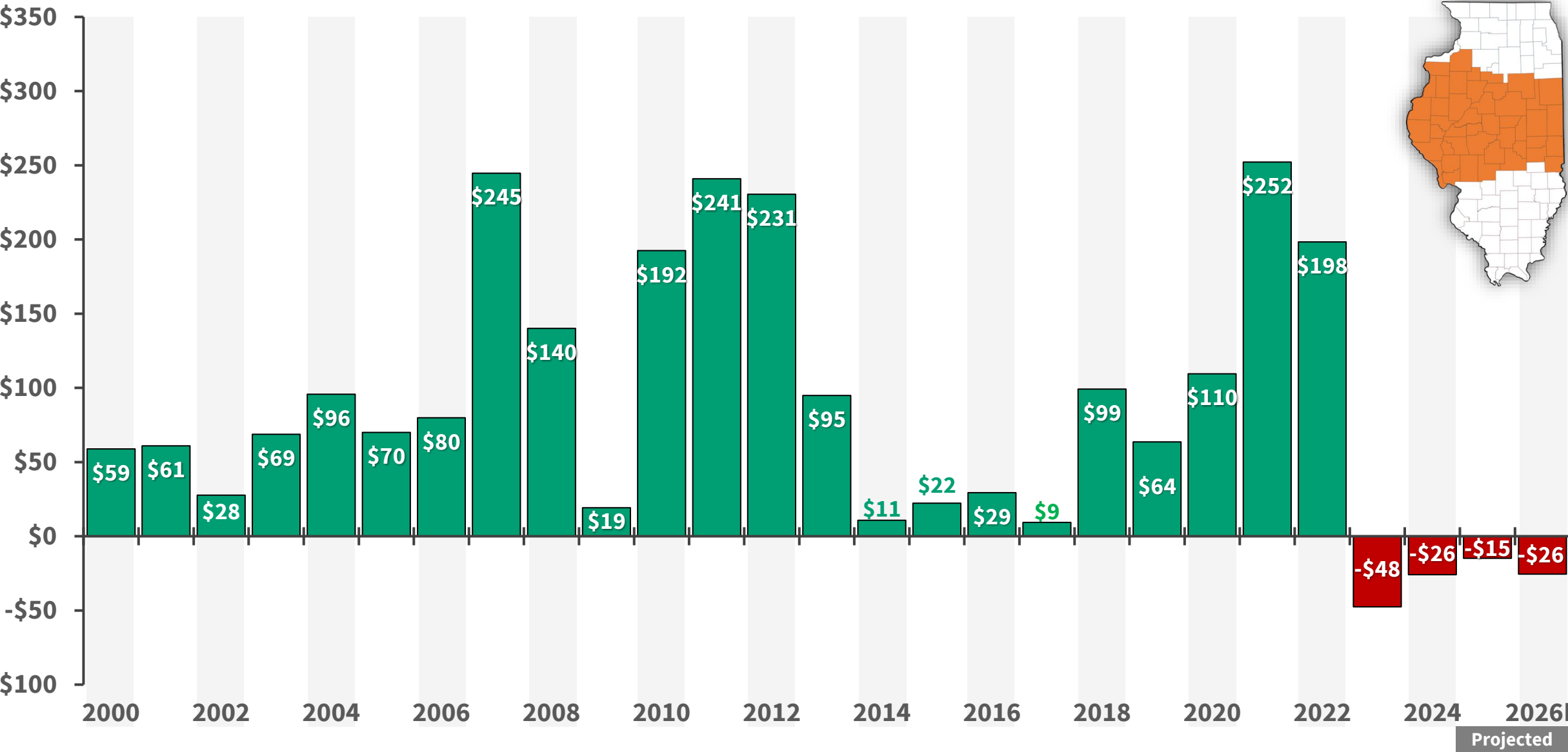
Farmer Returns to a 50% Corn – 50% Soybean Rotation (\$/acre)

Central Illinois, Cash Rented Farmland, 2000 to 2026P



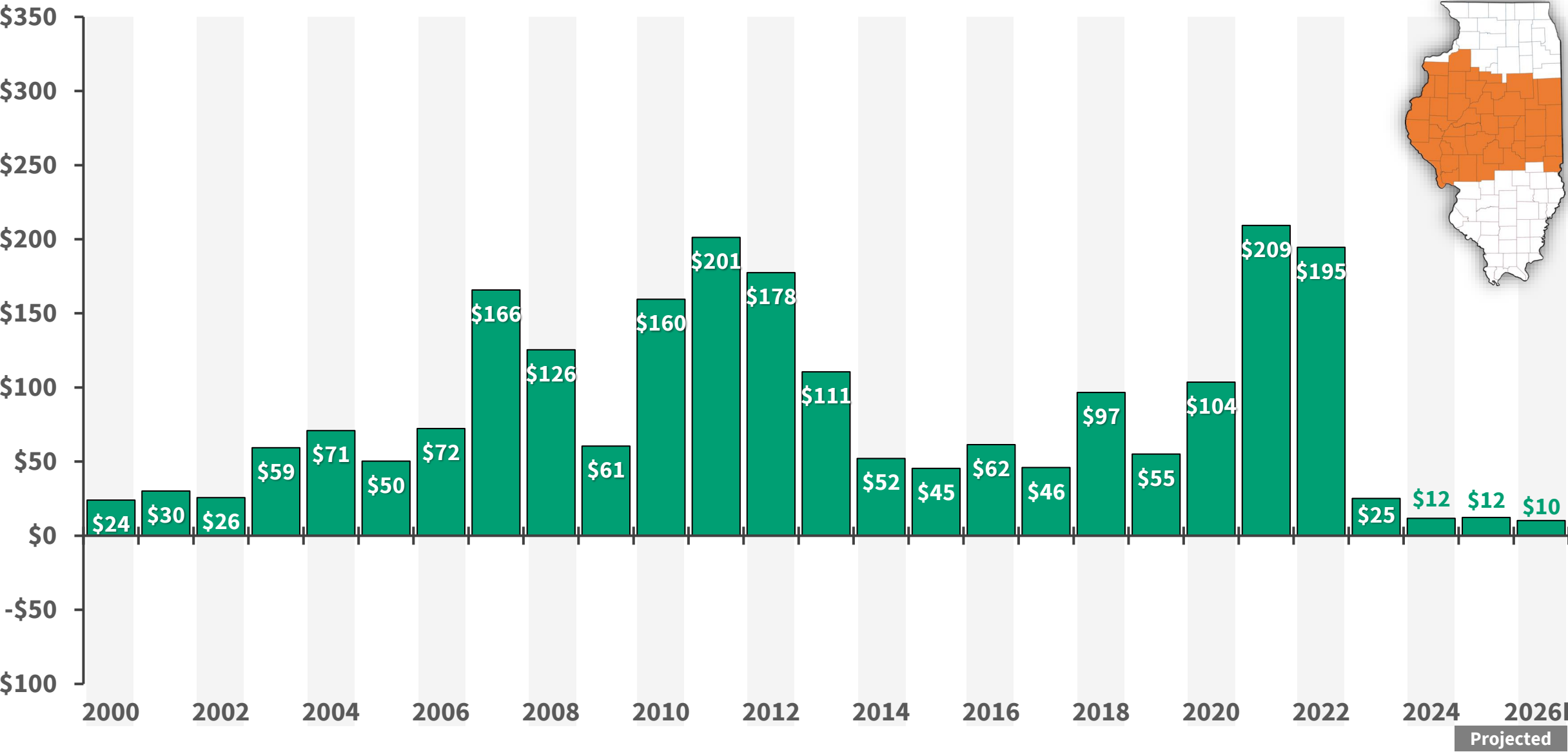
Farmer Returns to a 50% Corn – 50% Soybean Rotation (\$ per acre)

Central Illinois, Variable Cash Rented Farmland, 2000 to 2026P



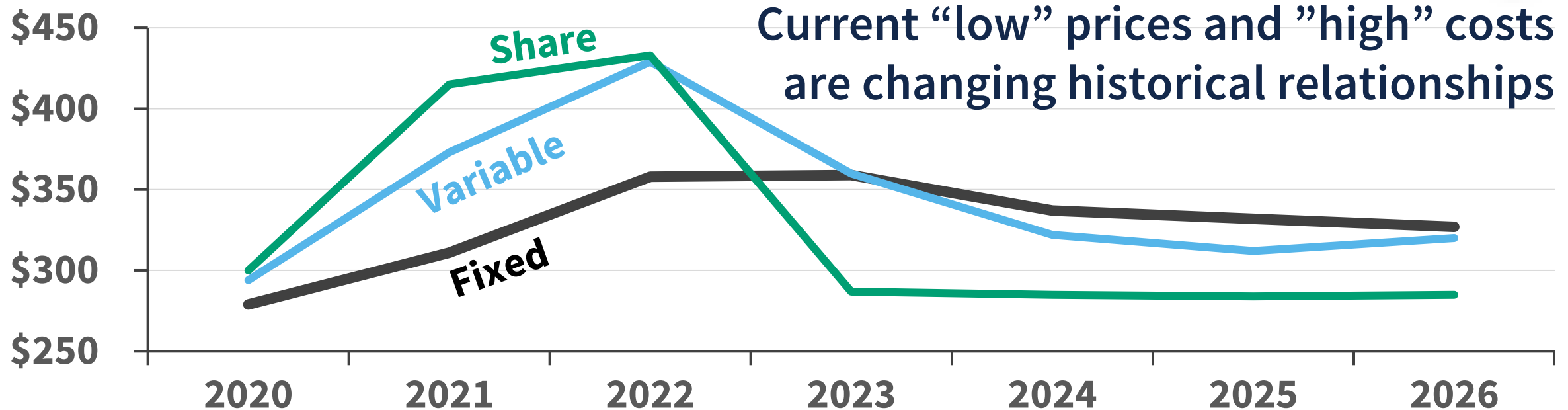
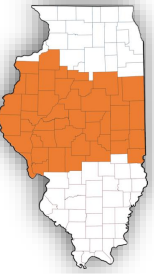
Farmer Returns to a 50% Corn – 50% Soybean Rotation (\$ per acre)

Central Illinois, Share Rented Farmland, 2000 to 2026P



Rents to Landowners

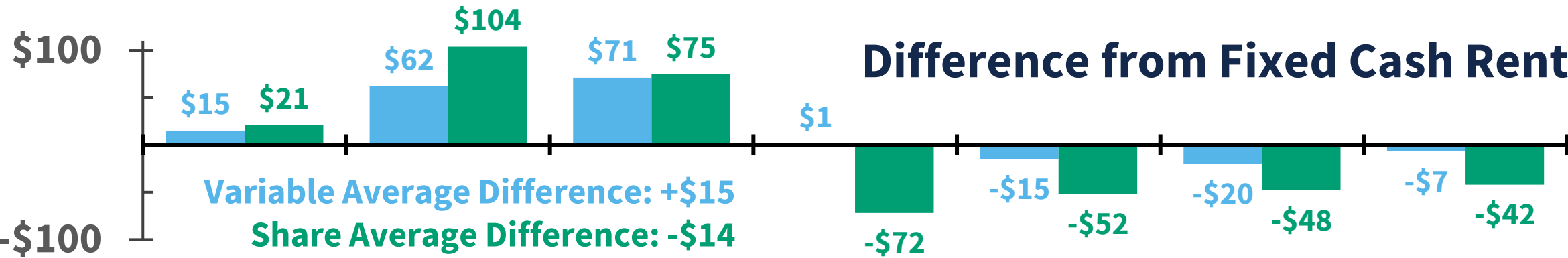
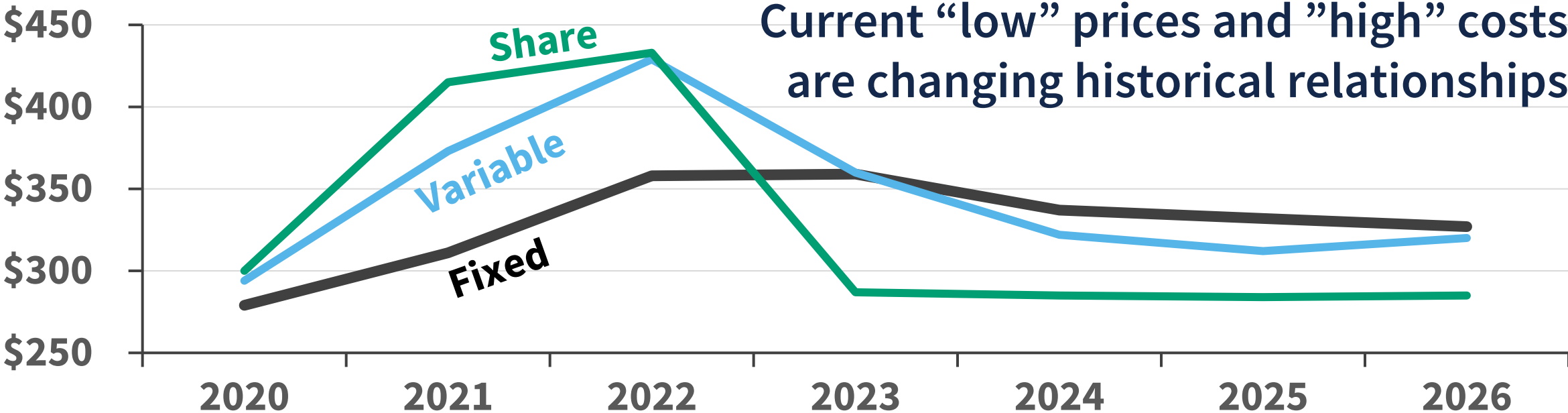
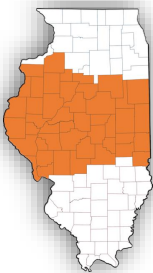
Central Illinois, High Productivity Farmland



Fixed	\$279	\$311	\$358	\$359	\$337	\$332	\$327
Variable	\$294	\$373	\$429	\$360	\$322	\$312	\$320
Share	\$300	\$415	\$433	\$287	\$285	\$284	\$285

Rents to Landowners

Central Illinois, High Productivity Farmland



Simple Observation

There are not enough operator and land returns (return to farmland) to provide farmers **and** landowners with what would be viewed as an average historical current return



Our Observations and Expectations

2. Stability in farmland prices
3. Lenders are getting concerned about some loans
4. Looking for the next surprise positive movement in prices



Summary

- Economic Conditions Suggest Downward Pressures on Cash Rents and Headwinds for Farmland Values
 - Seeing some reductions in average cash rents, expectations for further reductions in 2026
 - Despite reductions, and government support, projected returns remain negative for 2026 on rented land
- Farmland value market remains relatively stable, expectations for small reductions for 2026
- Owned farmland provides a return/income buffer, but access and ability to cash flow remain major constraints

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