Current Economic Conditions

Returns to Farming

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

Net Farm and Ranch Income

Average Net Farm Income 2017

Distribution of NFI

31% of farms
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
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

Rent-to-Land Value Ratio

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

### USDA Land Value Estimates

### K-State Land Value Estimates

### Land Model Results

- **21.8% decline**
Land Model Results

27.9% decline

2018 Non-Irrigated Land Values

<table>
<thead>
<tr>
<th>County</th>
<th>Value 1</th>
<th>Value 2</th>
<th>Value 3</th>
<th>Value 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>County A</td>
<td>$1,877</td>
<td>$2,622</td>
<td>$4,687</td>
<td>$5,149</td>
</tr>
<tr>
<td>County B</td>
<td>$1,623</td>
<td>$2,497</td>
<td>$3,713</td>
<td>$4,745</td>
</tr>
<tr>
<td>County C</td>
<td>$1,138</td>
<td>$2,370</td>
<td>$2,955</td>
<td>$3,278</td>
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</tbody>
</table>

2018 Irrigated Land Values

<table>
<thead>
<tr>
<th>County</th>
<th>Value 1</th>
<th>Value 2</th>
<th>Value 3</th>
<th>Value 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>County A</td>
<td>$2,955</td>
<td>$5,550</td>
<td>$5,149</td>
<td>$4,745</td>
</tr>
<tr>
<td>County B</td>
<td>$2,569</td>
<td>$3,243</td>
<td>$4,745</td>
<td>$4,745</td>
</tr>
<tr>
<td>County C</td>
<td>$1,299</td>
<td>$1,814</td>
<td>$3,243</td>
<td>$3,243</td>
</tr>
</tbody>
</table>

2018 Pasture Land Values

<table>
<thead>
<tr>
<th>County</th>
<th>Value 1</th>
<th>Value 2</th>
<th>Value 3</th>
<th>Value 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>County A</td>
<td>$787</td>
<td>$1,640</td>
<td>$2,045</td>
<td>$2,045</td>
</tr>
<tr>
<td>County B</td>
<td>$1,123</td>
<td>$1,728</td>
<td>$2,569</td>
<td>$2,569</td>
</tr>
<tr>
<td>County C</td>
<td>$1,299</td>
<td>$1,814</td>
<td>$3,243</td>
<td>$3,243</td>
</tr>
</tbody>
</table>

Long-Run Values
USDA Land Values 1960-2018

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
What is your primary occupation?

Viewer Poll Data
Direction of Land Values in 2019
Online Resources

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

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

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