Farmland values remain strong, but local market conditions shape opportunities

Farm Credit Mid-America's latest benchmark study finds values increased 7.1% across its territory, but local conditions are shaping opportunities

LOUISVILLE, KY, UNITED STATES, September 3, 2026 /EINPresswire.com/ -- Farmland values across Farm Credit Mid-America's territory increased 7.1% during the past year, according to the association's July 2026 benchmark study. Values increased 2.4% during the first half of 2026. However, the findings also show a highly localized and increasingly selective land market, with trends varying considerably by state and region.

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> *Jennifer Riethman*

"Farmland values remain strong overall, but there is no single farmland market," said Jennifer Riethman, head of collateral production at Farm Credit Mid-America. "Land quality, location, buyer intent and local economic pressures are creating different conditions from one community to the next. Producers need to understand what is happening locally and evaluate each opportunity based on their own operation."

State-level results reflect those differences. Average annual land values increased 10.9% in Kentucky, 10.7% in Ohio and 9.2% in Tennessee. The Arkansas and Missouri benchmark counties recorded an average increase of 1.7%. Indiana values fell slightly by an average of 1.9% after several years of strong appreciation.

Regional results varied even more. East Tennessee recorded the study's largest annual increase at 20.4%, followed by northeastern Ohio at 17.6% and central Kentucky at 14.5%. Annual values declined in each of Indiana's three regions, including decreases of 2.4% in northern Indiana and 1.6% in both central and southern Indiana.

Several types of demand continue to support farmland values even as the economics for traditional row crop production become more challenging. Strong cattle markets are contributing to demand for pasture ground in some areas, while recreational and rural residential buyers are competing for wooded and recreational properties. Development and residential demand also continue to influence values near growing population centers, including Columbus, Indianapolis and Nashville.

At the same time, buyers are taking a closer look at land quality, location and whether a purchase makes financial sense. Higher financing costs, commodity price uncertainty and tighter producer margins mean a farmland purchase requires considerably more income to cash flow than it has in the past.

“Producers cannot control or consistently predict where the land market will go next,” Riethman said. “What they can do is understand their numbers, know what their operation can support and determine how a potential purchase fits their long-term goals. Preparation matters more than prediction.”
Farm Credit Mid-America encourages producers considering a land purchase to evaluate the property’s role within their overall business plan rather than make decisions based solely on market averages. The same discipline applies to rented ground, particularly while rental costs remain high compared to projected profitability.

“Our goal is to help producers bring together the full picture, including cash flow, long-term goals, land quality and local sales trends,” Jennifer said. “When producers understand what their operation can handle, they are better prepared to act confidently when the right opportunity comes along.”

About the benchmark study
Farm Credit Mid-America’s farmland value benchmark study is conducted each January and July. It tracks land value changes for more than 40 benchmark properties in Indiana, Kentucky, Ohio and Tennessee, as well as five counties in northeastern Arkansas and Missouri.

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