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AGRICULTURAL LAND MARKET REVIEW H1 2026

OVERVIEW

Growth in agricultural land values remained resilient over the past 18 months, rising by 8.0% in 2025 and a further 5.3% in H1 2026, bringing the 12-month rolling average weighted value[1] for all farmland to €13,528 per acre by the end of June.

This performance varied considerably across regions, with the Mid-East remaining the most expensive at €16,896 per acre for all farmland. This is compared to the West with the lowest values at €9,758 per acre. The Border and West recorded the strongest growth during H1 2026 at 8.0% and 7.8% respectively.

Prime and marginal grassland were key drivers of market growth, with marginal grassland witnessing the strongest increases across land types, while prime grassland values surpassed those for prime arable land in some regions.

The outlook for the remainder of the year is more cautious reflecting various headwinds. This includes the impact of adverse weather conditions on production, higher input costs, reduced output prices and potential borrowing cost increases.

1. All values in the report are quoted on a 12-month rolling average basis. Weighted values are calculated using agricultural land sales data from the CSO.

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ECONOMIC OVERVIEW

Latest figures from the Central Statistics Office reveal that Modified Domestic Demand (MDD, considered a reliable indicator of underlying domestic activity) expanded by 0.3% during the first quarter of 2026.

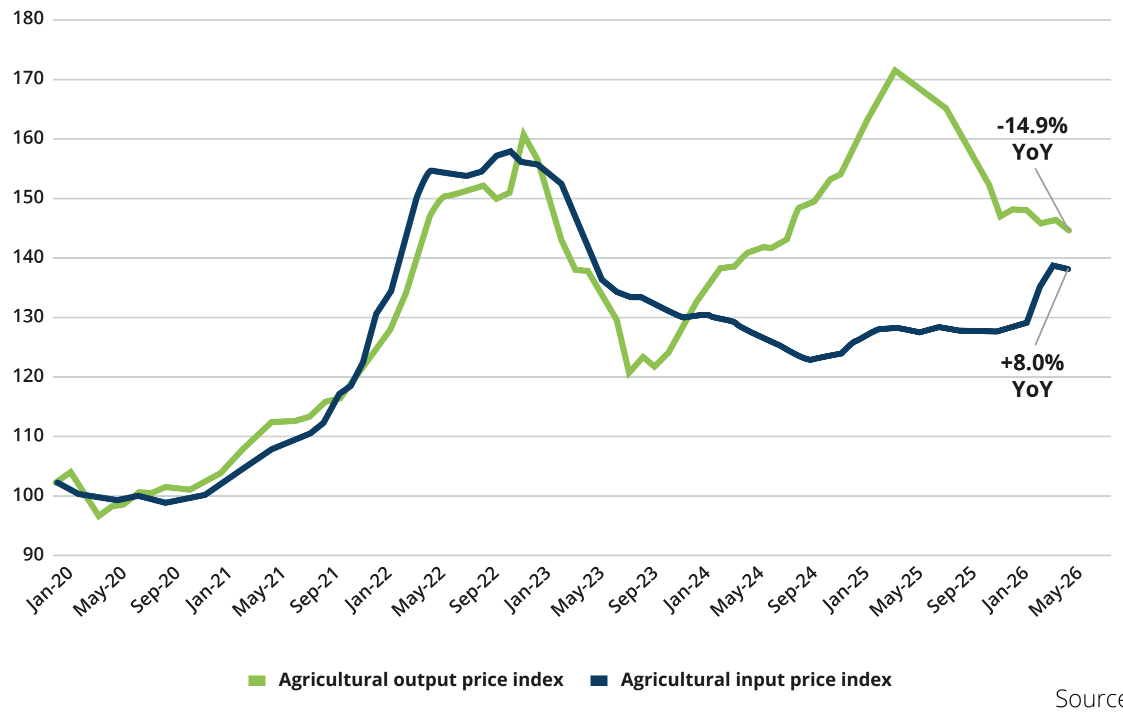
On an annual basis, MDD was 3.4% ahead of Q1 2025 reflecting continued strong growth in consumer spending at 2.9% and a 6.5% increase in modified investment expenditure. Government spending on goods and services was 1.1% higher in Q1 2026 than the same period in 2025.

In Gross Domestic Product (GDP) terms, the volume of output fell by 7.0% during the quarter, while the level in Q1 2026 was 13.0% below the same period a year earlier. This contraction reflected activities of the largely outward facing multinational sectors of the economy which decreased by 24.8% year on year in Q1 2026. In particular, the Industry sector contracted by 36.0% during the period, offset slightly by a 3.7% annual increase in the Information & Communication sector.

Domestic based sectors expanded overall by 1.4% compared to Q1 2025. The strongest annual growth was in Financial & Insurance Activities (+5.1%), followed by Real Estate Activities (+3.8%), Distribution, Transport, Hotels & Restaurants (+1.3%) and Public Administration, Education & Health (+1.1%). Sectors that recorded reduced activity included Arts & Entertainment (-5.3%), Construction (-3.5%) and Professional & Administrative Services (-2.4%). The Agricultural, Forestry & Fishing sector recorded a modest decline of -0.1%. This followed robust growth in this sector in 2025 with output expanding by 3.6% during the 12-month period.

Increased production in 2025 coupled with higher output prices compared to 2024 resulted in strong income growth across all farm sectors in 2025. This is despite the fall in output prices during the second half of the year. Preliminary results from the Teagasc National Farm Survey for 2025 reveal that the national family farm income averaged €53,842 in the year, representing a significant 49% increase on the 2024 level. Dairy farms recorded the highest average farm incomes in 2025 at €153,319, followed by tillage farms with an average income of €54,916.

Figure 1: Agricultural Output and Input Price Index



Source: CSO

Figures from the CSO show that agricultural output prices grew by a robust 14.2% in 2025 primarily due to a 40.6% increase in Cattle prices, while prices for Sheep (+5.1%), Milk (+3.3%) and Poultry (+3.1%) also recorded positive growth. In contrast, prices for Pigs (-4.9%) and Crop Output (-4.4%) declined compared to 2024 levels. Input prices rose by a marginal 0.6% in 2025 as price increases for Fertilizers (+8.6%) and Veterinary Expenses (+4.7%) were largely offset by reductions in the price of Feeding Stuffs (-2.3%), Seeds (-1.4%) and Energy (-0.9%).

Following the downward trend in the second half of 2025, output prices fell further in the first five months of 2026, with the May index value approximately 1.5% lower than December 2025. On an annual basis, prices were 14.9% lower than May 2025, when output prices were close to the most recent peak. Products that observed some of the largest year on year price decreases included Milk (-23.7%), Pigs (-17.7%), Cattle (-11.5%) and Cereals (including seeds) (-7.5%). Increases were recorded for Wool (+175.5%), Eggs (+12.6%), Sheep (+11.4%) and Poultry (+5.5%).

In contrast, input prices witnessed a sharp increase in March driven by higher motor fuel prices. Although May saw a modest 0.3% decline, overall input prices remained 8.0% higher than in May 2025. The largest annual price increase was in Energy at 23.3%. This was despite a 10.5% decrease in motor fuel prices during the month reflecting Government supports. Other significant annual input price increases included Fertilisers (+22.7%) and Veterinary Expenses (+7.1%).

Increased farm incomes coupled with four interest rate cuts in 2025 by the European Central Bank (ECB) positively impacted demand for farmland in 2025. More recently, the ECB changed its policy stance in response to elevated energy prices and the impact on annual inflation in the Euro Area which surged to 3.2% in May, before falling to 2.8% in June. This resulted in a 25-basis point increase in interest rates in June, bringing the main refinancing rate to 2.4% and the deposit rate to 2.15%. Although rates remained unchanged in July, it is widely expected that another 25-basis point increase will be implemented in September amid continued tensions in the Middle East.

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MARKET COMMENTARY

Philip Guckian, Sales Director, Sherry FitzGerald Country Homes, Farms & Estates

Commenting on the market, Philip Guckian, Sales Director, Country Homes, Farms & Estates said:

"The continued strength in agricultural land values is being driven as much by a shortage of supply as by underlying demand. Across the country, relatively few farms are being brought to the market, creating strong competition for quality holdings when they do become available. Despite growing economic headwinds and pressure on farm incomes, the limited availability of land continues to underpin values and support market resilience. Looking ahead, however, farmers will be keeping a close eye on the impact of the recent dry weather, with reduced rainfall and slower grass growth becoming a concern in some regions. While this may temper sentiment in the short term, the scarcity of land coming to the market is likely to remain the dominant factor supporting values."

ALL FARMLAND

2025 was a robust year for agricultural land prices, with the 12-month rolling average weighted price of all farmland increasing by 8% year on year to reach €12,851 per acre, according to the Sherry FitzGerald Agricultural Land Barometer.

This is significantly ahead of the 5.8% recorded the previous year.

This performance was driven by prime and marginal grassland which recorded annual growth of 8.2% and 9.8% respectively. Rolling average weighted values for prime arable land rose by 6.7% over the twelve-month period.

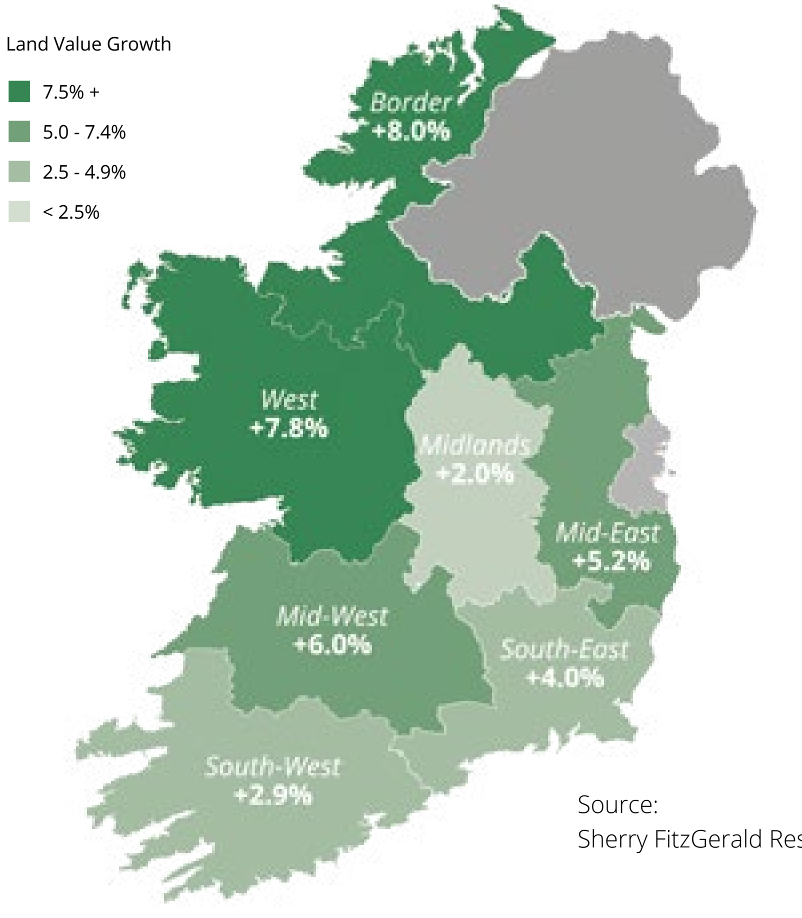
Despite the poor weather in the opening months of 2026, average land values continued to grow at a strong pace in the first half of the year, rising by an estimated 5.3%, bringing the rolling average weighted price to €13,528 per acre at the end of June. In comparison, in H1 2025 average values grew by 2.8%.

A NUTS 3 breakdown of 12-month rolling average values reveals that the Mid-East region remained the most expensive with land values averaging €16,896 per acre at the end of H1 2026. This is significantly ahead of the West region which continues to see the lowest land values averaging €9,758 per acre.

Interestingly, growth in average land values in the Border region has outpaced that of all other regions in recent years. In particular, 12-month rolling average land values in this region grew by 28% over the past two years. This is significantly ahead of 17% to 18% increases recorded for the Mid-East, West and Mid-West regions, while all other regions recorded growth rates below this. In contrast, during the previous two-year period, the Border region had one of the lowest growth rates in farmland values at 17%, while the strongest was in the Midlands at a substantial 42%.

During the first half of 2026, the Border and West regions witnessed the strongest growth rates at 8.0% and 7.8% respectively. The Midlands (+2.0%) and the South-West (+2.9%) observed the lowest growth rates during the six-month period.

Figure 2: 12-Month Rolling Average Land Value Growth, H1 2026



Source:
Sherry FitzGerald Research

PRIME ARABLE LAND

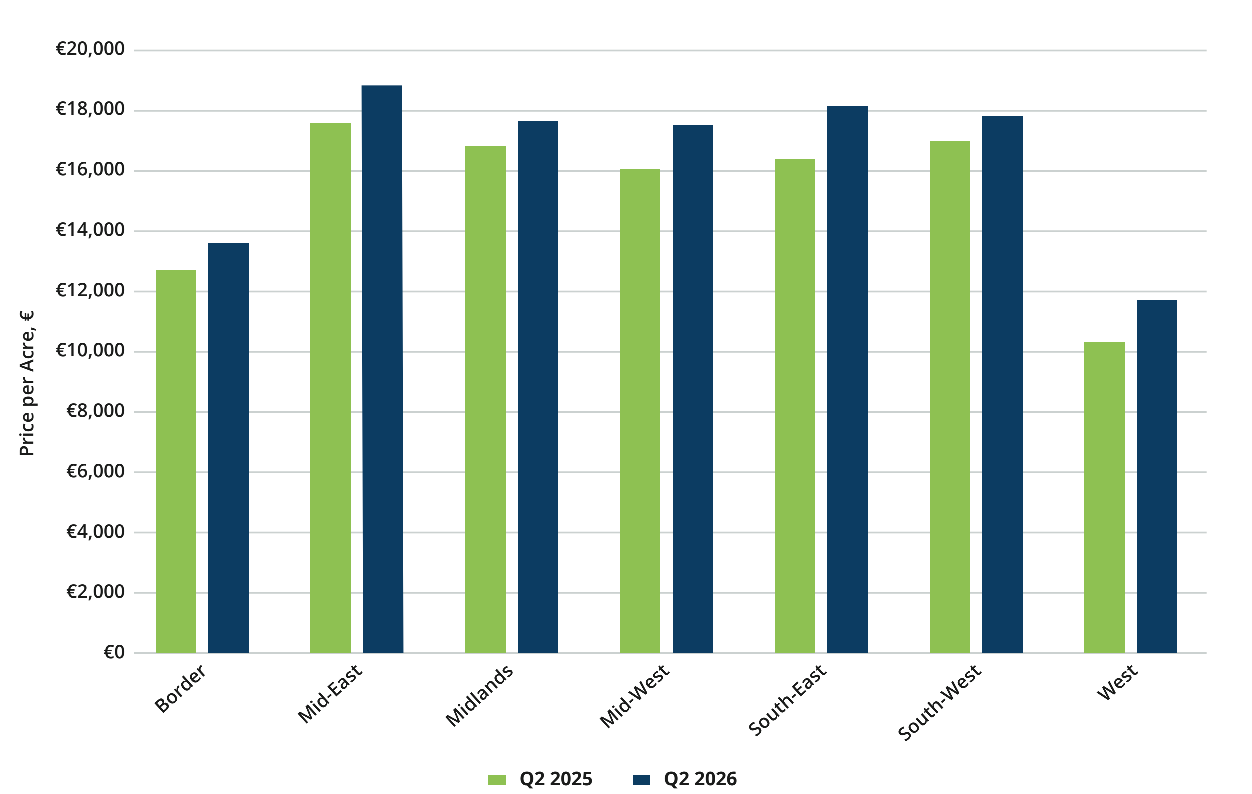
Prime arable land continued to command a premium, with the 12-month rolling average weighted value reaching €15,353 per acre at the end of 2025.

This was 6.7% higher than a year earlier. The pace of growth remained robust during the first half of 2026 at 4.3% bringing the rolling average weighted value to €16,007 per acre at the end of June. Growth during the corresponding period of 2025 stood at 2.6%.

Across NUTS 3 regions, 12-month rolling average values at the end of June ranged from €11,775 per acre in the West to €19,000 per acre in the Mid-East. Notably, despite recording the lowest value, the West region experienced the strongest growth in arable farm values during H1 2026 at 8.0%, followed by 5.6% in the Mid-West. This has contributed to a greater convergence in arable land values across the Mid-West, Midlands, South-West and South-East regions ranging from €17,667 per acre to €18,196 per acre at the end of June.

The Midlands region recorded the lowest growth in prime arable land values in H1 2026 at 1.7%, while the second lowest was in the South-West region at 2.5%.

Figure 3: Prime Arable Land, 12-Month Rolling Average Values



Source: Sherry FitzGerald Research

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PRIME GRASSLAND

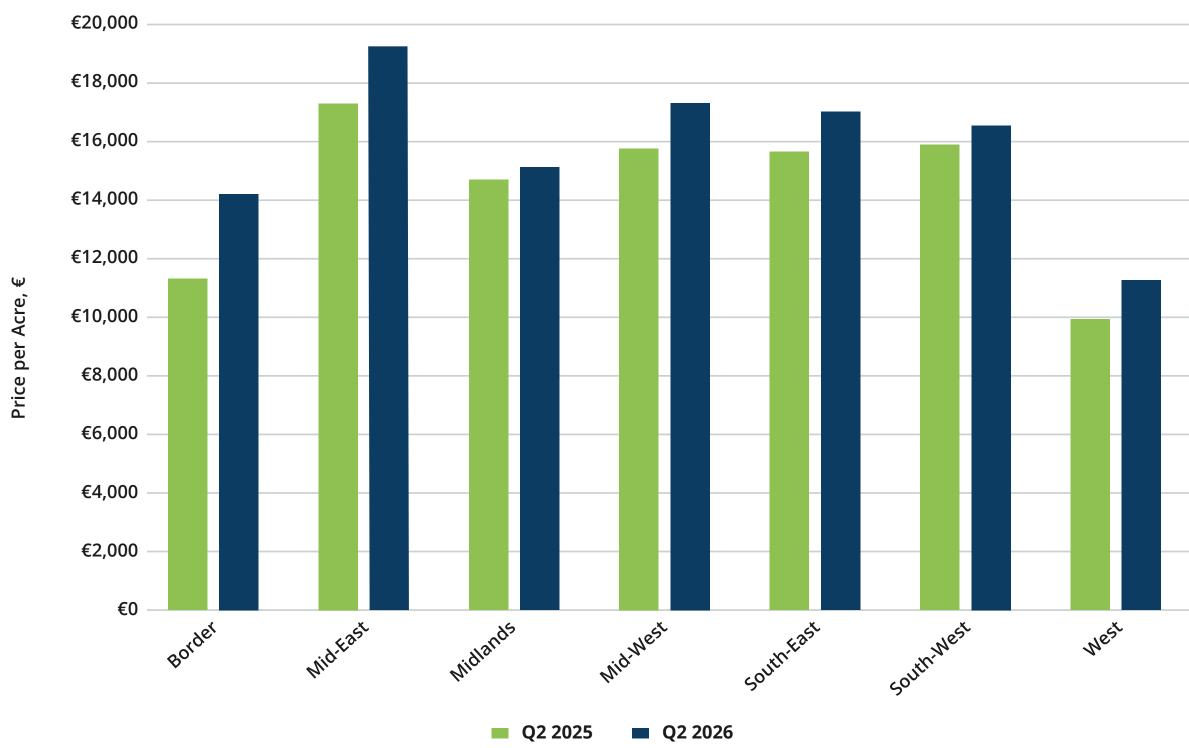
Prime grassland values grew by 8.2% in 2025 bringing the 12-month rolling average weighted value to €14,566 per acre at the end of the year.

This followed growth of 5.4% during the previous year. Growth remained robust in the first half of 2026 at 5.5% with the weighted value standing at €15,370 per acre at the end of June. Notably, an analysis of average values across NUTS 3 regions reveals that prime grassland values surpassed prime arable land values for the first time in Q4 2025 in the Mid-East region and H1 2026 in the Border region. As a result, prime grassland in the Mid-East region was the most expensive farmland type at the end of June at a 12-month rolling average value of €19,313 per acre.

The Border and West regions recorded the strongest growth in prime grassland values during the first half of the year at 11.0% and 6.6% respectively. The Mid-West region followed closely behind with growth of 6.3%. Consequently, this region surpassed the South-East as the second most expensive region for prime grassland with a 12-month rolling average value of €17,354 per acre at the end of June. That said, values in these two regions remain very close.

Despite relatively strong growth in H1 2026, the West region remains an outlier with the 12-month rolling average value standing at €11,275 per acre at the end of June, considerably below all other regions.

Figure 4: Prime Grassland, 12-Month Rolling Average Values



Source: Sherry FitzGerald Research

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MARGINAL GRASSLAND

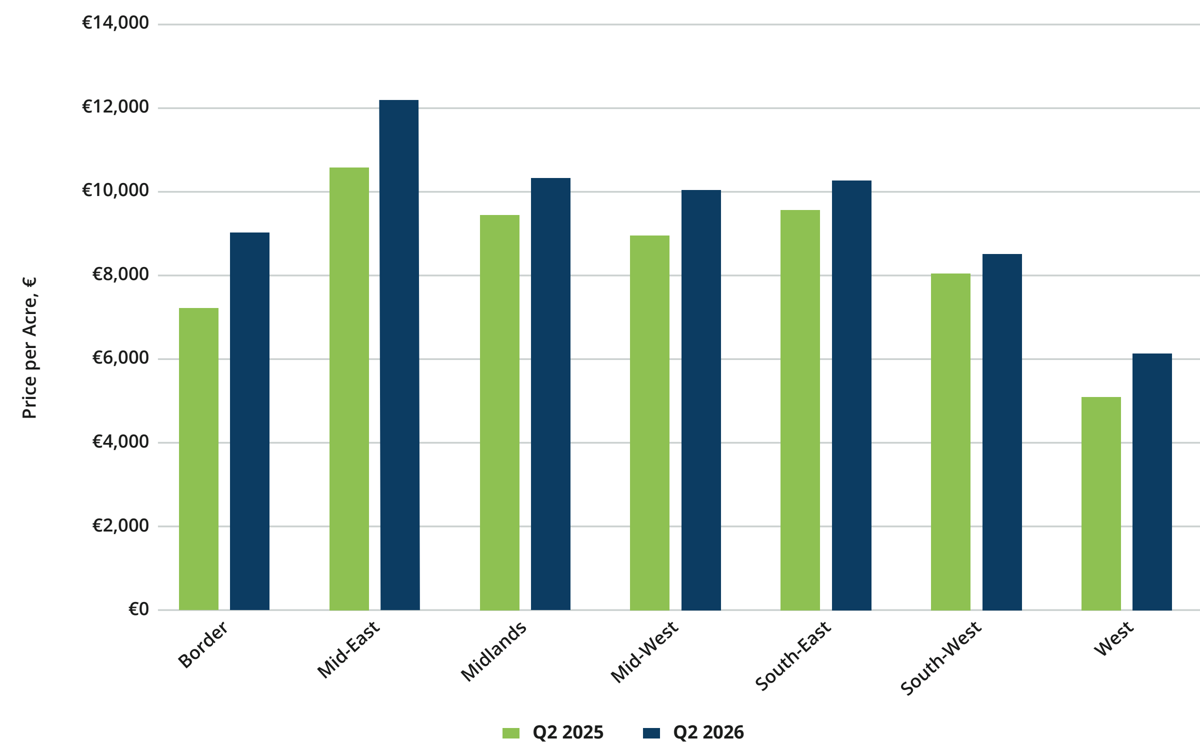
Growth in marginal grassland values outpaced all other farmland types over the past 15 months. Subsequently, the 12-month rolling average weighted value at the end of 2025 stood at €8,632 per acre, 9.8% higher than a year earlier.

Growth remained robust in the first half of 2026 at 6.7%, more than double that witnessed for the corresponding period the previous year. This brought the rolling average weighted value to €9,209 per acre at the end of June.

The Border (+11.1%), West (+9.7%) and Mid-East (+8.5%) regions witnessed particularly strong growth in marginal grassland values during H1 2026. This is compared to growth of 2.4% in the Midlands region. Again, the Mid-East region recorded the highest 12-month rolling average value at €12,375 per acre at the end of June. This was followed by the Midlands and South-East regions, with relatively similar 12-month rolling average values at €10,469 and €10,411 per acre respectively.

Lowest marginal grassland values were recorded in the West region, with a 12-month rolling average value of €6,225 per acre at the end of June. This is slightly more than half the value of marginal land in the Mid-East.

Figure 5: Marginal Grassland, 12-Month Rolling Average Values



Source: Sherry FitzGerald Research

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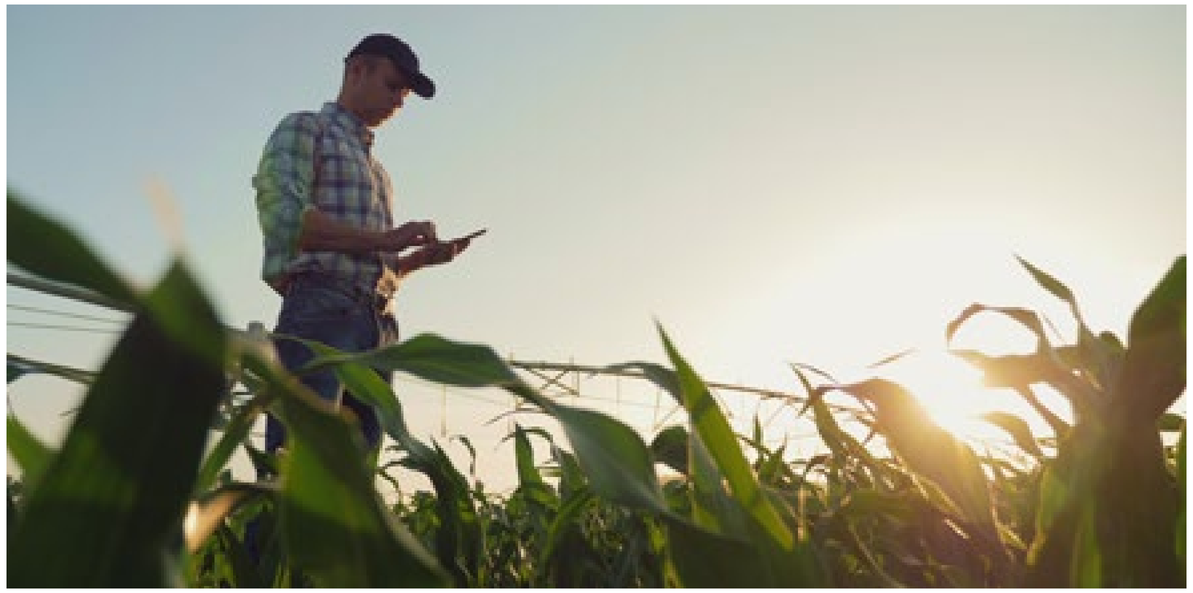
OUTLOOK

The agricultural land market had a challenging start to 2026, with above-average rainfall across most locations during the first four months of the year compounded by higher cost pressures from elevated energy prices linked to the war in Iran.

In particular, fuel prices rose significantly following the curtailment of global supplies, while both fertiliser and feed costs were also impacted. These higher costs also came at one of the busiest periods in the year for farmers. On a positive note, the Government introduced targeted measures to help those most affected by the higher energy prices, including a fuel income support scheme for farmers, based on the previous year's usage.

Looking to the remainder of the year, headwinds remain, including renewed tensions in the Middle East and further threats to global energy supplies, which may lead to additional increases in input costs going forward. Elevated energy prices and continued inflationary pressures have also increased the likelihood of higher borrowing costs later in the year. Additionally, further adverse weather conditions during the summer months with elevated temperatures and a prolonged dry spell may also impact production and costs over the coming months. A recent report by Teagasc[2] highlights that farm incomes for 2026 are likely to decrease compared to 2025 levels as a result of higher input costs, reduced production and lower prices for dairy, beef and pigs. The combination of these factors may lead to increased caution among farmers. That said, with land in short supply, competition is likely to remain strong for well-located land holdings that become available.



2. Teagasc: Situation and Outlook for Irish Agriculture, July 2026.

Sherry FitzGerald Countrywide Network

For more information on agricultural land in your area, please contact your local agent or visit sherryfitz.ie

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