Kansas Land Values

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Current Economic Conditions
Returns to Farming

Source: KFMA Enterprise Reports (http://www.agmanager.info/kfma)

Net Farm and Ranch Income

Source: KFMA Enterprise Reports (http://www.agmanager.info/kfma)
Average Net Farm Income 2017

31% of farms

Distribution of NFI

31% of farms

Net Farm Income
Farm Family Living Expenses

Total Family Living Expenses

BankruptciesFiled by KS Farms

KS Chapter 12 Bankruptcies
Bankruptcies Filed by KS Farms

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

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
2018 Cropland Value by State
Dollars per Acre and Percent Change from 2017

2018 Pasture Value by State
Dollars per Acre and Percent Change from 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

2015-18 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
## PVD Sales Data 2015-2018

<table>
<thead>
<tr>
<th>2018</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres in Sale</td>
<td>155.2</td>
</tr>
<tr>
<td>CRP Contracts</td>
<td>2.9%</td>
</tr>
<tr>
<td>Sales Per County</td>
<td>33.1</td>
</tr>
</tbody>
</table>

### All Years

<table>
<thead>
<tr>
<th>Total Sales Transactions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2015</td>
</tr>
</tbody>
</table>

### Kansas Land Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Sale Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,000</td>
</tr>
<tr>
<td>2017</td>
<td>3,500</td>
</tr>
<tr>
<td>2018</td>
<td>3,500</td>
</tr>
</tbody>
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USDA Land Value Estimates

Kansas Land Values-USDA

K-State Land Value Estimates

Kansas Land Values - K-State Estimates
Land Model Results

21.8% decline
Land Model Results

Irrigated Land

27.9% decline

Pasture Land

17.9% decline
2018 Non-Irrigated Land Values

2018 Irrigated Land Values
2018 Pasture Land Values

Long-Run Values
Market Going Forward

Resiliency in the land market, given commodity prices and economic/trade uncertainty

MFP make a big difference in 2018 profitability for soybeans, but isn’t likely to factor into long-run expectations for land values

Values in the coming year...

Viewer Poll Data

Where are you from?
101 responses

- Northwest Kansas: 18.8%
- North-central Kansas: 10.9%
- Northeast Kansas: 10.9%
- Southwest Kansas: 9.9%
- South-central Kansas: 16.8%
- Southeast Kansas: 23.6%
- Other state: 3.9%
Viewer Poll Data

What is your primary occupation?
101 responses

- Lender: 37.6%
- Farmer/Rancher: 16.8%
- Landlord: 17.8%
- Other: 27.7%

Viewer Poll Data

Direction of Land Values in 2019

- Down: 9%
- Down Slightly: 11%
- Stable: 8%
- Up Slightly: 19%
- Up: 26%
- ?: 28%
Online Resources

2018 Kansas County-Level Ag Land Values
  ◦ www.agmanager.info/land-leasing/land-buying-valuing

2019 Rent Estimates: Non-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

Land Value Information

2018 Kansas County-Level Land Values for Cropland and Pasture

Kansas Agricultural Land Values and Trends 2018