

NEBRASKA FARM REAL ESTATE

MARKET HIGHLIGHTS

2023-2024



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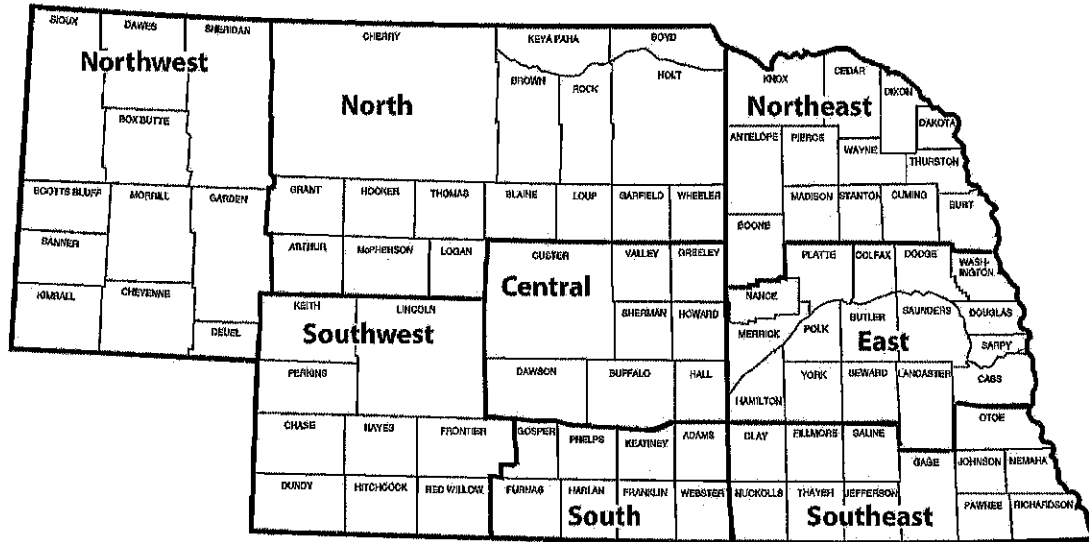
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Figure 1. Nebraska Agricultural Statistics Districts



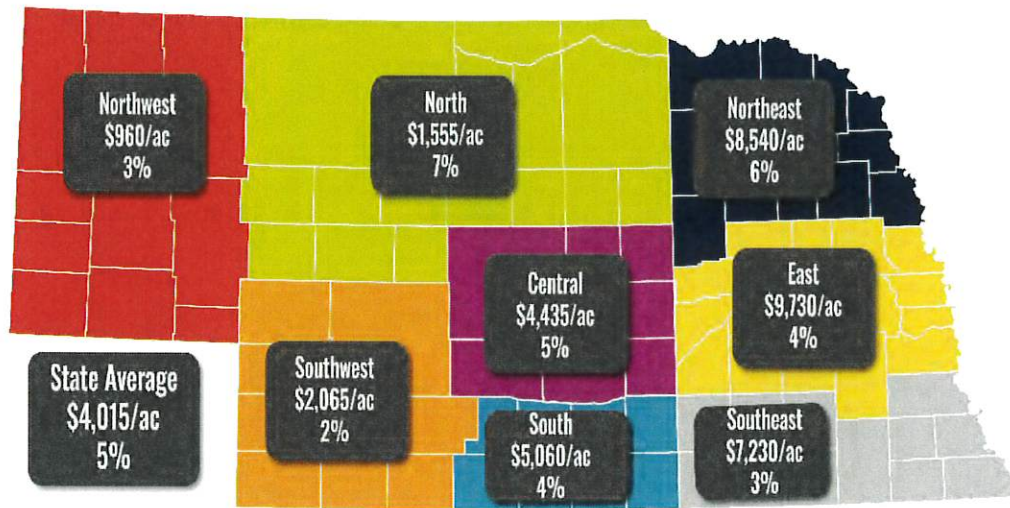
Nebraska has diverse land resource characteristics and agricultural patterns. Most of the market information is provided to sub-state regions, the Nebraska Agricultural Statistics Districts (Figure 1). Land within these regions shares similar geographical attributes and production expectations. The districts offer greater geographically appropriate detail that is not available from other data sources, such as quarterly value estimates from the Kansas City Federal Reserve, the USDA-Economic Research Service Annual Farm Value, and Cash Rent series for the state as a whole.

Variability exists within these eight sub-state regions. Therefore, sub-state regions of values and cash rents appropriately may not necessarily reflect the conditions of any local market in that geographic area. Differences in local values and rents can range from small to extreme. The information and analysis to follow in the report is a more realistic measure of general patterns and trends. Should one need information for one specific parcel, the services of a certified agricultural appraiser or a professional farm management firm should be solicited.

2024 Nebraska Agricultural Land Values

For the fifth consecutive year, the all-land average value in Nebraska rose for the year ending February 1, 2024, averaging approximately 5% 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, 2024, and Percent Change from Year Earlier



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.

- The statewide all-land average value for the year ending February 1, 2024, averaged \$4,015 per acre, or about a 5% (\$180 per acre) increase from the prior year's value of \$3,835 per acre (Figure 2).
- Rates of increase were the highest in the North and Northeast Districts, as these areas averaged 6% to 7% higher than the all-land average. These Districts trended slightly higher than the rate of increase of 5% for the state. The Central District also averaged 5% higher.
- The other five regions of Nebraska, including the Northwest, East, Southwest, South, and Southeast Districts, reported smaller increases ranging between 2% and 4%. The Southwest District reported the smallest increase at 2%. Overall, increases across the state range from 2% to 7% in 2024.
- Panel members reported in 2024 that purchases for farm expansion, current livestock prices, and 1031 tax exchanges as major economic forces guiding the market value of land higher across the state. The amount of land offerings for sale and non-farmer investor interest in land as additional positive forces.
- The outlook for future gains in farm real estate values continues to trend higher as only six economic forces were noted as somewhat negatively impacting farm real estate values. Interest rate levels, farm input costs, and property tax levels were reported as major economic forces weighing down on the agricultural land market.
- Based on 2024 market values, Nebraska's estimated total value of agricultural land and buildings rose to approximately \$179.2 billion. Appendix Table 1 gives a historical perspective on the state's estimated land and related building market value. Between 2023 and 2024, the market value increase in agricultural land and buildings totaled about \$11.1 billion.

2024 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, 2024^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	920	2,050	8,135	4,070	8,510	1,825	4,305	6,495
High Grade	1,145	2,610	9,985	5,255	10,490	2,360	5,325	7,955
Low Grade	690	1,565	6,120	2,840	6,615	1,285	3,170	5,235
Dryland Cropland (Irrigation Potential)								
Average	980	2,470	9,725	4,415	9,975	2,130	4,745	8,370
High Grade	1,260	3,095	11,345	5,570	11,755	2,690	5,815	10,225
Low Grade	725	1,915	7,860	3,335	8,020	1,565	3,750	6,580
Grazing Land (Tillable)								
Average	755	1,665	4,280	2,865	4,810	1,220	2,835	3,740
High Grade	905	1,935	5,470	3,530	6,025	1,485	3,390	4,515
Low Grade	595	1,350	3,215	1,945	3,760	940	2,165	2,930
Grazing Land (Nontillable)								
Average	605	980	2,810	2,070	3,125	1,015	1,740	3,050
High Grade	765	1,220	3,560	2,685	3,755	1,170	2,235	3,490
Low Grade	450	690	2,135	1,505	2,430	795	1,310	2,465
Hayland								
Average	945	1,790	3,975	2,815	4,420	1,935	2,380	3,830
High Grade	1,110	2,170	5,205	3,340	5,085	2,355	2,920	4,765
Low Grade	780	1,435	2,820	2,195	3,570	1,510	1,765	2,745
Gravity Irrigated Cropland								
Average	2,790	4,630	9,885	7,425	11,715	4,280	8,010	8,955
High Grade	3,565	5,855	12,070	9,310	13,935	5,020	9,645	10,330
Low Grade	1,880	3,425	8,145	5,730	9,290	3,595	6,070	7,405
Center Pivot Irrigated Cropland ^b								
Average	3,375	5,145	12,335	9,640	13,690	5,340	8,685	11,610
High Grade	3,970	6,385	14,565	10,980	15,705	6,575	10,330	13,745
Low Grade	2,715	4,130	9,810	7,855	11,325	4,260	7,095	9,180

Source: ^a UNL Nebraska Farm Real Estate Market Survey, 2024.

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

- Geographical features, rainfall, and market competitiveness contributed to the differences in high- and low-grade land classes across the Nebraska districts, according to panel members (Table 4). The spread between the land grades was noted due to varying local demand in some state regions.
- Purchases for farm expansion and 1031 exchanges supported high-grade center pivot irrigated cropland demand in the Northeast, East, and Southeast Districts. Demand for high grade irrigated cropland remains high across Nebraska despite lower crop prices.
- In response to inflationary concerns, many operations acquired tangible assets, such as land, machinery, and equipment, to hedge against rising prices. Market participants utilized higher returns on livestock when acquiring different grades of land to support cattle enterprises. Higher long-term interest rates may lead to the moderation of future land values across the state over time.

2024 Cash Rental Rates

Cropland rental rates moderated, while grazing land rental rates were slightly higher across Nebraska in 2024. Table 10 summarizes average cash rental rates for 2024, 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: 2024 Averages, Percent Change from 2023 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.....	36	79	270	130	240	59	120	195
% Change.....	-1	3	2	-4	-2	5	4	-3
High Third Quality...	50	115	320	165	290	75	145	240
Low Third Quality.....	26	53	210	98	195	43	93	155
Gravity Irrigated Cropland								
Average.....	135	200	330	265	320	190	270	285
% Change.....	-7	-5	5	-2	5	-3	4	-2
High Third Quality...	175	235	385	315	355	230	310	325
Low Third Quality.....	95	165	270	210	275	145	220	255
Center Pivot Irrigated Cropland^b								
Average.....	185	245	370	290	355	220	320	340
% Change.....	-3	2	1	-5	3	-5	2	1
High Third Quality...	235	275	420	355	405	265	360	390
Low Third Quality.....	145	190	305	235	295	185	270	285
Pasture								
Average.....	16	37	75	49	65	28	44	61
% Change.....	9	11	5	8	7	10	6	9
High Third Quality...	22	52	98	63	78	38	56	73
Low Third Quality.....	13	19	56	34	49	21	30	45

Source: ^a Panel members reported estimated cash rental rates (both averages and ranges) from the UNL Nebraska Farm Real Estate Market Survey, 2024.

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

- Cash rental rates for dryland and irrigated cropland moderated across Nebraska in 2024 (Table 10). Dryland cropland cash rent reported changes ranging from 4% higher in the South to 4% lower in the Central. Irrigated cash rental rates reported similar mixed trends. Changes for center pivot irrigated cropland ranged from 3% higher in the East to 5% lower in the Central and Southwest Districts.
- 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 commodity prices and rainfall creates additional risk in land leases. Flex lease provisions may allow for better risk mitigation with cash rents in 2024.
- Pasture rental rates increased from about 5% to 10% 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 2024: 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.....	51.20	73.95	70.10	68.05	66.45	60.55	57.30	64.35
High Third Quality...	58.35	84.15	79.85	80.60	75.20	65.85	69.50	73.65
Low Third Quality.....	43.80	61.45	57.10	55.35	54.95	52.40	48.15	50.45
Stocker (500-600 lb.) Monthly Rates								
Average.....	29.75	42.20	46.35	39.65	45.15	40.95	37.10	43.60
High Third Quality...	37.30	49.55	55.70	47.85	53.65	49.20	45.80	51.95
Low Third Quality.....	22.45	34.85	37.15	28.50	35.05	31.60	29.35	32.70

Source: ^a Panel members reported estimated cash rental rates (both averages and ranges) from the UNL Nebraska Farm Real Estate Market Survey, 2024.

^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 increased across the eight districts in 2024 (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.
- Adequate moisture eased drought concerns across major grazing regions for the growing season. Provisions regarding drought in the grazing land lease need to be reviewed by the appropriate agency or organization providing disaster assistance for pasture or range to ensure the property will be eligible in the event of adverse weather patterns.