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Value of Iowa Farmland Gains 4.3 Percent in 2000

AMES, Iowa -- The average value of an acre of farmland in Iowa increased to \$1,857 in 2000, reversing a trend that saw small declines in land values during the previous two years, according to an annual survey conducted at Iowa State University.

The increase averaged \$76 an acre, or 4.3 percent statewide, said Michael Duffy, ISU Extension economist who directed the survey. The increase followed declines of 1.1 percent in 1999 and 1.9 percent in 1998. Before 1998, land values had increased for 11 consecutive years. This year's increase was reflected in individual increases in all 99 Iowa counties. In the two previous years, only 30 counties had increases in 1998, and 39 counties had increases in 1999 while the state overall average was dropping.

Increases this year ranged from 6.5 percent in Dickinson, Lyon, O'Brien and Osceola counties in northwest Iowa to 1.6 percent in Scott County in east central Iowa. Scott County, which has had the highest land values in the state for several years, topped the \$3,000 mark this year with an average value of \$3,018. The highest average value ever reported in a county in Iowa was \$3,484 in Scott County in 1981.

The 2000 statewide average is \$290 below the all-time high of \$2,147 per acre reported in 1981. The greatest increases this year were in counties along the western border of the state. East central, central and south central Iowa showed the smallest percentage increases.

Low grade land averaged \$1,117 this year and showed a 6.9 percent increase over 1999. As land quality improved, the increase in value declined, with medium grade land averaging \$1,701, a 4.4 percent increase, and high grade land averaging \$2,324, a 3.3 percent increase.

Duffy said six factors were mentioned by more than 10 percent of the respondents as having positive impacts on land values this year. These factors were government program payments, mentioned by 47 percent, investment demand (23 percent), crop yields (also 23 percent), land supply (19 percent), farm expansion and consolidation (15 percent) and favorable interest rates (13 percent). Three factors were mentioned as negative influences. Poor markets or prices or some variation of those themes were listed by 70 percent of the respondents. Unfavorable interest rates were mentioned by 16 percent and a poor agricultural economy or outlook was mentioned by 10 percent.

Most buyers of Iowa farmland continue to be existing farmers who are increasing their holdings (65 percent), Duffy said, but investors made 29 percent of the purchases this year. This percentage has been consistent for the past three years and is a significant increase over 1997. Sales to investors were highest in southwest Iowa at 43 percent, while sales to existing farmers were highest in northwest Iowa at 71 percent. Twenty-one percent of the survey respondents said there were more sales this year, 51 percent said the number of sales was about the same as last year, and 28 percent said there were fewer sales.

The highest land values by crop reporting district were reported in northwest Iowa where the average was \$2,198 per acre, up 6.8 percent from last year. The lowest average value was \$992 per acre in south central Iowa, up 1.1 percent from last year.

Iowa State University has conducted an annual survey of land values since 1941. The ISU survey is conducted on Nov. 1 each year and is the only survey that reports land values in all 99 Iowa counties.

More than 1,100 licensed real estate brokers and others knowledgeable about farmland are invited to participate, and this year's survey drew 603 usable responses from all 99 counties. Only the statewide data and the crop

reporting district data are calculated directly from the survey results. Data collected in the survey are combined with data from the U.S. Census of Agriculture to determine county figures. The survey has been conducted annually since 1941 and is cosponsored by the Iowa Agriculture and Home Economics Experiment Station and Iowa State University Extension.

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For additional information on the survey and on surveys from prior years, visit the ISU Extension web site at <http://www.extension.iastate.edu/>

By Crop Reporting District

District	2000 \$/acre	\$/acre	\$ change	% change
Northwest	2,189	2,059	139	6.8%
North Central	2,169	2,073	96	4.6%
Northeast	1,868	1,807	61	3.4%
West Central	1,924	1,837	87	4.7%
Central	2,195	2,128	67	3.1%
East Central	2,190	2,118	72	3.4%
Southwest	1,412	1,346	66	4.9%
South Central	992	981	11	1.1%
Southeast	1,655	1,570	85	5.4%
State Avg.	1,857	1,781	75	4.3%

By County

County:	2000 \$/acre	1999 \$/acre	\$ Change	% Change
Adair	1,198	1,137	52	4.6%
Adams	1,204	1,141	63	5.6%
Allamakee	1,228	1,181	47	4.0%
Appanoose	816	803	14	1.7%
Audubon	1,839	1,730	109	6.3%
Benton	2,151	2,094	57	2.7%
Black Hawk	2,394	2,298	95	4.1%
Boone	2,328	2,277	51	2.2%
Bremer	2,176	2,078	98	4.7%
Buchanan	2,142	2,052	91	4.4%
Buena Vista	2,319	2,203	115	5.2%
Butler	2,106	2,023	83	4.1%

Calhoun	2,354	2,284	70	3.1%
Carroll	2,066	1,952	114	5.8%
Cass	1,620	1,528	92	6.0%
Cedar	2,365	2,308	58	2.5%
Cerro Gordo	2,189	2,099	90	4.3%
Cherokee	2,041	1,918	123	6.4%
Chickasaw	1,744	1,666	78	4.7%
Clarke	956	932	25	2.6%
Clay	2,139	2,033	106	5.2%
Clayton	1,686	1,622	64	4.0%
Clinton	1,961	1,897	64	4.3%
Crawford	1,828	1,718	110	6.4%
Dallas	1,971	1,911	61	3.2%
Davis	1,063	1,027	36	3.5%
Decatur	765	752	13	1.7%
Delaware	2,263	2,181	82	3.8%
Des Moines	1,773	1,695	78	4.6%
Dickinson	1,975	1,855	120	6.5%
Dubuque	2,034	1,960	74	3.8%
Emmet	2,205	2,095	109	5.2%
Fayette	1,966	1,884	82	4.4%
Floyd	2,029	1,932	97	5.0%
Franklin	2,161	2,094	67	3.2%
Fremont	1,554	1,469	85	5.8%
Greene	2,035	1,966	69	3.5%
Grundy	2,395	2,324	71	3.1%
Guthrie	1,665	1,585	81	5.1%
Hamilton	2,467	2,409	58	2.4%
Hancock	2,214	2,139	75	3.5%
Hardin	2,208	2,156	52	2.4%
Harrison	1,700	1,601	98	6.1%
Henry	1,716	1,640	76	4.6%
Howard	1,571	1,500	70	4.7%

Humboldt	2,363	2,303	60	2.6%
Ida	2,056	1,932	124	6.4%
Iowa	1,817	1,743	74	4.3%
Jackson	1,713	1,663	50	3.0%
Jasper	1,892	1,813	80	4.4%
Jefferson	1,327	1,268	59	4.7%
Johnson	2,266	2,175	91	4.2%
Jones	1,854	1,811	43	2.4%
Keokuk	1,620	1,534	86	5.6%
Kossuth	2,282	2,214	68	3.1%
Lee	1,567	1,516	50	3.3%
Linn	2,357	2,303	54	2.4%
Louisa	1,979	1,901	78	4.1%
Lucas	873	858	15	1.7%
Lyon	2,000	1,878	122	6.5%
Madison	1,456	1,394	61	4.4%
Mahaska	1,655	1,581	73	4.6%
Marion	1,581	1,532	49	3.2%
Marshall	2,015	1,952	63	3.3%
Mills	1,698	1,605	93	5.8%
Mitchell	1,987	1,892	95	5.0%
Monona	1,561	1,468	93	6.3%
Monroe	1,081	1,043	38	3.6%
Montgomery	1,443	1,364	79	5.8%
Muscatine	2,142	2,082	60	2.9%
O'Brien	2,468	2,318	150	6.5%
Osceola	2,112	1,983	129	6.5%
Page	1,302	1,231	71	5.8%
Palo Alto	2,133	2,051	82	4.0%
Plymouth	2,146	2,017	129	6.4%
Pocahontas	2,329	2,257	72	3.2%
Polk	2,026	1,973	53	2.7%
Pottawattamie	1,809	1,707	102	6.0%

Poweshiek	1,811	1,735	76	4.4%
Ringgold	918	889	29	3.2%
Sac	2,206	2,084	121	5.8%
Scott	3,018	2,970	48	1.6%
Shelby	1,807	1,702	105	6.2%
Sioux	2,319	2,178	140	6.4%
Story	2,384	2,327	57	2.4%
Tama	1,965	1,903	62	3.3%
Taylor	1,051	1,007	44	4.4%
Union	1,108	1,074	34	3.2%
Van Buren	1,173	1,134	39	3.5%
Wapello	1,251	1,195	56	4.7%
Warren	1,589	1,551	38	2.4%
Washington	2,071	1,960	110	5.6%
Wayne	833	819	14	1.7%
Webster	2,432	2,375	57	2.4%
Winnebago	1,995	1,927	68	3.5%
Winneshiek	1,600	1,534	66	4.3%
Woodbury	1,665	1,565	100	6.4%
Worth	2,005	1,923	82	4.3%
Wright	2,434	2,372	61	2.6%

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