

Iowa Farmland Values Inch Up in Market Readjustment

Limited land supply, strong yields, and steady demand from farmers and investors alike helped support the market, but were not enough to produce broad growth

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Ames, Iowa –The annual Iowa State University Land Value Survey found that average farmland values increased 0.7%, or \$83, to \$11,549 per acre. The nominal value of an acre of farmland this year increased over last year’s nominal value, but is still about \$286 per acre lower than the 2023 peak of \$11,835.

[Dr. Rabail Chandio](#), who is responsible for the annual survey, said that she typically considers changes of less than 5%, whether up or down, as more of an adjustment than a true market change. “Changes of that size often reflect variation across counties and crop reporting districts rather than a consistent statewide trend,” she said. “It wasn’t a boom or a bust, just a very uneven adjustment, with the story changing as you move across the state. Strong yields, limited land supply, and solid livestock income helped prop up values in some areas, but lower commodity prices, high interest rates, and rising costs pulled them down in others.”

When the nominal value increases, but the inflation-adjusted value decreases as it did this year, it can still be helpful for farmers, but only to a point, Chandio said. “A farmer selling land this year will receive more dollars than last year, and that can still support goals like paying down debt (whose real burden also shrinks with inflation), transitioning to retirement, or reinvesting elsewhere. In that sense, the higher nominal price provides some benefit,” she said.

However, when inflation-adjusted values fall, additional money from land sales won’t stretch as far as it might have previously. “Sellers may find that the proceeds won’t buy as much machinery, land, or inputs as they would have a few years ago. So, while selling today can still improve a farmer’s financial position, the real economic gain is smaller than the nominal price increase suggests,” Chandio said.

Despite the small growth in farmland values, there were many factors putting downward pressure on farmland values this year. Chandio said one of those factors is federal interest rates, which only saw modest cuts in 2025. “Because we haven’t seen any major reductions, the market is still feeling the weight of the rate hikes from 2022 and 2023. And since interest-rate effects take years, up to a decade, to be fully capitalized in land values, those post-COVID increases are still working their way through the system,” Chandio said.

Commodity markets also put some pressure on land prices this year. Chandio called commodity prices “soft” but said that tariffs likely only played a small and indirect role in this year’s farmland values. “Tariffs may have been part of the background noise, but they weren’t a major driver of farmland values,” she said. Farmers, she said, are still just facing very tight margins on commodities, even with lower production costs.

Chandio said she feels one of the most interesting things about this year's report is how divided the market has become. "Even though the statewide average ticked up 0.7%, most counties actually saw declines once you adjust for inflation, and three crop reporting districts posted nominal drops. At the same time, places in the northeast saw increases of 3-4%, while parts of central Iowa slipped by 2-3%," she said.

Land Values by County

Sixty counties reported increases in nominal land values; however, 78 counties reported a decrease in inflation-adjusted values. O'Brien County had the highest value at \$16,269 per acre, an increase of about \$348 or 2.2%. Appanoose County had the lowest value \$6,679 per acre, a decrease of \$160, or -2.3%.

Dubuque County saw the largest dollar increase (\$553 per acre), while Clayton and Allamakee Counties saw the largest percent increase in values (4.4%). Kossuth County showed the largest percent decrease (-4.3%) and the largest dollar decrease (-\$552 per acre).

Land Values by District

Land values increased across six of Iowa's nine crop reporting districts. The highest average land values were reported in the Northwest district, \$14,522 per acre, while the lowest average land values were reported in the South Central district, \$7,623 per acre.

The Northeast district saw the largest percent increase (4.1%) and largest dollar increase (\$481 per acre). The North Central district saw the largest percent decline (-2.6%) and the largest dollar decline (-\$315 per acre) in values.

Land Values by Quality

Statewide, Low-quality land statewide averaged \$7,580 per acre, a 1.7% or \$130 per acre increase. Medium-quality land averaged \$10,809 per acre, an increase of 0.6% or \$69 per acre. High-quality land averaged \$14,030 per acre, an increase of 0.7% or \$101 per acre.

The Northwest district reported the highest dollar values for high-, medium-, and low-quality land at \$16,519, \$13,507, and \$9,792 per acre, respectively.

The South Central district reported the lowest values for high-, medium-, and low-quality land at \$10,677, \$7,465, and \$5,199 per acre, respectively.

Statewide, high-, medium-, and low-quality land saw increases of 0.7%, 0.6%, and 1.7%, respectively.

Factors Influencing the Market

Lower commodity prices were cited as a negative factor influencing the market by 32% of respondents, marking the most common factor among respondents. Other negative factors cited by respondents include long-term interest rates (22%) and tariffs and trade uncertainty (13%).

Limited land supply was cited most often as a positive factor influencing the market (21%). Other positive factors include strong yields (13%) and cash/credit availability (10%).

Land values were determined by the 2025 Iowa State University Land Value Survey, conducted in November by the Center for Agricultural and Rural Development at Iowa State and Iowa State University Extension and Outreach. Results from the survey are consistent with results by the Federal Reserve Bank of Chicago, the REALTORS® Land Institute, and the U.S. Department of Agriculture showing only small changes in the land markets.

The Iowa State Land Value Survey is based on reports by agricultural professionals knowledgeable of land market conditions, such as appraisers, farm managers, agricultural lenders, and actual land sales, and is intended to provide information on general land value trends, geographical land price relationships, and factors influencing the Iowa land market. The 2025 survey is based on 463 usable responses from 316 agricultural professionals. Sixty-nine percent of the 316 respondents answered the survey online.

The Iowa State Land Value Survey was initiated in 1941, the first in the nation, and is sponsored annually by Iowa State. The survey is typically conducted every November and the results are released mid-December. Only the state average and the district averages are based directly on the Iowa State survey data. County estimates are derived using a procedure that combines the Iowa State survey results with data from the U.S. Census of Agriculture.

[CARD offers a web portal](#) that includes visualization tools, such as charts and interactive county maps, allowing users to examine land value trends over time at the county, district, and state level.

For over 60 years, the Center for Agricultural and Rural Development at Iowa State University has conducted innovative public policy and economic research on local, regional, and global agricultural issues, combining academic excellence with engagement and anticipatory thinking to inform and benefit society.

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