Rents and Prices Outlook

Results from a Mid-Year Survey Conducted by the Illinois Society of Professional Farm Managers and Rural Appraisers

Illinois Society of Professional Farm Managers and Rural Appraisers
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College of Agricultural, Consumer & Environmental Sciences
UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

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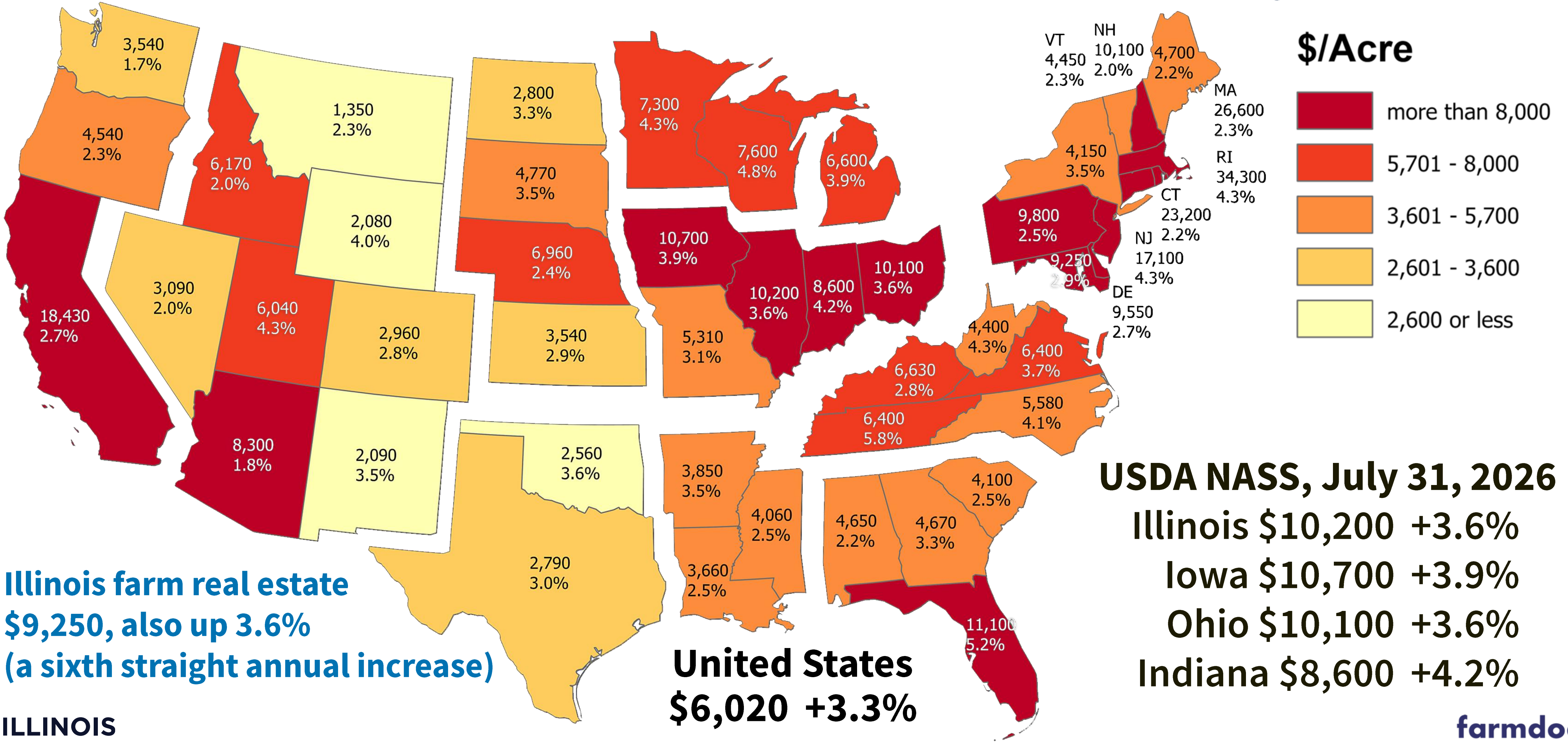
Topics

- Where the market stands
- Farmland Prices, first half of 2026
- Expectation for the second half
- Cash rents in 2027
- Rental arrangements and variable cash rent
- Wind, solar, battery storage, data center

Illinois and the neighbors

2026 Cropland Value by State in Dollars per Acre and Percent Change from 2025



USDA NASS, July 31, 2026
Illinois $10,200 +3.6%
Iowa $10,700 +3.9%
Ohio $10,100 +3.6%
Indiana $8,600 +4.2%

Illinois farm real estate
$9,250, also up 3.6%
(a sixth straight annual increase)

United States
$6,020 +3.3%

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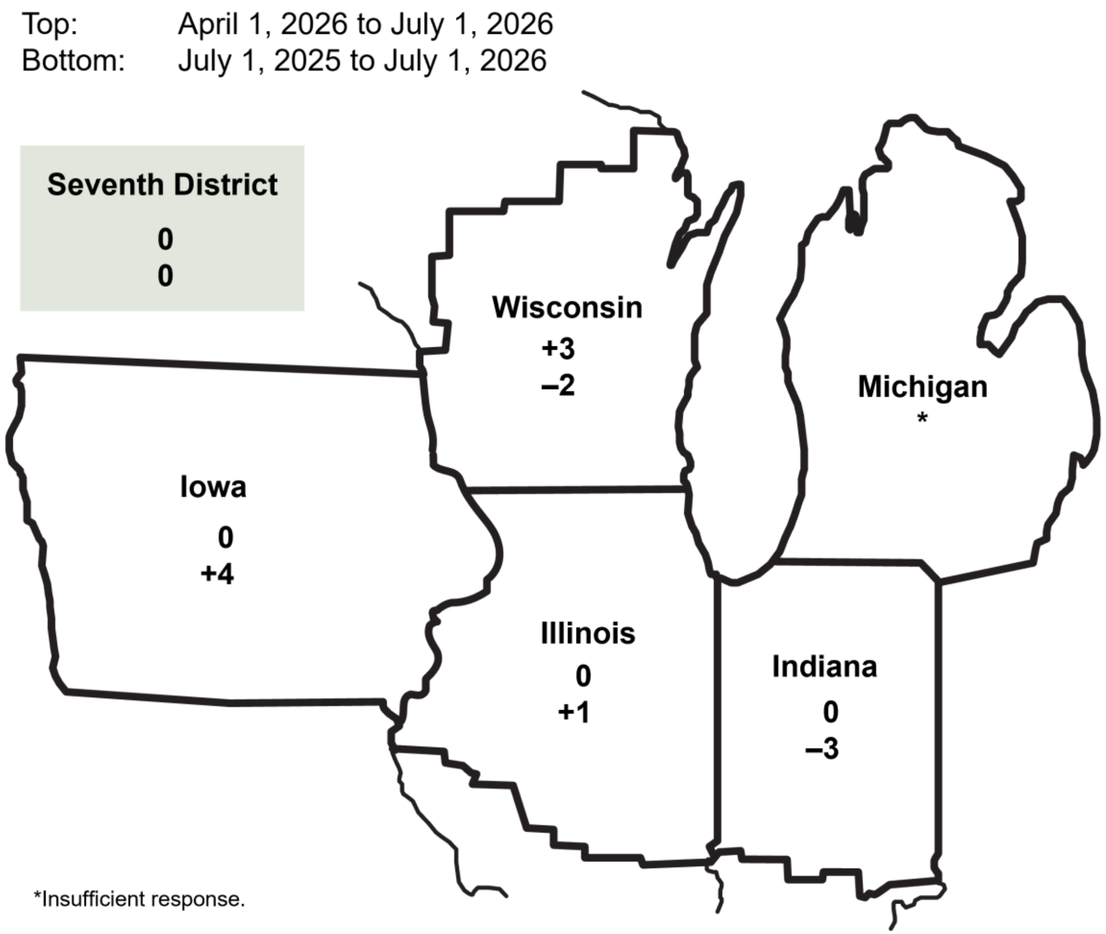
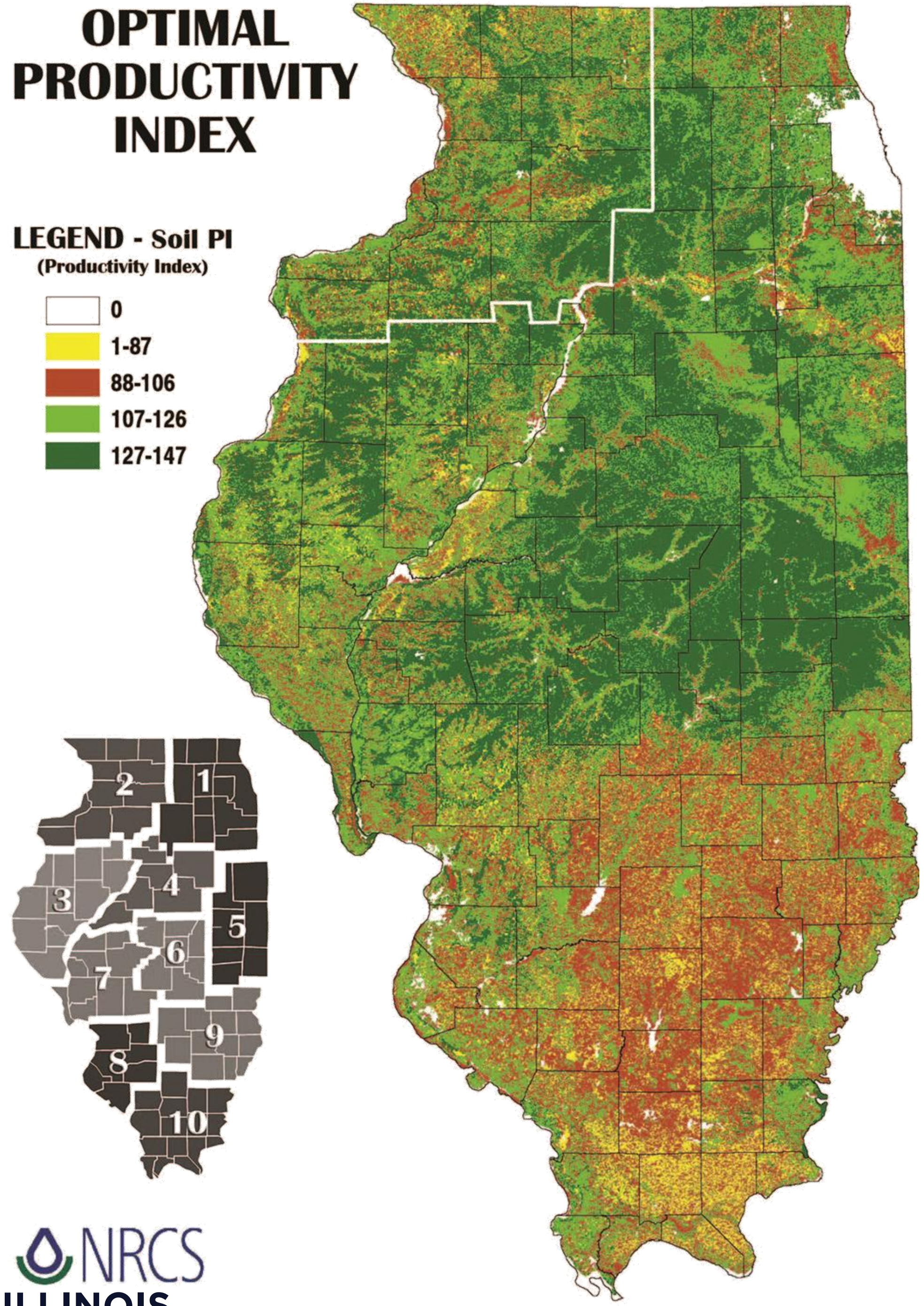
Federal Reserve Bank of Chicago, AgLetter, No. 2013, August 2026

- Repayment problems up from 2.9% a year ago
- 43% of lenders call farmland overvalued





2026 Mid-year 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

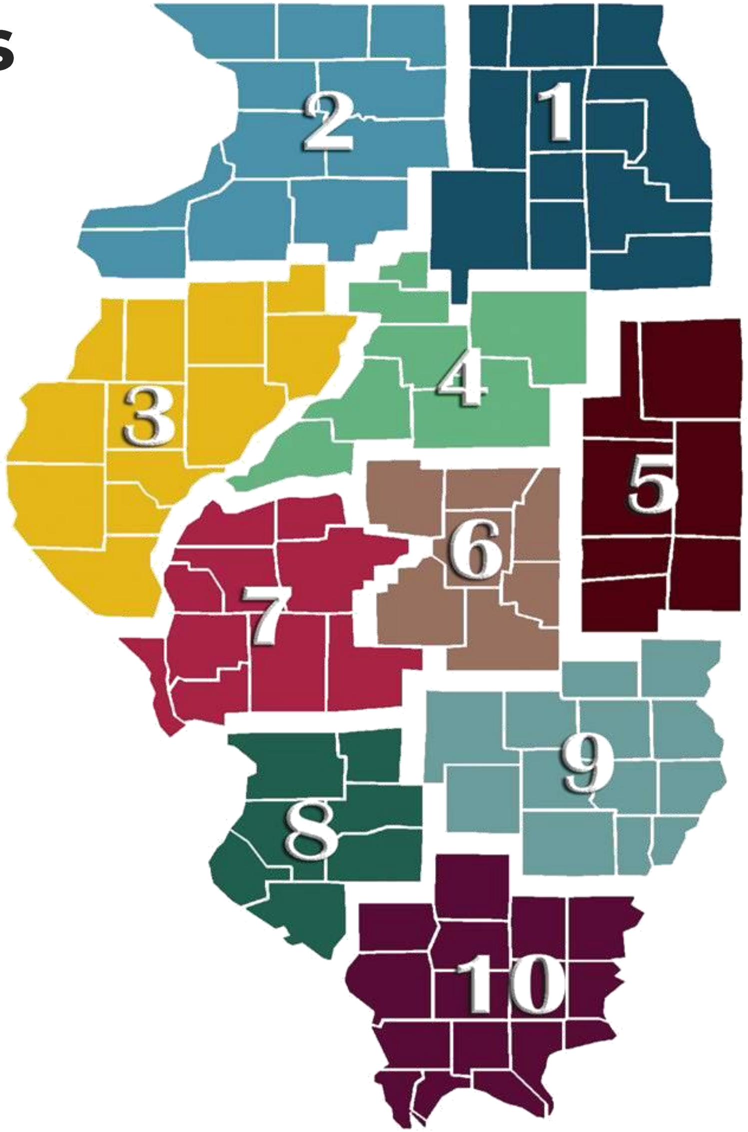
Average Productivity – 116 to 100

Fair Productivity – Less than 100

Mid-Year Results at a Glance

From Our Data Collection Groups' Opinions

Land Category	Avg. of all Completed Sales	Change from Jan 1 to July 1, 2026
Excellent	$16,369	Down 1.1%
Good	$13,773	Down 1.9%
Average	$10,992	Down 2.6%
Fair	$8,700	Down 2.3%



Who bought and who sold

BUYERS	Farmers	55%
	Local individual investors	17%
	Non-local individual investors	13%
	Institutional investors	9%
	Recreational and lifestyle	5%
	Other	1%
SELLERS	Estate and post-estate settlements	64%
	Non-local investors	11%
	Local investors	9%
	Farmers	8%
	Other	4%
	Institutional investors	3%

Farmers are still the majority buyers at 55%

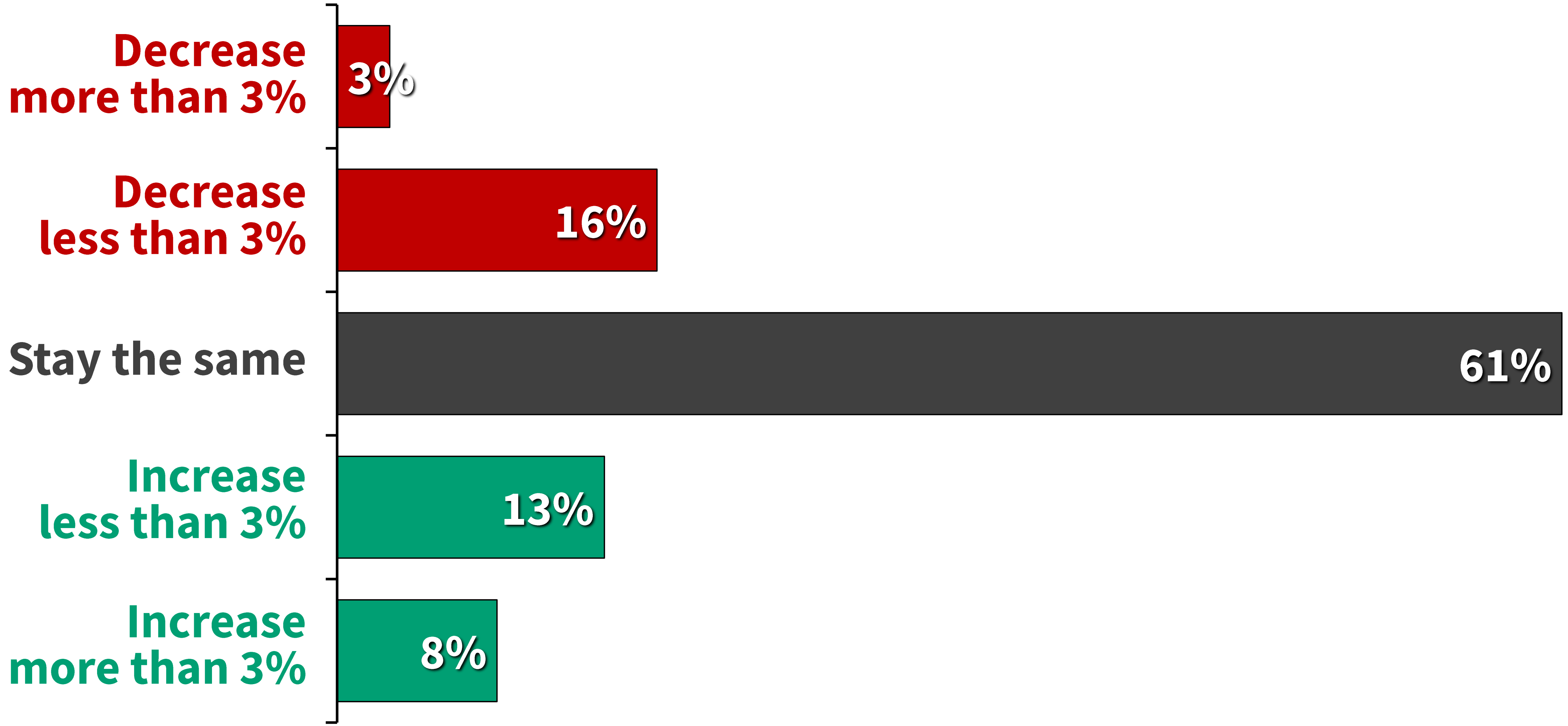
Estate are the dominant seller at 64%

Why people are selling

Reason for selling	Percentage
Family farm succession planning	31%
Need for cash	20%
Good market price	19%
1031 exchange	19%
Adjusting an investment portfolio	11%
Other	1%

- 3% were involved in a sale tied to farmer's financial difficulties
- 26% had a transaction with an institutional investor
- None reported a transaction with a foreign investors

What respondents expect for the rest of 2026



Interest rate

	Mid-year 2025	Mid-year 2026
Expect lower rates	76%	24%
Do not expect lower rates		71%
Unsure		5%

- July 29 Federal Open Market Committee (FOMC) held 3.50-3.75%
- Farm real estate loan 6.79%; 10-year Treasury about 4.7%
- Based on survey's own rents and prices,
  current return to Illinois farmland about 2.4% to 2.6% by class

How farms sell and two-year view

Methods of sale in 2026	
More listings than auction	49%
About the same mix	35%
More auctions	16%
Prices in two years (2028)	
Higher	45%
About the same	42%
Lower	13%

- Listings include public listings and private treaty sales
- No respondent expected prices to be much higher or much lower in 2028

Cash Rents

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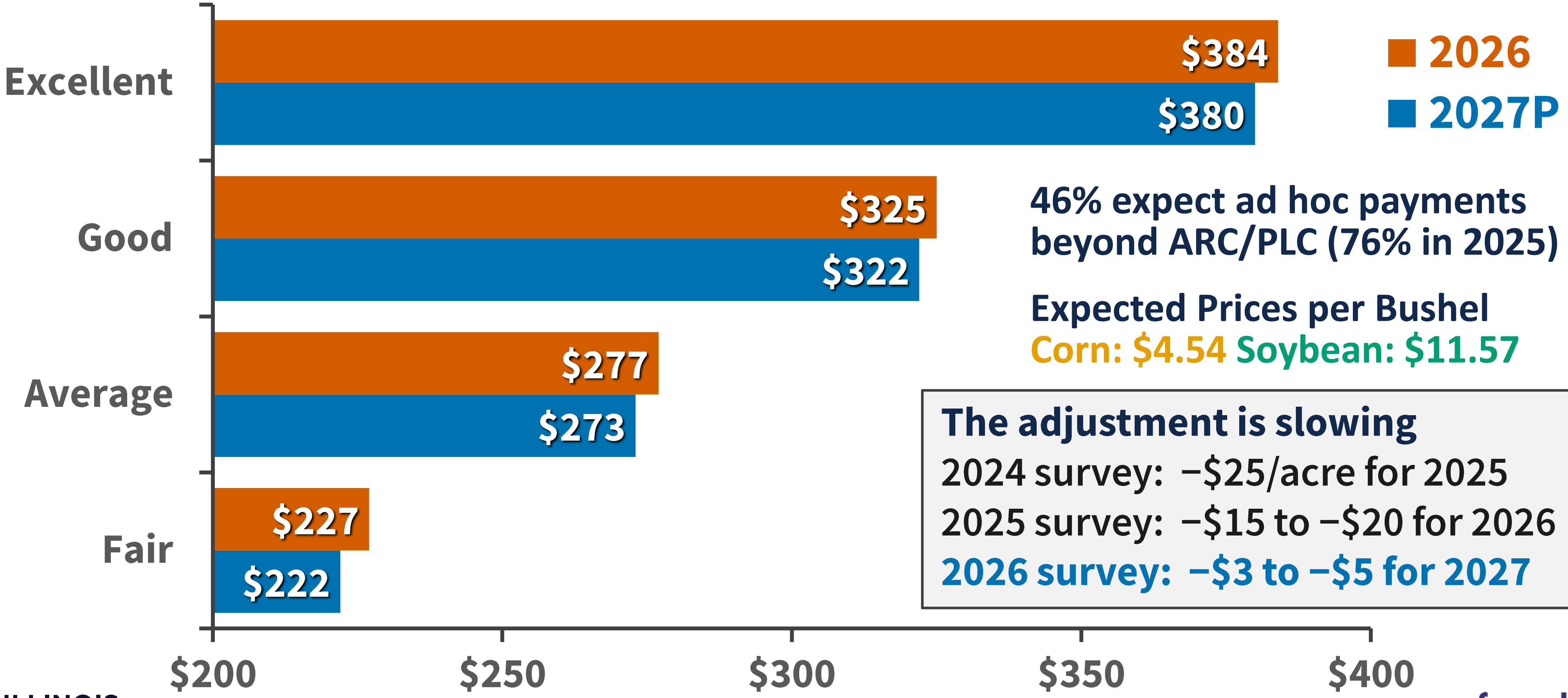
Cash rents reported and expected

Cash Rents in 2026 and Expected in 2027

Average dollars per acre reported by survey respondents



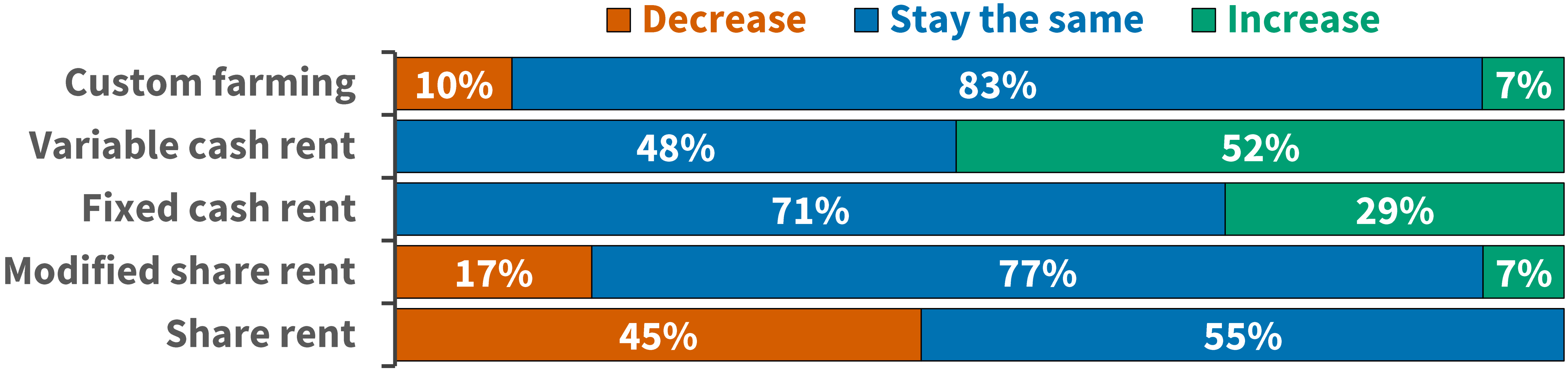
46% expect ad hoc payments beyond ARC/PLC (76% in 2025)

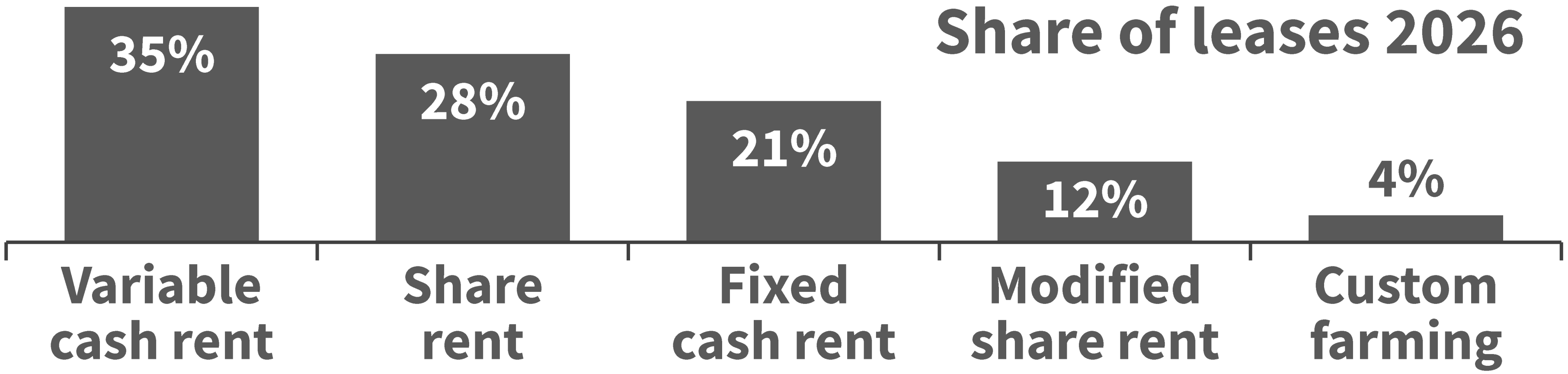
Expected Prices per Bushel
Corn: $4.54 Soybean: $11.57

The adjustment is slowing
2024 survey: −$25/acre for 2025
2025 survey: −$15 to −$20 for 2026
2026 survey: −$3 to −$5 for 2027

How Illinois farmland is leased

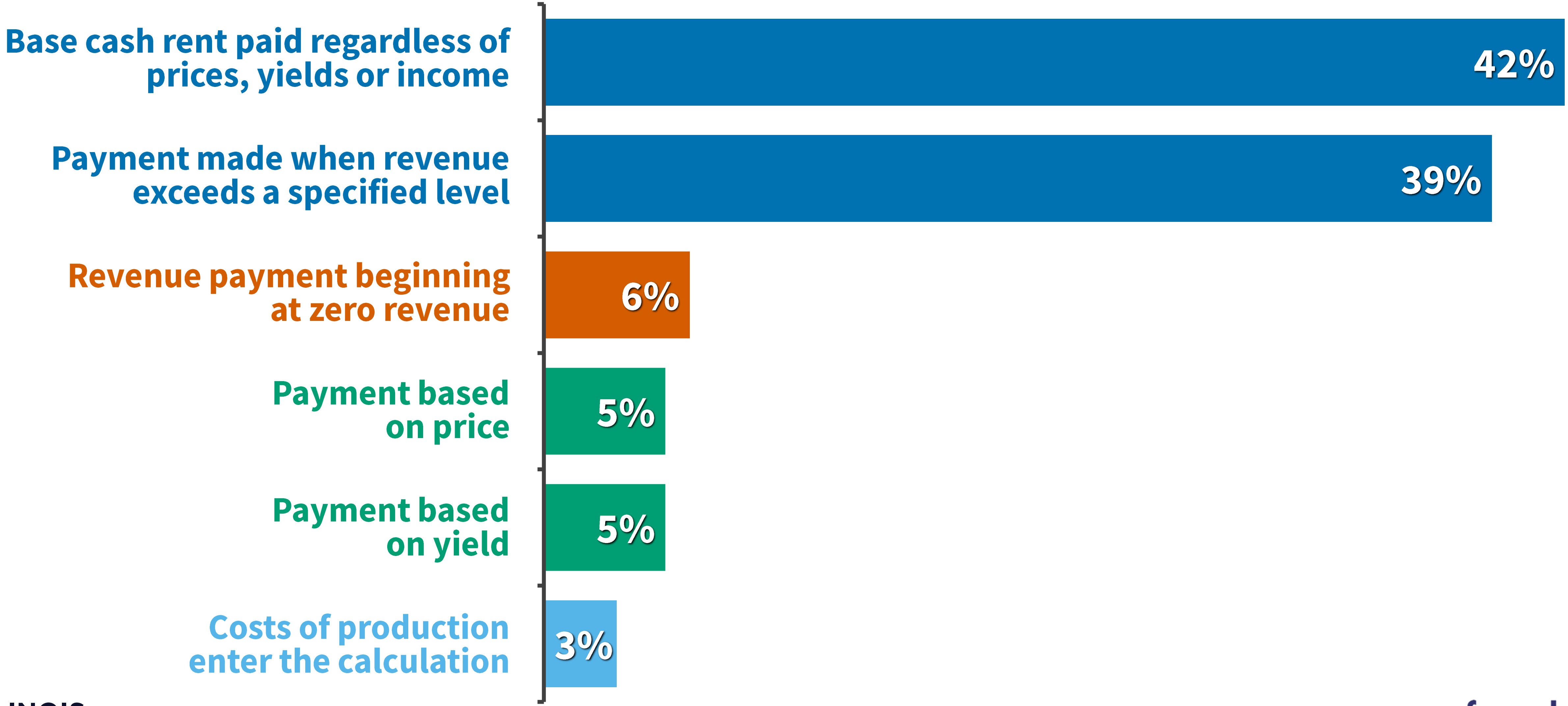
Expectations of Change in Lease Type Into 2027 (% of respondents)





Average supplemental rent on a share rent lease is $35 per acre

What is in a variable lease?
Term included



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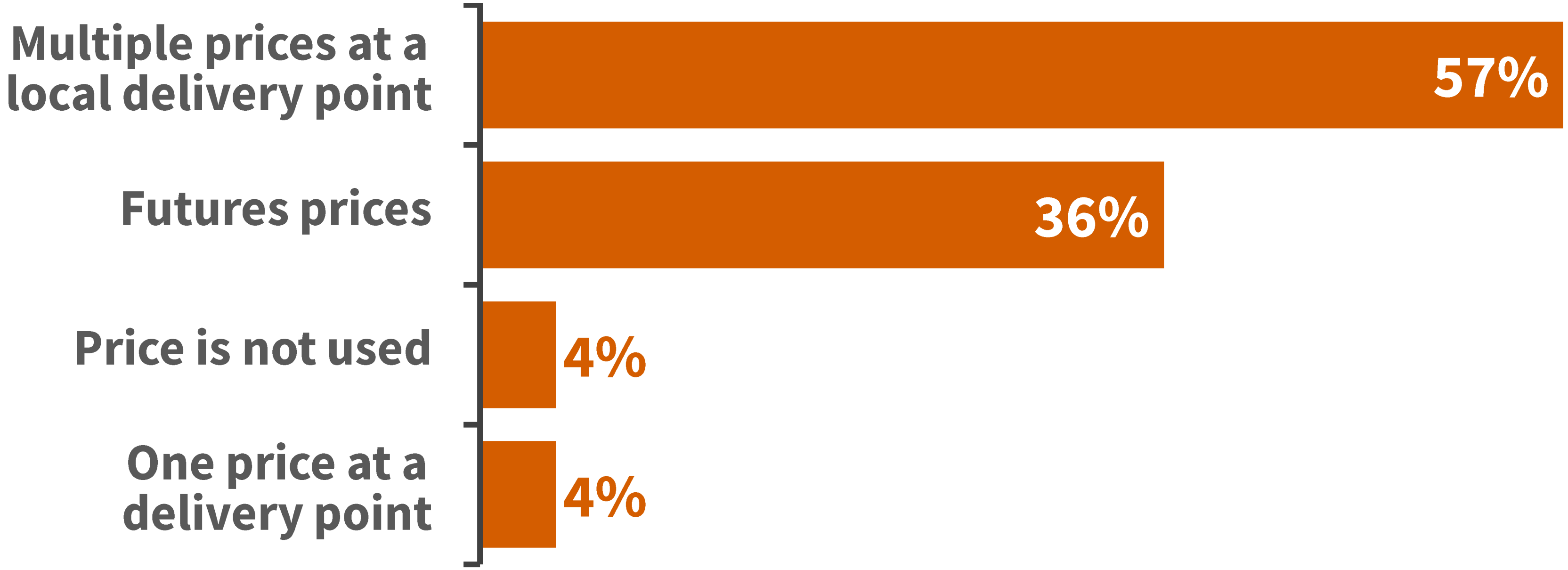
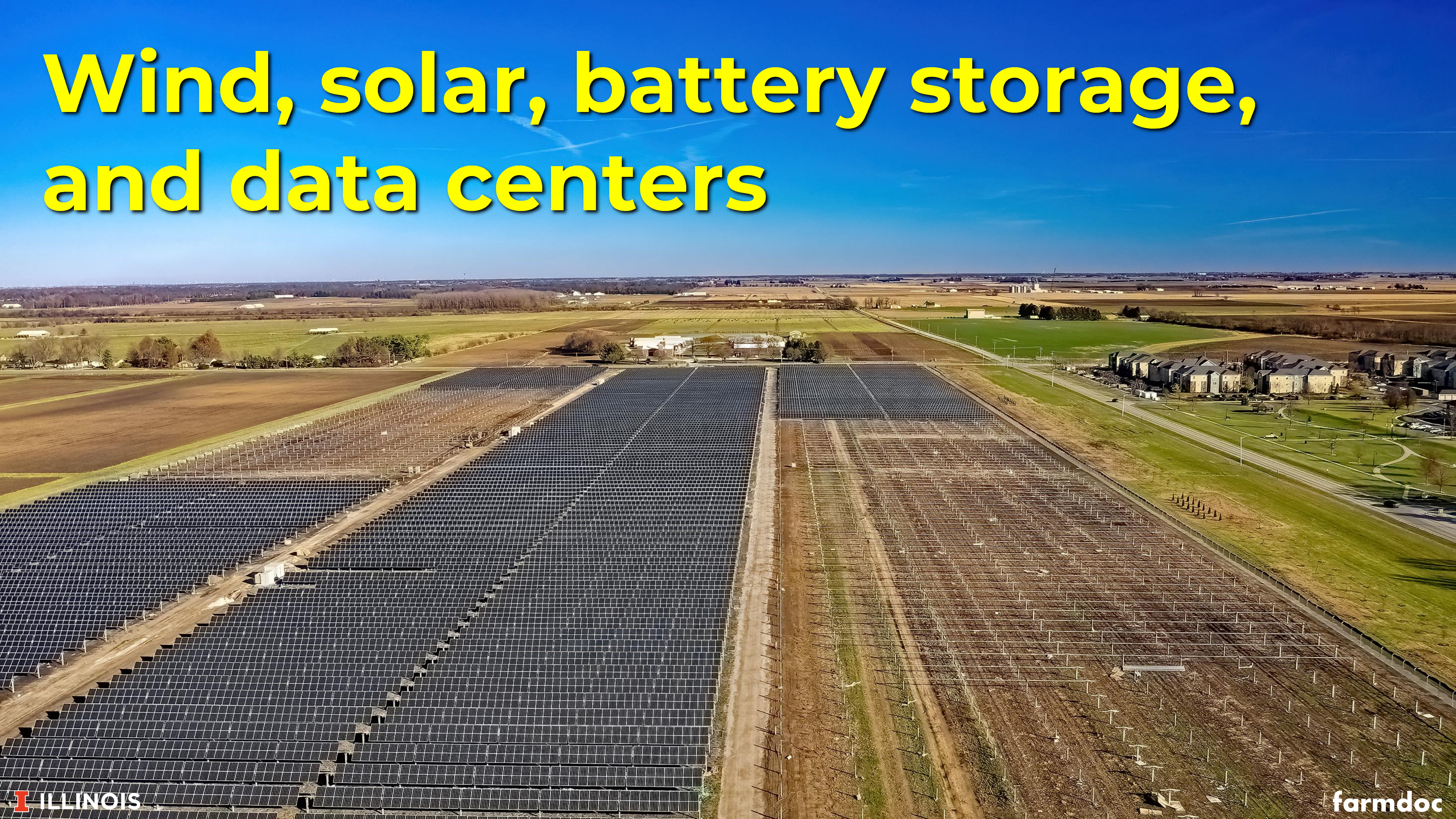
What is in a variable lease?

When yield is used

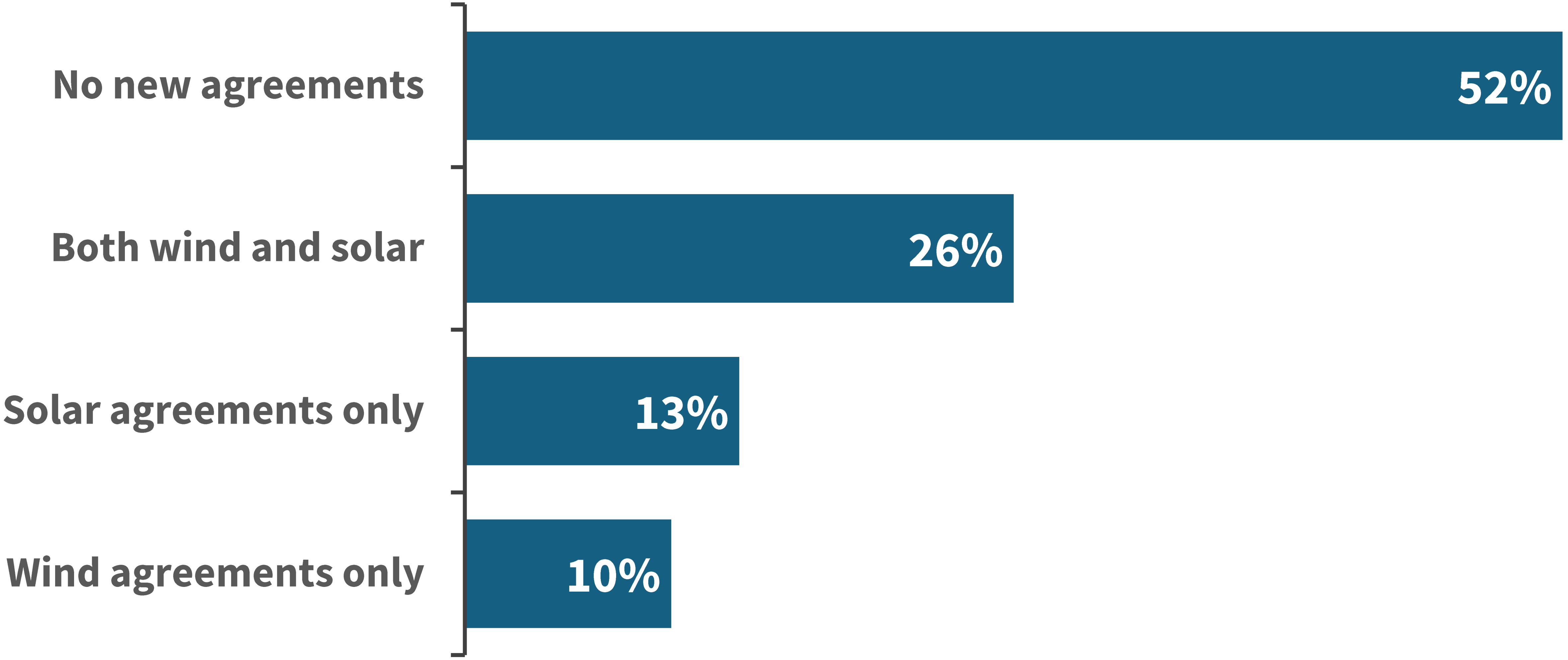
When price is used



Wind, solar, battery storage, and data centers



New renewable agreements since January 1, 2026

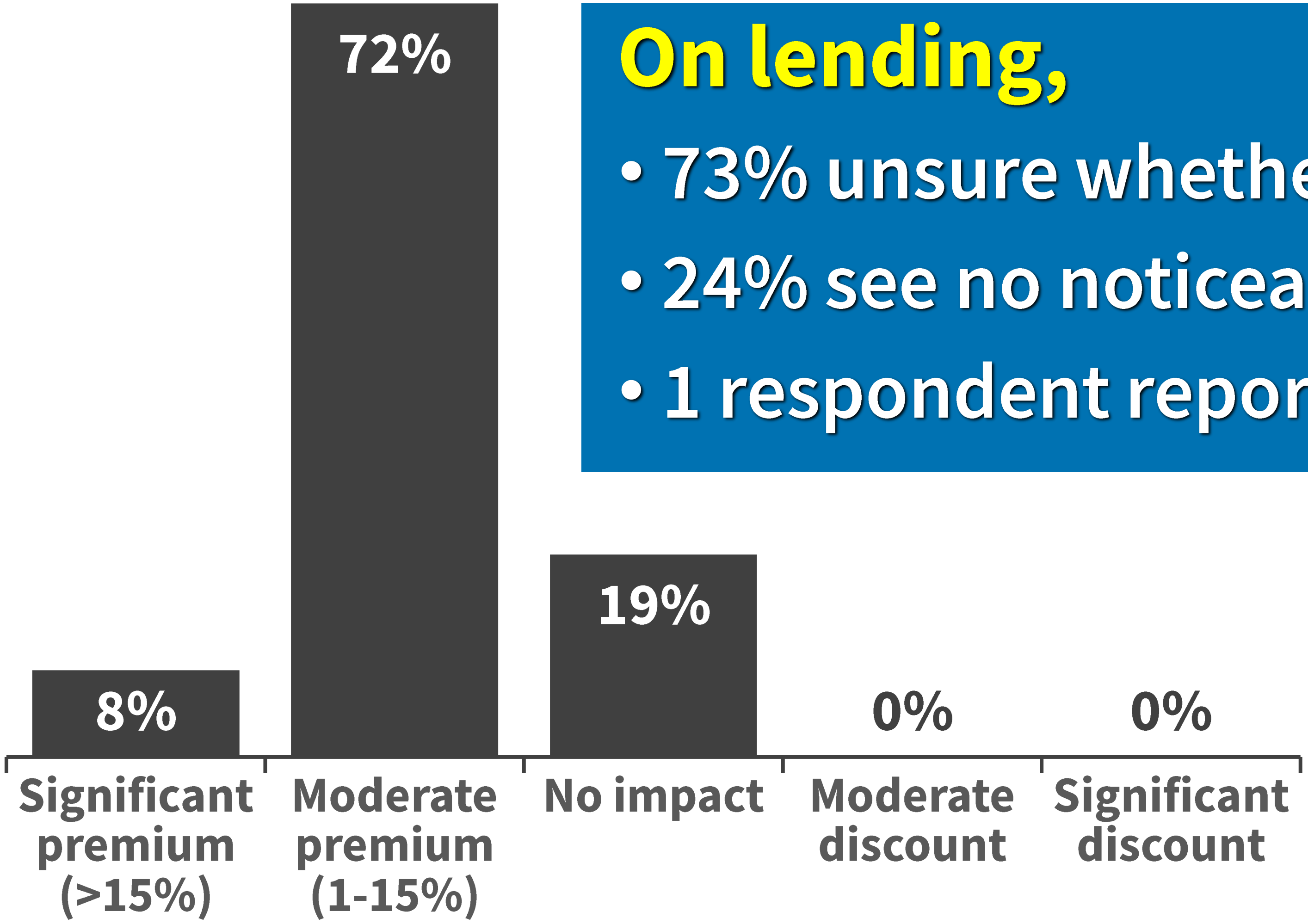


Annual lease rates offered for new utility-scale solar or wind

Battery storage is the new entrant

- 33% received Battery Energy Storage System (BESS) inquires or options since January 1
- 22% co-located with solar
- 11% standalone facilities

Does an active energy lease change what the land sells for?



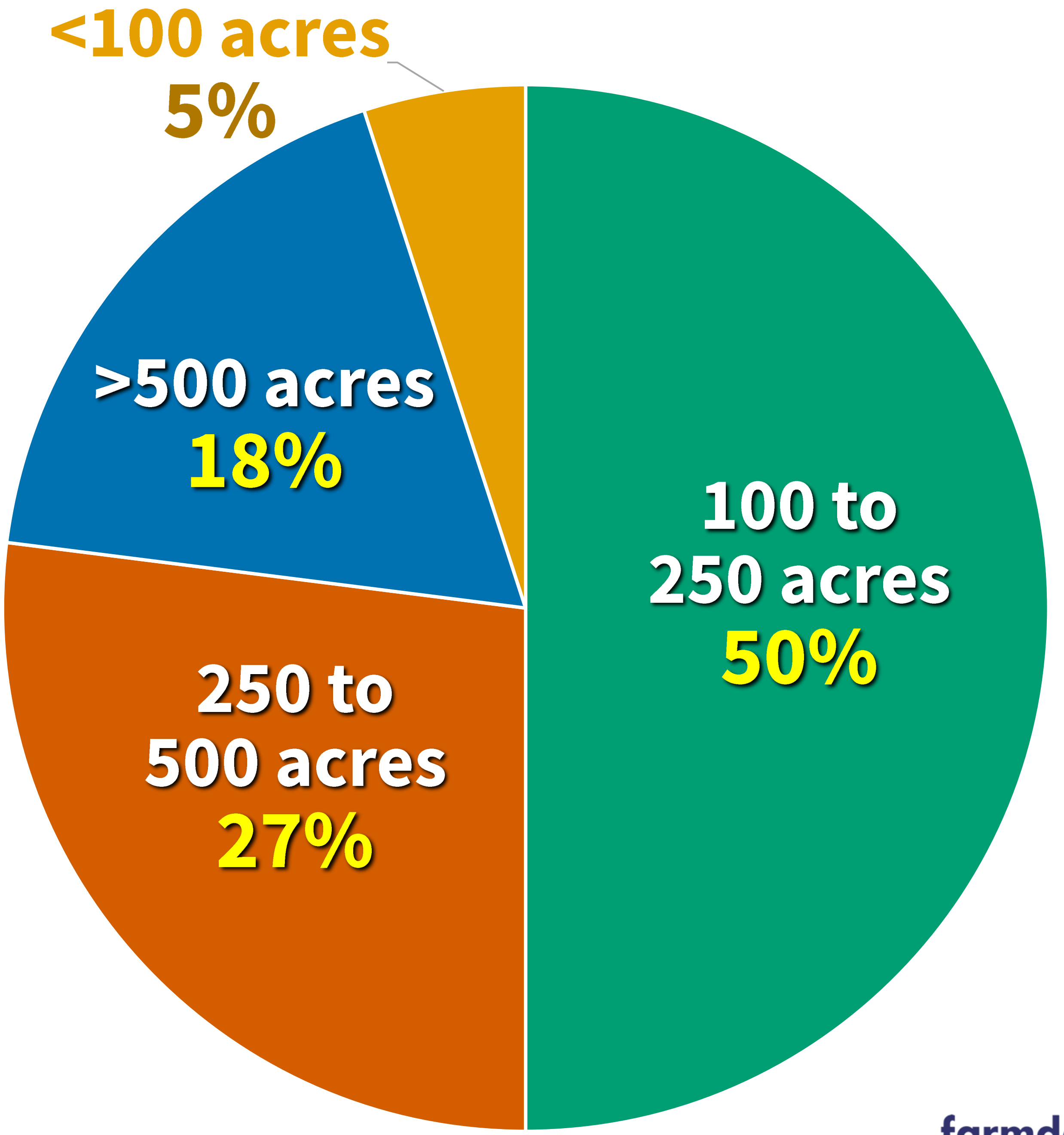
On lending,

- 73% unsure whether underwriting is changing
- 24% see no noticeable change
- 1 respondent reports stricter terms

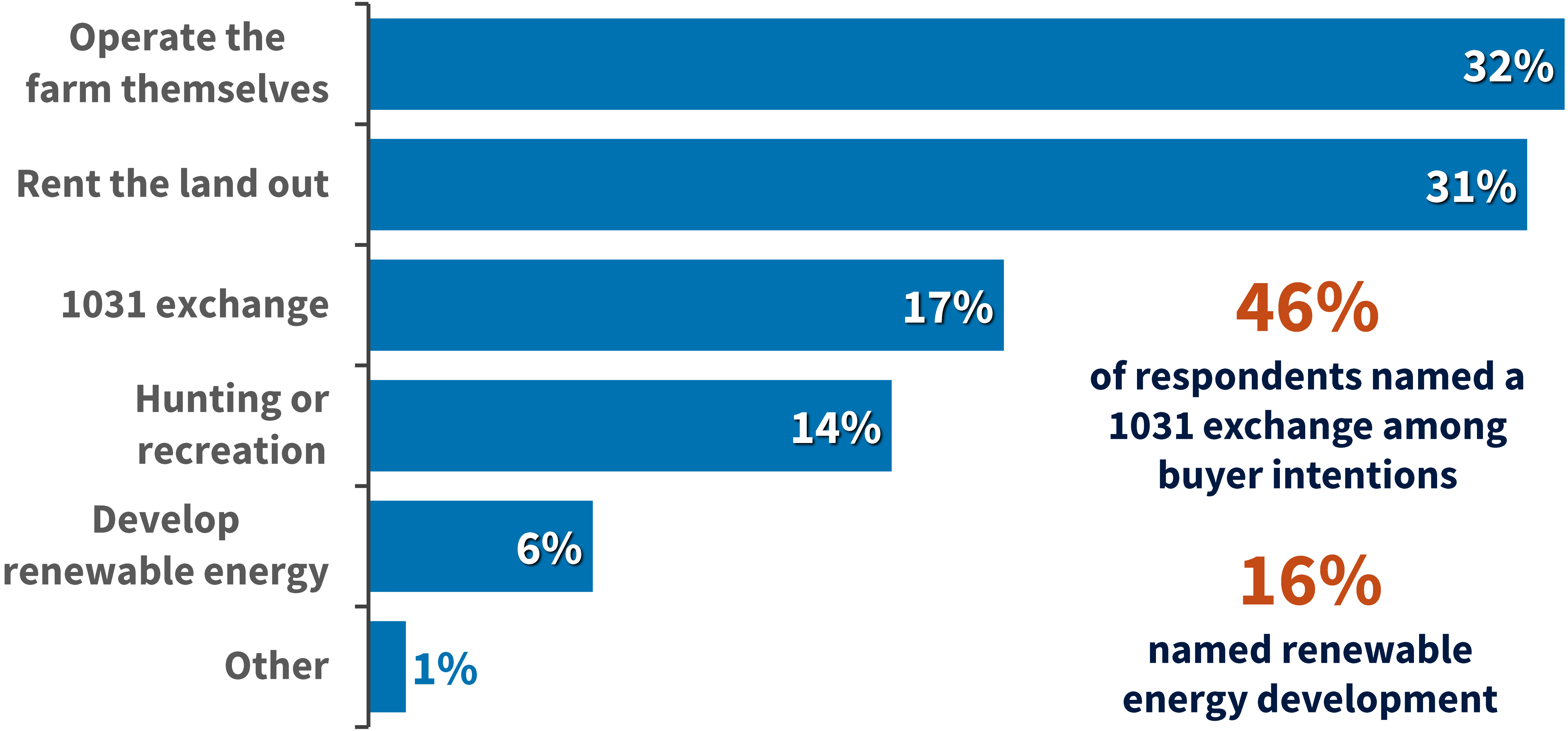
Data Centers

26%

of farm managers were approached by a developer or broker during the first half of 2026



What buyers plan to do with the land



46%

of respondents named a 1031 exchange among buyer intentions

16%

named renewable energy development

Mid Year Survey Results

- 61% expect prices to hold steady through the end of 2026
- Down $3 to $5 per acre for 2027 cash rent
- 71% no longer expect lower interest rates this year
- Variable cash rent becomes more common
- Half of farm managers involved with wind or solar agreement

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