The Road Ahead:
U.S. Farmland Value Forecasts

AGRICULTURAL FINANCE | November 2025

Executive Summary

- **Appreciation rates return to earth:** After several consecutive years of stratospheric growth in values, MIM expects farmland appreciation to moderate through 2030.
- **Regional variation:** We expect Delta and Lake states to experience sustained growth, contrasting softening prices in the Southeast, Northern Plains and Mountain regions.
- **Key risks to the forecast:** A reduction in mortgages rates or a resurgence of inflation present upside risk to the forecast. A prolonged and broad trade war could cause steeper value declines.

MetLife Investment Management

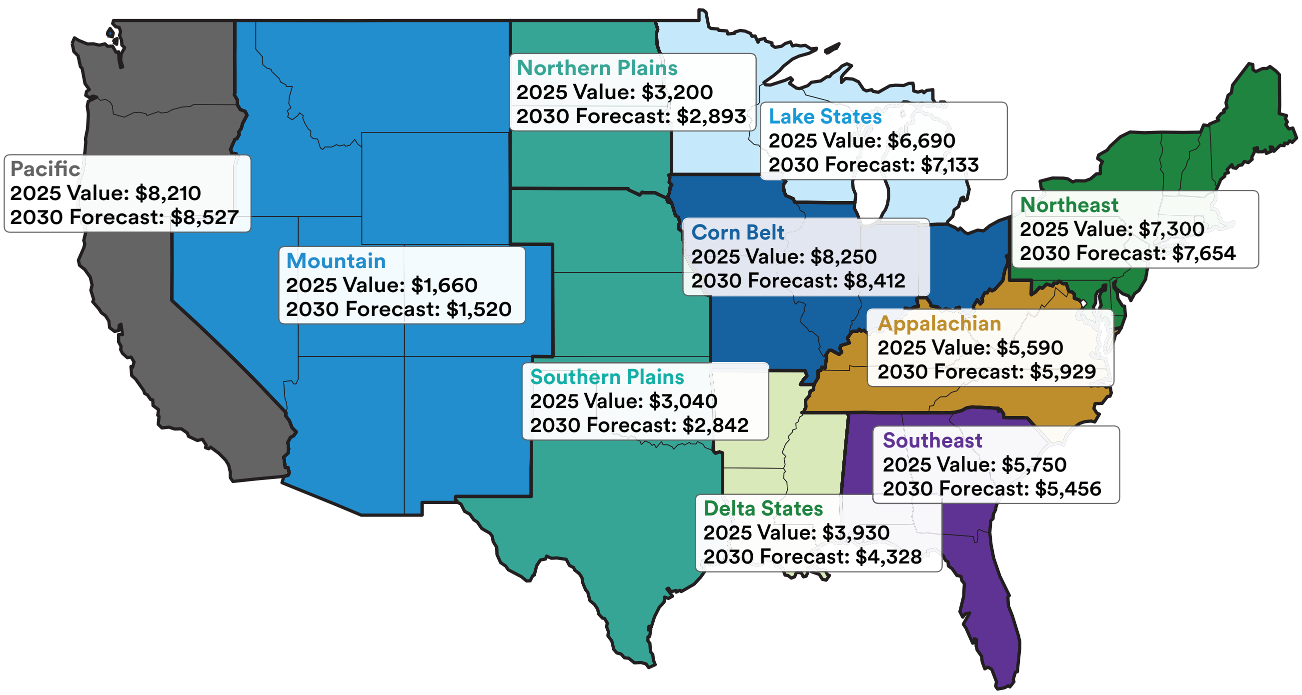
Where We Are Now

U.S. farmland has a well-deserved reputation as a reliable investment and a natural hedge against inflation. That reputation was reinforced in recent years, as land values surged alongside the highest inflation rates since 1981. However, with crop prices now back at lower levels and input costs still elevated, profitability is expected to remain elusive for most row crops in the near term.

Annual appreciation of U.S. farmland has slowed from the exceptional pace seen in 2021 and 2022, when many regions posted double-digit gains, but growth has remained surprisingly resilient. From 2024 to 2025, land values continued to rise at an average rate of 4.3% nationally according to the USDA, despite higher interest rates, moderation of key commodity prices and a normalization of farmland demand after the post-pandemic surge. While the rate of increase has slowed, appreciation has persisted across all regions, underscoring the continued attractiveness of agricultural real estate as an investment vehicle.

In 2025, the Corn Belt and Pacific regions remained the most expensive farmland markets, each exceeding $8,200 per acre on average (see Exhibit 1). In contrast, the Mountain and Southern Plains regions had the lowest average values, at $1,660 and $2,880 per acre respectively.

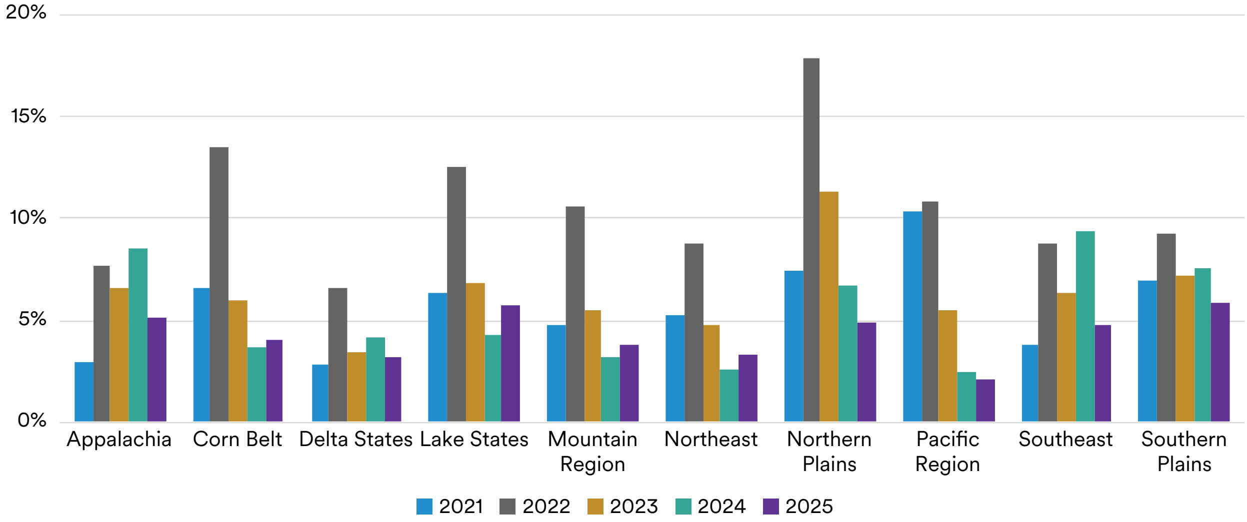
Exhibit 1 | 2025 and 2030 Forecast* Farmland Values by Region ($/acre)



*MIM's forecast extrapolates the USDA's regional average agricultural land values.
Source: USDA-NASS, MIM, data as of October 2025.

Since 2020, the Northern Plains, Southern Plains and Lake States have posted the strongest cumulative gains (Exhibit 2). Volatility in appreciation has also varied, with the Northern Plains and Corn Belt experiencing sharp swings in annual growth over the last five years.

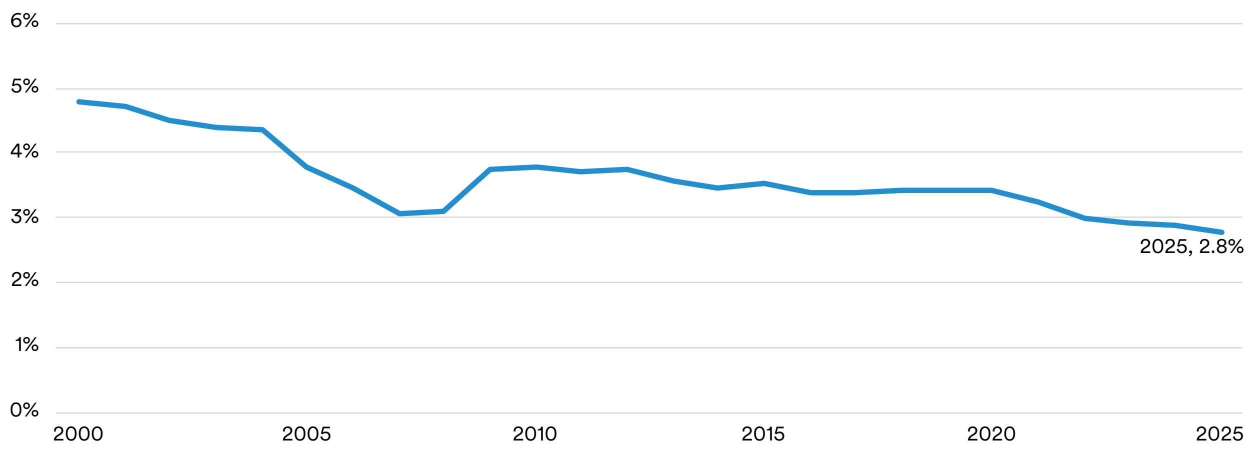
Exhibit 2 | Annual Growth by Region, 2021 – 2025



Source: USDA-NASS, MIM, data as of October 2025.

While farmland values managed to outpace inflation heading into 2025, farm rents did not, driving the national average rent-to-value ratio for cropland to an all-time low of 2.8% (Exhibit 3).[1] This disconnect is a signal that farmland prices are increasingly decoupled from their productive returns, with an ever-larger share of total returns coming from appreciation rather than income. Over the past decade, 54% of cropland returns have been attributable to appreciation, while only 46% was attributable to rents,[2] underscoring the degree to which expectations of future price gains may be embedded in today's valuations. Looking at NCREIF data, appreciation is even more significant, accounting for 58% of returns.[3]

Exhibit 3 | Average Rent-to-Value of U.S. Cropland, 2000 – 2025



Source: USDA-NASS, MIM, data as of October 2025.

Where We Are Going

Nationally, we expect a correction in farmland values in 2026 as market expectations re-align, followed by two years of flat growth before starting a recovery in 2029. However, we expect material differences in appreciation across the country (Exhibit 4).

Exhibit 4 | Summary of MIM's Regional Farmland Appreciation Forecasts ($/acre)

Region	2025	2030 Forecast	Cumulative Appreciation	Avg. Annual Appreciation
Delta States	$3,930	$4,328	10.13%	1.95%
Lake States	$6,690	$7,133	6.62%	1.29%
Appalachian	$5,590	$5,929	6.07%	1.19%
Northeast	$7,300	$7,654	4.85%	0.95%
Pacific	$8,210	$8,527	3.86%	0.76%
Corn Belt	$8,250	$8,412	1.97%	0.39%
Southern Plains	$2,880	$2,792	-3.05%	-0.62%
Southeast	$5,750	$5,456	-5.11%	-1.04%
Mountain	$1,660	$1,520	-8.44%	-1.75%
Northern Plains	$3,200	$2,893	-9.60%	-2.00%

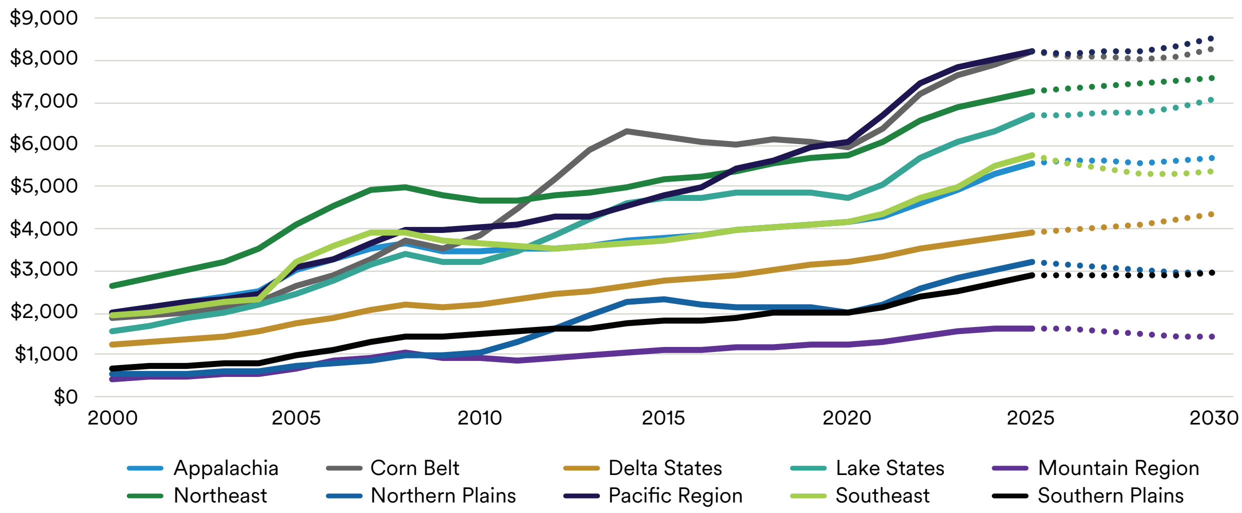
Source: USDA-NASS, MIM, data as of October 2025.

We expect Delta States to see farmland values appreciate by 2% annually on average through 2030. This outlook is broadly consistent with the Delta's long-term trend of steady, moderate growth and relatively lower land prices compared to other major regions, giving it room for a catch-up effect as investors and operators seek more affordable land for expansion. We forecast more moderate average annual appreciation in Lake States (1.3%), Appalachia (1.2%), Northeast (1%) and the Corn Belt (0.4%).

In the Pacific region, we are forecasting a short-term decline in valuations followed by modest appreciation, resulting in an annual average of 0.76%. Urbanization pressures, regulatory restrictions on land conversion and environmental protections effectively serve to limit the supply of farmland in the Pacific region. Looking ahead, we expect the region's diverse mix of specialty crops to provide some insulation from global commodity price volatility, supporting relatively stable land values in aggregate. While this diversity is broadly positive, it also means that certain markets will outperform, while others face headwinds. Permanent crops such as grapes and apples, which are currently under pressure, may see localized declines in land values. These crops carry additional embedded value in the biological assets that is highly sensitive to profitability. California's Sustainable Groundwater Management Act (SGMA) has triggered declines in irrigated cropland values, particularly in overdrafted basins in the Central Valley, where groundwater pumping restrictions have reduced water availability and forced land out of production. The resulting contraction in irrigated acreage has disproportionately impacted high-value permanent crops such as almonds, pistachios and grapes. However, much of California's agricultural land is used for livestock grazing,[4] which is much less dependent on irrigation and is currently benefiting from record-high beef prices, supporting values in the region. Despite ongoing challenges to specific geographies and crops, we anticipate that aggregate land values in the region will remain resilient.

We expect to see farmland value declines in four of the 10 USDA regions through 2030. We forecast the Northern Plains to experience the steepest average annual decline at 2.0%, reflecting weaker basis levels and a less favorable profitability outlook compared to the prime Corn Belt. Much of the region's grain is shipped by rail to Pacific Northwest ports for export to China, making it susceptible to trade disruptions. We expect the Mountain region to follow with a 1.75% annual decline, driven by persistent water scarcity, regulatory constraints and lower land quality. We are also forecasting modest annual declines in the Southeast (1.04%) and Southern Plains (0.62%).

Exhibit 5 | Regional Farmland Values, Historic (2000 – 2025) & MIM Forecasts (2026 – 2030)



Source: USDA-NASS, MIM, data as of October 2025.

Risks to the Outlook

While our baseline forecast calls for a moderation in farmland appreciation, several scenarios could lead to stronger-than-expected growth. A resurgence of inflation, particularly if paired with a sharp decline in interest rates, would likely boost demand for farmland, reigniting upward pressure on values. Additionally, investor interest in farmland may persist even in the face of weakening fundamentals, particularly if broader market volatility drives a continued flight to perceived safe-haven assets, as has been recently seen with gold.[5]

Trade remains a wild card in the outlook for farmland values. While the United States has imposed tariffs on every major trading partner, retaliatory measures have so far been limited, with China being the notable exception. If a broader and prolonged trade dispute were to emerge, the resulting pressure on farm profitability and export demand could weigh heavily on land values. Conversely, significant trade agreements with key players such as China could provide meaningful tailwinds for the sector.

Conclusion

Farmland's long history of steady appreciation, combined with its role as both a store of wealth and a hedge against inflation, remain central to its appeal. However, the forces that propelled rapid gains in the early 2020s (low interest rates, high inflation, strong commodity markets and abundant liquidity) have given way to a more challenging environment marked by higher borrowing costs, margin pressure and policy uncertainty.

The outlook for farmland values reflects a cooling market, with appreciation slowing and greater differentiation emerging across regions. While we expect some areas to see continued gains, others are likely to experience mild declines as valuations realign with income potential. Regional fundamentals such as crop mix, productivity, market access and development pressure will play a larger role in shaping outcomes. Inflation, interest rates and trade policy remain key variables that could shift the trajectory meaningfully in either direction.

Despite current headwinds and volatility, in the longer term, the U.S. agricultural sector's fundamentals remain intact. Rising global populations,[6] an expanding middle class, increasing protein consumption[7] and expanding renewable fuel usage globally serve to support long-term demand growth, while continued productivity gains and the U.S.' unmatched infrastructure and export access will continue to drive structural growth.

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Endnotes

1 USDA-NASS Quickstats, based on 2025 cropland values and rents
2 USDA-NASS Quickstats, based on annual cropland rents and appreciation
3 National Council of Real Estate Investment Fiduciaries Farmland Property Index
4 USDA, ERS Major Land Uses
5 Gold Price Hits $4,000 an Ounce as Record-Breaking Climb Continues - WSJ
6 United Nations' *World Population Prospects 2024*
7 OECD-FAO *Agricultural Outlook 2025–2034*

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