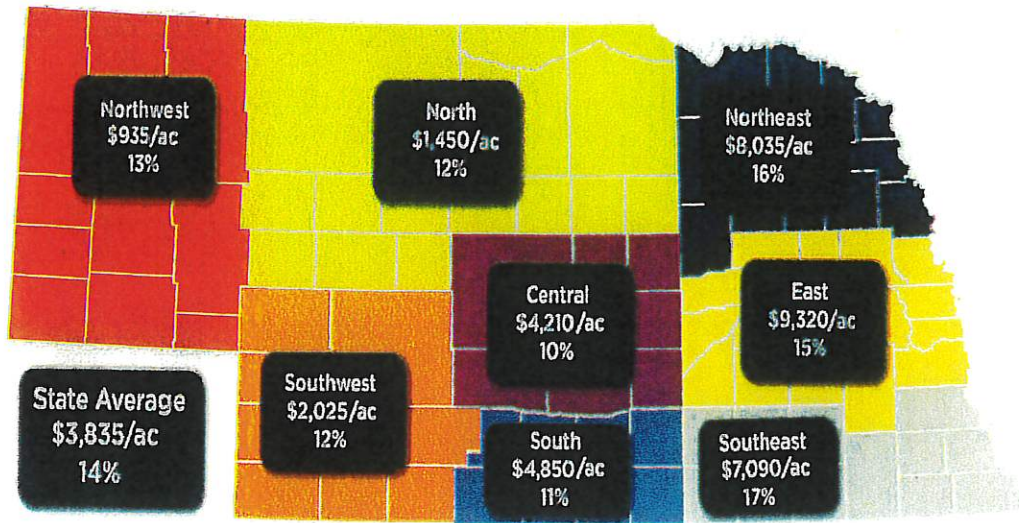


2023 Nebraska Agricultural Land Values

For the fourth consecutive year, the all-land average value in Nebraska rose for the year ending February 1, 2023, averaging about 14% higher than the prior year. Figure 2 summarizes these figures and trends along with the percent changes over the preceding year's all-land average for the eight districts in the state.

Figure 2. Average Value of Nebraska Farmland, February 1, 2023 and Percent Change from Year Earlier



Source: UNL Nebraska Farm Real Estate Market Surveys, 2022 and 2023.

- The statewide all-land average value for the year ending February 1, 2023, averaged \$3,835 per acre, or about a 14% (\$475 per acre) increase from the prior year's value of \$3,360 per acre (Figure 2).
- Rates of increase were the highest in the Northeast, East, and Southeast Districts, as these areas averaged 15% to 17% higher than the all-land average. These Districts trended slightly higher than the rate of increase of 14% for the state.
- Western regions of Nebraska, including the Northwest, North, Central, Southwest, and South Districts, reported smaller increases ranging between 10% to 13%. The Central District reported the smallest increase at 10%. Overall, increases across the state range from 10% to 17% in 2023.
- Panel members reported in 2023 that current crop prices, purchases for farm expansion, and non-farmer investor interest in land purchases as major economic forces guiding the market value of land higher across the state. Current crop prices and the financial health of current owners as additional positive forces.
- The outlook for future gains in farm real estate values remains relatively strong as only four economic forces were noted as somewhat negatively impacting farm real estate values. Interest rate levels, property tax levels, farm input expenses, and future property tax policies were reported as weighing down on the agricultural land market.
- Based on 2023 market values, Nebraska's estimated total value of agricultural land and buildings rose to approximately \$191.8 billion. Appendix Table 1 gives a historical perspective on the state's estimated land and related building market value. Between 2022 and 2023, the market value increase in agricultural land and buildings totaled about \$23.8 billion.

2023 Land Values Ranges

In addition to the estimated average land value, panel members reported high- and low-grade quality levels for each land class, summarized in Table 4. These averages create estimated quality value ranges for the seven reported land classes in Nebraska.

Table 4. Average Reported Value Per Acre of Nebraska Farmland for Different Types and Grades of Land in Nebraska by Agricultural Statistics District, February 1, 2023^a

Type of Land and Grade	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Dryland Cropland (No Irrigation Potential)								
Average	905	1,960	7,845	3,830	8,365	1,720	3,990	6,425
High Grade	1,130	2,465	9,925	5,115	10,390	2,145	4,870	7,935
Low Grade	685	1,510	6,055	2,785	6,570	1,260	3,005	5,120
Dryland Cropland (Irrigation Potential)								
Average	985	2,365	8,890	4,255	9,535	2,080	4,535	8,110
High Grade	1,270	2,950	10,545	5,470	11,210	2,655	5,785	9,940
Low Grade	720	1,895	7,225	3,305	7,780	1,495	3,520	6,365
Grazing Land (Tillable)								
Average	735	1,550	4,185	2,620	4,615	1,150	2,595	3,460
High Grade	890	1,815	5,435	3,290	5,860	1,375	3,040	4,385
Low Grade	585	1,265	2,970	1,710	3,545	920	1,935	2,850
Grazing Land (Nontillable)								
Average	575	870	2,695	2,030	2,865	945	1,685	2,750
High Grade	755	1,110	3,365	2,640	3,585	1,090	2,155	3,215
Low Grade	440	565	2,120	1,495	2,305	775	1,260	2,240
Hayland								
Average	930	1,680	3,845	2,605	3,980	1,755	2,270	3,695
High Grade	1,095	2,050	4,985	3,170	4,740	2,235	2,815	4,530
Low Grade	775	1,335	2,760	2,125	3,310	1,390	1,685	2,655
Gravity Irrigated Cropland								
Average	2,760	4,455	9,800	7,235	11,290	4,350	7,820	8,485
High Grade	3,545	5,690	11,975	9,215	13,835	5,170	9,340	10,255
Low Grade	1,870	3,485	8,135	5,680	6,160	3,645	5,965	7,315
Center Pivot Irrigated Cropland^b								
Average	3,280	5,065	11,710	8,895	12,970	5,495	8,370	11,415
High Grade	3,915	6,345	14,060	10,520	15,265	6,755	9,980	13,535
Low Grade	2,635	4,120	9,485	7,345	10,715	4,310	6,725	9,160

Source: ^a UNL Nebraska Farm Real Estate Market Survey, 2023.

^b Value of pivot not included in per acre value.

- According to panel members, geographical features, rainfall, and market competitiveness contributed to the differences in high- and low-grade land classes across the Nebraska districts (Table 4). The spread between the land grades was noted due to local demand in some state regions.
- Current crop prices supported high-grade center pivot irrigated cropland demand in the Northeast, East, and Southeast Districts. Rising irrigated cropland markets were also noted in the Central and South for high grade land.
- Rising inflationary pressure renewed interest in tangible investment purchases such as real estate over the prior year. Market participants capitalized on current crop and livestock prices when identifying different grades with development potential or improvements. Rising long-term interest rates may impact the market value of agricultural land without another force offsetting the rising finance expense.

2023 Cash Rental Rates

Cash rental rates, on average, were steady to slightly higher across Nebraska in 2023. Table 10 summarizes average cash rental rates for 2023, percent changes from the prior year, and the high- and low-third quality grade averages for the state.

Table 10. Reported Cash Rental Rates for Various Types of Nebraska Farmland and Pasture: 2023
Averages, Percent Change from 2022 and Quality Ranges by Agricultural Statistics District^a

Type of Land	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Dryland Cropland								
Average.....	37	76	265	135	245	56	115	200
% Change.....	10	17	9	12	4	13	15	5
High Third Quality...	49	105	315	160	285	74	140	245
Low Third Quality.....	28	55	205	110	195	45	89	165
Gravity Irrigated Cropland								
Average.....	145	210	315	270	305	195	260	290
% Change.....	12	8	5	10	7	9	6	11
High Third Quality...	185	245	370	310	335	235	295	330
Low Third Quality.....	110	180	255	215	260	165	225	245
Center Pivot Irrigated Cropland^b								
Average.....	190	240	365	305	345	230	315	335
% Change.....	9	5	7	11	5	2	13	6
High Third Quality...	230	285	410	350	385	275	355	370
Low Third Quality.....	155	195	315	245	295	190	260	290
Pasture								
Average.....	15	33	72	46	60	26	41	56
% Change.....	7	10	4	13	9	6	2	5
High Third Quality...	20	46	95	59	73	34	55	71
Low Third Quality.....	13	18	53	37	48	21	29	45

Source: ^a Panel members reported estimated cash rental rates (both averages and ranges) from the UNL Nebraska Farm Real Estate Market Survey, 2023.

^b Cash rents on center pivot land assumes landowners own total irrigation system.

- Cash rental rates for dryland and irrigated cropland trended steady to higher across Nebraska in 2023 (Table 10). Dryland cropland cash rent increases ranged from 4% higher in the East to 17% in the North. Irrigated cash rental rates trended at a similar rate for the reporting year. Increases for center pivot irrigated cropland ranged from 2% in the Southwest to 13% in the South District.
- The productivity of rented cropland, including the type of soil, expected rainfall, and local market competitiveness, all contributed to regional cash rental rates, according to panel members. Accounting for these regional differences provides the average and range (low-third to high-third quality) in cash rental rates for cropland.
- Uncertainty in drought and commodity prices creates additional risk in land leases. Flex lease arrangements may allow for better risk mitigation with cash rents in 2023.
- Pasture rental rates trended from 4% to 13% higher per acre. According to panel members, productivity factors influencing grazing land rental rates include parcel quality, stocking rates, expectations for rainfall, and other hindering geographical features.

Table 11. Reported Cash Rental Rates for Pasture on a Monthly Rate Basis for 2023: Averages and Ranges by Agricultural Statistics District^a

Type	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Month -----								
Cow-Calf Pair Monthly Rates^b								
Average.....	46.05	69.80	67.35	66.70	62.55	58.60	56.85	60.20
High Third Quality...	51.95	78.50	76.45	75.25	71.40	63.75	65.30	70.55
Low Third Quality.....	38.15	59.65	54.70	53.90	55.05	50.45	45.80	48.60
Stocker (500-600 lb.) Monthly Rates								
Average.....	27.65	41.25	44.60	38.30	43.85	39.15	36.50	41.45
High Third Quality...	34.20	47.85	53.55	47.05	52.30	48.65	45.90	49.75
Low Third Quality.....	20.55	32.10	35.95	29.40	34.70	30.25	28.05	31.30

Source: ^a Panel members reported estimated cash rental rates (both averages and ranges) from the UNL Nebraska Farm Real Estate Market Survey, 2023.

^b A cow-calf pair is typically considered to be 1.25 to 1.30 animal units (animal unit being 1,000 lb. animal). However, this can vary depending on weight of cow and age of calf.

- Cow-calf and stocker monthly rental rates also trended steady to higher across the eight districts in 2023 (Table 11). Monthly grazing rental rates represent the typical grazing land fee for one month during the summer. The monthly rental rate would be traditionally multiplied by five months to calculate the seasonal cow-calf pair grazing rate.
- Negotiating cash rental rates for grazing land focuses on the annual upkeep and general maintenance responsibilities. Control of noxious weeds or brush, repairs to fencing, and maintaining access to water must be negotiated as part of the lease. According to panel members, the willingness of either party to provide these services as part of the lease arrangement may impact the cash rental rate. Adjustments to the final cash rental rate may be made to account for these responsibilities by either party.
- Concerns for substantial drought across major grazing land regions of the state persist well into 2023. Provisions regarding drought in the grazing land lease need review by the appropriate agency or organization providing disaster assistance for pasture or range to ensure the property would be eligible in the event of adverse weather patterns.