UNIVERSITY OF MISSOURI
Extension

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Missouri Farm Land Values Opinion Survey—2014

Ron Plain and Joyce White

A survey was conducted in July 2014 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 214 persons responding in 2014, 71% were lenders, 13% rural appraisers, 3% extension specialists, 7% broker/realtors, and 6% 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 2014 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 15 of the 20 areas of the state for a statewide average of $4,717/ac., 4.6% above last year. The northwest and southeast regions had reported the largest increases last year but saw declines this year of 8.5% and 2.4%, respectively.

The statewide average value for good pastureland was up 7.2% at $2,672/ac. Timber land was up $3 to $1820/ac., but hunting/recreation land was down $14 to $1,710/ac.

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 for non-farming purposes declined one point to 9%.

Factors Affecting Values

Factors cited by respondents were similar to last year - interest rates, crop insurance, grain and livestock prices, cash rent potential, returns from other types of investments.

Some thought falling grain prices had begun to weaken demand for cropland while higher beef prices increased demand for pasture. In major grain producing areas, respondents thought land values had stabilized but there was still good demand for irrigated or levee protected bottomland. They thought lower corn prices and improvement in the stock market had weakened investor demand for cropland in some areas.

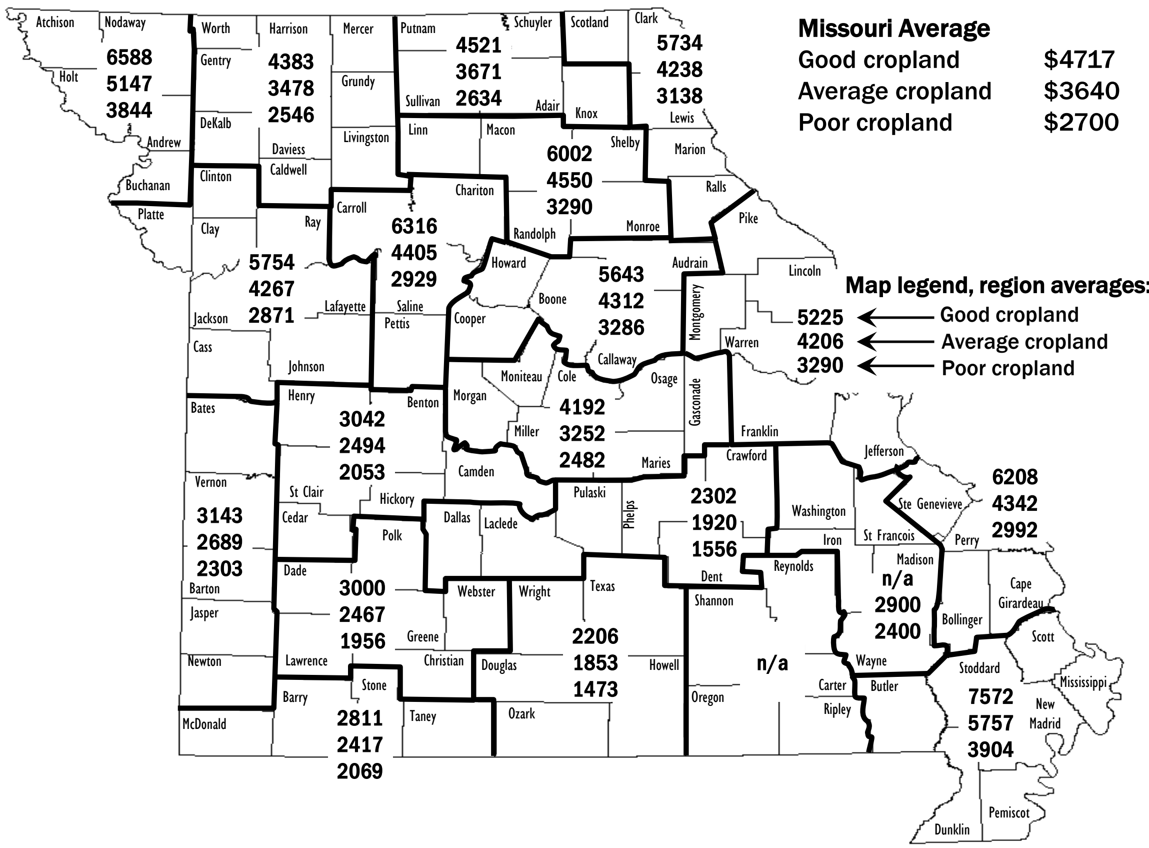
Several respondents over the state reported values in parts of their areas were impacted by the location or size of the tract, such as groups or families wanting to own land near each other; neighbors buying/selling adjoining land; proximity of land to urban area.

Respondents in south Missouri areas with little cropland saw less impact from grain prices. However, they expected the increase in sales and value of hunting/recreation land to continue and the values of pasture and other land to increase.

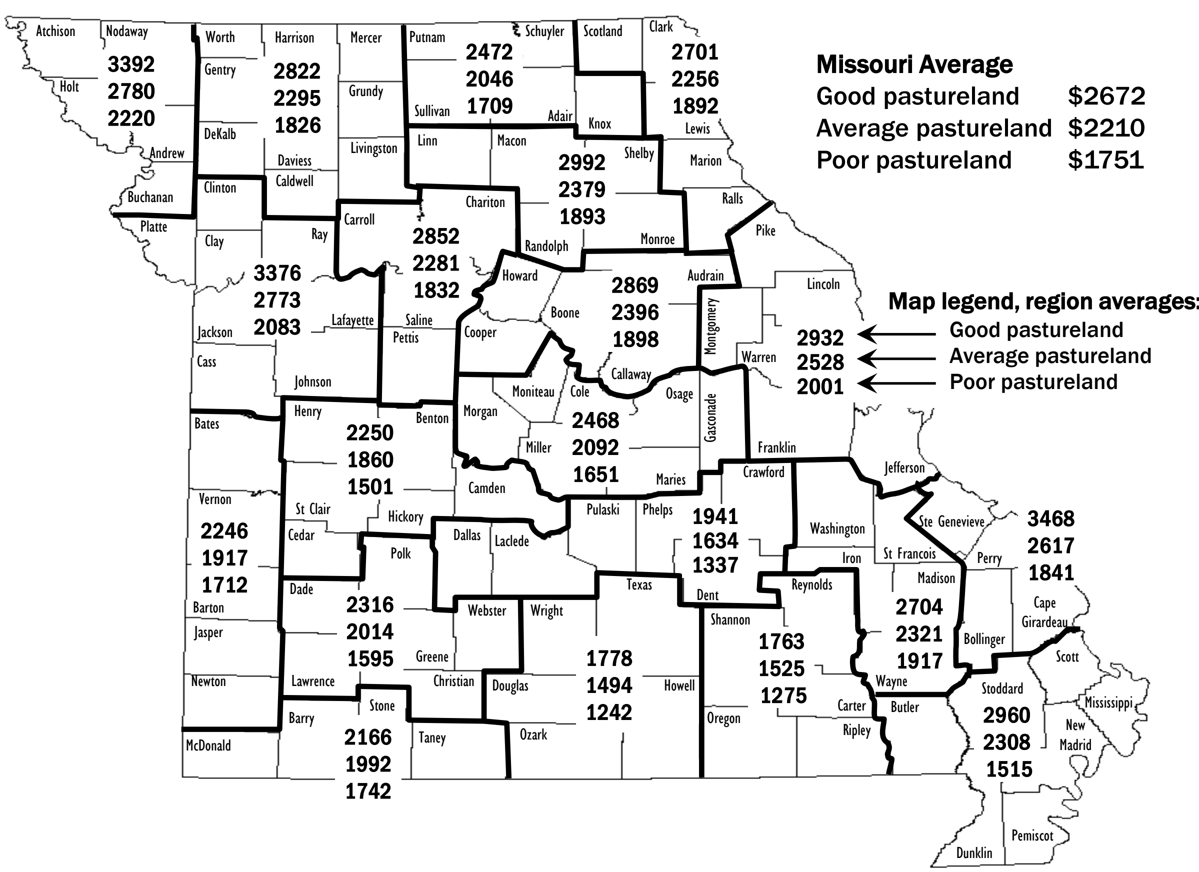
Outlook (Map 6)

Over the next 12 months, respondents expect cropland values to fall 1.2%, pasture values to increase about 2.2% and non-crop/non-pasture values to increase 0.8%.

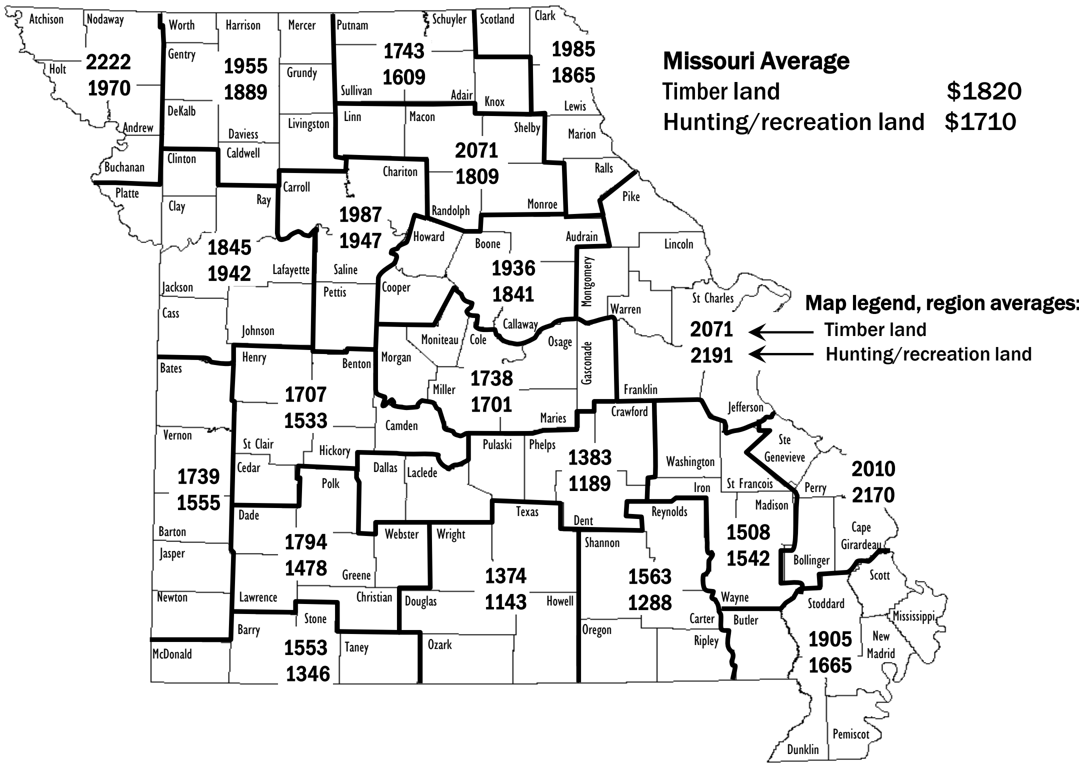
Map 1. Estimated cropland values per acre for July 2014



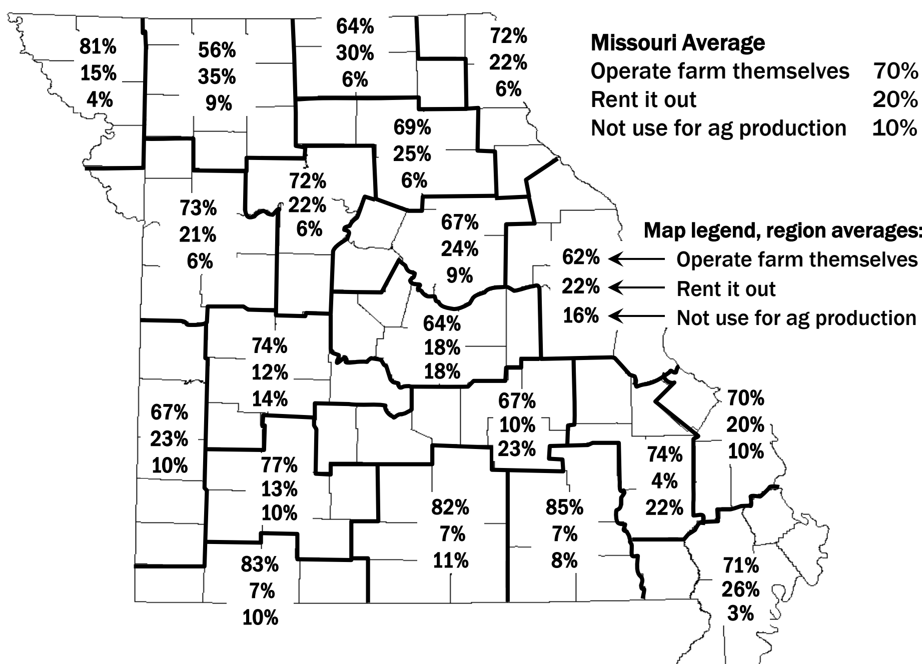
Map 2. Estimated pastureland values per acre for July 2014



Map 3. Estimated timber and hunting/recreation land values per acre for July 2014



Map 4. Use to be made of farmland purchased in 2014

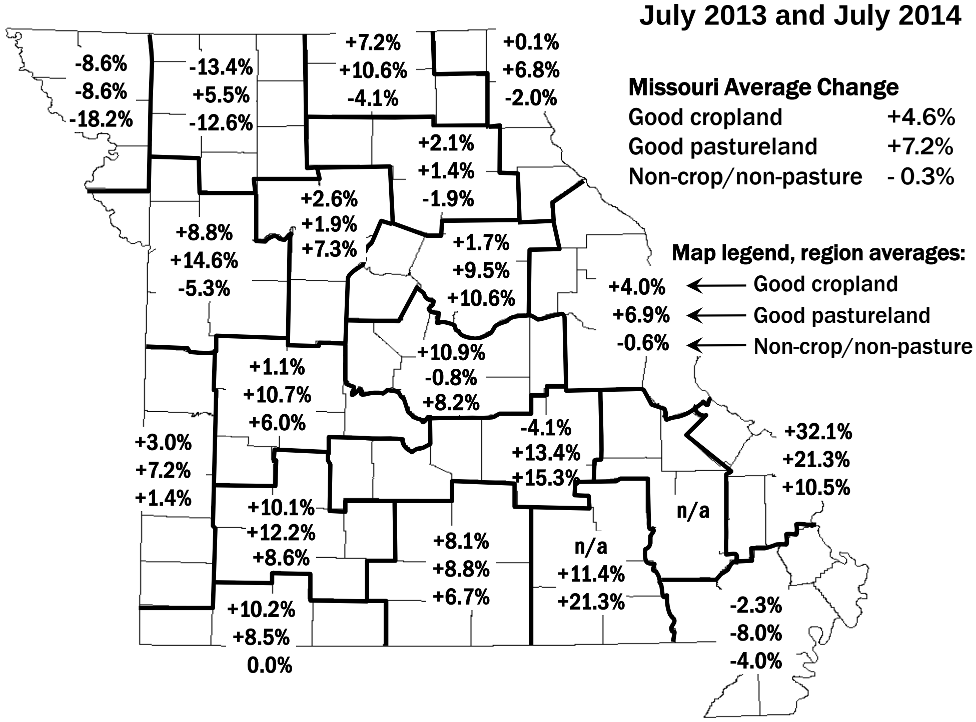


Values estimated in this survey exclude tracts smaller than 40 acres or farmland being priced on its development potential.

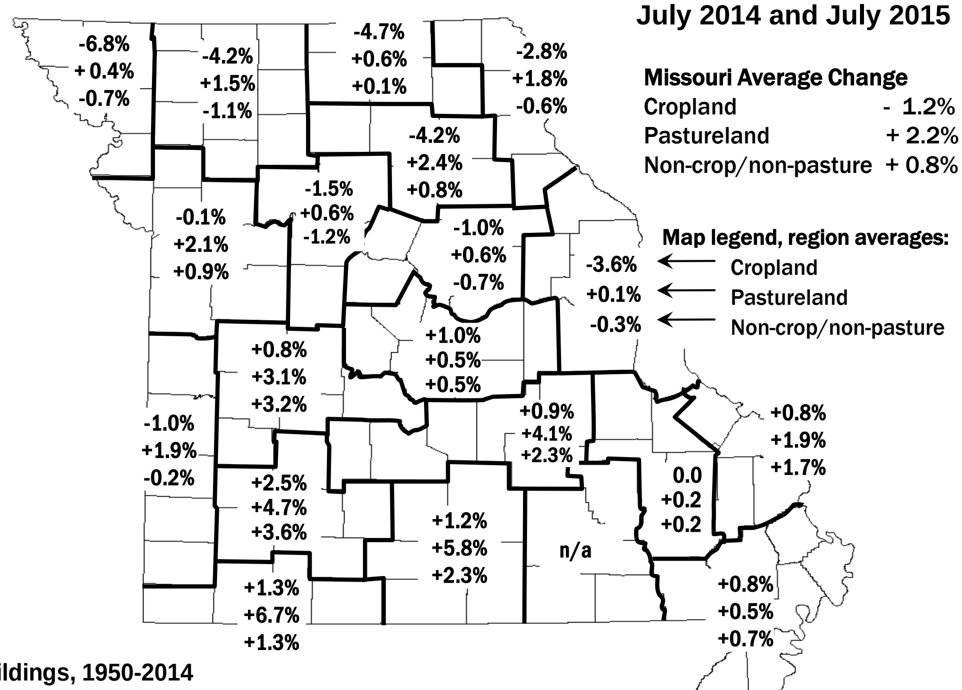
Agricultural Land Values Per Acre June 2014
(USDA/NASS)

	Cropland	Pasture	All land & bldgs.
Missouri	$3,810	$1,850	$3,100
Kansas	2,260	1,300	2,050
Arkansas	2,540	2,240	2,850
Iowa	8,750	3,400	8,500
Illinois	7,700	3,400	7,520
Cornbelt (IN, IL, IA, MO, OH)	7,000	2,360	6,370
U.S. (average 48 states)	4,100	1,300	2,950

Map 5. Percent change in estimated Missouri farmland values between July 2013 and July 2014



Map 6. Forecasted percent change in Missouri farmland values between July 2014 and July 2015



All Farmland & Buildings, 1950-2014
Missouri Values, USDA/NASS