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## **Farmland Tops \$2,000 an Acre Average Value in Iowa in 2002**

AMES, Iowa -- The average value of an acre of farmland in Iowa reached \$2,083 in 2002, the second highest figure reported since Iowa State University began conducting an annual survey of land values in 1941.

While values increased by more than 25 percent in a few counties, 19 counties showed a decrease from 2001 average values. The average increase over all 99 counties was 8.2 percent above the 2001 average value of \$1,926. The greatest decrease was 8.7 percent in Ringgold County in south central Iowa.

Mike Duffy, ISU Extension farm economist who conducts the survey of real estate brokers, farm lenders, and others who work directly with the land markets, said the wide range in percentage changes in land values this year was unusual. In previous surveys, trends usually were similar in adjoining counties. This year, some counties showed substantial increases, while average values in adjoining counties decreased.

The \$2,083 average value was second only to an average value of \$2,147 reported in 1981. Duffy said that adjusting the 2002 figure for inflation puts it more in line with values that prevailed before the strong run-up in prices at the end of the 1970s.

The average value increased for the third year in a row after slight declines in 1998 and 1999. Duffy said investor demand may have been a factor in the price fluctuations this year. Purchases by investors ranged from 25 percent in the southeast Iowa crop reporting district to 48 percent in south central Iowa. Investor purchases often show more variability in price than purchases by farmers.

Low interest rates were mentioned by 52 percent of the participants in the 2002 survey as a positive influence on land values this year. Other positive factors included government farm payments, mentioned by 33 percent, crop yields (28 percent), improving commodity prices (24 percent), stock market declines (17 percent), scarcity of land on the market (15 percent), and strong demand from investors (14 percent).

Negative factors that helped keep prices down this year included poor commodity prices, mentioned by 14 percent, farm economy variability (13 percent), the general economic outlook and world conditions (13 percent), and uncertainty about government programs (11 percent).

The 8.2 percent increase in overall land values was lower than a 13.0 percent increase in low grade land, which averaged \$1,322 per acre in 2002, up \$157 from the year before. Medium grade land increased \$156 per acre to \$1,924, an increase of 8.8 percent, while high grade land averaged \$2,576 per acre, an increase of 7.0 percent over 2001.

The highest land values in the state were in the east central crop reporting district where the average for all grades was \$2,547 per acre. The lowest district average was \$1,211 per acre in south central Iowa. South Central Iowa led the state in percentage increase however, with land values rising an average of 16.6 percent last year.

The highest value in an individual county was \$3,379 per acre in Scott County in east central Iowa, while the lowest value in an individual county was \$823 per acre in Decatur County in south central Iowa. Jones County had an increase of \$581 per acre for the largest dollar increase, while the largest dollar decrease was \$165 an acre in Audubon County. Percentage changes ranged from an increase of 29.5 percent in Des Moines County to a decrease of 8.7 in Ringgold County.

Forty-nine percent of the survey respondents said the number of sales this year was about the same as last year, while 28 percent said there were more sales in 2002, and 23 percent said there were fewer sales.

About 1,100 copies of the survey are mailed each year with respondents asked to report values as of Nov. 1. Average response is 500 to 600 completed surveys, with 591 returned this year. Eighty-four percent of those responding also participated in last year's survey.

Only the state average and the averages for the nine crop reporting districts are based directly on data collected in the survey. The county estimates are derived through a procedure that combines ISU survey results with data from the U.S. Census of Agriculture. The ISU survey is the only one of several conducted throughout the year that reports data for all 99 counties.

The survey is sponsored by the Iowa Agriculture and Home Economics Experiment Station at ISU, with results reported by ISU Extension. Duffy was assisted in the project this year by Darnell Smith, extension program specialist in economics.

Additional information on the 2002 survey is available on the ISU Extension Web site at <http://www.extension.iastate.edu/emms/land2002/>.

ml: imajor, isufarm

<b>Survey Results by Crop Reporting District</b>				
	<b>2002</b>	<b>2001</b>	<b>2001-2002 Change</b>	
<b>District</b>	<b>\$/acre</b>	<b>\$/acre</b>	<b>\$</b>	<b>%</b>
Northwest	2,434	2,240	194	8.7%
North Central	2,367	2,240	127	5.7%
Northeast	2,149	1,950	199	10.2%
West Central	2,101	1,969	132	6.7%
Central	2,392	2,246	146	6.5%
East Central	2,547	2,324	223	9.6%
Southwest	1,632	1,511	121	8.0%
South Central	1,211	1,039	172	16.6%
Southeast	1,808	1,705	103	6.0%
State Avg.	2,083	1,926	157	8.2%
<b>Survey Results By County:</b>				
	<b>2002</b>	<b>2001</b>		<b>2001-2002</b>
<b>County Name</b>	<b>\$/acre</b>	<b>\$/acre</b>	<b>\$ Change</b>	<b>% Change</b>
Adair	1,333	1,264	69	5.5%
Adams	1,245	1,275	-30	-2.4%

Allamakee	1,548	1,314	234	17.8%
Appanoose	946	853	93	10.9%
Audubon	1,748	1,913	-165	-8.6%
Benton	2,665	2,214	451	20.4%
Black Hawk	2,783	2,459	324	13.2%
Boone	2,670	2,373	297	12.5%
Bremer	2,479	2,268	211	9.3%
Buchanan	2,291	2,231	60	2.7%
Buena Vista	2,581	2,356	225	9.6%
Butler	2,434	2,164	270	12.5%
Calhoun	2,471	2,398	73	3.0%
Carroll	2,535	2,103	432	20.5%
Cass	1,690	1,718	-28	-1.6%
Cedar	2,919	2,516	403	16.0%
Cerro Gordo	2,619	2,252	367	16.3%
Cherokee	2,114	2,086	28	1.3%
Chickasaw	2,162	1,821	341	18.7%
Clarke	978	1,005	-27	-2.7%
Clay	2,468	2,174	294	13.5%
Clayton	1,970	1,804	166	9.2%
Clinton	2,575	2,076	499	24.0%
Crawford	1,942	1,883	59	3.1%
Dallas	2,447	2,028	419	20.7%
Davis	1,100	1,108	-8	-0.7%
Decatur	823	798	25	3.1%
Delaware	2,299	2,408	-109	-4.5%
Des Moines	2,388	1,845	543	29.4%
Dickinson	2,019	1,999	20	1.0%
Dubuque	2,570	2,177	393	18.1%
Emmet	2,509	2,241	268	12.0%
Fayette	2,030	2,076	-46	-2.2%

Floyd	2,123	2,091	32	1.5%
Franklin	2,386	2,216	170	7.7%
Fremont	1,923	1,665	258	15.5%
Greene	2,408	2,076	332	16.0%
Grundy	2,862	2,450	412	16.8%
Guthrie	1,742	1,729	13	0.8%
Hamilton	2,535	2,519	16	0.6%
Hancock	2,239	2,274	-35	-1.5%
Hardin	2,219	2,255	-36	-1.6%
Harrison	1,897	1,789	108	6.0%
Henry	2,219	1,785	434	24.3%
Howard	1,812	1,640	172	10.5%
Humboldt	2,464	2,417	47	1.9%
Ida	2,371	2,120	251	11.8%
Iowa	1,855	1,874	-19	-1.0%
Jackson	2,033	1,834	199	10.9%
Jasper	2,027	1,956	71	3.6%
Jefferson	1,593	1,380	213	15.4%
Johnson	2,466	2,380	86	3.6%
Jones	2,566	1,985	581	29.3%
Keokuk	1,899	1,683	216	12.8%
Kossuth	2,557	2,337	220	9.4%
Lee	1,758	1,632	126	7.7%
Linn	2,686	2,498	188	7.5%
Louisa	1,948	2,079	-131	-6.3%
Lucas	1,097	911	186	20.4%
Lyon	2,453	2,024	429	21.2%
Madison	1,592	1,539	53	3.4%
Mahaska	1,754	1,721	33	1.9%
Marion	1,571	1,648	-77	-4.7%
Marshall	2,622	2,066	556	26.9%

Mills	1,727	1,819	-92	-5.1%
Mitchell	2,347	2,049	298	14.5%
Monona	1,744	1,627	117	7.2%
Monroe	1,043	1,126	-83	-7.4%
Montgomery	1,697	1,546	151	9.8%
Muscatine	2,332	2,271	61	2.7%
O'Brien	2,670	2,498	172	6.9%
Osceola	2,407	2,137	270	12.6%
Page	1,677	1,394	283	20.3%
Palo Alto	2,311	2,177	134	6.2%
Plymouth	2,278	2,213	65	2.9%
Pocahontas	2,546	2,381	165	6.9%
Polk	2,262	2,078	184	8.9%
Pottawattamie	2,055	1,921	134	7.0%
Poweshiek	1,817	1,868	-51	-2.7%
Ringgold	884	968	-84	-8.7%
Sac	2,494	2,246	248	11.0%
Scott	3,379	3,233	146	4.5%
Shelby	1,989	1,900	89	4.7%
Sioux	2,859	2,368	491	20.7%
Story	2,623	2,433	190	7.8%
Tama	2,153	2,014	139	6.9%
Taylor	1,347	1,117	230	20.6%
Union	1,367	1,168	199	17.0%
Van Buren	1,217	1,222	-5	-0.4%
Wapello	1,639	1,302	337	25.9%
Warren	1,930	1,656	274	16.5%
Washington	2,375	2,151	224	10.4%
Wayne	1,100	870	230	26.4%
Webster	2,471	2,484	-13	-0.5%
Winnebago	2,280	2,049	231	11.3%

Winneshiek	1,696	1,692	4	0.2%
Woodbury	1,878	1,731	147	8.5%
Worth	2,027	2,063	-36	-1.7%
Wright	2,565	2,490	75	3.0%