



Chicago Fed Insights, May 2026

## **AgLetter Insights: Farmland Values Continue to Rise, Agriculture Conference Date Set**

By Chicago Fed Staff Writer

**Agriculture** **Regional Economy**

Amid a generally challenging environment for farmers, agricultural land values in the Chicago Fed's midwestern District rose modestly on a year-over-year basis in the first quarter of 2026, according to the ag bankers—and a new group of farm lenders—surveyed for the *AgLetter's* [May 2026 issue](#). In this quarter's Q&A, David Oppedahl, lead author of the *AgLetter* and a Chicago Fed policy advisor, talks about incorporating additional survey results into the data, the date for this year's Chicago Fed Midwest Agriculture Conference, and what's been happening with farmland values and other key aspects of the region's agricultural economy.

**Q: For the first quarter of this year, one thing that stood out to me is that you changed your quarterly survey methodology. Tell me about that.**

A: The Federal Reserve Bank of Kansas City has been collecting responses to their own survey from Farm Credit institutions, and they offered those to us to be able to incorporate responses from the offices that are in our District. They don't cover every question that we ask, but they cover some of the key ones. And so we thought it was important to add some of these additional responses into our final results.

**Q: And what does that do for you?**

A: It helps to make the results a little more robust, and it represents lending more broadly than just the banking sector. The [Farm Credit System](#) provides loans for agriculture and rural areas across the entire country. There are Farm Credit offices across our District as part of several associations. The Farm Credit System uses bonds and notes for its funding, rather than deposits. And it's a cooperative under government sponsorship, so people who borrow from it are the member-owners. It's another way that farmers access credit.

**Q: Very interesting. And regarding making the data more robust, I've heard Chicago Fed President Austan Goolsbee and other economists talk about how it's getting harder and harder to get good data, especially survey data, at this moment in history.**

A: I think that's happening. As banks consolidate and have fewer people doing the ag lending, it makes it harder to get responses to our survey from just banks. And so it's helpful to have some additional input from the survey responses that are collected from Farm Credit System lenders.

**Q: And then the other news in the latest *AgLetter*, beyond the usual farmland values and credit conditions you report, is that you have set a date for this year's Midwest Agriculture Conference at the Chicago Fed.**

A: Yes, we have set October 16 for this year's Agriculture Conference. At the event, we'll look at how our District's corn and soybeans enter the nation's food channels, and we'll also examine some of the other key ways these crops are used—for instance, as feed for livestock, exports, and, of course, biofuels. We have had bumper crops recently, and we thought this would be a way to give people a little insight into what's happening with corn and soybeans.

**Q: Historically, you've held the conference in late November or early December. Last year, you tried September and had a good turnout despite tough timing for some farmers. How was the mid-October date arrived at? And what do you think it'll do for your attendance—or against it?**

A: Well, it's still in the middle of harvest time. So it probably will, like in late September, be a little bit of a challenge for farmers to get out of the fields. But it is almost a month later, and it's on a Friday, not in the middle of the week, which could help.

**Q: Regarding this quarter's survey data, not a lot has changed from last quarter. Farmland values are still up meaningfully year over year in the Chicago Fed's region?**

A: Three percent. So the increase is down a little bit from the end-of-the-year reading, which is to be expected. The margins in agriculture currently are compressed, and it's just a challenging time for many producers to be able to fund their operations. You do, though, have some outside buyers that are still in the farmland market—so it's not just farmers that are buying ground. And there are still farmers that have kept their working capital in order, and they have managed to purchase some of the ground.

**Q: And it sounds like there's still pretty good demand for the “good” farmland you ask about, yes?**

A: Demand is hanging in there. It's not maybe as strong as it was a few years ago. But at the same time, the number of farms up for sale has diminished as well. So it's one of those situations where the market's somewhat softer but not sharply falling at this point.

**Q: And speaking of softer, farmland rental rates were down a bit, and credit conditions are still weakening.**

A: That's correct on both fronts. The farmland rental rates have fallen about 3% from a year ago—more of the tougher times for bottom lines that we see. It's a fairly pricey thing to rent farm ground in order to grow corn or soybeans that you're not going to get a premium on like you did a few years ago.

**Q: What are the cost trends for farm outputs and inputs?**

A: Corn and soybean prices have had a modest spring rally, up from the winter. But at the same time, we have seen very large increases for some of the inputs, like diesel and fertilizer. I should add that pricing for fertilizer doesn't seem to be a big issue so far this year in our District because a lot of it was already applied in the fall. It will be interesting to see how things develop over the summer—and into the fall and next spring. If fertilizer prices stay high, that's going to have a bigger impact on 2027's crop.

**Q: And then to end things with the traditional look ahead, what do you see? And are you feeling a sense of optimism or pessimism, or do you want to stick to the data?**

A: It's always safe to stick to the data. Farmland values are expected to be stable over the next quarter, according to over 80% of our respondents. And on the conditions for lending, there's a lot of demand for non-real-estate farm loans, particularly operating loans. So definitely there's still demand from the farmers to be able to fund their operations in the coming months.

It seems like there's some guarded optimism this year in some parts of the agriculture sector. For instance, the livestock segment seems to be doing pretty well. But there is a lot of uncertainty that's just kind of baked into the broader economy right now. That's a challenge when you're trying to make decisions about large sums of capital investments. This continues to be a challenging period for farmers in the Midwest.