

Agricultural Economics Newsletter

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Missouri Farm Land Values Opinion Survey—2010

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A survey was conducted in July 2010 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 245 persons responding in 2010, 68% were lenders, 16% were rural appraisers, 2% were MU extension specialists, 5% were broker/realtors, and 9% 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 2010 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 11 of the 20 areas of the state, with the state average for good cropland increasing by \$100 to \$2,888/ac. Pasture values decreased in 13 areas, with the state average for good pasture down \$79 to \$1,942/ac. Non-crop/non-pasture land values averaged higher in 11 areas but statewide averaged 1.8% lower. Land with timber was up \$15 at \$1,586/ac. while hunting/recreation land was down \$50 at \$1,525.

Factors Affecting Values

Respondents' comments indicated weakness in the general economy and commodity prices had the greatest impact on land values.

In major cropping areas, cropland values were positively influenced by weakness in the general economy and high corn and soybean prices. Investors and wealthy farmers found good cropland to be a better investment than other options and bid up prices.

Weakness in the general economy was cited as having a negative effect on hunting/recreation land and pasture values. Low cattle prices also had a negative effect on pasture.

An increase in the number of land auctions was also mentioned. In cropping areas, auction prices for good cropland were high - sometimes very high. Some expect more cropland to be put on the market. In other areas, pasture and low quality land attracted few bidders and brought lower prices. Respondents in these areas expect an increase in stressed sales due to foreclosure or bankruptcy and a decrease in values.

Who Is Buying Land?

Survey respondents thought 63% of farmland buyers planned to farm the land themselves (Map 4). This is a 2 point increase over 2009. The number planning to rent out remained at 21% and the number planning to use the land for non-farming purposes declined 2 points to 16%.

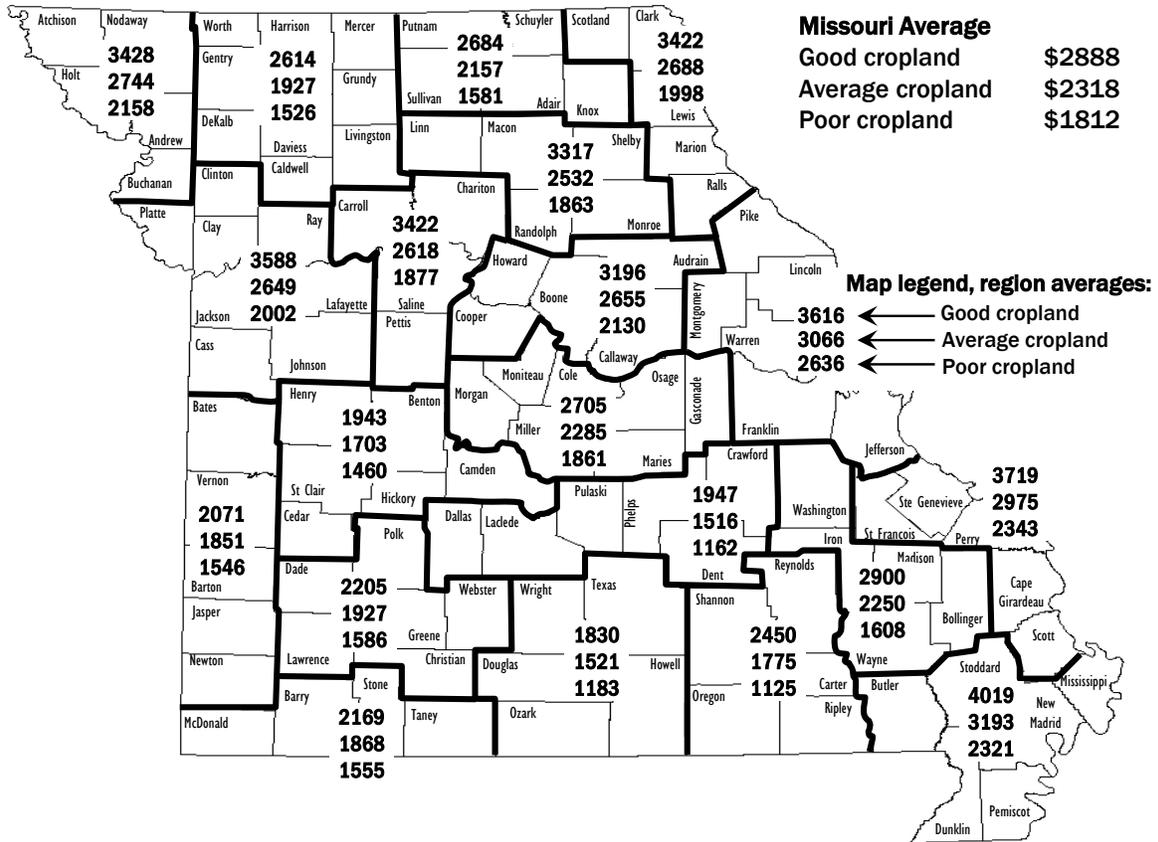
Outlook (Map 6)

Most respondents expect farmland values to decrease over the next 12 months, but they are more optimistic than last year. On average they expect all Missouri farmland to decrease less than 1%, with cropland holding steady, pasture falling 2%, and other types of rural land down 3%.

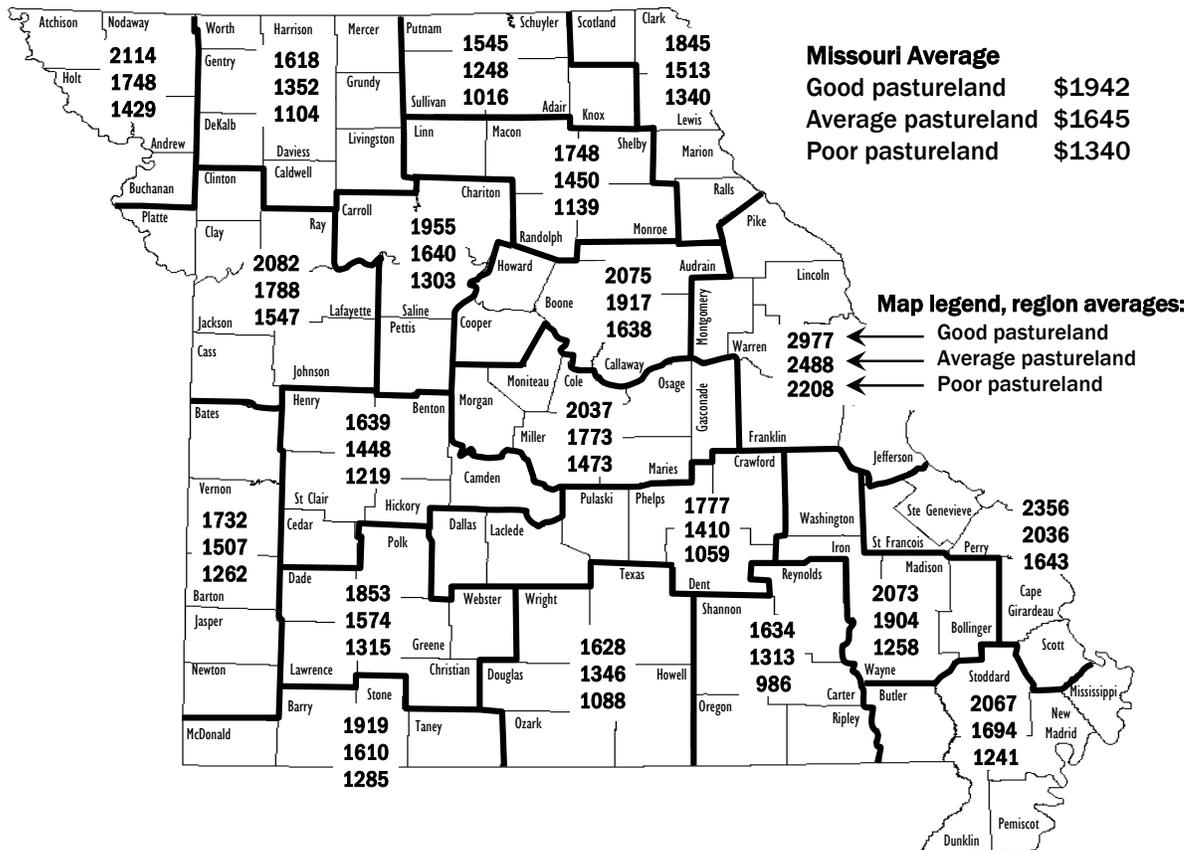
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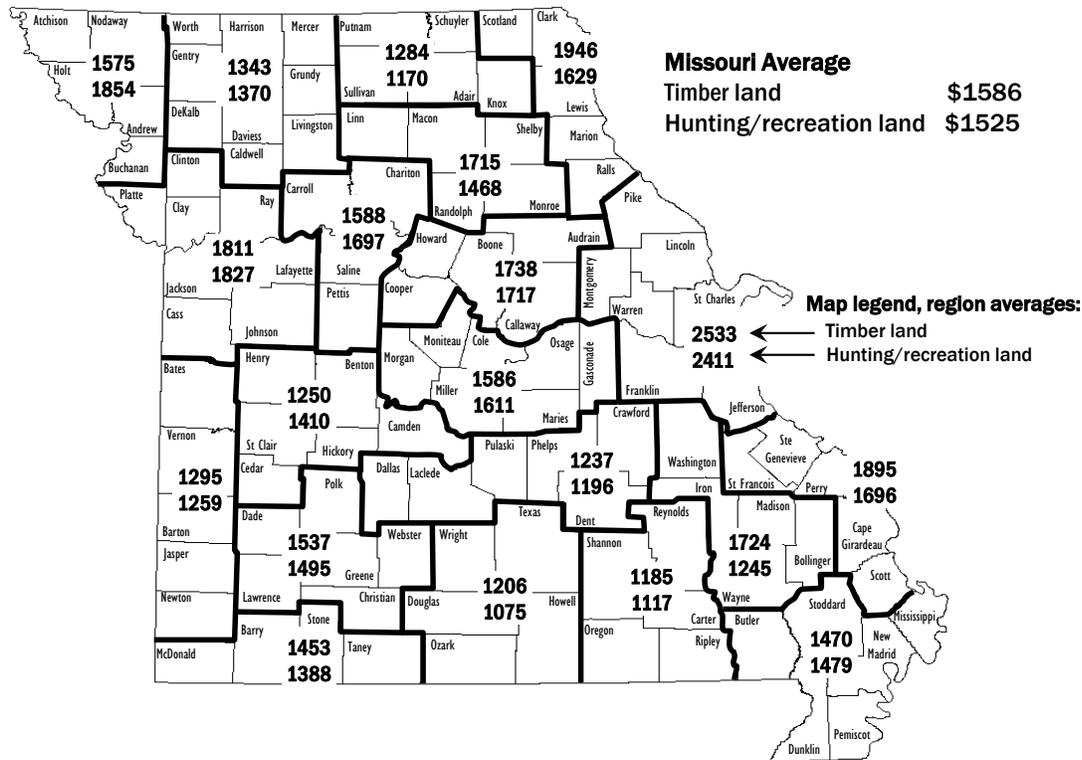
Map 1. Estimated cropland values per acre for July 2010



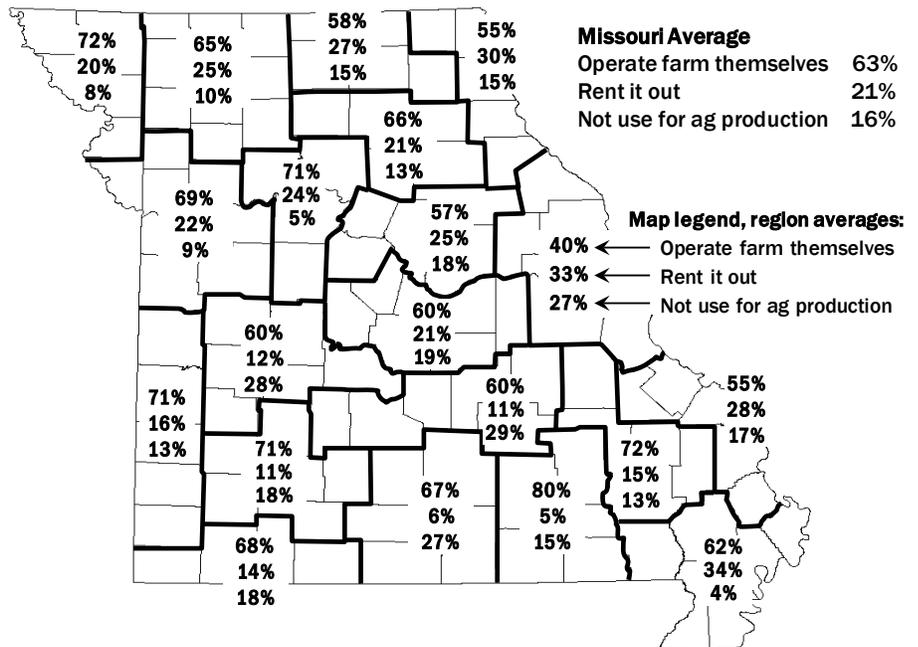
Map 2. Estimated pastureland values per acre for July 2010



Map 3. Estimated timber and hunting/recreation land values per acre for July 2010



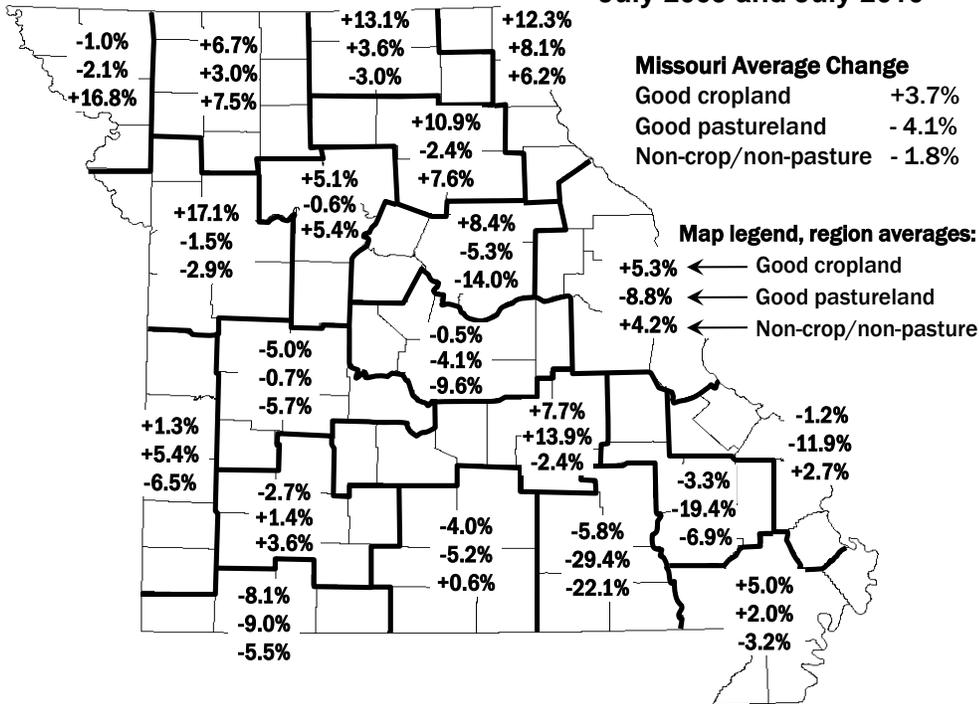
Map 4. Use to be made of farmland purchased in 2010



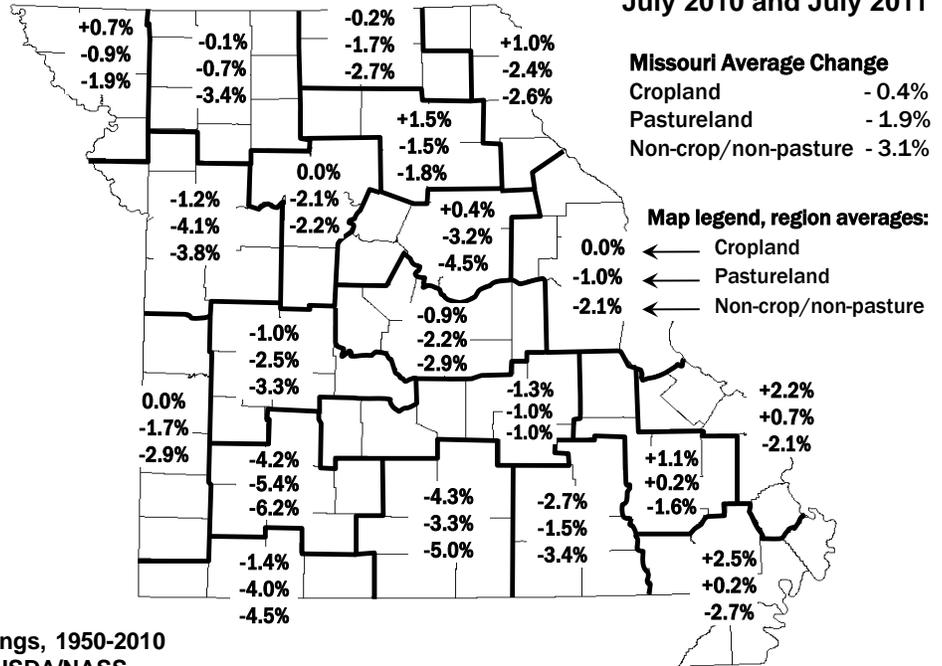
Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential.

Agricultural Land Values Per Acre Jan. 1, 2010 (USDA/NASS)			
	Cropland	Pasture	All land & bldgs.
Missouri	\$2,670	\$1,660	\$2,250
Kansas	1,120	770	1,060
Arkansas	1,990	2,300	2,500
Iowa	4,100	1,900	3,900
Illinois	4,820	2,620	4,650
Cornbelt (IN, IL, IA, MO, OH)	4,000	1,940	3,680
U.S. (average 48 states)	2,700	1,070	2,140

Map 5. Percent change in estimated Missouri farmland values between July 2009 and July 2010



Map 6. Forecasted percent change in Missouri farmland values between July 2010 and July 2011



**All Farmland & Buildings, 1950-2010
 Missouri Values, USDA/NASS**

