

Land Investment Monthly - June 2023

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Photo Credit: Zach Boyden-Holmes/The Register

Farmland Values on Firm Ground: Double-Digit Value Trend Continues

Midwest farmland values continued an upward trend, but slowed in the first quarter, according to a survey in the Seventh Federal Reserve District.

“Despite experiencing its smallest year-over-year gain (10%) in agricultural land values since the second quarter of 2021, the district still extended its streak of double-digit farmland value increases to eight quarters in the first quarter of 2023,” said David Oppedahl, AgLetter author and policy adviser at the Federal Reserve Bank of Chicago.

The survey is based on responses of 148 district agricultural bankers. The Seventh District includes the northern two-thirds of Illinois and Indiana, all of Iowa, the southern two-thirds of Wisconsin and Michigan’s Lower Peninsula’s

Farmland values rose 2% in the first quarter of this year from the fourth quarter of last year. [Read More](#)

Sudden Slowdown? Farmland Expert Sees Fewer Buyers, More No Sales And a Plateau in Prices

Changing economics conditions, including climbing input prices and interest rates, while commodity prices fall could plateau farmland values, bankers and land appraisers are warning.

“Per my auction date, land market conditions in 2023 have been flat, but strong. Over the past two months, the number of land sales bringing at least \$20,000 per acre sales has slowed considerably, and I expect this trend to continue.” says Jim Rotherich, an Iowa land appraiser tracking land auction data across the state.

The slowdown is not just in Iowa, as a 314-acre parcel of ground in Vernon County, MO sold for just \$4,950 per acre. When just five months ago, two large pieces of farmland in the same county sold for \$7,500 an acre. [Read More](#)

Cost to Rent Iowa Farmland Sets Record High This Year, a New ISU Survey Says

The cost to rent Iowa farmland this year reached a 10-year high, driven by rising land values and recent strong farm income, a new Iowa State University survey shows.

This year's average farmland rent climbed 9% to \$279 an acre, according to the survey released Friday. That beat the record set in 2013, when the average reached \$270 an acre.

At the time, Iowa and other states were struggling with an extended drought that drove corn and soybeans prices to new highs. Compared to 2013, Iowa corn prices are 2.8% higher, and soybean prices are 4.4% lower, based on figures unadjusted for inflation, ISU said. [Read More](#)

How U.S. Farmland Became a Battleground in the Fight Against China

Chinese investors own about .03 percent of America's farmland, according to federal data. But their land purchasing is becoming a major issue as politicians at the state and federal level ramp up their fight against perceived threats from China.

[...]

Lawmakers on the federal level are also pushing legislation to block China from buying farmland. A bipartisan group of senators have introduced a bill, known as the PASS act, that would prohibit nationals of China, Russia, Iran and North Korea from buying U.S. agricultural land or investing in American agricultural businesses.

Other legislation focuses specifically on the Chinese government. The House easily passed an amendment to the Republican's energy bill in late March prohibiting the Chinese Communist Party from purchasing U.S. farmland or land used for renewable energy. [Read More](#)