

# Missouri Farm Land Values Opinion Survey

A web-based survey was conducted in September 2021 to determine what people think has been happening to farmland values in Missouri. The survey was sent to persons we expected to have insight 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.

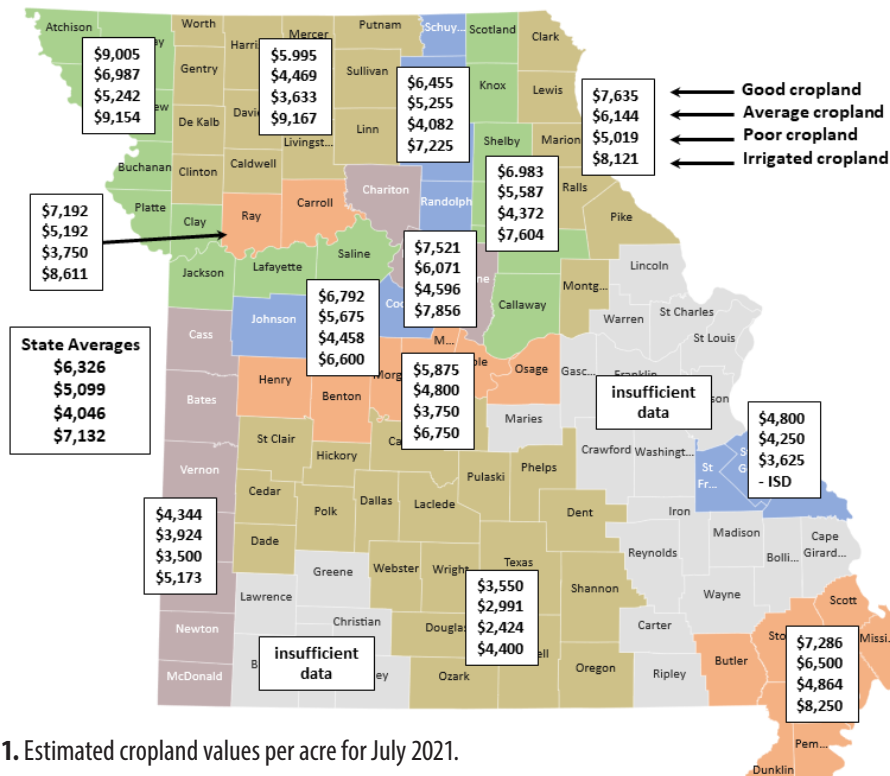
Of the 88 usable surveys in 2021, 49 percent came from lenders, 34 percent from farmers, 6 percent from rural appraisers, and 10 percent from other occupations. They provided their opinions on questions concerning current farmland values and trends. They were asked to exclude from their answer's tracts smaller than 40 acres or land being converted to development or commercial uses.

## Average value of land

Respondents were asked to give estimates of land values as of July 2021 for three classes of cropland and pasture (good, average, poor), irrigated cropland, timberland (with valuable trees), and hunting/recreation land (with little productive agricultural value but with desirable aesthetic qualities). Classification of land was left to the judgment of each respondent. Maps 1, 2 and 3 summarize their responses.

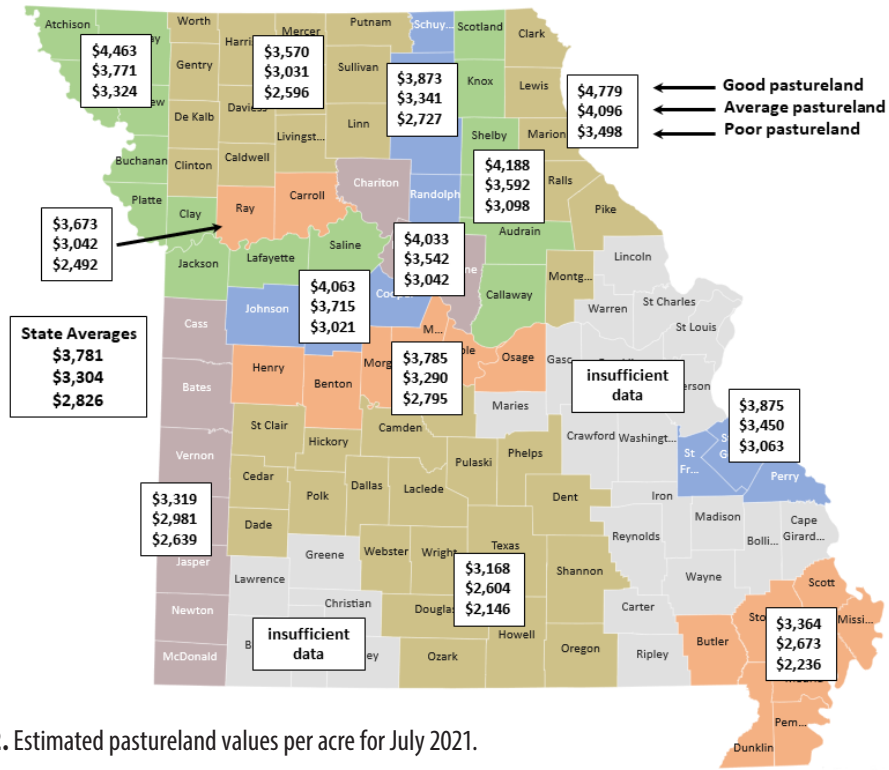
This year's respondents reported the value of good, non-irrigated cropland at \$6,326 per acre, up \$771 or 14 percent above last year. The average statewide value reported for irrigated cropland was \$7,132, up \$797 from last year (Map 1).

Good pastureland was estimated to have a statewide average value of \$3,781 per acre, up \$407 or 12 percent above 2020 estimates (Map 2). Timberland was up \$509 to \$3,070 per acre. Hunting/recreation land was up \$581 to \$3,162 per acre (Map 3).

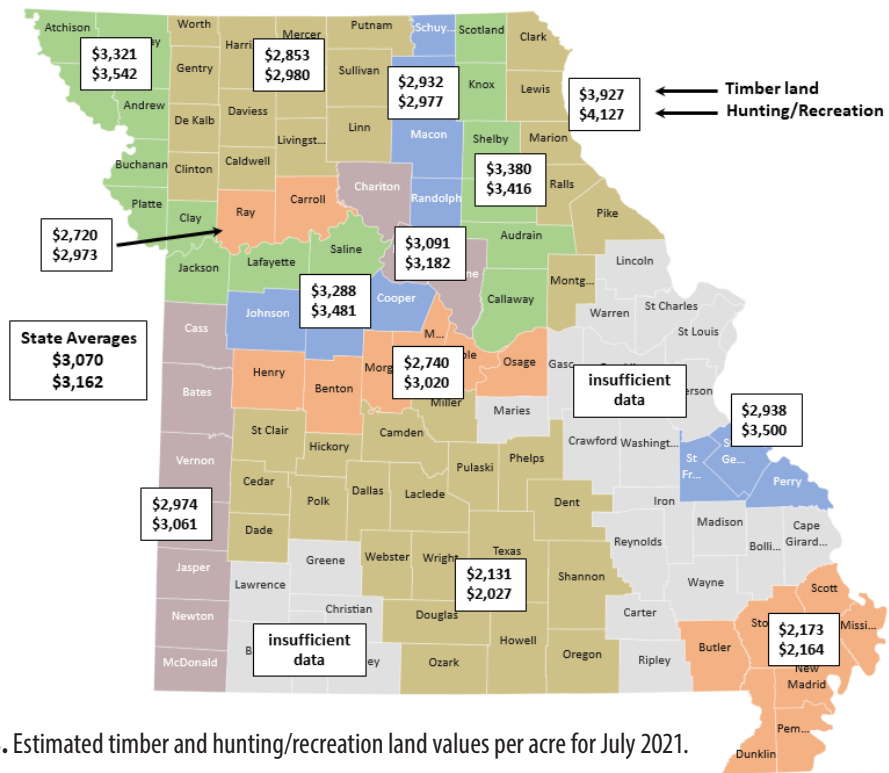


Map 1. Estimated cropland values per acre for July 2021.

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**Map 2.** Estimated pastureland values per acre for July 2021.



**Map 3.** Estimated timber and hunting/recreation land values per acre for July 2021.

Map 4 displays the percent change in reported value from the 2020 survey to the 2021 survey for good cropland, good pastureland and timber/hunting/recreational land. Cropland value changes varied widely from -3% to +36% (Map 4), depending on the district. The variability across districts emphasizes the need to use caution when evaluating any one parcel of land.

## Who is buying land?

Survey respondents thought that 55 percent of farmland buyers were planning to farm the land themselves, 29 percent were planning to rent out the land and 15 percent were planning to use it for non-farming purposes (Map 5). This result shows a continuing increase in land purchases for non-agricultural purposes.

## Factors affecting values

Many comments from the survey respondents mentioned exceptional farm income during the last two years as a factor impacting cropland values. They also mentioned urban sprawl and outside money (non-farm/rural resident) affecting timber and recreation land.

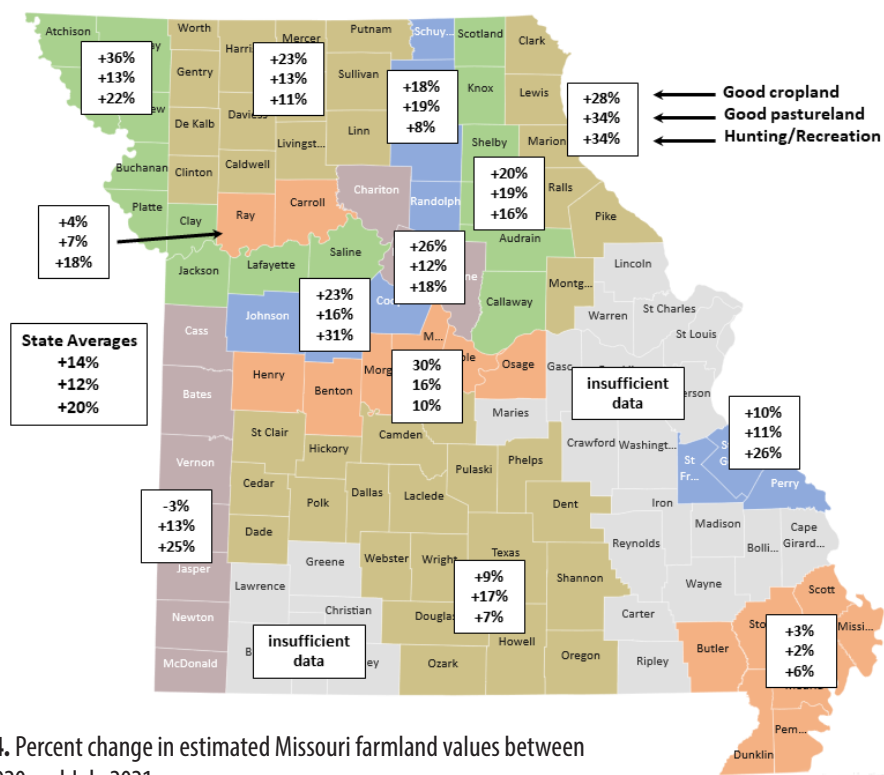
Low interest rates continue to be considered a factor in increasing land values. Several survey respondents mentioned larger farms with equity purchasing more land. Other respondents mentioned land being subdivided into smaller tracts for use as homesteads or for recreation.

Location was again mentioned as important. Land value within short driving distances of urban areas is increasing at a much faster rate than the remainder of land in the state.

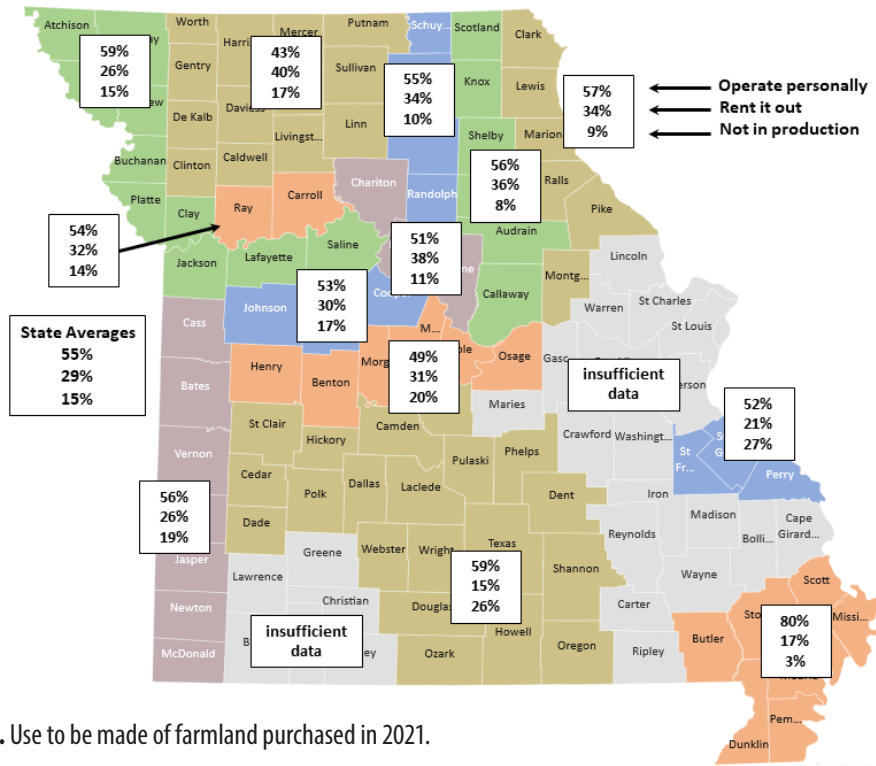
## Outlook

In 2020, respondents forecasted prices to increase 2% for all types of land. This year's increase of 14% for cropland and 20% for timberland exceeded expectations significantly.

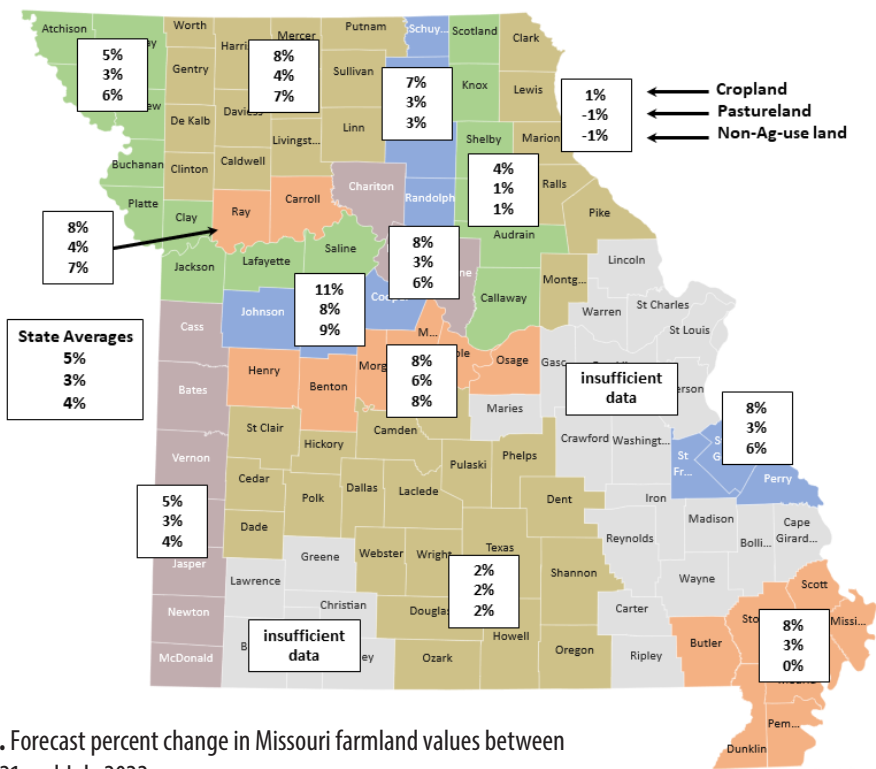
Survey respondents forecasted that over the next year cropland will increase 5%, pastureland 3%, and non-farmland 4%. This is higher than in previous years but indicates that the substantial increase seen in 2021 will not continue. Map 6 shows the expected change by region.



**Map 4.** Percent change in estimated Missouri farmland values between July 2020 and July 2021.



Map 5. Use to be made of farmland purchased in 2021.



Map 6. Forecast percent change in Missouri farmland values between July 2021 and July 2022.

## USDA land value data

Table 1 reports the USDA estimates of average land values for Missouri and surrounding states. The \$3,810 estimate of the USDA for cropland is \$1,289 lower than the \$5,099 value reported by our survey respondents for average cropland. For pastureland, the USDA estimates the value at \$2,160 per acre, or \$1,144 less than our survey estimate \$3,304 per acre.

The USDA data for other states can give a relative perspective of the value of land between states.

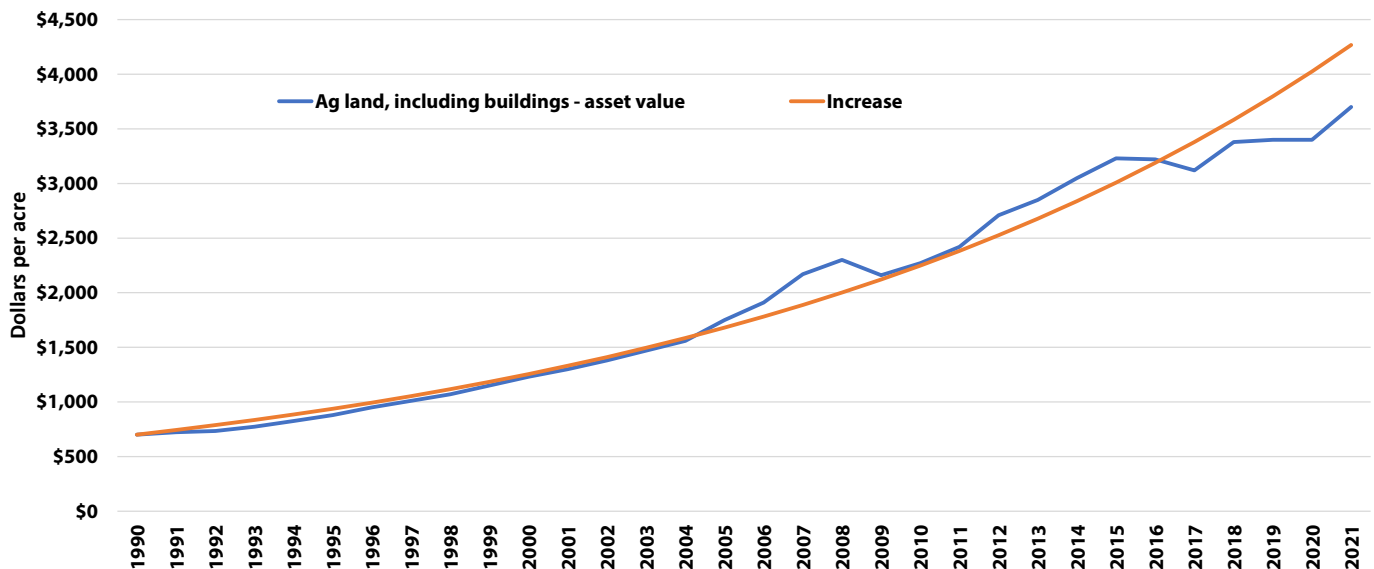
Figure 1 shows the trend in Missouri farmland and building values over time. There has been a fairly consistent 6 percent appreciation of value since 1950. According to USDA data, real estate values began increasing faster than 6% in the early 2000's but slipped below the 6% compounding rate around 2015. This year's increase brings real estate values in Missouri slightly under the six percent trend line.

**Table 1. Agricultural land values per acre, June 2021.**

State(s)	Cropland (dollars)	Pasture (dollars)	All land and buildings (dollars)
Missouri	3,810	2,160	3,700
Arkansas	2,930	2,700	3,390
Illinois	7,900	3,400	7,900
Iowa	7,810	3,020	7,740
Kansas	2,370	1,500	2,100
Corn belt <sup>1</sup>	6,624	2,902	6,608
United States <sup>2</sup>	4,787	2,548	4,933

<sup>1</sup> Includes Indiana, Illinois, Iowa, Missouri, and Ohio.

<sup>2</sup> Averages 48 states.



**Figure 1.** All farmland and buildings, 1950–2021, Missouri values.



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