

Missouri Farmland Values Opinion Survey

In Missouri, land sale prices are not required to be reported to any government or public agency. In turn, it is challenging to understand current prices and forward-looking projections for the state's farmland values. This report summarizes results from a web-based survey conducted by the Agribusiness and Policy Extension Program at the University of Missouri, which aims to provide insight into perceived changes in land values across Missouri's farmland market. This information supplements state-level estimates published by the U.S. Department of Agriculture (USDA) National Agricultural Statistics Service (NASS).

The most recent survey was conducted in October 2023 and collected 322 responses. Of the 322 responses, 33% were from farmers or landowners, 24% were from lenders, 19% were from government employees, and

24% from other occupations. Each respondent was invited to report land values for cropland, pastureland, timberland, and hunting/recreation land for up to three counties based on their knowledge of a sales transaction that occurred in the last 12 months. The survey captured 1,776 land value observations.

USDA Agricultural Statistics Districts (ASD) boundaries were used to aggregate the data, capturing variation in geography, climate, and cropping practices. This categorization divides Missouri into nine regions: Northwest, North Central, Northeast, West, Central, East, Southwest, South Central, and Southeast. A tenth region was created for the state's urban areas, including Platte County, Clay County, Jackson County, St. Charles County, and St. Louis County. Figure 1 denotes these regions with dark borders and shading. Counties



Figure 1. Survey regions and counties with insufficient data.

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in gray indicate areas where no survey responses were collected, preventing the survey authors from reporting on farmland value opinions. No survey responses were collected from the St. Louis urban area.

Average value of land

Respondents were asked to provide estimates of land values for three classes of cropland and pastureland (good, average, poor), irrigated cropland, timberland (with valuable trees), and hunting/recreation land (with little productive agricultural value but desirable aesthetic qualities). “Good” land is defined as land with yields more than 10% above the county average, while “Poor” land is defined as land with yields more than 10% below the county average.

Table 1 reports farmland values (in dollars per acre) at the state and regional levels, based on the 2023 Missouri farmland values opinion survey data. The table also displays percentage changes in reported statewide values from 2022 to 2023. In Missouri, the average value of

“good” non-irrigated cropland was \$8,631 per acre, a \$313 increase (4%) from 2022. The average statewide value of “average” non-irrigated cropland was \$6,951 per acre, a 4% increase. Irrigated cropland was reported at a statewide average of \$9,678 per acre, up \$534 per acre (6%) from 2022. “Good” pastureland was estimated at \$5,139 per acre statewide, up \$345 (7%) from 2022 estimates. Timberland was up \$221 to \$3,994 per acre statewide, while hunting/recreation land was up \$529 to \$4,383 per acre on average.

The results suggest land values tend to be highest in urban areas and lowest in the South Central region. Hunting/recreation land had the largest statewide increase (14%), followed by “average” and “poor” pastureland, both with 11% increases. Increases in cropland values of all qualities ranged from 4% to 6%. Based on observations collected in 2023, the increase in cropland values was less pronounced than the reported 31% increase in the 2021-2022 survey. It should be noted that these increases may be impacted by year-to-year changes in geographic response rates.

Table 1. Farmland values (dollars per acre) based on 2023 Missouri Farmland Opinion Survey.

	Cropland				Pastureland			Timberland	Hunting or recreation land
	Irrigated	Good	Average	Poor	Good	Average	Poor	Average	Average
State									
State average	9,678	8,631	6,951	5,527	5,139	4,555	3,831	3,994	4,383
Percent increase from last year	6%	4%	4%	6%	7%	11%	11%	6%	14%
Region									
Northwest	9,921	8,974	6,763	5,268	5,322	4,520	4,345	4,016	3,961
North Central	10,556	8,698	6,361	4,664	4,415	3,853	3,248	3,798	3,731
Northeast	10,778	9,408	8,065	6,792	4,849	4,521	3,826	4,500	4,721
West	11,375	10,183	9,188	8,263	5,825	5,313	4,548	4,063	4,583
Central	8,999	7,759	6,606	5,386	5,181	4,421	3,772	3,851	4,730
East	9,583	8,507	7,070	5,638	6,222	5,542	4,489	4,298	5,117
Southwest	8,500	7,357	6,156	5,063	6,125	5,406	4,344	4,938	5,281
South Central	6,000	5,750	3,930	3,720	4,031	3,433	2,675	2,900	2,608
Southeast	10,044	9,395	7,545	5,524	4,429	3,726	3,071	3,068	3,025
Urban Area	12,250	11,708	10,500	6,917	6,750	7,625	4,583	5,000	8,750

Who bought and sold farmland in the last 12 months?

Survey respondents were asked for their opinion on who bought and sold farmland in Missouri, based on their experience and observations. Respondents could choose from seven listed choices of buyers.

Responses suggested a split in buyers of Missouri farmland (Table 2). Local farmers were believed to account for 36% of buyers, while investors accounted for 27%, followed by other types of farmers at 22% (which may include developers or people who relocated but are not farmers). New farmers and relocating farmers were believed to account for approximately 8% and 5% of buyers, respectively. Buyers looking for recreational land and lifestyle accounted for only 1%.

Table 2. Types of Missouri farmland buyers in the last 12 months.

Local farmers	36%
Investors	27%
Other	22%
New farmers	8%
Relocating farmers	5%
Institutions	2%
Recreational land and lifestyle buyers	1%

In a follow-up question, survey respondents were provided a list of four options and asked their opinion about the buyer's plan for the land (Table 3). Respondents felt that 51% of the buyers who purchased land in Missouri planned to farm the land themselves, 27% planned to rent out the land, and 19% planned to use it for non-farming purposes (includes hunting, recreation, development, and other uses).

Table 3. Buyers' plan for purchased Missouri farmland.

Operate the farm themselves	51%
Rent the land out	27%
Not use the land for agricultural production	19%
Other uses	4%

Surveyed participants were also asked their opinion on who sold farmland in the last 12 months and were allowed to select from six types of sellers. On average, 40% of observed farmland sales were thought to have originated from estate sales, 37% from retired farmers, 11% from investors, and 9% from active farmers (Table 4).

Table 4. Types of Missouri farmland sellers in the last 12 months.

Estate sales	40%
Retired farmers	37%
Investors	11%
Active local farmers	9%
Other	2%
Institutions	1%

A follow-up question asked respondents to indicate the primary reason why land was being sold. Respondents believed 45% of people who sold Missouri farmland did so because of advantageous market prices. Another 31% of sellers sold land as part of a family farm succession plan, while 13% were motivated by the need for cash, and 6% were adjusting their investment portfolio.

Factors affecting land values

The survey also asked respondents what factors they thought were influencing farmland values. Many responded that rising interest rates, inflation, and taxes were significant factors applying downward pressure to farmland values. Higher interest rates may impact farmers' willingness to pay for land; however, not every farmer needs to finance land purchases. Based on the 2023 survey, some respondents felt farmers who purchased land held strong cash positions.

Limited land available for sale and strong demand from investors were viewed as factors that pushed up the price of land. Many noted that urbanization and buyers from outside the county impacted land values, especially on hunting/recreation land. This observation is consistent with findings that indicate estimated increases in hunting/recreation land values were higher than other types of land in 2023.

Outlook

Survey respondents also shared expectations regarding farmland values in 2024 (Table 5). Overall, respondents forecasted land prices to increase 4.8% for cropland, 4.6% for pastureland, and 4.1% for non-crop and non-pastureland. Farmland values were reported to be the highest in urban areas, but respondents expected those land prices to increase the least (1% to 2%) in the next year. The forecasted change in land values in West region of Missouri was highest, ranging from 11% to 14% based on collected responses.

USDA land value data

Table 6 reports the August 2023 USDA estimates of average land values for Missouri and surrounding states. The USDA's \$4,610 estimate for Missouri cropland is \$2,341 lower than the value reported by survey respondents for "average" cropland. For pastureland,

USDA estimates the value at \$2,500 per acre, or \$2,055 less than the survey estimate. The point of comparison also varies between these data sets – the MU Extension survey asks only for land values, while USDA data includes the value of all land and buildings on farms.

Table 5. Respondents' expectations about farmland values in 2024.

Region	Average cropland value (percent)	Average pastureland value (percent)	Average other land value (percent)
Northwest	4.3%	5.0%	3.9%
North Central	3.1%	2.3%	0.2%
Northeast	3.9%	2.0%	2.1%
West	11.5%	13.7%	12.1%
Central	4.6%	4.5%	4.1%
East	5.1%	6.0%	7.0%
Southwest	3.6%	3.5%	4.7%
South Central	7.5%	7.0%	3.9%
Southeast	2.9%	1.2%	1.4%
Urban Area	1.3%	1.3%	1.9%

Table 6. USDA agricultural land values per acre, August 2023.

State(s)	Cropland (dollars per acre)	Pasture (dollars per acre)	Farm real estate ³ (dollars per acre)
Missouri	4,610	2,500	4,500
Arkansas	3,180	2,900	3,600
Illinois	9,580	3,820	9,300
Iowa	8,400	3,400	9,930
Kansas	3,440	2,150	3,060
Corn belt ¹	8,540	2,860	8,100
United States ²	5,460	1,760	4,080

¹ Includes Indiana, Illinois, Missouri and Ohio.

² Average of the 48 continental states.

³ Farm real estate is an estimate of the land and all buildings on a per acre basis.