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## **Iowa Farmland Value Reaches Record High at \$2,275 an Acre**

AMES, Iowa -- The average value of an acre of farmland in Iowa reached \$2,275 in 2003, the highest figure reported since Iowa State University began conducting an annual survey of land values in 1941.

The 2003 average value topped a previous record of \$2,147 reported in 1981. Mike Duffy, ISU Extension farm economist who conducts the survey, said after accounting for the effect of inflation on the value of the dollar, the 2003 figure is equivalent to the value of land in the early 1970s, when the increase in values began that led to the 1981 peak. In dollars adjusted to current values, the peak would have occurred in 1979 at \$2,697 an acre.

Values increased in all 99 Iowa counties and topped \$3,000 an acre in four counties: Scott, Cedar, Grundy and Sioux. The survey of real estate brokers, farm lenders, and others who work directly with the land markets, indicated the increases ranged from just over 6 percent in the North Central Crop Reporting District to nearly 12 percent in the South Central Crop Reporting District. Individual county increases ranged from 2.7 percent in Mitchell County in North Central Iowa to 15.2 percent in Appanoose County in South Central Iowa.

The average value increased for the fourth year in a row after slight declines in 1998 and 1999. The average increase was \$192 an acre statewide, or 9.2 percent.

Duffy said low interest rates were a major factor in value increases this year and were mentioned by 48 percent of those responding to the survey. Other positive factors were the demand created by investors, mentioned by 17 percent of the respondents, the scarcity of land on the market, mentioned by 15 percent, and the impact of government payments, mentioned by 12 percent. Improving commodity prices and better than expected corn yields each were mentioned as positive factors by 11 percent of those participating in the survey.

Negative factors that helped keep prices down this year included weather and uncertainty in general, listed by 13 percent of the respondents, and low soybean yields, mentioned by 12 percent.

Low grade land, which averaged \$1,463 per acre in 2003, a 10.7 percent increase over the previous year. Medium grade land averaged \$2,123 per acre, a 10.3 percent increase, and high grade land averaged \$2,790 per acre, an increase of 8.3 percent.

The highest value in an individual county was \$3,697 per acre in Scott County in east central Iowa, while the lowest value in an individual county was \$936 per acre in Decatur County in south central Iowa. Decatur County was the only county in the state with an average value below \$1,000 an acre. Webster County had an increase of \$354 per acre for the largest dollar increase.

Fifty-two percent of the survey respondents said the number of sales this year was about the same as last year, while 26 percent said there were more sales in 2003, and 22 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 541 returned this year. Respondents also were asked this year for the first time to report on land values in nearby counties if they had knowledge of values in those counties.

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 2003 survey is available on the ISU Extension Web site at <http://www.extension.iastate.edu/emms/2003land/>.

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**Survey Results By Crop Reporting District:**

<b>District</b>	<b>2003 \$/acre</b>	<b>2002 \$/acre</b>	<b>\$</b>	<b>'02-'03 Change %</b>
Northwest	2,683	2,434	249	10.2%
North Central	2,514	2,367	147	6.2%
Northeast	2,347	2,149	198	9.2%
West Central	2,329	2,101	228	10.9%
Central	2,652	2,392	260	10.9%
East Central	2,715	2,547	168	6.6%
Southwest	1,774	1,632	142	8.7%
South Central	1,354	1,211	143	11.8%
Southeast	1,979	1,808	171	9.5%
State Average	2,275	2,083	192	9.2%

**Survey Results by County:**

<b>County Name</b>	<b>2003 \$/acre</b>	<b>2002 \$/acre</b>	<b>\$ Change</b>	<b>2002-2003 % Change</b>
Adair	1,487	1,333	154	11.5%
Adams	1,392	1,245	147	11.8%
Allamakee	1,645	1,548	98	6.3%
Appanoose	1,090	946	144	15.2%
Audubon	1,982	1,748	234	13.4%
Benton	2,777	2,665	112	4.2%
Black Hawk	2,967	2,783	185	6.6%
Boone	2,883	2,670	213	8.0%
Bremer	2,647	2,479	168	6.8%
Buchanan	2,556	2,291	265	11.6%
Buena Vista	2,782	2,581	201	7.8%
Butler	2,536	2,434	102	4.2%
Calhoun	2,790	2,471	318	12.9%
Carroll	2,729	2,535	194	7.7%
Cass	1,880	1,690	190	11.2%
Cedar	3,027	2,919	107	3.7%

Cerro Gordo	2,704	2,619	85	3.2%
Cherokee	2,406	2,114	292	13.8%
Chickasaw	2,300	2,162	139	6.4%
Clarke	1,116	978	138	14.2%
Clay	2,644	2,468	176	7.1%
Clayton	2,111	1,970	142	7.2%
Clinton	2,701	2,575	126	4.9%
Crawford	2,192	1,942	251	12.9%
Dallas	2,634	2,447	187	7.6%
Davis	1,225	1,100	125	11.4%
Decatur	936	823	113	13.8%
Delaware	2,576	2,299	277	12.0%
Des Moines	2,562	2,388	174	7.3%
Dickinson	2,269	2,019	249	12.3%
Dubuque	2,722	2,570	152	5.9%
Emmet	2,698	2,509	190	7.6%
Fayette	2,263	2,030	233	11.5%
Floyd	2,307	2,123	184	8.7%
Franklin	2,562	2,386	176	7.4%
Fremont	2,052	1,923	128	6.7%
Greene	2,615	2,408	207	8.6%
Grundy	3,102	2,862	240	8.4%
Guthrie	1,982	1,742	241	13.8%
Hamilton	2,881	2,535	346	13.7%
Hancock	2,441	2,239	202	9.0%
Hardin	2,507	2,219	288	13.0%
Harrison	2,096	1,897	199	10.5%
Henry	2,391	2,219	173	7.8%
Howard	1,945	1,812	133	7.3%
Humboldt	2,669	2,464	205	8.3%
Ida	2,568	2,371	197	8.3%
Iowa	2,032	1,855	178	9.6%
Jackson	2,122	2,033	90	4.4%
Jasper	2,302	2,027	275	13.6%
Jefferson	1,698	1,593	105	6.6%
Johnson	2,698	2,466	233	9.4%
Jones	2,677	2,566	110	4.3%
Keokuk	2,047	1,899	148	7.8%
Kossuth	2,686	2,557	129	5.1%
Lee	1,982	1,758	224	12.7%
Linn	2,926	2,686	240	8.9%

Louisa	2,168	1,948	220	11.3%
Lucas	1,199	1,097	103	9.3%
Lyon	2,634	2,453	181	7.4%
Madison	1,808	1,592	217	13.6%
Mahaska	1,954	1,754	200	11.4%
Marion	1,793	1,571	222	14.2%
Marshall	2,846	2,622	225	8.6%
Mills	1,907	1,727	179	10.4%
Mitchell	2,409	2,347	63	2.7%
Monona	1,914	1,744	170	9.8%
Monroe	1,200	1,043	157	15.0%
Montgomery	1,798	1,697	101	6.0%
Muscatine	2,528	2,332	196	8.4%
O'Brien	2,993	2,670	323	12.1%
Osceola	2,561	2,407	154	6.4%
Page	1,772	1,677	95	5.6%
Palo Alto	2,532	2,311	221	9.6%
Plymouth	2,564	2,278	286	12.5%
Pocahontas	2,762	2,546	216	8.5%
Polk	2,483	2,262	221	9.8%
Pottawattamie	2,242	2,055	187	9.1%
Poweshiek	2,053	1,817	237	13.0%
Ringgold	1,017	884	132	15.0%
Sac	2,678	2,494	184	7.4%
Scott	3,697	3,379	318	9.4%
Shelby	2,227	1,989	238	12.0%
Sioux	3,072	2,859	213	7.4%
Story	2,873	2,623	250	9.5%
Tama	2,369	2,153	216	10.1%
Taylor	1,436	1,347	88	6.6%
Union	1,497	1,367	130	9.5%
Van Buren	1,355	1,217	137	11.3%
Wapello	1,764	1,639	125	7.6%
Warren	2,124	1,930	195	10.1%
Washington	2,546	2,375	171	7.2%
Wayne	1,208	1,100	108	9.8%
Webster	2,825	2,471	354	14.3%
Winnebago	2,368	2,280	89	3.9%
Winneshiek	1,904	1,696	208	12.2%
Woodbury	2,039	1,878	161	8.6%
Worth	2,215	2,027	188	9.3%

Wright

2,804

2,565

239

9.3%