Returns, Risks, and Legacies: Understanding Farmland as an Investment Asset




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Abstract

Farmland has long been both an agricultural resource and a financial asset, yet recent decades have seen new actors and investment logics reshape U.S. farmland markets. Drawing on interviews with landowners, appraisers, farm managers, lenders, and brokers in Iowa, this study examines how stakeholders interpret farmland as an investment. Findings highlight five themes: land's stability and tangibility, evolving return expectations, investor diversity, rental market dynamics, and the role of technology. Results reveal heterogeneity in motivations and practices and suggest implications not only for market behavior but also for extension programming that supports diverse landowners and investors.

INTRODUCTION

Farmland in the United States, particularly in the Midwest, has long held a dual identity: it functions both as a productive agricultural asset and as a durable financial investment. Over the past two decades, both identities have evolved. Non-operating landowners, financial investors, and urban capital are increasingly active in the market, drawn by farmland's reputation as a hedge against inflation, a tangible store of wealth, and a stable source of rental income (Lins, Sherrick,

and Venigalla, 1992; Rubens, Bond, and Webb, 1989; Fairbairn, 2017; Lavelle and Yamamoto, 2024; Moss, 1997). These dynamics are especially pronounced in Iowa, where over half (58%) of farmland is leased, and 55% is owned by non-operators, including many who have never farmed (Tong and Zhang, 2023). Investors now account for roughly one-quarter of recent transactions, a group that includes out-of-state individuals, recreational purchasers, and financial entities (Chandio, 2024). These shifts signal a broader decoupling of land ownership from agricultural production.

The 2008 financial crisis, coinciding with the ethanol boom, marked a turning point for farmland investment. As financial markets collapsed and interest rates reached historic lows, farmland emerged as a relatively low-volatility asset with long-term appreciation potential. Values surged to historic highs, first post-crisis, then again during the COVID-19 pandemic. While land remains desirable for its inflation-resistant qualities, recent inflationary pressures and rising interest rates are dampening demand. This means that, for buyers, the focus is shifting from raw appreciation to net purchasing power and cash flow viability.

In this evolving context, understanding how diverse stakeholders approach farmland investment is increasingly important. Buyers today include retired producers seeking annuities, heirs managing estates, local operators looking to expand, and outside investors driven by portfolio strategy. Their motivations range from legacy preservation to income generation, and these differences shape both transaction behavior and long-term land use. For professionals involved in valuation, lending, management, or brokerage, recognizing this diversity is essential for interpreting market signals and advising clients.

To examine how stakeholders interpret farmland as an investment, we conducted in-depth interviews with professionals engaged in Iowa's farmland markets, including appraisers, farm managers, landowners, and brokers. Using thematic coding and analysis, we identified five key themes that shape investment behavior: (1) the perception of land as a stable, long-term asset; (2) return expectations; (3) investor diversity and motivations; (4) rental market dynamics; and (5) the emerging role of technology in operational strategy. These themes reflect both financial and relational dimensions of investment and reveal how farmland is understood and negotiated in practice.

The findings offer insight into how market participants balance risk, return, and access, and how evolving buyer types and investment logics influence farmland value and tenure. By grounding these insights in the lived experience of professionals, this study contributes to broader discussions on land market transformation and provides practical guidance for those navigating the increasingly complex intersection of agriculture and finance.

METHODOLOGY

This study employed a semi-structured interview approach to gain in-depth insights into participants' experiences, perceptions, and expectations regarding Iowa's farmland markets, with a particular focus on land as an investment. Recognizing the importance of domain expertise for this topic, we targeted individuals occupying diverse professional roles within the land market, including appraisers, farm managers, landowners/farmers, lenders, and real estate professionals such as auctioneers and brokers.

We selected Iowa as the study site due to its agriculturally dominant land market and limited institutional or foreign ownership, shaped in part by regulatory restrictions (Renshaw et al., 2024; Taylor et al., 2023; Wang et al., 2024), and its relevance to a needs assessment aimed at informing extension programming and research. Through purposive sampling, we began by identifying 19 individuals with publicly visible roles in the land market through public-facing domains (e.g., websites and membership in key land organizations). This was followed by snowball sampling, wherein participants referred additional contacts with relevant experience.

In total, 10 individuals agreed to participate, representing the full range of targeted roles: two landowners/farmers, two rural appraisers, two farm managers, two auctioneers, one real estate agent, and one agricultural lender. Participants were located across different regions of Iowa and included three women and seven men. Table 1 details the distribution of investment-related quotations by participant. While the sample size is relatively small, it spans key roles in the Iowa land economy and offers depth of insight from highly experienced participants. Findings are not intended to be statistically generalizable but rather to offer grounded, contextualized insights into the investment dimensions of the Iowa land market.

Each participant completed a 60- to 90-minute interview conducted via WebEx. Interviews followed a semi-structured guide (Appendix A). We asked participants about land values, investment motivations, rental practices, financial constraints,

non-farmer investor activity, and perceived changes in the market over time. We used follow-up "why" and "how" questions to encourage participants to elaborate on their experiences and interpretations.

All interviews were audio recorded with participant consent and transcribed verbatim. We lightly edited the quotes used in the analysis for clarity and maintained anonymity by using pseudonyms and removing all identifying references. Transcripts were coded thematically using a structured codebook developed by the research team. An inductive content reduction approach was used following Mayring (2014), with two separate coders completing preliminary coding of the same two interviews before collaboratively comparing, refining, and developing final codes. These were used by one coder for the remainder of the interviews. While multiple themes were identified, for the purposes of this article, we focus on the financial theme, which encompasses eight subcodes related to investment logic: land as an investment, returns, non-farm investors, renting, the cost of farming, new technology, limited non-farmer knowledge, and land market trends. We organize our discussion around five key findings, which are considered within these subcodes, forming the core of the Results and Discussion section.

RESULTS AND DISCUSSION

This section presents the key themes that emerged from interview data and coded responses related to farmland as an investment. While the long-standing appeal of farmland as a stable asset is widely acknowledged, the motivations, expectations, and behaviors of different investor types vary considerably. Analysis revealed the following five core ideas:

1. The traditional view of farmland as a tangible, long-term investment.
2. The evolving structure of returns from cash flow vs appreciation.
3. The role of investors in the farmland market.
4. How investor presence influences rental dynamics and return expectations.
5. The influence of technology on farmland management and investment potential.

These themes are detailed in Table 2 alongside representative quotations. They correspond to eight subcodes, also summarized in Table 2, with their relative distribution illustrated in Figure 1.

Figure 1 displays the proportional distribution of investment-related quotations across all the subcodes for the analysis. Of the 127 coded references pertaining to farmland investment, each segment of the pie chart represents the share attributed to a specific subcode. This visualization illustrates the relative emphasis placed on different investment aspects by participants, with larger segments indicating greater thematic prominence. It is imperative to remember, though, that the importance does not necessarily correlate with how many times a theme is mentioned. Table 2 then classifies these eight subcodes into five core findings, each of which is detailed below.

Land as a Tangible, Long-Term Investment

Across interviews, participants consistently describe agricultural land as a tangible, long-term investment vehicle that offers stability, moderate returns, and a low-risk profile. Many landowners and professionals express a preference for farmland over more volatile financial assets, citing its physical nature, consistent historical performance, and capacity to generate both rental income and long-term appreciation.

Respondents were asked to compare farmland to other asset classes such as stocks, bonds, or certificates of deposit. One participant remarks, *"[You're] not going to lose your farm, just physically lose it like you can with stocks*" (ID 102), illustrating a broader perception that land is a secure, durable store of wealth. Another participant notes, "*It's a very stable investment tool… it is needed to grow and produce food… it truly is a legitimate asset*" (ID 112), highlighting farmland's perceived fundamental value as a productive and physical resource. While participants often framed farmland as uniquely secure, this reflects perception more than certainty. In practice, farmland can and has been lost under financial strain, as seen during the 1980s farm crisis or when owners are forced to sell or mortgage land to cover debts or long-term care costs. The distinction is that farmland generally liquidates more slowly than other assets, reinforcing its reputation for stability even if it is not immune to loss.

Farmland's durability also appeals to those seeking passive income or retirement security. One participant explains, *"It's safe… I don't think it's a moneymaker… but it just makes that little 3% without me doing anything. It's kind of a passive income"* (ID 116). This statement reflects a broader sentiment that farmland may not always outperform other investments in the short term but provides predictable, steady returns

over time, especially through cash rents and land appreciation.

The long-term viability of farmland as an asset also appears closely tied to its relatively low vacancy rate and its essential function within agricultural and food systems. As one respondent puts it, *"If it's a highly productive piece of ground… it tends to have a very low vacancy rate, unlike commercial properties"* (ID 112). This reliability, combined with limited supply and location-specific utility, reinforces its position as a long-hold asset in diversified investment portfolios.

Several participants highlight land's role as a multigenerational asset, describing transitions in ownership and the evolution of investment motivations over time. For example, one individual notes, *"I bought it for investment… I also farm. So do you put me in the farmer bucket?"* (ID 108). This blurring of operational and investment identities speaks to how land can function simultaneously as a financial instrument and an independent occupation.

Returns: Cash Flow vs. Appreciation

Many participants further emphasize the dual-income structure of farmland: appreciation over time and periodic income through mechanisms such as cash rent. While most acknowledge that land may not deliver rapid returns, its capacity to combine steady rental income with long-term capital gains positions it as a unique asset class within investment portfolios.

Respondents frequently characterize annual farmland returns as modest yet reliable. Several quote typical annual returns of 2-3%, matching the current capitalization rate for Iowa of 2.4% (Chandio, 2024; Johanns, 2025) and U.S. cropland 2.4% (USDA NASS, 2025). This figure is echoed throughout the interviews, with variations depending on location, land quality, and lease structure. One participant reflects on historical return patterns, stating, *"The top end of land in the '80s was $1,600 an acre… now we're looking at $20,000. But the cap rate has gone from 4-5% down to 2%"* (ID 114).

This decline in capitalization rates is an outcome of rising land values and the market's shift toward appreciation-driven returns. Many interviewees note that while annual returns from rent may appear low, they are often balanced by long-term appreciation. However, there has also been a tone of caution noting that much of the return has recently come from appreciation rather than income, which has implications for liquidity and access to value without divestment. Comparisons of farmland returns with other asset classes reinforce this perspective. Zhang and Duffy (2022) show that whether farmland or equities provide the higher long-run return depends heavily on the timing of entry and sale, with farmland outperforming in some decades and the stock market in others.

Several participants draw comparisons to equity markets and alternative assets. While some perceive farmland as underperforming relative to stocks in certain years, especially in terms of dividend yield, others see this as offset by farmland's lower volatility and inflation-hedging capacity. One interviewee explains, *"We made a 20% dividend on stock. But land is a secure, appreciating asset with a dividend, too, it's just long term"* (ID 108). This combination makes farmland especially attractive for risk-averse investors or those seeking portfolio diversification.

Importantly, rent structures influence perceptions of return. Participants differentiate between owner-operators and absentee landlords, with the latter often seeking fixed, competitive cash rents that support income goals. In some cases, cash rent expectations are shaped by investor expectations. Offering favorable cash rents to investors also secures a producer's bid to farm their next land purchase, creating a relationship. As one broker observes, *"An investor wants a certain return—they've promised their investors a specific yield"* (ID 109). These expectations can place upward pressure on rental rates, though several respondents also point out that cash rent tends to lag commodity prices and overall market shifts.

Investor Diversity and Motivations

Participants describe an increasingly diverse range of landowners in Iowa's farmland market, reflecting a broader shift in the composition of buyers. While producer-owners remain active, particularly in certain geographies, several respondents highlight the growing presence of non-operating landowners, including legacy heirs, institutional buyers, and lifestyle-driven investors, each bringing different expectations, investment strategies, and levels of engagement with the agricultural sector. To better illustrate these distinctions, Table 3 summarizes five prominent landowner profiles that emerged from the discussions with the participants: legacy heirs, strategic producers, local diversifiers, outside investors, and recreational buyers.

Legacy heirs often inherit land without a strong connection to agriculture or the local community. They typically live out of state and rely on professionals

such as attorneys, appraisers, or farm managers to handle transactions and leases. For many, farmland represents a monetizable asset or an estate management challenge. This group often prioritizes liquidation or passive income, with limited attention to agronomic or local dynamics. These also tend to be the landowners who might care the most about the capitalization rate and how it compares to alternative investments. In contrast, strategic producers tend to be highly engaged in farming operations and view land as both a production input and a financial instrument. Participants express long-term goals such as intergenerational wealth building, operational expansion, and retirement security.

Local diversifiers represent a middle ground. These buyers often include small- to medium-sized farmers, semi-retired professionals, or landowners with prior ties to agriculture who are seeking asset diversification and local legacy. Their engagement in farming is typically mediated through rental arrangements. As one participant describes, *"Local investors... might be business owners looking to diversify their investment pool, maybe know the local farmers in the area"* (ID 112). This group tends to balance personal and financial goals, and may value proximity, aesthetics, or local relationships as much as return on investment.

Institutional buyers, such as agricultural investment funds, retirement portfolios, and external real estate groups, remain limited in Iowa due to regulatory restrictions on corporate ownership (National Agricultural Law Center, 2025a, 2025b). Nonetheless, several respondents observe increased activity by such entities in neighboring states and note the influence of non-institutional investors on pricing expectations within Iowa. These buyers typically pursue land for its long-term portfolio value, targeting consistent returns through passive ownership models and professional management arrangements. Research shows, however, that investor presence is not expected to significantly increase the overall expected value of farmland; instead, relative to Illinois, where institutional investors are permitted, farmland transactions in Iowa appear to undervalue lower-quality land, while higher-quality land may command a premium (Chandio et al., 2025).

While concerns about the displacement of local ownership are common, some producers describe more neutral or even favorable outcomes when investors enter the market. In cases where farmers are unable to purchase land directly, investor acquisitions may temporarily preserve access via leases, allowing operators to continue farming and potentially acquire the land later. A participant notes a conversation with an interested farmer stating, *"I wasn't ready to buy it. An investor bought it, and I ended up getting to farm it. If down the road that investor decides to sell that farm, chances are he is going to come to me first, and I'll be ready"* (ID 109). This suggests that institutional participation may, under certain conditions, support continuity in agricultural production, even when ownership transitions outside the local community.

Lastly, recreational buyers prioritize lifestyle or amenity-based motivations, such as hunting, scenic views, or rural living. Though typically disengaged from production agriculture, they compete for parcels in areas near urban centers or with natural features.

Rental Market Dynamics and Investor Behavior

Interview responses highlight how investor behavior intersects with farmland rental dynamics, particularly in ways that reflect earlier-discussed differences in return expectations and investor types. Participants describe a rental market shaped as much by financial targets as by social norms, producing outcomes that do not always align with conventional economic logic.

A consistent theme across interviews is that cash rental rates often lag behind broader market shifts, particularly during periods of declining commodity prices. Participants attribute this stickiness to the reluctance of producers to release rented land, even when it no longer yields a sufficient margin. This behavior reflects a broader strategy among farmers who prioritize continuity of access, sometimes absorbing short-term losses to preserve long-term operational scale. This cultural pattern reinforces long-standing tenant-landowner relationships and reduces turnover but may also inhibit market responsiveness.

At the same time, non-operating and investor landlords often set rent levels based on income expectations tied to their acquisition costs or target returns. As one interviewee notes, *"Some groups state that they want to see land rent go up every year"* (ID 112). These expectations often result in rental benchmarks that are out of step with current commodity price conditions. Some participants report that investor-purchased land may command higher rent not due to its inherent productivity but because of the financial yield needed to justify the purchase price. These dynamics are particularly prevalent in areas where investor buyers or well-capitalized individuals are active.

Farm managers play a key role in mediating between absentee owners and tenants. Several respondents note that professional managers often serve as the conduit through which investors' expectations are translated into lease structures. A participant notes, *"Maybe [rich out-of-state landowners] contact the farm management companies and say, 'Do you have somebody who would want to [rent that land]?' There are people in the farm management companies who work with those big investors to buy land"* (ID 116). As investor ownership grows, particularly among those less embedded in local communities, these intermediaries become essential in balancing financial performance with tenant retention.

Producers, in turn, may accept high or even marginally profitable rental terms in hopes of remaining competitive for future land opportunities. As a producer, "*You need to be on your toes, always selling yourself and your farming operation to outside investors because these people will notice that"* (ID 109). While this strategy can sustain farm access in the short term, it contributes to broader concerns about land access, profitability, and generational turnover. This rental pressure lowers capitalization rates and may also favor larger or more established operators, contributing to the consolidation of land ownership.

Overall, this reflects an increasing and more recent separation of land ownership from farm operation, which participants also associate with generational transition and capital intensity. As more farmland transfers to non-operating heirs or investment-oriented buyers, leasing becomes the dominant mode of access, and rent pricing reflects both economic and relational dimensions. In this context, rental markets serve as a key interface between the investment logic of landowners and the production logic of operators.

Technology and Investment-Driven Diversification

While not a central focus across all interviews, several participants highlight the role of technology in shaping modern farm operations and influencing how tenants manage their land. Some respondents reference the use of drone-based technologies and other farm-level innovations that align with broader trends in precision agriculture, particularly where cost savings or operational efficiency are involved.

These technologies are primarily framed as tools for cost control, enabling operators to optimize the use of fertilizers and chemicals and reduce labor needs. One participant notes, *"People are using drone technology more for scouting and now even in spraying crops… and it's paying off as far as the cost of that technology"* (ID 112). For tenants, these efficiencies may support stronger lease bids or improve long-term viability on rented ground, easing some of the pressure on relatively lower capitalization rates.

In a smaller subset of cases, technology enables alternate revenue streams, particularly in livestock operations. For example, one respondent highlights the installation of methane digesters among dairy producers, which provide additional income from energy capture or waste management services: *"A number of dairy producers have actually installed methane digesters… it's another way to capture additional revenue"* (ID 101). While still limited in scope, such investments reflect how operational innovation can expand income potential beyond crop or livestock sales (Moon, Chandio, and Feng, 2025).

Respondents note that although these technologies can influence net returns, they are not always reflected in land valuations, particularly if improvements are tied to tenant operations rather than to the land itself. As discussed earlier, income remains the primary basis for many investor assessments, and appreciation is often dissociated from day-to-day management.

DISCUSSION

This study contributes to growing research on the financialization of farmland by examining how various stakeholders in Iowa understand, value, and engage with land as an investment. While previous scholarship has documented rising land values, investor participation, and structural changes in land tenure (Tong and Zhang, 2023; Hendricks and Er, 2018; Gunnoe, 2014), few studies have focused on the nuanced perspectives of those directly involved in land transactions, management, and production at the local level. Drawing on interviews with landowners, appraisers, farm managers, and agricultural professionals, this research sheds light on how investment logics are expressed, contested, and negotiated within farmland markets.

Findings echo the prevalent view that agricultural land is perceived as a relatively low-risk, long-term asset. Participants consistently highlight land's tangibility and multigenerational appeal, aligning with prior studies showing that farmland serves as both a financial instrument (Zhang and Duffy, 2022) and an intergenerational wealth transfer (Bigelow, Borchers, and Hubbs, 2016; Krultz et al., 2024; Langemeier, 2021). At the same time, the economic rationale for land investment has shifted—rather than relying solely on

income from cash rents, many investors, particularly non-operating owners, prioritize appreciation as the primary source of return. This reflects broader trends, where capital gains from farmland have outpaced operating profits in recent years, and capitalization rates have declined substantially.

Interview data also show a diversification of landowner types, including legacy heirs and outside investors, who participate in land markets with varying levels of agricultural engagement and return expectations. These actors bring distinct motivations that affect how land is valued, managed, and transferred. Rental rates can reflect a mix of market-based returns and social relationships. Producers may offer high rents to maintain land access, even when it is not financially optimal in the short term. Conversely, investors, especially those represented by funds or outside management, enter with specific return expectations, which contribute to rising rental benchmarks and reinforce capital-driven logic in lease arrangements. These dynamics point to a partial decoupling of land ownership and agricultural production.

Although discussed less extensively, technology appears as a supporting theme in this evolving investment landscape. Drone applications, automated management tools, and, in some cases, methane digesters are being used to improve efficiency or generate alternative revenue streams but are not yet fully reflected in how land is appraised or marketed. As others have argued, technological adoption often lags behind market models (Schimmelpfennig and Ebel, 2016; Khanna et al., 2024), especially when improvements are tenant-specific rather than landowner-based (Gao et al., 2018; Sawadgo et al., 2021).

These findings also point to structural pressures that shape who can own land and how it is managed. Rising capital requirements for machinery, inputs, and land mean that even established producers often forgo purchases in favor of renting, which preserves liquidity but reduces tenure security and discourages long-term investments in improvements such as tiling or conservation practices. At the same time, technology adoption has raised operating costs and contributed to farm consolidation, increasing both the scale and risk of individual operations. Many of these technological and conservation investments are often not fully capitalized into land values, in part because appraisers lack reliable public information on their presence in comparable sales. This highlights the need for ongoing research at the intersection of investment, technology, and conservation.

As farmland markets in Iowa and beyond continue to evolve, this study provides timely insight into how local actors interpret and navigate land investment. Rather than portraying landowners as a homogenous group of farmers or investors, the findings emphasize heterogeneity in motivations, strategies, and levels of engagement. These distinctions are particularly important for appraisers, farm managers, extension specialists, and policymakers who are tasked with understanding land value, lease structures, and rural development.

The financialization of farmland is not a uniform process but one shaped by regional regulations, land tenure histories, and interpersonal relationships. Future research may build on this work by examining how these trends differ across regions, asset classes, or institutional environments, and by quantifying the impact of investor-driven purchases on long-term land access and agricultural resilience. An additional avenue of inquiry lies in translating these findings into practice, particularly how they might inform extension personnel as they develop educational programs to address the needs of landowners, investors, and producers navigating this evolving landscape.

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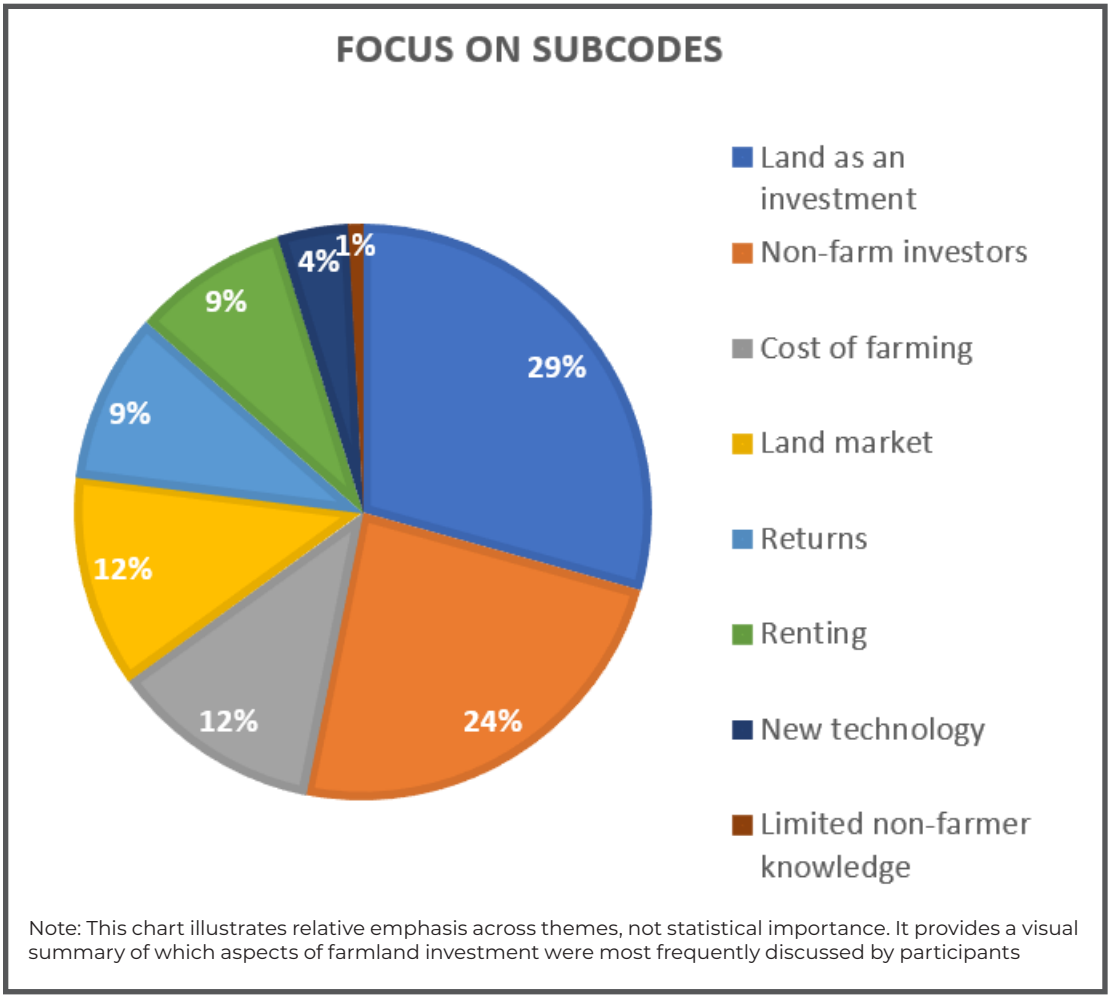

Note: This chart illustrates relative emphasis across themes, not statistical importance. It provides a visual summary of which aspects of farmland investment were most frequently discussed by participants

Figure 1. Distribution of investment-related quotations across subcodes

Table 1. Distribution of Investment-Related Quotations by Participant

Participant ID	# of Unique Quotes	# of Quotes by Subcodes
ID 101	6	10
ID 102	5	5
ID 108	21	22
ID 109	9	11
ID 110	10	11
ID 112	13	19
ID 113	10	14
ID 114	8	9
ID 116	11	14
ID 117	10	12
Total Quotes	103	127

Note: This table shows the number of quotations coded to investment themes for each participant, indicating variation in emphasis across interviewees.

Table 2. Investment Subcodes and Representative Quotations

Theme	Sub Themes	#mentions out of 127 (#unique participants)	Description	Example Quote	Second Example Quote
Land as a Tangible, Long-Term Investment	Land as an investment, Land market	52 (all)	Farmland is perceived as a stable, inflation-resistant asset with long-term appreciation.	"[You're] not going to lose your farm, just physically lose it like you can with stocks... land has definitely outdone gold." (ID 102)	"If you don't understand farmland, you don't understand it's a long-term hold appreciation with a dividend return. So, they see the two-and-a-half percent dividend, and it's like, 'Well, this is horrible. I don't want to invest in this.' " (ID 108)
Investor Diversity and Motivations	Non-farm investors, Limited non-farmer knowledge	31 (8)	Investors range from farmers and heirs to institutional funds and recreational buyers.	"A lot of them, they've never been to Iowa. They don't know anything about the farm. It was great grandpa's farm, I don't care. I can make $12 million." (ID 116)	"Local investors... might be local business owners looking to diversify their asset pool. There's certainly been an increase in ... those smaller tracts ... that have some recreational pasture ground that wouldn't be split off" (ID 112)
Returns: Cash Flow vs. Appreciation	Returns, Cost of farming	27 (all)	Current cap rates have decreased, while appreciation remains strong.	"It's positive, but it keeps going down. ... When I first started, we were looking at a 4 to 5% cap rate... Today, we're down [to] around 2%." (ID 114)	"Since the mid to late 2000s, ... roughly more of the return has come from appreciation than it has from income as a percentage." (ID 113)
Rental Market Dynamics and Investor Behavior	Renting, Non-farm investors	41 (9)*	Investor expectations influence rental rates; rent adjustments often lag market shifts.	"[Producers] think, 'If I give this guy $400 an acre, that will make it work... he can get his 3.5 to 4% and when [the outside investor] buys the next [farm], I may have to do the same, but maybe that third one, I won't.' It's a thought process, but they're looking at getting more dirt to farm." (ID 109)	"[Cash rental rates] always seem to lag behind a year or two because nobody wants to give up the land they're farming. So they end up leaving [rents] at too high a price until the banker steps in and says, 'You're paying too much.' " (ID 117)
Technology and Investment	New technology	6 (5)	Innovative technologies provide new revenue streams and cost savings.	"A number of dairy producers have actually installed methane digesters on their farm. It's another way for them to be able to capture some additional revenue that they never would have in the past." (ID 101)	"People are using drone technology more for scouting and now even in spraying crops... I mean, I don't think we're replacing the standard sprayer by any means ... but I think one of the things that makes them attractive is the cost, savings." (ID 110)

Note: This table organizes the eight subcodes into five core findings, with illustrative quotations. *Non-farm investor theme is counted repetitively for this category due to topical overlap.

Table 3. Profiles of Iowa Farmland Owners/Investors Identified by Participants				
Investor Type	**Description**	**Typical Motivation**	**Ag Engagement**	**Representative Quotes**
Legacy Heir	Inherits land, often lives out-of-state, limited ag knowledge, emotionally detached	Monetize inheritance, simplify estate, or seek high returns with low involvement	Low	"A lot of them, they've never been to Iowa. They don't know anything about the farm. It was great grandpa's farm, I don't care. I can make $12 million." (ID 116)
Strategic Producer	Actively farms and views land as a long-term investment or retirement tool	Secure operational control, build equity, intergenerational wealth	High	"Well, I bought it for investment. I want the annuity when I get it paid off for retirement. I also farm. … So do you put me in the farmer bucket?" (ID 108)
Local Diversifier	Local business owners or semi-retired individuals looking for a tangible asset	Diversification, local legacy, semi-passive returns	Mixed	"Local investors… might be local business owners looking to diversify their investment pool… [buying] cropland [with] some recreational pasture ground…" (ID 112)
Outside Investor	Large-scale buyers (e.g., ag funds, retirement portfolios, or wealthy out of state landowners), often external	Portfolio balance, inflation hedge, stable return targets	Very Low	"We have some ag funds out here right now… they're buying for their outside investors. They want a certain return." (ID 109)
Recreational Buyer	Purchases land for non-ag use: hunting, scenery, lifestyle	Rural amenity, second home, personal enjoyment	Low	"I just sold one to a guy from [Florida], 1.3 million, wants to be close to Des Moines and wants hunting ground… No production…" (ID 108)

Note: This table summarizes five prominent landowner/investor profiles, and highlights their motivations, behaviors, and implications for the farmland market.

APPENDIX A: QUESTIONNAIRE (RELEVANT QUESTIONS FOR THIS MANUSCRIPT)

1. How has land performed as an investment over the years in your experience?
2. How does land as an investment compare to other assets, like stocks or bonds, moving forward?
3. Have you noticed any significant changes in the types of buyers or landowners (e.g., larger corporations, foreign investors, younger farmers)?
4. Could you share any notable examples of changes in buyer demographics?
5. What do you think is driving these changes?
6. How do you think precision agriculture and other technological advancements (e.g., automation, data-driven farming) are affecting how people view land as an investment?
    a. You can talk about a specific technology or generally, as you prefer.
7. How has technology impacted the value of land?
8. What role do you see this playing out in the future?
9. Is there anything else you would like to add that we haven't covered, but is important to understand Iowa's land markets?