

NEWS RELEASE

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Indiana farmland prices continue to rise in 2023

WEST LAFAYETTE, Ind. – Indiana farmland prices once again hit record highs in 2023, according to the recent [Purdue Farmland Value and Cash Rents Survey](#). Statewide, the average price of top-quality farmland averaged \$13,739 per acre, up 7.3% from June 2022. Average and poor-quality farmland increased 5.8% and 0.7% to \$11,210 and \$8,689 per acre, respectively.

“While farmland prices reached a new peak in 2023, the appreciation rate from 2022 to 2023 was much lower than the record high price growth observed between 2021 and 2022,” said Todd H. Kuethe, Schrader Endowed Chair in Farmland Economics and the survey’s author. “Farm incomes and liquidity are playing a role in boosting price growth; however, rising interest rates continue to put downward pressure on purchases financed through mortgages.”

Statewide cash rents increased by a modest amount between 2022 and 2023; yet, in nominal terms, all three quality grades are at an all-time high. Per acre cash rental rates for top, average, and poor-quality land exceeded the previous highs set in 2013, 2014, and 2021. Indiana per acre cash rent for top quality land increased by 1.99% to \$306. Cash rental rates for average and poor-quality land increased by 2.09% and 2.50% to \$257 and \$212, respectively.

Kuethe says that it’s important to note that these modest changes at the state level mask some of the larger variation across land qualities and regions. For example, cash rental rates grew by 32.8% to 47.2% in the Southeast region for top, average, and poor-quality land, but cash rental rates fell by –2.2% to –10.7% in the Southwest region. The highest cash rents, across all three quality grades, were observed in the West Central region. Across all regions and quality grades, rent as share of land value (the capitalization rate) held relatively steady between 2022 and 2023.

A divergence was also found in values for farmland transitioning out of agricultural production and those of farmland used for recreational purposes in 2023. Statewide, the per acre value of farmland transitioning out of agricultural production increased by 4.1% between June 2022 and June 2023 to \$25,228. However, the value of recreational land declined by –10.4% to \$8,170 per acre.

For more in-depth analysis on the survey, the [Purdue Center for Commercial Agriculture](#) has released a new Purdue AgCast episode. Listen as Purdue ag economists Todd Kuethe, James Mintert

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and Michael Langemeier discuss Indiana farmland values, cash rents, and results from the 2023 [Purdue Farmland Values and Cash Rents Survey](https://purdue.ag/farmland-values). The two-part series is available for free at <https://purdue.ag/farmland-values>.

The department of agricultural economics conducts the Purdue Farmland Value and Cash Rents 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 2022, June 2023, and a forecast value for December 2023.

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