UNIVERSITY OF MISSOURI
Extension

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Missouri Farm Land Values Opinion Survey—2013

Ron Plain and Joyce White

A survey was conducted in July 2013 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 207 persons responding in 2013, 69% were lenders, 12% rural appraisers, 6% extension specialists, 5% broker/realtors, and 8% 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 2013 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 18 of the 20 areas of the state for a statewide average of $4,510/ac., 17% above last year. Regionally, the biggest jumps were a 48% increase in the northwest corner of the state to $7,205/ac. and a 51% increase in the southeast corner to $7,753/ac. The statewide average value for good pasture land was up 12% at $2,492/ac. Timber and hunting/recreation land were up about 10% at $1,817/ac., and $1,724/ac., respectively.

Who Is Buying Land?

Survey respondents thought 69% of farmland buyers planned to farm the land themselves (Map 4). This is a one point increase over 2012. The number planning to rent out remained steady at 22% and the number planning to use the land for non-farming purposes declined one point to 9%.

Factors Affecting Values

Factors cited by many respondents as supporting farm land prices were similar to last year - low interest rates, low returns from other types of investments, crop insurance, high grain and livestock prices (profits). Changes in any of these factors could affect land prices negatively.

Respondents from areas with very productive cropland reported continued demand for large tracts of good cropland but few sellers. They saw local farmers in a strong cash position with the technology and confidence to farm more land and other investors who anticipated a good return from crop share or cash rent.

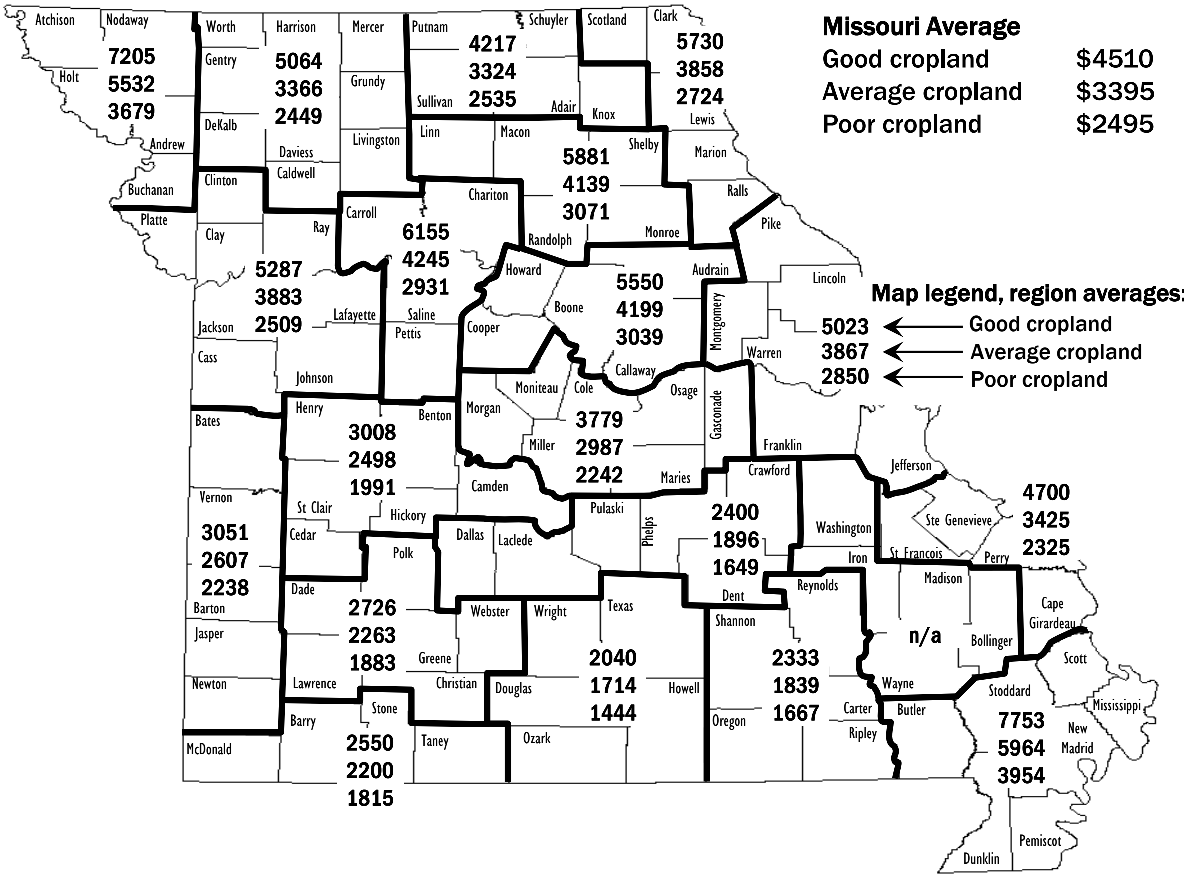
In south central areas with very little cropland the respondents saw less increase in land values. Operating margins were thin and few local residents could afford to buy more land.

In a few locations over the state, respondents reported an impact from groups of individuals who wanted to own land near one another. Also, some saw a few land purchases by people who were fearful of new government policies and thought land was a more secure investment than U.S. currency.

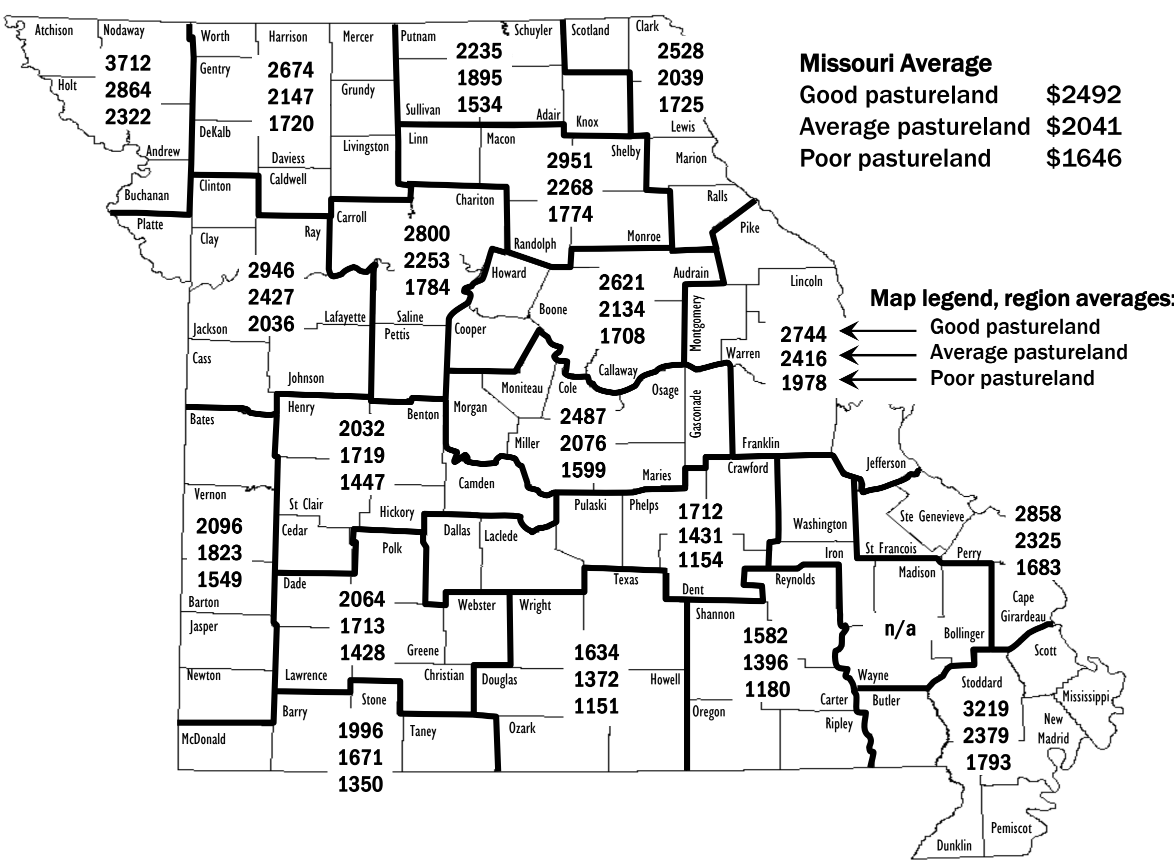
Outlook (Map 6)

Over the next 12 months, respondents expect the rate of increase in cropland values to slow to 2.6%, while pasture values increase about 1.3% and non-crop/non-pasture values increase 0.8%.

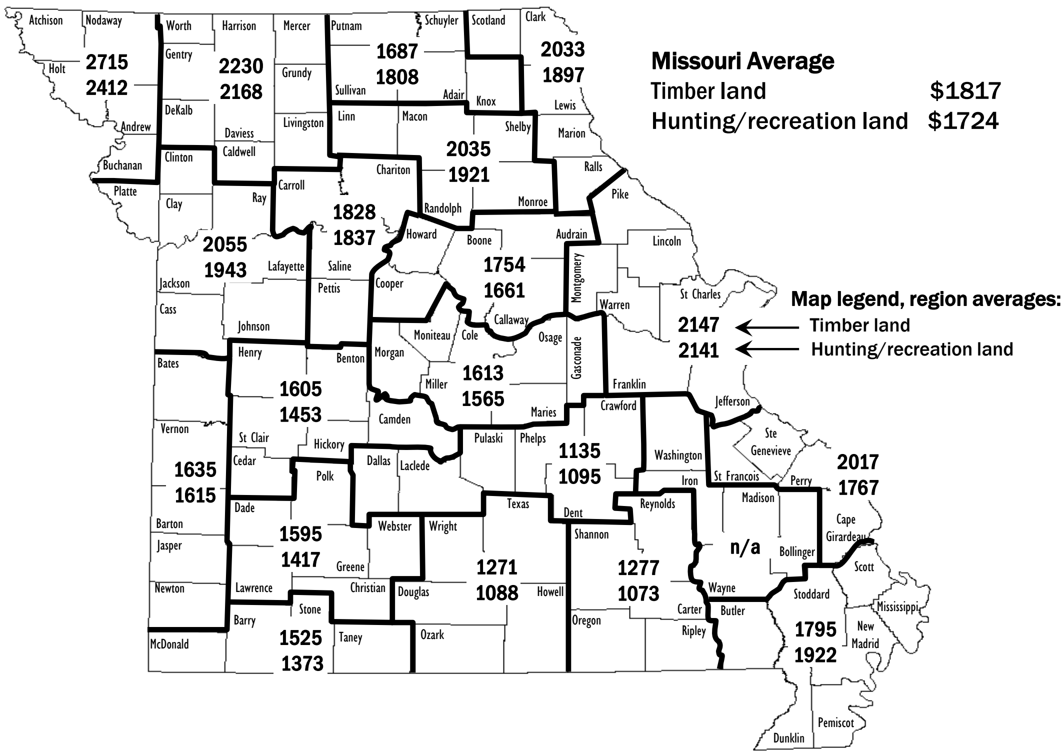
Map 1. Estimated cropland values per acre for July 2013



Map 2. Estimated pastureland values per acre for July 2013

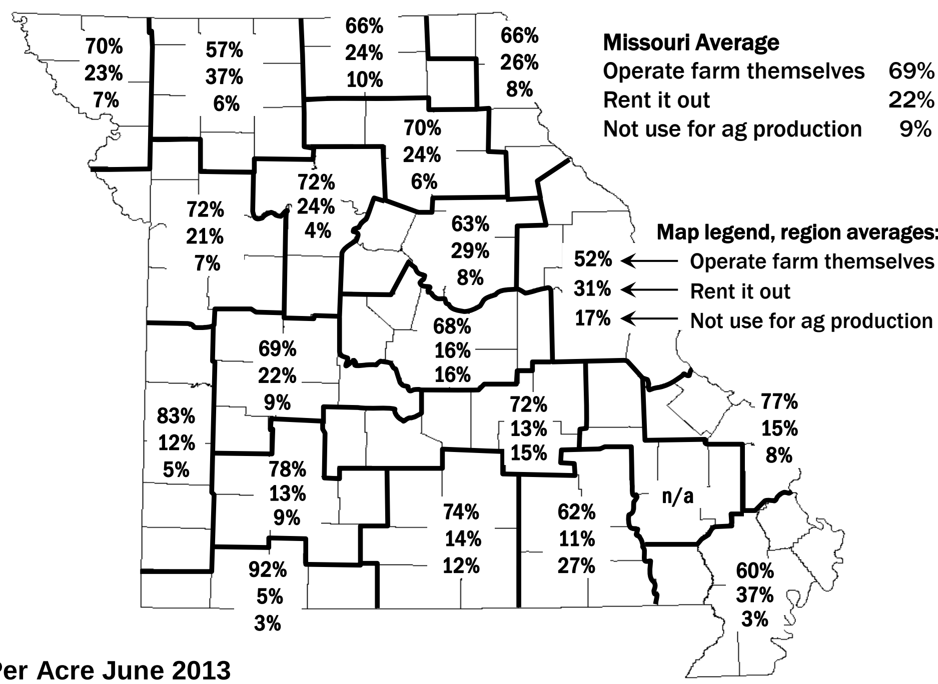


Map 3. Estimated timber and hunting/recreation land values per acre for July 2013



Map 4. Use to be made of farmland purchased in 2013

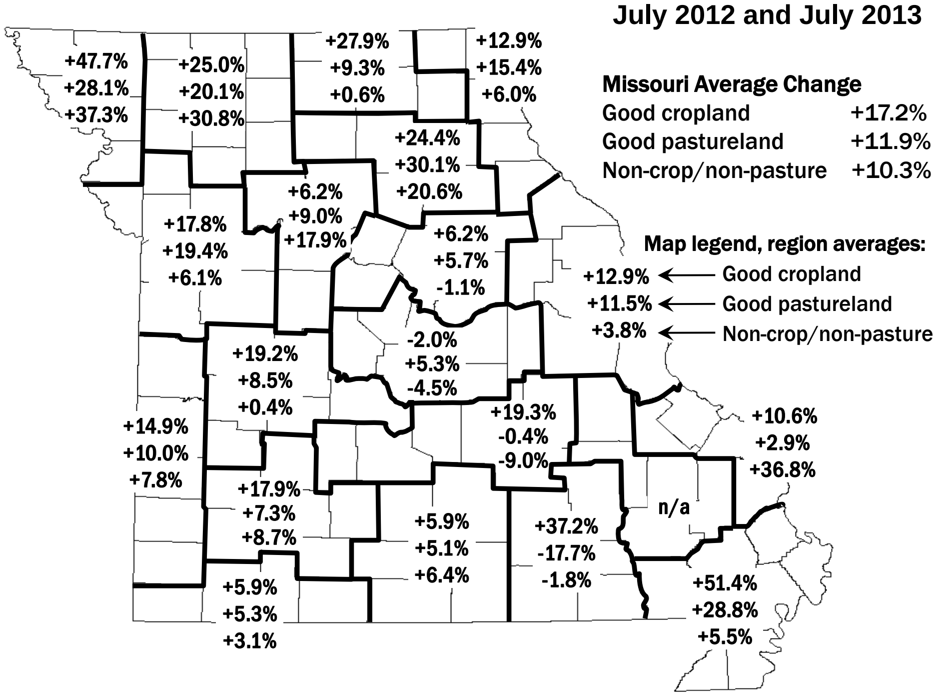
Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential.



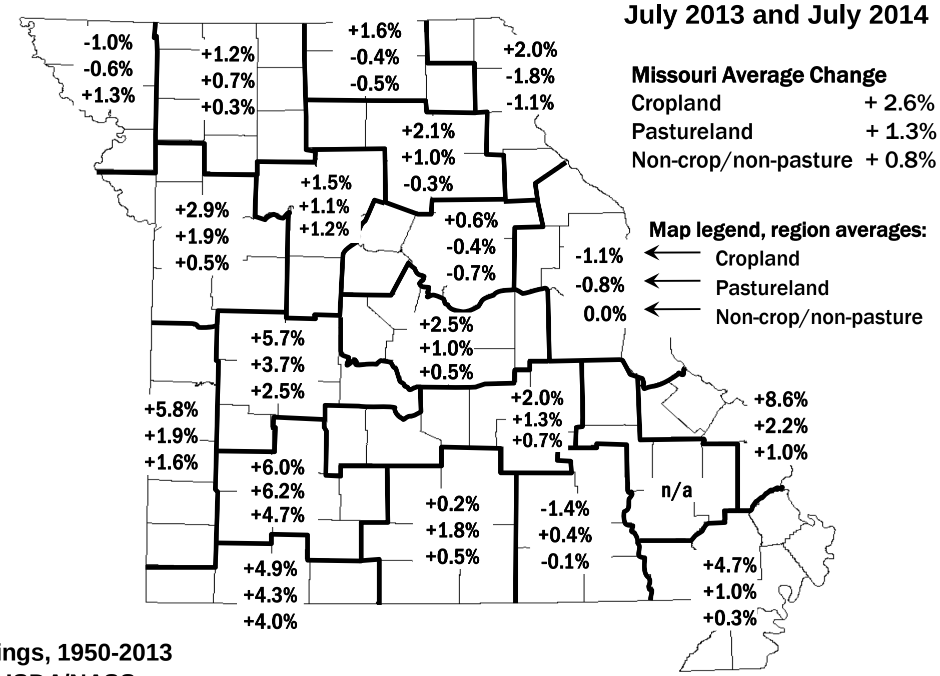
Agricultural Land Values Per Acre June 2013
(USDA/NASS)

	Cropland	Pasture	All land & bldgs.
Missouri	$3,800	$1,950	$3,100
Kansas	2,100	1,250	1,900
Arkansas	2,560	2,400	3,000
Iowa	8,600	3,400	8,400
Illinois	7,900	3,700	7,800
Cornbelt (IN, IL, IA, MO, OH)	6,980	2,490	6,400
U.S. (average 48 states)	4,000	1,200	2,900

Map 5. Percent change in estimated Missouri farmland values between July 2012 and July 2013



Map 6. Forecasted percent change in Missouri farmland values between July 2013 and July 2014



All Farmland & Buildings, 1950-2013
Missouri Values, USDA/NASS