UNIVERSITY OF MISSOURI
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Missouri Farm Land Values Opinion Survey—2012

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A survey was conducted in July 2012 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 229 persons responding in 2012, 76% were lenders, 9% were rural appraisers, 4% were MU extension specialists, 4% were broker/realtors, and 7% 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 2012 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 $612 to $3,847/ac. Pasture values increased in 16 areas, with the state average for good pasture up $160 to $2,227/ac. Non-crop/non-pasture land values increased in 17 areas with the statewide average $160 higher at $1,578/ac. Land with timber was valued lower in 10 areas with the state average down $15 at $1,630/ac.

Who Is Buying Land?

Survey respondents thought 68% of farmland buyers planned to farm the land themselves (Map 4). This is a 2 point increase over 2011. The number planning to rent out remained steady at 22% and the number planning to use the land for non-farming purposes declined 2 points to 10%.

Factors Affecting Values

Factors cited by respondents as supporting farm land prices were low interest rates, low returns from other type investments, and high grain and livestock prices (profitability).

They reported demand and prices for specific types of land were increasing more than others with the largest increases for good and irrigated row crop land in north and southeast Missouri.

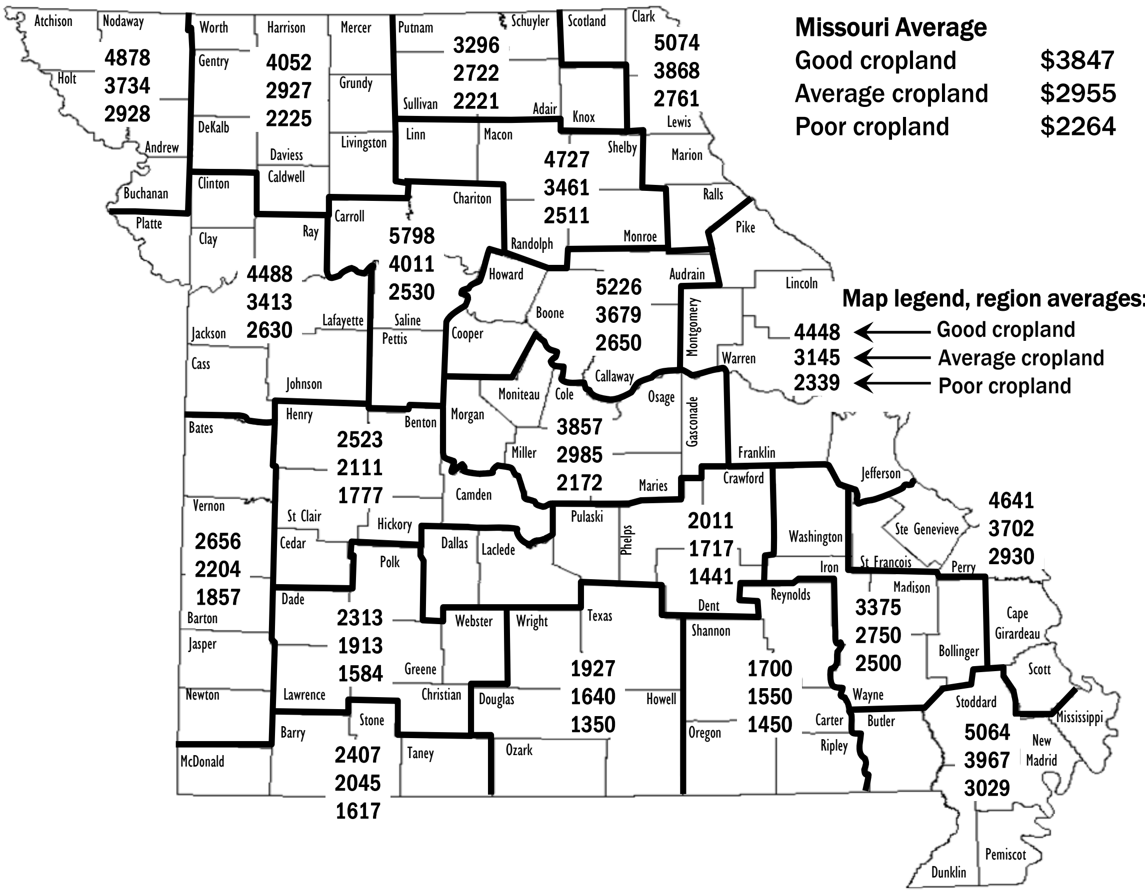
Other factors included decreased purchases of hunting/recreational land in the east central and northeast areas, while a few other areas saw increases. The south central area saw stagnant ag. and timber industries with land buyers motivated by low interest rates. An increase in buyers moving from other states was noted in the southwest.

Outlook (Map 6)

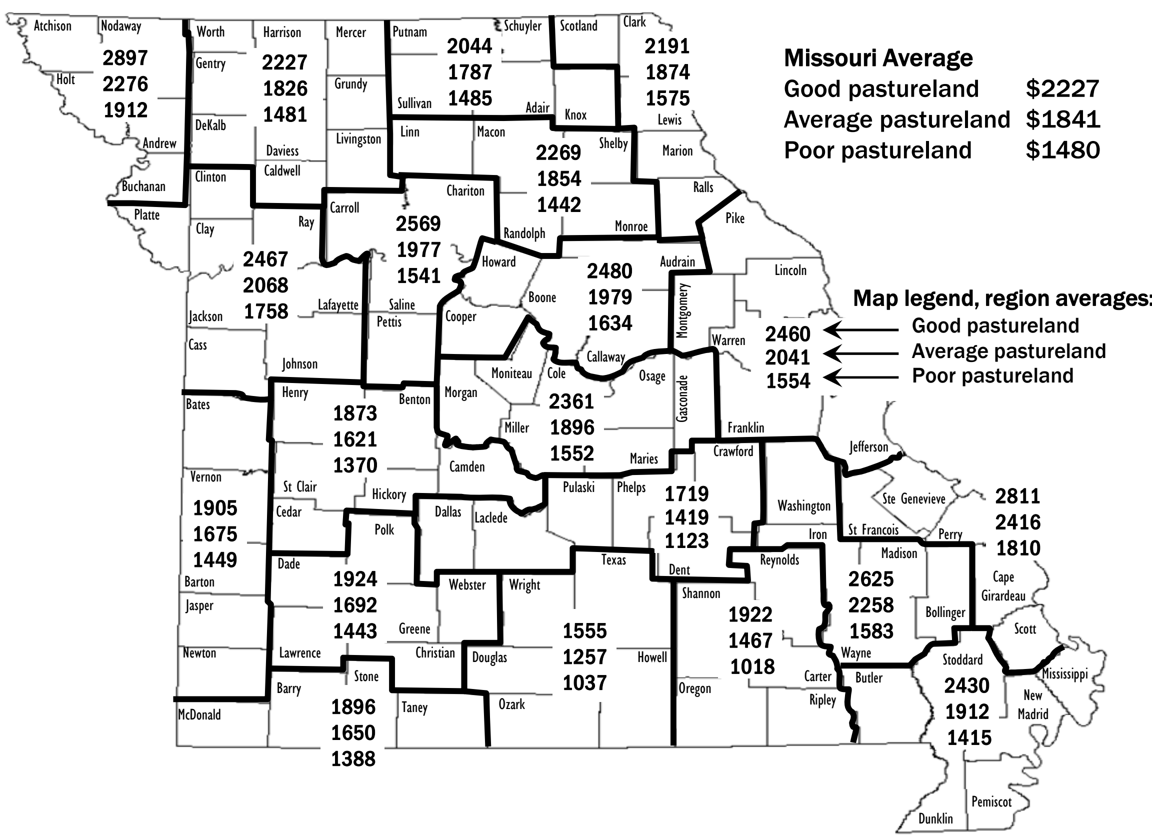
Over the next 12 months, respondents expect cropland values to increase about 3%, pasture to increase slightly - about 1.6%, and other types of rural land to remain steady.

In May 2012 Missouri began experiencing a severe drought. Crop and pasture yields were being greatly reduced and many water sources depleted. In general, respondents felt the number of land sales would decrease because of this, and values would be affected. They were uncertain of the impact on values but reduced income from agricultural production would be a major factor.

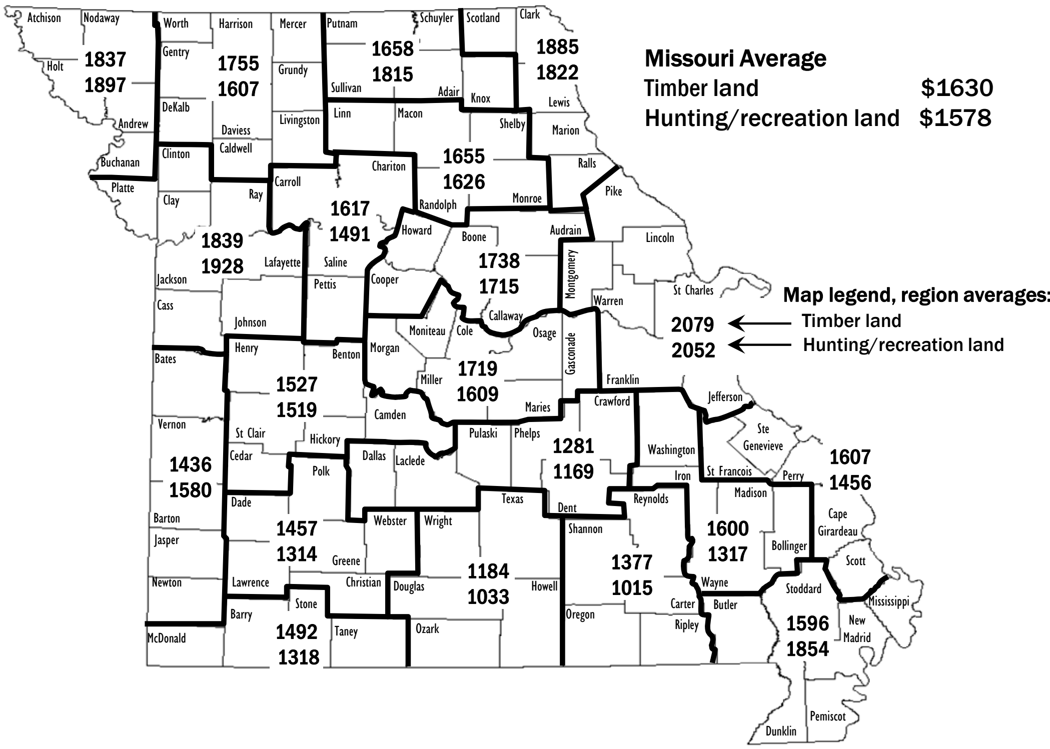
Map 1. Estimated cropland values per acre for July 2012



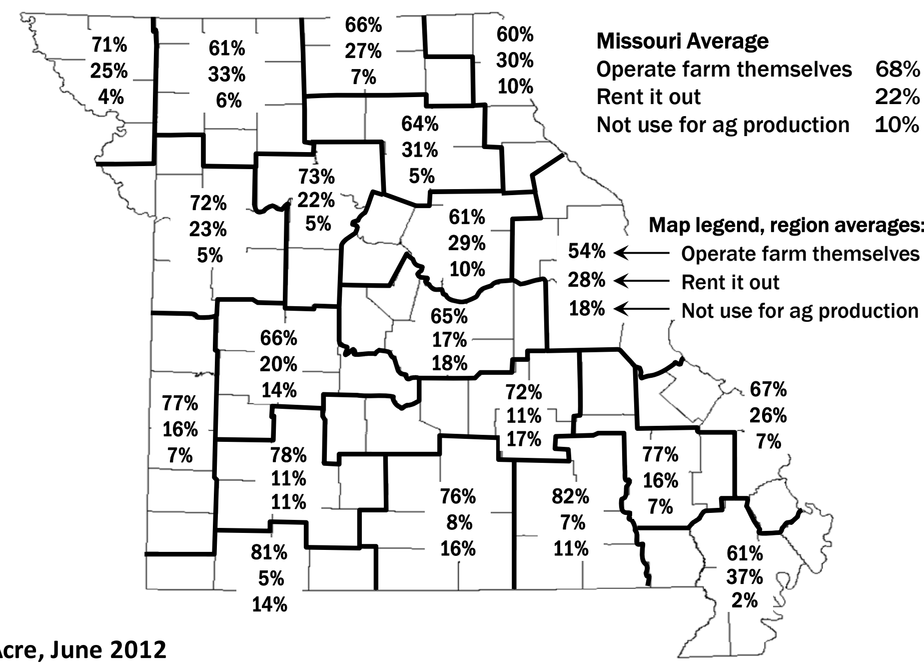
Map 2. Estimated pastureland values per acre for July 2012



Map 3. Estimated timber and hunting/recreation land values per acre for July 2012



Map 4. Use to be made of farmland purchased in 2012



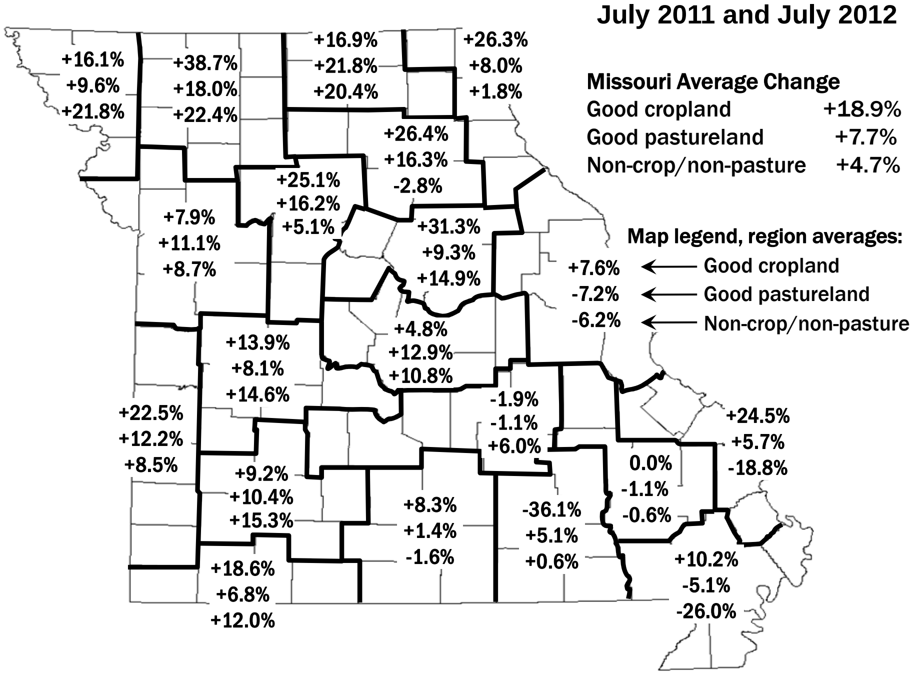
Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential.

Agricultural Land Values Per Acre, June 2012

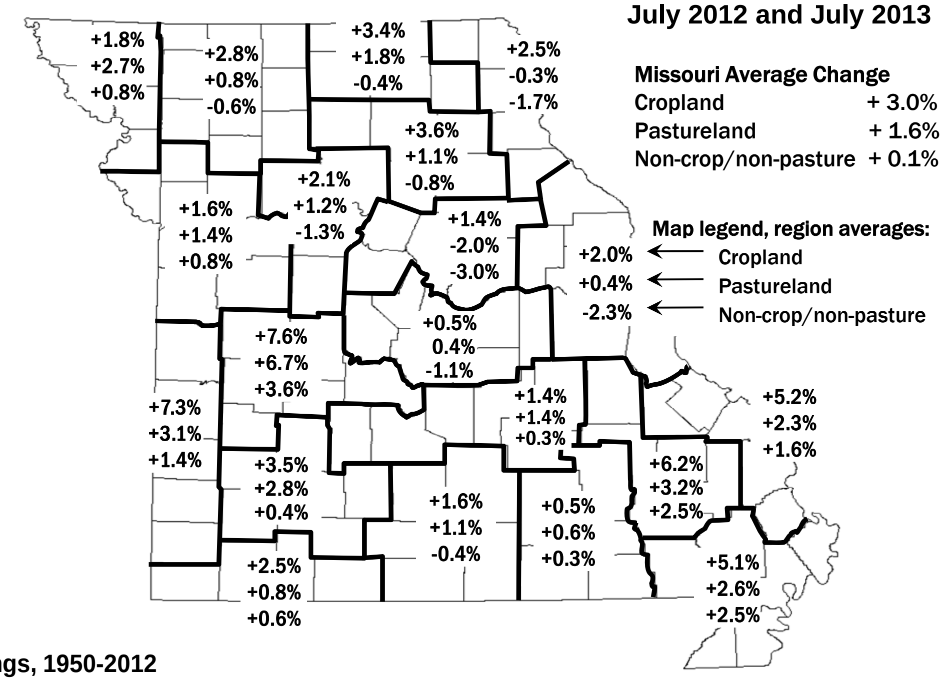
(USDA, NASS)

	Cropland	Pasture	All land & bldgs
Missouri	$3,340	$1,820	$2,900
Kansas	1,750	950	1,550
Arkansas	2,370	2,300	2,850
Iowa	7,300	3,000	7,000
Illinois	6,800	3,100	6,700
Cornbelt (IN, IL, IA, MO, OH)	6,010	2,280	5,560
U.S. (average 48 states)	3,550	1,150	2,650

Map 5. Percent change in estimated Missouri farmland values between July 2011 and July 2012



Map 6. Forecasted percent change in Missouri farmland values between July 2012 and July 2013



All Farmland & Buildings, 1950-2012
Missouri Values, USDA/NASS