



# Rural Land Values Update

March 12, 2026

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# Agenda

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- ▶ FCS Portfolio Overview
- ▶ Macro Rural Land Value Trends and Key Factors
- ▶ Regional Rural Land Value Updates
- ▶ Examination Considerations



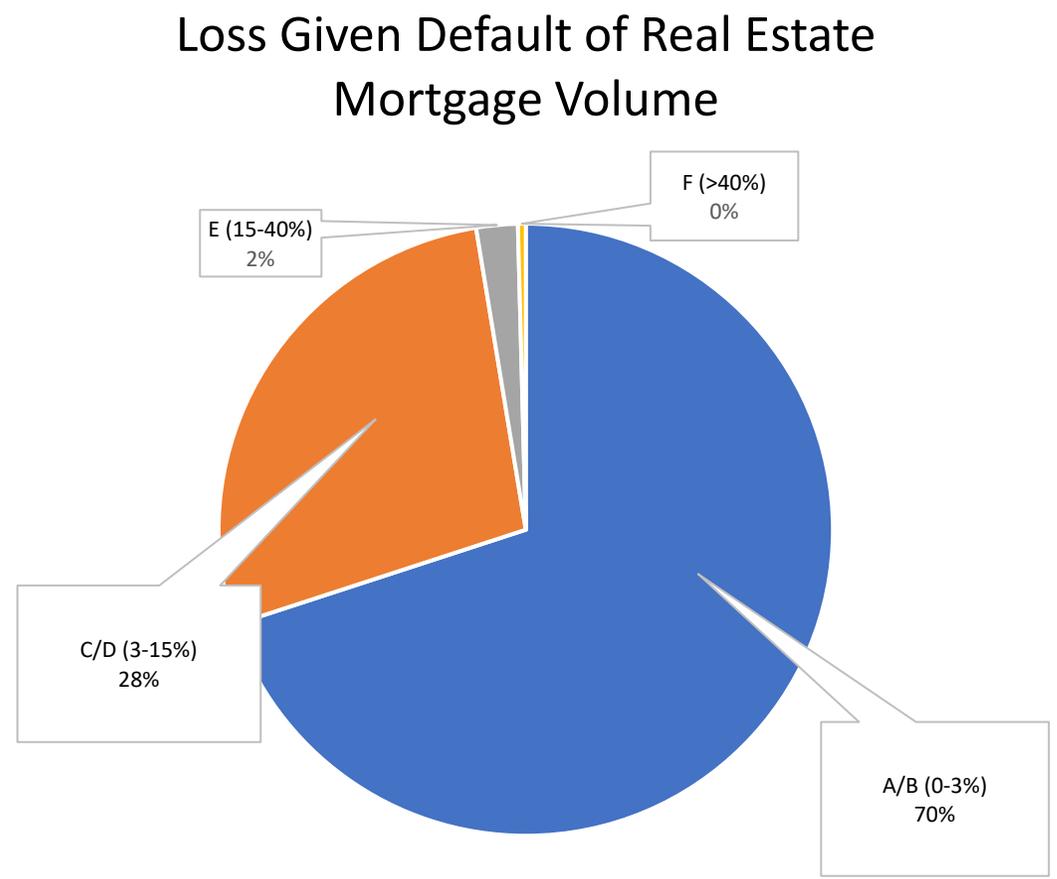
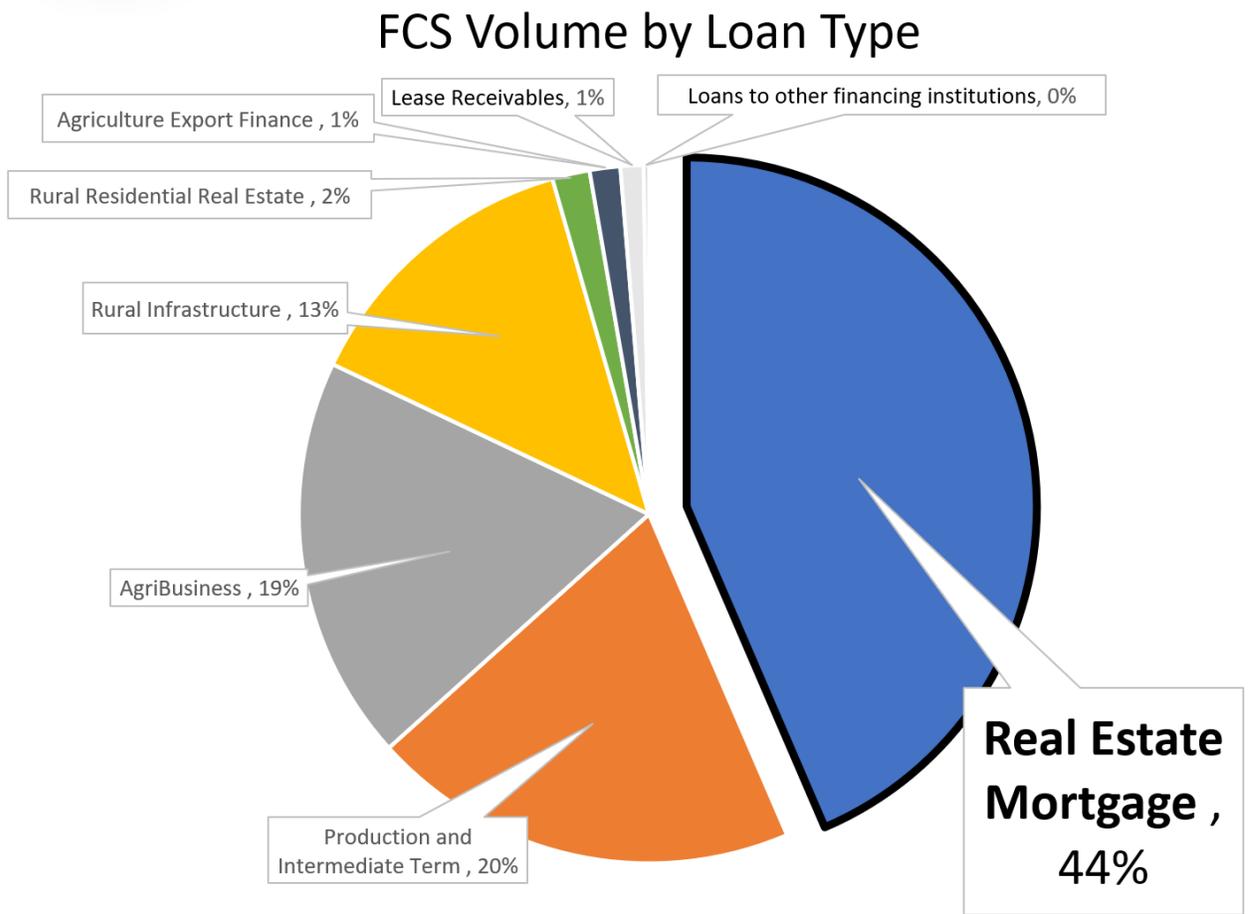
# FCS portfolio overview

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- ▶ Real estate mortgage loans (secured by Real Estate) continued to represent the largest System exposure
- ▶ System institutions use various collateral-related underwriting standards, including loan-to-value, that supports lending below the regulatory maximum
- ▶ Indications emerging of increased loan-to-value trends primarily in regions where producer profitability was increasingly stressed



# System portfolio as of December 31, 2025



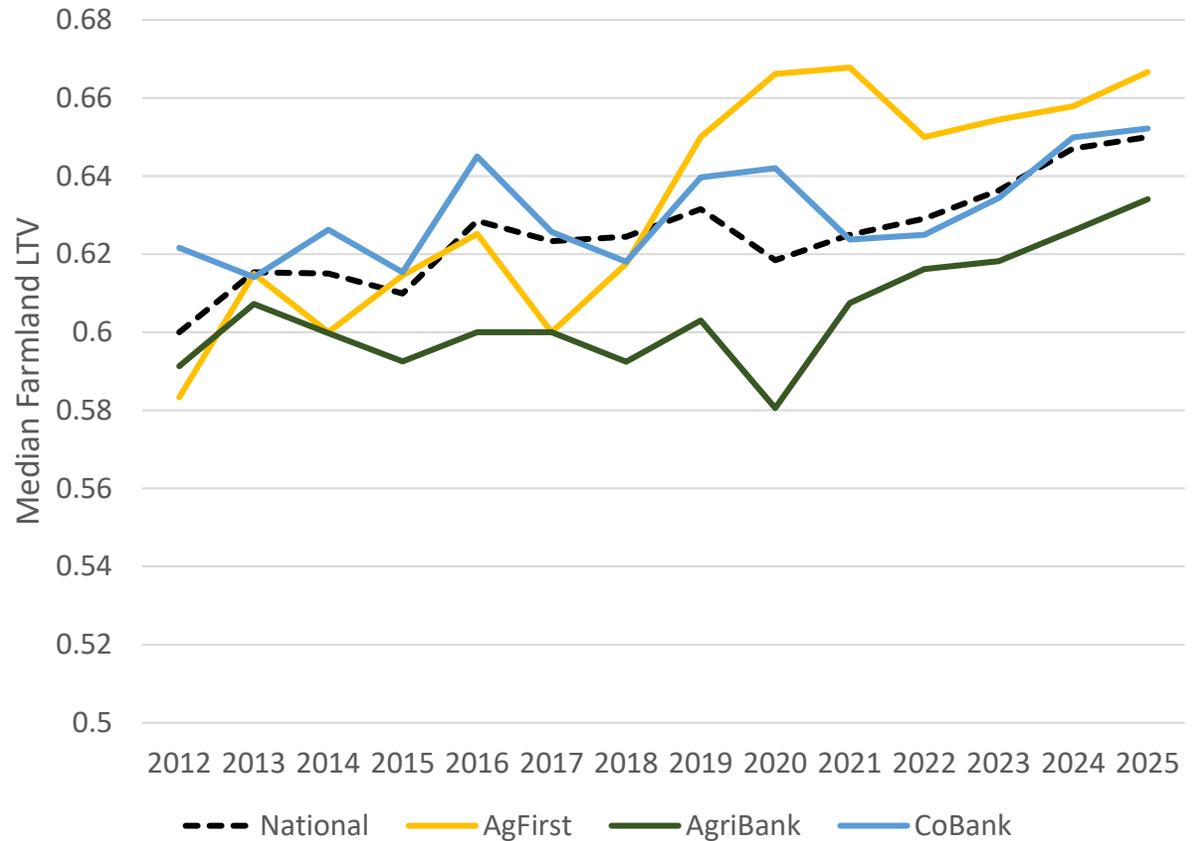


# LTVs show modest increases across the country

Bare land agricultural parcels with LTVs



### Farmland LTVs by District Territory



Source: ODAE calculations using Cotality (formerly CoreLogic) lien database. Texas LTV trends omitted due to Texas' status as a non-disclosure state.



# Macro land value trends in 2025

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- ▶ Rural land values generally remained stable to slightly increasing across the United States on a nominal basis though flat on a real basis
- ▶ Pasture/ranchland values showed greater increases than cropland and other land types
- ▶ Regional and local deviations from the overall trend were prevalent
- ▶ Non-producers/investors remained active in the market
- ▶ Some Western Region land supporting high value crops has converted to other uses due to sustained losses and declining water availability



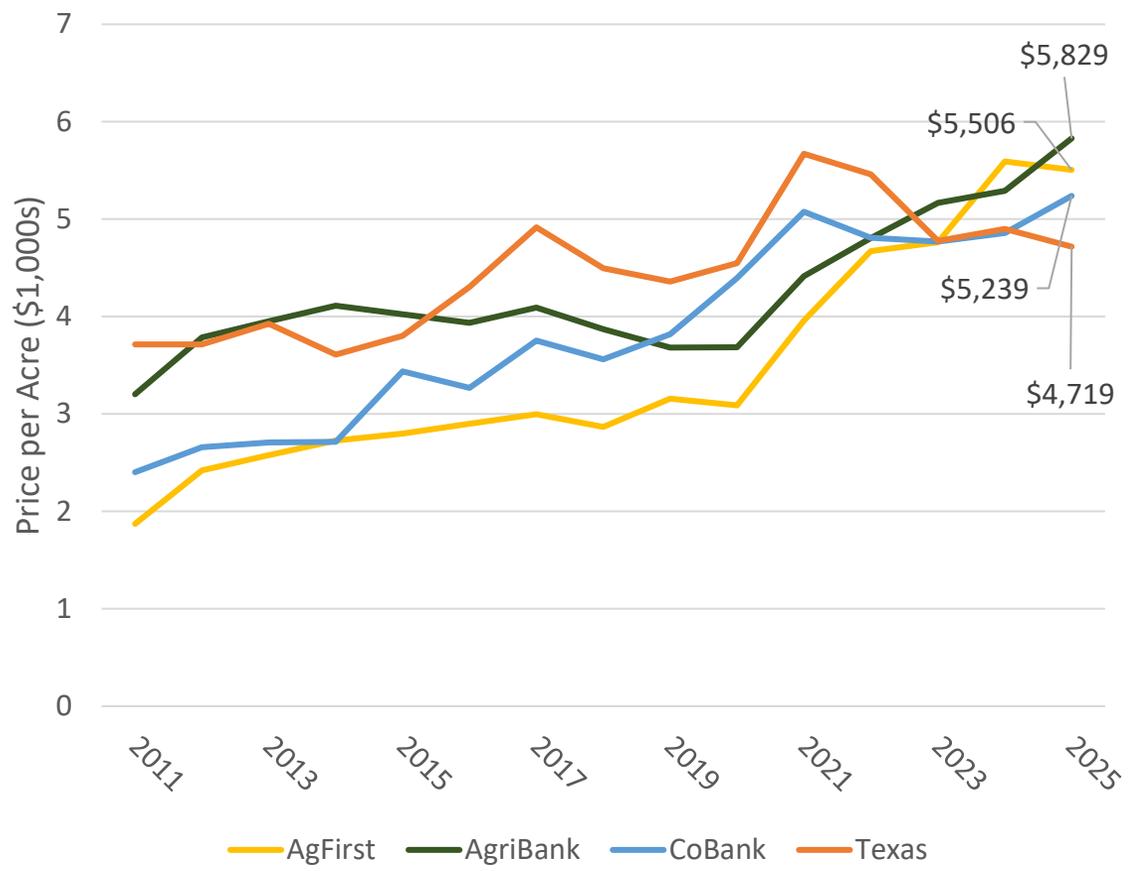
# Key factors impacting rural land values

FACTOR		IMPACT ON 2025 VALUES
Interest Rates		Constrained borrowing, slowed appreciation
Commodity Prices		Lower margins, regional softness
Supply of Listings		Limited supply
Government Support		Ad hoc and ARC/PLC government payments
Livestock Margins		Boosted ranchland values

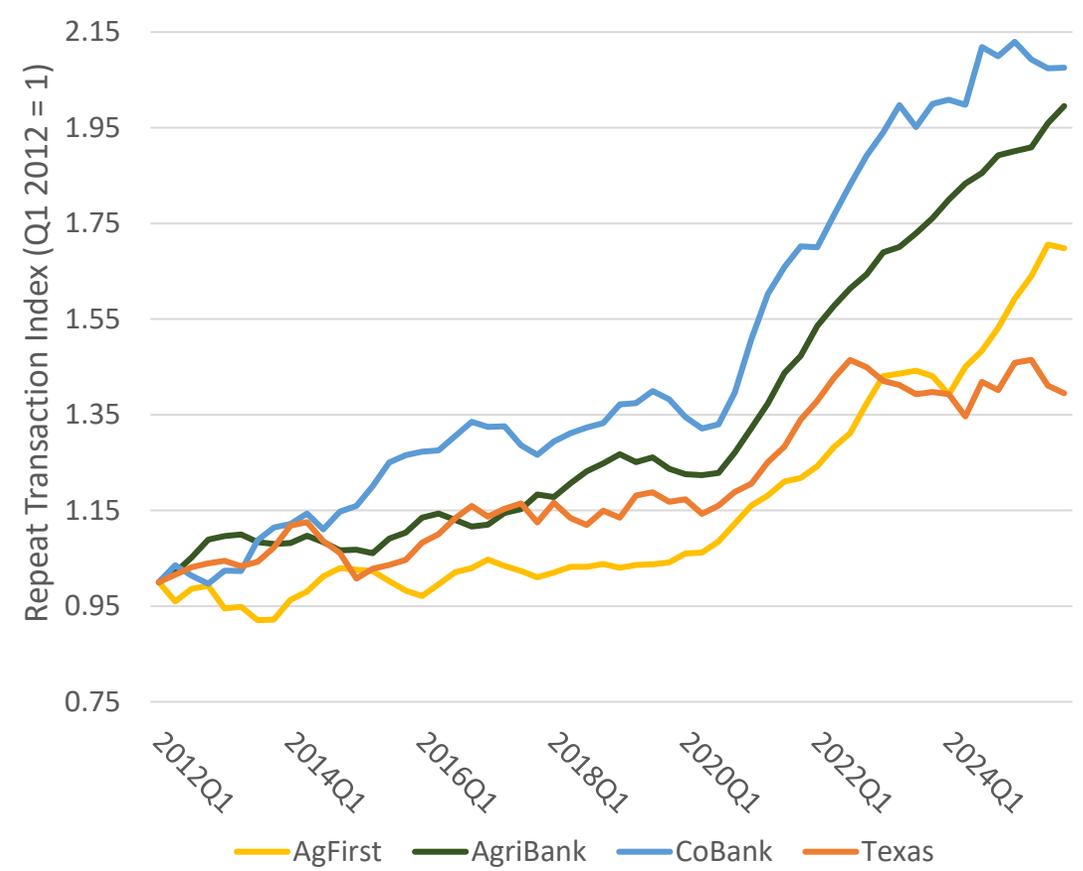


# Farmland values stable across districts in 2025

### Average Bare Land Per Acre Price



### Repeat Transaction Index

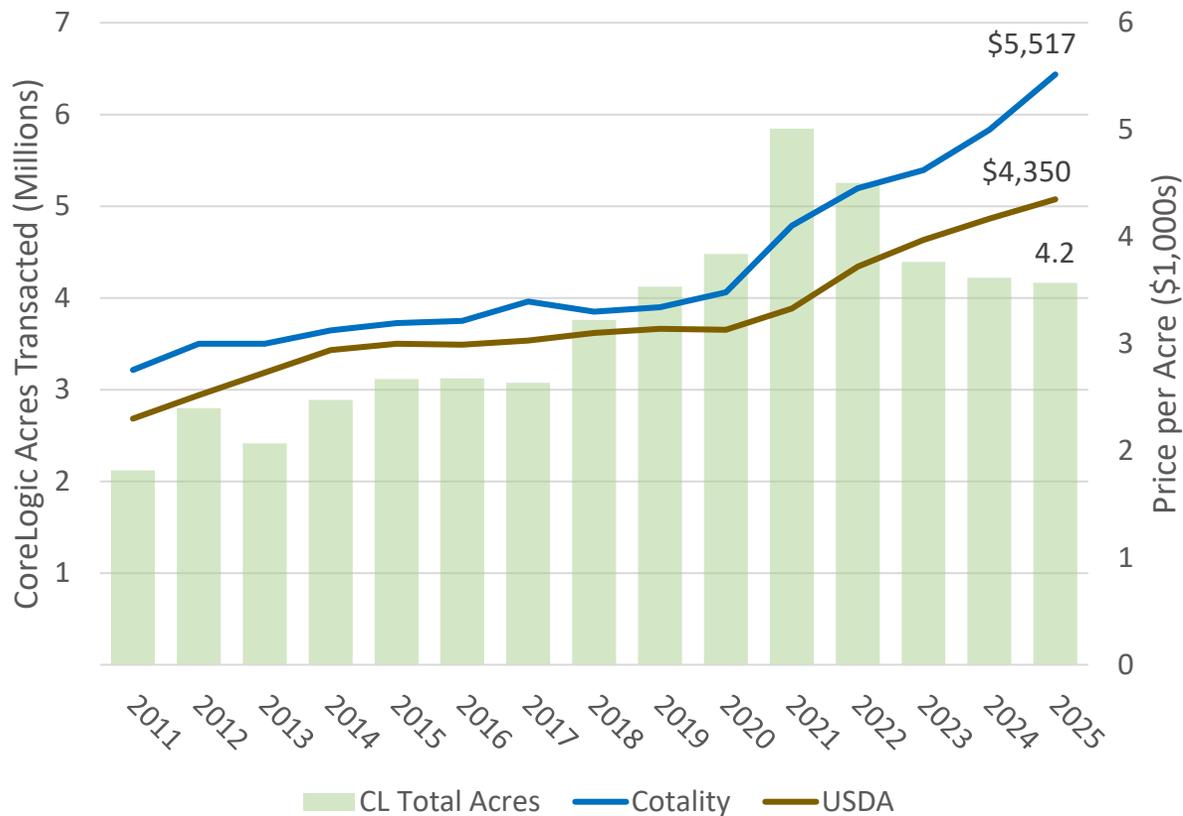


Source: ODAE calculations using Cotality (formerly CoreLogic) transaction database.

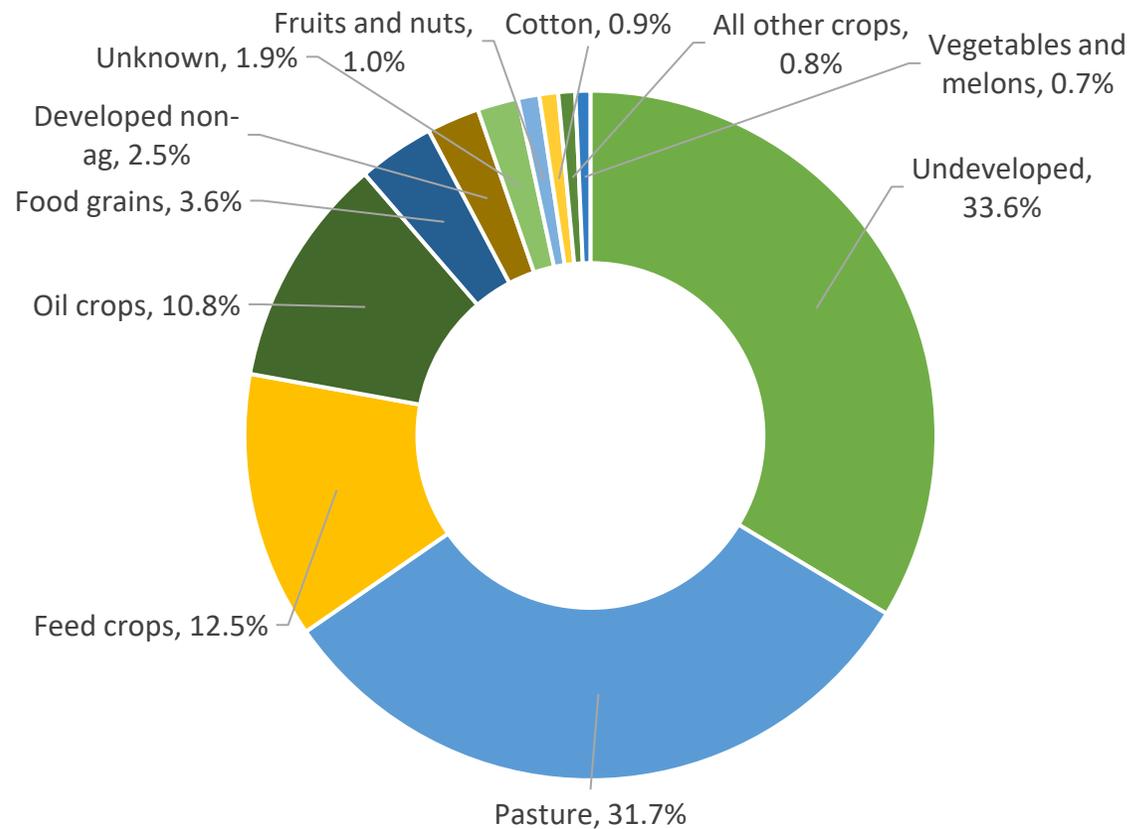


# Transacted acres trend down

### Total Acres Sold and Per Acre Price



### Transacted Acres by 2024 Crop Cover



Note: ODAE Calculations using Cotality (formerly CoreLogic) transaction database. 2024 Crop cover based off USDA Cropscape cover.



# USDA reported growth in land values in 2025

Category	2025 Change	Average Value
Farm Real Estate	+4.3%	\$4,350/acre
Cropland	+4.7%	\$5,830/acre
Pastureland	+4.9%	\$1,920/acre



# Regional rural land value trends

- ▶ Midwest States
  - Iowa Transaction Monitoring
  - Iowa State and Realtors Land Institute
  - Chicago Federal Reserve Bank Survey
  - Kansas City Federal Reserve Bank Survey
- ▶ Texas
  - Texas A&M Real Estate Research Center
- ▶ Delta Region
- ▶ Western Region
- ▶ Northeast Region
- ▶ Southeast Region





# Midwest land values showed moderate growth in 2025

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- ▶ Moderate land value appreciation throughout the region in 2025
- ▶ Iowa sales indicated stable values through third quarter 2025, but strong sales in fourth quarter resulted in moderate annualized increases
- ▶ Strong demand remained especially for higher quality cropland, pasture and recreational land
- ▶ Record sales in total dollars per acre were experienced in 2025



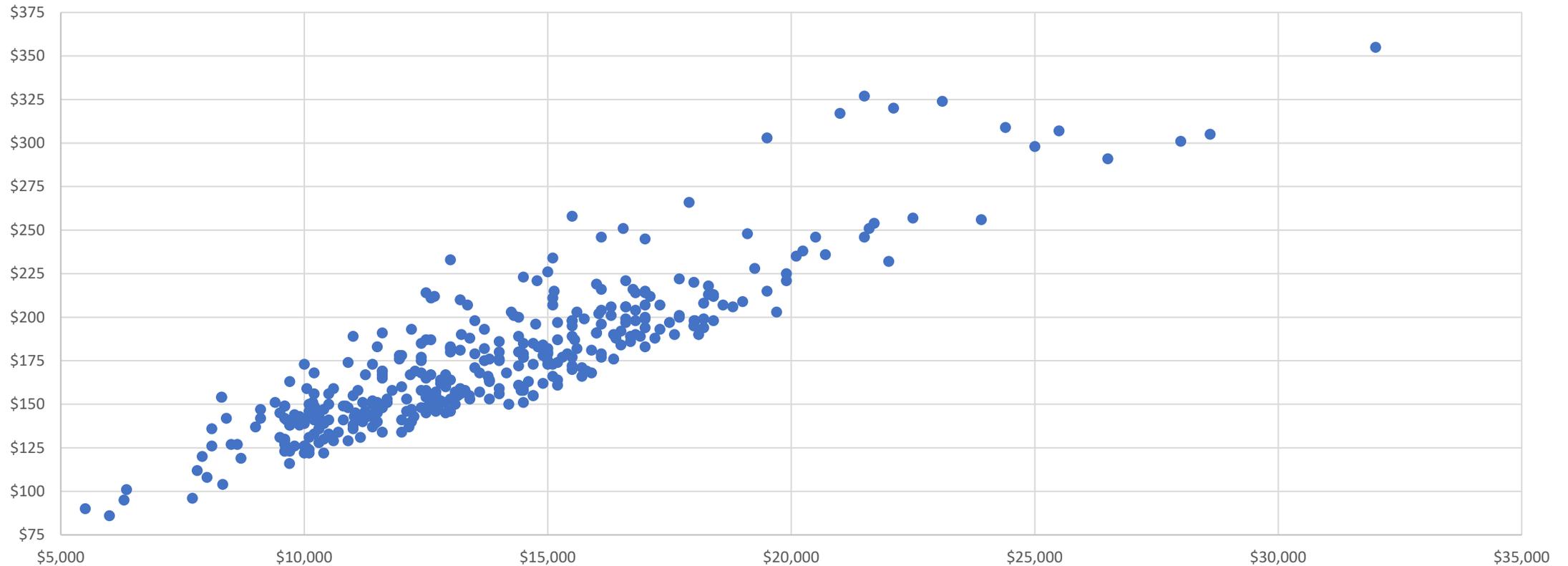
# Iowa land transaction monitoring showed moderate growth, increased by strong end of year sales

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- ▶ 370 public auction sales from May 1 – December 31, 2025 (8 months) that met certain criteria
  - Highly tillable parcels with above average quality (considered Corn Suitability Rating 2 of greater than 65) and greater than 30 acres
- ▶ Sales indicated a modest decline in values through early fourth quarter 2025, followed by high number of sales and strong prices in late 2025 that continued into 2026
- ▶ Average sale price of \$13,818/acre (4 percent increase over prior 8-month average ending April 2025)
  - Absent strong December 2025, sales would have indicated flat land values



# Iowa Land transaction monitoring represented the value of an acre to CSR2 point - May through December 2025



Scatter plot graph shows the relationship between \$/CSR2 point (left axis) and \$/gross acre (bottom axis)  
**Source of Sales Data: Jim Rothermich - Iowa Appraisal**



# Iowa reported negative to slight increase in land values through September 2025

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- ▶ Iowa Realtors Land Institute (RLI) survey reported a 12-month decline of 2.2% on tillable acres
- ▶ Iowa State University (ISU) survey reported a 0.7% increase in average farmland values over the past year
- ▶ Timberland was reported to be negative 0.8% while pasture acres posted gains of 3.3% the last six months
- ▶ 1031 sales have slowed and sale-leasebacks have increased
- ▶ The sector remains fundamentally supported by strong balance sheets with 84% of Iowa farmland owned debt-free



# Federal Reserve Bank of Chicago reported stable trends in Q3 but increased in Q4

	3 <sup>rd</sup> Quarter 2025		4 <sup>th</sup> Quarter 2025	
Region	YoY Change	Quarterly Trend	YoY Change	Quarterly Trend
Seventh District	+3%	Flat Q2–Q3	+6%	+2%
Illinois	+4%	+2%	+3%	-1%
Iowa	-1%	-1%	+7%	+5%
Indiana	+6%	Stable	+3%	+9%



# Kansas City Federal Reserve reported slightly negative trends, except for ranchland

Land Type	Q3 2025 change from prior year	Q4 2025 change from prior year
Irrigated Cropland	-1.3%	+1.2%
Non-Irrigated Cropland	+0.5%	-0.3%
Ranchland	+3.0%	+4.1%



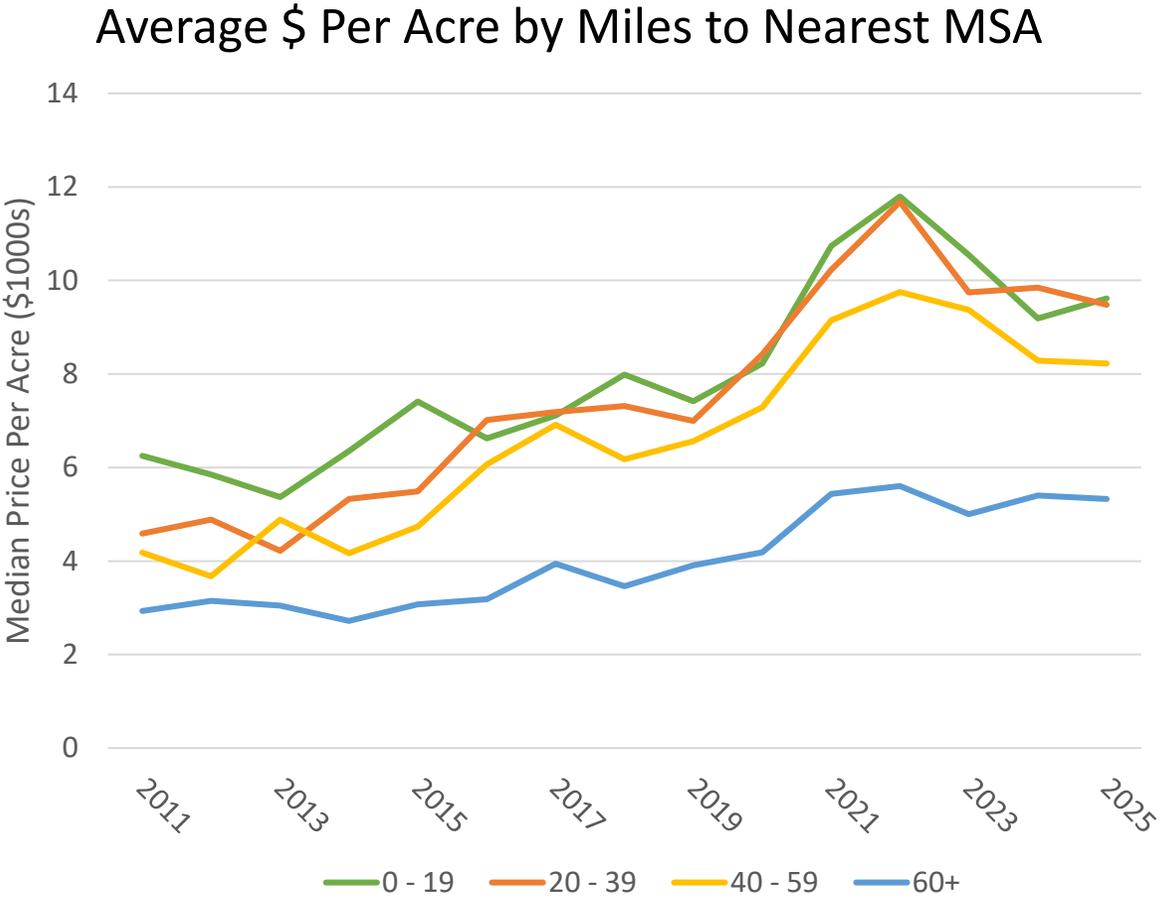
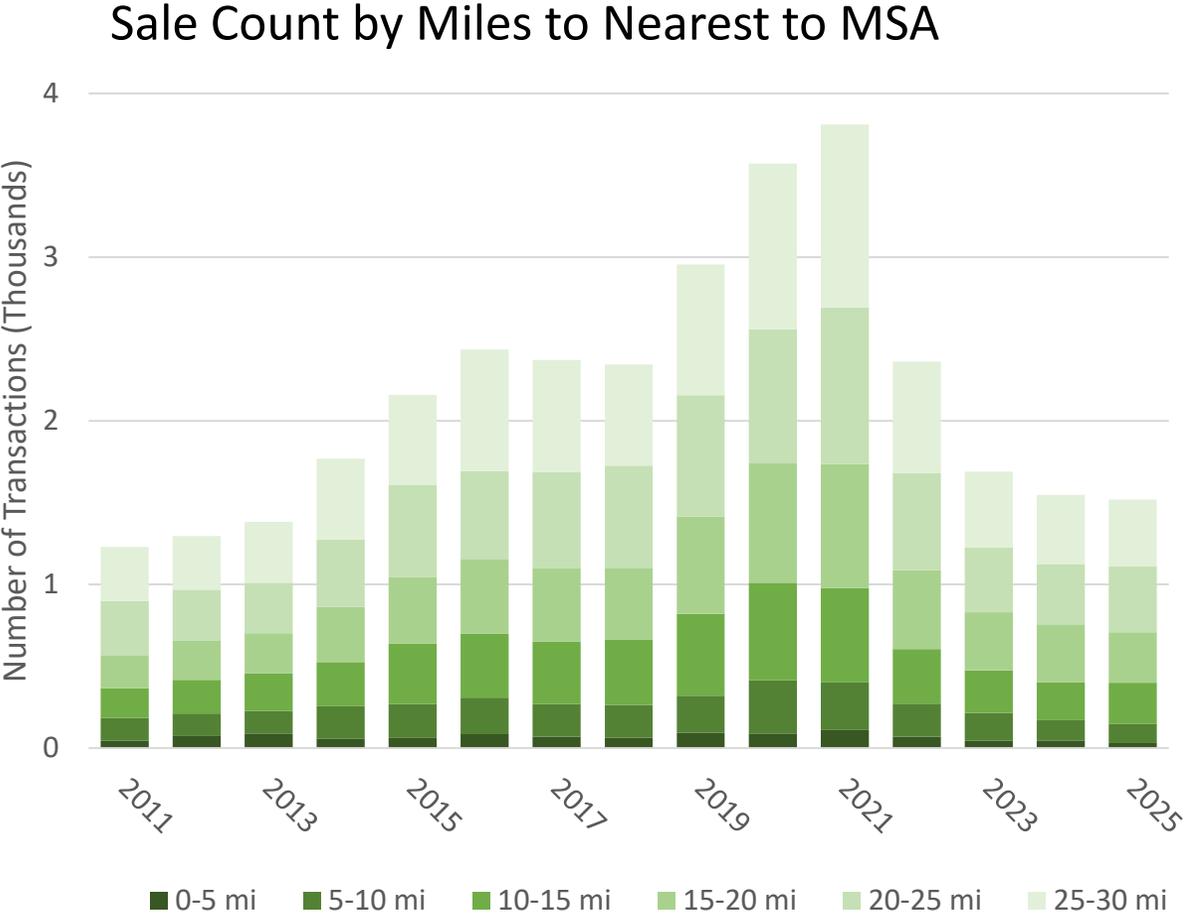
# Texas land values increased

- ▶ Real estate values continue increasing trend with strong buyer demand for rural properties with agricultural, recreational, and/or future development uses

Texas A&M Real Estate Research Center – Rural Land Market Performance Q4 2025		
Region	Price per Acre	YoY Change
<b>Statewide Median</b>	<b>\$5,214</b>	<b>+6.56%</b>
Panhandle-South Plains	\$1,832	-1.61%
Far West Texas	\$751	+20.35%
West Texas	\$2,878	+13.49%
Northeast Texas	\$9,159	+2.22%
Gulf Coast-Brazos Bottom	\$11,502	+10.63%
South Texas	\$6,107	+4.14%
Austin-Waco-Hill Country	\$7,911	+8.15%



# Texas sees declines in metro-adjacent transactions, prices



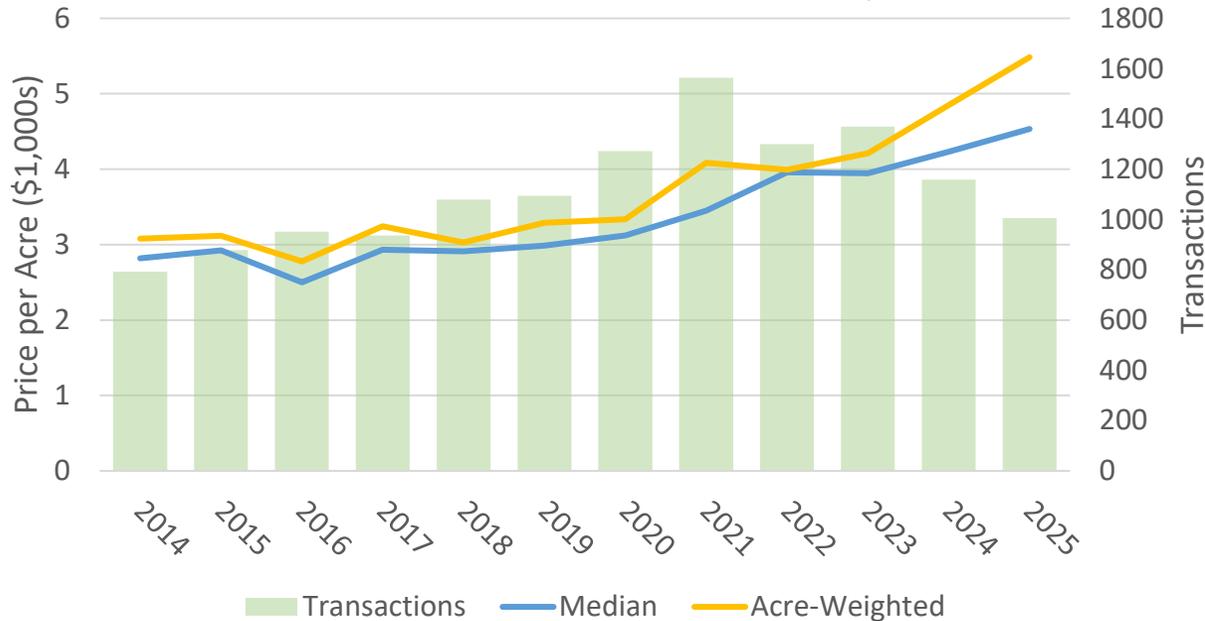
Source: ODAE calculations using Cotality (formerly CoreLogic) transaction database..



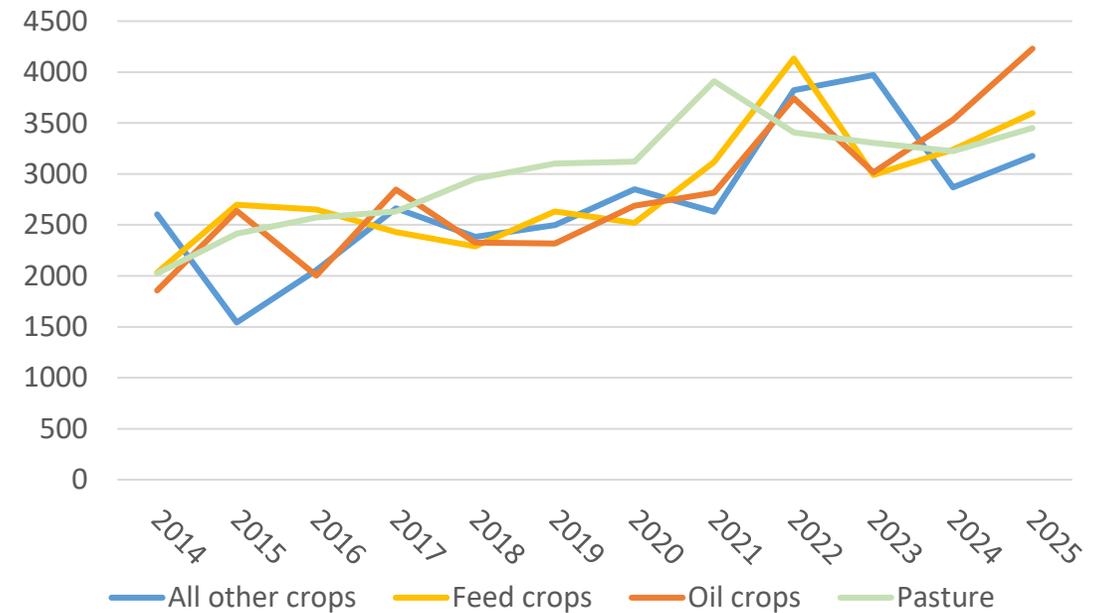
# Delta land values stable despite recent pressure

- ▶ Generally stable/increasing land values through 2025
- ▶ Sustained period of operational losses could result in additional supply and downward pressure on land values.

Bare Land Transactions, Rice/Soybean Acres



Average \$ Per Acre by NAICS Summary



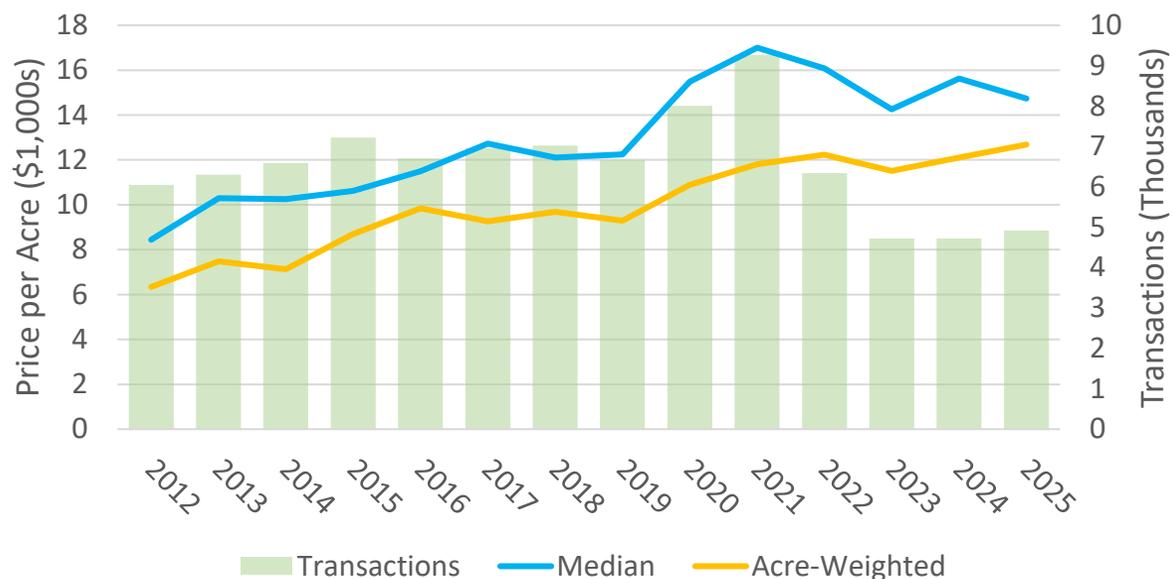
Source: ODAE Calculations using Cotality (formerly CoreLogic) transaction database and USDA CropScape data.



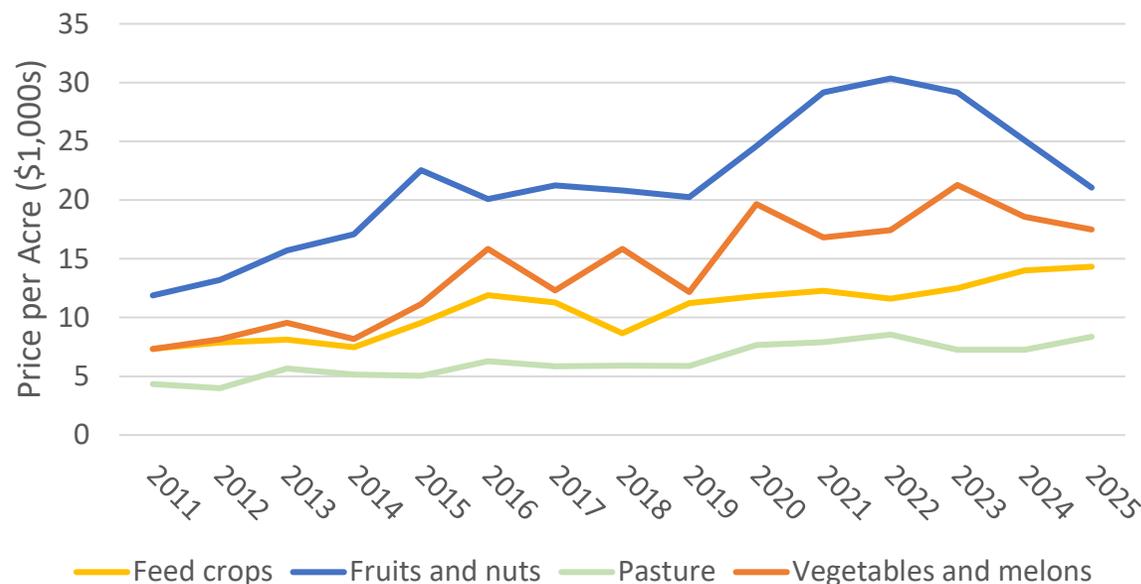
# West coast fruit and nut acres under strain

- ▶ Variability in land values as some regions experienced material declines due to sustained operating losses and water availability
- ▶ Continued conversion of land supporting high value crops to other uses

Bare Land Transactions, CA-WA-OR



Average \$ Per Acre by NAICS Summary

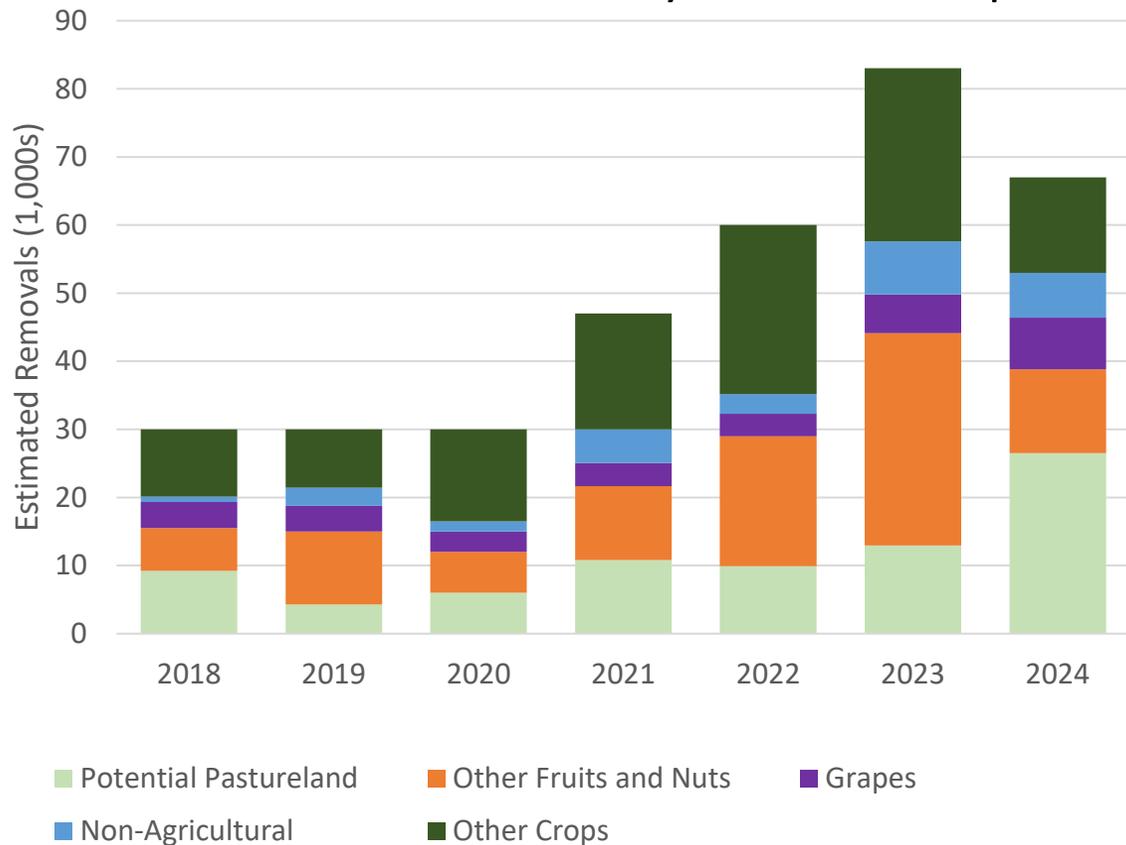


Source: ODAE Calculations using Cotality (formerly CoreLogic) transaction database and USDA CropScape data.

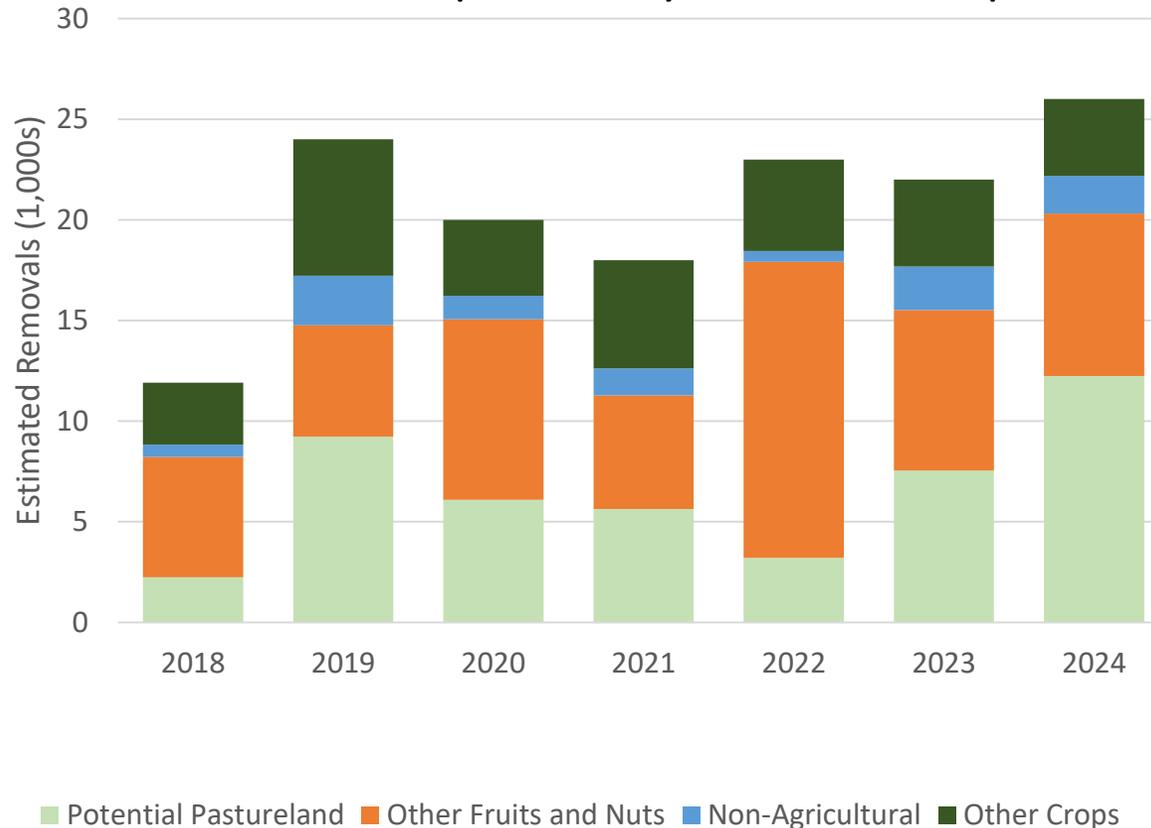


# West coast farmland exits signal further risk

## CA-OR-WA Almond Exits by Next Year Crop



## CA-OR-WA Grape Exits by Next Year Crop



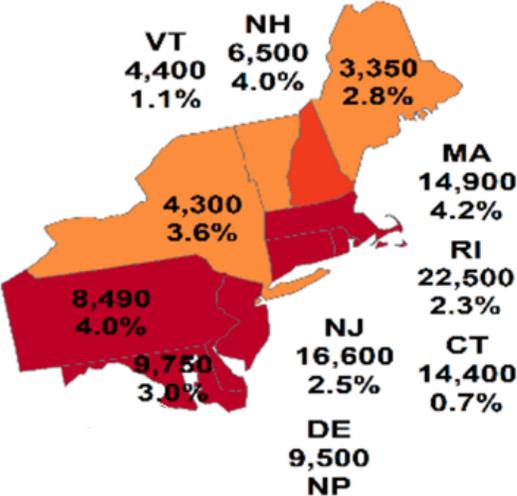
Source: ODAE analysis of CropScape, Land IQ CA almond removal data, USDA NASS California Grape Acreage Report



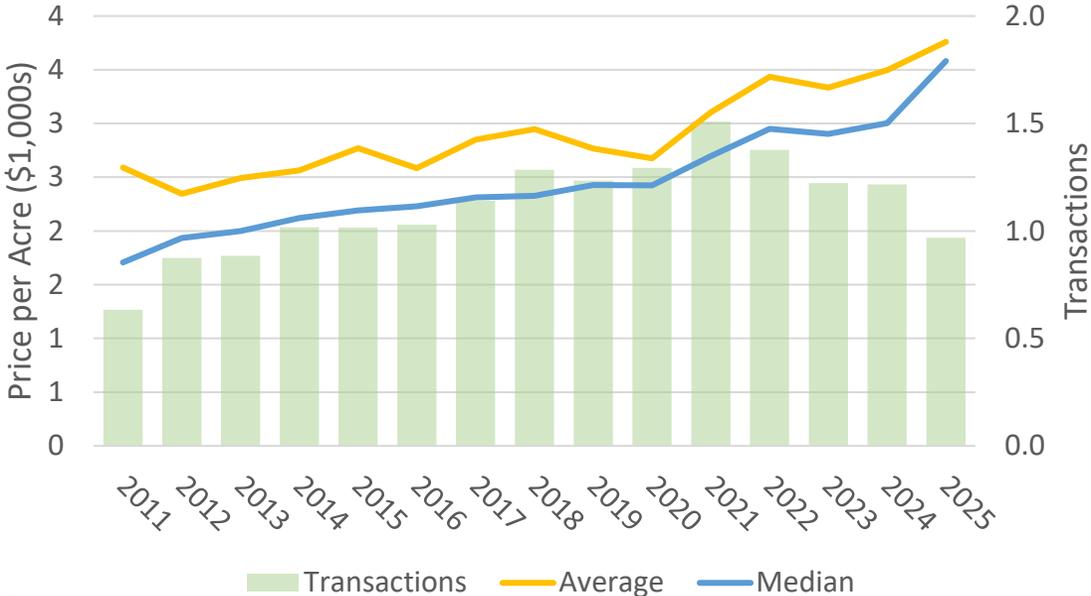
# Northeast values generally increased

- ▶ Land values continued an increasing trend supported by strong and stable demand and limited supply

**2025 Farm Real Estate Value by State**  
Dollars per Acre and Percent Change from 2024



Bare Land Values 30+ Miles from MSA, Northeast States



Source: NASS - USDA

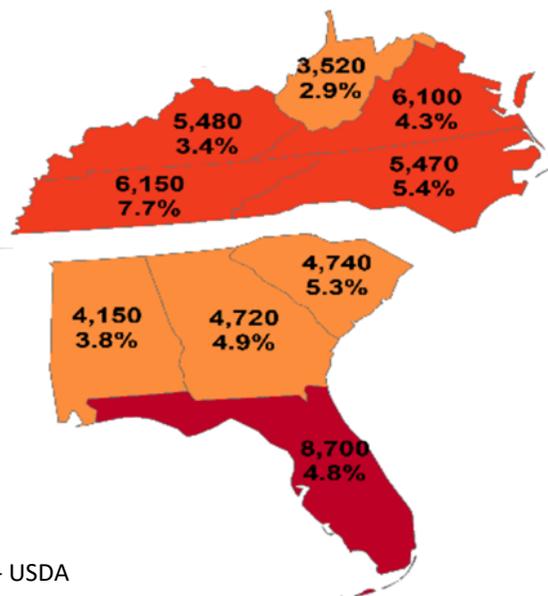
Source: ODAE calculations using Cotality (formerly CoreLogic) transaction database.



# Southeast land values increased

- ▶ Reduced number of transactions and stable demand continued to support increased land values

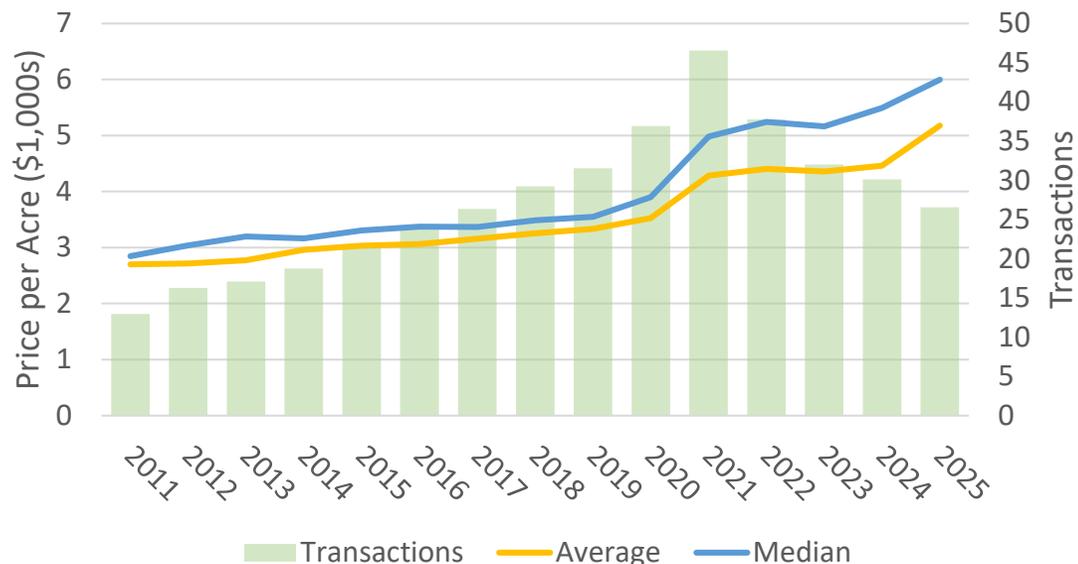
**2025 Farm Real Estate Value by State**  
Dollars per Acre and Percent Change from 2024



Source: NASS - USDA

Source: ODAE calculations using Cotality (formerly CoreLogic) transaction database.

**Bare Land Values 30+ Miles from MSA, Southeast States**





# Examination Actions

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- ▶ Maintain internal FCA staff expertise via certified general appraiser leading land value monitoring, developing examination guidance, and delivering staff training
- ▶ Monitor new, revised or eliminated underwriting standards for each System institution on a quarterly basis
- ▶ Use collateral data to support risk-based examination activities at regulated institutions with an emphasis on identifying, managing and reporting collateral risk
  - Maintaining robust loan-to-value and other collateral underwriting standards
  - Reporting loan-to-value and other ratios and with a focus on any exceptions to standards
  - Identifying and tracking land value trends through sales monitoring, benchmarking and other processes



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# Questions?