

Iowa Farmland Values Still Declining

Published on Sep 16, 2016 by Peoples Company



September 2016

Iowa REALTORS® Land Institute (RLI) Chapter #2
Survey of Farm Land Values In Dollars Per Acre



Percent
Change in
Tillable
Cropland
Values
Past
6
Months

Land Classification By Potential Corn Production

	High Quality Crop Land		Medium Quality Crop Land		Low Quality Crop Land		Non - Tillable Pasture Per Acre		Timber Per Acre		%
	September	March	September	March	September	March	September	March	September	March	
Central	9,219	9,594	6,716	6,894	4,265	4,330	2,719	2,829	2,343	2,413	-3.0%
East Central	9,524	10,009	6,922	7,166	4,260	4,460	2,661	2,732	2,116	2,130	-4.3%
North Central	8,676	9,054	6,566	6,883	4,469	4,703	2,223	2,260	1,696	1,751	-4.5%
Northeast	8,856	9,096	6,613	6,734	4,246	4,365	2,596	2,600	2,496	2,509	-2.4%
Northwest	10,673	10,977	7,793	8,078	4,775	4,914	2,827	2,936	2,294	2,319	-3.0%
South Central	6,702	6,905	4,496	4,633	3,035	3,050	2,700	2,731	2,629	2,515	-2.4%
Southeast	9,160	9,342	5,885	6,225	3,652	3,728	2,342	2,375	2,091	1,990	-3.1%
Southwest	7,618	8,167	5,956	6,272	4,432	4,671	3,357	3,467	2,183	2,200	-5.8%
West Central	8,866	9,283	6,952	7,352	4,787	5,038	2,758	2,833	2,342	2,274	-4.9%
State	8,811	9,158	6,433	6,693	4,214	4,362	2,687	2,751	2,243	2,233	-3.7%

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Iowa Chapter of the Realtor's Land Institute Land Trends and Values Survey for September 2016 was released earlier this week. Here's how it breaks down:

- Iowa's farmland values dropped 8.7% over the past year.
- Iowa's farmland values are down 25% from the 2013 peak.
- Statewide average farmland value through September was \$6,486/acre. The average value in September 2013 was \$8,750/acre.
- All nine crop reporting districts showed year-over-year declines ranging from 6.7% in Northeast Iowa to 11.7% in Southwest Iowa.
- Land Values are expected to continue to fall due to declining corn & soybean prices which are at least 45% below peaks in 2012, a drought year.
- Timber acres climbed between 4.5% to 5.1% in south-central Iowa and southeast Iowa, where buyers are looking for hunting land.
- One trend supporting farmland values is that there are fewer farms for sale.
- There is still strong competition for land. With little available for sale, people are willing to pay higher prices because there aren't other options for buying land in their area.
- Farmers still buying most of the farms with investors coming in second.

- Very few distressed sales currently but could potentially have more in the future due to decreased profitability in farming.

“That’s my story and I’m sticking to it”

Jim “the Land Talker”