

Agricultural Economics Newsletter

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Missouri Farm Land Values Opinion Survey—2009

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A survey was conducted in July 2009 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 205 persons responding in 2009, 69% were lenders, 14% were rural appraisers, 3% were MU extension specialists, 8% 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 2009 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 is the first year since our survey began in 1995 that the state average values for all categories of farmland declined. However, values reported for good cropland increased in 4 of our 20 reporting regions this year, and values for good pastureland increased in 6 regions. The estimated average value for good cropland fell from \$2,952 in July 2008 to \$2,788 in July 2009, or \$164 per acre. Good pastureland fell from \$2,050 to \$2,021, or \$29 per acre in this period.

Who Is Buying Land?

Survey respondents thought 61% of farmland buyers planned to farm the land themselves (Map 4). This is a 7 point increase over 2008. The number planning to rent out the land declined 4 points and the number planning to use for non-farm purposes declined 3 points.

Respondents commented that overall land sales were slow. Good grain prices were supporting buyer interest in good cropland for its profit potential, but uncertainty and weakness in the general economy reduced interest in farmland for other uses.

Comments from respondents indicate factors influencing farmland values are not being felt equally over the state. Some areas are seeing forced sales with few buyers, while others have buyers with money looking for land. Two areas reported migration of Amish/Mennonites between regions impacting local values. One area previously popular with out-of-state buyers saw decreased interest because people couldn't sell their property in other states to buy here. Another area reported continued in-migration from other states and countries.

Outlook (Map 6)

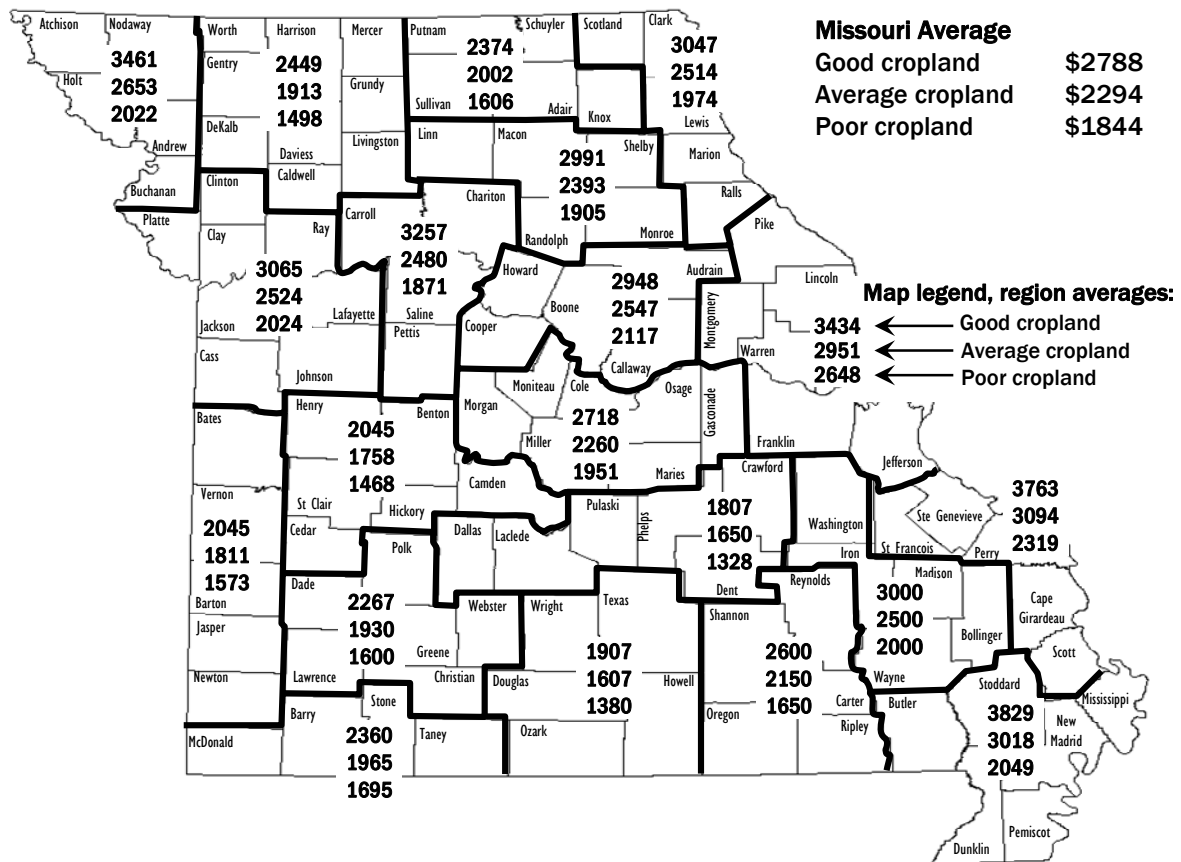
Most respondents expect farmland values to continue to decrease over the next 12 months, but at a slower rate than last year. On average they expect the value for all Missouri farmland to decrease 2.5%, with cropland down 1.6%, pasture down 2.9%, and other types of farmland falling 3.9%.

In addition to agricultural conditions, respondents expect the general economy, interest rates, and possible new federal legislation to influence farmland values over the next year. Prices for poor quality land would be hurt the most by continued weakness in the general economy.

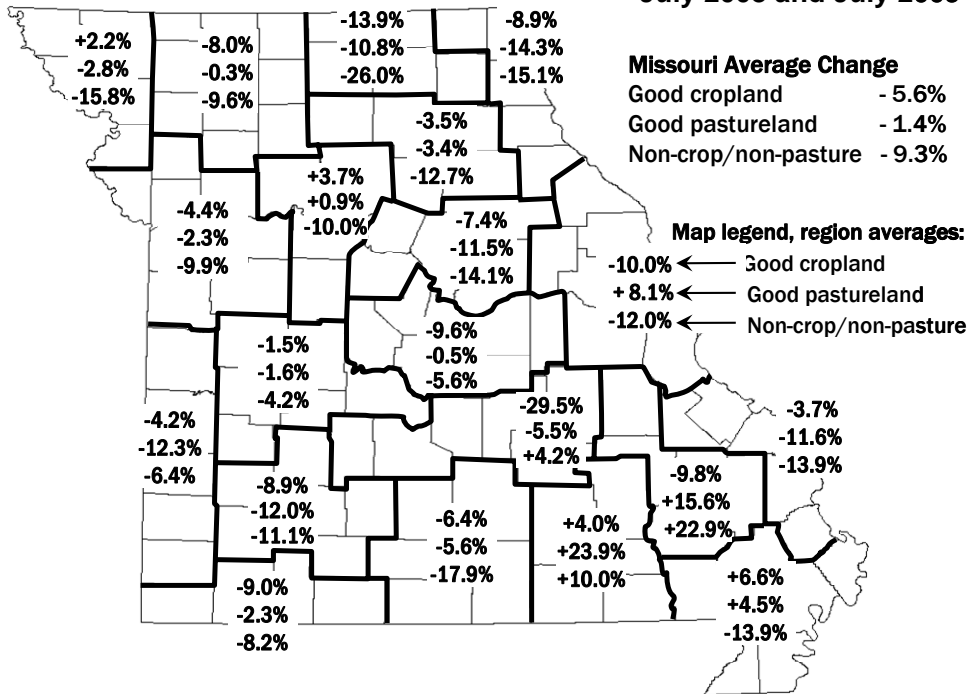
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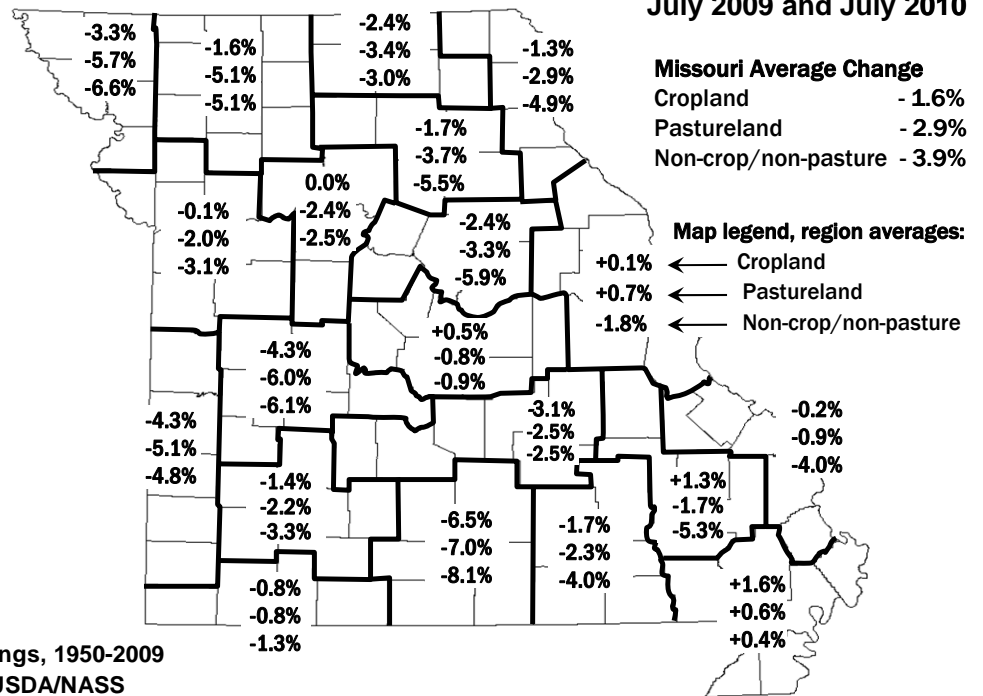
Map 1. Estimated cropland values per acre for July 2009



Map 5. Percent change in estimated Missouri farmland values between July 2008 and July 2009



Map 6. Forecasted percent change in Missouri farmland values between July 2009 and July 2010



**All Farmland & Buildings, 1950-2009
Missouri Values, USDA/NASS**

