

Agricultural Economics Newsletter

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Missouri Farm Land Values Opinion Survey—2015

Ron Plain and Joyce White

A survey was conducted in July 2015 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 185 persons responding in 2015, 65% were lenders, 15% rural appraisers, 4% extension specialists, 5% broker/realtors, and 10% were in other 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 2015 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 respondents reported the value of good cropland was up in half of the 20 areas of the state, for a statewide average of \$4,736/ac., only \$19 or 0.4% above last year. Good pastureland was up in 13 areas of the state for statewide average of \$2,767/ac., a 3.6% increase. Timber land was up 5.2% to \$1915/ac., and hunting/recreation land was up 4.3% to \$1,783/ac.

Who Is Buying Land?

Survey respondents thought 69% of farmland buyers planned to farm the land themselves (Map 4). The number planning to rent out remained steady at 20% and the number planning to use for non-farming purposes increased to 11%.

Factors Affecting Values

Respondents cited factors affecting land values similar to previous years - grain and livestock prices, weather, profits, interest rates, demand, availability of land. They thought an unusually wet spring and early summer plus flooding and stable grain prices had lowered expectations for profits from cropland. Some thought rents were too high. High cattle prices likely increased demand for pasture and affected pastureland prices, particularly in south Missouri and areas with poor grain crops.

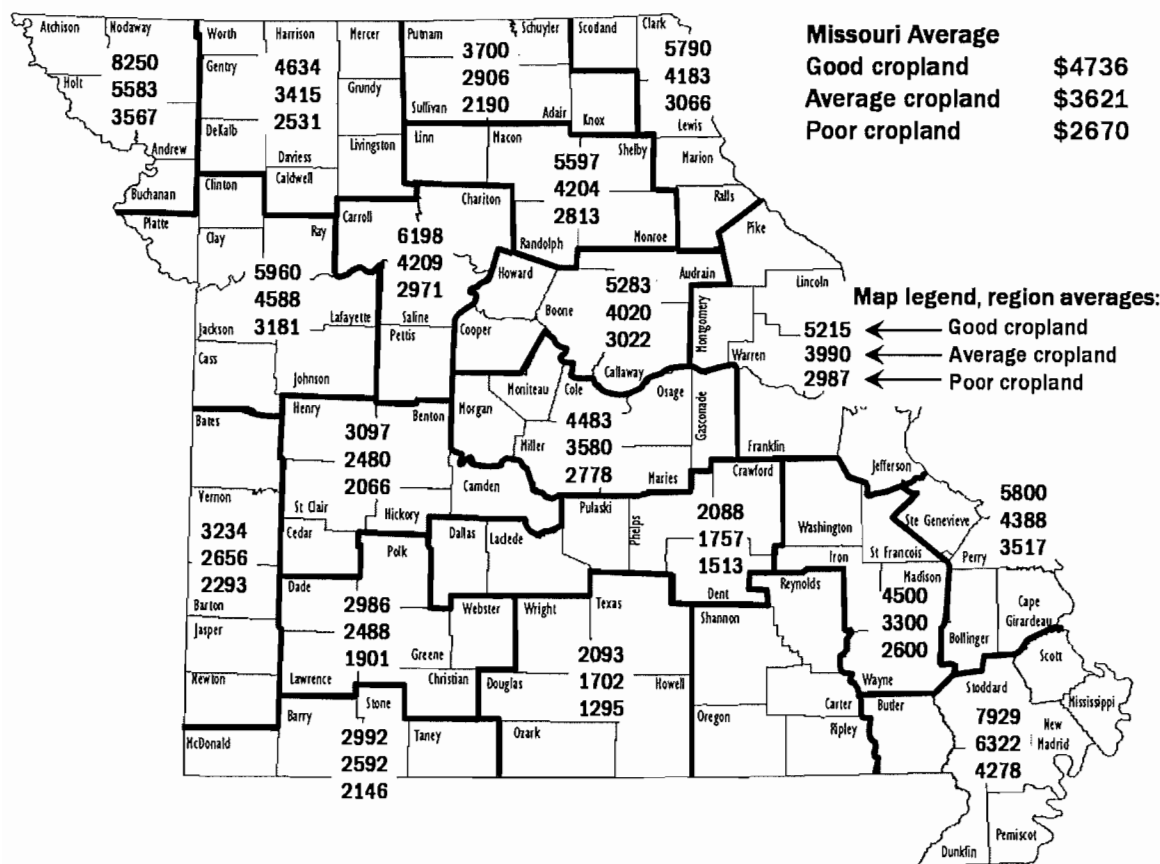
Low interest rates were cited as still encouraging investment in land, although little land was available in some areas. Out-of-state buyers were strong purchasers of land near Amish and Mennonite communities in southern Missouri. An expansion of the poultry industry was reported in a few west central Missouri counties. Some saw increased interest in land for recreational use and timber.

In general, respondents thought the number of real estate transactions was down, with a few wealthy purchasers keeping prices up.

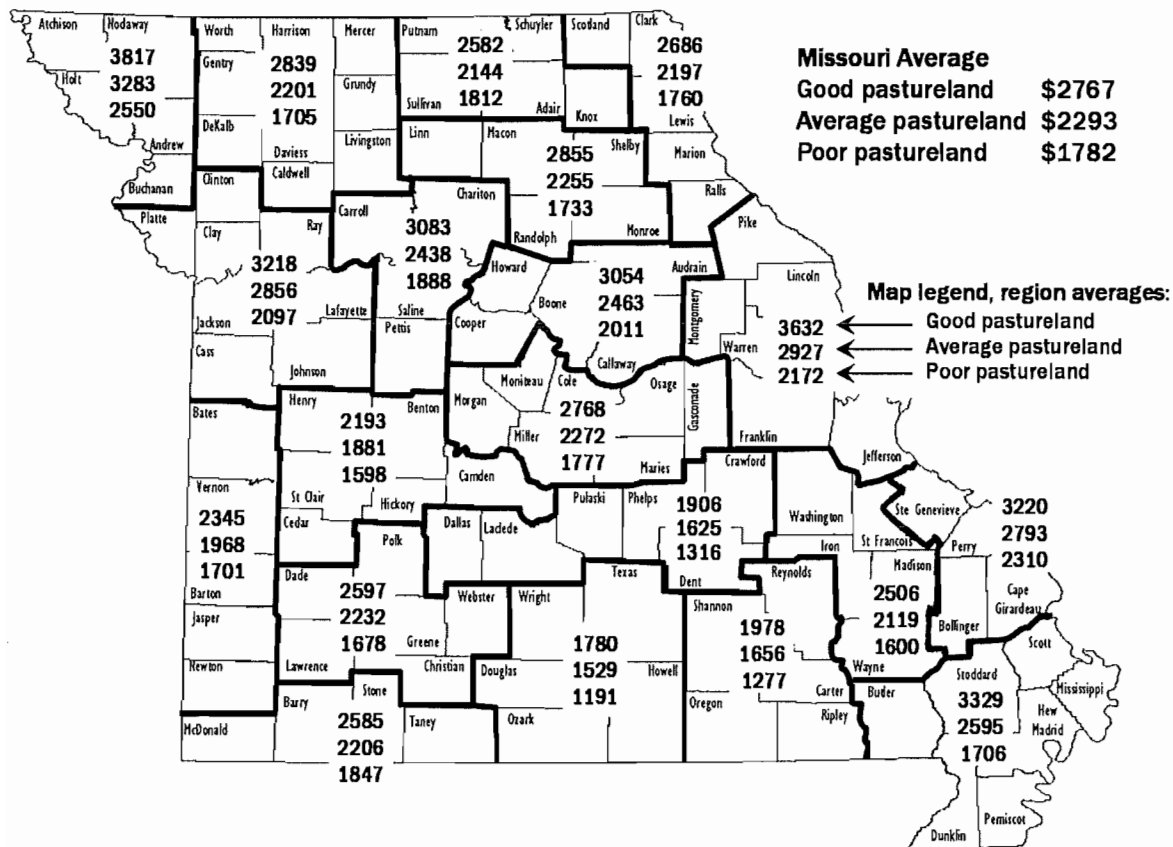
Outlook (Map 6)

Over the next 12 months, respondents expect cropland values to fall 3.2%, pasture values to increase about 1.2% and non-crop/non-pasture values to increase 0.7%.

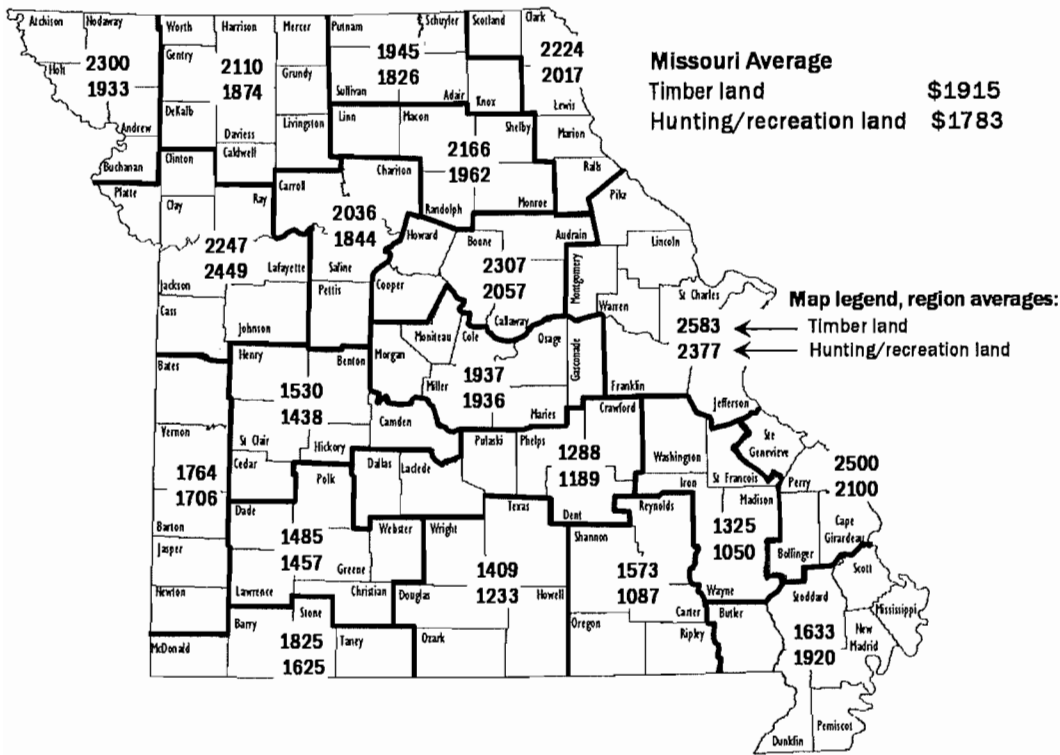
Map 1. Estimated cropland values per acre for July 2015



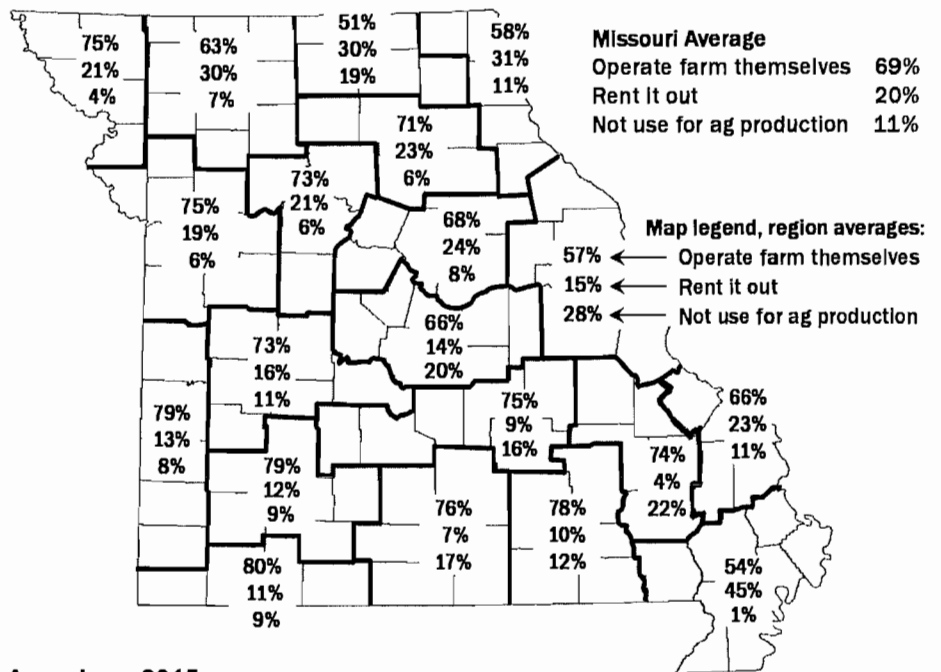
Map 2. Estimated pastureland values per acre for July 2015



Map 3. Estimated timber and hunting/recreation land values per acre for July 2015



Map 4. Use to be made of farmland purchased in 2015

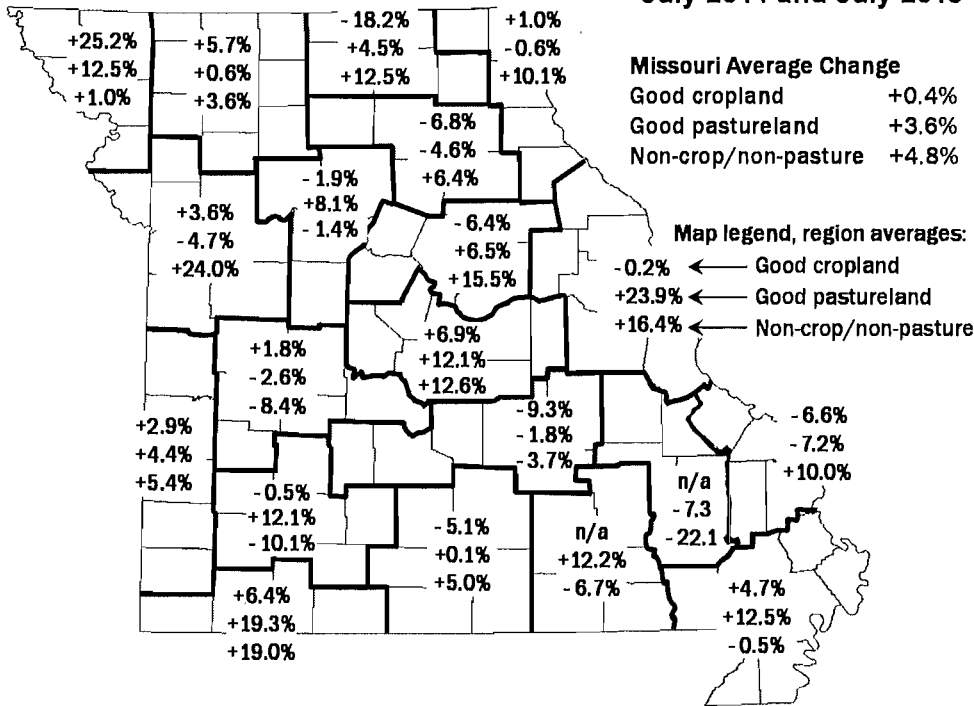


Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential

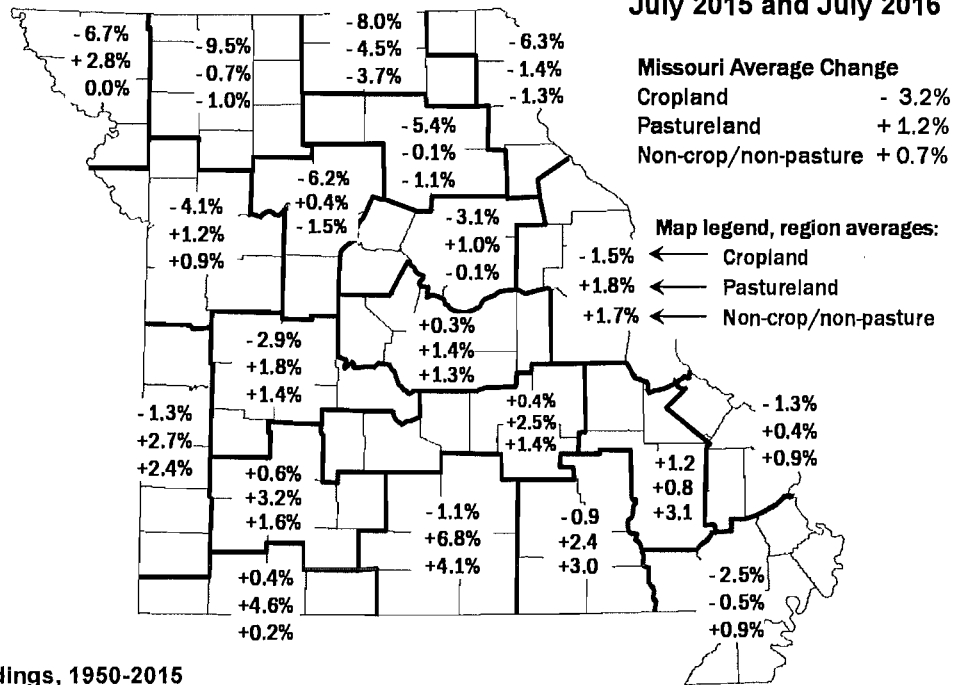
Agricultural Land Values Per Acre June 2015
(USDA/NASS)

	Cropland	Pasture	All land & bldgs.
Missouri	\$3,810	\$1,950	\$3,350
Kansas	2,210	1,390	2,030
Arkansas	2,630	2,290	3,050
Iowa	8,200	3,400	8,000
Illinois	7,650	3,550	7,500
Cornbelt (IN, IL, IA, MO, OH)	6,840	2,440	6,350
U.S. (average 48 states)	4,130	1,330	3,020

Map 5. Percent change in estimated Missouri farmland values between July 2014 and July 2015



Map 6. Forecasted percent change in Missouri farmland values between July 2015 and July 2016



**All Farmland & Buildings, 1950-2015
 Missouri Values, USDA/NASS**

