








Kansas Land Values and Trends

Robin Reid

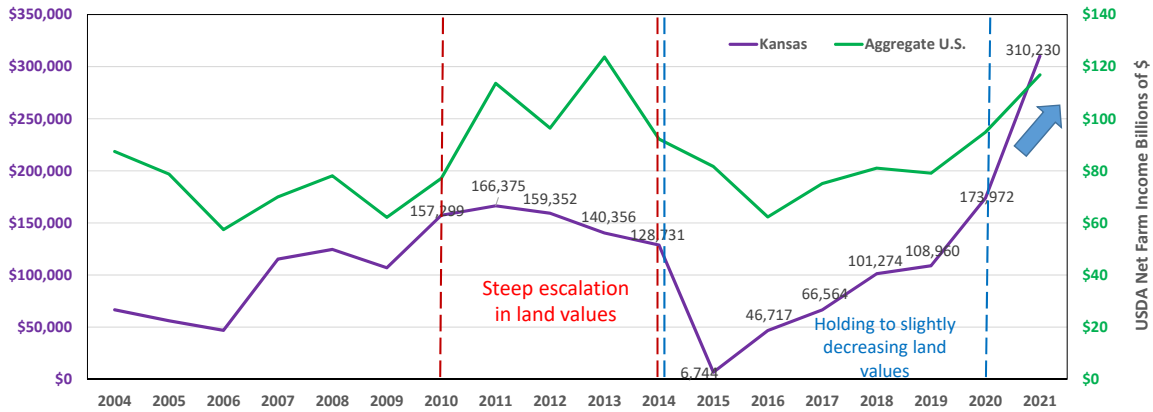
Extension Farm Economist

Kansas State University Ag. Economics

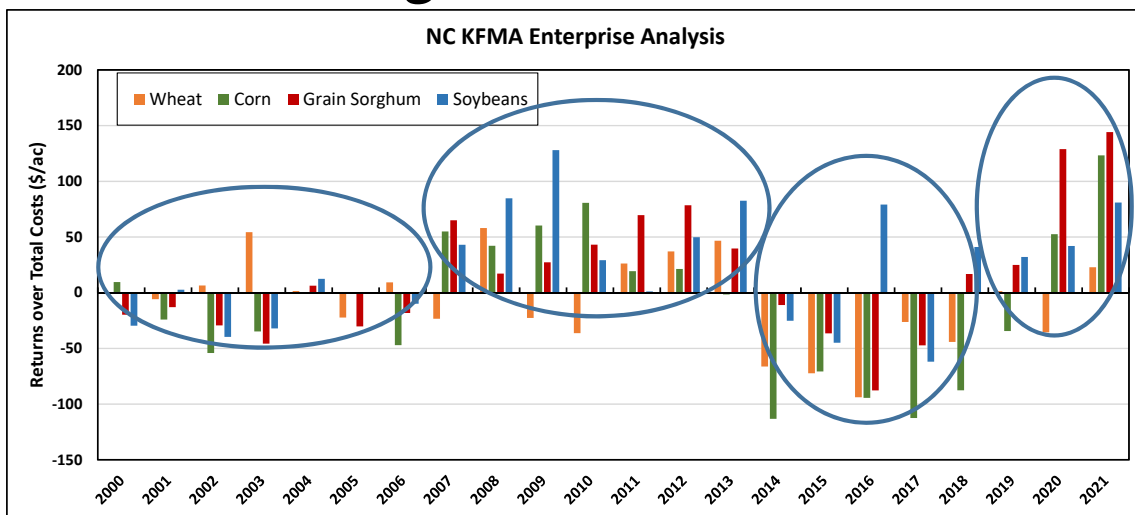
What is going on in the Ag. Land market?

- Farm Income remains strong 
- Interest Rates Increasing
 - Short-term  Long-term? 
- Inflation 
- Non-Ag. investment 

Net Farm Income – Kansas Farm Management and Aggregate U.S.



Returns to Farming



Land Values

- Where do we get information on land values?
- KS Ag Stats Service
 - Annual survey series
 - Dropped CRD-level estimates in 2013
 - Only have a state value for irrigated, non-irrigated, and pasture land in Kansas



United States Department of Agriculture
National Agricultural Statistics Service

News Release

812 SW Van Buren, Room 202, Topeka, Kansas 66603
Media Contact: Jason Langworthy (785) 232-2220



KANSAS FARM REAL ESTATE VALUE AND CROPLAND RENT HIGHER

TOPEKA, KS, August 2, 2013 – Kansas' farm real estate value, a measurement of the value of all land and buildings on farms, increased from 2012, according to USDA's National Agricultural Statistics Service. Farm real estate value for 2013 averaged \$1,900 per acre. This is up \$200 per acre or 12 percent higher than last year's revised level.

Cropland value increased 19 percent from last year to \$2,100 per acre. Dryland cropland value averaged \$2,000 per acre, up \$300 from last year. Irrigated cropland value averaged \$3,000 per acre, up \$600 from a year ago. Pastureland, at \$1,250 per acre, increased \$250 from a year ago.

Cash rent paid to landlords in 2013 for cropland also increased from last year. Irrigated cropland rent averaged \$337 per acre, an increase of \$18. Dryland cropland rent averaged \$53 per acre, up slightly from a year earlier. Pasture rented for cash, which averaged \$17.50 per acre, is up \$1.00 from the previous year.

County level averages of 2013 cash rents paid to landlords will be released on September 6 and will be available through NASS' Quick Stats. Quick Stats is located at <http://quickstats.nass.usda.gov>.

Access the National publication for this release at <http://usd01.library.oregonstate.edu/casual/AgStat/08-02-2013.pdf>

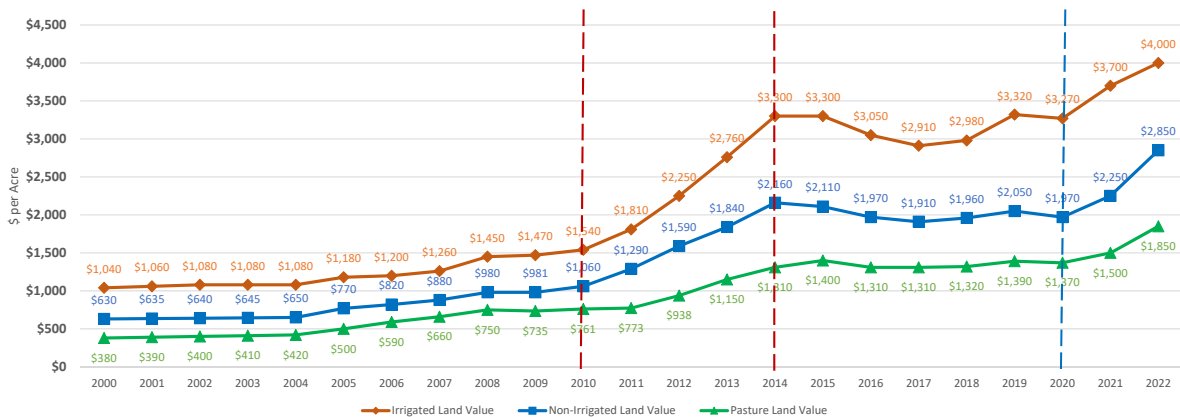
Find agricultural statistics for your county, State, and the Nation at www.nass.usda.gov

- # -

NASS provides accurate, timely, useful and objective statistics in service to U.S. agriculture. The Agency invites you to express your thoughts and provide constructive feedback on our products and services by posting a data user commentary. To join, sign in at <http://usda.nationalcommented.com/feedback> and look for "NASS Data User Commentary".

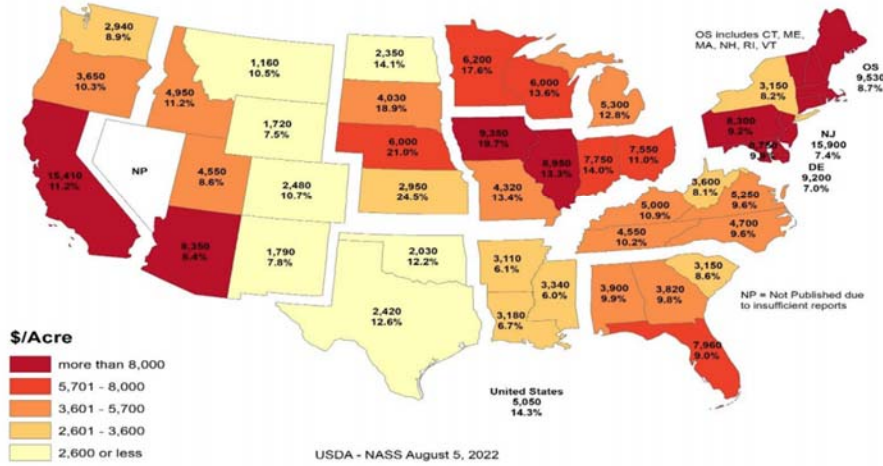
USDA is an equal opportunity provider and employer.

Kansas Land Values



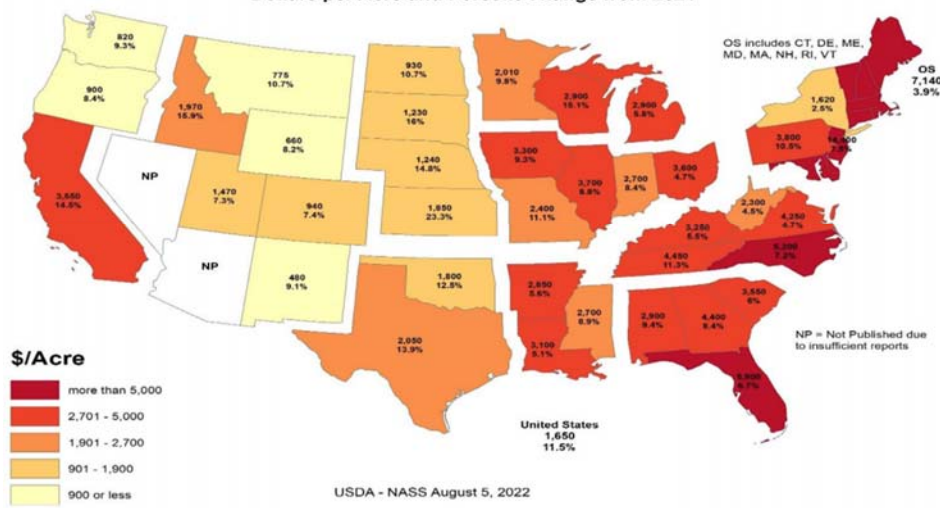
2022 Cropland Value by State

Dollars per Acre and Percent Change from 2021

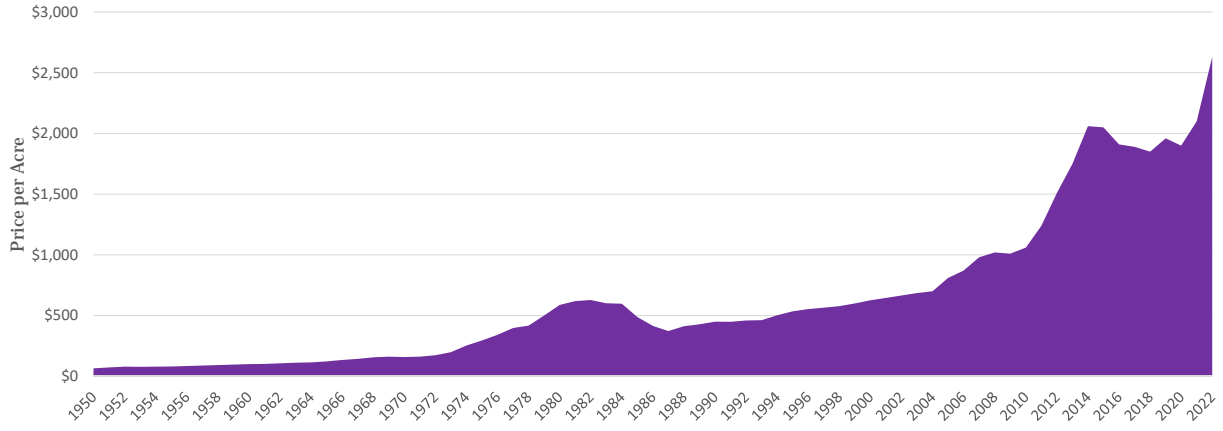


2022 Pasture Value by State

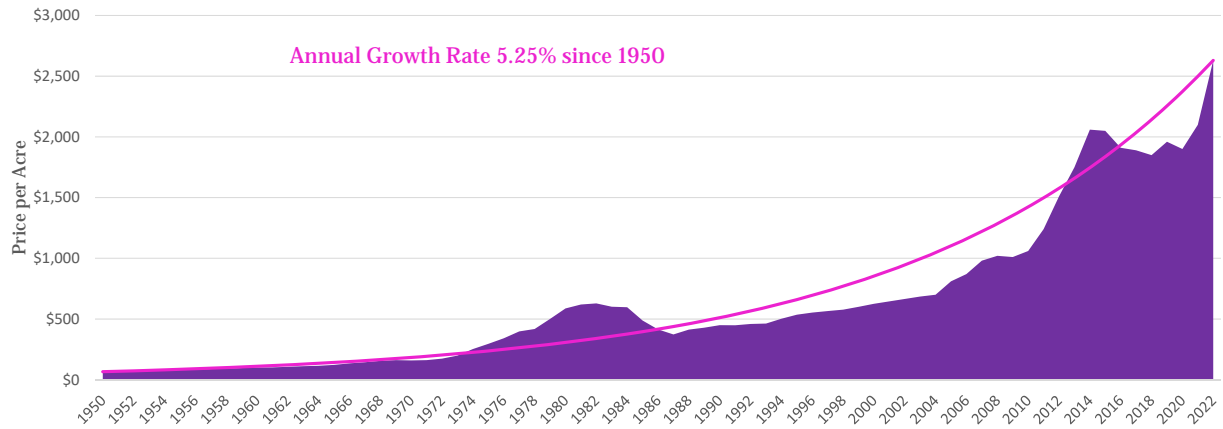
Dollars per Acre and Percent Change from 2021



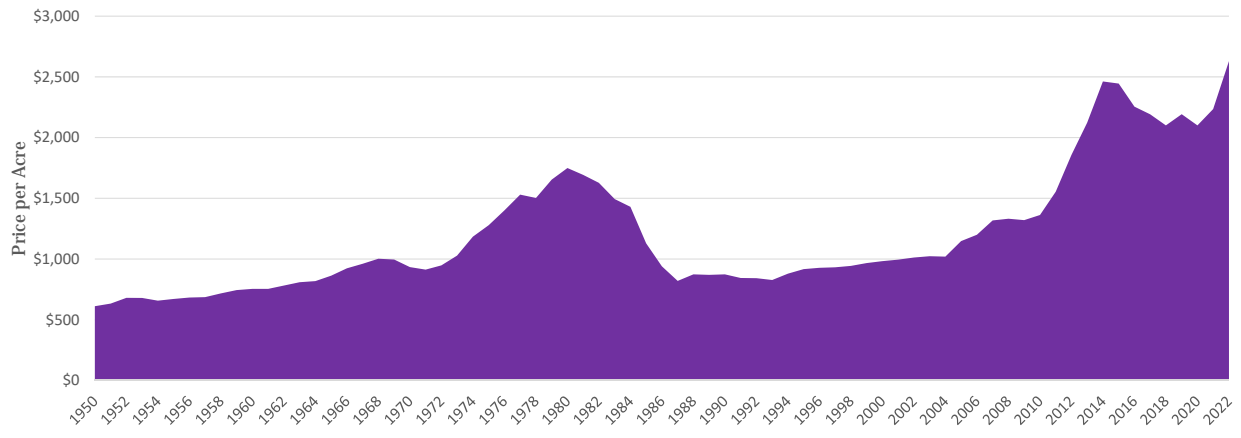
Kansas Land Values from 1950



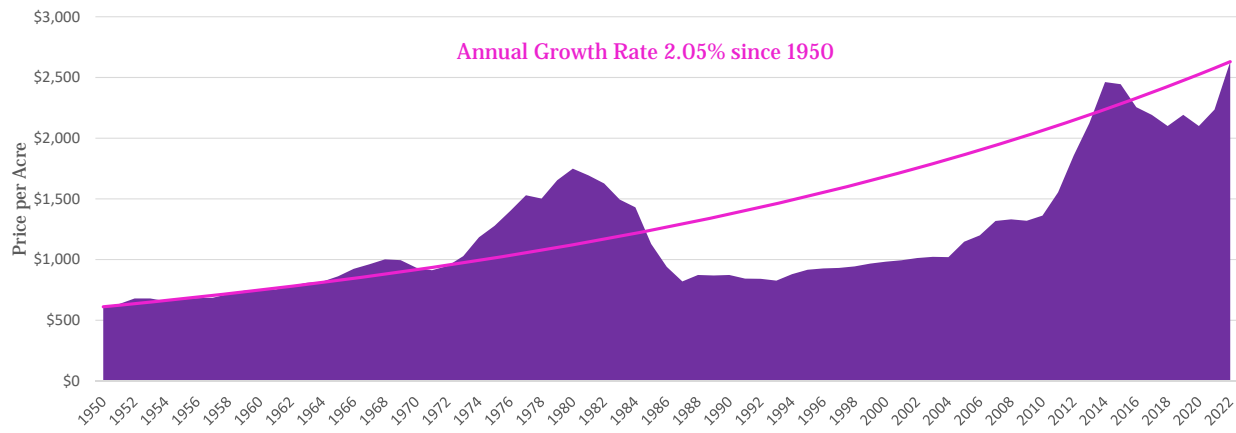
Kansas Land Values from 1950

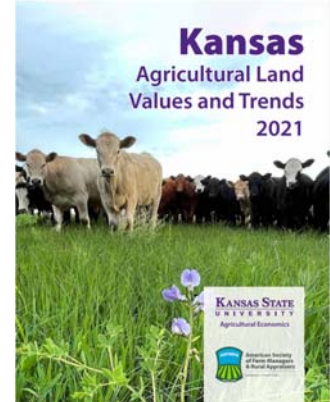
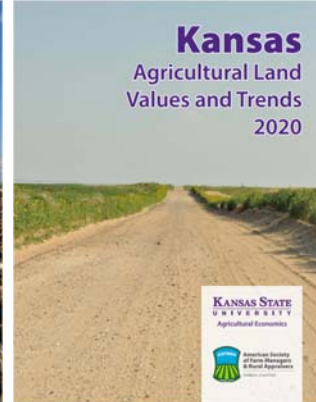
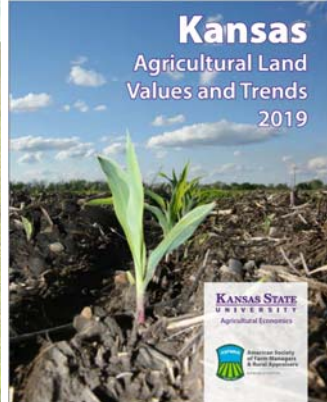
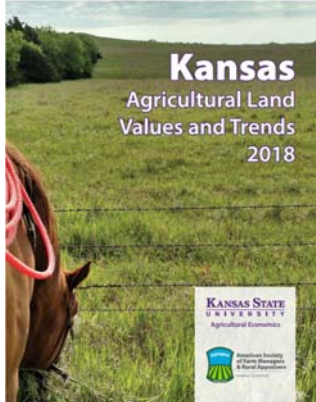


Inflation-Adjusted Kansas Land Values



Inflation-Adjusted Kansas Land Values





<https://www.agmanager.info/land-leasing/land-buying-valuing>

Market-based Land Values

- Source for market transaction data
 - Property Valuation Department, Topeka
- 2015-21 sales data, *Q1 and Q2 2022*
 - County location
 - Acres in sale
 - Mixture of irrigated, non-irrigated and pasture in parcel
 - Value of improvements is removed for bare land value
 - Parcels under 70 acres are omitted

What is the going rate in X county?

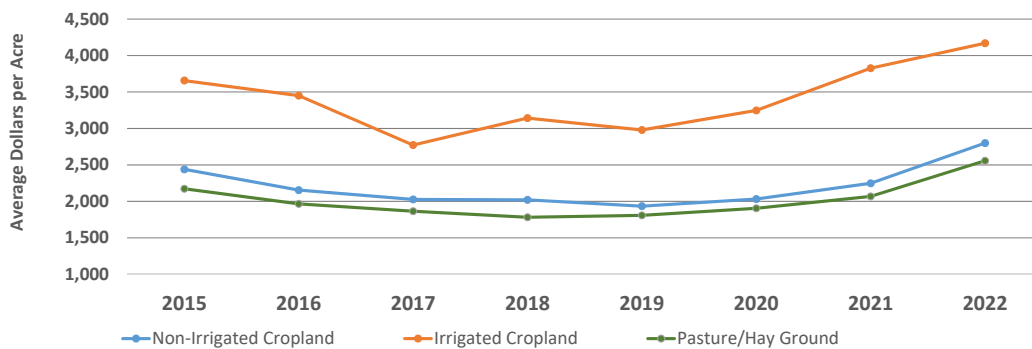
Price per Acre	Dryland Ac	Irrigated Ac	Nativegrass Ac	Tamegrass Ac	Total Ag Ac
100	0	0	231.2	0	231.2
493	0	0	99.8	0	99.8
641	171.3	0	54.5	0	225.8
683	110.8	0	35.6	0	146.4
828	120.1	0	47.7	0	167.8
1116	223.7	0	12.2	10.6	246.5
1394	36	0	42.9	0	78.9
1412	94.6	0	59.1	0	153.7
1431	19.1	0	237.7	0	256.8
1561	85.2	0	212.7	0	297.9
1570	0	0	468.3	0	468.3
1598	0	0	164.7	0	164.7
1610	103.2	0	143.8	0	247
1767	99.2	0	62.7	0	161.9
1769	70.2	0	85.1	0	155.3
1784	61.6	0	92.4	0	154
1829	154.7	0	0	0	154.7
1948	160.7	0	0	0	160.7
1955	77.4	0	66.7	0	144.1
2289	85.4	0	71.9	0	157.3
4348	70.9	0	6.6	0.5	78

Agricultural Acres sold

Year	Q1	Q2	Q3	Q4	Total
2015	143,739	150,521	98,549	138,277	531,086
2016	93,568	111,912	63,330	101,693	370,503
2017	106,295	102,104	62,598	60,357	331,355
2018	111,483	138,941	92,600	85,111	428,135
2019	115,704	114,613	70,582	64,731	365,629
2020	121,062	114,903	68,469	116,145	420,578
2021	165,691	176,373	106,112	121,157	569,333
2022	100,257	137,421	0	0	237,678
Average	119,725	130,849	87,174	113,725	

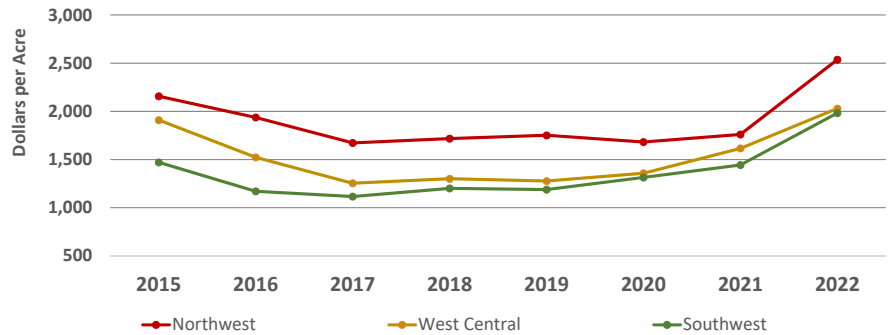
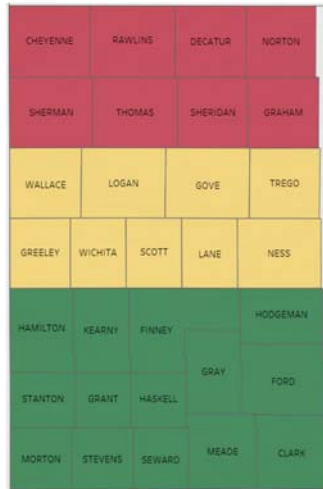
Agricultural Acres sold

	2017	2018	2019	2020	2021	% Change in 2021 Acreage Sales from 2016-2020 Average	Q1 and Q2 2022
Northwest	21,626	39,235	39,081	39,034	44,977	36.5%	26,860
West Central	28,613	37,207	32,436	44,237	95,150	181.2%	26,563
Southwest	78,566	91,031	87,427	108,868	99,822	10.8%	41,657
North Central	35,447	49,634	31,346	35,053	44,924	29.8%	19,339
Central	31,107	33,172	30,391	37,882	47,171	47.8%	18,938
South Central	49,935	57,182	49,478	49,798	87,392	74.4%	36,217
Northeast	16,960	24,418	19,592	21,871	22,401	10.7%	8,690
East Central	28,398	37,487	31,739	34,160	55,356	80.9%	30,036
Southeast	40,703	58,768	44,139	49,675	71,793	50.2%	29,378
State	331,355	428,135	365,629	420,578	568,985	52.9%	237,678



Type	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Non-Irrigated Cropland	2,440	2,155	2,027	2,021	1,935	2,032	2,248	2,799	24.5%
Irrigated Cropland	3,657	3,451	2,773	3,143	2,979	3,247	3,827	4,169	9.0%
Pasture/Hay Ground	2,173	1,967	1,865	1,783	1,809	1,906	2,069	2,558	23.7%

Western Regions Non-Irrigated Cropland



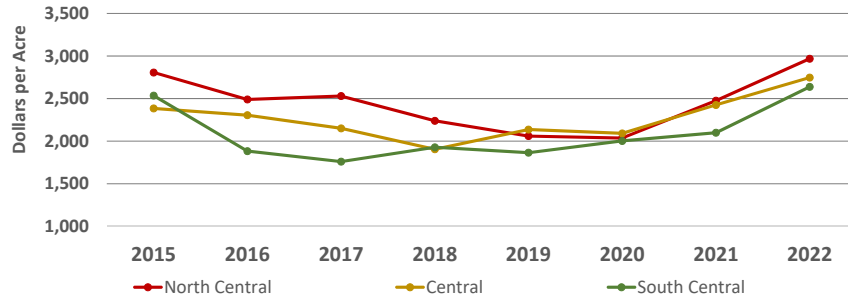
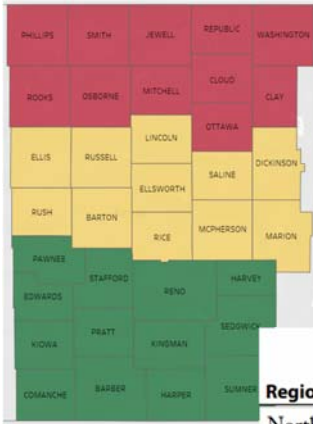
Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Northwest	2,157	1,937	1,673	1,717	1,751	1,682	1,760	2,537	53.6%
West Central	1,909	1,523	1,254	1,301	1,276	1,357	1,616	2,030	25.6%
Southwest	1,471	1,170	1,116	1,201	1,188	1,314	1,443	1,982	37.3%

County	# of Land Tracts Sold (2021)	Total Acres Sold (2021)	Average Annual Acres Sold (2016-2020)	% Change in 2021 Acreage Sales from 2016-2020 Average
Cheyenne	32	5,929	4,290	38.2%
Decatur	22	4,106	4,457	-7.9%
Graham	58	12,281	3,568	244.2%
Norton	17	2,952	4,625	-36.2%
Rawlins	40	7,623	3,831	99.0%
Sheridan	20	3,890	3,380	15.1%
Sherman	38	6,310	5,470	15.4%
Thomas	10	1,886	3,324	-43.3%
Total	237	44,977	32,946	36.5%

Non-irrigated Cropland

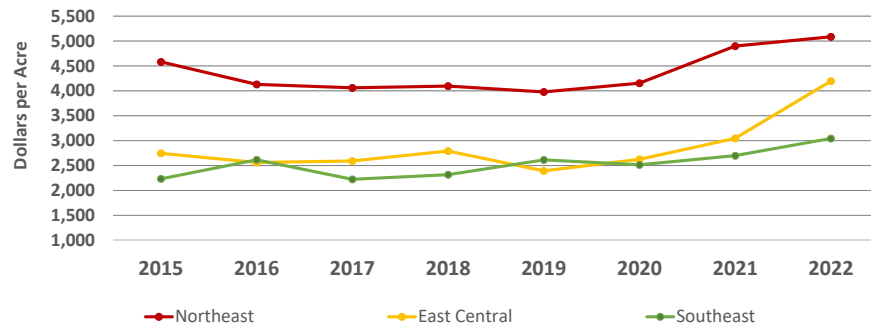
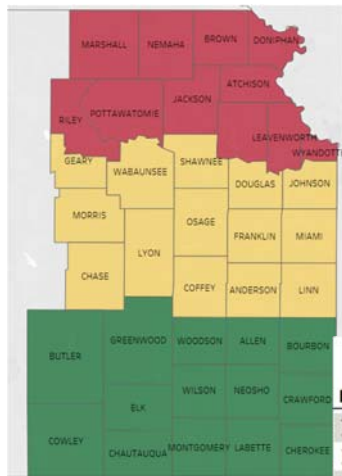
County	Average	Minimum	Maximum
Cheyenne	1,413	664	2,054
Decatur	1,912	808	2,325
Graham	1,214	795	2,005
Rawlins	1,706	544	3,325
Sheridan	1,988	1,174	2,520
Sherman	1,909	1,011	3,547
Thomas	2,235	1,096	4,285
Total	1,760	544	4,285

Central Regions Non-Irrigated Cropland



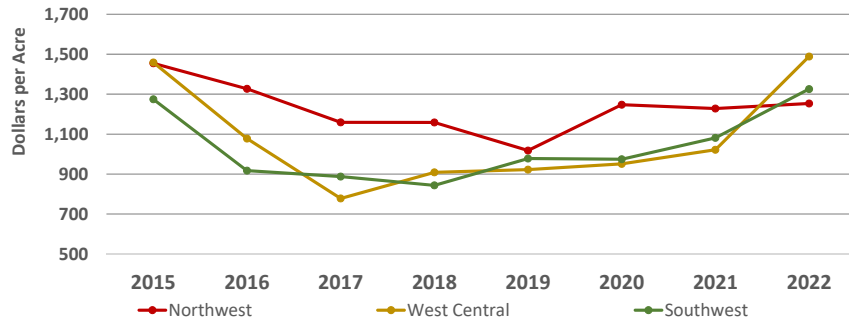
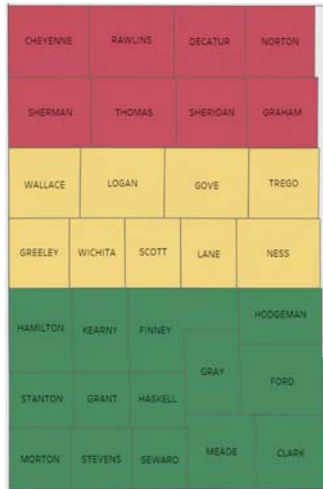
Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
North Central	2,806	2,490	2,530	2,239	2,060	2,037	2,476	2,968	19.9%
Central	2,385	2,305	2,151	1,905	2,136	2,091	2,425	2,747	12.9%
South Central	2,535	1,883	1,760	1,928	1,865	2,002	2,099	2,637	25.8%

Eastern Regions Non-Irrigated Cropland



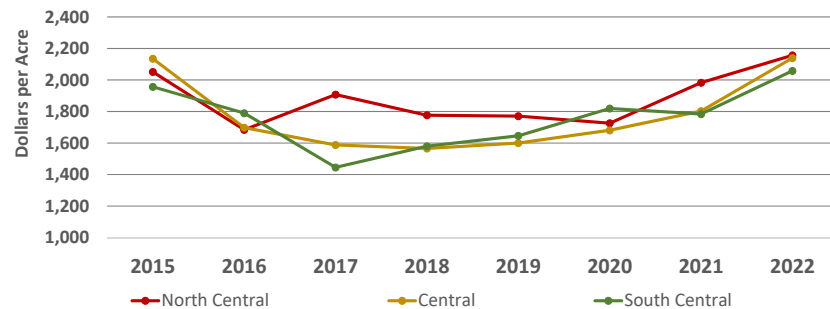
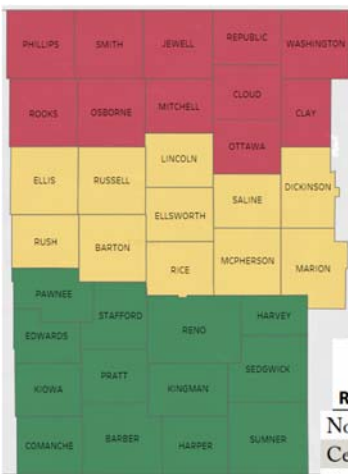
Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Northeast	4,581	4,130	4,060	4,096	3,978	4,154	4,899	5,085	3.8%
East Central	2,745	2,559	2,591	2,791	2,393	2,623	3,045	4,195	37.7%
Southeast	2,233	2,615	2,223	2,316	2,614	2,513	2,697	3,043	12.8%

Western Regions Pasture/Hay Ground



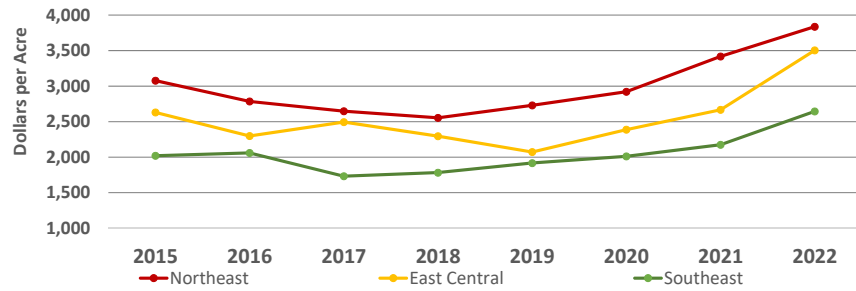
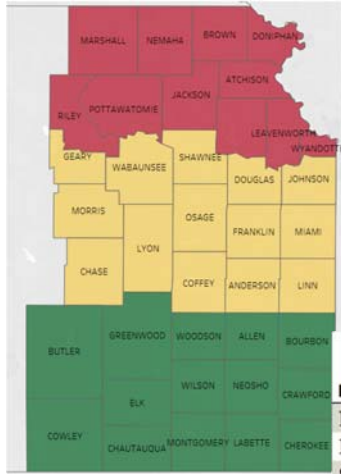
Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Northwest	1,455	1,327	1,159	1,159	1,018	1,247	1,228	1,253	2.1%
West Central	1,459	1,078	778	909	922	951	1,022	1,489	45.7%
Southwest	1,275	917	888	843	978	974	1,081	1,326	22.6%

Central Regions Pasture/Hay Ground



Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
North Central	2,052	1,684	1,908	1,777	1,771	1,726	1,983	2,157	8.8%
Central	2,136	1,698	1,588	1,566	1,600	1,681	1,803	2,139	18.7%
South Central	1,957	1,790	1,446	1,580	1,646	1,819	1,784	2,058	16.1%

Eastern Regions Pasture/Hay Ground

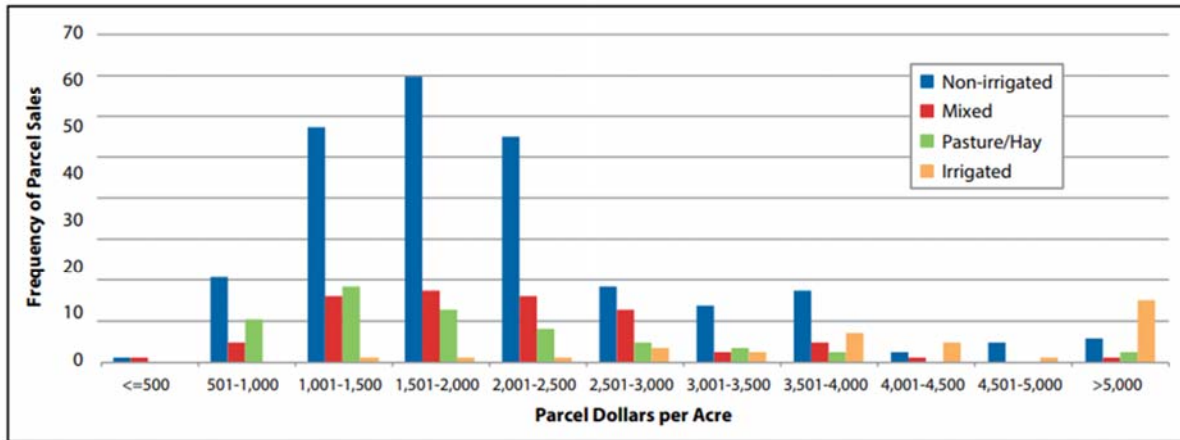


Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Northeast	3,077	2,785	2,648	2,554	2,730	2,921	3,418	3,837	12.3%
East Central	2,630	2,299	2,494	2,295	2,073	2,387	2,667	3,504	31.5%
Southeast	2,021	2,060	1,732	1,782	1,918	2,011	2,175	2,645	21.5%

Irrigated Cropland

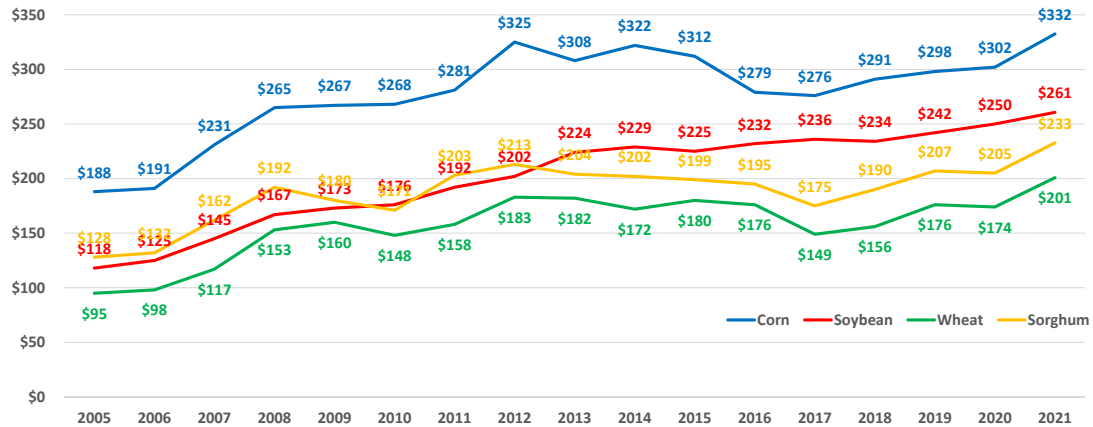
Region	Average Dollars per Acre							Q1 and Q2 2022	% Change from 2021
	2015	2016	2017	2018	2019	2020	2021		
Northwest	3,989	3,321	3,422	4,000	3,728	3,660	3,913	4,747	21.3%
West Central	3,526	2,716	2,294	3,151	2,225	2,819	3,130	3,301	5.4%
Southwest	2,653	1,956	2,394	2,316	2,116	2,634	3,342	3,789	13.4%
South Central	4,940	4,897	3,402	3,592	3,738	4,182	4,155	4,973	19.7%

2021 Land Sale Information – By County

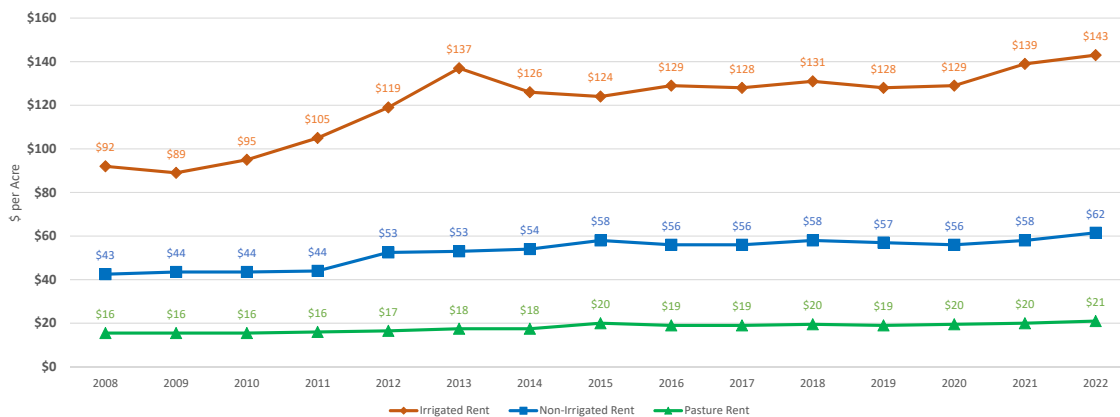


- Ag. Land values are up significantly in 2021 and Q1& Q2 of 2022, driven by good farm incomes, inflation, outside investment
- Values are expected to continue to rise but maybe not as sharply with projected smaller margins in farm profitability
 - Input price squeeze?
 - Higher interest rates

KFMA Enterprise Non-Irrigated Variable Cost of Production per Acre



Kansas Cash Rents



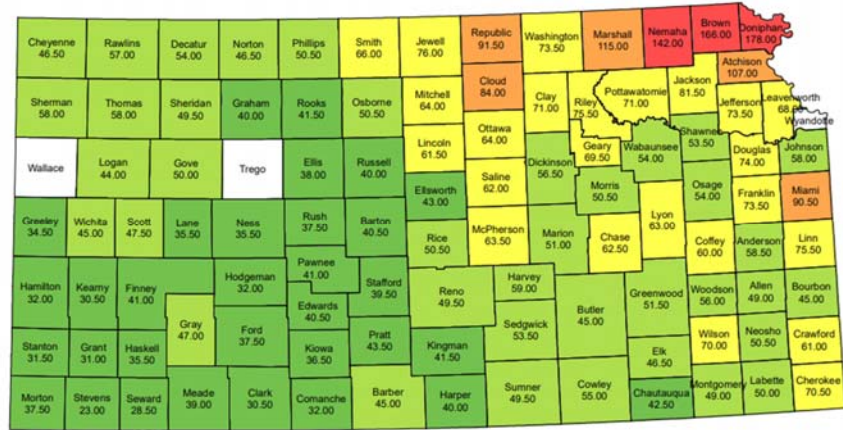


2021 Non-Irrigated Cropland Cash Rent Paid Per Acre
Kansas



Kansas Cash Rents

2022 Values coming late-August 2022



Cash Rent Paid Dollars Per Acre

- 59.01 - 81.50
- 43.51 - 59.00
- 23.00 - 43.50
- 115.01 - 178.00
- 81.51 - 115.00
- Not Published



Source: USDA National Agricultural Statistics Service
August 27, 2021



Agricultural Economics

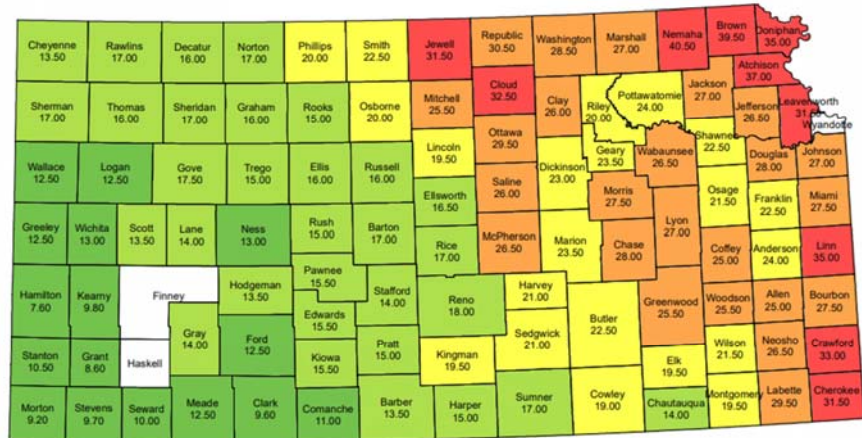


2021 Pasture Cash Rent Paid Per Acre
Kansas



Kansas Cash Rents

2022 Values coming late-August 2022



Cash Rent Paid Dollars Per Acre

- 18.01 - 24.00
- 13.01 - 18.00
- 7.60 - 13.00
- 30.51 - 40.50
- 24.01 - 30.50
- Not Published

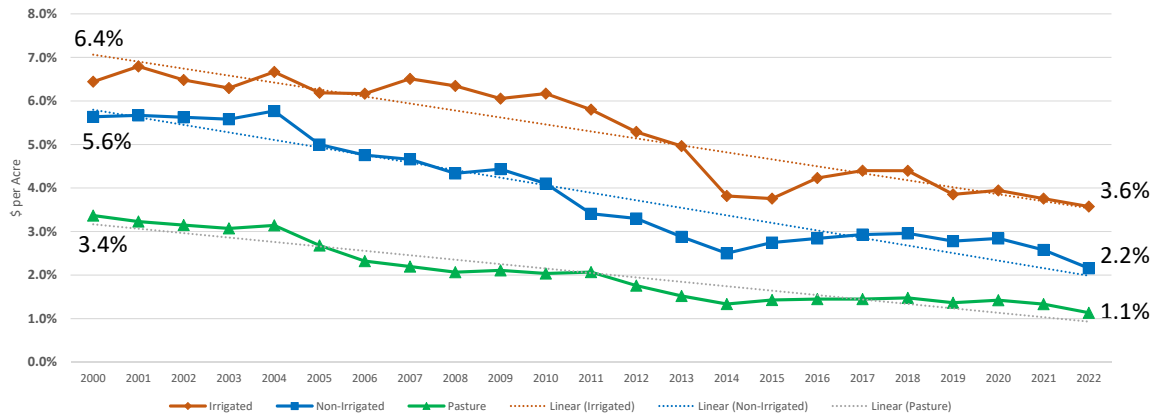


Source: USDA National Agricultural Statistics Service
August 27, 2021



Agricultural Economics

Rent-to-Value Ratio

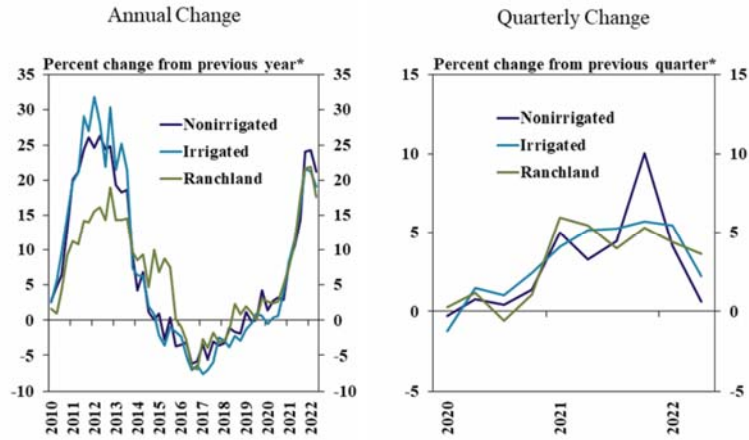


What lies ahead?

- Federal Reserve Bank of Kansas City Second Quarter Ag. Credit Survey
 - Farm real estate value growth is slowing
 - Increases in interest rates, drought, higher input costs and pullback in commodity prices likely contributing to less optimistic outlook in the farm economy
 - Growing concerns for 2023

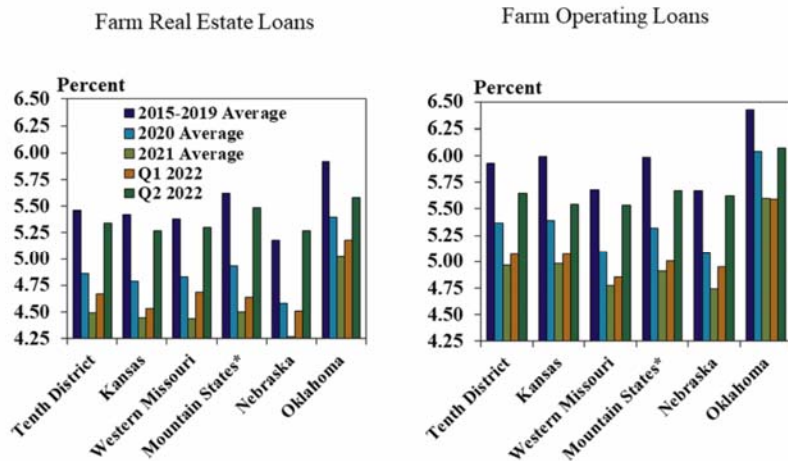
<https://www.kansascityfed.org/agriculture/ag-credit-survey/solid-farm-economy-signs-of-slowning/>

Tenth District Farm Real Estate Values



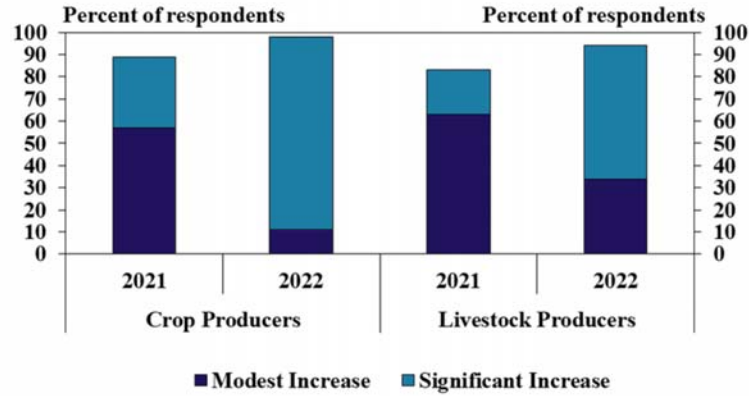
*Percent changes are calculated using responses only from those banks reporting in both the past and the current quarters.

Average Fixed and Variable Interest Rates



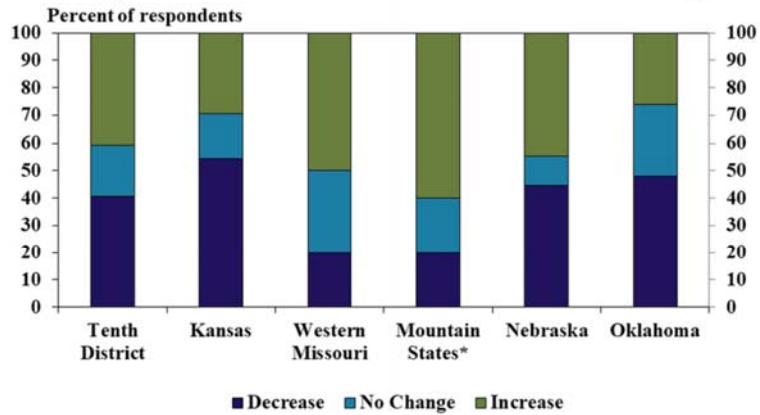
*Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

Change in Production Expenses, Q2



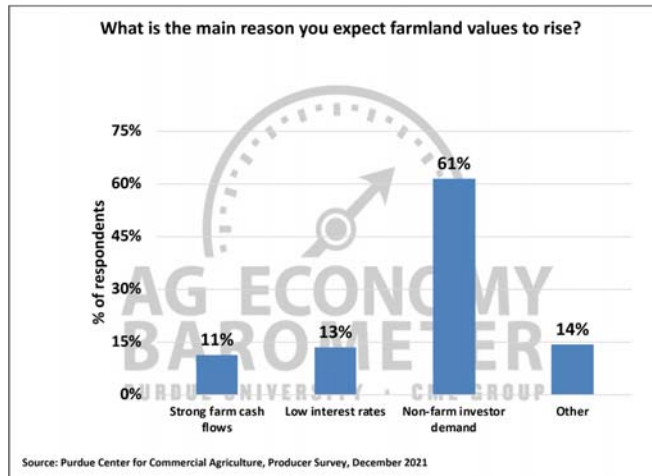
Note: Bankers responded to the following questions: How have year-to-date and planned production expenses changed for crop producers in your area relative to one year ago? How have year-to-date and planned production expenses changed for livestock and dairy producers in your area relative to one year ago?

Expected Change in Farm Income During 2023



Note: Bankers responded to the following questions: Compared with 2022, what are your expectations for incomes of farm borrowers in your lending area in 2023? *Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

Ag. Economy Barometer



Questions?

Robin Reid

robinreid@ksu.edu

785-532-0964