Kansas Land Values

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Current Economic Conditions
Returns to Farming

Net Farm and Ranch Income
Average Net Farm Income

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Net Farm Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>NW</td>
<td>$10,000</td>
</tr>
<tr>
<td>SW</td>
<td>$30,000</td>
</tr>
<tr>
<td>NE</td>
<td>$50,000</td>
</tr>
<tr>
<td>SE</td>
<td>$70,000</td>
</tr>
<tr>
<td>NE</td>
<td>$90,000</td>
</tr>
<tr>
<td>SE</td>
<td>$110,000</td>
</tr>
</tbody>
</table>

($/ac)

Farm Family Living Expenses

Total Family Living Expenses

Annual Total: $70,385
Bankruptcies Filed by KS Farms

No. of Bankruptcies Filed

2012 2013 2014 2015 2016 2017

KS Chapter 12 Bankruptcies

Land Value Trends

Land Values

Affected by profitability in ag sector

But land values do not adjust as quickly as profitability to changes in commodity prices

Adjustment period due to
  ◦ Long-run reasons for buying and holding land
  ◦ Expectations of buyers/sellers
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

2017 Cropland Values

![Map of 2017 Cropland Values](image)
2017 Pasture Land Values

$/Acre

more than 5,000
2,701 - 5,000
1,901 - 2,700
901 - 1,900
900 or less
NP

USDA - NASS August 3, 2017

Kansas Land Values

Source: USDA-NASS
Rent-to-Land Value Ratio

Source: USDA-NASS

Market-Based Land Values
Kansas Land Values

Source for market transaction data
- Property Valuation Department, Topeka

2014-17 sales data
- County location, population density
- Acres in sale
- Mixture of irrigated, non-irrigated and pasture in parcel
- 20-year average rainfall
- Enrollment in CRP
- Value of improvements is removed for bare land value
- Parcels under 40 acres are omitted

<table>
<thead>
<tr>
<th>PVD Sales Data 2014-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>Acres in Sale</td>
</tr>
<tr>
<td>CRP Contracts</td>
</tr>
<tr>
<td>Sales Per County</td>
</tr>
<tr>
<td>All Years</td>
</tr>
<tr>
<td>Total Sales Transactions:</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2014</td>
</tr>
</tbody>
</table>

31% drop in sales over past 4 years
## Model-Predicted Sales Price ($/ac)

<table>
<thead>
<tr>
<th>Land Type</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Irrigated</td>
<td>2,777</td>
<td>2,994</td>
</tr>
<tr>
<td>Irrigated</td>
<td>5,232</td>
<td>5,012</td>
</tr>
<tr>
<td>Pasture</td>
<td>1,923</td>
<td>1,945</td>
</tr>
<tr>
<td>All Cropland and Pasture</td>
<td>$3,311</td>
<td>$3,317</td>
</tr>
</tbody>
</table>

1.9% decline from 2016

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# Land Model Results
Land Model Results

Non-Irrigated Land

- Estimated Value ($/ac)
- 2013-2017
- 19% decline

K-State - USDA

Irrigated Land

- Estimated Value ($/ac)
- 2013-2017
- 17.4% decline

K-State - USDA
Land Model Results

Pasture Land

- Estimated Value ($/ac)
- Pasture Land
- K-State
- USDA
- Land Model Results
- 21.4% decline

2017 Non-Irrigated Land Values

- $2,028
- $1,942
- $1,298
- $2,811
- $2,669
- $2,581
- $2,997
- $4,853
- $3,812
2017 Pasture Land Values

2016 Irrigated Land Values
Long-Run Growth

Kansas Land Values

Red (1962-2017)
Green (1962-2009)

- 9.8% decline
- 31.6% decline
- 47.6% decline
Online Resources

2016 Kansas County-Level Ag Land Values
  ◦ www.agmanager.info/land-leasing/land-buying-valu

2017 Rent Estimates: Non-Irr. & Irrigated Cropland
  ◦ www.agmanager.info/land-leasing/land-rental-rates

Pasture Rental Rate Tool
  ◦ www.agmanager.info/land-leasing/land-rental-rates/pasture-rental-rate-decision-tool

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