

INDIANA FARMLAND VALUES

2023 UPDATE

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Center for Commercial Agriculture

Purdue Farmland Value & Cash Rent Survey Background

- Survey conducted annually in June since 1974
- Respondents: rural appraisers, ag lenders, farm managers, and farmers
- Information collected:
 - Estimated Land values as of December 2022, June 2023 & December 2023 (projection)
 - Top, average, and poor quality land
 - Annual cash rental rate
 - Long-term corn yield (productivity)

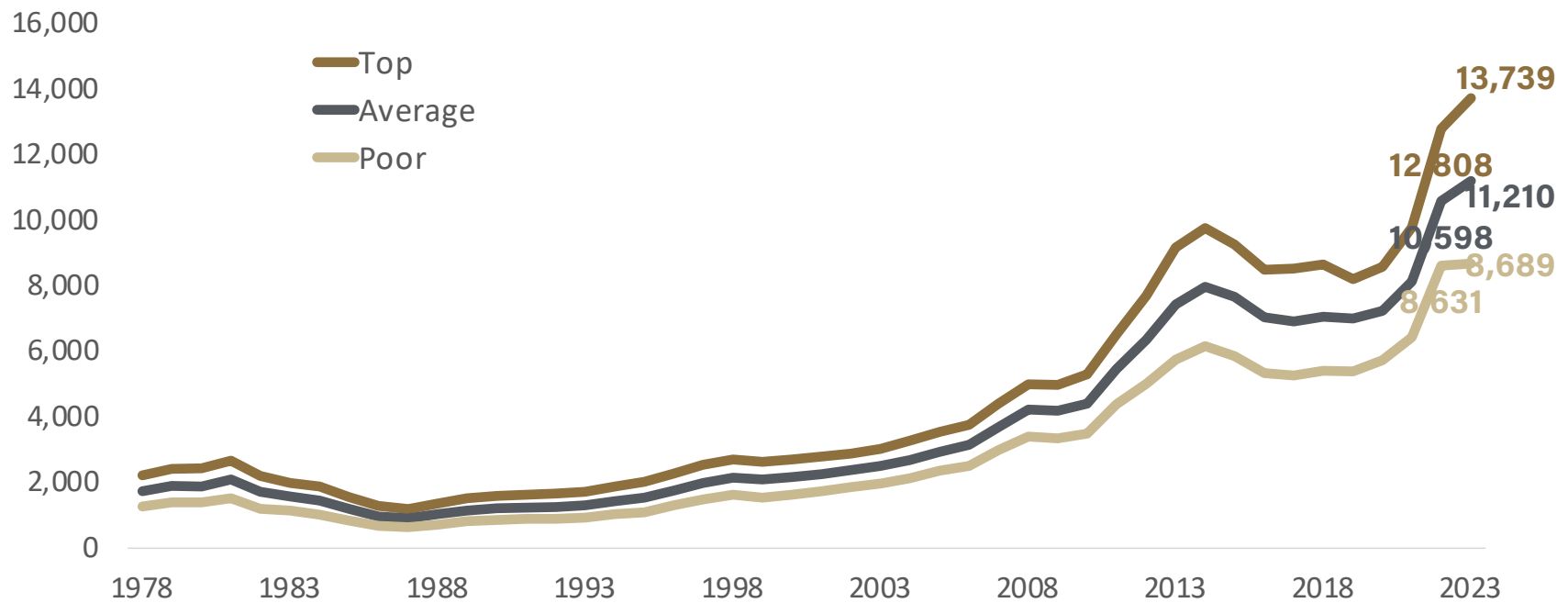
Indiana Farmland Values

2023 Survey Results, State Averages by Land Quality

Land Quality	Yield (Bu/Ac)	2022 Value (\$/A)	2023 Value (\$/A)	Percent Change
Top	221	\$12,808	\$13,739	7.3%
Average	193	\$10,598	\$11,210	5.8%
Poor	165	\$8,631	\$8,689	0.7%

Indiana Farmland Values

Nominal Values for Top, Average, and Poor Quality Farmland, 1978 – 2023



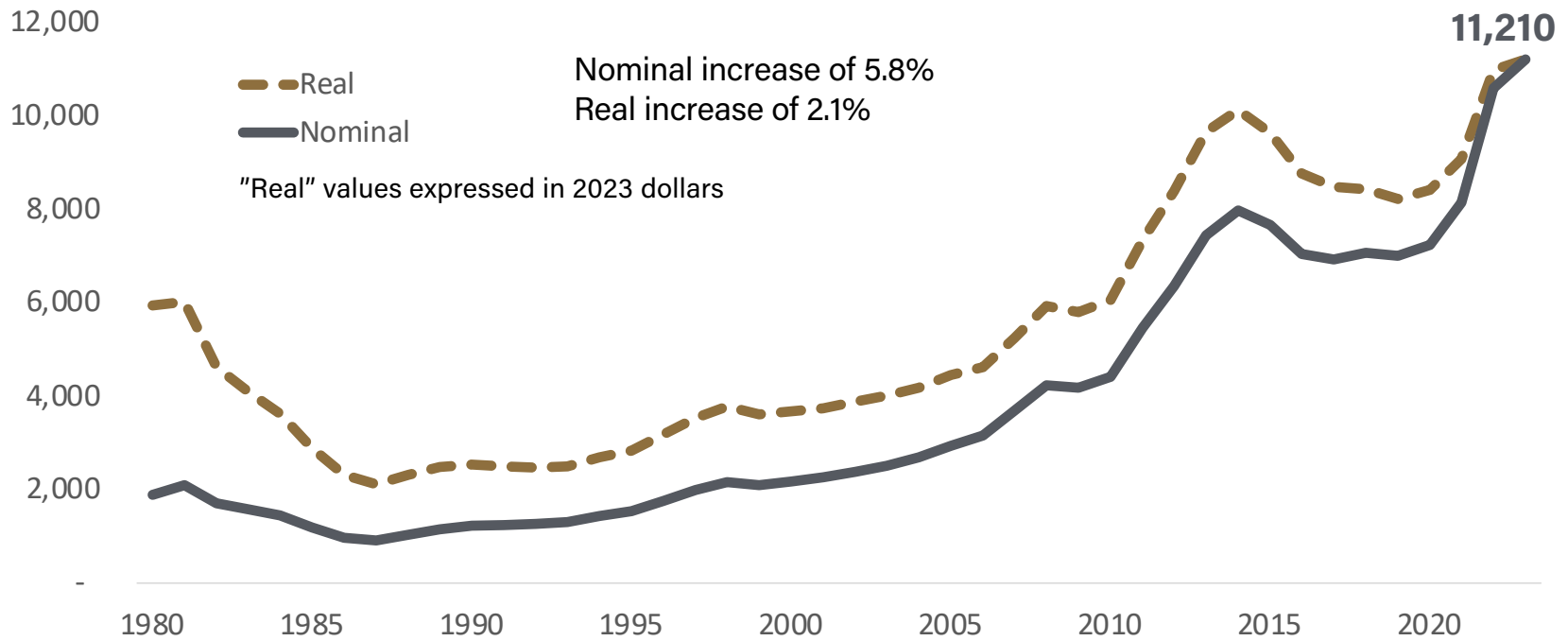
Source: Purdue Land Value and Cash Rent Survey



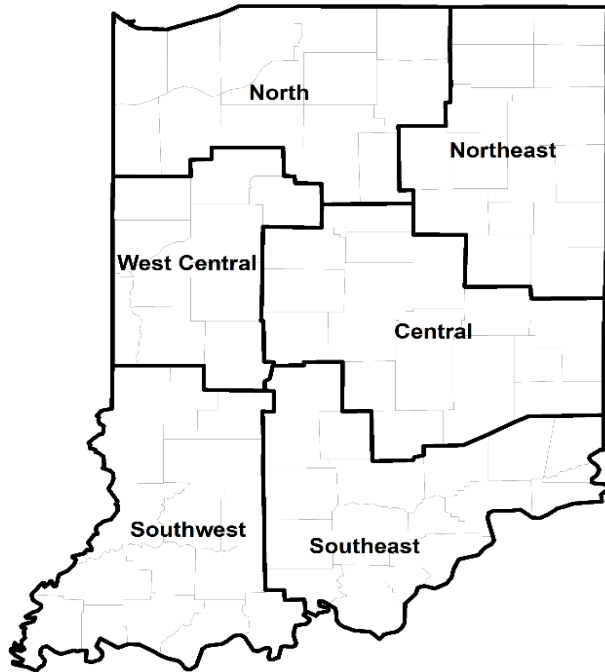
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Real vs. Nominal Values for Average Quality Land, 1980 – 2023



Regional Farmland Values



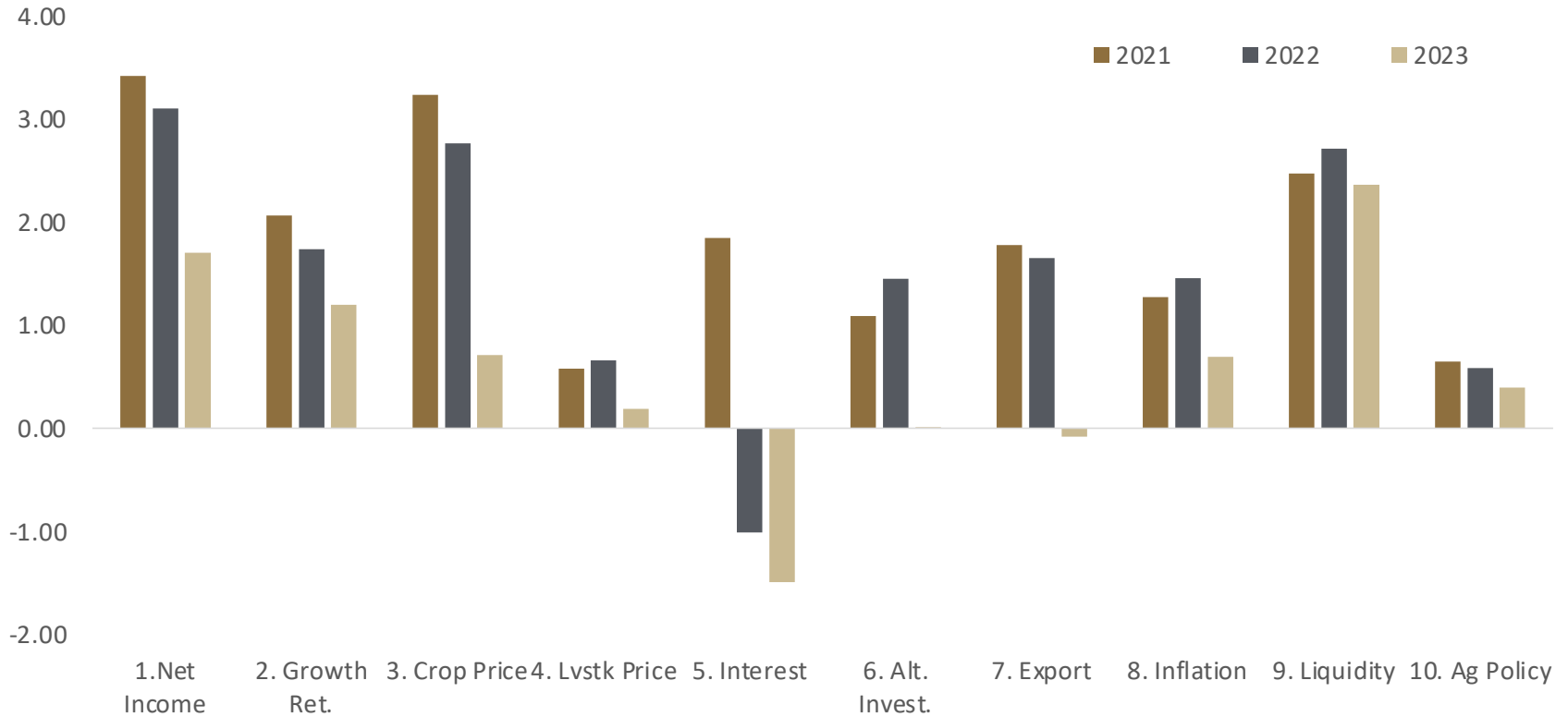
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Area	Land Class	Land Value	% Change
North	Top	\$13,000	2.9
	Average	\$10,083	5.1
	Poor	\$7,468	2.0
Northeast	Top	\$13,793	7.1
	Average	\$11,583	3.5
	Poor	\$8,692	-7.7
W. Central	Top	\$13,965	7.0
	Average	\$11,490	5.3
	Poor	\$9,321	3.4
Central	Top	\$14,852	12.9
	Average	\$12,576	11.5
	Poor	\$9,657	4.2
Southwest	Top	\$12,857	-7.0
	Average	\$9,450	-7.6
	Poor	\$7,182	-10.5
Southeast	Top	\$12,213	36.8
	Average	\$10,031	45.4
	Poor	\$8,125	55.8

Actual & Projected Farmland Value Changes

Land Quality	12/2022 – 6/2023 (Actual)	6/2023 – 12/2023 (Projected)
Top	2.3%	-0.7%
Average	1.7%	-2.1%
Poor	-0.7%	-0.6%

Farmland Value Drivers

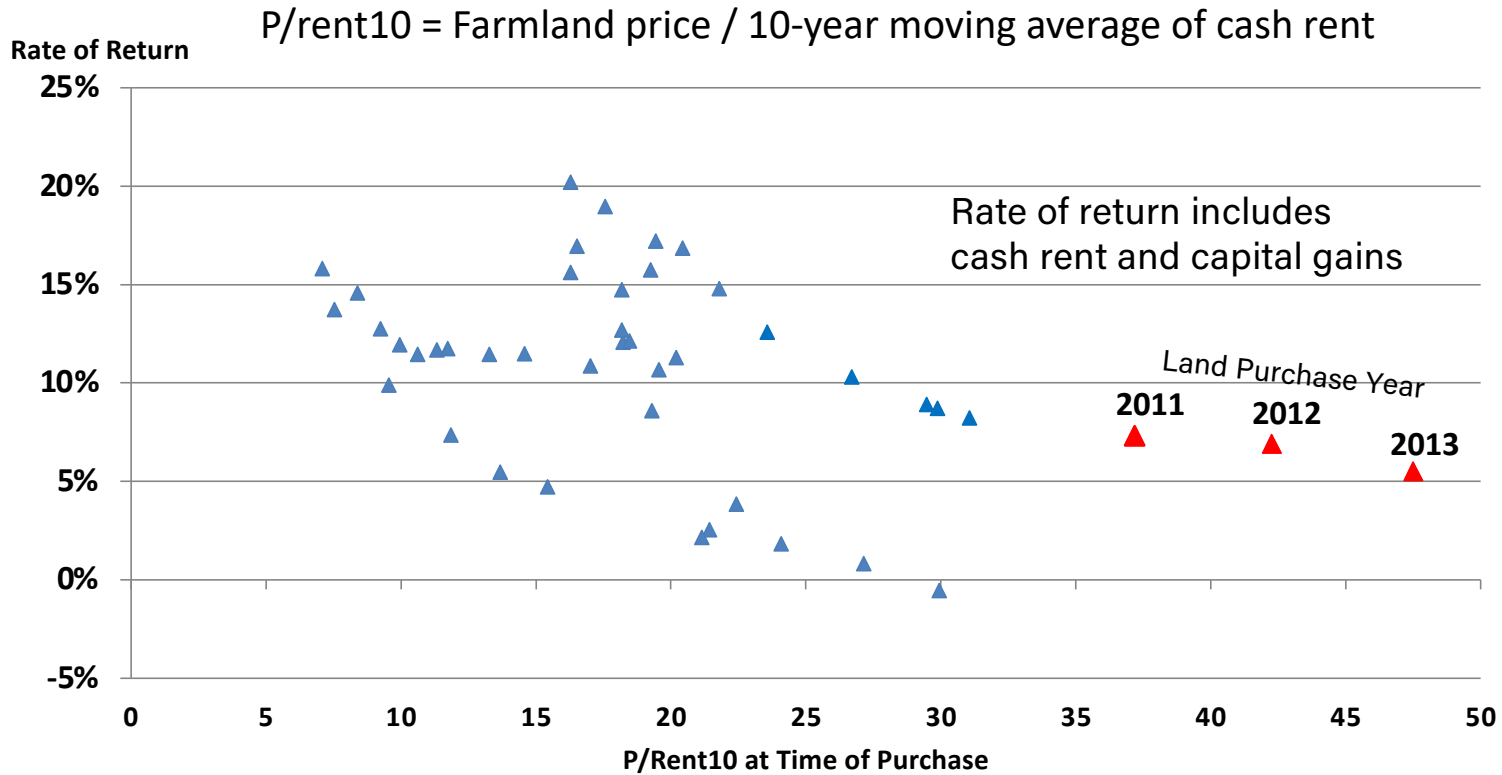


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Farmland Value Survey Summary

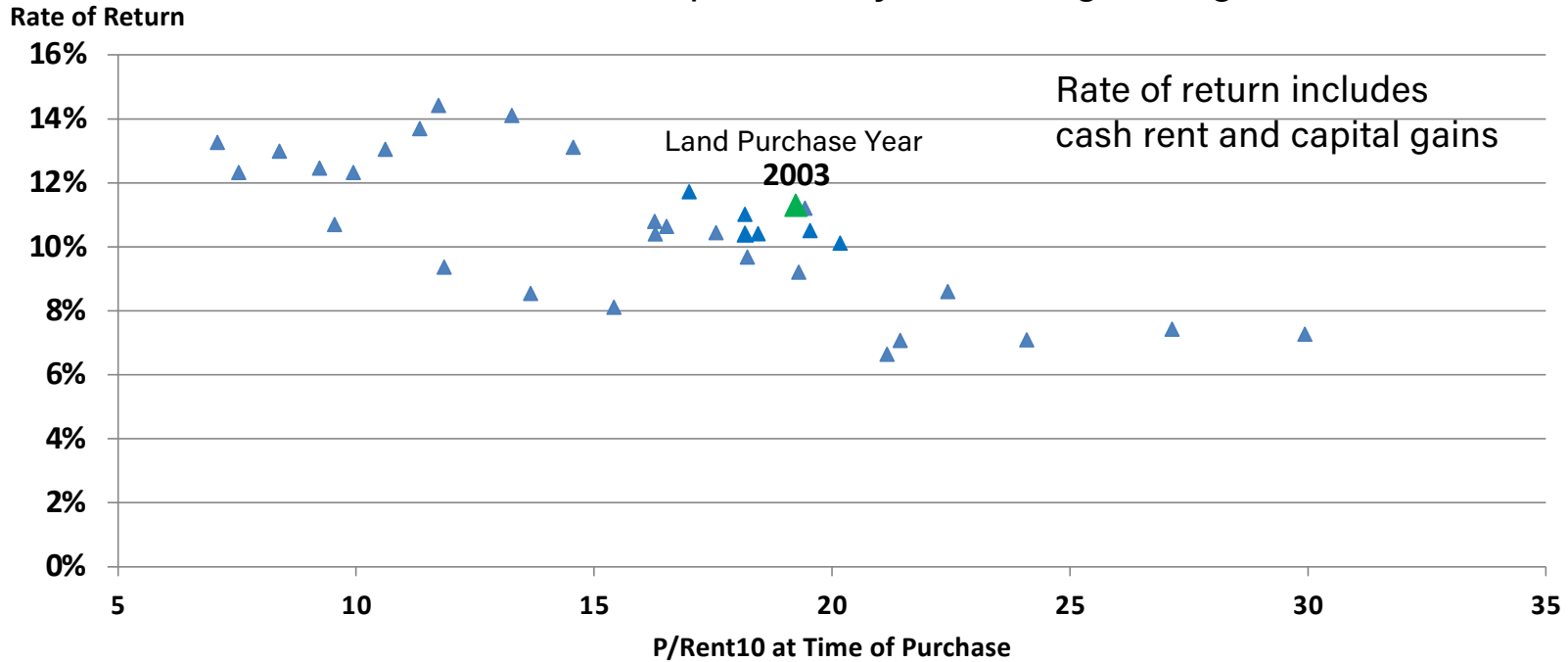
- New record high (again) in 2023
- Key drivers: farm income (+), commodity prices (+), liquidity (+)
- But Interest rates starting to put downward pressure on farmland prices
- Positive drivers more muted compared to 2022

**Ten-Year Rate of Return (left axis) and P/rent10 at the Time of Purchase (horizontal axis)
1970 to 2013**

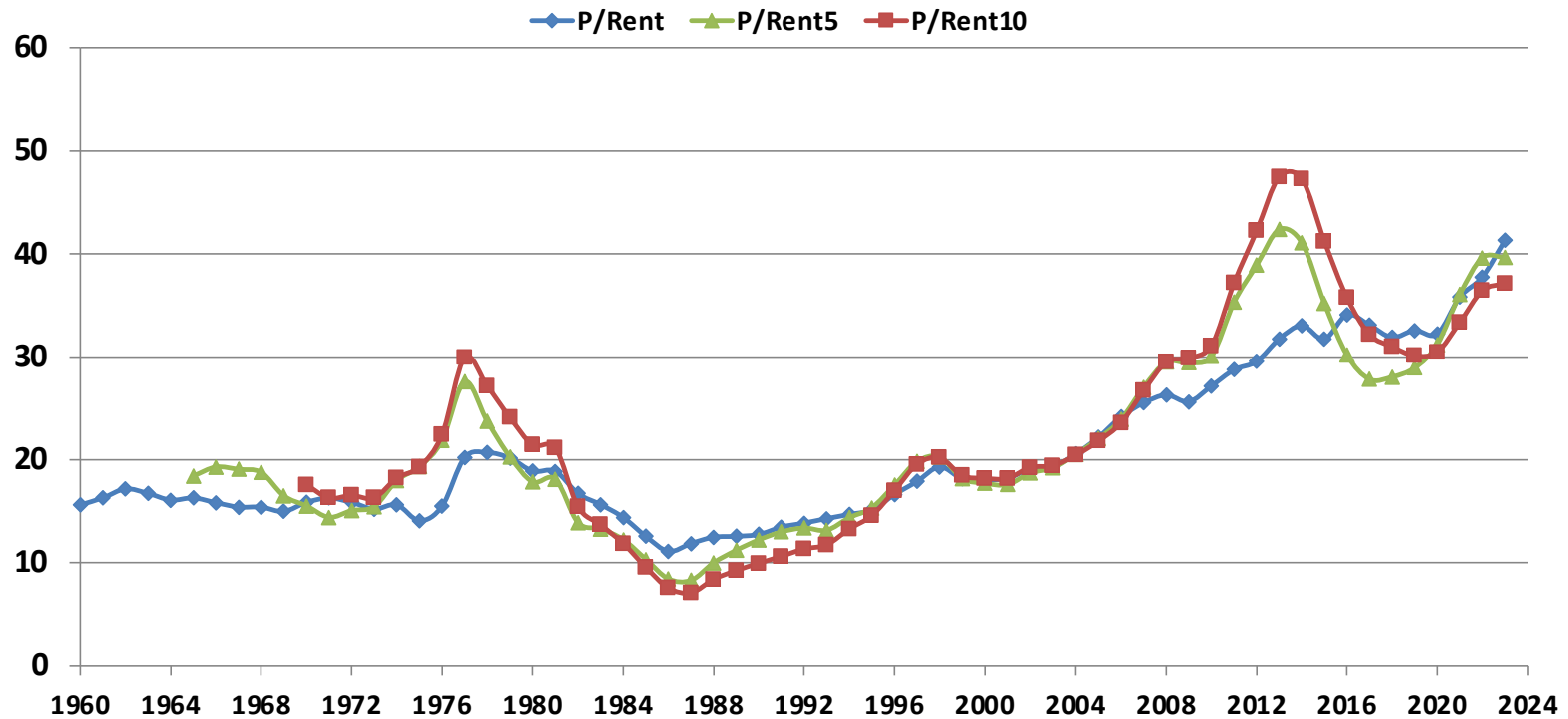


*Twenty-Year Rate of Return (left axis) and P/rent10 at the Time of Purchase (horizontal axis)
1970 to 2003*

P/rent10 = Farmland price / 10-year moving average of cash rent

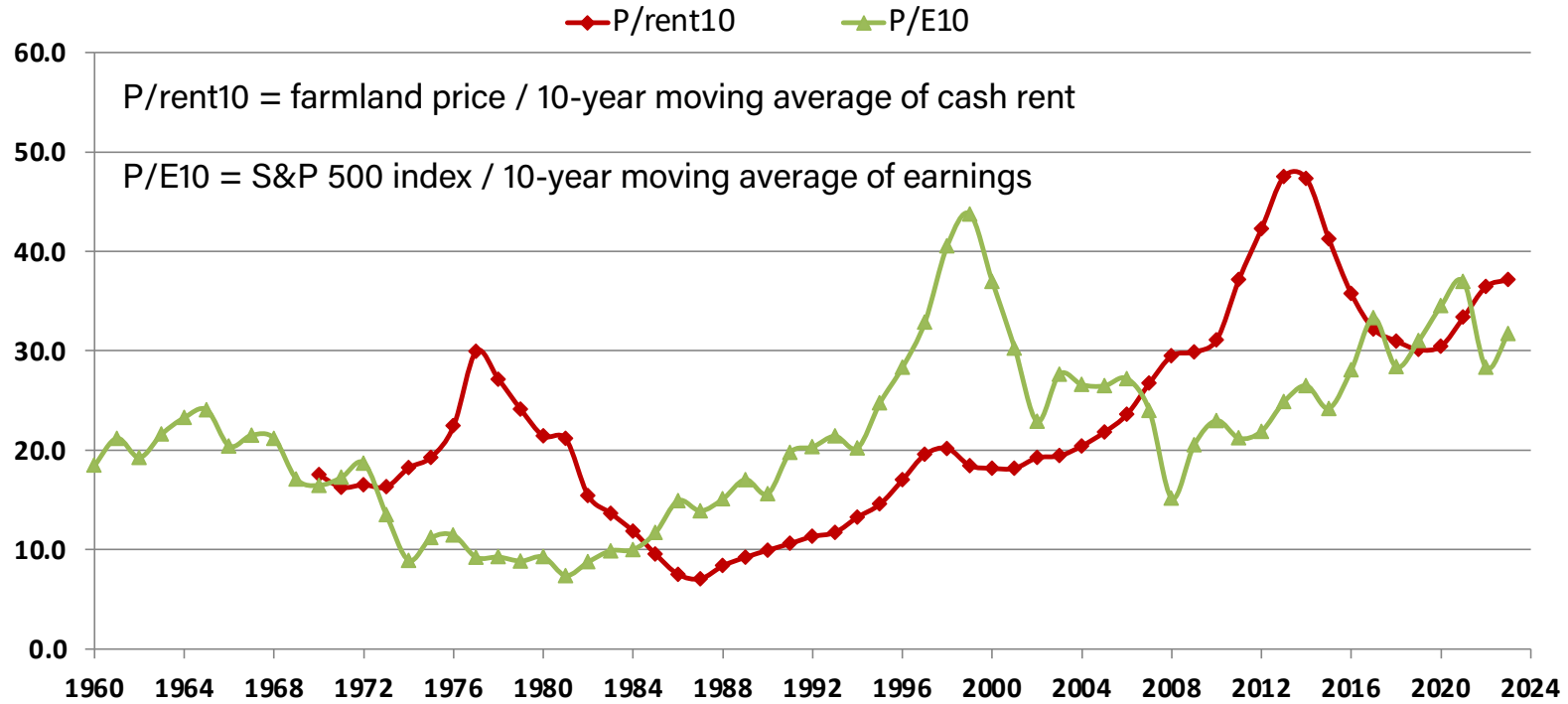


Current vs. 5 and 10-Year Cyclically Adjusted Price/Rent Ratios for West Central Indiana Farmland 1960-2023

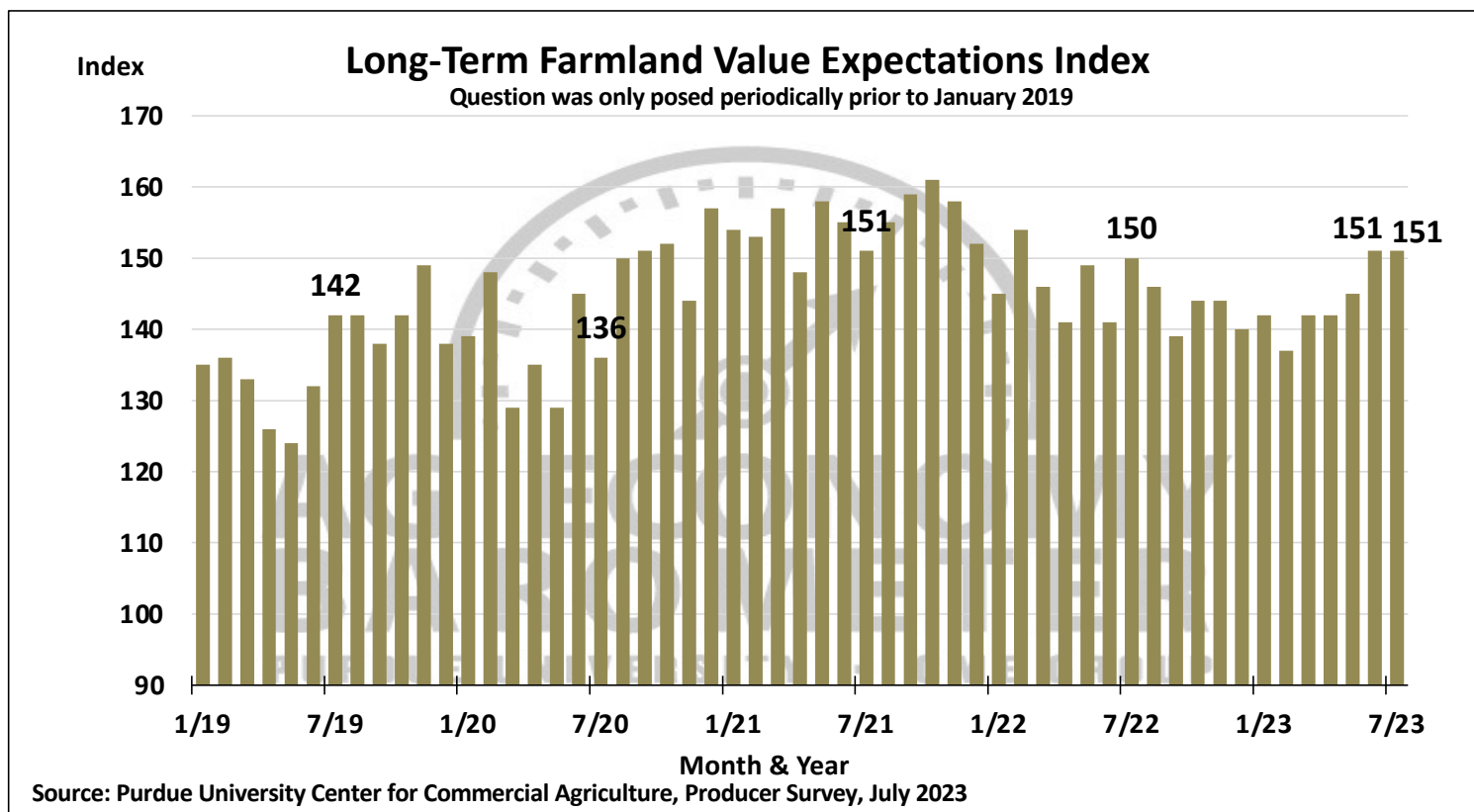


Cyclically Adjusted S&P 500 P/E vs. West Central Indiana Farmland Price/Rent Ratio

S&P 500 Price/Earnings 1960-2023, Farmland Price/Rent 1970-2023



Long-Term Positive Returns Help Explain Farmer's Continued Positive Perspective on Farmland Values



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