

2015

# Iowa Land Value Survey

Dr. Wendong Zhang

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ISU Alumni Center

December 14, 2015

# Outline

- **Survey Changes**
  - Personnel, Mode, Questions
- 2015 Land Value Survey Results
  - State, District, County
- Analysis and Observations
  - Sales Activity, Buyers, Factors to Watch and Price Outlook
- Iowa Farmland Value Portal

# Who is the New Duffy?

- Well, No one could replace Mike Duffy
- Something about me
  - Grown up in a rural county in NE China
  - Attended college in Shanghai and Hong Kong
  - Ph.D. in Ag Econ in 2015 from Ohio State
  - 2012 summer intern at USDA-ERS on farm economy and farmland values
  - Research and extension interests: land value, land ownership, agriculture and the environment, China Ag

# The Survey is also Online!



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Extension and Outreach

Dear friend,

*In 2014, the Center for Agricultural and Rural Development (CARD) at Iowa State University began administering the annual land value survey. This year, Dr. Wendong Zhang will assume Dr. Mike Duffy's responsibilities as lead researcher and key contact person for the survey as well as the liaison between ISU and the Iowa Chapter. As always, your participation is appreciated and your responses are voluntary and treated confidentially. We cannot produce the Iowa State county-level farmland value estimates without your help.*

*Starting this year, we are offering the Iowa land value survey electronically, and we really appreciate your participation. Please complete the survey **no later than November 30**. If you have any questions concerning the survey or would like to receive a paper copy instead, please call 515-294-1183 or email [landvalue@iastate.edu](mailto:landvalue@iastate.edu). To learn more about CARD visit our web site at [www.card.iastate.edu](http://www.card.iastate.edu).*

514 respondents  
708 land value estimates  
55% of the respondents  
participated online



<http://bit.ly/landvalue15>

# Questions - Modifications

Farmland values in your primary county as of November 1, 2015

1. Value for average-size farms in your primary county are:

	Your present estimate (\$/acre) Q1_1	Your estimated average CSR1 Q1_2	Your estimated average CSR2 Q1_3
High quality land	<input type="text"/>	<input type="text"/>	<input type="text"/>
Medium quality land	<input type="text"/>	<input type="text"/>	<input type="text"/>
Low quality land	<input type="text"/>	<input type="text"/>	<input type="text"/>

# Questions - Additions

Please select the ONE category that best describes your primary profession:

Appraiser	Ag Lender	Professional Farm Manager	Farmer	Extension	FSA	Non-FSA Gov'mt	Sales	Other
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. How would you predict farmland values in your territory to change?

	Increase 5% or more	Increase less than 5%	Stay the same	Decrease less than 5%	Decrease 5- 10%	Decrease 10% or more
One year from now	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Five years from now	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Of the sales indicated in Question 5, how would you describe the quality of farmland purchased by each buyer type?

	Existing or New farmers (column must equal 100)	Investors - Individuals or Entities (column must equal 100)
	Q6_1	Q6_2
High quality land	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Medium quality land	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Low quality land	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

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# STATEWIDE AVERAGE

\$7,633




# HIGH QUALITY LAND

\$9,364



# MEDIUM QUALITY LAND

\$7,127



down -3.2%  
down -\$232

# LOW QUALITY LAND

\$4,834

down -0.9%  
down -\$44



# NORTHWEST

\$9,685

up 0.7%  
up \$70



High \$11,229  
Medium \$8,834  
Low \$6,252

# NORTH CENTRAL

\$7,962

down -6.7%

down -\$574



High \$8,976

Medium \$7,352

Low \$5,372

# NORTHEAST

**\$7,861**

**down -3.6%**

**down -\$290**



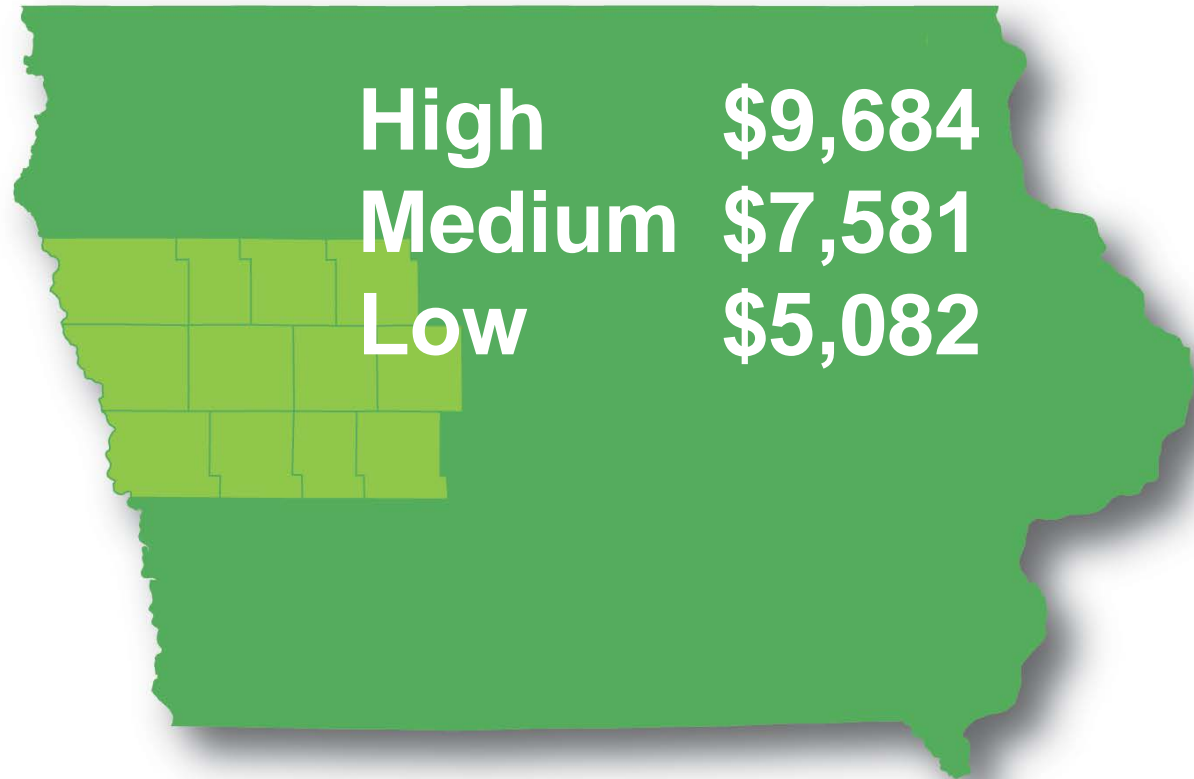
<b>High</b>	<b>\$9,575</b>
<b>Medium</b>	<b>\$7,460</b>
<b>Low</b>	<b>\$5,242</b>

# WEST CENTRAL

**\$8,061**

**down -4.3%**

**down -\$364**



# CENTRAL

\$8,505

down -6.4%

down -\$582



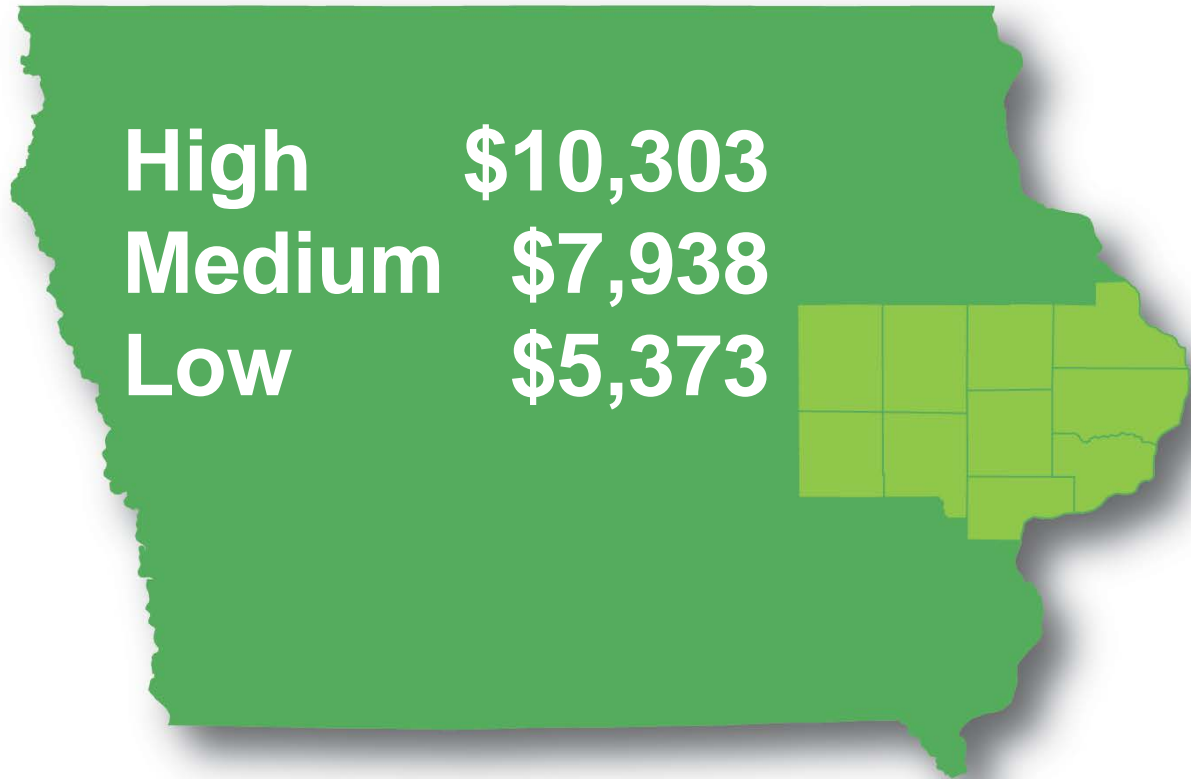
High	\$10,087
Medium	\$7,758
Low	\$5,292

# EAST CENTRAL

**\$8,515**

**down -5.5%**  
**down -\$493**

<b>High</b>	<b>\$10,303</b>
<b>Medium</b>	<b>\$7,938</b>
<b>Low</b>	<b>\$5,373</b>

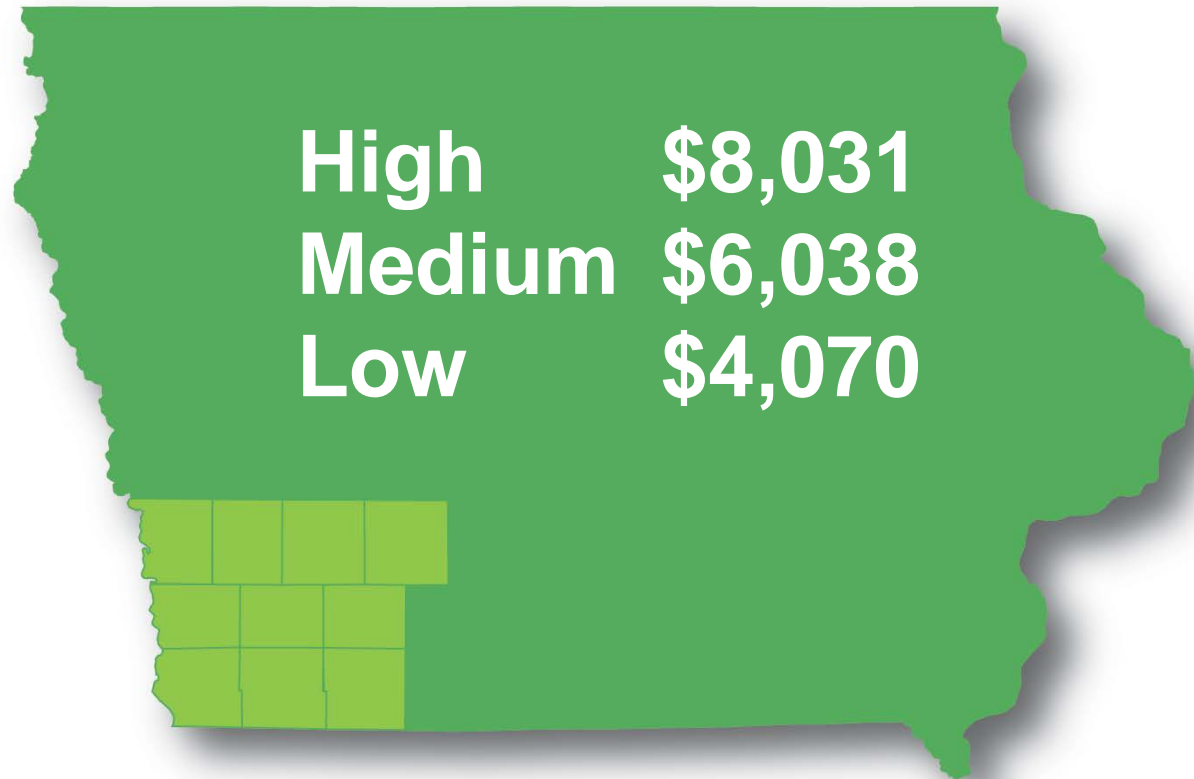


# SOUTHWEST

**\$6,372**

**down -2.2%**

**down -\$141**



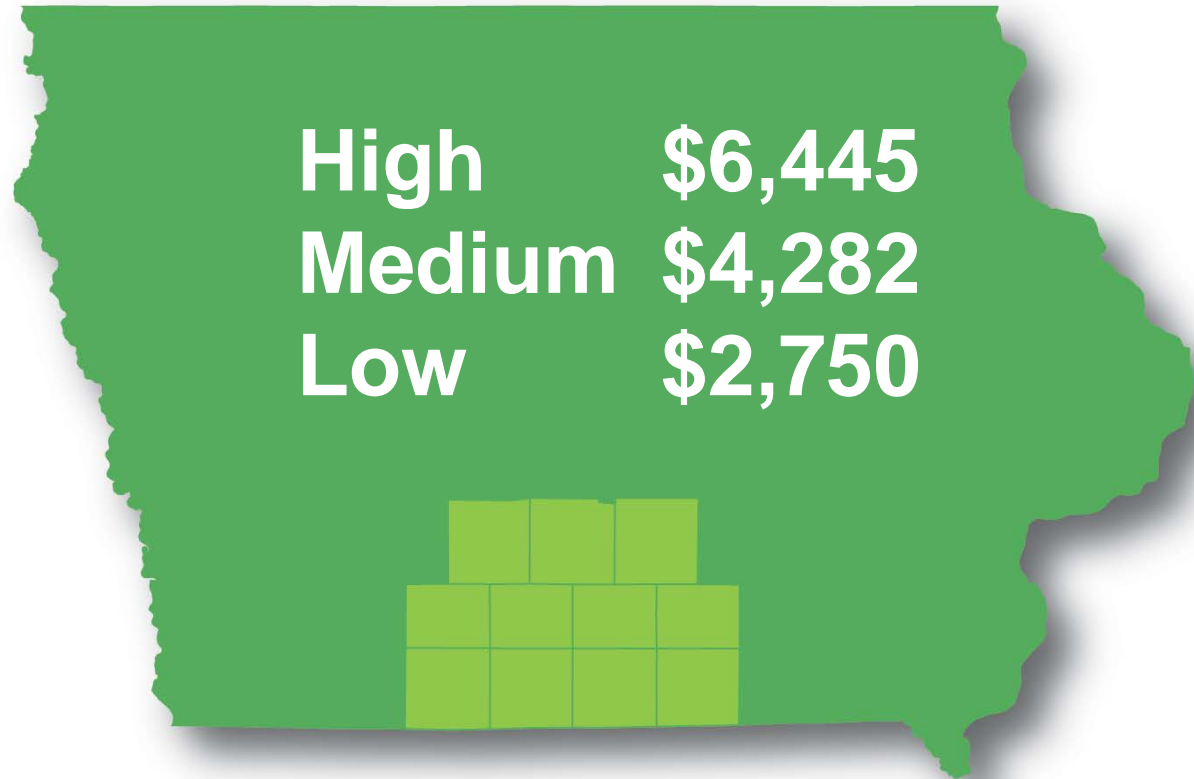
<b>High</b>	<b>\$8,031</b>
<b>Medium</b>	<b>\$6,038</b>
<b>Low</b>	<b>\$4,070</b>

# SOUTH CENTRAL

**\$4,397**

**down -1.7%**

**down -\$77**



# SOUTHEAST

**\$6,892**

**down -4.5%**

**down -\$322**



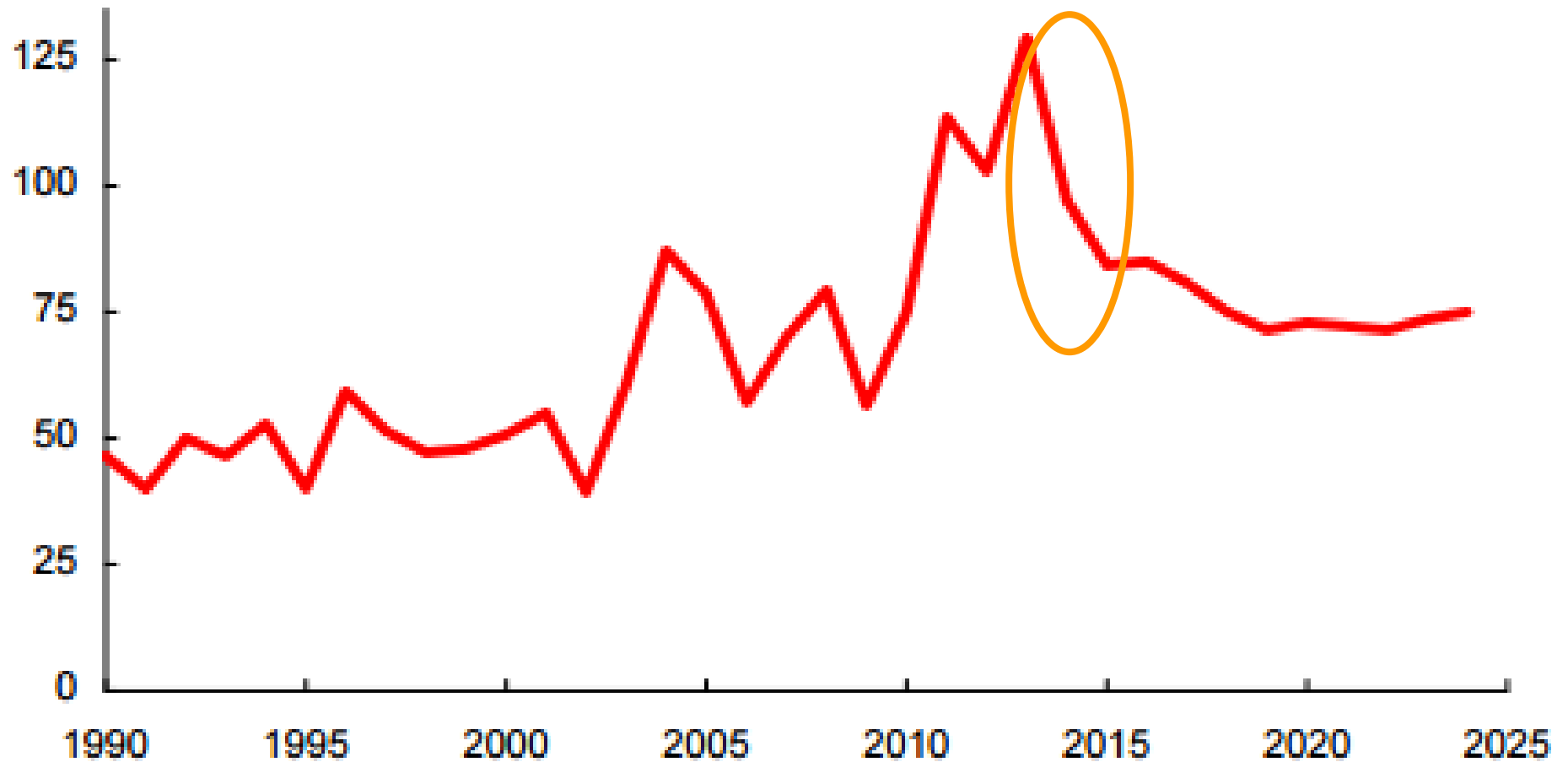
# Land Values by District and Land Quality, 2015

District	Average Value	% Change	High Quality	% Change	Medium Quality	% Change	Low Quality	% Change
Northwest	\$9,685	0.7%	\$11,229	0.3%	\$8,834	1.6%	\$6,252	2.6%
North Central	\$7,962	-6.7%	\$8,976	-6.8%	\$7,352	-6.6%	\$5,372	-1.0%
Northeast	\$7,861	-3.6%	\$9,575	-5.0%	\$7,460	-1.7%	\$5,242	-0.3%
West Central	\$8,061	-4.3%	\$9,684	-5.8%	\$7,581	-3.2%	\$5,082	-1.8%
Central	\$8,505	-6.4%	\$10,087	-6.4%	\$7,758	-6.8%	\$5,292	-5.2%
East Central	\$8,506	-5.6%	\$10,289	-6.8%	\$7,934	-5.4%	\$5,366	-2.1%
Southwest	\$6,372	-2.2%	\$8,031	-5.3%	\$6,038	-1.2%	\$4,070	5.4%
South Central	\$4,397	-1.7%	\$6,445	-3.3%	\$4,282	-0.8%	\$2,750	-2.1%
Southeast	\$6,892	-4.5%	\$9,536	-6.0%	\$6,525	-2.8%	\$3,797	-2.4%
State Avg.	\$7,633	-3.9%	\$9,364	-5.0%	\$7,127	-3.2%	\$4,834	-0.9%

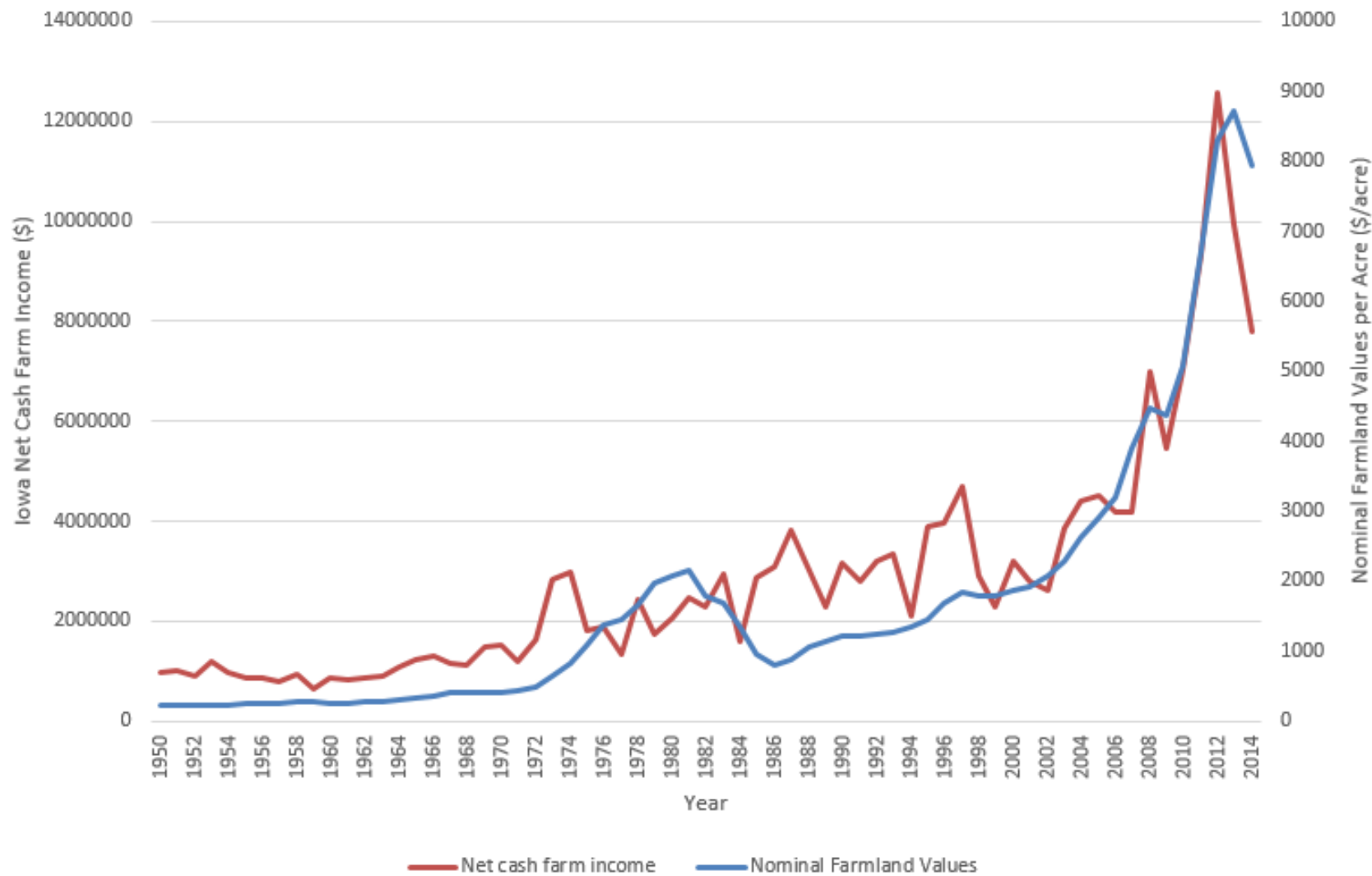
# US Farm Income 1990- 2025

## U.S. net farm income

Billion dollars



# Net Cash Farm Income vs. Nominal Farmland Values



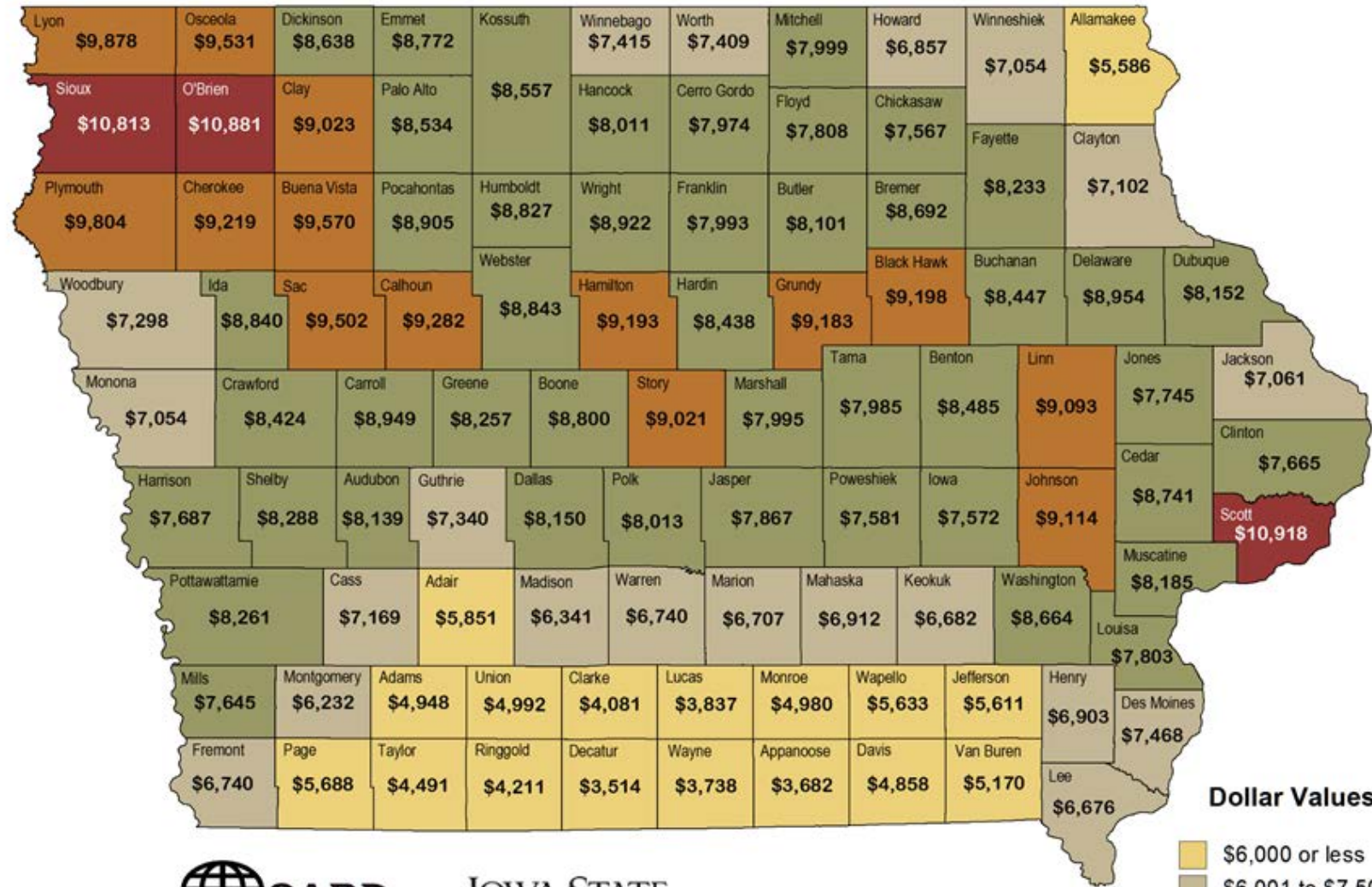
# % Change in Land Values by District 2014 and 2015

District	Average Value 2015	% Change 2014-2015	% Change 2013-2014
Northwest	\$9,685	0.7%	-12.3%
North Central	\$7,962	-6.7%	-13.1%
Northeast	\$7,861	-3.6%	-11.0%
West Central	\$8,061	-4.3%	-10.8%
Central	\$8,505	-6.4%	-8.0%
East Central	\$8,506	-5.6%	-3.4%
Southwest	\$6,372	-2.2%	-13.5%
South Central	\$4,397	-1.7%	-6.6%
Southeast	\$6,892	-4.5%	3.2%
State Avg.	\$7,633	-3.9%	-8.9%

# Livestock and Crop Inventory by District

	Inventory 2012				Harvested Acres 2015	
	Chickens, Layers	Hogs	Milk Cows	Cattle	Corn	Soybean
Northwest	30%	26%	29%	22%	15%	16%
North Central	64%	16%	4%	6%	14%	13%
Northeast	1%	12%	51%	16%	12%	8%
West Central	0%	13%	1%	13%	15%	16%
Central	3%	13%	1%	7%	15%	14%
East Central	1%	5%	10%	11%	10%	10%
Southwest	0%	2%	0%	9%	7%	9%
South Central	0%	2%	1%	9%	4%	5%
Southeast	1%	11%	3%	6%	7%	8%
State Inventory	20.4 million	20.4 million	0.17 million	2.34 million	13.2 million	9.8 million

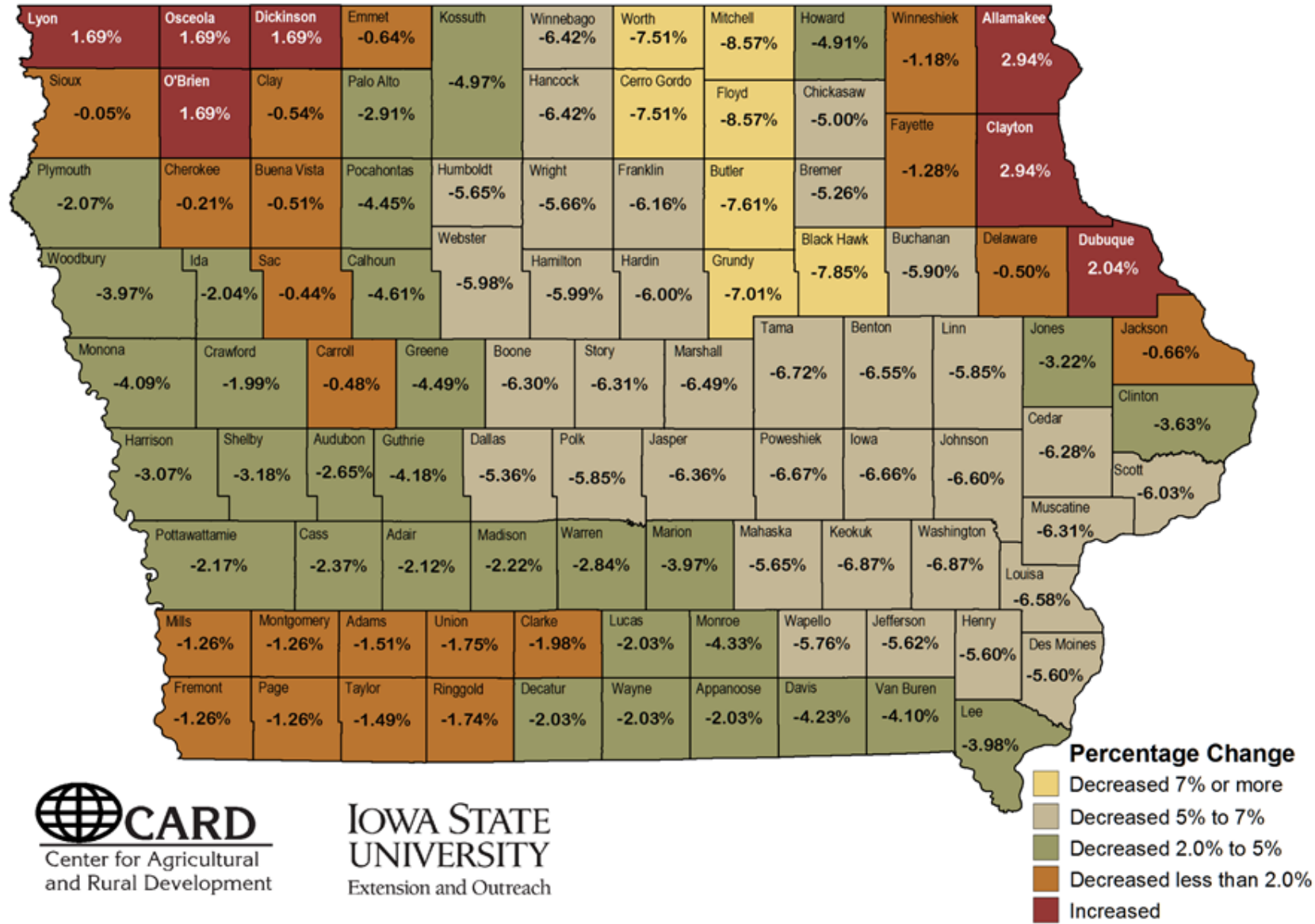
# Iowa Land Values by County 2015



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# Iowa Land Value % Change by County 2014 -2015



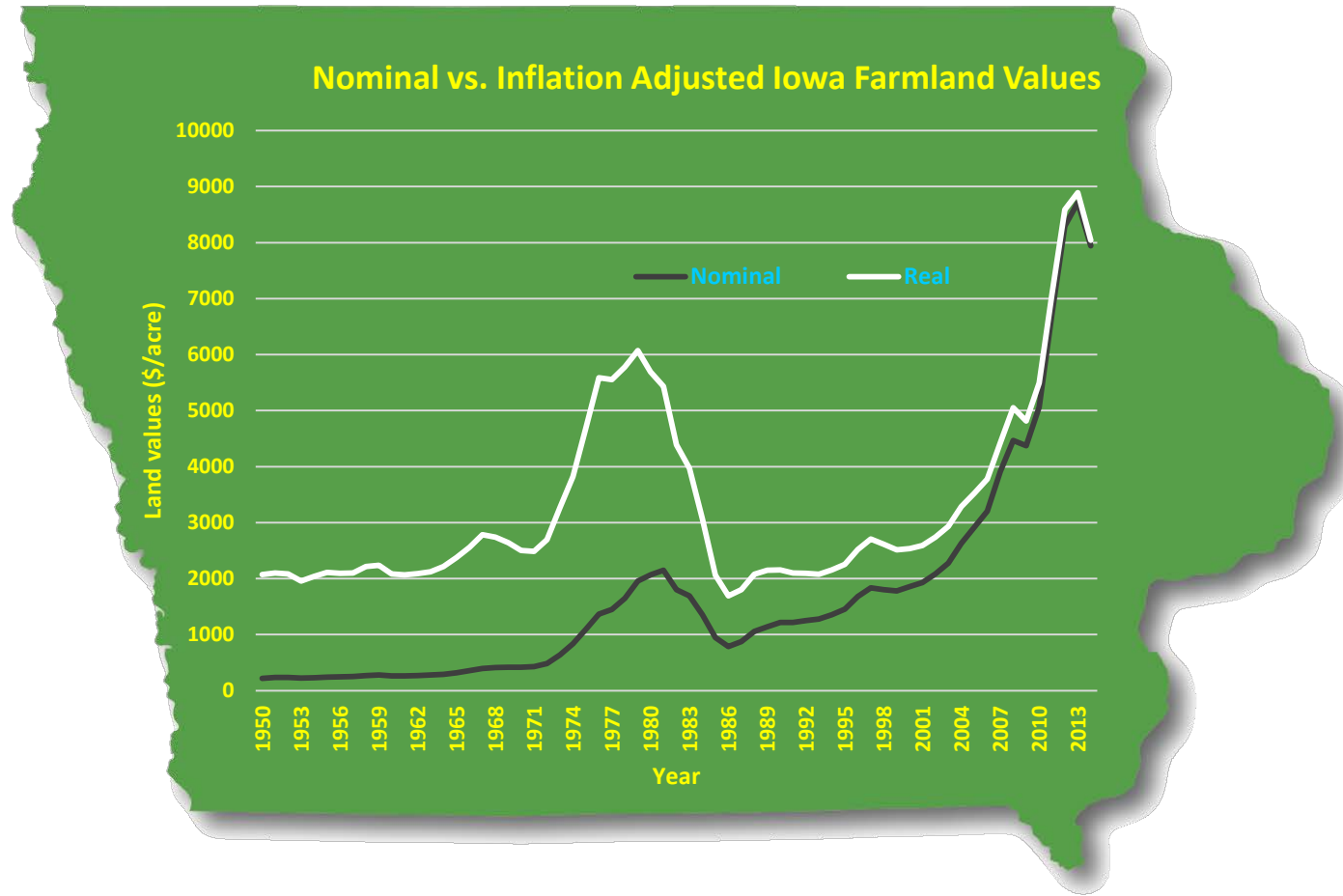
IOWA STATE UNIVERSITY  
Extension and Outreach

# Outline

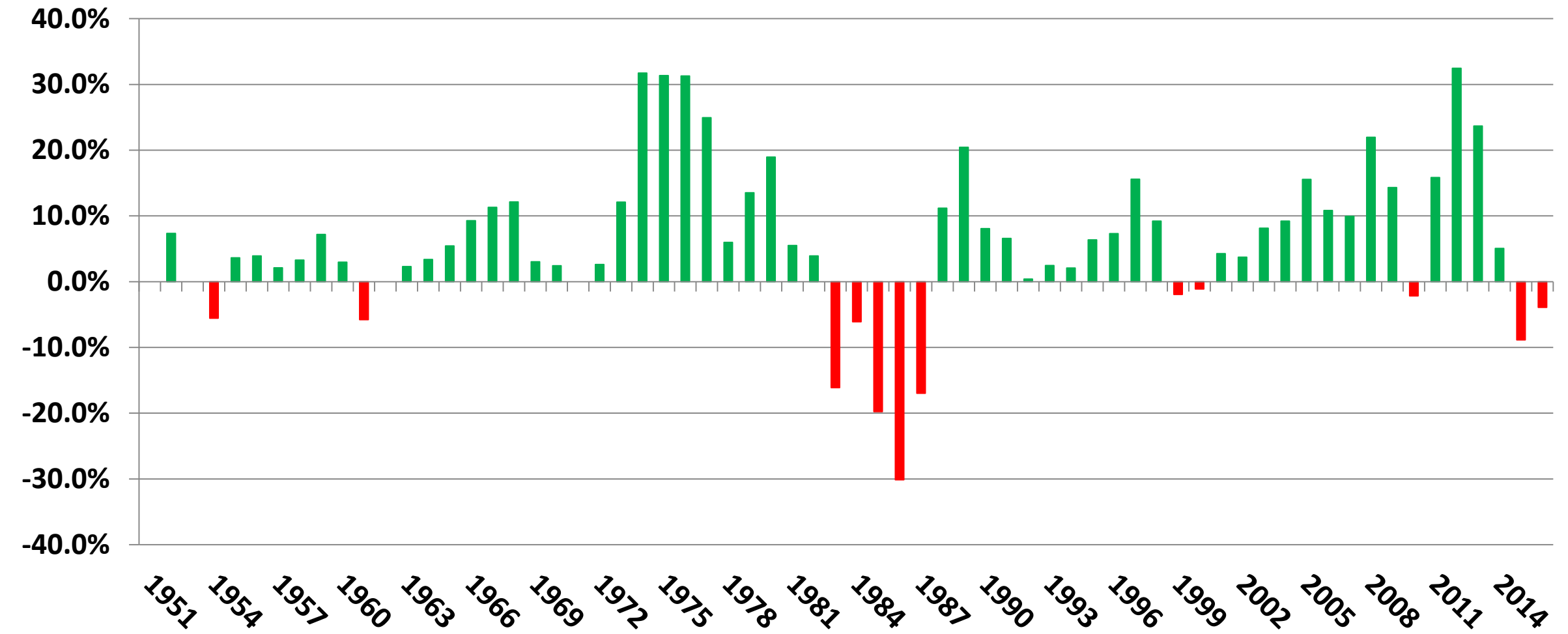
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# AVERAGE VALUES

all farmland 1950-2015



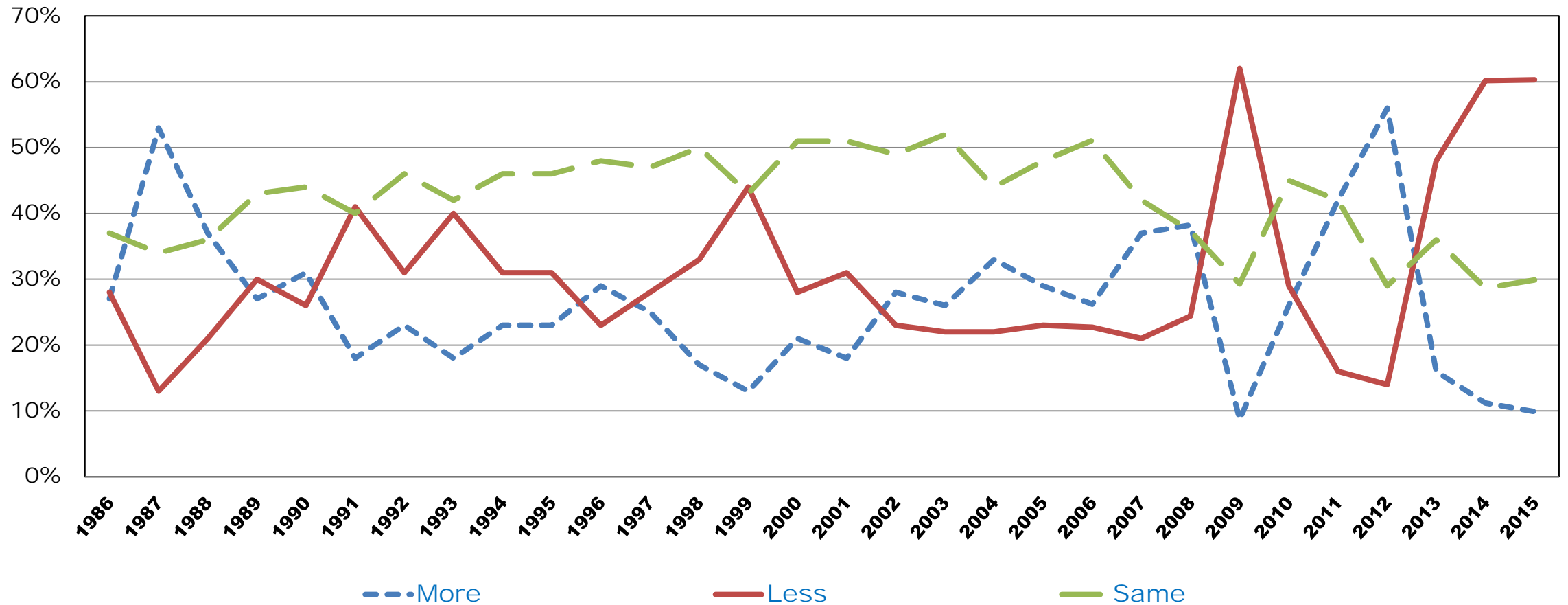
# % Change in Iowa Farmland Values 1951-2015



# Iowa Farmland Sale Activity since November 2014

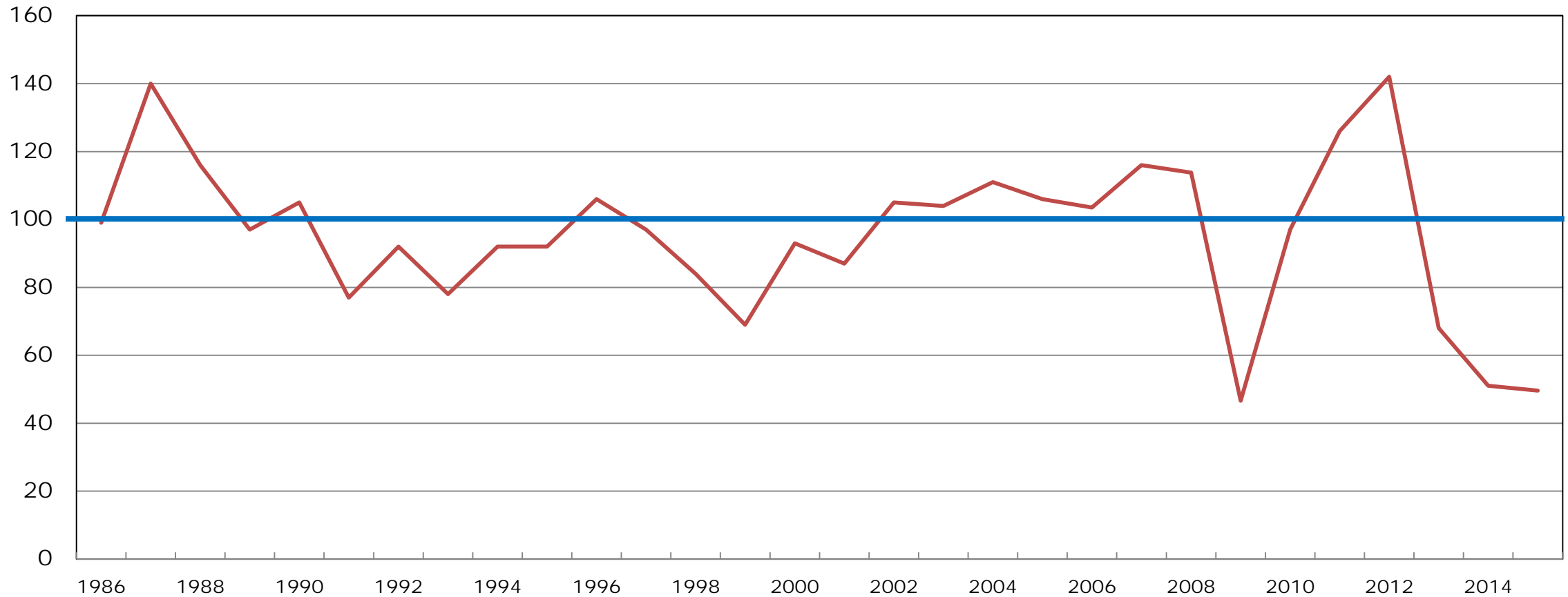
	More	Less Percent	Same
Northwest	13	44	43
North Central	9	64	27
Northeast	11	57	33
West Central	4	71	25
Central	12	70	18
East Central	5	60	35
Southwest	11	62	27
South Central	6	76	18
Southeast	18	47	35
<b>STATE</b>	<b>10</b>	<b>60</b>	<b>30</b>

# Iowa Farmland Sale Activity Relative to Last Year 1986-2015

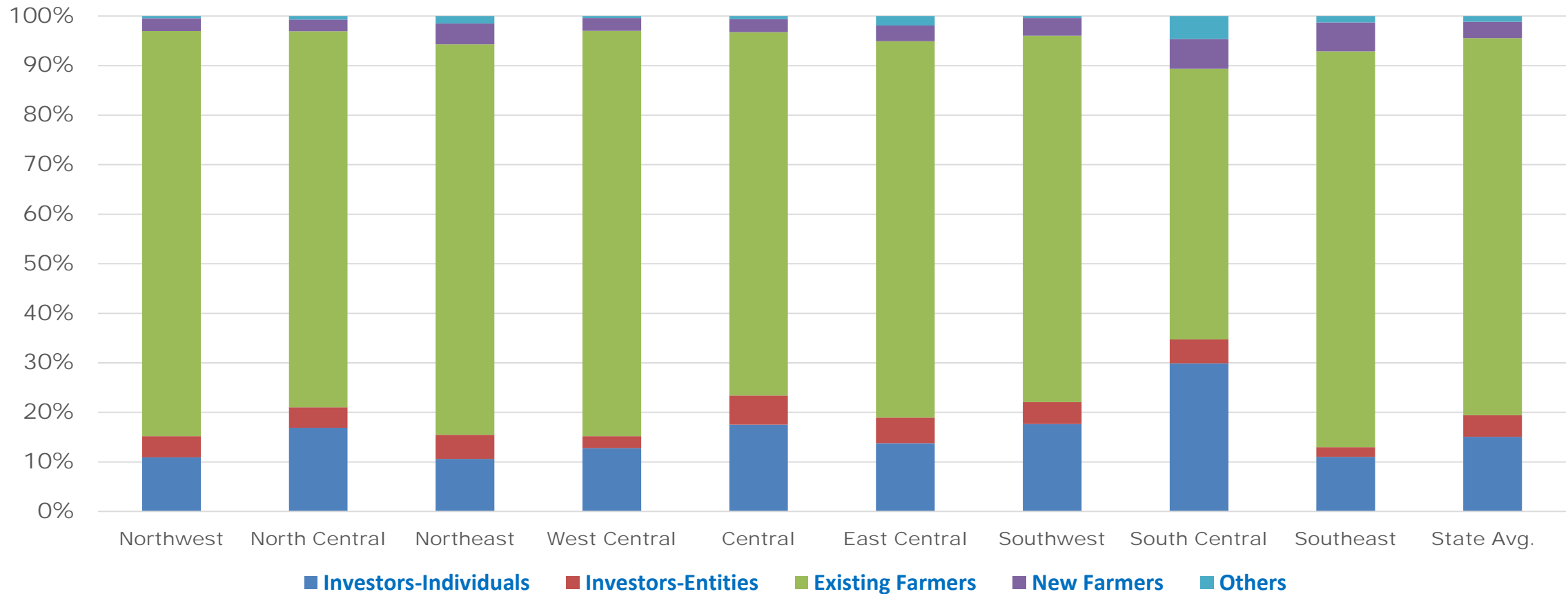


# Iowa Farmland Sale Index 1986-2015

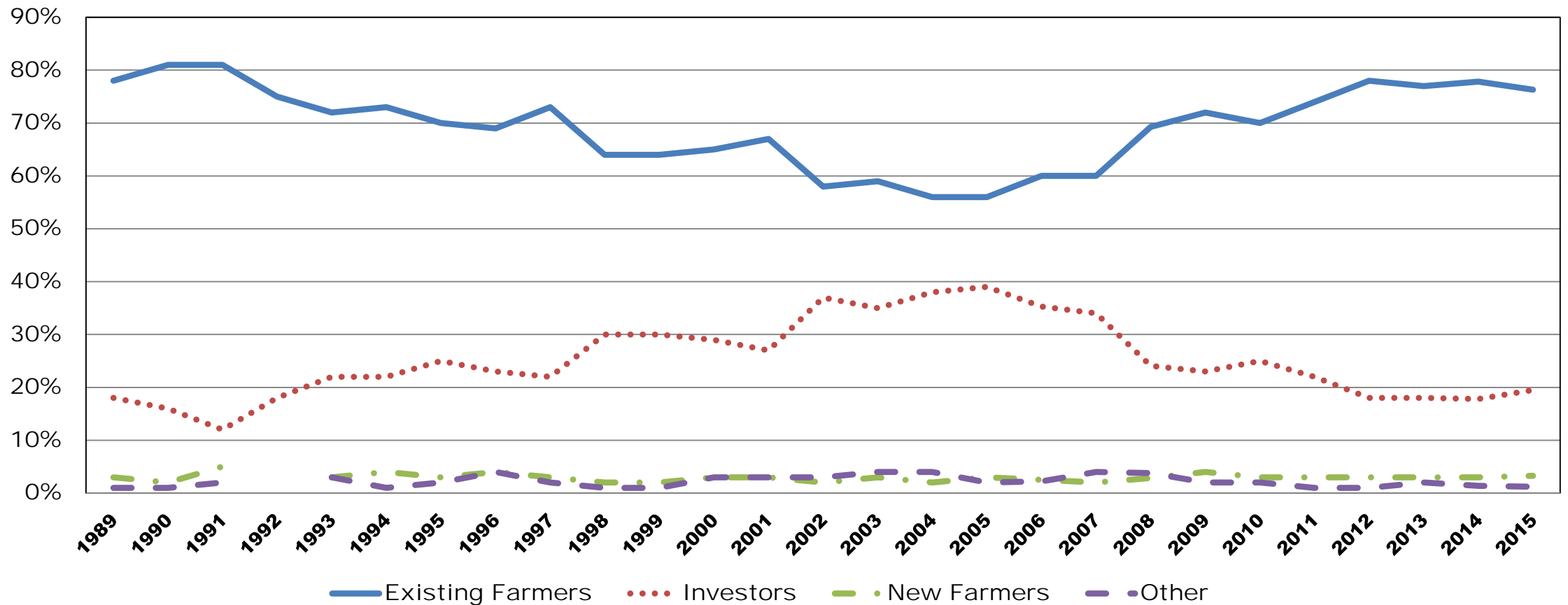
## Above 100, Greater than Last Year



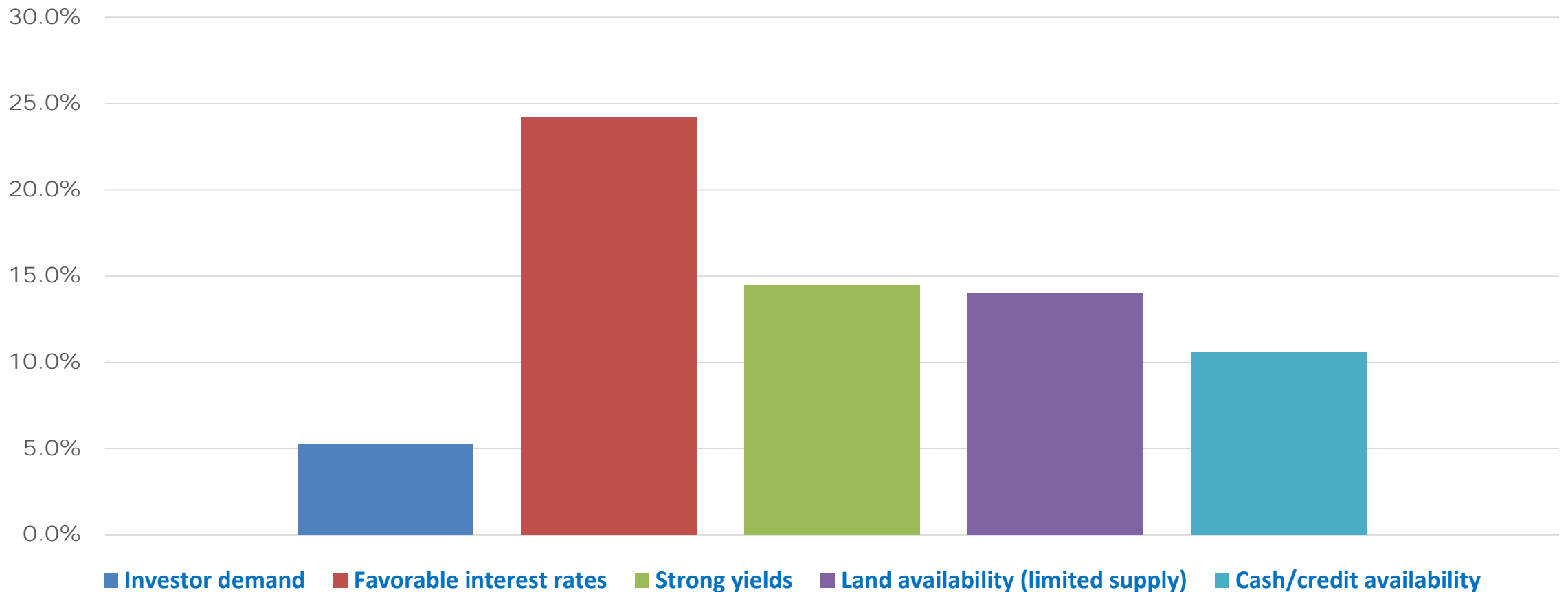
# Iowa Farmland Purchases by Buyer Types, 2015



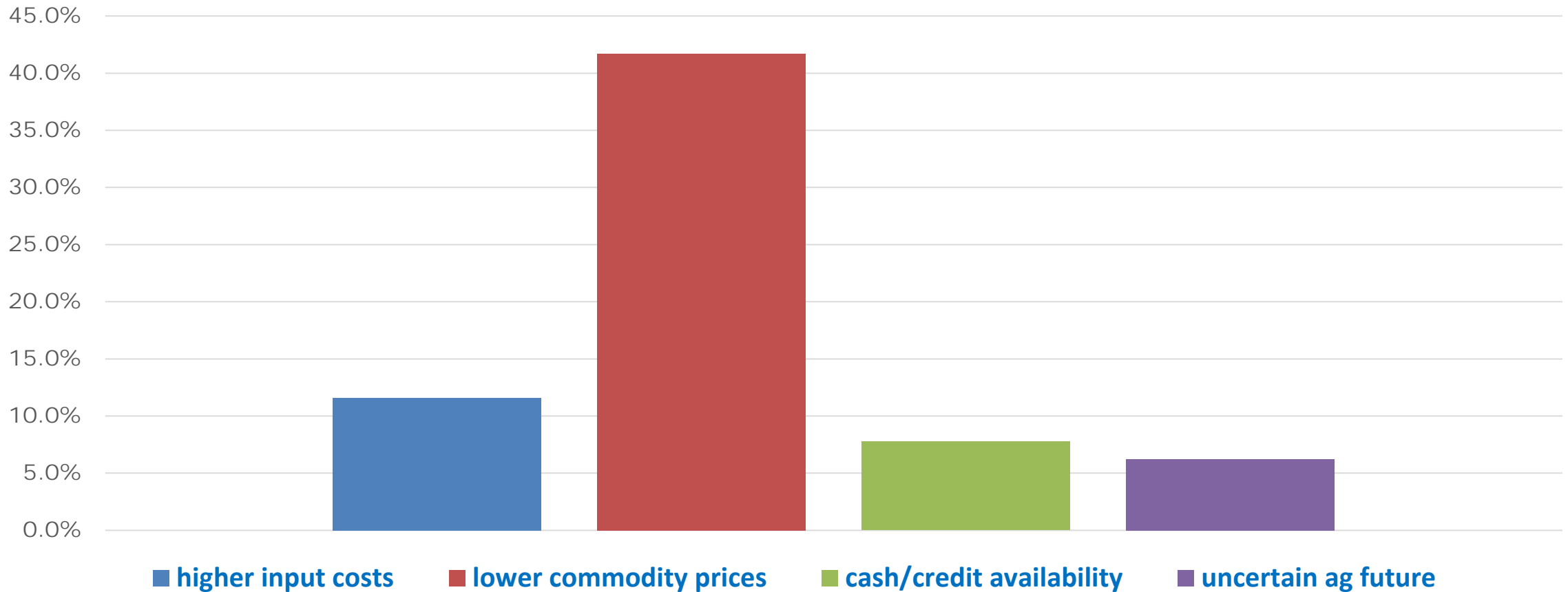
# Iowa Farmland Purchases by Buyer Types 1986-2015



# Major Positive Factors Affecting Iowa Farmland Market, 2015



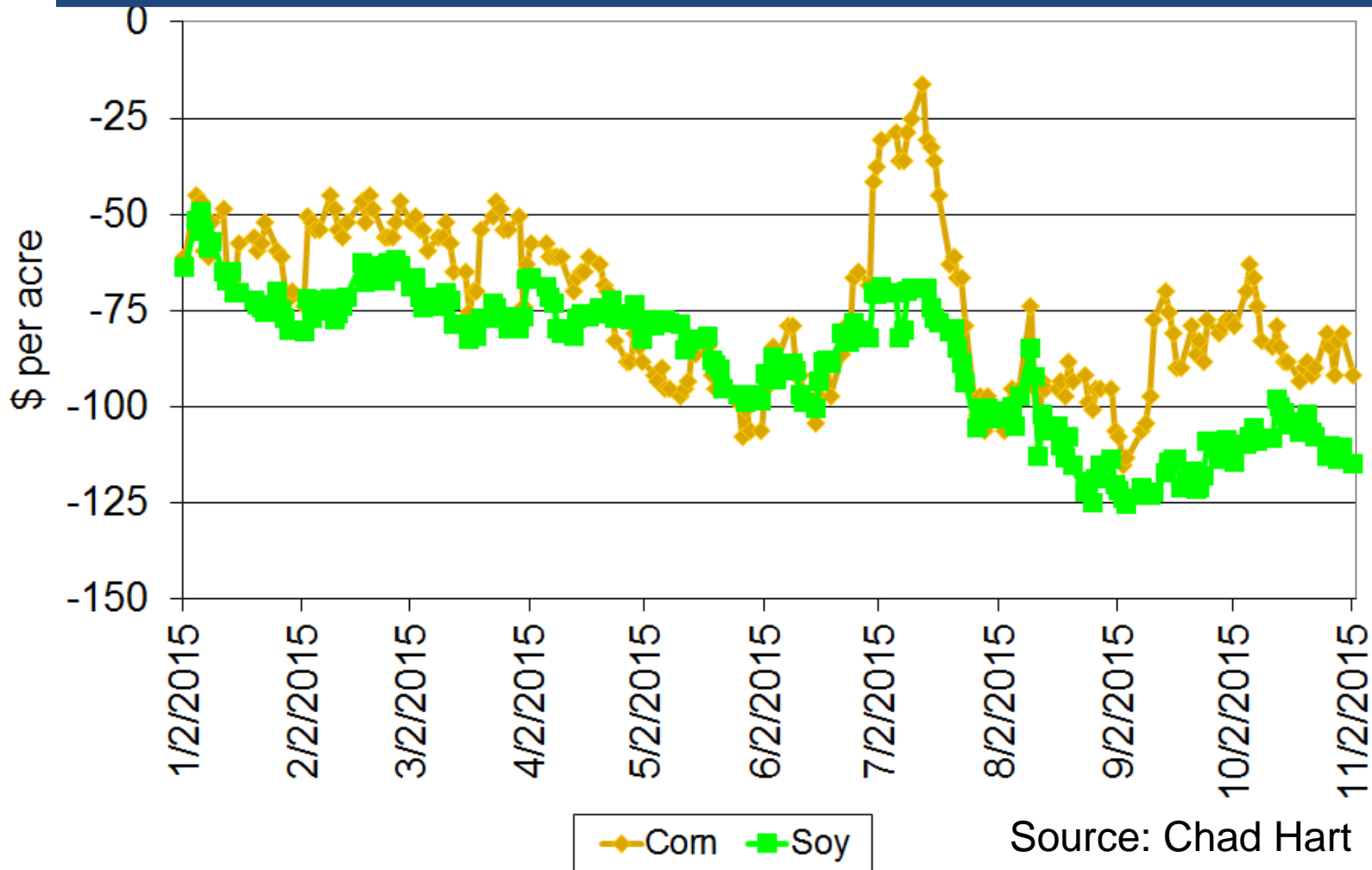
# Major Negative Factors Affecting Iowa Farmland Market



# Farmland Values Predictions in the Next Year

District	Increase 5% or more	Increase 0- 5%	Stay the same	Decrease 0- 5%	Decrease 5- 10%	Decrease 10% or more
PERCENT						
Northwest	3	9	28	36	19	6
North Central	0	2	16	38	44	2
Northeast	0	2	20	38	36	5
West Central	2	2	22	44	26	4
Central	0	0	13	48	33	6
East Central	2	2	18	30	40	9
Southwest	2	2	21	40	24	10
South Central	0	3	10	33	41	13
Southeast	0	0	17	47	33	3
<b>STATE</b>	<b>1</b>	<b>3</b>	<b>19</b>	<b>39</b>	<b>32</b>	<b>6</b>

# 2016/17 Crop Margins

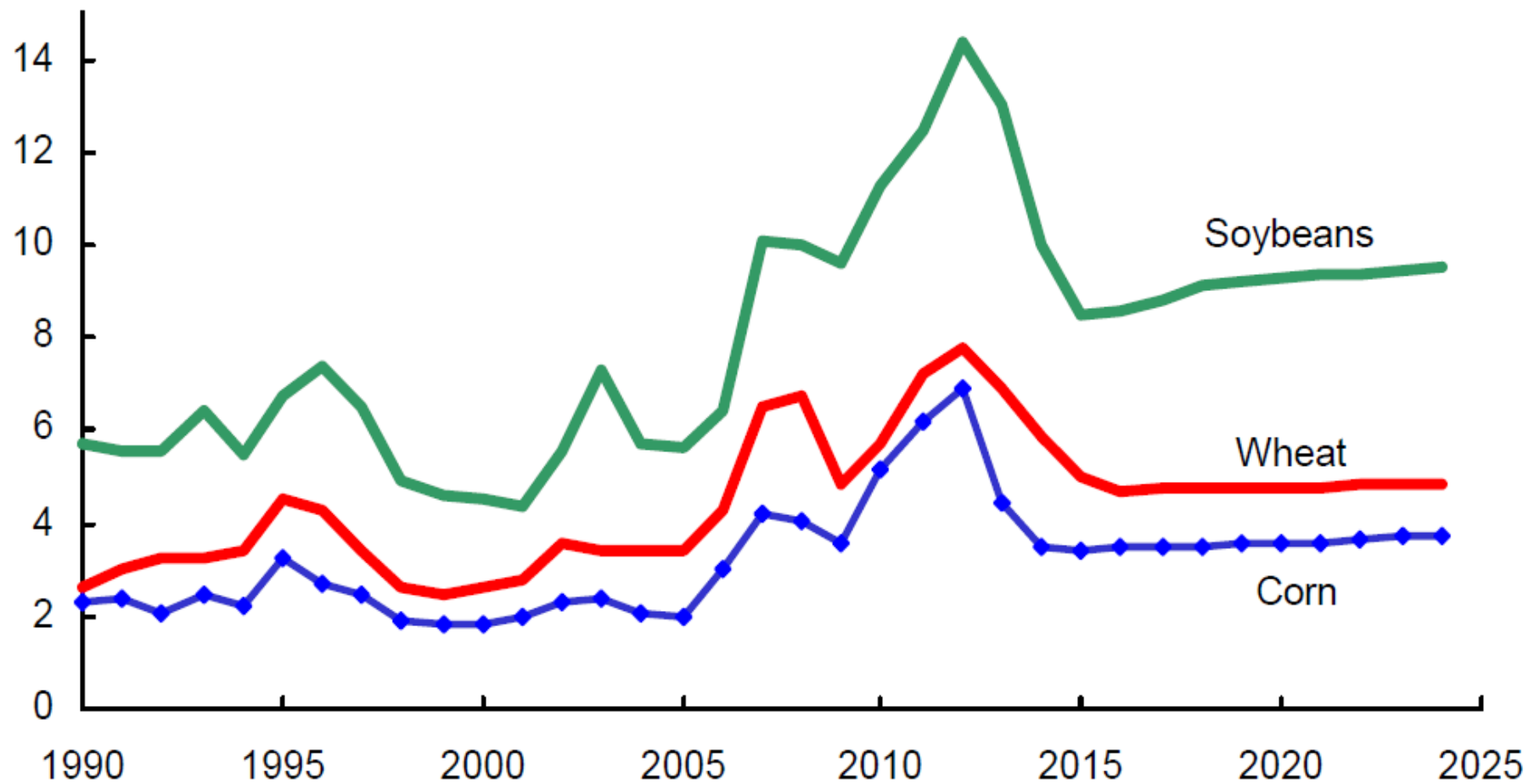


# Farmland Values Predictions in Five Years

District	Increase 5% or more	Increase 0-5%	Stay the same	Decrease 0-5%	Decrease 5-10%	Decrease 10% or more
PERCENT						
Northwest	16	<b>18</b>	<b>20</b>	16	16	14
North Central	16	12	10	17	<b>22</b>	<b>22</b>
Northeast	7	<b>22</b>	15	10	<b>22</b>	<b>24</b>
West Central	<b>20</b>	20	16	14	16	12
Central	<b>22</b>	<b>21</b>	19	8	19	11
East Central	9	19	17	19	19	19
Southwest	<b>18</b>	15	21	10	13	<b>23</b>
South Central	12	12	15	12	<b>32</b>	18
Southeast	6	14	26	14	17	<b>23</b>
<b>STATE</b>	<b>14</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>19</b>	<b>18</b>

# Crop Prices for the Next Decade

Dollars per bushel



# Survey Respondents by Occupation

District	Appraiser	Ag Lender	Farm Manager	Sales	Other	# Respondents	Percent
PERCENT							
Northwest	9%	41%	19%	19%	14%	81	16%
North Central	14%	38%	14%	13%	22%	64	12%
Northeast	9%	48%	9%	9%	25%	65	13%
West Central	15%	48%	13%	10%	13%	52	10%
Central	16%	33%	23%	17%	11%	70	14%
East Central	16%	38%	15%	13%	18%	61	12%
Southwest	14%	39%	23%	11%	14%	44	9%
South Central	22%	22%	17%	20%	20%	41	8%
Southeast	14%	31%	8%	14%	33%	36	7%
<b>STATE</b>	<b>71</b>	<b>196</b>	<b>82</b>	<b>72</b>	<b>93</b>	<b>514</b>	
<b>Percentage</b>	<b>14%</b>	<b>38%</b>	<b>16%</b>	<b>14%</b>	<b>18%</b>		

# Survey Respondents by Mode of Survey 2015

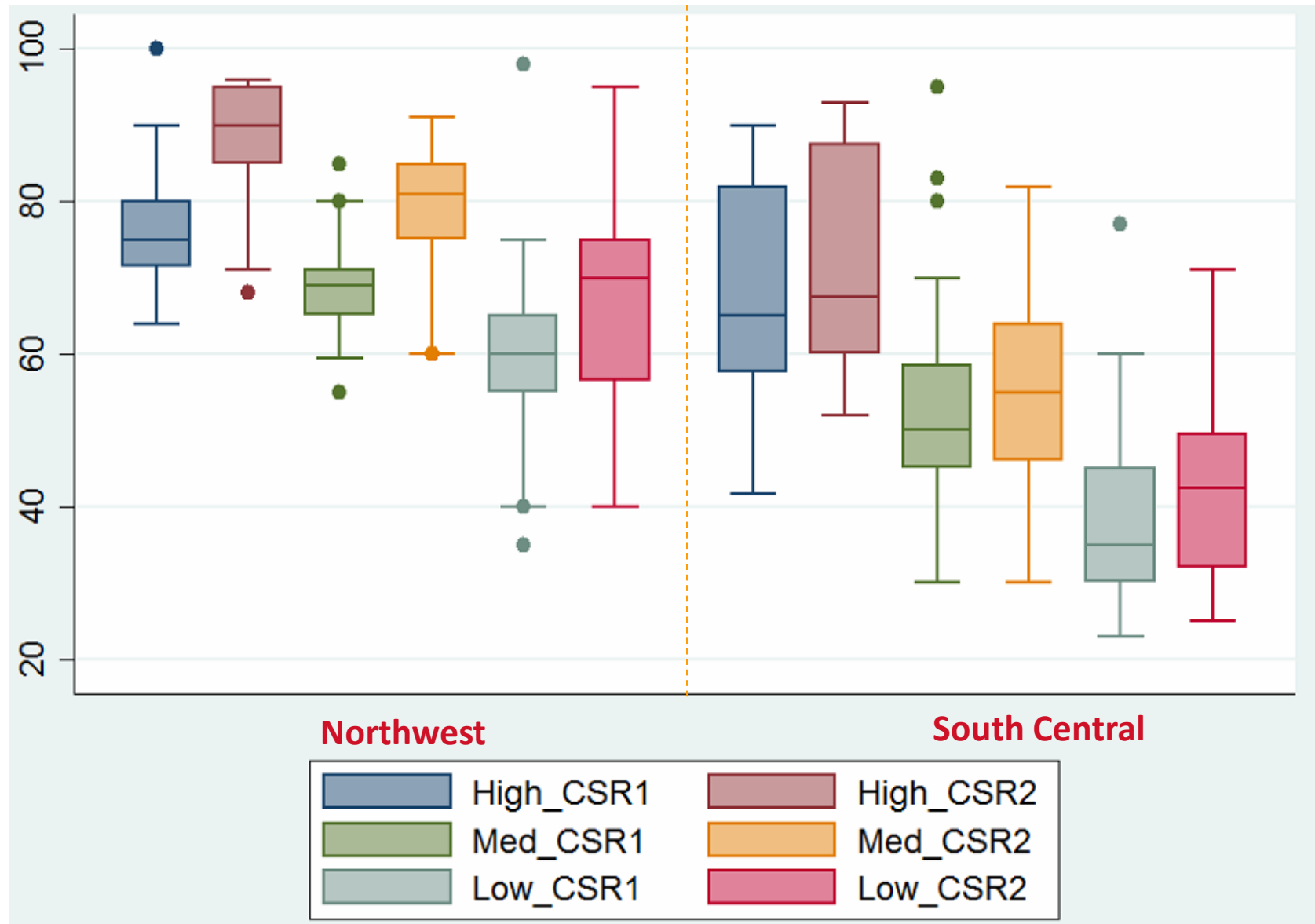
District	Email	Paper	# Respondents	
Northwest	52%	48%	84	16%
North Central	52%	48%	66	13%
Northeast	57%	43%	65	13%
West Central	48%	52%	52	10%
Central	63%	37%	70	14%
East Central	62%	38%	63	12%
Southwest	55%	45%	44	9%
South Central	51%	49%	41	8%
Southeast	42%	58%	38	7%
# Respondents by State	287	227	514	
	56%	44%		

# Distribution of Land Quality by Buyer Types

District	FARMERS			INVESTORS		
	High Quality	Medium Quality	Low Quality	High Quality	Medium Quality	Low Quality
PERCENT						
Northwest	55	36	19	51	32	14
North Central	49	40	16	51	34	18
Northeast	47	38	16	48	30	20
West Central	54	40	16	48	32	18
Central	54	35	16	56	37	13
East Central	50	33	16	50	29	20
Southwest	45	46	25	41	35	19
South Central	45	45	28	34	39	28
Southeast	56	34	14	56	22	13
<b>STATE</b>	<b>51</b>	<b>38</b>	<b>18</b>	<b>49</b>	<b>33</b>	<b>18</b>

# Estimated Average CSR and CSR2 by District:

## Northwest vs. South Central



# Estimated Average CSR and CSR2 by District

District	Estimated Average CSR			Estimated Average CSR2		
	High Quality	Medium Quality	Low Quality	High Quality	Medium Quality	Low Quality
<b>Northwest</b>	<b>76</b>	69	59	<b>89</b>	<b>80</b>	<b>67</b>
<b>North Central</b>	<b>81</b>	72	62	<b>85</b>	75	66
<b>Northeast</b>	<b>80</b>	68	55	<b>83</b>	70	57
<b>West Central</b>	<b>75</b>	64	55	<b>81</b>	68	59
<b>Central</b>	84	74	60	87	74	63
<b>East Central</b>	84	71	55	87	74	60
<b>Southwest</b>	<b>73</b>	61	49	<b>79</b>	65	52
<b>South Central</b>	68	53	38	<b>71</b>	55	43
<b>Southeast</b>	80	67	49	80	67	53
<b>STATE</b>	<b>79</b>	<b>67</b>	<b>55</b>	<b>83</b>	<b>71</b>	<b>59</b>

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# Iowa Farmland Value Portal

<http://card.iastate.edu/farmland>



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## Iowa Farmland Value Portal <sup>BETA</sup>

Your One-Stop Web-Portal for Everything You Need to Know about Iowa's Farmland Value

[2015 Results](#) [Charts](#) [Interactive County Maps](#) [Downloads](#) [Resources](#) [Archive](#)

Select a county or district:

Select result format:  dollar value  annual percentage change  farmland value indexes (state only)

Select data sources:  ISU Iowa Land Value Survey  USDA National Agricultural Statistics Service  
 REALTORS Land Institute  Federal Reserve Bank of Chicago

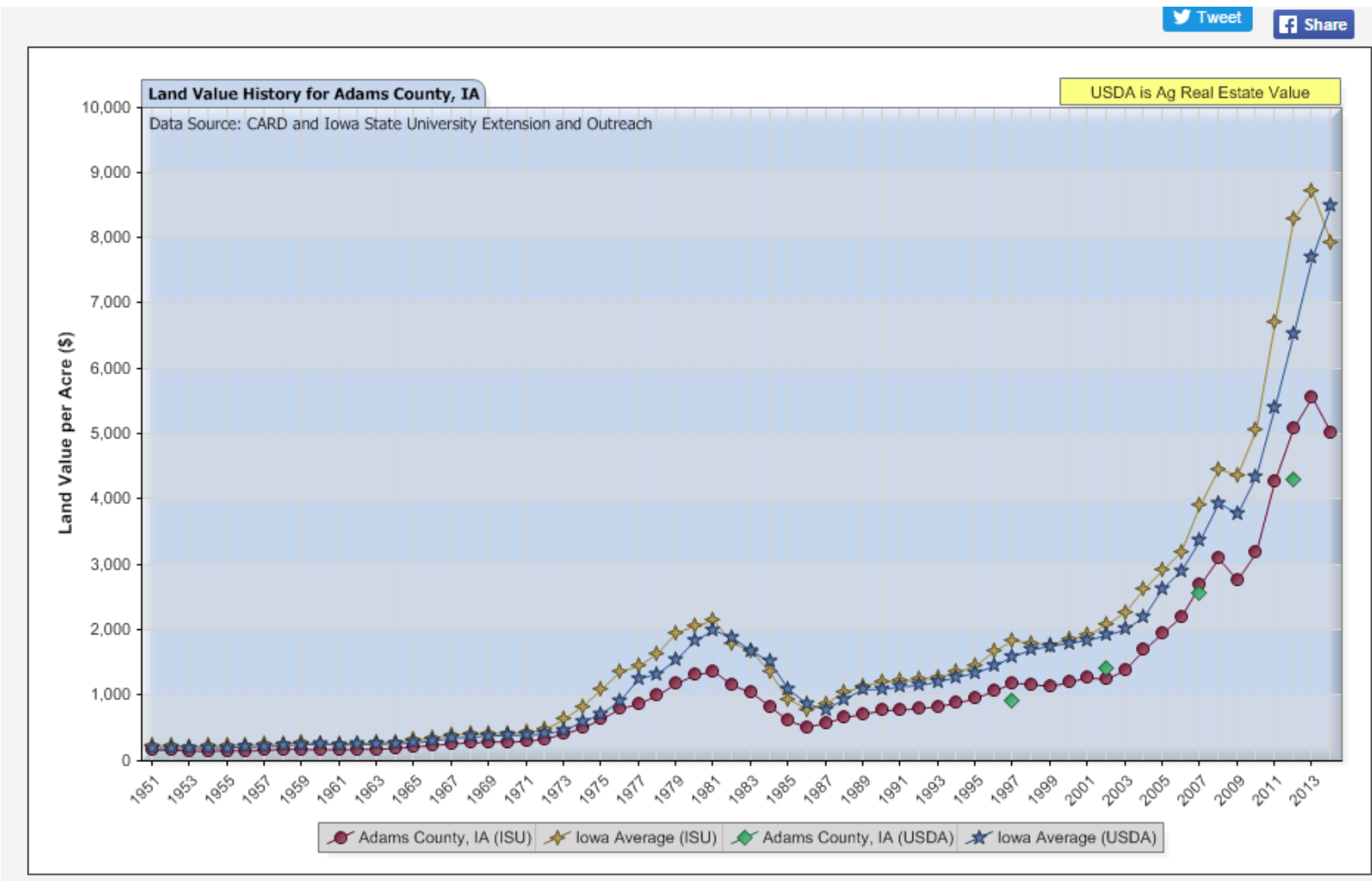
Years:  through

Show Values

Show Iowa Average  Show District Average

# Iowa Farmland Value Portal

<http://card.iastate.edu/farmland>





# Thank You!

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<http://www.econ.iastate.edu/people/faculty/zhang-wendong>