

Missouri Farm Land Values Opinion Survey – 2017

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A web based survey was conducted in September 2017 to determine what people think has been happening to farmland values in Missouri. The survey was sent to persons we expected to have a good handle on land values. Ag lenders, rural appraisers and farmers received the survey. 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 131 usable surveys in 2017, 55% came from lenders, 12% from rural appraisers, 24% from farmers and 9% from 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 2017 for three classes of cropland and pasture (good, average, poor), timberland (with valuable trees), and hunting/recreation land (land with little productive agricultural 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 value of good cropland of \$4,877/acre was up \$200, or 4.3% above last year. There was a wide range of price changes across the state – some increased, others decreased. Good pastureland was estimated to have a statewide average value of \$2,916/acre, an increase of \$232 or 8.6%. Timber land was up \$105/acre to \$2,012/acre. Hunting/recreation land was up \$241/acre to \$2,048/acre.

Who Is Buying Land?

Survey respondents thought land buyers were purchasing land for reasons similar to last year. Sixty eight percent of farmland buyers were planning to farm the land themselves; 21% were planning to rent out the land; 11% were planning to use it for non-farming purposes (Map 4).

Factors Affecting Values

Comments from respondents varied greatly on what they thought was affecting land values. Some indicated that sustained cattle prices kept land from going lower. Others mentioned that good cropland rarely comes on the market and therefore, when it does, the price necessary to buy it continues to be high. Others indicated that some land is for sale at high prices and is staying on the market for longer periods of time. Low interest rates also had a positive impact on land values.

Several respondents noted investors are back in the market. An influx of Amish and Mennonite buyers continue to create increased demand in a certain regions.

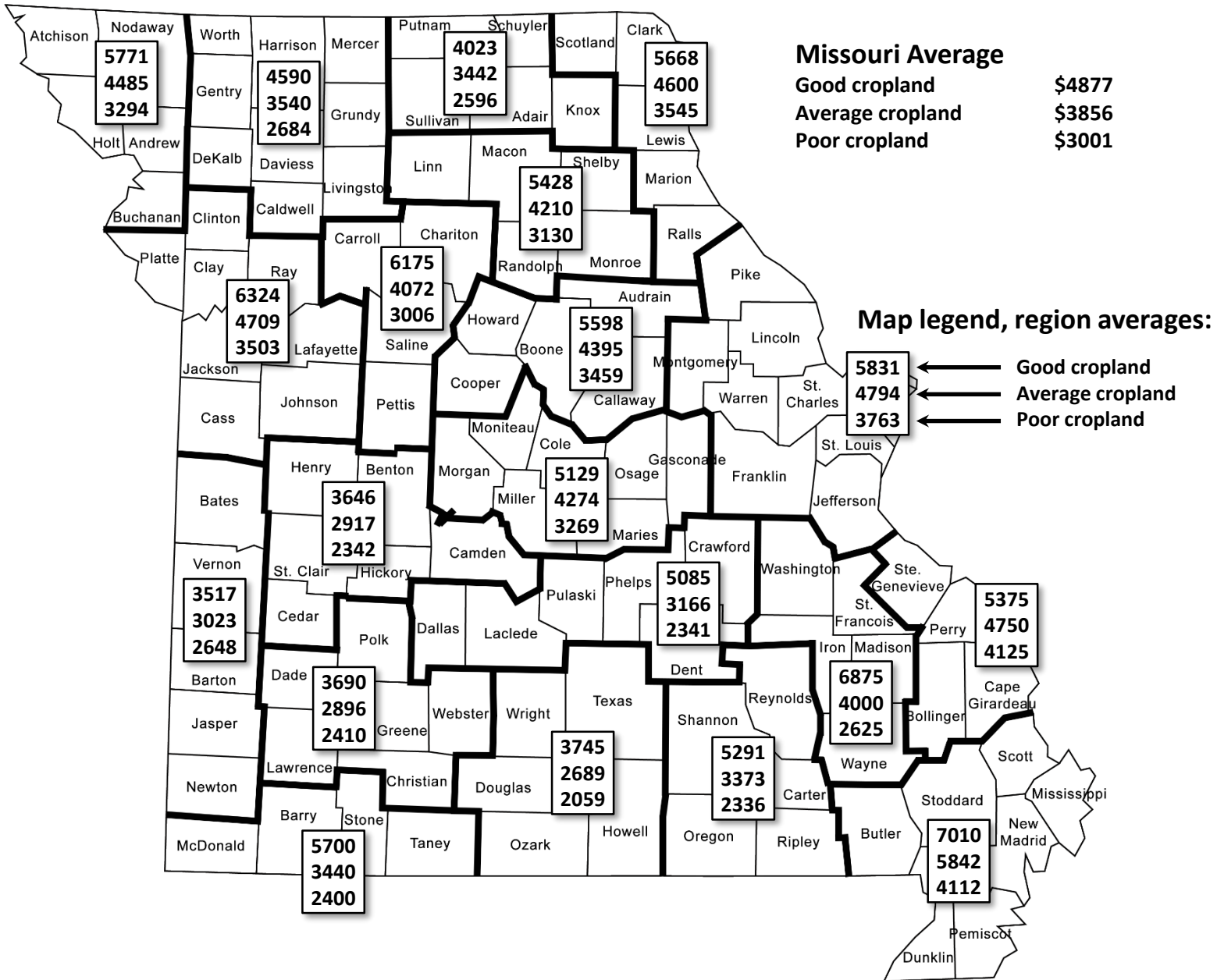
Some respondents noted that cash rents were holding steady, causing land values to hold steady. While we asked respondents to report only values for land intended to be used for agriculture, several noted that land closer to roads and cities was continuing to show strength. Tracts smaller than 40 acres were not supposed to be reported but several respondents indicated good interest in small tracts for hobby farms and residences. Off farm income is also supporting land values.

Outlook

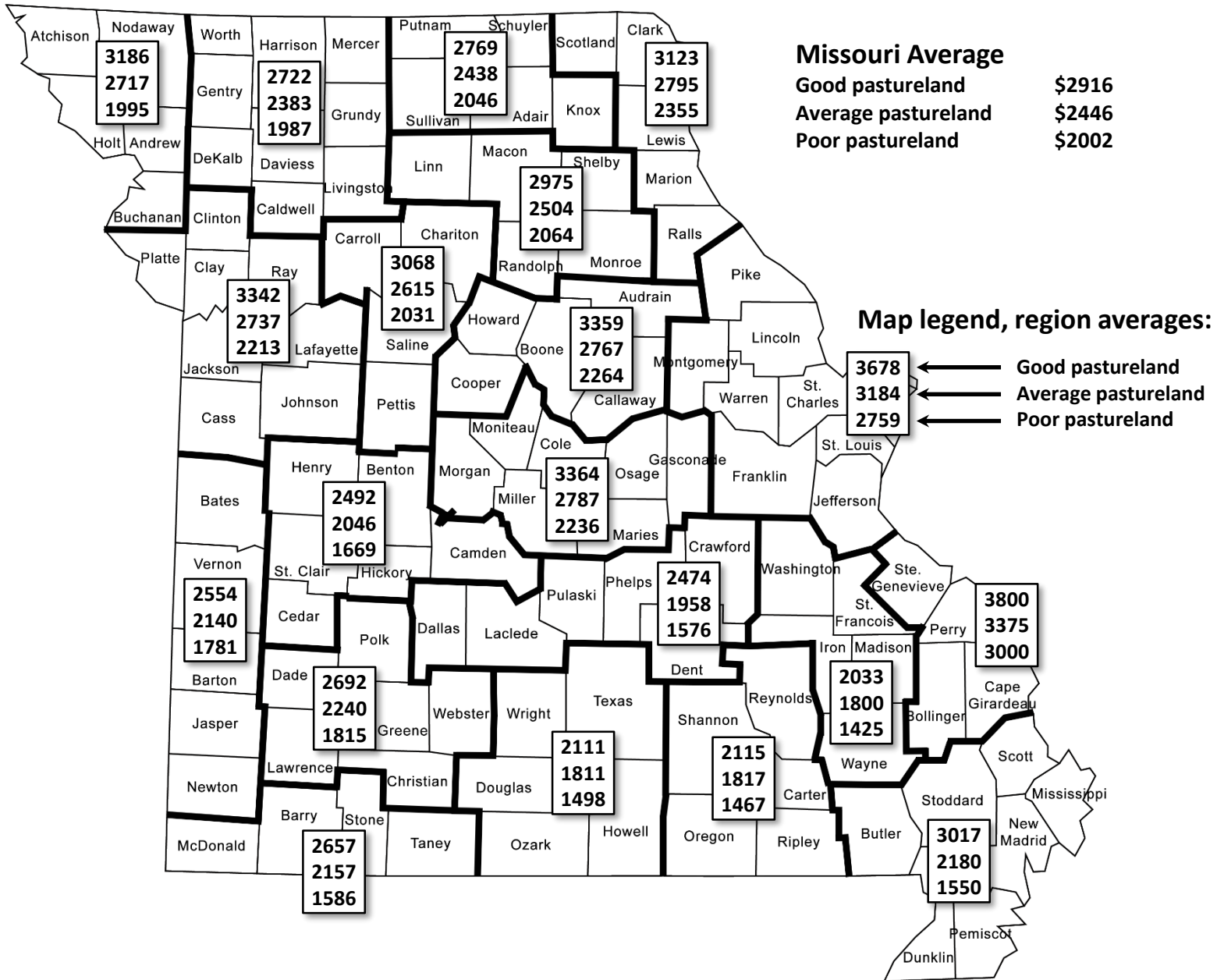
Over the next 12 months, respondents expect cropland values to increase 0.3%, pasture values to increase about 0.6% and non-crop/non-pasture values to increase 1.3% (Map 5).

This publication is dedicated to Joyce White and Ron Plain who conducted this survey since 2000. Both retired, leaving a big hole in the Extension activities of the University of Missouri Department of Agriculture and Applied Economics. Our use of a web-based survey rather than a mailed survey, such as Ron and Joyce always used, could be responsible for some of the differences in results from last year.

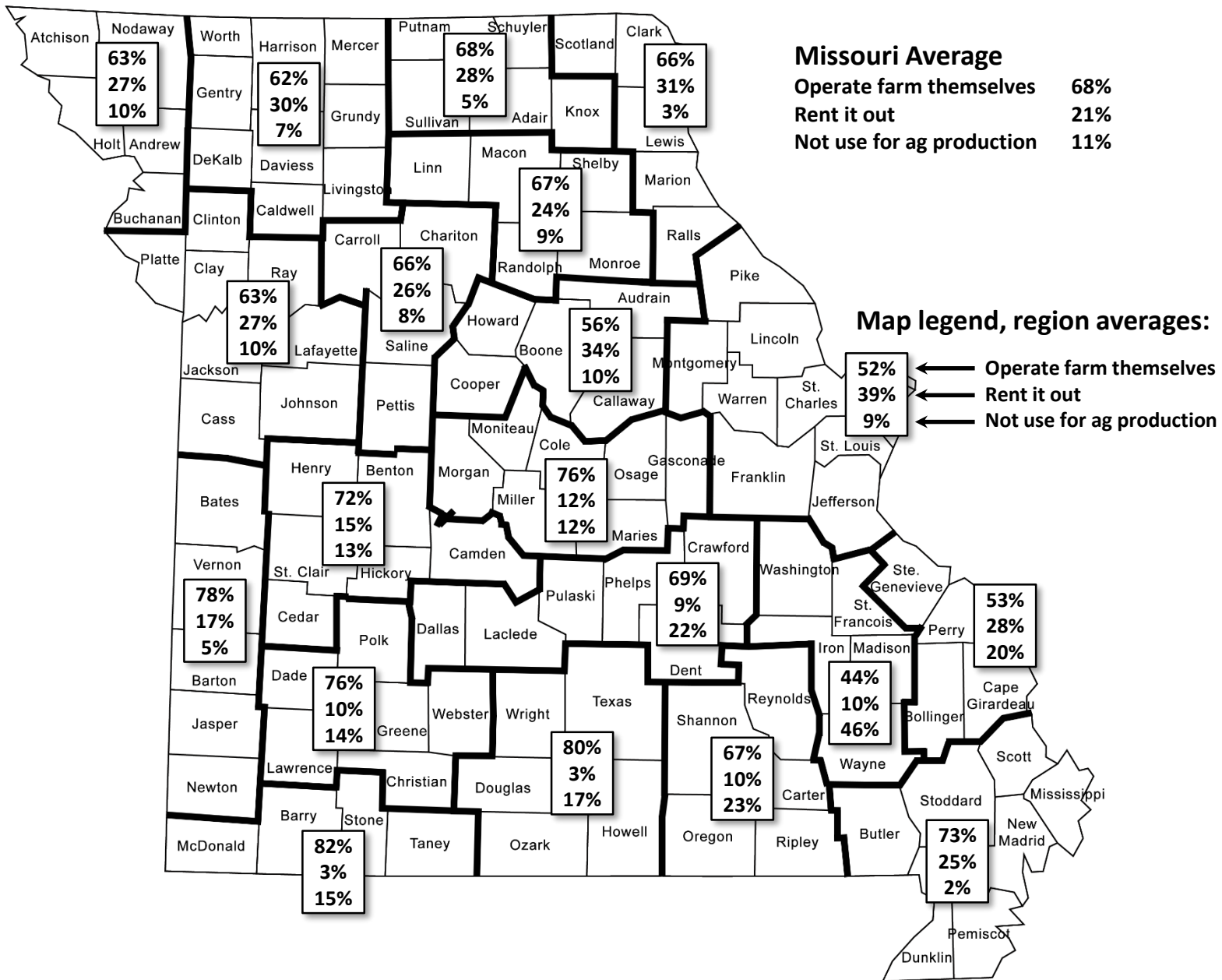
Map 1. Estimated cropland values per acre for July 2017



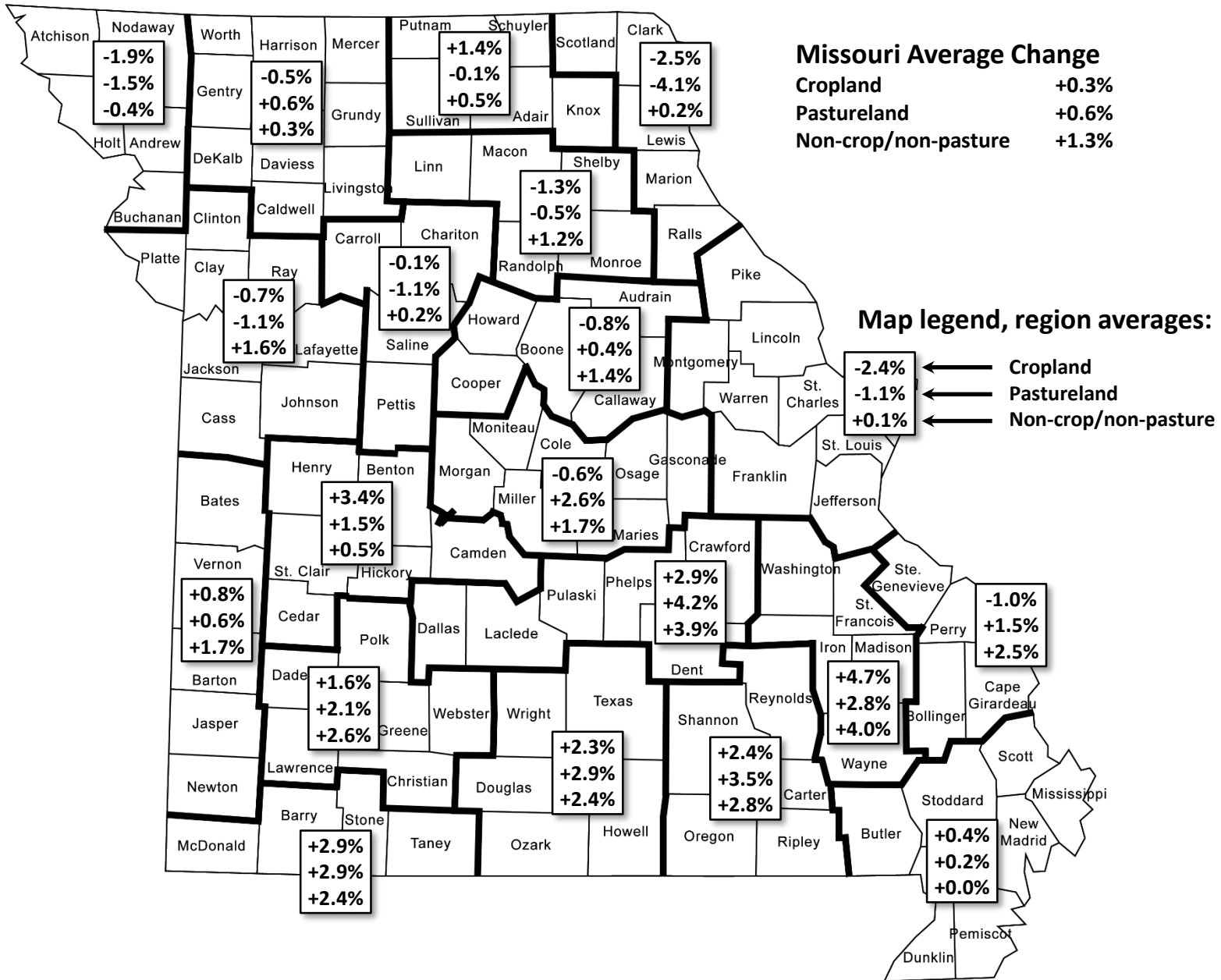
Map 2. Estimated pastureland values per acre for July 2017



Map 4. Use to be made of farmland purchased in 2017



Map 5. Forecasted percent change in Missouri farmland values between July 2017 and July 2018



Agricultural Land Values Per Acre June 2017 (USDA/NASS)

| | Cropland | Pasture | All land & buildings |
|-------------------------------|----------|---------|----------------------|
| Missouri | \$3,820 | \$1,970 | \$3,350 |
| Kansas | \$1,970 | \$1,280 | \$1,850 |
| Arkansas | \$2,790 | \$2,520 | \$3,180 |
| Iowa | \$8,100 | \$3,100 | \$8,000 |
| Illinois | \$7,350 | \$3,300 | \$7,300 |
| Cornbelt (IN, IL, IA, MO, OH) | \$6,670 | \$2,380 | \$6,260 |
| U.S. (average 48 state) | \$4,090 | \$1,350 | \$3,080 |

All Farmland & Buildings, 1950-2017 Missouri Values, USDA/NASS

