

U.S. & INDIANA FARMLAND CASH RENTAL RATES: 2024 UPDATE

Todd Kuethe, Professor, Schrader Endowed Chair in Farmland Economics

Michael Langemeier, Professor & Assoc. Director, Center for Commercial Agriculture

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September 23, 2024



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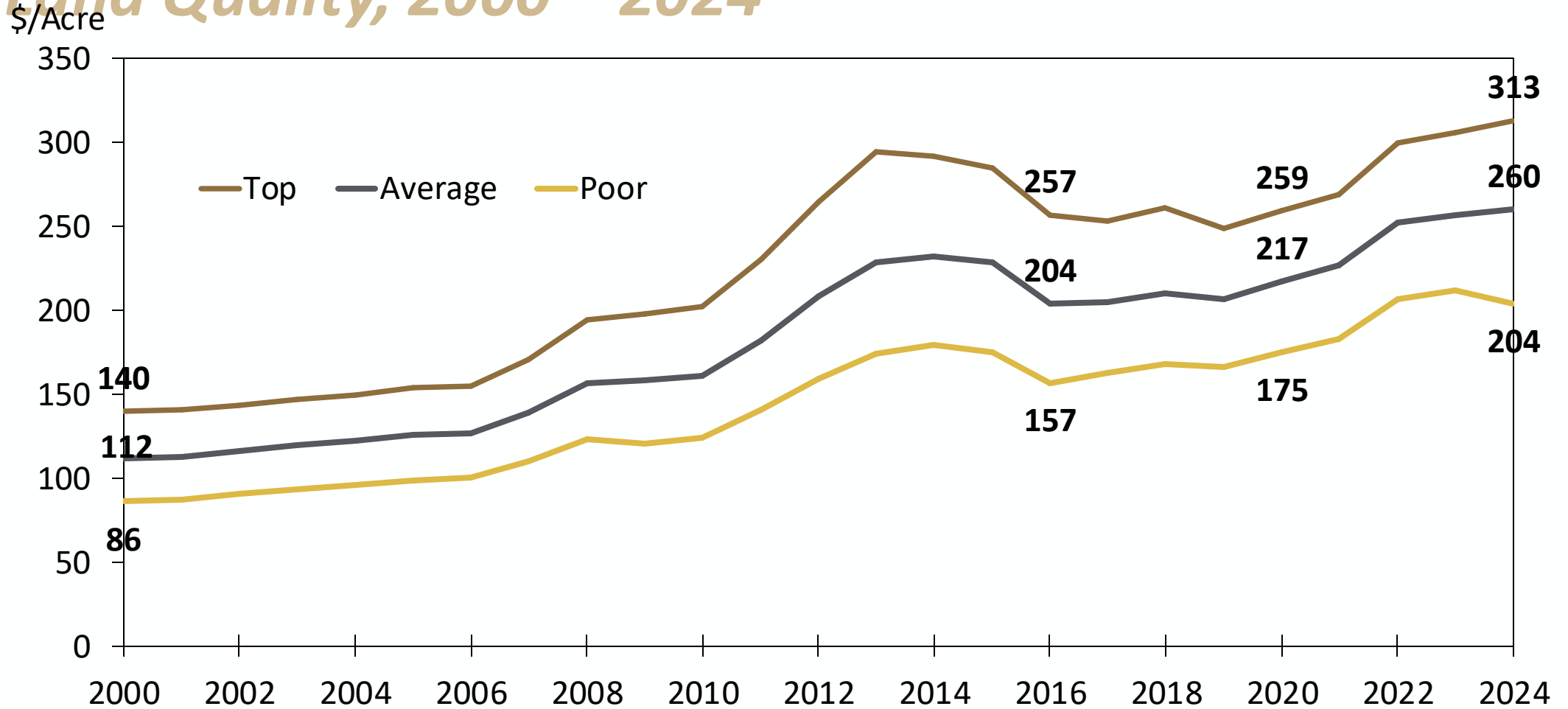
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Indiana State Average Cash Rental Rates By Land Quality, 2000 – 2024

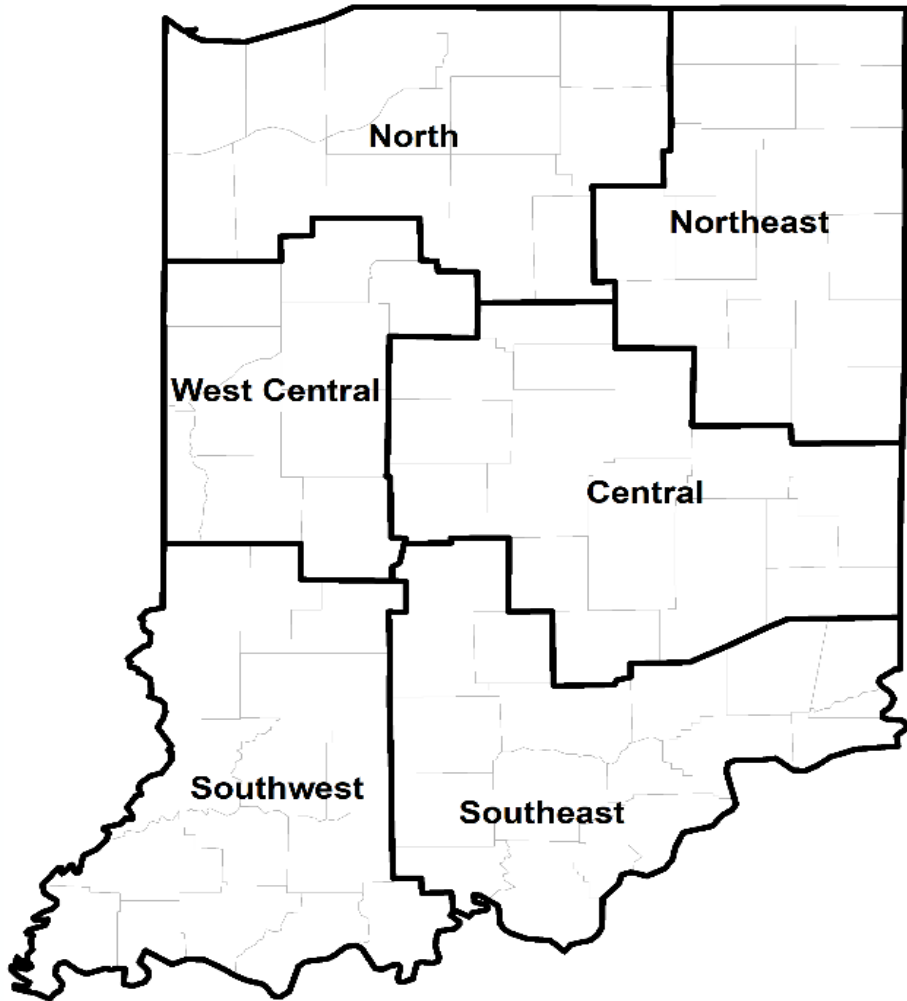


Indiana Cash Rental Rates

2024 vs 2023 Survey Results, State Averages by Land Quality

Land Quality	Yield (Bu/Ac)	2023 Value (\$/A)	2024 Value (\$/A)	Percent Change
Top	226	\$306	\$313	2.29%
Average	196	\$257	\$260	0.91%
Poor	167	\$212	\$204	-3.73%

2024 Indiana Cash Rental Rates By Region

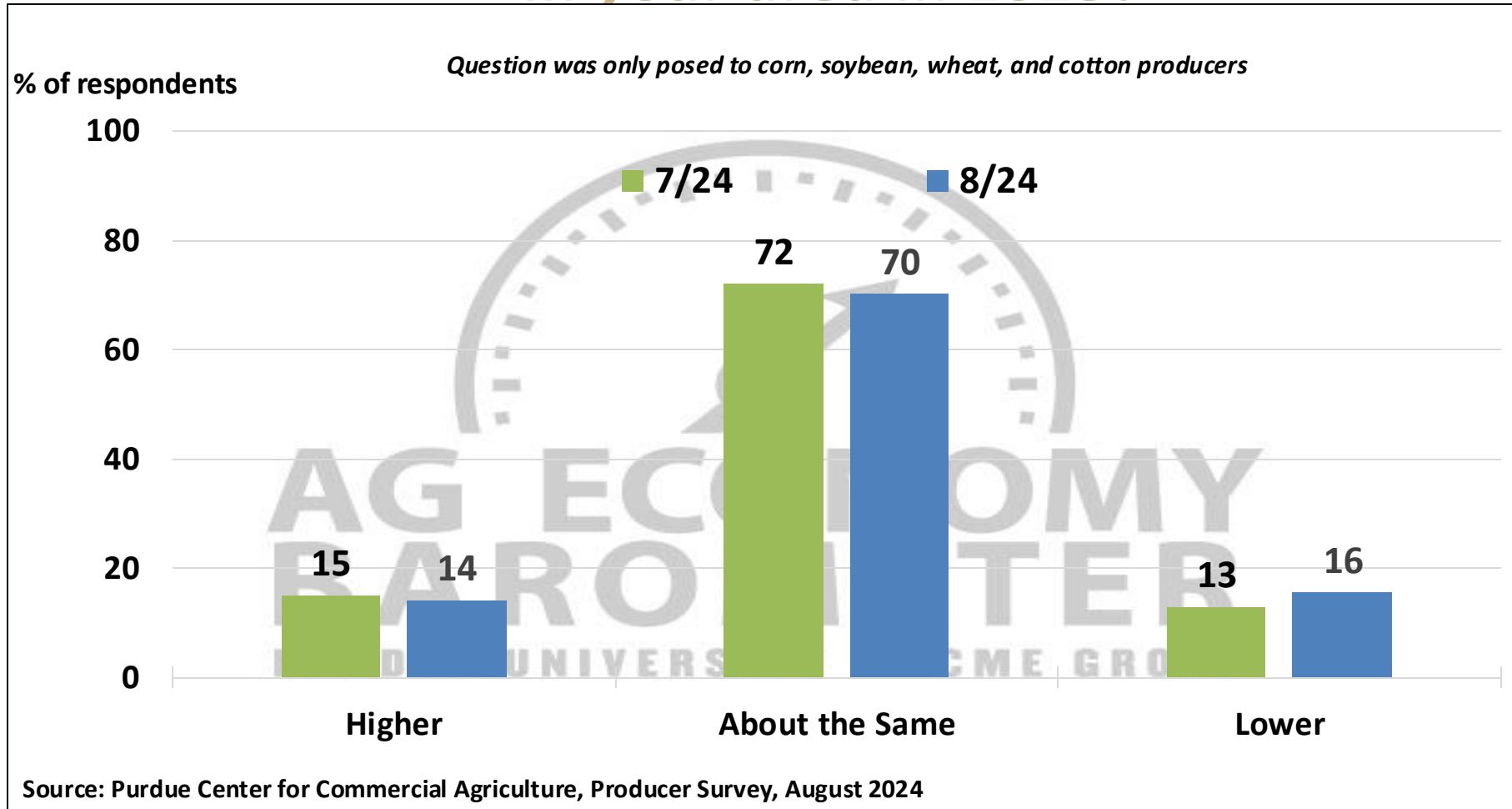


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Source: [Purdue Land Value and Cash Rent Survey](#)

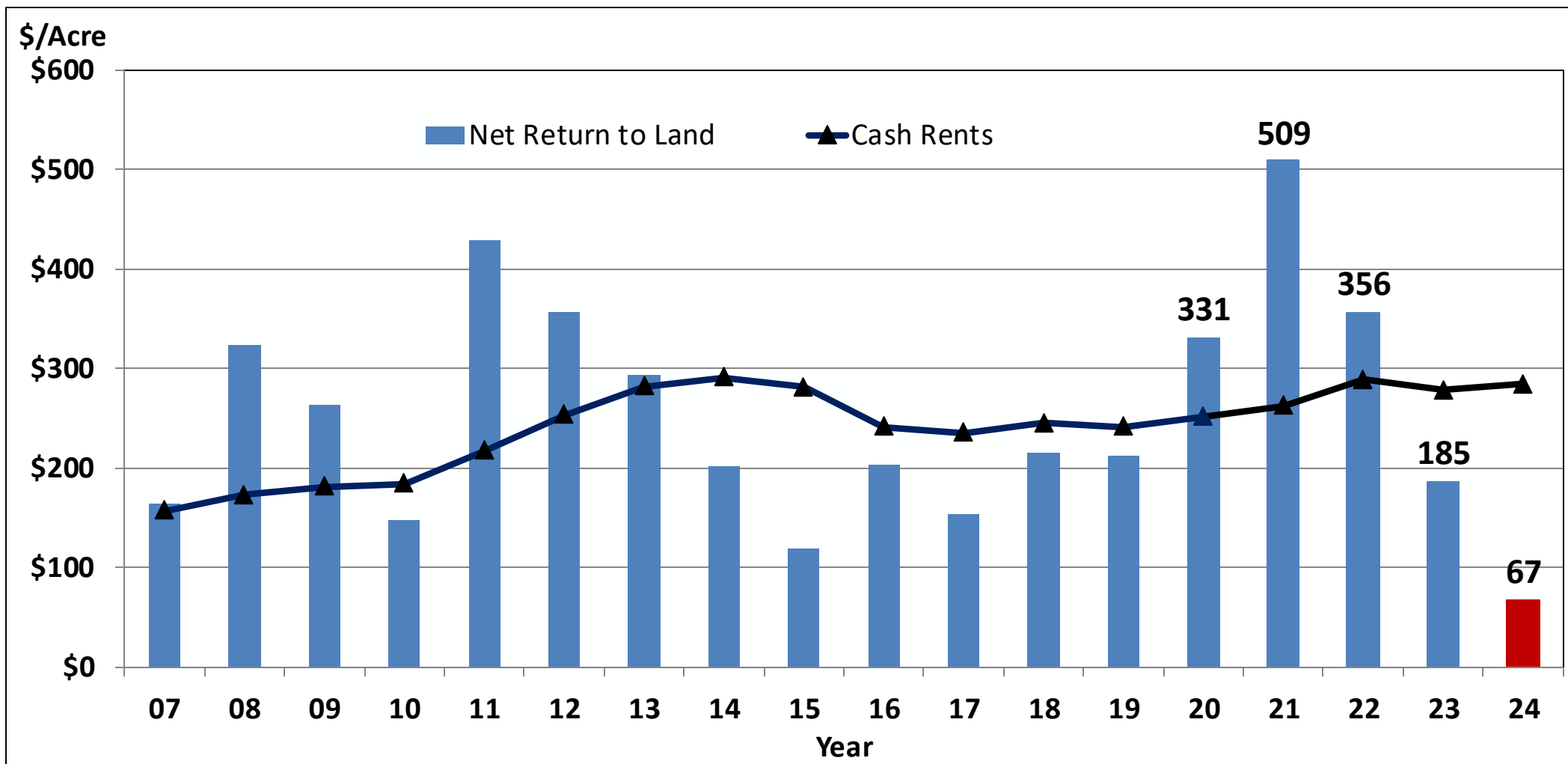
Area	Land Class	Cash Rent	% Change
North	Top	\$289	3.13
	Average	\$233	3.70
	Poor	\$185	3.10
Northeast	Top	\$291	-0.66
	Average	\$239	-0.13
	Poor	\$191	0.69
W. Central	Top	\$327	-0.56
	Average	\$278	-3.67
	Poor	\$243	-1.74
Central	Top	\$310	5.01
	Average	\$275	10.35
	Poor	\$238	12.95
Southwest	Top	\$296	-4.07
	Average	\$239	-2.22
	Poor	\$173	-10.71
Southeast	Top	\$299	32.78
	Average	\$246	37.22
	Poor	\$208	47.16

Compared to 2024, what are your expectations for cash rents in your area in 2025?



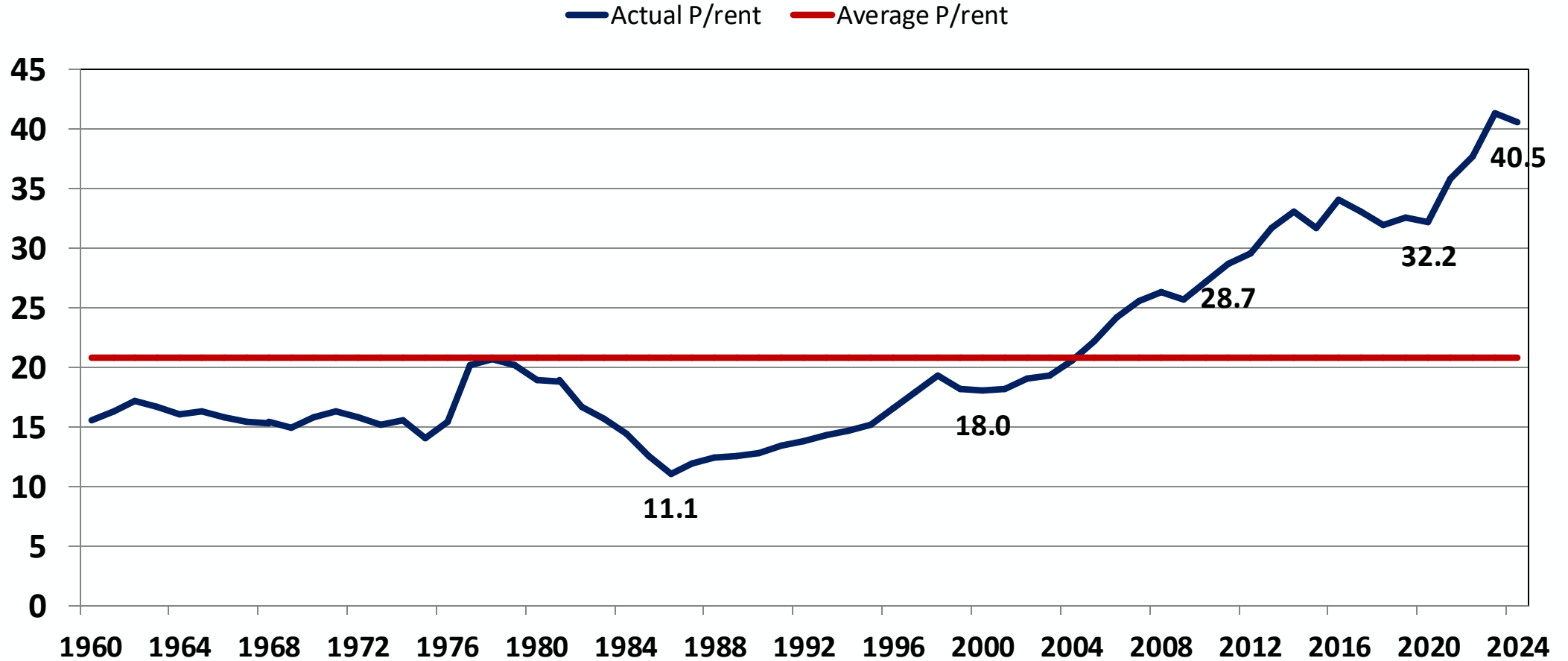
Cash Rental Rates and Estimated Net Returns to Land (\$/Acre)

West Central Indiana, 2007-2024



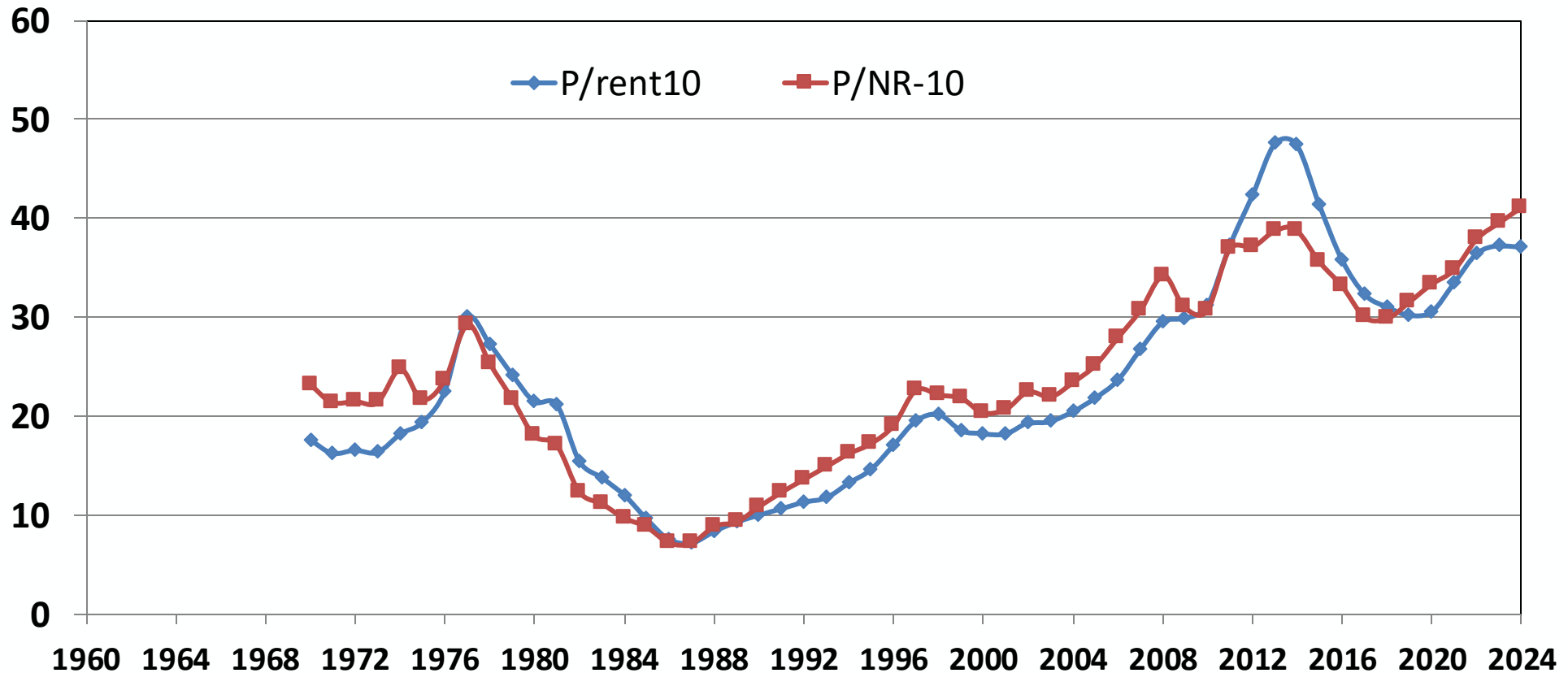
Long-Run Price/Cash Rent Multiple Average = 22 (Long-Run Average Capitalization Rate= 4.5%)

Farmland Price to Cash Rent Multiple for West Central Indiana, 1960 to 2024



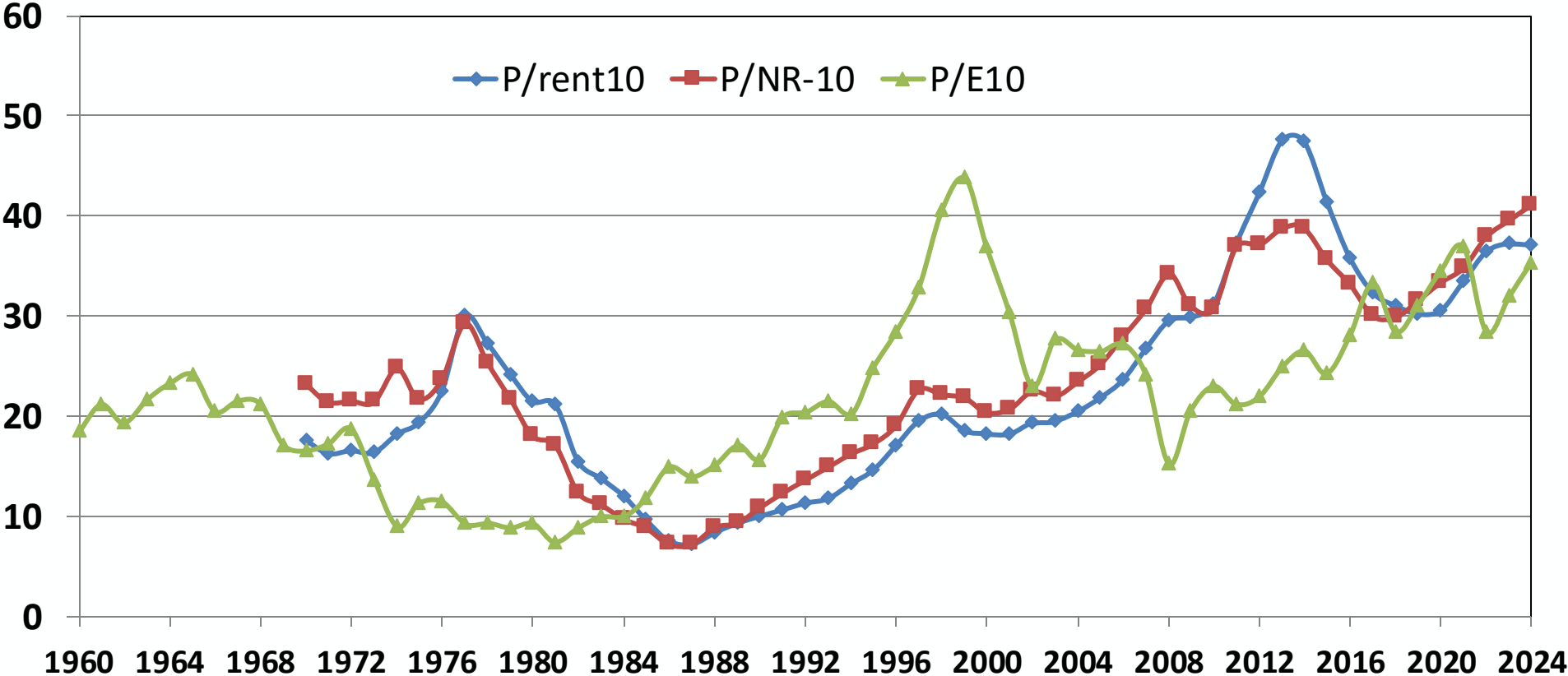
Current Values: Rent10 = \$301 and NR10 = \$273

10-Year Moving Average of Cyclically Adjusted P/rent, P/NRL, and P/E Ratios
1960-2024



Current Values: Rent10 = \$301 and NR10 = \$273

10-Year Moving Average of Cyclically Adjusted P/rent, P/NRL, and P/E Ratios 1960-2024

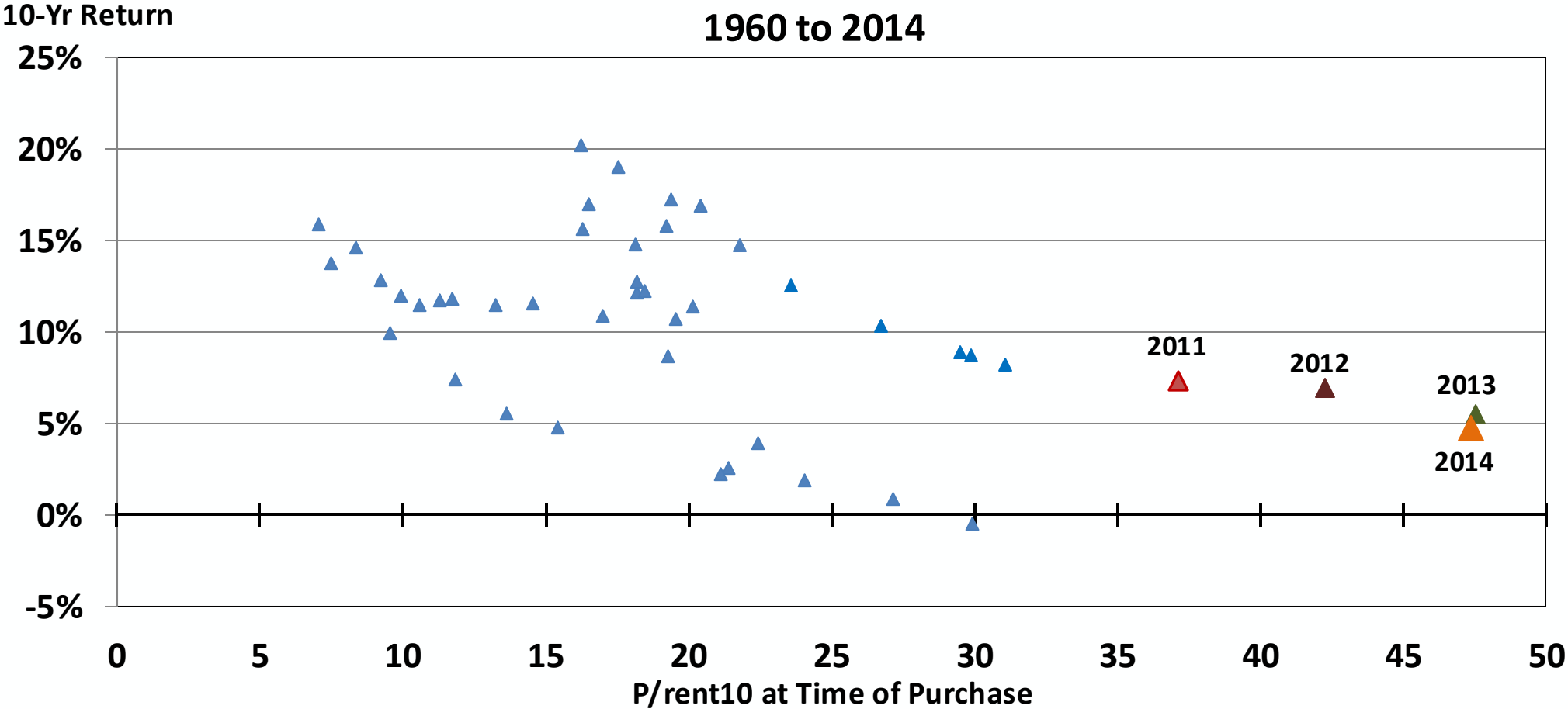


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Negative Relationship Between 10-Year Return and P/rent10

at Time of Purchase

Ten-Year Rate of Return vs. P/rent10 at the Time of Purchase



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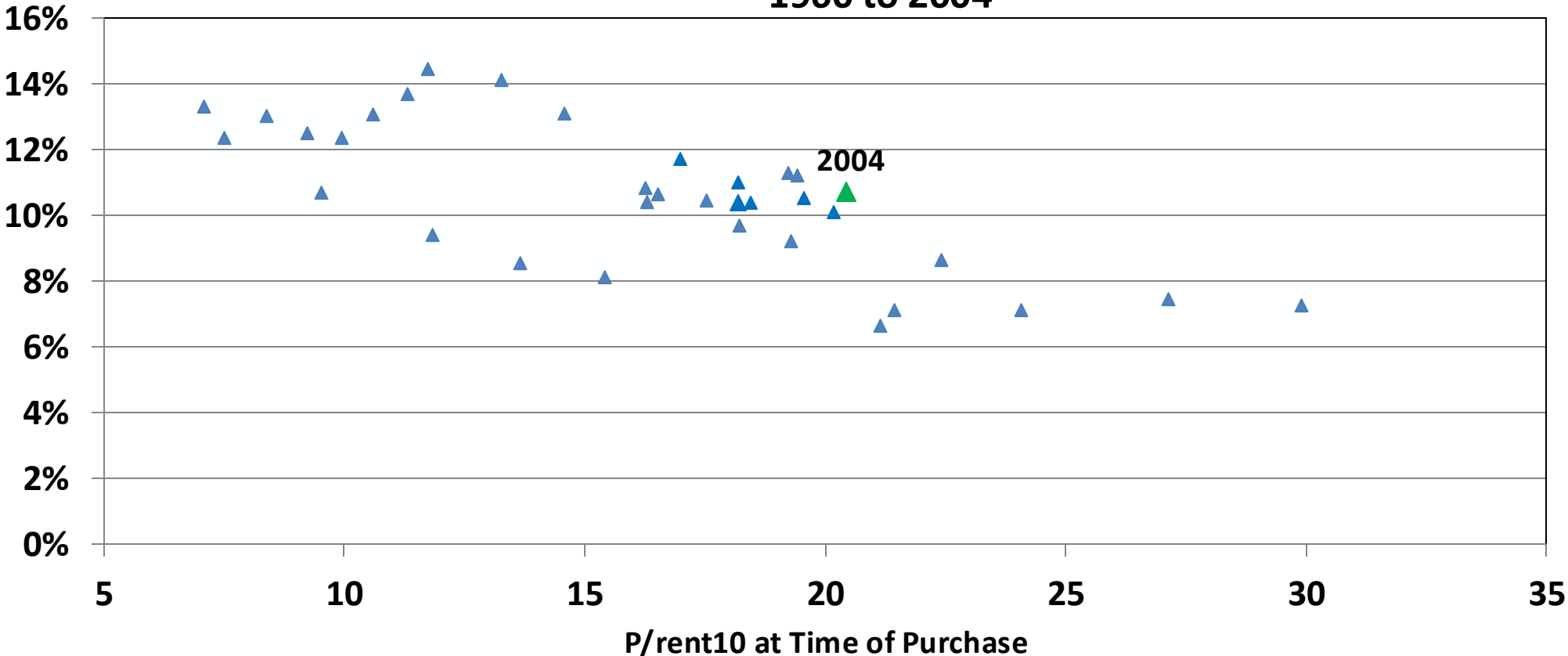
Negative Relationship between 20-Year Return and P/rent10

at Time of Purchase

Twenty-Year Rate of Return and P/rent10 at Time of Purchase

1960 to 2004

20-Yr Return



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