1-2017

2016 Iowa Land Value Survey

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Table 1. Average value per acre of Iowa farmland listed by crop reporting districts and quality of land 2007-2016

Year	State Avg	North-west	North Central	North-east	West Central	Central	East Central	South-west	South Central	South-east
					All quality					
2007	$ 3,909	$ 4,699	$ 4,356	$ 4,055	$ 4,033	$ 4,529	$ 4,272	$ 3,209	$ 2,325	$ 3,463
2008	$ 4,468	$ 5,395	$ 4,950	$ 4,590	$ 4,823	$ 5,280	$ 4,743	$ 3,626	$ 2,573	$ 3,913
2009	$ 4,371	$ 5,364	$ 4,827	$ 4,464	$ 4,652	$ 5,026	$ 4,796	$ 3,559	$ 2,537	$ 3,832
2010	$ 5,064	$ 6,356	$ 5,746	$ 5,022	$ 5,466	$ 5,901	$ 5,447	$ 4,325	$ 2,690	$ 4,296
2011	$ 6,708	$ 8,338	$ 7,356	$ 6,602	$ 7,419	$ 7,781	$ 7,110	$ 5,905	$ 3,407	$ 5,705
2012	$ 8,296	$ 11,404	$ 9,560	$ 8,523	$ 9,216	$ 9,365	$ 8,420	$ 7,015	$ 4,308	$ 6,172
2013	$ 8,716	$ 10,960	$ 9,818	$ 9,161	$ 9,449	$ 9,877	$ 9,327	$ 7,531	$ 4,791	$ 6,994
2014	$ 7,943	$ 9,615	$ 8,536	$ 8,151	$ 8,424	$ 9,087	$ 9,008	$ 6,513	$ 4,475	$ 7,215
2015	$ 7,633	$ 9,685	$ 7,962	$ 7,861	$ 8,061	$ 8,505	$ 8,506	$ 6,372	$ 4,397	$ 6,892
2016	$ 7,183	$ 9,243	$ 7,562	$ 7,313	$ 7,358	$ 7,841	$ 7,917	$ 6,060	$ 4,241	$ 6,716
					High quality					
2007	$ 4,686	$ 5,313	$ 4,807	$ 4,859	$ 4,804	$ 5,261	$ 5,073	$ 3,989	$ 3,231	$ 4,625
2008	$ 5,381	$ 6,150	$ 5,514	$ 5,415	$ 5,752	$ 6,076	$ 5,674	$ 4,642	$ 3,586	$ 5,346
2009	$ 5,321	$ 6,129	$ 5,371	$ 5,349	$ 5,552	$ 5,939	$ 5,738	$ 4,539	$ 3,710	$ 5,306
2010	$ 6,109	$ 7,283	$ 6,397	$ 6,076	$ 6,585	$ 7,026	$ 6,152	$ 5,335	$ 3,892	$ 5,862
2011	$ 8,198	$ 9,649	$ 8,601	$ 7,994	$ 8,889	$ 9,332	$ 8,675	$ 7,418	$ 5,109	$ 7,721
2012	$ 10,181	$ 12,890	$ 10,765	$ 10,708	$ 11,128	$ 11,139	$ 10,201	$ 8,818	$ 6,437	$ 8,879
2013	$ 10,828	$ 12,824	$ 11,159	$ 11,423	$ 11,591	$ 11,803	$ 11,631	$ 9,591	$ 7,150	$ 9,785
2014	$ 9,854	$ 11,201	$ 9,630	$ 10,083	$ 10,275	$ 10,780	$ 11,034	$ 8,482	$ 6,663	$ 10,150
2015	$ 9,364	$ 11,229	$ 8,976	$ 9,575	$ 9,684	$ 10,087	$ 10,289	$ 8,031	$ 6,445	$ 9,536
2016	$ 8,758	$ 10,650	$ 8,442	$ 8,892	$ 8,874	$ 9,299	$ 9,502	$ 7,527	$ 5,980	$ 9,265

Year	State Avg	North-west	North Central	North-east	West Central	Central	East Central	South-west	South Central	South-east
					Medium quality					
2007	$ 3,667	$ 4,385	$ 4,026	$ 3,777	$ 3,796	$ 4,194	$ 4,005	$ 3,047	$ 2,296	$ 3,270
2008	$ 4,195	$ 5,023	$ 4,568	$ 4,339	$ 4,537	$ 4,919	$ 4,405	$ 3,425	$ 2,527	$ 3,721
2009	$ 4,076	$ 4,977	$ 4,450	$ 4,193	$ 4,371	$ 4,615	$ 4,465	$ 3,386	$ 2,443	$ 3,535
2010	$ 4,758	$ 5,883	$ 5,300	$ 4,664	$ 5,111	$ 5,386	$ 5,445	$ 4,140	$ 2,596	$ 4,053
2011	$ 6,256	$ 7,708	$ 6,713	$ 6,290	$ 6,981	$ 7,029	$ 6,510	$ 5,553	$ 3,353	$ 5,468
2012	$ 7,773	$ 11,011	$ 8,691	$ 7,815	$ 8,619	$ 8,466	$ 8,128	$ 6,732	$ 4,219	$ 5,685
2013	$ 8,047	$ 9,918	$ 8,824	$ 8,573	$ 8,725	$ 8,930	$ 8,567	$ 7,137	$ 4,715	$ 6,605
2014	$ 7,359	$ 8,698	$ 7,874	$ 7,591	$ 7,827	$ 8,327	$ 8,388	$ 6,108	$ 4,318	$ 6,715
2015	$ 7,127	$ 8,834	$ 7,352	$ 7,460	$ 7,581	$ 7,758	$ 7,934	$ 6,038	$ 4,282	$ 6,525
2016	$ 6,705	$ 8,468	$ 6,992	$ 6,994	$ 6,870	$ 7,186	$ 7,396	$ 5,683	$ 4,128	$ 6,283
					Low quality					
2007	$ 2,656	$ 3,210	$ 3,125	$ 2,853	$ 2,738	$ 3,004	$ 2,928	$ 2,175	$ 1,583	$ 2,131
2008	$ 2,967	$ 3,580	$ 3,408	$ 3,296	$ 3,187	$ 3,469	$ 3,214	$ 2,298	$ 1,757	$ 2,271
2009	$ 2,884	$ 3,490	$ 3,281	$ 3,177	$ 3,134	$ 3,203	$ 3,240	$ 2,286	$ 1,685	$ 2,281
2010	$ 3,357	$ 4,161	$ 3,976	$ 3,517	$ 3,542	$ 3,724	$ 3,840	$ 2,868	$ 1,794	$ 2,620
2011	$ 4,257	$ 5,196	$ 4,900	$ 4,352	$ 4,766	$ 4,848	$ 4,671	$ 3,824	$ 1,984	$ 3,335
2012	$ 5,119	$ 7,162	$ 6,303	$ 5,288	$ 5,877	$ 5,718	$ 5,013	$ 4,484	$ 2,562	$ 3,226
2013	$ 5,298	$ 6,845	$ 6,421	$ 5,670	$ 5,926	$ 5,918	$ 5,449	$ 4,592	$ 2,843	$ 3,651
2014	$ 4,878	$ 6,091	$ 5,428	$ 5,256	$ 5,173	$ 5,582	$ 5,479	$ 3,860	$ 2,808	$ 3,891
2015	$ 4,834	$ 6,252	$ 5,372	$ 5,242	$ 5,082	$ 5,292	$ 5,366	$ 4,070	$ 2,750	$ 3,797
2016	$ 4,665	$ 6,019	$ 5,164	$ 4,847	$ 4,577	$ 5,158	$ 5,153	$ 4,189	$ 2,892	$ 3,783

Table 2. Recent changes in Iowa farmland values 1975-2016

Year	Value per acre	Dollar change	Percent change	Year	Value per acre	Dollar change	Percent change	Year	Value per acre	Dollar change	Percent change
1975	$1,095	$261	31.3%	1989	$1,139	$85	8.1%	2003	$2,275	$192	9.2%
1976	$1,368	$273	24.9%	1990	$1,214	$75	6.6%	2004	$2,629	$354	15.6%
1977	$1,450	$82	6.0%	1991	$1,219	$5	0.4%	2005	$2,914	$285	10.8%
1978	$1,646	$196	13.5%	1992	$1,249	$30	2.5%	2006	$3,204	$290	10.0%
1979	$1,958	$312	19.0%	1993	$1,275	$26	2.1%	2007	$3,909	$705	22.0%
1980	$2,066	$108	5.5%	1994	$1,356	$81	6.4%	2008	$4,468	$559	14.3%
1981	$2,147	$81	3.9%	1995	$1,455	$99	7.3%	2009	$4,371	-$97	-2.2%
1982	$1,801	-$346	-16.1%	1996	$1,682	$227	15.6%	2010	$5,064	$693	15.9%
1983	$1,691	-$110	-6.1%	1997	$1,837	$155	9.2%	2011	$6,708	$1,644	32.5%
1984	$1,357	-$334	-19.8%	1998	$1,801	-$36	-2.0%	2012	$8,296	$1,588	23.7%
1985	$948	-$409	-30.1%	1999	$1,781	-$20	-1.1%	2013	$8,716	$420	5.1%
1986	$787	-$161	-17.0%	2000	$1,857	$76	4.3%	2014	$7,943	-$773	-8.9%
1987	$875	$88	11.2%	2001	$1,926	$69	3.7%	2015	$7,633	-$310	-3.9%
1988	$1,054	$179	20.5%	2002	$2,083	$157	8.2%	2016	$7,183	-$450	-5.9%

FM 1825 Revised January 2017

This report was prepared by Wendong Zhang, Assistant Professor of Economics, and by the Center for Agricultural and Rural Development, Iowa State University, Ames, Iowa.

Figures and Tables presented in this brochure are based on the 2016 Iowa Land Value Survey.

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www.card.iastate.edu/farmland/

2016 Iowa Land Value Survey*

The 2016 Iowa State University Land Value Survey showed a drop in land values for the third consecutive year—the first time this has happened since the 1980s farm crisis. The estimated $7,183 per acre statewide average for all qualities of land represents a 5.9 percent decline from November 2015. This decline is largely driven by low commodity prices and diminishing livestock returns.

A new web-portal, *http://www.card.iastate.edu/farmland*, has been developed to pool various sources of Iowa farmland values and offers visualization tools like charts over time and interactive county maps. Users can examine land value trends over time and across space at the county, district, and state level.

The 2016 ISU survey found existing farmers are the primary purchasers of farmland, accounting for 74 percent of sales, of which 72 percent were to existing local farmers. The percent of sales to investors rose slightly to 22 percent, while sales to new farmers remained steady at 3 percent.

All nine crop reporting districts reported a loss, ranging from an 8.7 percent decline in the West Central district to a 2.9% drop in the Southeast district. Additionally, 61 percent of respondents reported lower sales in 2016 relative to 2015. Lower commodity prices were the most commonly noted negative factor influencing the land market.

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**The Iowa Land Value Survey is based on reports by agricultural professionals knowledgeable of land market conditions such as appraisers, farm managers, agricultural lenders, and sales. It is intended to provide information on general land value trends, geographical land price relationships, and factors influencing the Iowa land market.*

Analysis by county

The 2016 state average for all qualities of land, estimated at $7,183 per acre, is a decrease of $450 per acre (5.9 percent) from 2015. All 99 counties in Iowa reported a drop in land value. Scott County again reported the highest value at $10,335 per acre. The lowest percentage decrease, 2.0 percent, was reported in Decatur, Appanoose, Wayne and Lucas Counties.

The lowest value per acre in the state was again reported by Decatur County, at $3,443 per acre. The largest dollar decrease was reported by Plymouth and Sioux Counties. The highest percentage decrease (8.4 percent) was reported by Monona County.

Analysis by quality of land

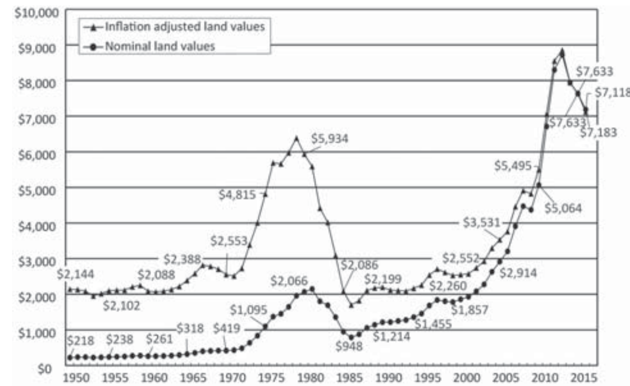
Low-quality land in the state averaged $4,665 per acre and showed a 3.5 percent ($169) decrease compared to 2015 values. Medium-quality land averaged $6,705 per acre and showed a 5.9 percent ($294) decrease. High-quality land averaged $8,758 per acre and showed a decrease of 6.5 percent ($606) per acre when compared to 2015 values.

Respondents were asked to provide estimated average CSR2 for high-, medium-, and low-quality land in their county, which were reported as 83, 69, and 55 points, respectively, for statewide averages.

Analysis by crop reporting district

All nine crop reporting districts reported a loss in land values: the largest percentage decrease was in West Central Iowa, 8.7 percent, while the smallest percentage decrease was in Southeast Iowa, at 2.6 percent. Only low-quality farmland in the Southwestern and South Central districts showed a gain from last year—2.9 and 5.2 percent, respectively.

Figure 1. Nominal and inflation-adjusted average value per acre of Iowa farmland



Land buyers and sellers

The majority of farmland sales, 74 percent, were to existing farmers, of which 72 percent were to existing local farmers. Investors and new farmers represented 22 and 3 percent of sales, respectively. Estate sales and retired farmers were the primary sellers of farmland last year, each accounting for 53 and 23 percent of sales.

Sixty-one percent of the respondents reported lower sales in 2016 relative to 2015, compared to only 10 percent who reported more sales.

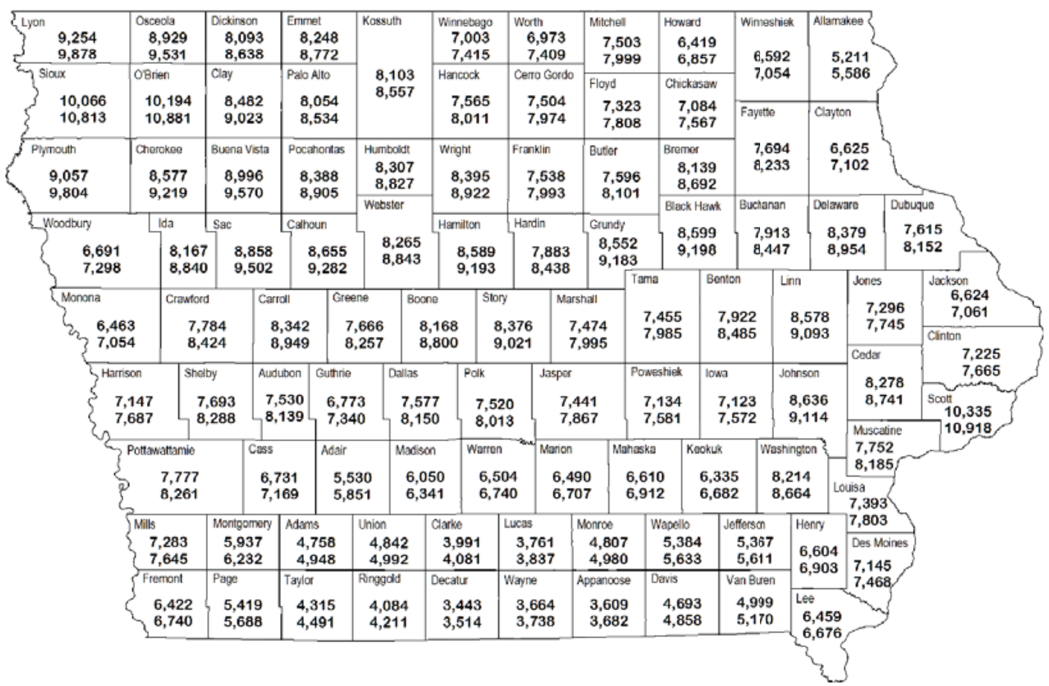
Future land values

It is not unwarranted to be worried with the 5.9 percent decline representing the third straight drop in Iowa land values—the first time this has happened since the 1980s farm crisis. However, it is very unlikely that we will see a replay of the 1980s farm crisis or a sudden collapse of the US farm sector. Significant farm income accumulation during 2003–2013, a stronger government safety net, and historically low interest rates should help agricultural producers withstand the downturn pressures.

With stagnant commodity prices, a likely rise in interest rates, diminishing livestock margins, and declining farm income forecast, the Iowa farmland market appears to have peaked for the foreseeable future and seems to be continuing drifting sideways to slightly lower; however, it most likely will be an orderly adjustment as opposed to a sudden bubble burst. The land market will likely drop again next year but might bounce back again in the medium-run.

For additional information on the survey and on surveys from prior years, visit the newly developed Iowa Farmland Value Portal at *http://www.card.iastate.edu/farmland.*

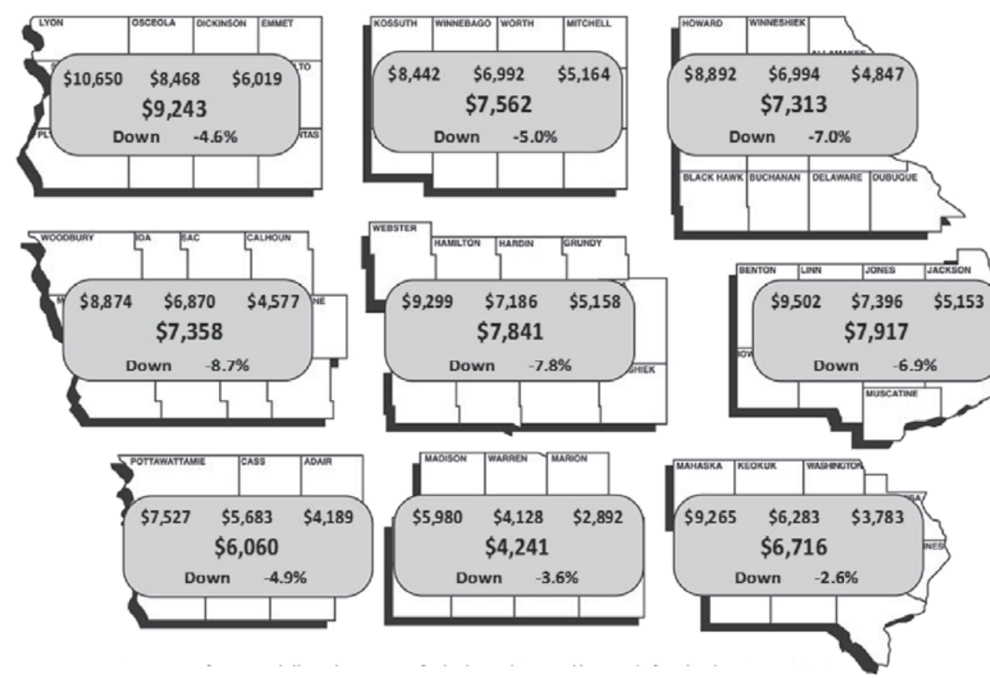
Figure 2. 2016 and 2015 Iowa land values (in 2016 US dollars)



State average
2016: $7,183
2015: $7,633

County estimates of average dollar value per acre for Iowa farmland based on U.S. Census of Agriculture estimates and the Nov. 1, 2016 Iowa Land Value Survey. The top figure is the estimated Nov. 1, 2016 value; the bottom figure is the estimated Nov. 1, 2015 value.

Figure 3. 2016 land values by crop reporting district (in 2016 US dollars)



State average
$7,183
Down -5.9%

Estimates of average dollar value per acre for high, medium, and low quality farmland on Nov. 1, 2016 by Iowa Crop Reporting District, and the Crop Reporting District average and the average percentage change from Nov. 1, 2015.