

## Agricultural Economics Newsletter

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# Missouri Farm Land Values Opinion Survey—2011

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A survey was conducted in July 2011 to determine what people think has been happening to farmland values in Missouri. In Missouri, land sales prices need not be reported to any governmental or public agency. We hope the opinions expressed by our survey respondents will be helpful to others needing to estimate current farmland values and trends.

Of the 220 persons responding in 2011, 72% were lenders, 13% were rural appraisers, 5% were MU extension specialists, 4% were broker/realtors, and 6% were in other related occupations. They provided their opinions to questions concerning current farmland values and trends. They were asked to exclude from their answers tracts smaller than 40 acres or land being converted to development or commercial uses.

### Average Value of Land

Respondents were asked to give their estimates of land values as of July 2011 for three classes of cropland and pasture (good, average, poor), timberland (with valuable trees), and hunting/recreation land (land with little productive ag. value but with desirable aesthetic qualities). Classification of land was left to the judgment of each respondent. Their responses are summarized on Maps 1, 2 and 3 on the following pages.

This year's survey showed cropland values increased in 17 of the 20 areas of the state, with the state average for good cropland increasing by \$347 to \$3,235/ac. Pasture values increased in 14 areas, with the state average for good pasture up \$125 to \$2,067/ac. Non-crop/non-pasture land values averaged higher in 8 areas but statewide averaged 1.5% lower. Land with timber was up \$59 at \$1,645/ac. while hunting/recreation land was down \$107 at \$1,418.

### Who Is Buying Land?

Survey respondents thought 66% of farmland buyers planned to farm the land themselves (Map 4). This is a 3 point increase over 2010. The number planning to rent out increased 1 point and the number planning to use the land for non-farming purposes declined 4 points to 12%.

### Factors Affecting Values

Respondents indicated high corn and soybean prices, low interest rates, and the limited amount of high quality land available were primary factors in the increase in Missouri cropland values in this survey. Demand for cropland was high. In northwestern and western counties, pasture and CRP land were seen planted to grains.

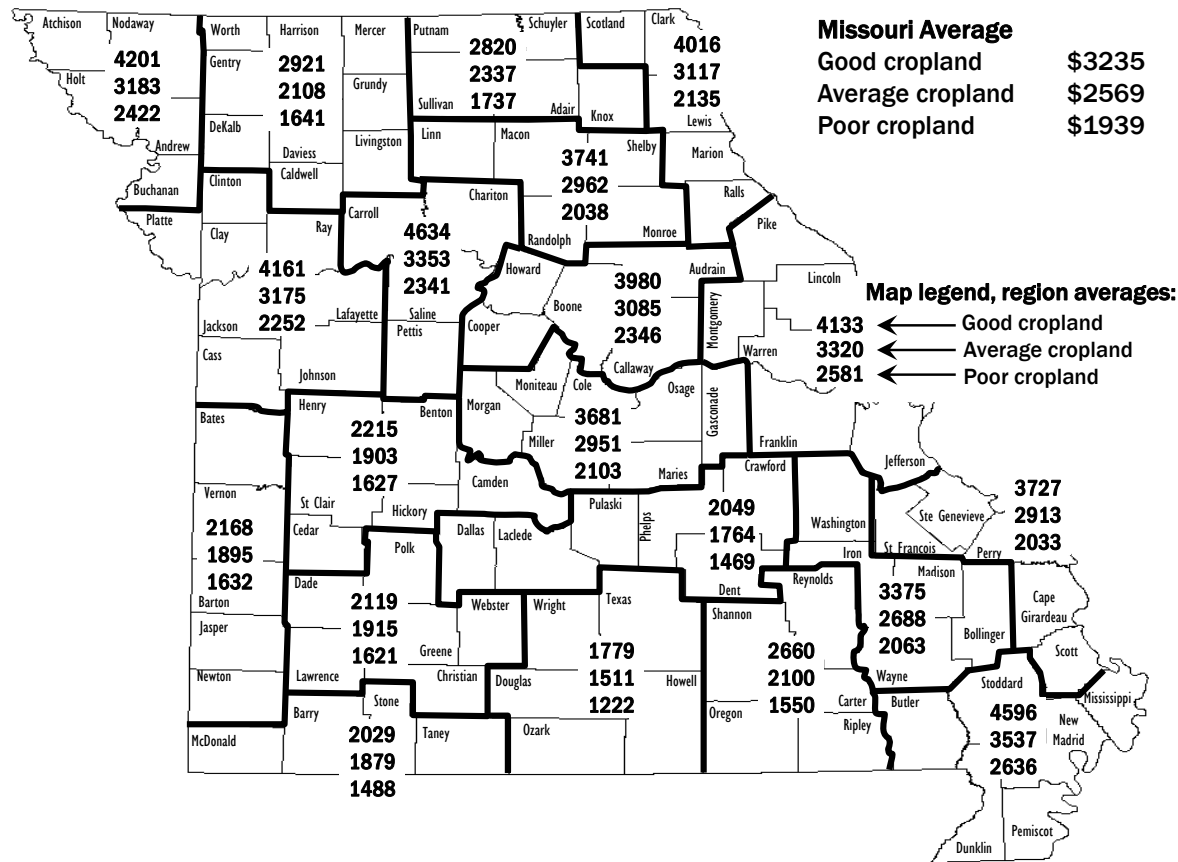
The ethanol subsidy and crop insurance guarantees also were cited as supporting cropland values. Profitability encouraged more renting of land and higher rents. Higher returns also attracted more outside investors.

Weakness in the general economy was cited as having a negative effect on values for land with little capacity for growing grain. Pasture prices were somewhat supported by good cattle prices and comments from cropping areas indicated a possible shortage of pasture could be a positive factor there. A report from the south central area noted an increase in timber sales, but most saw a stagnant land market there.

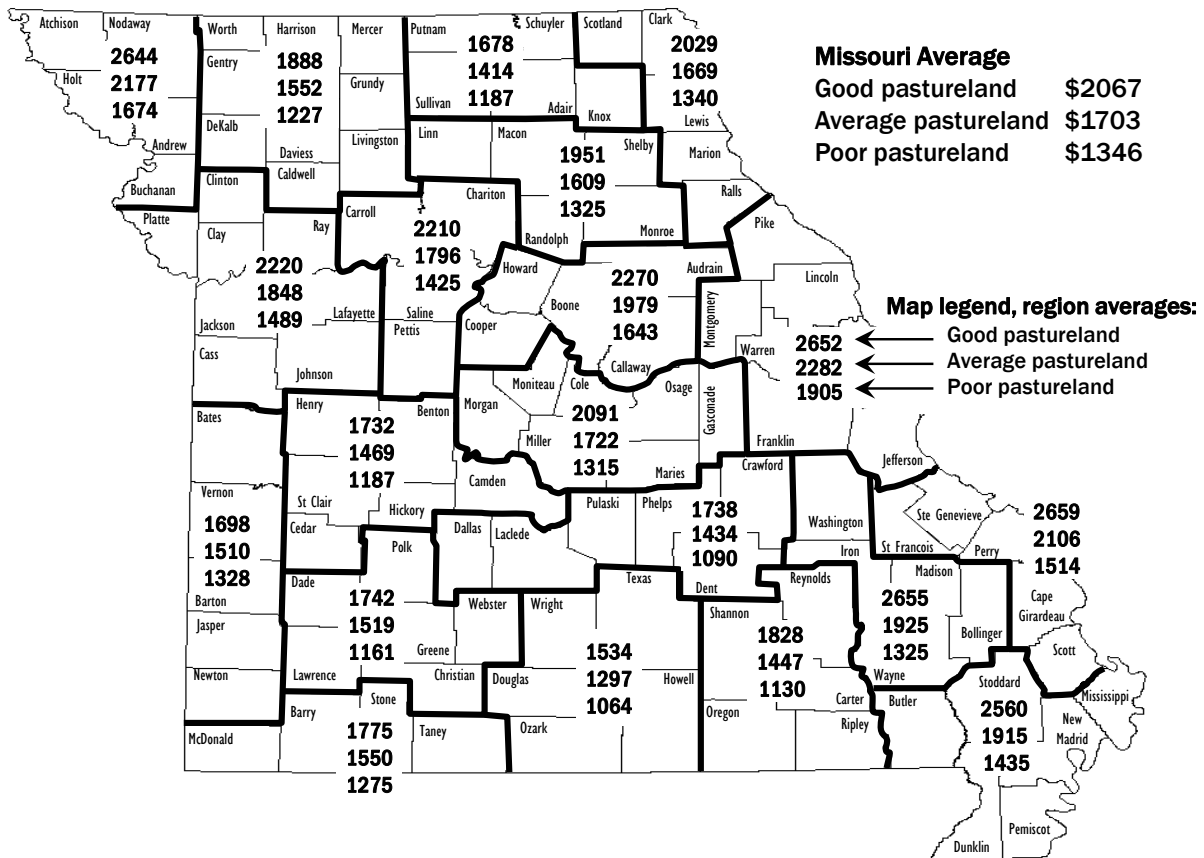
### Outlook (Map 6)

Most respondents expect cropland values to increase about 4% over the next 12 months and pasture to decrease slightly—about 0.6%. They expect the value of other types of rural land will decrease about 1.9%. Some indicated the possibility of lower grain prices, a reduction in the ethanol subsidy, or a poorer than expected harvest were considered in their cropland forecast.

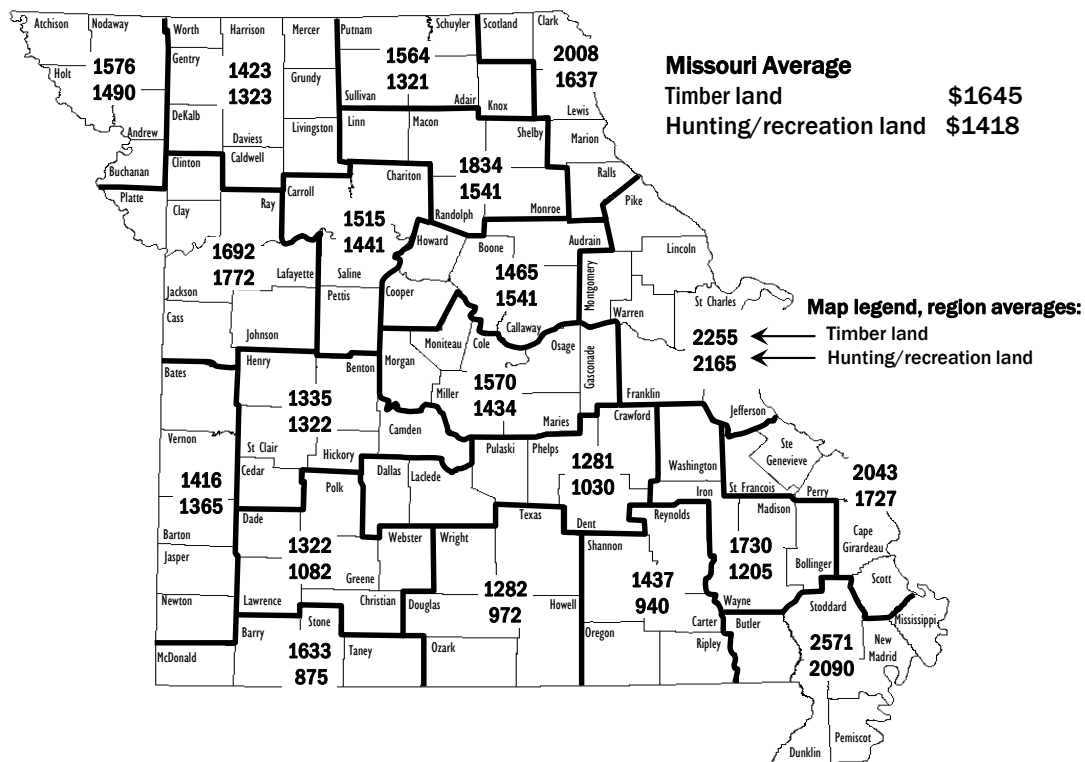
**Map 1. Estimated cropland values per acre for July 2011**



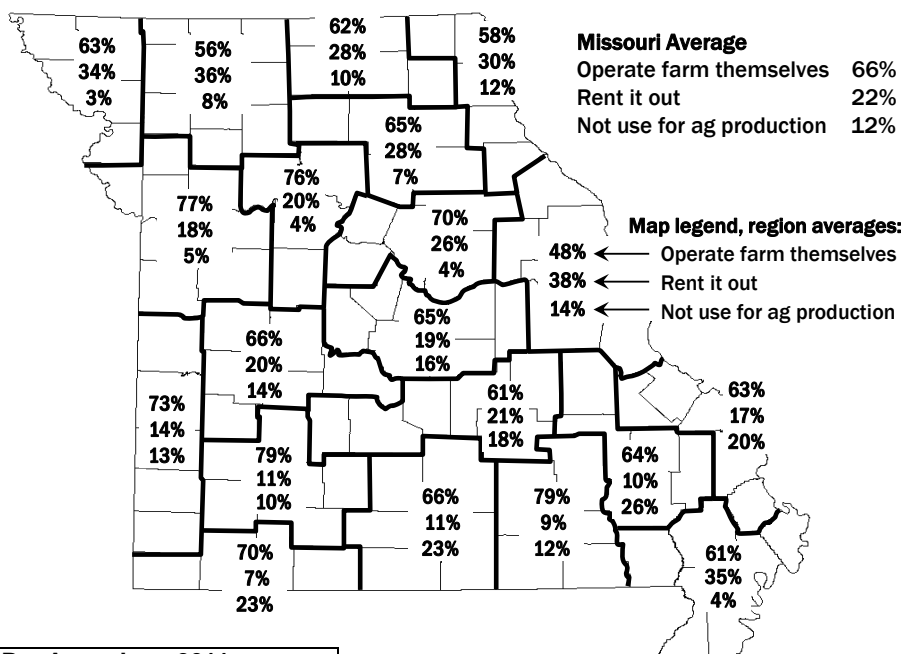
**Map 2. Estimated pastureland values per acre for July 2011**



**Map 3. Estimated timber and hunting/recreation land values per acre for July 2011**



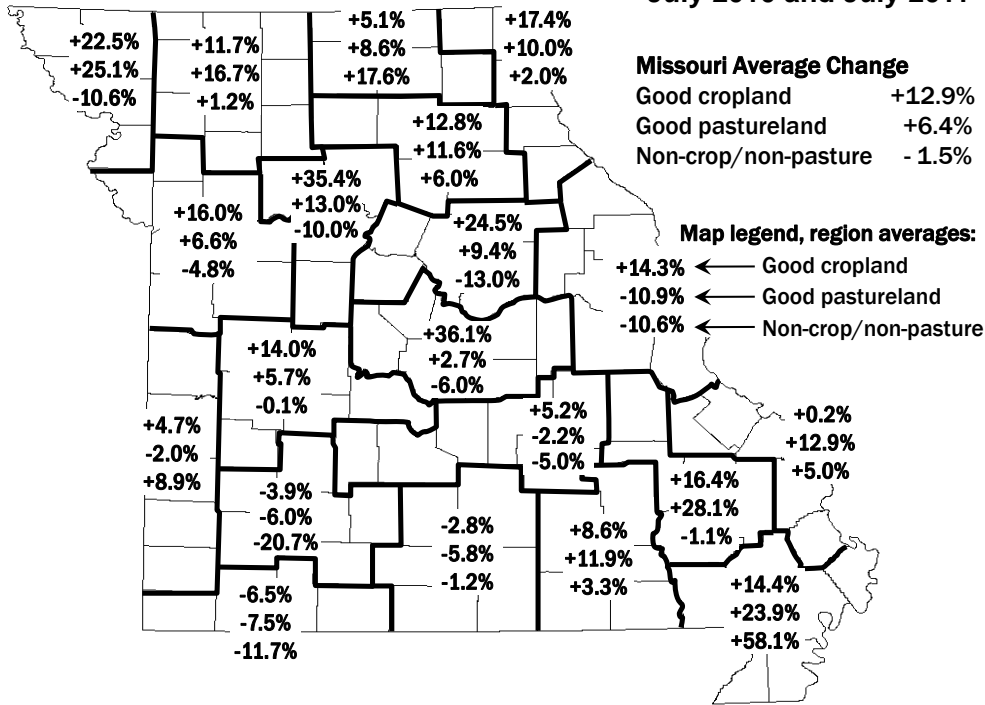
**Map 4. Use to be made of farmland purchased in 2011**



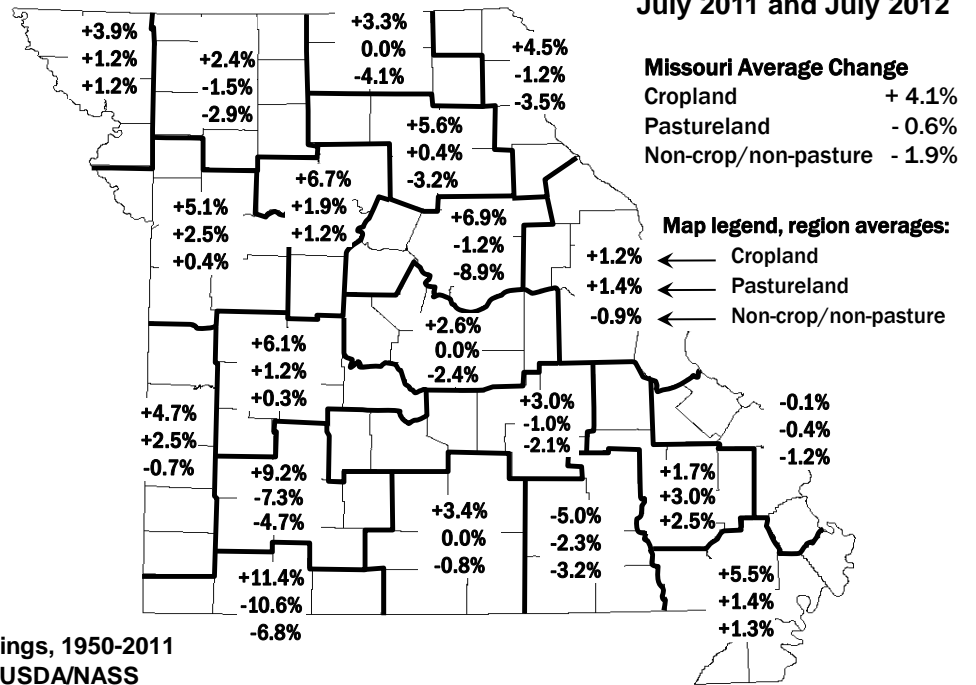
Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential.

Agricultural Land Values Per Acre, June 2011 (USDA, NASS)			
	Cropland	Pasture	All land & bldgs.
Missouri	\$2,850	\$1,700	\$2,530
Kansas	1,300	810	1,250
Arkansas	2,120	2,300	2,600
Iowa	5,700	2,650	5,600
Illinois	5,800	2,800	5,700
Cornbelt (IN, IL, IA, MO, OH)	4,920	2,100	4,590
U.S. (average 48 states)	3,030	1,100	2,350

**Map 5. Percent change in estimated Missouri farmland values between July 2010 and July 2011**



**Map 6. Forecasted percent change in Missouri farmland values between July 2011 and July 2012**



**All Farmland & Buildings, 1950-2011  
Missouri Values, USDA/NASS**

