



**For Immediate Release**  
June 13, 2013

## ***REGIONAL LAND VALUE REPORTS***

### **Kansas, Oklahoma and Texas Panhandle**

The land market throughout the High Plains continues a strong drive into 2013 despite persistent dry weather and springtime freezes that have damaged growing wheat across a wide area. According to Monty Meusch, Farmers National Company area sales manager, land values throughout Kansas, Oklahoma and Texas do not show any down turn despite weather challenges across the region.

One major change in this region's market is the impact of an inventory shortage that is a direct result of a strong sell-off of land late in 2012.

"Forecasted tax law shifts and increasing prices to record levels spurred on this high level of sales activity which has led to a slowdown so far this year," said Meusch. "Despite the slowdown, values are still holding strong."

Meusch projects a continued low number of listings coming available on the market into the next quarter. A projected large corn crop could impact values later in the year, as well.

Sales prices in Kansas of top quality land range from \$3,800 to \$6,000 per acre depending on location. Prices for irrigated high quality cropland in the Texas Panhandle are between \$3,000 and \$4,000 per acre.

### **Iowa and Minnesota**

Demand for high quality farmland continues to be very strong in the North Central Region including Iowa, Missouri, Minnesota and South Dakota, according to Sam Kain, area sales manager for Farmers National Company in Iowa and Minnesota. While demand from both investors and farmer operators is high, farmers are the ones paying top prices and targeting premium pieces of land.

Auction numbers in this region continue to be strong, prompting sellers to net top sales prices, according to Kain.

“Continued low supplies of land in this area have kept the market strong,” said Kain. “Low interest rates have also helped drive the market. Without low rates, current commodity prices do not justify current land values. Any jump in rates could lead to a sales slowdown, but its strength as an investment is keeping activity healthy.”

In Iowa, top quality land is selling at more than \$12,500 per acre, Minnesota values are reaching \$9,500 per acre, and values in eastern South Dakota have reached \$8,000 plus in many areas.

### **North Dakota and Northwest Minnesota**

Buyers in the area covering North Dakota, eastern South Dakota and western Minnesota continue to seek out average to high quality land for purchase, according to Terry Longtin, area sales manager. The first four months of 2013 show land values and rent leveling off. However, the value numbers are still strong after 30 to 40 percent increases during 2012.

"We have experienced improved crop yields in the last few years, mainly due to improved crop varieties for this region, lead by corn, soybeans and sugar beets," said Longtin. "This, along with last year's net profits, has the demand for land outpacing supply."

Most land is being sold to farm owner-operators, but investors are still seeking farmland due to the net returns in the region, according to Longtin.

Average to good quality land in the area is selling in the \$4,000 to \$7,000 range per acre, while excellent land is in the \$7,000 to \$9,000 per acre range. Top land in South Dakota is pulling up to \$8,000 per acre, while North Dakota is coming in at \$8,500 and Minnesota at \$9,500.

### **Colorado, Kansas, South Dakota, Central/Western Nebraska and Wyoming**

After experiencing double-digit annual increases of up to 25 to 30 percent in land values over the past six years, Farmers National Company is currently seeing moderate to steady growth as land prices plateau throughout mid-year 2013, says JD Maxson, area sales manager for Farmers National Company in Colorado, Kansas, South Dakota, central/western Nebraska and Wyoming. While demand for high quality cropland and commodity prices still remain the motivating factors driving values; for the most part, land prices have stabilized throughout the first quarter of 2013.

“Rising land values have adjusted as a result of an increase in favorable returns on alternative investments,” said Maxson. “Consumer confidence is a reflection of the stock market’s recent positive upswing, so they are investigating other investments as well.”

Maxson anticipates a possible transition of investor capital away from the ag sector if returns in the financial markets remain strong. Moderate increases in land prices throughout 2013 are likely still due to the pressure of current commodity prices.

“Past history shows land prices have a tendency to parallel the market’s highs and lows,” said Maxson. “Recent news of planned ethanol plants closing in the area will likely impact commodity prices, as demand declines for ethanol-based grains. Corn planting was delayed due to late spring snow storms and below average ground temperatures, leaving a somewhat negative impact on yields and production.”

Prices in these regions are ranging from \$4,000 to \$12,000 per acre for high quality tillable acres, with location, soils and topography dictating price.

### **Illinois, Indiana and Ohio**

Quality farmland in the East Central region continues to see moderate to steady land values, with increases near four percent over the past six months, according to Roger Hayworth, area sales manager for Farmers National Company in Illinois, Indiana, Ohio, Michigan, eastern Kentucky, and eastern Missouri.

“Low supply, prompted by strong sales activity late in 2012, is causing prices to rise as demand has stayed strong into this year,” said Hayworth. “When a unit of land is placed on the market, it is sought after with aggression – particularly high quality parcels.”

Both investors and farmer-owners are buying land, but perhaps a bit more cautiously, according to Hayworth. Several positive income years have put farmers in a stronger position than years past to be able to increase the size of their operations. “Many continue to evaluate their personal and business situations before buying, but are making the move when an opportunity arises.”

Despite fewer sales, Hayworth says he is seeing larger parcels of land being sold in individual transactions as we move further into 2013..

Top prices in the region can be seen in Illinois at \$12,500 per acre on average for high quality land. These levels are followed by Indiana showing values up to \$10,500 per acre, and Ohio, which has reached \$8,200 per acre.

## **Arkansas, Mississippi and Tennessee**

Activity in the Mid-South Region remains brisk, fueled by low supply and continued high demand. Once properties hit the market, they are selling briskly.

“Prices are still going up and inventory continues to be tight,” said Keith Morris, area sales manager for Farmers National Company in Tennessee, Mississippi, Arkansas, Alabama, western Kentucky and Louisiana. “Buyers, both investors and farmers, are looking for good farms and don't mind paying a little more for quality farmland.”

Prices for top farmland are averaging \$4,250 per acre in Arkansas, \$3,800 per acre in Tennessee and \$4,250 per acre in Mississippi.

#####