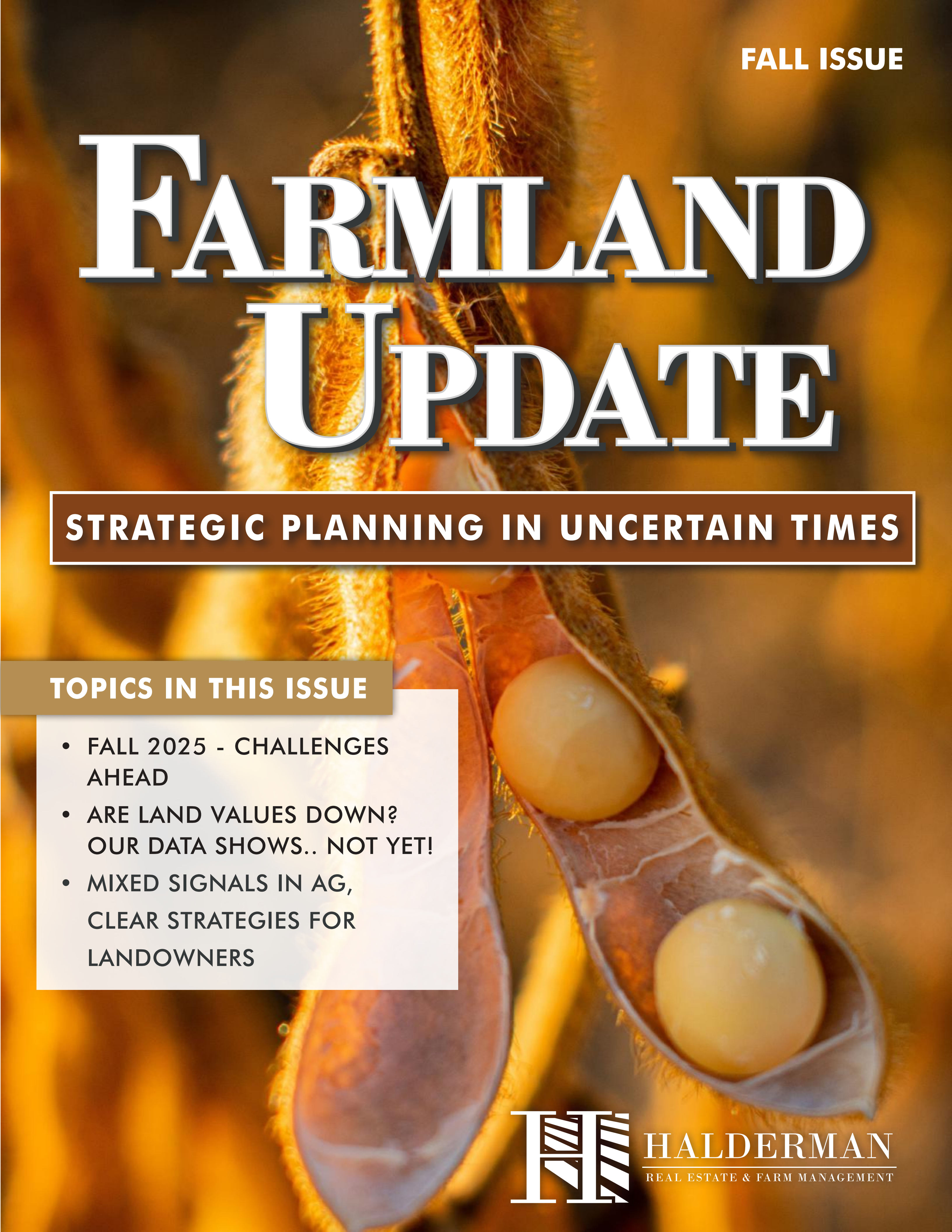


FALL ISSUE

FARMLAND UPDATE

STRATEGIC PLANNING IN UNCERTAIN TIMES

TOPICS IN THIS ISSUE

- FALL 2025 - CHALLENGES AHEAD
- ARE LAND VALUES DOWN? OUR DATA SHOWS.. NOT YET!
- MIXED SIGNALS IN AG, CLEAR STRATEGIES FOR LANDOWNERS

HALDERMAN
REAL ESTATE & FARM MANAGEMENT

FALL 2025 - CHALLENGES AHEAD

BY: HOWARD HALDERMAN, PRESIDENT OF THE HALDERMAN COMPANIES

Harvest is nearly upon us as I write this article. The corn and soybean crops project to be the largest on record by USDA. Tariffs continue to limit exports, especially to China. Exports are at or above the USDA projections set last fall, imagine what they might be without the trade conflicts. These two factors lead to low corn and soybean prices, below breakeven in most circumstances, and therefore some challenges lie ahead. Halderman remains poised to help you navigate your farmland investment decisions.

Farmland values remain steady. In fact, as of September 1st, our farmland sales of 90% cropland parcels, with no improvements, are averaging an all-time high nominal value. Adjusted for inflation, values peaked in 2022, but still, values remain steady through the first 8 months of 2025. The remainder of the year is a question – big yields are bullish, low prices and therefore net incomes (or losses) are bearish, lower interest rates are bullish and the strength of gold indicates a desire by some for inflation sensitive assets.

The past two years we saw more strength in the land market in November-December. This could occur again if large yields materialize, some trade deals develop (increasing prices), and the fed lowers interest rates. USDA is also talking about providing some form of "bridge support" to farmers to help offset lower prices due to tariffs. Lots to watch as harvest commences.

Two weeks ago I heard the CEO of the largest Indiana ag cooperative say he expects the number of farmers in Indiana to decline from 20,000 today to 10,000 in 5 years!! That is tremendous consolidation and creates many challenges and opportunities. Imagine ½ of the current farmers no longer farming . . . make sure your farm is well prepared for a changing future.

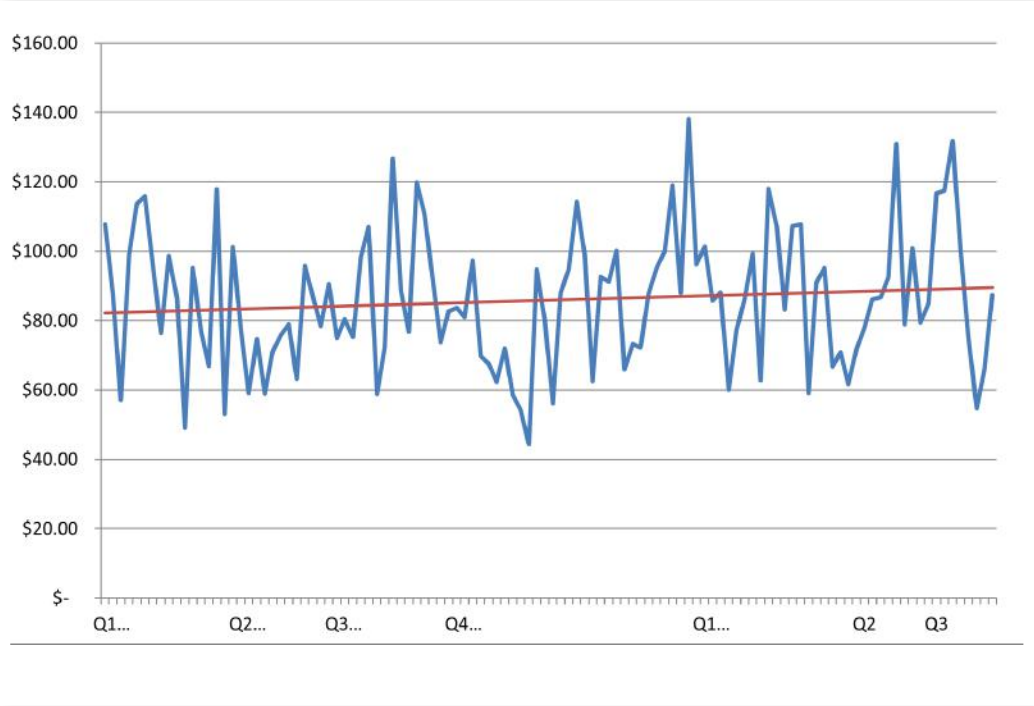
Here are my thoughts on the key farmland issues in the Corn Belt as we enter the 2025 harvest. These are in my order of significance with their respective impact in parentheses.

1. **Commodity Prices (Bearish) –** Corn and soybean prices remain at or below break-even as of 9/1/25. Projections are for huge crops, if they are less than expectations expect some price increases, but not until late fall, early winter.
2. **Interest Rates (Neutral/Bullish) –** Rates remain in the 6.5-7.5% range for land mortgages, these are down 50 bps from last year. Most predict one or two .25 bps rate cuts this year which will help.

3. **Supply of Farms for Sale (Neutral)–** We experienced an increase in farms for sale in each of the past 4 fall seasons. This is happening once again and I expect there will be more "off market" transactions to generate liquidity for some operations.
4. **Land Values & Rents (Neutral/Bearish) –** Land values are steady. Rents for 2026 are unknown. Landowners will do well to maintain steady; farmers will likely want to see reductions due to much lower commodity prices. Finding the "right rent" will be a challenge.
5. **Inflation (Neutral) -** Inflation nears what the Fed prefers 2%. Gold is trading at very high levels. Gold, like farmland, is inflation sensitive. While inflation appears somewhat controlled investors remain interested in farmland as an inflation hedge.
6. **Government Support (Neutral) –** The One Big Beautiful Bill increased price support via ARC and PLC. The $30 B in emergency relief from last winter is helpful. USDA is talking about some additional "bridge support". If that happens this becomes bullish.
7. **Renewable Energy Markets (Neutral to Bearish) –** The Trump Administration is less supportive of renewable energy. USDA announced it is reducing support for solar and wind on prime farmland. We are seeing pullback in demand for renewable energy development.

Final thoughts: US farmland is a symbol of stability in an uncertain world. Enjoy the bounties of your investment and if you need help, ask an expert for assistance! Halderman offers 95 years of agricultural experience and our staff knows their regions very well. Remember we do not charge for answering questions (only for answers where we provide a service)!!

For detailed information your farm's value, contact your local Halderman representative on Halderman.com or call 800.424.2324.



ARE LAND VALUES DOWN? OUR DATA SHOWS.. NOT YET!

BY: PAT KARST, VICE PRESIDENT, REAL ESTATE, FARM MANAGEMENT, & CERTIFIED APPRAISER

Everywhere we go, people ask the same question: Are land prices falling – and by how much? With high input costs and declining commodity prices, the row crop farm income outlook may seem discouraging. Yet, the latest USDA estimate for net farm income in 2025 is projected above 2024 earnings. This is encouraging news. However, the story looks different depending on the sector. Livestock producers, especially beef ranchers, expect stronger profits in 2025, while corn and soybean farmers face a much tougher outlook. So, with all this negative news, are land prices actually declining? The quick answer is that they are not falling yet. Together, these reports confirm that overall land values remain resilient. As you can see in the Halderman chart to the left, the volatility in farm values is huge.

Are there indications that some land values may be falling? Yes. Some sales of land that have below average soils, inadequate drainage, less desirable location, poor reputation or irregular shape suggest that demand for these tracts is softening. Recently, we sold a farm that had a large wet area that could be farmed in some years but other years was too wet. This gave the farm a poor reputation and it sold for $54.71 per WAPI point, well below average.

Historically, the bulk of farm sales occur from now until April. At Halderman Real Estate Services, our auction calendar is filling up quickly through year-end.

These results will be a strong indication of where land values are heading. If you are considering a farm sale, now is the time to book it and take advantage of these higher prices.

USDA-NASS (AUGUST 1, 2025)	PURDUE LAND VALUE SURVEY (JUNE 2025)	HALDERMAN SALES AVERAGE $/WAPI
• **NATIONWIDE:** +4.3%	• **CROPLAND VALUES UP** 5.4% YEAR-OVER-YEAR	• **2024 SALES** $84.64
• **INDIANA:** +4.0%	• **JUNE – DEC 2024:** +6.3%	• **2025 SALES** $86.24
• **OHIO:** +6.7%	• **DEC 2024 – JUNE 2025:** - 0.8%	• 1.9% INCREASE
• **MICHIGAN:** +7.8%		
• **ILLINOIS:** +2.6%		

While declining farm incomes may be downward pressure on land values, two positive factors remain:

- **Cash Reserves** - Many farm buyers frugally kept their powder dry and still hold cash reserves to buy the right farm when it comes available.
- **Potential interest rate declines** – If borrowing costs ease, financing farmland will become more attractive and affordable

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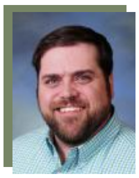

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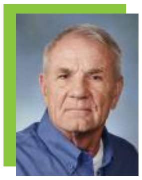

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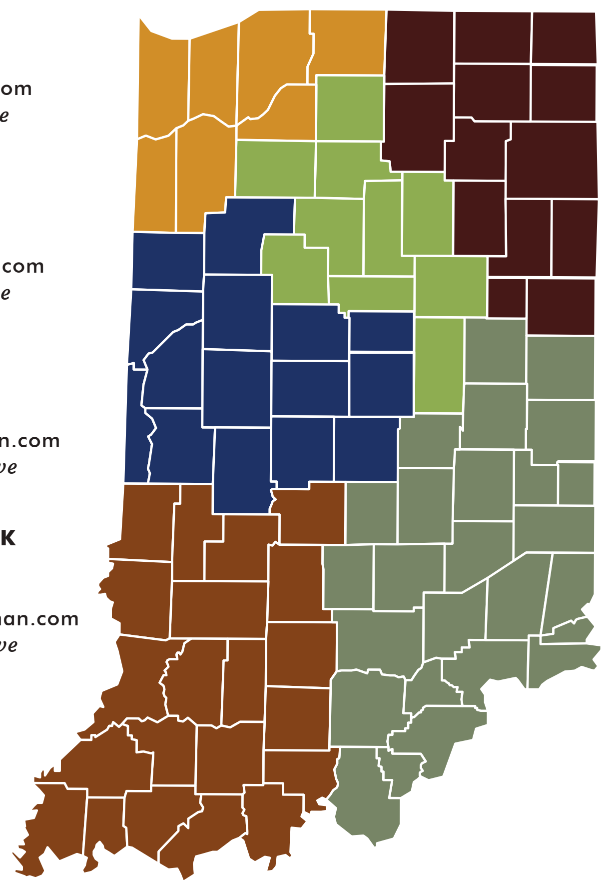

Learn more about current listings, your area representatives, and upcoming events near you!

SCAN

FOR MORE INFORMATION REGARDING OUR SERVICES, VISIT **HALDERMAN.COM**

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THE FALL ISSUE

FARMLAND UPDATE

INVESTING IN FARMLAND, CURRENT MARKET AND MORE

APPRAISAL | FARM INVESTMENT | REAL ESTATE | FARM MANAGEMENT | AUCTIONS

MIXED SIGNALS IN AG, CLEAR STRATEGIES FOR LANDOWNERS

BY: NOLAN SAMPSON, DIRECTOR OF BUS. DEV., AREA REP

The Purdue CME group's Ag Economy Barometer continues to offer interesting insight to producer sentiment. The barometer dropped again in August, falling 10 points to a reading of 125. Most of that decline came from the outlook on the future, with the Index of Future Expectations down 16 points to 123, the lowest reading since last fall. Livestock producers felt more positive, with beef operators benefiting from the smallest cattle inventory since 1951, which pushed prices to record highs. Crop producers, by contrast, face depressed corn and soybean prices with forecasts below breakeven levels, leaving them with narrow margins and a more pessimistic outlook.

Soybeans are also caught in a global trade headwind. Roughly 25% of U.S. soybeans are typically exported to China, but tariffs as high as 23% have shifted demand to Brazil, putting further pressure on U.S. prices. Challenges are surfacing in credit as well. 22% of producers expect their 2026 operating loan to be larger than in 2025, and nearly 1/4 cite carrying unpaid debt forward. Local lenders echoed that many hard conversations will take place this fall.

Despite these headwinds, farmland remains steady. At Halderman, we work with landowners to develop lease structures, management practices, and long-term improvements that protect value today while preparing for future opportunities. Give us a call to discuss strategies that insulate your farm from today's headwinds and set it up for long-term success.