



# INTELLIGENT FARMER™

lorkovicdekoningwm.com

Professional  
Farm Advisors  
helping your family  
make important  
decisions.

## SUPPLY MANAGEMENT EXPLAINED

FEATURE ON PAGE 4

2 Farm Succession  
Planning guide

4 Supply Management  
Explained

3 Soybeans, Corn  
& Wheat Update

10 Southwestern Ontario  
Land Values 2025

# Farm Succession Planning

## GUIDE

Succession planning is a critical step in ensuring the continuity of your farming business. Whether you're transitioning the farm to a family member or preparing for a third-party sale, having a comprehensive plan in place is essential. This guide will help you navigate the process, addressing key considerations for both current owners and successors.



### 1. Starting the Discussion

Initiating the conversation about succession is often the hardest part, but it is crucial for the future of your farm. Start by asking yourself:

- **Have you begun planning for the succession of your farm?** If not, it's time to start. Setting a timeline for the transition is important for creating a smooth handover of responsibilities and ownership.
- **Who will take over the farm?** Will it be a family member, or are you considering a third-party sale? If a family member is the successor, consider the dynamics among non-farming children. It's essential to address these relationships early in the process to prevent future conflicts.



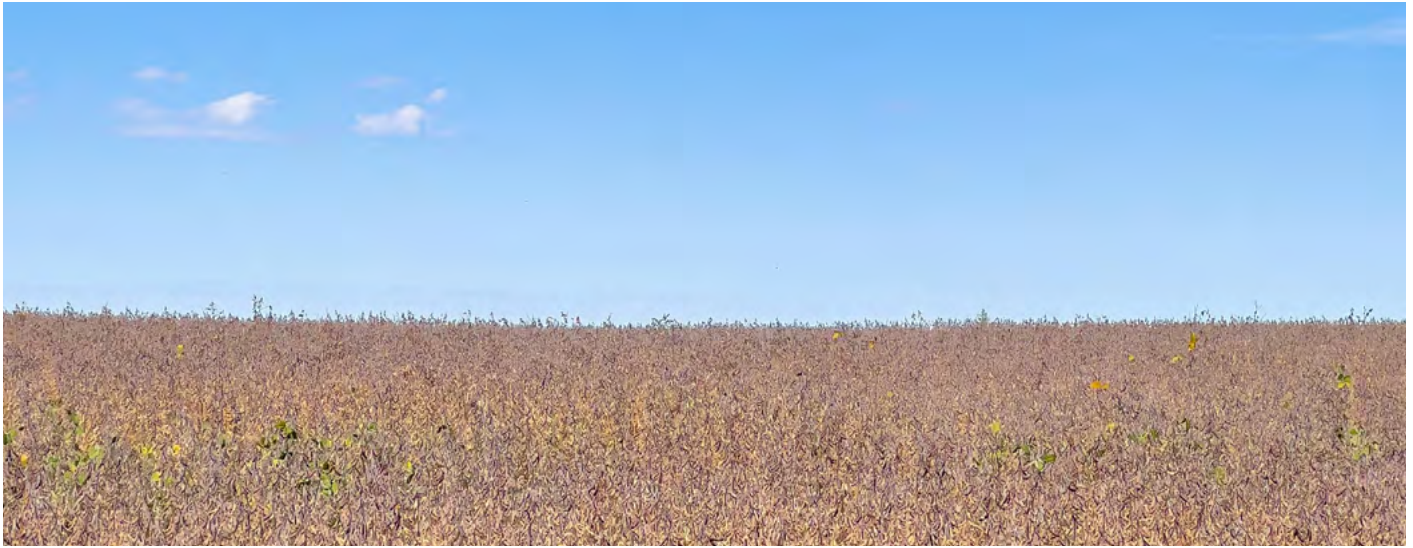
### 2. Key Considerations for Current Owners

- **Gather critical paperwork:** Ensure that your tax returns, financial statements, insurance policies, mortgage and loan documents, wills, powers of attorney, partnership agreements, and a comprehensive financial plan are all in order. These documents will be crucial for a seamless transition.
- **Understand the value of your assets:** Knowing the value of the assets being transitioned is fundamental. This will help you determine whether to sell, gift, or use a combination of both when transferring ownership to the successor.
- **Plan for retirement:** Secure your financial future by completing a financial plan that accounts for your retirement needs. Consider how your succession plan will affect non-farming children and decide where you will live after the transition—whether on or off the farm.
- **Create a timeline for transferring responsibilities:** Establish a timeline for transferring labor, decision-making, and control of the farm. This timeline will guide both you and the successor through the transition process.



### 3. Consideration for Choosing the Successor(s)

- **Alignment with your timeline:** Ensure that the successor is aware of and agrees with the timeline for transferring labor, decision-making, and control. It's important for both parties to have clear expectations regarding when these transitions will occur.
- **Financial readiness:** Discuss whether the successor is prepared to take on debt, if necessary, as part of the transition.
- **Future plans for the operation:** Talk with your successor about their vision for the farm's future. Do they plan to expand, focus on paying down debt, or diversify the operations? Understanding their plans will help you gauge their readiness and ensure the farm's continued success.



# SOYBEANS, CORN & WHEAT UPDATE

**Looking back at 2025, few would have predicted that a period dominated by trade uncertainty and reshaping global trade relations would be seen as “the calm before the storm” entering 2026.**

Heading out of the winter, the war in Iran sparked the type of volatile trade that we’ve seen only a few times in history. On the first trading session following the start of the conflict, crude oil traded a greater range in one session than the annual ranges for the previous 3 calendar years. In the new world of grains and oilseeds for fuel, whether it be for ethanol or renewable diesel, energy market movements and fear driven trade can cause large moves in the Ag space. Despite this new headline risk, some familiar headlines have followed us into 2026 and some age-old crop debates are likely to re-emerge once again this year.

Starting with the oilseed complex, China-US relations continue to be front and center. The US Supreme Court’s decision that the use of the International Emergency Economic Powers Act to enact tariffs as unlawful was a substantial hit to the US administration’s main vehicle to rapidly enact tariffs. Encouraging China to secure additional old crop US soybeans at a pace more in line with year’s past poses

a challenge given the large Brazilian crop that was harvested and very competitive Brazil export program. Globally, the world is awash in soybeans, with world ending stocks even set to expand year-over-year. The biggest question heading through the spring will be if the US administration holds enough leverage to encourage politically motivated China purchases. Given the April meeting between President Donald Trump and President Xi Jinping has already been delayed after months of anticipation, China-US export pace will continue to be up for debate, even as we start to shift focus to new crop 2026. Exports for soybeans are not the only demand factor that remains fluid, renewable fuel mandates continue to be hotly debated. Final ruling on blending mandates was expected at the end of March. However, legal debate around compliance will likely continue in the weeks and months to come.

Shifting focus to the grains complex, US ending stocks for corn rose year over year as producers pulled off a record US yield. However, this has been met with record demand and helped to chew through the ample supplies. On the world stage, ending stocks are set to fall year over year for the second year in a row. This means that despite the US pulling off a record crop, supply for corn in the world continues to contract. Exports have been the main driver in record

US corn demand and US corn held the title for cheapest origin in the world for most of the year. Heading through the spring, analysts are going to closely follow upcoming Brazil weather. Delays to second crop corn planting earlier in the season has heightened the drought risk that the crop could face when the seasonal monsoon starts to retreat later in the season. If there is a weather threat to the substantial Brazil second crop corn, this may lead the world importers to rely even further on US ag exports to make up for this shortfall. Looking at wheat, export demand in the fall and winter was strong. However, US cash prices coming out of the spring have been strengthening compared to other world origins which could hamper the US export program if that trend continues. During the winter, there were two major cold-snaps that emerged that analysts have highlighted, one in Ukraine in January and a cold snap in mid-March in Kansas and Oklahoma. Winterkill risks are usually overstated and difficult to quantify until the crop emerges. This along with spring weather will be the main focus of analysts in the wheat market going forward.



**The Simpson/  
Caputo Group of RBC  
Dominion Securities**

519-747-1013  
tyler.durst@rbc.com

# SUPPLY MANAGEMENT EXPLAINED

## Executive Summary

Canada's \$30-billion supply management system has underpinned national food sovereignty and security for more than 50 years. Covering dairy, chicken, turkey and eggs, the system has ensured price and supply stability for food staples.

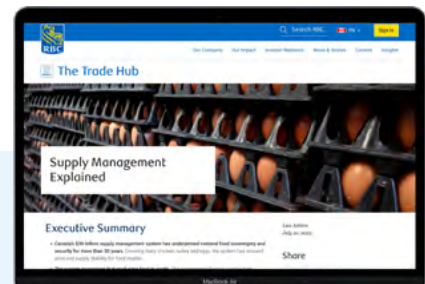
The system recognizes that producing food is costly. The arrangement fosters supply-chain stability, however, it could lead to higher consumer prices, especially amid rising input costs.

Supply management's three foundational pillars are under attack—again. Production quotas, set pricing, and import quotas ensure the system's integrity. But all three are facing calls for reform within Canada and from its biggest trading partners, including the United States (U.S.).

A new law limits Ottawa's ability to open up the sector. The system's advocates say Bill C-202 prioritizes national food security and restricts the Foreign Affairs Minister from making new concessions in any trade deal. Other experts say it could hurt Canada's position in trade negotiations, including the impending Canada-U.S.-Mexico Agreement (CUSMA) review next year.

Trade deals are chipping away at Canadian producers' dominance. Yet, expanded global market access for Canadian supply managed farmers may run counter to the system's design. A small production base tailored to domestic consumption makes them ill-equipped to compete as exporters in global markets, where high volume and competitive pricing are crucial.

Canada is not alone in facing tough policy choices on agriculture. New Zealand agriculture is grappling with its outsized greenhouse gas footprint, while the United Kingdom is finding its feet post-Brexit. Brazil, second only to the U.S. in total agri-food export value, is eyeing greater global market share. Canada could draw some lessons from these international shifts as it evolves its domestic food sector.



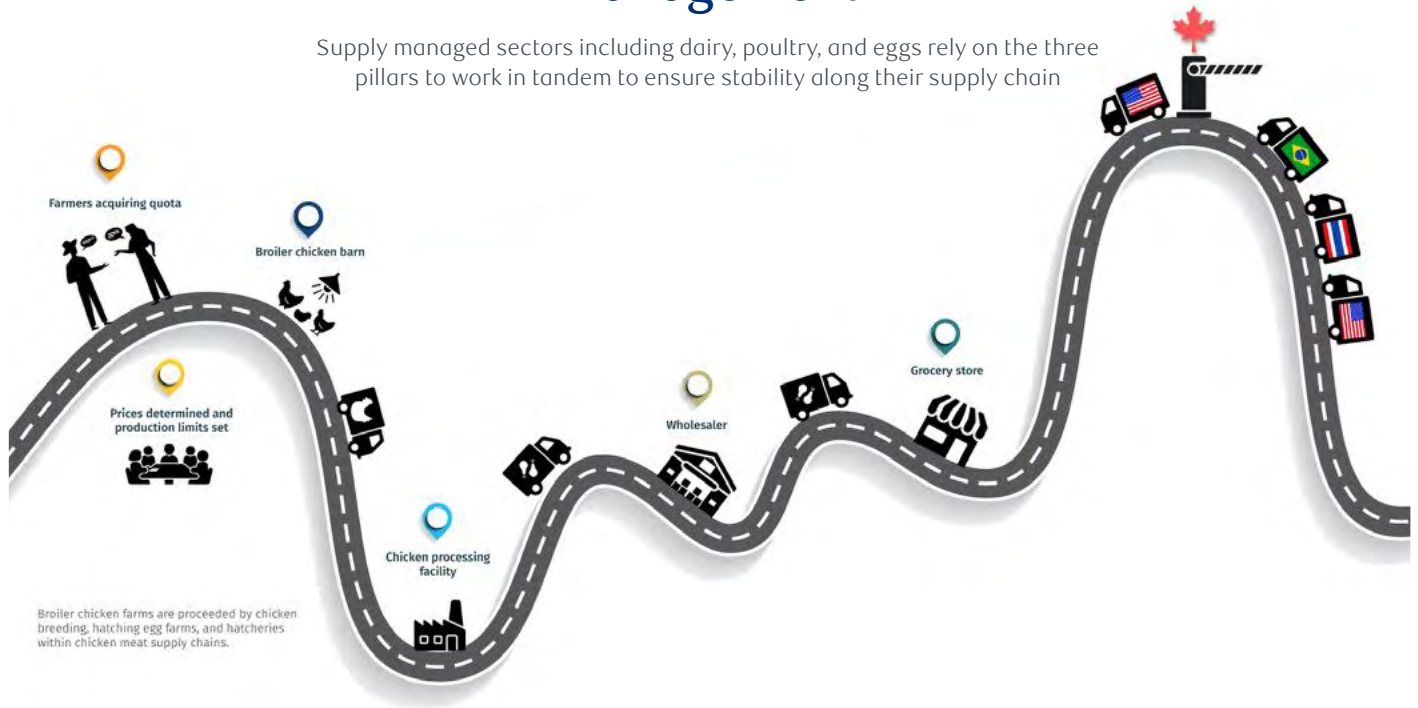
Read the full story online!

Explore the full article online for deeper insight into the policies, pressures and opportunities shaping Canada's supply management system.

[www.rbc.com/en/thought-leadership/the-trade-hub/supply-management-explained](http://www.rbc.com/en/thought-leadership/the-trade-hub/supply-management-explained)

# The 3 Pillars of Supply Management

Supply managed sectors including dairy, poultry, and eggs rely on the three pillars to work in tandem to ensure stability along their supply chain



1

- The Canadian Dairy Commission sets the production targets for dairy, and marketing agencies set it for poultry and eggs. Production targets are based on estimated demand.
- Quota is distributed across Canada based on population density.
- Farmers must hold production quota to sell their product.
- There are a few ways farmers can acquire quota, which differs depending on commodity. For example, farmers can purchase quota from provincial quota exchanges, or from other farmers that are downsizing or retiring, or by purchasing farms with established quota. Some sectors also have programs for new farmers who can apply for quota.

## Production Quota

2

- Egg and poultry farmers collectively negotiate a minimum farm gate price for their products through their marketing agencies with processors. For dairy, prices are set by the Canadian Dairy Commission in consultation with industry and consumers.
- The set prices are based on a few factors, including farmers' cost of production and market conditions.
- Set prices limit market volatility for farmers.

## Producer Pricing

3

- Through Canada's free trade agreements and commitments under the WTO, importers have a set quota for low tariff imports.
- Once a country reaches their low tariff limits they face high tariffs that discourage further imports to protect Canadian supply managed farmers' market shares.

## Import Quota

# Shifting trade policy landscape for supply managed industries

Canada's supply management has caught the eye of the Trump administration, again, which has identified it as a major irritant as the two countries renegotiate their trade deal.

That has led to a new debate about Canada's supply managed food industries, including dairy, chicken, turkey and eggs, that has been a staple of Canadian policy since the 1970s.

At its core, the system provides a stable price that fairly compensates farmers for producing high-quality food. The system's advocates say it boosts food security, supports domestic producers, and ensures consistency of quality and supply for consumers, while critics say it stifles innovation, inflates prices and limits competition.

The system has come under scrutiny in nearly every trade negotiation and economic downturn, and will likely be a discussion item at the impending Canada-U.S.-Mexico-Agreement (CUSMA) review next year. It's also being debated amid a domestic push to develop a unified market for goods and services. The conversations are evolving from polarizing calls between dismantling the system and business-as-usual, to a wider spectrum of ideas on reforming the system that's been around for more than half a century.

Those looking to preserve the system are on the move. In June, Bill C-202 received Royal Assent with strong support from Canada's supply-managed farmer associations. The Act instructs the foreign affairs minister to stop opening more dairy, poultry or egg quota to trading partners through international trade agreements. Still, the debate continues as stakeholders carve out specific areas for discussion, from the regional milk pooling systems to debating which part of the supply chain should get access to the foreign quota allotment.

The debate is not just bouncing off agriculture's silo walls. It impacts many aspects of the Canadian economy, including food prices, choices, supply-chain jobs, and Canada's trade diversification and growth prospects.



## What's at stake?

### Supply management in numbers:

**1%**

The managed sectors' contribution to Canada's GDP, amounting to more than \$30-billion. The entire agriculture and agri-food sector accounts for more than 7% of Canada's GDP.

**339,000**

The number of full-time jobs in supply managed industries, from farm to processor to distribution.

**14,699**

The number of supply managed farms in Canada, or 8% of nearly 190,000 farms across the country.

**9,430**

The number of dairy farms, primarily in Quebec and Ontario. Dairy farm numbers across Canada are down by more than 50% since the early 2000s, due to market consolidation.

**7%**

The growth in the number of poultry and egg farms over the past two decades. They are largely concentrated in Ontario, British Columbia, and Quebec, with Prairie provinces also seeing an uptick.

# The 3 Ss of supply management

The Canadian system is designed to uphold food sovereignty, stability and standards, which helps the industry prosper, but also presents challenges in a changing global food market.

## Sovereignty

*Supply management ensures stable prices and a robust domestic supply chain to meet demand. But as Canadian processors hold the majority of the tariff rate quota (TRQ), which is a set amount of low tariff imports, foreign importers have argued that they have limited access to Canada's markets to fulfill their non-tariffed trade volumes negotiated in the agreement.*

Supply management has emerged as a point of friction with Canada's largest trading partners, especially the U.S., the European Union (E.U.), and, more recently, New Zealand. A key sticking point: Canada's restrictions on import quotas.

The quotas are intended to limit imports within Canada's supply management industries. In recent trade negotiations, however, Canada has made greater concessions, for example, in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) negotiations Canada agreed to provide participating countries, with an estimated 3.25% of Canada's domestic dairy market. But as Canadian processors hold the majority of tariff import quotas, foreign importers have argued that they have limited access to Canada's markets to fulfill their non-tariffed trade volumes negotiated in the agreement.

### **Trade deals are chipping away at domestic producers'**

**dominance:** Trade concessions have resulted in Canada running a small trade deficit on all supply managed products, except chicken meat. For example, imports now represent roughly 4% of Canada's dairy market. This has led to government payouts to dairy, poultry, and egg farmers and processors of \$4.8 billion to compensate the industry's forgone profits from foreign competition. Such payouts means Canadians are paying for their supply managed food at the cash register—and additionally through taxes.

Between 1995 and 2017 foreign access to Canada's dairy TRQ was limited to commitments under the World Trade Organization (WTO). As CUSMA, the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and CPTPP are phased in over the next ten years, Canadian foreign market access is expected to climb to roughly 10% of Canada's dairy production. In return, Canada has expanded market access for dairy, poultry and eggs in these markets. Canada has a small production base with supply-chain logistics and relationships designed for domestic markets, which makes Canadian supply managed industries ill-equipped to be leaders in global markets where high volumes at competitive prices are critical for success.

### **Domestic supply chains are helping shield Canadians from**

**trade wars:** In times of global disruption, the domestic food supply chain has served Canadians well. Take the made-in-Canada movement that was kickstarted by U.S. President Donald Trump's trade war. It drove down sales of American brands, with Canadians swapping them with domestic products, wherever possible. For dairy, poultry, and eggs, Canadians can remain especially confident they have immediate access to Canada-based supply chains.

## Eliminating loopholes

- Processed products such as prepared meals can blur the lines of which food products are traded under which HS code, which categorize the trade of goods and services.
- These blurred lines have allowed importers to move products into Canada tariff-free, taking advantage of loopholes that sidestep Canada's TRQ system, which sets the volume allotted to importers under free trade agreements, including CUSMA, CETA and CPTPP.
- Some of these loopholes have been closed, such as cheese being imported tariff-free when it was classified as part of a prepared meal like pizza-making kits for restaurants, which fell outside of TRQ allotments. Other loopholes have yet to be closed such as spent fowl (i.e., old laying hens) which can be used as a category to trade misrepresented broiler chicken raised for meat consumption, to avoid paying Canadian duties.
- While importers have TRQ allotments for dairy, egg and poultry products, this low-tariff pathway to Canada is often underutilized as Canadian processors control the majority of TRQs as well as earmarked space in grocery store shelves.
- This underutilization of TRQs has been a mounting irritant between Canada and its trading partners, most notably by the Americans who say Canada has not "respected the spirit" of CUSMA, and made it challenging for their producers to access Canada's market.

## Stability

*Supply management is synonymous with stability. But, at what cost and for whom? With global market disruptions on the rise, it's critical to determine a pathway that benefits both Canadian farmers and consumers.*

Canada-based food supply chains have distinguished themselves during the pandemic and other crises, such as the recent avian influenza outbreak that's ravaged the U.S. industry.

Indeed, egg prices in the U.S. have skyrocketed over the past year as the flu takes its toll on animal production, with 174 million confirmed poultry cases, and more than 1,074 dairy cow herds impacted in the U.S. by July 2025.

The impact has been far less severe in Canada, with roughly 14 million birds infected and no reported cases among dairy herds. Canada's poultry, egg and dairy farms have also been more resilient because of the industry's standards in biosecurity and animal welfare. Smaller scale production that's more dispersed compared to U.S. farms (aside from production-dense areas such as the Fraser Valley in British Columbia) has also helped. These on-farm factors have knock-on effects for stability in consumer pricing and product availability. On average, between 2017 and 2025, a dozen eggs sold in Canada was \$1 more than in the U.S. However, that had flipped by February 2025 when a dozen eggs in the U.S. cost \$3.52 dollars more than in Canada.

Supply chain and market disruptions are anticipated to intensify from several issues, including a global movement away from rules-based trade and climate change triggering extreme weather events and spreading disease and pest outbreaks. It's an important consideration for policymakers as frequent volatility impacts commodity market prices.

**Producing food is a costly affair.** Fixed quota and price in supply managed sectors generate certainty for farmers, which fosters stability in the supply chain. However, this stability comes with its own cost as it inherently leads to more expensive products as the cost of inputs rise in Canada. Worsening affordability disproportionately impacts food insecurity in low-income families; however significant price volatility is disruptive to average household spending, too.

In contrast, non-supply managed farmers growing wheat and raising beef cattle, for example, are exposed to commodity markets, resulting in farmers' profit margins and consumer prices fluctuating as markets shift. Non-supply managed farmers are often price receivers and cannot pass rising costs onto consumers.

**Canada's support for farms is contentious—but comparable to the U.S.** When comparing total direct producer supports, U.S. contributions are 6.5 times larger than Canada's. Yet, the countries are roughly at par when estimating direct producer supports as a portion of value produced at the farmgate—around 7%. However, this support is not evenly distributed across all commodities. Specific to supply managed products, producer supports are clearly aligned with the respective countries' approach. Canada's contribution has been consistent with the price producers receive based on supply management, while U.S. farmer supports fluctuate in line with market volatility.

**Supply managed farms contribute to Canada's rural economy prosperity.** Stability also plays a broader role in Canada's rural economy. The most recent agriculture census data, shows the number of Canadian dairy farms fell 11% while herd size rose 13% over a five-year period (2016–2021). In the U.S., the number of dairy farms decreased by 34% and herd size increased by 48% over the same period. Consolidation enables larger dairy farms in the U.S. to achieve economies of scale. Yet, this recent rapid trend of fewer, bigger farms in the U.S. reduces the diversity of farm sizes, concentrates herd locations, making them more susceptible to disease and pest outbreaks, and can hollow out demand for supporting businesses and rural communities.

## Standards

*Canada's supply management allows for a system that adheres to high standards, leading to greater efficiency and sustainability outcomes. However, the system is not designed to maximize production.*

Canadian farmers are increasingly ramping up their capabilities to measure, report and verify their progress in adopting best management practices, especially those related to environmental sustainability and animal welfare. The strong governance and market control of supply management allows for widespread and consistent adoption of practices and standards at the farm and along the supply chain. To participate in the regulated market, supply managed farms adhere to an industry code of practice and regulated standards, which has raised Canada's standards for animal welfare and health and food quality. Non-supply managed production systems in Canada such as beef also have quality assurance programs that ensure high standards on farms such as the Ontario Corn Fed Beef Quality Assurance Program. Yet, the governance system of supply management enables widespread and consistent adoption of practices—an ambition that's challenging to achieve when there is less regulation and market control.

**More stringent standards than the U.S.** Nonetheless, on both sides of the border, milk is safe and produced to a high standard. ProAction is the Dairy Farmers of Canada's framework for best management practices and standards across six themes: milk quality, food safety, traceability, biosecurity, animal care and the environment—with 99.7% of Canadian dairy farmers registered. Similarly, the U.S. has the National Dairy Farmers Assuring Responsible Management (FARM), which covers 99% of the U.S. milk supply. However, standards within these two programs and the complementary regulations differ, which can impact animal health and milk quality. The U.S. also allows for a higher Somatic Cell Count (SCC), which counts white blood cells in cows. Similar to humans, high white blood cells mean the body is fighting an illness or inflammation, which could negatively impact milk quality. Somatic Cell Count in the U.S. is 750,000 individual cells (IC) per millilitre (mL), while in Canada stands at 400,000 IC per mL.

**Industry is focused on efficiency and sustainability.** The governance frameworks of supply management also provide a platform to scale farmer engagement in industry-wide initiatives on issues such as efficiency, innovation and sustainability. For example, egg farmers across Canada are measuring and reporting their progress on sustainability through the National Environmental Sustainability and Technology Tool (NESTT) platform. This unified approach sidesteps the increasingly fragmented landscape of sustainability and regenerative agriculture projects that many farmers are navigating for market access or to develop new revenue streams through mechanisms such as carbon credits and green premiums.

## Global dairy lessons: How other markets are navigating transition and disruption

Food security and sovereignty are featuring high on government agendas globally as extreme weather interrupts food production and trade barriers disrupt trade flows.

Dairy, a nutrient and culturally significant staple in many diets around the world—from French cheese to lassi in India—, has high demand but also high volatility in international markets, resulting in the industry attracting elevated attention in policy, trade, and farmer support.

Here's how other countries are managing their dairy sector during times of transition and disruption.

### New Zealand: An international leader with a rising GHG footprint

New Zealand removed its production quota in the 1980s due to a budget crisis, transforming the country into the world's largest dairy exporter. In 2001, the government launched Fonterra, a farmers' co-op, which sets prices and is now the largest purchaser of domestic milk. Its price calculation is based on revenue from milk sales minus operating and overhead costs and capital recovery. New Zealand has more than doubled its national herd since the early 1980s, and individual herd sizes increased three-fold. Consolidation meant the number of herds fell from 15,753 in 1985 to 10,485 in 2024.

Market liberalization has transformed the New Zealand dairy supply chain, especially powder milk production, which has grown 237% in volume since 2000, driven by free trade agreements with large importers such as China and targeted foreign and domestic investment in building capacity and automating manufacturing processes.

## United Kingdom: Transitioning away from the EU model

The U.K. is transitioning its policy approach to area-based subsidies under the Environmental Land Management Schemes (ELMS) post-Brexit that's underpinned by sustainable agriculture such as marginal land rehabilitation. Dairy producers in the U.K. received direct payments under the EU's Common Agriculture Policy (CAP), but these types of payments are being

phased out until 2028, as part of the U.K. departure from the economic bloc. This transition in farmer support imposes both financial and administrative burdens on the sector as farmers navigate change, amid rising costs of domestic production and competition from importers.

## Brazil: The struggle to break into the global market despite high ambition

Brazil has transformed its agriculture sector and is now a leader in global agri-food exports—the second largest in the world, after the U.S. Yet, less than 1% of Brazil's dairy production is exported. Domestic demand, market infrastructure that's not export-oriented, and a highly competitive international market has impeded Brazil's global push.

## Market Outlook

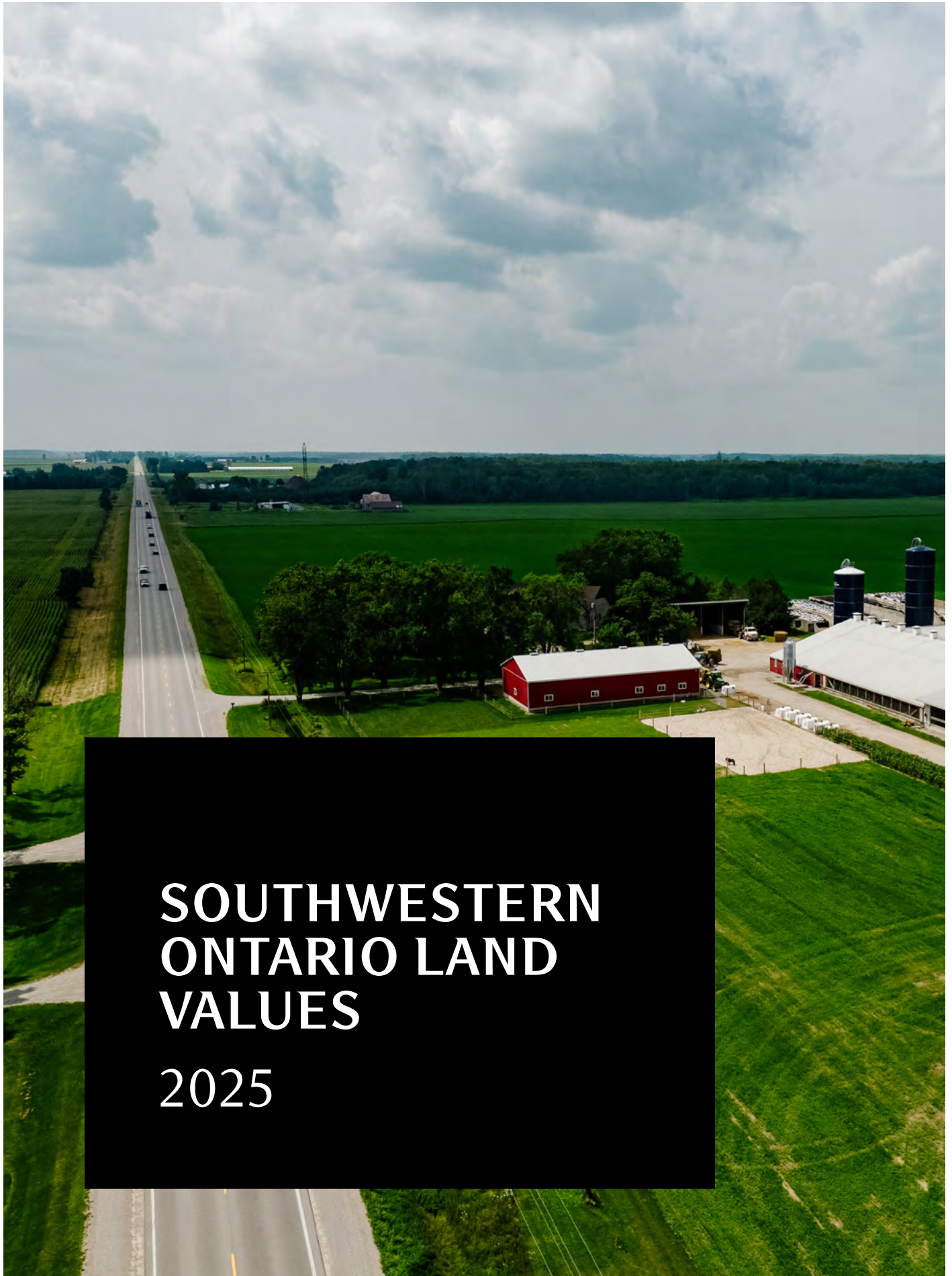
Canada's supply management systems is designed to protect the country from changes in international markets. Yet, policymakers still need to be alert to structural shifts and macro trends in the global industry.

### Dairy

- Real global dairy prices for farmers are projected to trend downward within this decade. But, relative to input costs, prices are expected to rise, especially as milk produced per animal grows.<sup>28</sup> U.S. farmers could see an average annual drop of 8% year-over-year in real price, signalling lower returns for dairy farms in commodity markets that do not innovate and grow.
- Global dairy consumption is expected to modestly increase 1% per year, while production is projected to grow at 1.6% per year to 1,085 million tonnes, driven by production in India, Pakistan and Sub-Saharan Africa, primarily for their domestic consumption.
- Fresh dairy consumption in North America and Europe are stable or declining as consumers move away from full-fat milk and cream, and plant-based alternatives such as oat milk mature as an established replacement. Processed dairy consumption, including butter and powder milks are on the rise driven by their use in food manufacturing, including infant formula and baked goods. Finally, cheese consumption, which is closely connected to household income has been on the rise in growing international markets such as Mexico, the U.S., Brazil and Saudi Arabia.
- Only 7% of global milk production is traded internationally due to its perishability and as market infrastructure in many countries is primarily designed for domestic or regional distribution with few exceptions, such as New Zealand and Ireland. However, over 50% of milk powder, including whole and skim products, are traded.
- World dairy trade is expected to grow by more than 12% over the next eight years. Skim milk powder from the U.S. and cheese from the E.U., two of the largest dairy export segments, are poised for the highest growth.

### Poultry and eggs

- Global prices for poultry and eggs are projected to decline as inflation and input costs fall. For example, U.S. farm prices per dozen of eggs are projected to decline by US\$0.90 over the next decade, with an average year-over-year decline of 4%. However, U.S. production is expected to rise 12% by 2033, from a 2022 baseline.
- Poultry production is expected to increase with growing demand, and account for nearly half of all meat produced. Global poultry consumption is expected to grow 16% over the next decade—the most among animal proteins. Poultry is projected to account for 43% of animal protein consumed by 2034, with notable growth in Brazil, Europe, and the U.S.
- China's self-sustaining food policy and recent rebound from African swine fever and avian influenza outbreaks has resulted in a decline in global meat trade from its height in 2021, when China accounted for roughly a quarter of global meat imports.
- Population and GDP growth in Africa and Asia are expected to rebound meat exports within the next decade, driven by poultry which is expected to account for over 40% of total meat imports.



**SOUTHWESTERN  
ONTARIO LAND  
VALUES  
2025**



I hope everyone is enjoying the old-fashioned winter we are getting this year. If you have had enough and it feels more like an old-fashioned butt whooping, then you probably feel like the Leafs do these days. Don't worry, baseball spring training is around the corner, so hopefully the Jays can work some more magic this year.

Just like the change of sports seasons, the 2025 year in agriculture has come and gone as well. Overall, the sector did pretty well in hindsight given some of the headwinds that were present. It was a dry year in Ontario, specifically in pockets like Central Ontario where some crops were decimated by mid-summer. Crop prices remained low, at least relative to input costs, and politicians on both sides of the border talked a lot more about agriculture in 2025. Canola and supply management have been big topics on the trade front, but nothing has dominated the headlines like tariffs. US protectionism has had an impact on essentially everything but so far it seems like the agriculture sector in general has been able to weather the storm. The livestock sectors, specifically beef and hogs, enjoyed very good margins in 2025 and this helped continue the trend of firm land values in the livestock-dense areas of Ontario. Lastly, and as important as any factor, interest rates slightly decreased over the last year, which has allowed for some breathing room in the sectors of agriculture where margins are slim.

Southwestern Ontario farmland had another steady year overall. There were some small pockets that made sizeable leaps in 2025, but there were also some pockets with soft demand and retreating prices. The core livestock areas of Ontario were generally strong, as were northern areas like Grey-Bruce, while many of the areas southwest of London and along Lake Erie where there are much fewer livestock operations, lacked demand.

This lack of demand is actually showing up more in the active and expired listings/tenders of farms than it is in sold prices. Although it is a number that is tough to completely nail down, the number of active listings/offers of farm properties is up significantly from 3 years ago, as is the number of farms that are offered for

sale but do not sell. As margins have tightened, especially in the crop sector, buyers have logically become more selective, which has resulted in overpriced farms not selling. This situation could culminate in a couple of ways. One way would be that vendors lower their expectations and sell these farms for less which will have a downward impact on overall farmland values. Conversely, demand could increase due to any number of factors (most likely a combination of higher crop prices and lower interest rates) leading buyers to pay the higher asking prices.

Looking to the year ahead, I do expect 2026 to bring much more of the same for farmland values in Southwestern Ontario. Crop prices look flat, as do interest rates, which likely means overall profitability for the sector will likely be similar to last year. Demand is very likely to be higher in the livestock-dense areas and the areas farther to the north, while it will probably be lower in the southern areas with less livestock farms. The key factor to watch will be the response from vendors. If vendors lower their expectations, it is possible that could drag overall farmland values down.

As always, I appreciate your interest in this study, and I look forward to seeing many of you on farm or at a meeting in 2026.



Ryan R. Parker,  
Partner at Valco  
Consultants Inc.

(519) 709-3088

rparker@  
valcoconsultants.com

# SOUTHWESTERN ONTARIO LAND VALUES

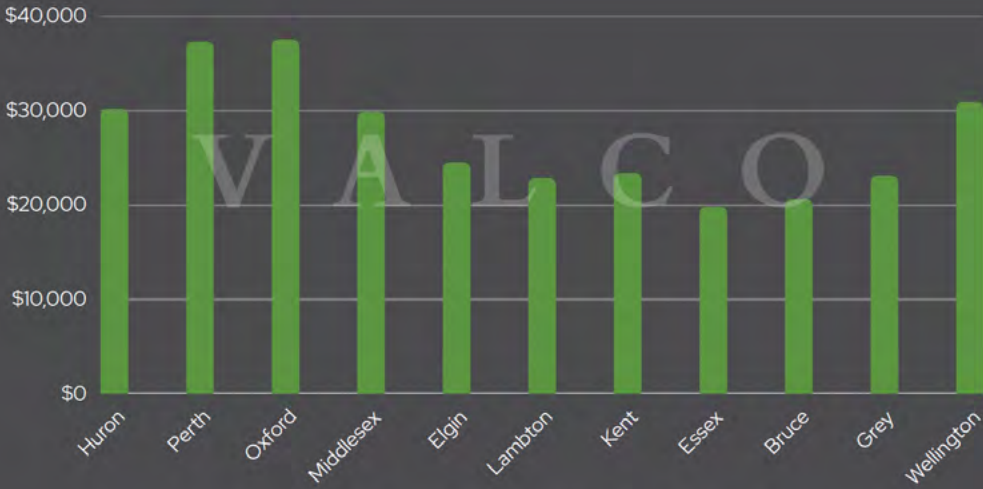


Figure 1: Average Land Values for 2025 by County

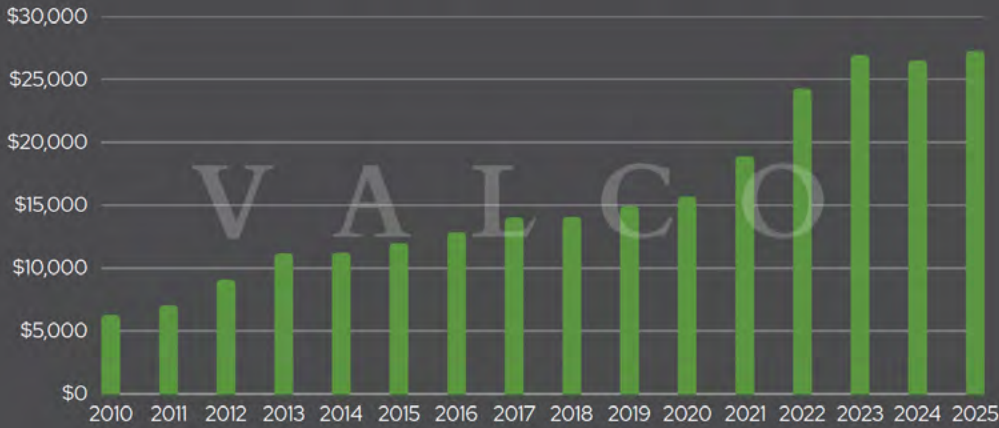
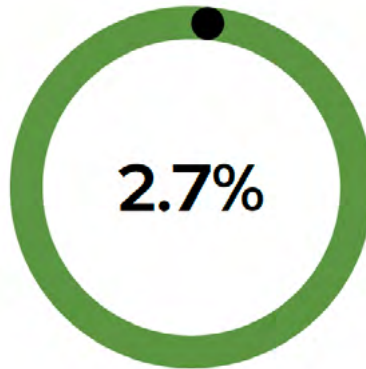


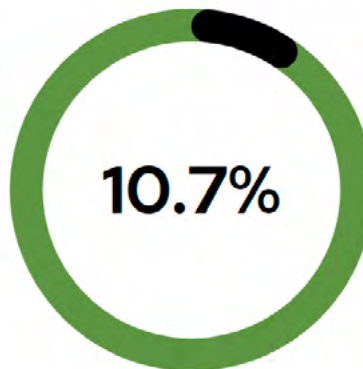
Figure 2: Southwestern Ontario Average Land Value

# CHANGE IN VALUES

2024 to 2025  
Change



2010 to 2025  
Average Annual Change



Average 2025 Land Value



# HURON COUNTY

**2024 Top Farm Cash Receipt**  
Hogs \$385,000,000

**5 Year Average Crop Yields (bushels/acre)**

Corn 178  
Soybeans 55  
Winter Wheat 99

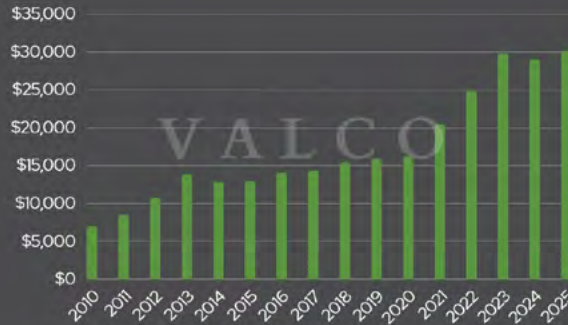


Figure 1: Average land values for Huron County

2024-2025

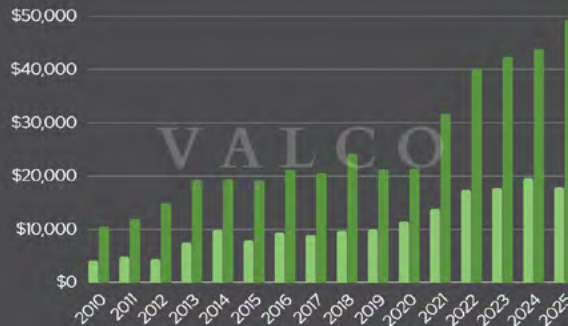


Figure 2: Low and High land values for Huron County

2010-2025



Average Annual Change

# PERTH COUNTY

**2024 Top Farm Cash Receipt**  
Dairy \$339,000,000

**5 Year Average Crop Yields (bushels/acre)**

Corn 182  
Soybeans 55  
Winter Wheat 101

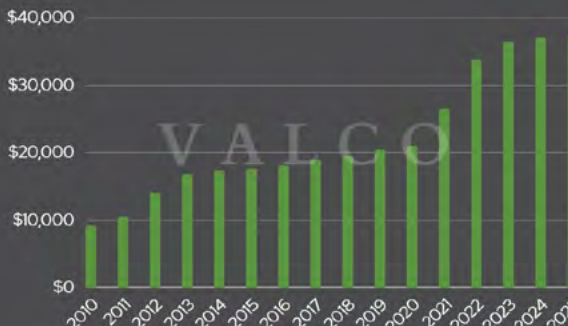


Figure 1: Average land values for Perth County

2024-2025

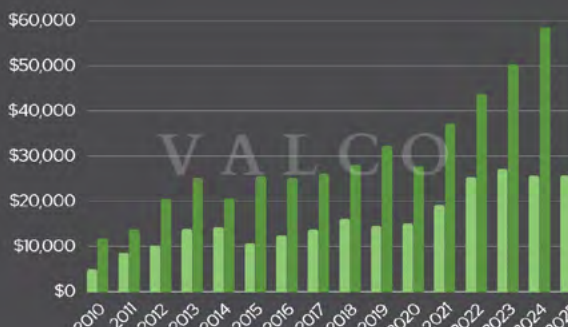


Figure 2: Low and High land values for Perth County

2010-2025



Average Annual Change

# OXFORD COUNTY

**2024 Top Farm Cash Receipt**  
Dairy \$364,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 178  
Soybeans 53  
Winter Wheat 99

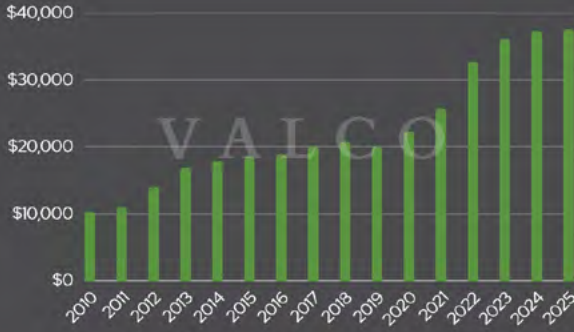


Figure 1: Average land values for Oxford County

2024-2025

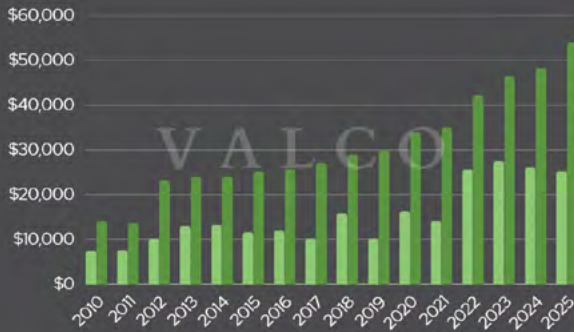


Figure 2: Low and High land values for Oxford County

2010-2025



Average Annual Change

# MIDDLESEX COUNTY

**2024 Top Farm Cash Receipt**  
Hogs \$227,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 172  
Soybeans 52  
Winter Wheat 95

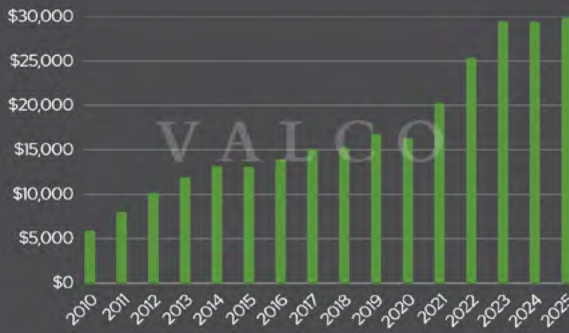


Figure 1: Average land values for Middlesex County

2024-2025

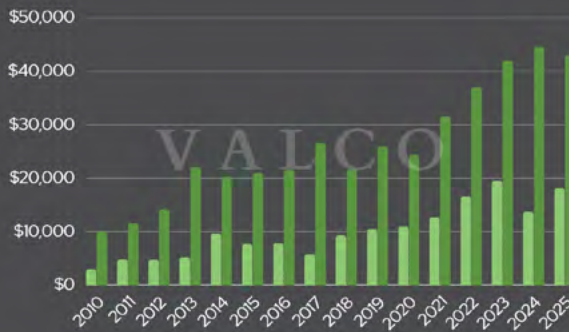


Figure 2: Low and High land values for Middlesex County

2010-2025



Average Annual Change

# ELGIN COUNTY

## 2024 Top Farm Cash Receipt

Soybeans \$132,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 178  
Soybeans 54  
Winter Wheat 94

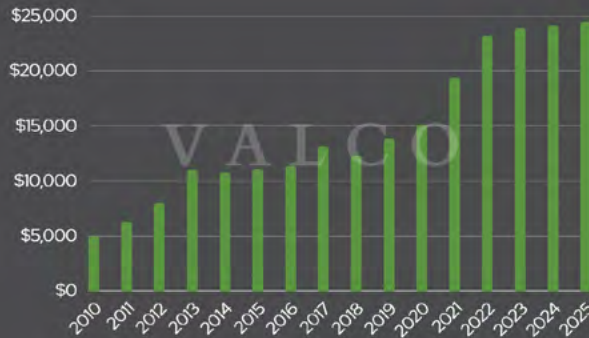


Figure 1: Average land values for Elgin County

2024-2025

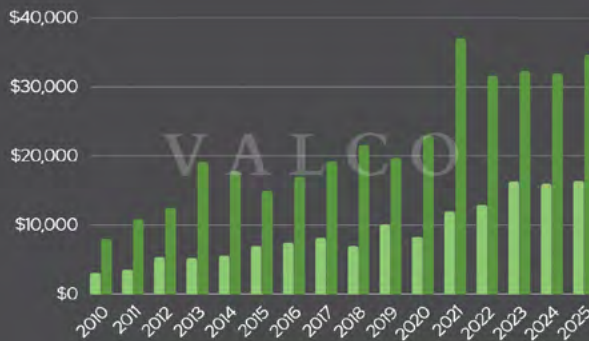


Figure 2: Low and High land values for Elgin County

2010-2025



# LAMBTON COUNTY

## 2024 Top Farm Cash Receipt

Soybeans \$193,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 173  
Soybeans 49  
Winter Wheat 89

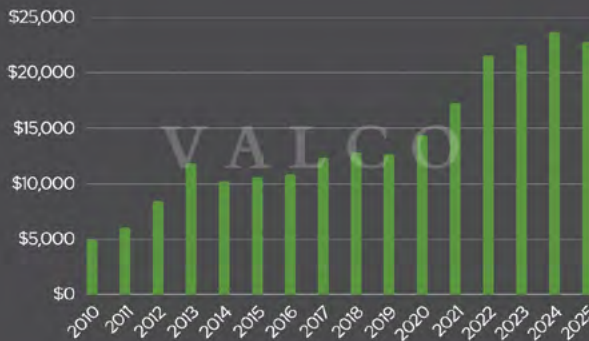


Figure 1: Average land values for Lambton County

2024-2025

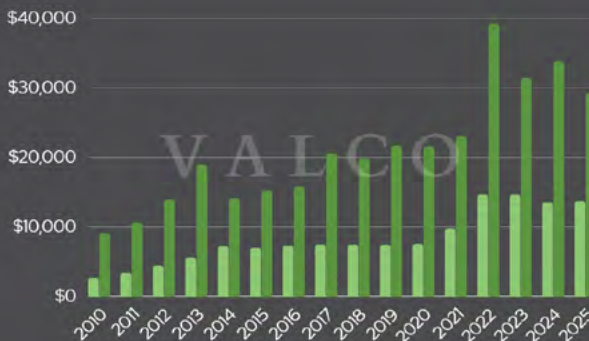


Figure 2: Low and High land values for Lambton County

2010-2025



# KENT COUNTY

**2024 Top Farm Cash Receipt**  
**Field Vegetables**  
**\$227,000,000**

**5 Year Average Crop Yields**  
**(bushels/acre)**

Corn	188
Soybeans	55
Winter Wheat	96



Figure 1: Average land values for Kent County

2024-2025

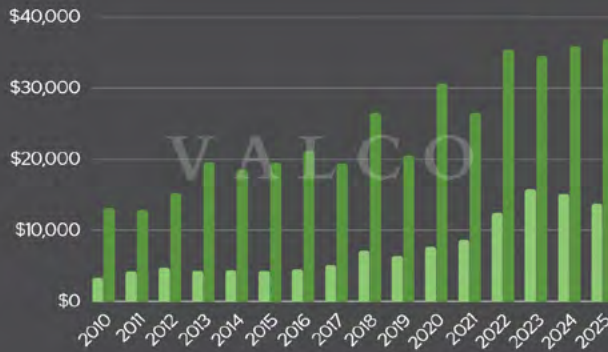


Figure 2: Low and High land values for Kent County

2010-2025



Average Annual Change

# ESSEX COUNTY

**2024 Top Farm Cash Receipt**  
**Greenhouse Vegetables**  
**\$1,322,000,000**

**5 Year Average Crop Yields**  
**(bushels/acre)**

Corn	181
Soybeans	53
Winter Wheat	87

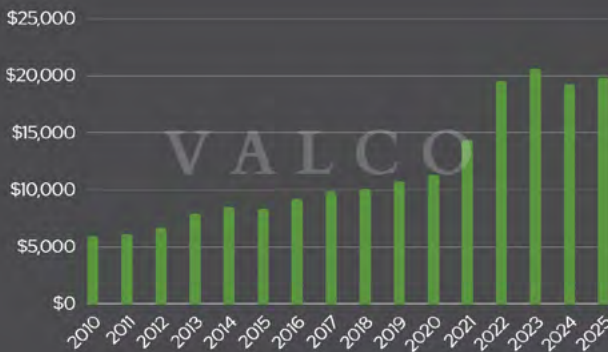


Figure 1: Average land values for Essex County

2024-2025

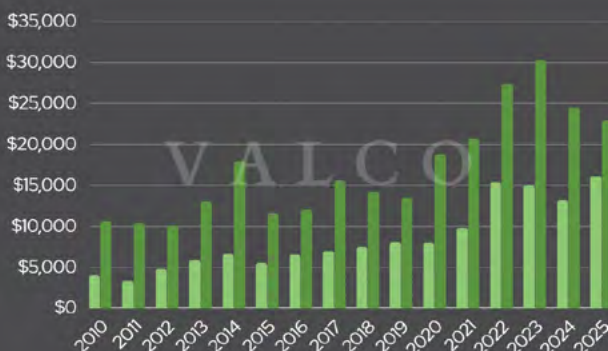


Figure 2: Low and High land values for Essex County

2010-2025



Average Annual Change

# BRUCE COUNTY

## 2024 Top Farm Cash Receipt

Beef \$309,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 171  
Soybeans 52  
Winter Wheat 95

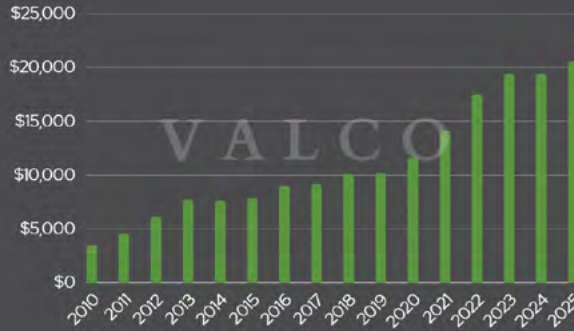


Figure 1: Average land values for Bruce County

2024-2025

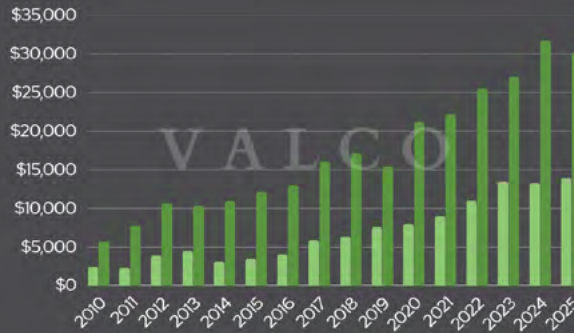


Figure 2: Low and High land values for Bruce County

2010-2025



Average Annual Change

# GREY COUNTY

## 2024 Top Farm Cash Receipt

Beef \$225,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 157  
Soybeans 49  
Winter Wheat 91

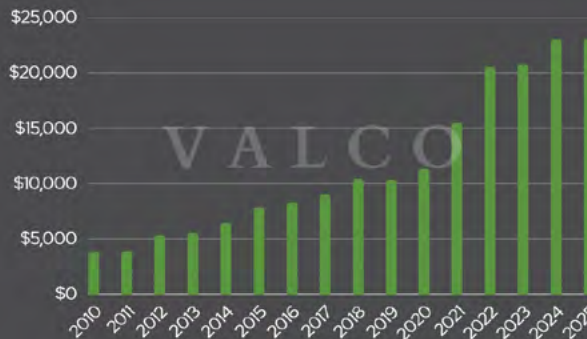


Figure 1: Average land values for Grey County

2024-2025

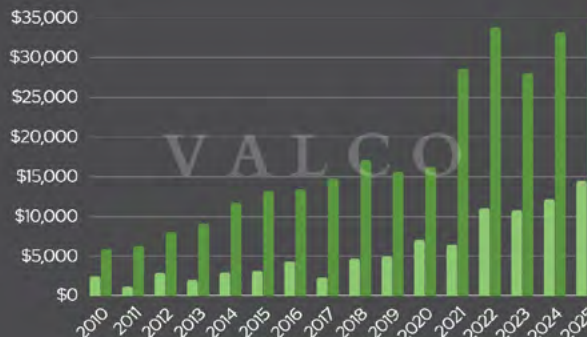


Figure 2: Low and High land values for Grey County

2010-2025



Average Annual Change

# WELLINGTON COUNTY

## 2024 Top Farm Cash Receipt

Beef \$315,000,000

## 5 Year Average Crop Yields (bushels/acre)

Corn 170  
Soybeans 52  
Winter Wheat 97

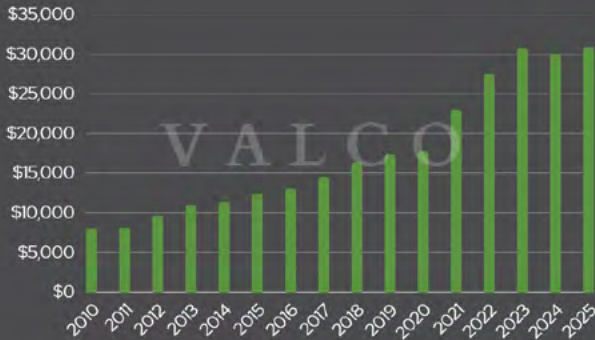


Figure 1: Average land values for Wellington County

2024-2025

2.8%

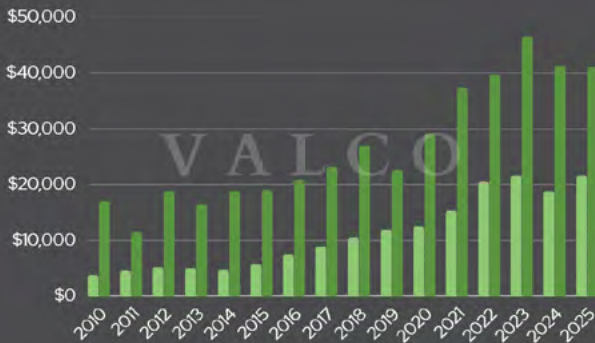


Figure 2: Low and High land values for Wellington County

2010-2025

9.7%

Average Annual Change

## PARAMETERS

This study has been completed to provide information on agricultural land values in the general Southwestern Ontario region. The Counties of Huron, Perth, Oxford, Middlesex, Elgin, Lambton, Kent, Essex, Bruce, Grey and Wellington have all been analysed in this report.

Only sales that occurred in 2025 were selected for the 2025 study. The majority of the sales chosen had no building improvements (vacant land), with the exceptions being minimally improved properties (i.e. older house and shed) which have had the value of the improvements extrapolated. Also, the sales utilized were considered to be used solely for farming purposes. The sales have been analysed on a per tillable acre basis, as this rate is believed to be the most accurate reflection of the value of agricultural land.

In stating land values in this report, the average unit of measurement was used. The same study was completed from 2010 to 2024 with those results also shown in this report.

## DISCLAIMER

The information contained in this report was obtained from sources believed to be reliable. Certain information in this report has been accepted at face value; especially if there is no reason to doubt its accuracy. Certain empirical data required interpretive analysis pursuant to the objective of this report. However, I have not verified its accuracy and make no guarantee, warranty or representation regarding it. The specific sales data provided is subject to the possibility of errors, omissions, mistakes in calculation of total and tillable acre sizes, as well as error in reported sale price and/or sale date. Although an attempt has been made to find every pertinent sale in the areas described, it is not possible to confirm that this is the case.

This report and all the contents of this report cannot be relied on for any financing, accounting, litigation, expropriation, and/or any other use without written permission from the author. This report and previous reports were completed as an informative tool and were completed independently for no particular client.

This report and all the contents of this report are proprietary and cannot be used in or for any type of presentation, appraisal, or separate study without written permission from the author. Any violation of this copyright will be viewed as a direct infringement of the copyright of this report.



# Lorkovic DeKoning

Wealth Management of RBC Dominion Securities

**Helping Ontario farm families preserve, grow, and transition their farming legacies.**

*Backed by Canada's leading full-service investment and wealth management firm.*

At Lorkovic DeKoning Wealth Management of RBC Dominion Securities, our specialized wealth management process and investment management discipline is designed specifically for farm families like yours. It begins with developing an understanding of your unique story and goals, and guides you step-by-step through planning, investing, and ongoing support to protect your legacy for generations to come.

## MEET THE TEAM

Contact us today at 519-747-5541



**Frank Lorkovic, CIM**  
*Senior Portfolio Manager  
& Wealth Advisor*  
frank.lorkovic@rbc.com



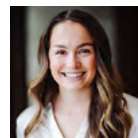
**Brent DeKoning, CIM**  
*Portfolio Manager & Wealth Advisor*  
brent.dekoning@rbc.com



**Ryan Humphrey, CFP, CIM**  
*Associate Wealth  
& Investment Advisor*  
ryan.humphrey@rbc.com



**Farrah Amikons**  
*Associate*  
farrah.amikons@rbc.com



**Laura Stransky**  
*Associate*  
laura.stransky@rbc.com



This publication is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The strategies and advice in this report are provided for general guidance. Readers should consult their own Investment Advisor when planning to implement a strategy. Interest rates, market conditions, special offers, tax rulings, and other investment factors are subject to change. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. Insurance products are offered through RBC Wealth Management Financial Services Inc. ("RBC WMFS"), a subsidiary of RBC Dominion Securities Inc.\* RBC WMFS is licensed as a financial services firm in the province of Quebec. When providing insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC WMFS. In Quebec, Investment Advisors and Estate Planning Specialists are acting as Financial Security Advisors of RBC WMFS. RBC Dominion Securities Inc., RBC WMFS and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. and RBC WMFS are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. © / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2022 RBC Dominion Securities Inc. All rights reserved. 22\_90561\_GZE\_001