

**Table 2. Average value per acre of Iowa farmland listed by crop reporting districts and grades of land.**

Year	State Avg	North-west	North Central	North-east	West Central	Central	East Central	South-west	South Central	South-east
<b>All Grades</b>										
2000	1857	2198	2169	1868	1924	2195	2190	1412	992	1655
2003	2275	2683	2514	2347	2329	2652	2715	1774	1354	1979
2004	2629	3118	2913	2665	2728	3101	3054	2088	1547	2286
2005	2914	3393	3222	2963	3048	3415	3396	2350	1793	2483
2006	3204	3783	3478	3187	3410	3716	3725	2580	1927	2849
2007	3908	4699	4356	4055	4033	4529	4272	3209	2325	3463
2008	4468	5395	4950	4590	4823	5280	4743	3626	2573	3913
2009	4371	5364	4827	4464	4652	5026	4796	3559	2537	3832
2010	5064	6356	5746	5022	5466	5901	5447	4325	2690	4296
<b>High Grade</b>										
2000	2324	2547	2462	2329	2375	2660	2743	1825	1509	2353
2003	2790	3040	2817	2857	2820	3121	3263	2285	2121	2783
2004	3193	3537	3265	3189	3264	3621	3659	2657	2358	3174
2005	3511	3813	3588	3522	3691	3935	4069	2925	2659	3385
2006	3835	4261	3834	3816	4072	4263	4443	3209	2663	3793
2007	4686	5313	4807	4859	4804	5261	5073	3989	3231	4625
2008	5381	6150	5514	5415	5752	6076	5674	4642	3586	5346
2009	5321	6129	5371	5349	5552	5939	5738	4539	3710	5306
2010	6109	7283	6397	6076	6585	7026	6152	5335	3892	5862
<b>Medium Grade</b>										
2000	1701	2001	1972	1728	1772	1956	1996	1320	955	1511
2003	2123	2507	2309	2221	2167	2438	2543	1659	1307	1834
2004	2457	2930	2669	2515	2564	2858	2863	1956	1492	2118
2005	2736	3199	2982	2834	2833	3165	3172	2217	1725	2347
2006	3011	3561	3223	2987	3213	3458	3501	2442	1866	2679
2007	3667	4385	4026	3777	3796	4194	4005	3047	2296	3270
2008	4195	5023	4568	4339	4537	4919	4405	3425	2527	3721
2009	4076	4977	4450	4193	4371	4615	4465	3386	2443	3535
2010	4758	5883	5300	4664	5111	5386	5445	4140	2596	4053
<b>Low Grade</b>										
2000	1117	1370	1387	1167	1126	1299	1288	862	597	875
2003	1463	1808	1682	1512	1500	1707	1811	1130	858	1063
2004	1713	2087	1976	1816	1746	2028	1998	1354	1029	1272
2005	1961	2382	2252	2032	1970	2353	2237	1614	1252	1438
2006	2195	2566	2500	2248	2293	2615	2505	1729	1373	1786
2007	2656	3210	3125	2853	2738	3004	2928	2175	1583	2131
2008	2967	3580	3408	3296	3187	3469	3214	2298	1757	2271
2009	2884	3490	3281	3177	3134	3203	3240	2286	1685	2281
2010	3357	4161	3976	3517	3542	3724	3840	2868	1794	2620

The current supply and demand aspect of the land market can be characterized as few sellers and many willing buyers. A fundamental reason for this change in supply and demand is the lack of alternative investments.

Survey respondents listed multiple positive and negative factors influencing the land market. High commodity prices were the most frequently mentioned positive factor by those responding, with 82 percent indicating this factor. Low interest rates, mentioned by 54 percent of the respondents, was the second most frequently mentioned factor. A limited supply of land available for sale was mentioned by 19 percent of the respondents as having a positive impact on land values. Favorable yields were mentioned by 16 percent. Land is a good investment, especially relative to other investments was mentioned by 11 percent of the respondents and the strong demand was mentioned by another 10 percent.

The top two negative factors listed by more than 10 percent of the respondents have been identified as negative factors for a number of years. The poor general economy and high input costs were listed by 27 and 20 percent of the respondents, respectively. Land becoming too high priced was listed as a negative factor by 19 percent of the respondents. Lower yields were listed by 16 percent and the weather was listed by 13 percent of the respondents as having a negative impact on land values on 2010.

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## IOWA STATE UNIVERSITY University Extension

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# 2010 IOWA LAND VALUE SURVEY

The average value of an acre of farmland in Iowa increased 15.9 percent in 2010, as reported in the 2010 Iowa Land Value Survey. The statewide average land value as of Nov. 1, 2010 was \$5,064 an acre, up \$693 per acre from 2009.

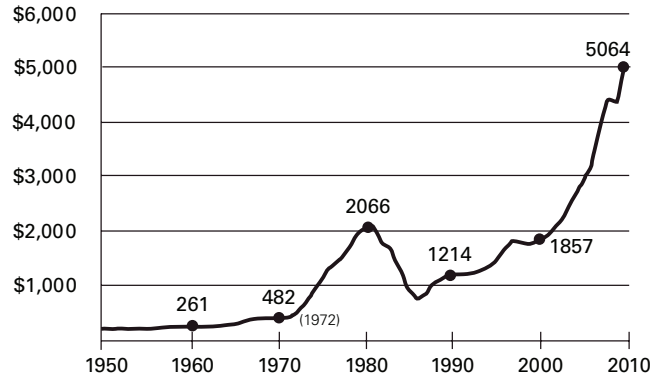
The 2010 survey shows a substantial increase in land values following a drop in 2009. The rate of increase in 2010 appears high, but it is half the yearly increases in 1973, 1974 and 1975. Land values should remain strong at least for the next several months following the release of survey results. Beyond that there is a fair degree of uncertainty with respect to whether land values can maintain their current levels.

The volatility in corn and soybean prices and production costs lead to tremendous uncertainty and volatility in the land market, as historically reflected in the Iowa State survey. Land values were up 22 percent in 2007, down 2.2 percent in 2009 and up 15.9 percent in 2010. Since 2004, Iowa land values are up 93 percent.

In addition to the volatility in prices and costs, the survey shows a substantial shift in the fundamental supply and demand situation for farmland. Over 60 percent of the 2009 respondents indicated there were fewer sales in 2009 compared to 2008. This was the largest drop in sales reported in the Iowa State survey. In 2010, almost three-fourths of the respondents said sales were either the same or less than 2009. This shows the slump in sales is either continuing, or in some cases worsening, throughout the state.

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**Figure 1. Average value per acre of Iowa farmland.**



Source: Iowa Agriculture Experiment Station

**Analysis by crop reporting district**

Of the nine crop reporting districts in the state, the Iowa State survey found the highest land values were reported for Northwest Iowa at \$6,356 per acre; the lowest land values were reported for South Central Iowa at \$2,690 per acre. The highest percentage increase was in Southwest Iowa, 21.5 percent. The smallest percentage increase was in South Central Iowa, 6 percent.

**Analysis by county**

The highest county average in the state was O'Brien County at \$7,148 per acre, up 16.2 percent from 2009. Decatur County had the lowest average at \$2,085 per acre and the lowest dollar increase at \$128 per acre. The greatest dollar increase was \$1,152 in Wright County; the highest percentage increase was in Kossuth County at 21.9 percent.

**Analysis by quality of land**

High grade land averaged \$6,109 per acre and showed an increase of 14.8 percent or \$788 per acre. Medium grade land averaged \$4,758 per acre and showed a 16.7 percent increase or \$682 per acre. Low grade land in the state averaged \$3,357 per acre and showed a 16.4 percent increase or \$472 per acre.

**Buyers and influencing factors**

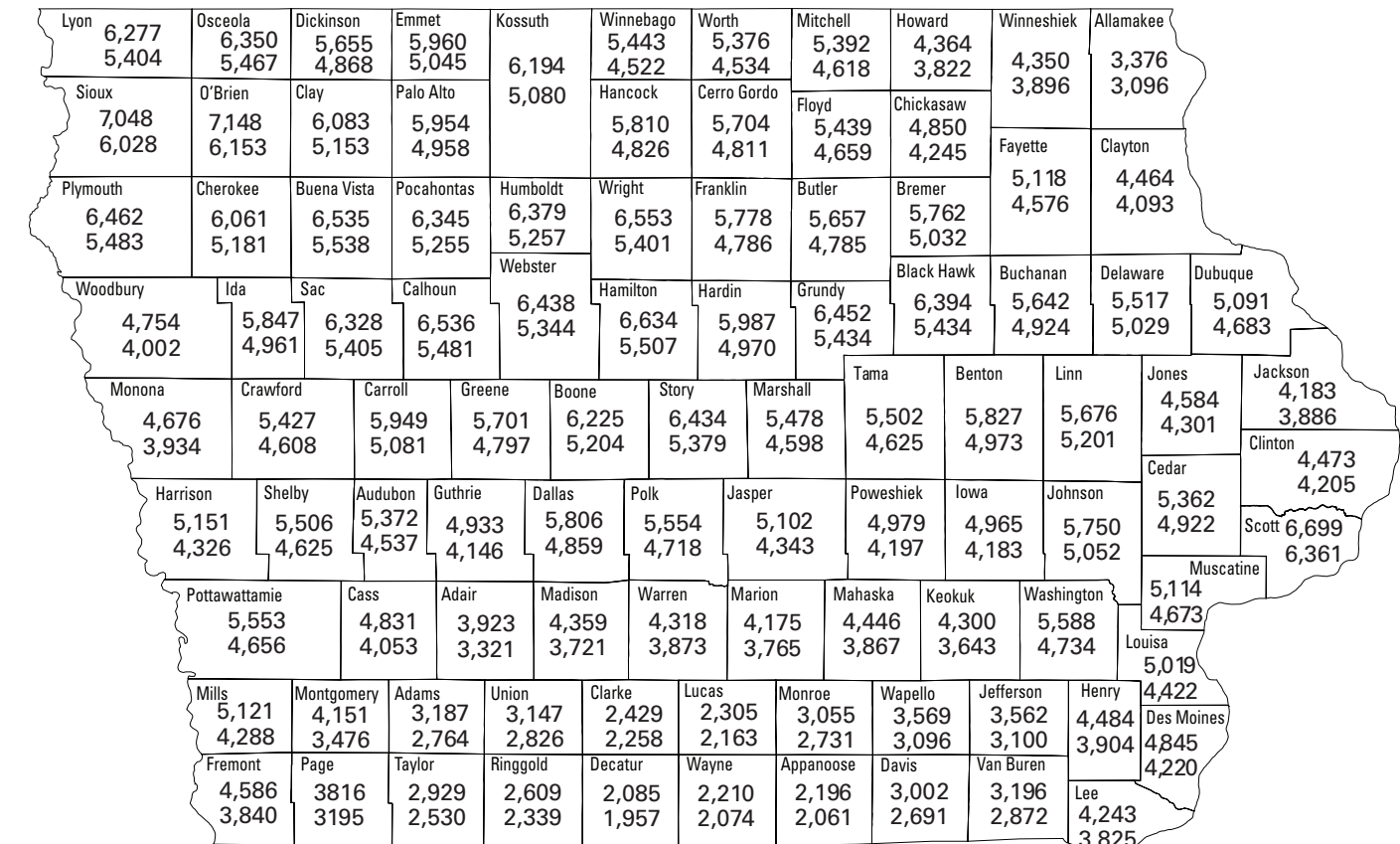
The majority of farmland sales, 70 percent, were to existing farmers. Sales to farmers by crop reporting districts ranged from 78 percent in

**Table 1. Recent changes in Iowa farmland values.**

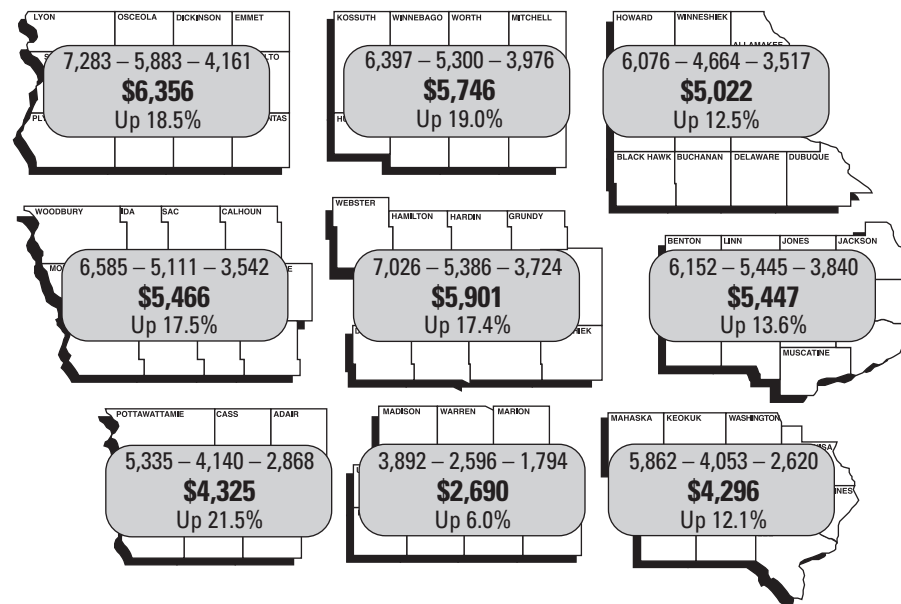
Year	Value per acre	Dollar change	Percentage change
1973	635	154	31.9
1974	834	199	31.3
1975	1095	261	31.3
1976	1368	273	24.9
1977	1450	82	6.0
1978	1646	196	13.5
1979	1958	312	19.0
1980	2066	108	5.5
1981	2147	82	3.9
1982	1801	-346	-16.1
1983	1691	-110	-6.1
1984	1357	-334	-19.8
1985	948	-409	-30.2
1986	787	-161	-17.0
1987	875	88	11.2
1988	1054	179	20.4
1989	1139	85	8.1
1990	1214	75	6.6
1991	1219	5	.4
1992	1249	30	2.5
1993	1275	26	2.1
1994	1356	81	6.4
1995	1455	99	7.3
1996	1682	227	15.6
1997	1837	155	9.2
1998	1801	-36	-1.9
1999	1781	-20	-1.1
2000	1857	76	4.3
2001	1926	69	3.7
2002	2083	157	8.2
2003	2275	192	9.2
2004	2629	354	15.1
2005	2914	285	10.8
2006	3204	290	10.0
2007	3908	704	22.0
2008	4468	560	14.3
2009	4371	-97	-2.2
2010	5064	693	15.9

the West Central to 62 percent in South Central. Investors represented 25 percent of the sales statewide, with South Central having the highest percent, 30 percent, to investors. West Central reported the lowest investor activity, 17 percent.

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**Figure 2. County estimates of average dollar value per acre for Iowa farmland based on U.S. Census of Agriculture estimates and the Nov. 1, 2010, Iowa Land Value Survey conducted by ISU Extension. Top figures is the estimated Nov. 1, 2010, value; the bottom figure is the estimated Nov. 1, 2009, value.**



**Figure 3. Estimates of average dollar value per acre as of Nov. 1, 2010, by Iowa crop reporting districts.**

**First line:** high-, medium-, and low-grade farmland values.

**Second line:** district average.

**Third line:** average percentage change since Nov. 1, 2009.