

NEWS RELEASE

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Indiana farmland prices hit record high in 2021

WEST LAFAYETTE, Ind. – The [Purdue Farmland Value and Cash Rents Survey](#) suggests farmland prices across Indiana have risen to all-time highs in June of 2021. Statewide, top quality farmland averaged \$9,785 per acre, up 14.1% from the same time last year. The high growth rate for top quality farmland was closely followed by the growth in average and poor quality farmland prices, which increased by 12.5% (to \$8,144) and 12.1% (to \$6,441), respectively. Across all land quality classes, 2021 per acre farmland prices exceeded the previous records set in 2014.

“A unique combination of economic forces including net farm income, expected income growth, crop and livestock prices, interest rates, exports, inflation, alternative investments, U.S. policy, and farmers’ liquidity, all played a major factor in the price increase we’re experiencing,” said Todd H. Kuethe, Purdue associate professor and Schrader Endowed Chair in Farmland Economics and survey author.

According to Kuethe, that’s rare.

“Normally we’ll see positive price pressure from one or two market forces; however, this June, survey respondents indicated that all ten forces we asked them about were putting upward pressure on land values.”

Statewide cash rental rates increased across all land quality classes in 2021. Average rental rates increased by 3.9% for top quality land, from \$259 to \$269 per acre. The cash rental rates for average and poor quality lands both increased by 4.6% to \$227 and \$183, respectively. At the regional level, the largest rental rate increases for top and average quality land were both in the Southeast region (11.5% and 6.4%), and the largest rental rate increases for poor quality land were in the North region (5.5%). Across all three land quality classes, the highest per acre cash rent was observed in the West Central region.

Rent as a share of June land value decreased slightly in 2021, suggesting that cash rental rates appreciated slower than farmland prices. Some portion of the difference in appreciation rates between farmland values and cash rents may reflect changes in expectations between fall 2020, when 2021 rents were negotiated, and the 2021 growing season.

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For more in-depth analysis on the survey, the [Purdue Center for Commercial Agriculture](#) will host a free webinar Friday, August 20, 2021 from 12:30 - 1:30 P.M. EDT. Join Purdue agricultural economists Todd Kuethe, James Mintert and Michael Langemeier as they break down the Purdue Farmland Values Survey and USDA Land Values report, discuss marketing strategies for 2021 corn and soybean crops, and make projections for 2022 corn and soybean returns. Register for free at <https://purdue.ag/webinar082021>.

The department of agricultural economics conducts the Purdue Farmland Value and Cash Rent Survey each June and publishes it in the [Purdue Agricultural Economics Report](#). The survey is produced through the cooperation of numerous professionals knowledgeable of Indiana's farmland market. These professionals provided an estimate of the market value for bare poor, average, and top quality farmland in December 2020, June 2021, and a forecast value for December 2021.

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