



For Immediate Release
June 10, 2014

REGIONAL LAND VALUE REPORTS

Kansas and Oklahoma

The market for high quality cropland remains steady throughout the High Plains with stronger values in the western part of the region. Overall area values are holding steady with some slight reductions from values 18 to 24 months ago, according to Brock Thurman, AFM, Farmers National Company area vice president, Kiowa, Kan.

“Prices are still good for those high quality properties, with reductions being seen on lower quality land,” said Thurman. “Values within the south central region are definitely tied to the specific location and quality of the farmland. Quality land is still selling at record prices, but we aren’t necessarily seeing measurable increases in value overall.”

Auction activity was busy during April and May in these states, still standing out as the method of choice for selling farm properties. “We definitely saw higher prices on land at auctions, versus private treaty sales,” said Thurman.

Some land sales are seeing higher prices if the property is tied to mineral rights. Active producing properties can bring higher prices and impact transactions based on the land selling with the mineral rights or not. Positive crop production levels or profitability boosted by crop insurance receipts are also keeping values at a fairly strong point.

“It’s important to keep farms profitable in this region to keep land values steady,” said Thurman. “Drought in the area has been challenging. If commodity prices stay high, farms will remain economically viable.”

Looking ahead for this region, Thurman predicts cropland will remain steady or see potential reductions in value based on market factors. Values will remain tied to land quality and location.

Prices for irrigated high quality cropland in the area are variable, but range between \$3,500 and \$6,000 per acre, while the range for non-irrigated land is \$2,000 to \$4,000.

Iowa and Minnesota

Selective demand for high quality farmland continues as prices have leveled somewhat in the north central region, including Iowa, Missouri, Minnesota and South Dakota, according to Sam Kain, national sales manager for Farmers National Company, West Des Moines, Iowa.

“Buyers are definitely choosy right now, but will pay for quality land,” said Kain. “We just aren’t seeing the frenzy and competition for properties we did last year. Whether or not we see a 10% or greater drop in values is yet to be seen because supply of available properties for sale is low. We still consider this a good land market based on historic trends.”

The land market in Iowa has been fairly strong with values holding, compared to some weakness in Minnesota due to cold and wet ground conditions impacting production.

Economic factors contributing to current land values in this area include slow commodity trading. Property price levels to date have not been impacted by the ethanol mandate.

In Iowa, top quality land is selling at more than \$12,000 per acre, while Minnesota values are reaching \$9,000 per acre.

North Dakota, Eastern South Dakota and Western Minnesota

Auction activity for land sales in North Dakota, eastern South Dakota and western Minnesota has tightened compared to 2013 with more transactions going to private listings, according to Terry Longtin, Farmers National Company area vice president and area sales manager, Grand Forks, N.D. While there are still plenty of buyers, sales levels have weakened a bit overall, with levels coming in at 10 to 15 percent below the high values of 2012.

“I feel we are at a stabilizing place in the market,” said Longtin. “For people wanting to sell prices are still excellent, even if they are slightly down from a year ago. Our regional ag economy is a bit weaker than other regions due to lower commodity prices, high basis due to railroad transportation issues and reduced production in 2013. Overall though sellers are still seeing historically high price levels.”

Longtin predicts that commodity prices need to rise about 10 percent to continue to hold current land values. “If production in our region is low again this year, values could be impacted

and buyer demand may lag. In contrast if crop prices are good farmland prices are likely to rebound by 10 percent.”

An excessively cold winter in the region affected transportation which is impacting current commodity prices lower due to delays, said Longtin.

“The outlook for the new crop is positive, as compared to last year however, we are in a late planting year and are currently switching corn acres to soybeans or wheat, as of late May” said Longtin. “Right now warehouses are full with the last year’s crop, which needs to be moved to market to make way for upcoming production.”

Average to good quality land in the area is selling in the \$5,000 to \$6,000 range per acre, while excellent land is in the \$6,000 to \$9,000 per acre range. Top quality land in South Dakota is pulling up to \$8,100 per acre, while North Dakota is coming in at \$7,200 and Minnesota at \$9,000.

Colorado, South Dakota, Nebraska and Wyoming

Since January 2014, the wide region covering Colorado, western South Dakota, Nebraska and Wyoming has seen a high level, of land sales activity. While land values have not increased significantly, they are still at a steady high level said JD Maxson, area sales manager for Farmers National Company, North Platte, Neb.

“Nebraska and South Dakota have enjoyed double digit increases in land value appreciation since 2006,” said Maxson. “Any slight declines in land prices going forward could be expected, but definitely not devastating, to producers and investors alike based on historical levels.”

Land auction activity across Nebraska and South Dakota has produced record grazing and pasture grass prices, according to Maxson. “We had two individual tracts of grass sell for \$3,750 and \$4,050 per acre, showing strong demand.” With livestock numbers still down from the 2013 Atlas Blizzard in South Dakota and northern Nebraska, high quality grassland/grazing pasture is in high demand among cattlemen and producers trying to rebuild their herds. In addition, farmers continue to accumulate and break grass acres for cropland, Maxson said.

Some buyers are drawn to purchase based on location of land and proximity to farm operations. These scenarios have contributed to the positive upturn in grass acre prices.

Moving into the last half of 2014, record exports in 2013 will have global impact, according to Maxson. “The continued export of U.S. grains will have a tendency to support a stabilized commodity market and help boost ag profitability,” he said.

Maxson reports that low, average and medium quality ground has leveled off as commodity prices adjust to current conditions.

Prices in these regions are ranging from \$4,500 to \$12,000 per acre for high quality tillable acres, with location, soils and topography dictating price. The range varies from west to east as well as by water availability and type of irrigation. There is a wide range of land values per acre depending on quality and if irrigated.

Illinois, Indiana, Ohio, Southern Michigan, Eastern Kentucky and Eastern Missouri

Quality farmland in the east central region continues to bring strong prices in most territories, supplies are limited- with demand steady, according to Roger Hayworth, Area Sales Manager for Farmers National Company, Lafayette, Ind. While quality land still leads demand, regionally there have been signs/indicators of a slight market correction as values have dropped on some property types two to four percent in general.

“This region had good sales activity into early March with quite a few land auctions and good numbers,” said Hayworth. “However, sales volume has flattened in the last month reducing the number of transactions. Buyers overall are taking a conservative approach in the marketplace. Levels are down from 2013, with interest rates beginning to rise and commodity prices dropping, but nothing substantial.”

Buyers will continue to watch the economic environment and its impact on values when deciding if and when to purchase land, according to Hayworth. Additionally, potential sellers may put land on the market if they feel values are starting to peak. “Rising interest rates could be a concern to the overall market values, as with crop production volumes later in the year” Hayworth said. “If the rise is gradual the ag market will adapt, but a sharp jump could have a deeper effect.”

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 \$10,000 per acre, and Ohio, which is at \$8,000 per acre.

Arkansas, Mississippi, Missouri and Texas

Activity in the southern region overall remains brisk, fueled by low supply of quality land for sale and continued high demand. Year end figures for 2013 in Texas indicate an overall price increase of nearly 10% over 2012 prices. The Texas statewide, size adjusted average price was \$2,160 per acre. Quality land for sale in all classes, is moving quickly said Mike Lansford, Farmers National Company area vice president for the southern region, Fort Worth, Texas.

Overall, Texas has seen an increase in land sale activity and a slight increase in land values in the past year, said Lansford. The wide variety of geographic regions in the state has led to some variance. The prolonged drought across much of Texas and the Southwest continues to be the strongest deterrent for the land market.

“We anticipate land values to increase 5 to 7 percent on average across the state in 2014,” said Lansford. “Quality is still king no matter what the land classification.”

Buyers for productive farms are still available. Prices for top farm land are averaging \$5,000 per acre in Arkansas, \$3,600 per acre in Tennessee, \$3,500 per acre in Texas and \$5,000 per acre in Mississippi.

Washington

Washington land buyers continue to outnumber those who are willing to sell, creating a continued demand keeping prices strong for top quality properties, according to Flo Sayre, real estate broker for Farmers National Company in Pasco, Wash.

“The market remains good for all land classes in this area,” said Sayre.

Farm operators adding to their holdings and investors make up the buy side of the land market. Sales overall are still strong and auctions are driving prices.

Irrigated land in the area is currently averaging \$7,850 per acre. Non-irrigated cropland is currently seeing prices near \$1,300 per acre average for all types of farms, according to Sayre. She noted that land in the eastern Palouse area is bringing prices as high as \$3,500 per acre at auction. Prime farmlands in the Columbia Basin region are bringing prices at or above \$10,000 per acre.

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