

2023 Iowa State University Farmland Value Survey

The Iowa State University Land Value Survey was initiated in 1941 and is sponsored annually by Iowa State University. Only the state average and the district averages are based directly on Iowa State University survey data. County estimates are derived using a procedure that combines Iowa State University survey results with data from the US Census of Agriculture. Since 2014, the survey has been conducted by the Center for Agricultural and Rural Development in the Department of Economics at Iowa State University and Iowa State University Extension and Outreach.

The survey is intended to provide information on general land value trends, geographical land price relationships, and factors influencing the Iowa land market. The survey is not intended to provide a direct estimate for any particular piece of property.

The survey is an expert opinion survey based on reports by licensed real estate brokers, farm managers, appraisers, agricultural lenders, county assessors, and selected individuals considered to be knowledgeable of land market conditions. Respondents were asked to report for more than one county if they were knowledgeable about the land markets. The 2023 Iowa State University Land Value Survey is based on 417 usable county-level land value estimates provided by 282 agricultural professionals.

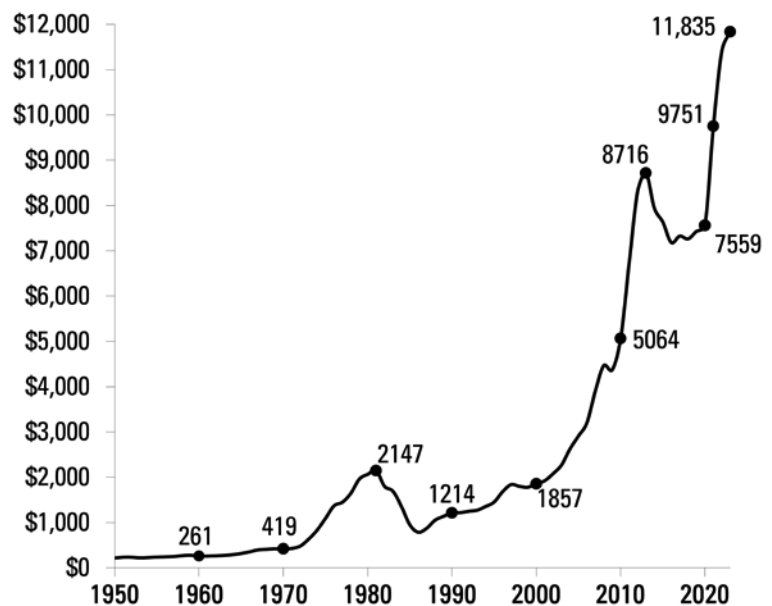
Of the 282 respondents, 41% completed the survey online. Online responses allow participants to provide estimates for up to 12 counties. The [CARD Farmland portal](http://www.card.iastate.edu/farmland/), www.card.iastate.edu/farmland/, facilitates the visualization and analysis of Iowa farmland values, pooling data from Iowa State University, the United States Department of Agriculture, Federal Reserve Bank of

Chicago, and the REALTORS® Land Institute Iowa Chapter, as well as making use of charts over time and interactive county maps.

Participants in the survey are asked to estimate the value of high-, medium-, and low-quality land in their county. Comparative sales and other factors are taken into account by the respondents in making these value estimates. This survey is the only data source that provides an annual land value estimate at the county level for each of the 99 counties in Iowa. In addition, this survey provides estimates of high-, medium-, and low-quality land at the crop reporting district and state level.

The 2023 state average for all quality of land was estimated to be \$11,835 per acre as of November 1, 2023 (Figure 1). This is an increase of \$424 per acre from Nov. 1, 2022, and a 3.7% increase (Table 1).

Figure 1. Average value per acre of Iowa farmland.



Source: Iowa State University Land Value Survey

Table 1. Changes in Iowa farmland values, 1981-2023.

Year	Value per acre	Dollar change	Percentage change
1981	\$2,147	\$81	3.9%
1982	\$1,801	-\$346	-16.1%
1983	\$1,691	-\$110	-6.1%
1984	\$1,357	-\$334	-19.8%
1985	\$948	-\$409	-30.1%
1986	\$787	-\$161	-17.0%
1987	\$875	\$88	11.2%
1988	\$1,054	\$179	20.5%
1989	\$1,139	\$85	8.1%
1990	\$1,214	\$75	6.6%
1991	\$1,219	\$5	0.4%
1992	\$1,249	\$30	2.5%
1993	\$1,275	\$26	2.1%
1994	\$1,356	\$81	6.4%
1995	\$1,455	\$99	7.3%
1996	\$1,682	\$227	15.6%
1997	\$1,837	\$155	9.2%
1998	\$1,801	-\$36	-2.0%
1999	\$1,781	-\$20	-1.1%
2000	\$1,857	\$76	4.3%
2001	\$1,926	\$69	3.7%
2002	\$2,083	\$157	8.2%
2003	\$2,275	\$192	9.2%
2004	\$2,629	\$354	15.6%
2005	\$2,914	\$285	10.8%
2006	\$3,204	\$290	10.0%
2007	\$3,908	\$704	22.0%
2008	\$4,468	\$560	14.3%
2009	\$4,371	-\$97	-2.2%
2010	\$5,064	\$693	15.9%
2011	\$6,708	\$1,644	32.5%
2012	\$8,296	\$1,588	23.7%
2013	\$8,716	\$420	5.1%
2014	\$7,943	-\$773	-8.9%
2015	\$7,633	-\$310	-3.9%
2016	\$7,183	-\$450	-5.9%
2017	\$7,326	\$143	2.0%
2018	\$7,264	-\$62	-0.8%
2019	\$7,432	\$168	2.3%
2020	\$7,559	\$127	1.7%
2021	\$9,751	\$2,192	29.0%
2022	\$11,411	\$1,660	17.0%
2023	\$11,835	\$424	3.7%

Major Factors Influencing the Farmland Market

Most survey respondents listed positive and negative factors influencing the land market. Of all respondents, 90% listed at least one positive factor, and 86% listed at least one negative factor. In most cases, respondents listed multiple factors.

There were three positive factors listed by over 50% of respondents who provided at least one positive factor. The most frequently mentioned factor was limited land supply, mentioned by 15.5% of respondents. Strong yields and the combination of cash on hand and credit availability were the next most-frequently mentioned positive factors, mentioned by 12.6% and 12.1% respondents, respectively. Other frequently mentioned positive factors included higher commodity prices (11.3%) strong land demand including from investors (11.3%), a good farm economy (5.4%), and a recent history of favorable interest rates (2.8%).

There were also three negative factors listed by more than 40% of respondents who identified at least one negative factor. The most frequently mentioned negative factor affecting land values was the series of interest rate hikes over the past two years, mentioned by 23.4% of respondents, and the fall of commodity prices during 2023 was the second-most important concern with 22.7% responses identifying it. Concerns about higher input costs, weather uncertainty, and stock market volatility and economic uncertainty were the next most frequently mentioned negative factors, mentioned by 11.4%, 7.2%, and 5.1% of respondents, respectively. Land availability and uncertainty in agricultural profitability were each mentioned by roughly 3.6% of respondents.

Number of Sales Compared to Previous Year

In 2023, 39.5% of respondents reported fewer sales relative to 2022, which signals the slowing pace of the land market. On the other hand, 21% reported more sales, and 39.5% reported the same level of sales in 2023 compared to 2022.

Land Sales by Buyer Category

The survey asked respondents what percent of the land was sold to six categories of buyers: existing local farmers, existing relocating farmers, new farmers, local investors, non-local investors, or other.

The majority of farmland sales, 70%, were to existing farmers, of which existing local farmers captured 69% of land sales. Only 1% of sales were to existing relocating farmers. New farmers represented 4% of sales. Investors represented 24% of land sales, with 12% going to local investors and 12% to non-local. Other purchasers were 2% of sales.

Land Sales by Seller Category

The survey also asked respondents what percent of land was bought from six categories of sellers: active farmers, retired farmers, estate sales, local investors, non-local investors, or other.

The majority of farmland sales, 57%, were from estate sales, followed by retired farmers at 23%. Active farmers accounted for 7% of sales, while local and non-local investors accounted for 4% and 7%, respectively.

Estate sales by crop reporting district ranged from 40% in the South Central district to 70% in the West Central district.

Sales by investors were highest in the South Central district (24%), with local investors representing 10% of sales and non-locals representing 14%. The Northeast and East Central districts reported the lowest investor sale activity (6% each), with local investors representing 2% and 3% of sales and non-locals representing 4% and 3%, respectively.

Respondents by Occupation and by Mode of Survey

The survey asked the main occupation of the respondent: farm manager, appraiser, agricultural lender, broker/realtor, government, farmer/landowner, and other, along with the respondents' number of years of experience and the number of counties in which they offer services.

In total, 282 agricultural professionals completed the survey, providing 417 county land value estimates. Of these 282, agricultural lenders represented the largest group, accounting for 41% of all respondents. Brokers/realtors and farm managers were the next largest groups, representing 14.2% and 13.1% of respondents, respectively.

Of all respondents, the percentage of agricultural lenders ranged from 25% in the Southwest district to more than 45% in the Northwest, Northeast, West Central, and Southeast districts.

Our respondents, on average, have 27 years of experience in their current profession and offer professional services to an average of six counties. While government officials typically only serve one county, appraisers, agricultural lenders, farm managers, and realtors/brokers offer services, on average, to 15, 10, 10, and 4 counties, respectively.

The survey was completed online by 41% of the 282 respondents.

Farmland Value and Cash Crop Price Predictions by Respondents

This year's survey asked respondents to predict land values and cash crop prices one and five years from now, as well as the prevailing interest rates for a 20-year farmland mortgage and a one-year operating loan.

Respondents had optimistic views regarding the strength of the farmland market five years from now, and generally expect stable or even higher land values, with the one year expectation tilting towards a fall in land values. Forty-eight percent of respondents forecasted a decrease in their local land market in one year, while 30% expected a higher land value and 22% forecasted no change. While the most popular response was for the one-year land price forecast to decrease by 5% or less, the second-most popular answer was for land values to remain the same as the current situation. Looking five years ahead, 16% of respondents forecasted a decline, much smaller than the 48% forecasting a decline 12 months from now. Meanwhile, 70% of respondents expect an increase in land values in the long term, with an increase of 10%–20% selected by most respondents.

To better gauge the respondents' views of current farmland values, the survey also asks them to rate the current farmland values in their primary county as way too low, too low, just right, too high, or way

too high. Fifty-nine percent and 10% of respondents think the current land values are too high or way too high, respectively, while only 5% of respondents think the current land values are too low. Twenty-five percent of respondents think the land values are just right.

Respondents expect corn and soybean cash crop markets to remain relatively stable. In particular, the predicted state average cash corn prices for November 2024 (one year from now) and 2028 (five years from now) are \$4.69 per bushel and \$5.33 per bushel respectively. The statewide average soybean price predictions are \$12.42 per bushel in one year and \$13.36 per bushel five years from now.

Respondents reported typical interest rates for 20-year farmland mortgages and one-year operating loans are 7.59% and 8.54%, respectively. These are significantly higher than one-year-ago levels due to the multiple interest rate hikes by the Federal Reserve to combat inflation.

Land Quality and Corn Suitability Rating 2

To gauge how each respondent defined high-, medium-, and low-quality land for their county, we asked for estimated average CSR2 (Corn Suitability Rating 2) for high-, medium-, and low-quality land. We also asked for estimates of the percent of land area for each land quality class.

Approximately 90% of participants provided at least one CSR2 estimate for the corresponding land quality classes. The estimated average CSR2 values statewide for high-, medium-, and low-quality land are 83, 70, and 56 points, respectively. The estimated percent of land area for high-, medium-, and low-quality land is 35%, 40%, and 25%, respectively.

In addition, respondents ranked high-, medium-, and low-quality land based on relative conditions in their region. For example, the average CSR2 for high-quality land in the South Central district is 72, which is only slightly larger than the CSR2 for low-quality land in the Northwest district (70).

Interpretation of the 2023 Survey Results

The 2023 Iowa State University Land Value Survey reported a 3.7% increase to \$11,835 per acre for average Iowa farmland values from November 2022 to November 2023. This represents a modest increase from last year, and the \$11,835 per acre nominal land value is the highest-ever recorded by the survey. The 2023 nominal land value is 36% higher than the 2013 peak in nominal land values, and the inflation-adjusted value, \$9,131 per acre in 2015 dollars, saw a 0.5% increase and is also the highest on record.

The declining rate of increase in land values, along with falling values in select regions, is revealing

Table 2. Estimated average CSR2 and percent of land area by land quality, 2023.

	Reported Average CSR2			Reported Percent of Land Area		
	High Quality	Medium Quality	Low Quality	High Quality	Medium Quality	Low Quality
Northwest	90	81	70	45	36	19
North Central	85	74	60	39	40	21
Northeast	82	67	50	35	41	24
West Central	82	70	58	39	39	22
Central	85	76	62	39	38	23
East Central	84	69	52	38	38	24
Southwest	81	66	51	25	46	29
South Central	72	57	43	21	42	37
Southeast	85	72	54	32	40	28
STATE	83	70	56	35	40	25

a possible plateauing in the land market. The downward pressures on land values are largely attributable to interest rate hikes, lower commodity prices, increasing input prices, and weather uncertainty. At the same time, limited land supply, stronger-than-expected crop yields, readily available cash and credit, higher commodity prices earlier in the year, strong demand, including from investors, and a good farm economy supported the overall growth in Iowa land values. In general, nearly half of the respondents expect modest declines in land values within the next year but are optimistic about the future of the land market, forecasting increases in five-year land values.

The 2023 Iowa State University Land Value Survey revealed a geographic pattern in land value changes across crop reporting districts, counties, and land quality classes. Land values increased in eight of the nine crop reporting districts, with the largest percentage increases in the South Central and Southeast districts, 12.8% and 9.6%, respectively. All other districts reported increases less than 5% except for the Northwest district, where land values decreased by 0.8%. Across land quality classes, low-quality land saw the greatest increase, 4%, while high- and medium-quality land experienced 3.5% and 3.8% increases, respectively.

Within the districts, high quality land decreased in value by 1.1% in the Northwest district, medium-quality land value decreased in the East Central district by 0.1%, while low-quality land values fell in the Northwest, Northeast, Central, and East Central districts by 0.8%, 1%, 0.1%, and 4.2%, respectively.

Twelve of Iowa's 99 counties reported decreases in nominal land values and 45 counties reported a decrease in inflation-adjusted values, but 87 counties still report the highest nominal land values since 1950, and, for 42 counties, the inflation-adjusted values are also record-high—topping the previous peak in 2013. The largest percentage increase, 12.9%, was reported in Appanoose, Decatur, Lucas, and Wayne counties while the largest percentage decreases were reported in Scott and Clinton counties at 3.9% and 1.9%, respectively.

In general, the results from the 2023 Iowa State University Land Value Survey are similar to the results from other surveys, which all highlight the slowing pace of the farmland market due to higher interest rates and lower commodity prices. In November 2023, the [Federal Reserve Bank of Chicago](http://www.chicagofed.org/publications/agletter/2020-2024/november-2023), www.chicagofed.org/publications/agletter/2020-2024/november-2023, reported no change in Iowa's "good" farmland values from October 2022 to October 2023. In September, the [REALTORS® Land Institute - Iowa Chapter](http://www.rliland.com/iowa/Resources/Land-Trends-and-Values), www.rliland.com/iowa/Resources/Land-Trends-and-Values, reported an overall 0.6% increase in Iowa cropland values from September 2022 to September 2023, with decreases reported in Northwest, North Central, and West Central district values. The [US Department of Agriculture June Area Survey](https://downloads.usda.library.cornell.edu/usda-esmis/files/pn89d6567/9w033j15z/2v23xb225/land0823.pdf), <https://downloads.usda.library.cornell.edu/usda-esmis/files/pn89d6567/9w033j15z/2v23xb225/land0823.pdf>, reported a 5.6% rise in Iowa's agricultural real estate values (land and building) from June 2022 to June 2023.

Nearly 40% of respondents reported less sales in 2023 relative to 2022, another 39% reported the same level of sales, while only 21% reported more sales compared to 2022. Limited land supply is reported as the most common factor selected as a positive influence on land values.

The majority of farmland sales, 70%, were to existing farmers, of which existing local farmers captured 69% of land sales. Only 1% of sales were to existing relocating farmers. New farmers represented 4% of sales. Investors represented 24% of land sales, with 12% going to local investors and 12% to non-local. Other purchasers were 2% of sales.

The farmland value estimates from the Iowa State survey are average estimates for all farmland in a county, including cropland, pasture, CRP, and timberland. Specifically, we asked respondents to estimate "farmland value for average-sized farms in your county as of November 1, 2023."

An opinion survey is just that—it represents the collective opinion of the survey respondents. Most of the respondents will use actual sales to formulate their opinions but each person can choose to weigh or discount particular sales as they deem necessary. The Iowa State Land Value Survey is an opinion survey, as are the surveys conducted by Federal Reserve Bank, USDA, and the REALTORS® Land Institute. It is important to consider the survey respondents, the questions asked, the time period covered, and other factors relating to a particular survey. As a result, it is important to note that when comparing results across surveys for Iowa and neighboring states, it is better to compare percentage change over time as opposed to dollar amount per acre.

The Iowa State Land Value Survey is intended to provide information on general land value trends and factors influencing the Iowa land market, it is not intended to provide a direct estimate for any particular piece of property. We recommend interested buyers or sellers hire an appraiser to conduct a formal appraisal of a particular parcel, go to county assessor websites, or examine recent auction results for comparable parcels in their region.

Outlook for Land Values

The slowing pace of the growth in Iowa farmland values is not really a surprise for some – in November 2022, over 30% of the 2022 Iowa State survey respondents thought land values in their territory would either remain the same or modestly increase in 2023. The small increase of 3.7% falls within that expectation. On the other end of the spectrum, nearly 70% of the respondents believe that land values are higher than they should be and about 50% expect a decline in the next year. This is explained by the downward pressures by rising interest rates, lower commodity prices, and higher input costs.

According to USDA Economic Research Service's [December 2023 farm income forecast](https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast), www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast, US net farm income is forecast to decrease \$31.8 billion (17.4%) from 2022 levels to \$151.1 billion in 2023 (in inflation-adjusted terms, a 20% fall). Despite the decline, US net farm income in 2023 is higher than the 2020 net farm income by 38%, and its 20-year average (2003–2022) by 36%. The decrease is driven by falling commodity prices and cash receipts from farming, along with lower direct government payments and higher production costs. In particular, both crop receipts and animal or animal product receipts are expected to decrease by 4% and 5%, respectively. Even though the direct government payments continue to fall, the 2023 direct government payments are forecasted at \$12.1 billion, reflecting the reduction in COVID-related assistance in 2023. As farm production expenses are rising, with the largest increases this year coming from interest expenses, the growth in expenses has caught up to the growth in revenues, making for tighter margins.

There have been three 'golden' eras for Iowa land values over the past 100 years. The first one ended in a long, drawn-out decline in land values from 1921 to 1933, the second golden era ended with a sudden collapse from 1981 to 1986. The third golden era ended with an orderly adjustment in values from 2014 onwards as opposed to a sudden collapse. We are now at the cusp of another great period of farmland values, and if the economy bypasses a recession as planned, we should be able to end this era without a rapid collapse in land values.

More details on the survey can be found on the [CARD website](https://www.card.iastate.edu/farmland), www.card.iastate.edu/farmland and historical data can be downloaded in the AgDM Decision Tool [Historical Farmland Values Data](https://go.iastate.edu/AGDMC270LV), <https://go.iastate.edu/AGDMC270LV>, or in AgDM File C2-72, [Historical Farmland Values](https://go.iastate.edu/AGDMC272), <https://go.iastate.edu/AGDMC272>.

Table 3. Average value per acre of Iowa farmland listed by crop reporting districts and quality of land.

Year	State Average	North-west	North Central	Northeast	West Central	Central	East Central	South-west	South Central	Southeast
All farmland										
2011	6708	8338	7356	6602	7419	7781	7110	5905	3407	5705
2012	8296	11404	9560	8523	9216	9365	8420	7015	4308	6172
2013	8716	10960	9818	9161	9449	9877	9327	7531	4791	6994
2014	7943	9615	8536	8151	8424	9087	9008	6513	4475	7215
2015	7633	9685	7962	7861	8061	8505	8506	6372	4397	6892
2016	7183	9243	7562	7313	7358	7841	7917	6060	4241	6716
2017	7326	9388	7802	7543	7377	8097	8218	6058	4172	6864
2018	7264	9311	7789	7543	7413	7899	8004	6060	4329	6619
2019	7432	9352	7912	7325	7564	8336	8475	6166	4487	6868
2020	7559	9536	7927	7525	7859	8485	8524	6112	4658	6935
2021	9751	12164	10664	9958	10461	10744	11051	7582	6035	8451
2022	11411	14878	12449	11627	12411	12582	12595	9264	6824	9276
2023	11835	14753	12818	12060	12741	13014	12678	9505	7482	10460
High quality										
2011	8198	9649	8601	7994	8889	9332	8675	7418	5109	7721
2012	10181	12890	10765	10708	11128	11139	10201	8818	6437	8879
2013	10828	12824	11159	11423	11591	11803	11631	9591	7150	9785
2014	9854	11201	9630	10083	10275	10780	11034	8482	6663	10150
2015	9364	11229	8976	9575	9684	10087	10289	8031	6445	9536
2016	8758	10650	8442	8892	8874	9299	9502	7527	5980	9265
2017	8933	10829	8730	9151	8881	9568	9900	7571	5908	9471
2018	8863	10767	8699	9198	8834	9313	9768	7738	6055	9063
2019	9078	10757	8858	9050	9017	9749	10421	7768	6416	9341
2020	9068	10780	8889	9182	9159	9800	10199	7484	6408	9299
2021	11834	13997	12064	12308	12289	12512	13503	9424	8194	11628
2022	13817	17121	14271	13806	14821	14720	15097	11419	9478	12829
2023	14296	16938	14719	14617	14950	15531	15593	11884	9718	14157
Medium quality										
2011	6256	7708	6713	6290	6981	7029	6510	5553	3353	5468
2012	7773	11011	8691	7815	8619	8466	8128	6732	4219	5685
2013	8047	9918	8824	8573	8725	8930	8567	7137	4715	6605
2014	7359	8698	7874	7591	7827	8327	8388	6108	4318	6715
2015	7127	8834	7352	7460	7581	7758	7934	6038	4282	6525
2016	6705	8468	6992	6994	6870	7186	7396	5683	4128	6283
2017	6849	8555	7218	7236	6824	7426	7674	5756	4079	6548
2018	6805	8548	7214	7116	6935	7341	7452	5671	4244	6353
2019	6938	8633	7248	6833	7076	7649	7823	5841	4371	6616
2020	7119	8993	7350	6980	7433	7883	7959	5843	4563	6639
2021	9071	11042	9641	9122	9700	9980	10179	7145	6094	8169
2022	10673	13710	11171	11122	11654	11527	11876	8769	6872	8677
2023	11075	13731	11512	11364	12018	11807	11862	9102	7498	9858
Low quality										
2011	4257	5196	4900	4352	4766	4848	4671	3824	1984	3335
2012	5119	7162	6303	5288	5877	5718	5013	4484	2562	3226
2013	5298	6845	6421	5670	5926	5918	5449	4592	2843	3651
2014	4878	6091	5428	5256	5173	5582	5479	3860	2808	3891
2015	4834	6252	5372	5242	5082	5292	5366	4070	2750	3797
2016	4665	6019	5164	4847	4577	5158	5153	4189	2892	3783
2017	4689	6216	5265	4965	4684	4993	5305	3935	2824	3768
2018	4609	6018	5161	5056	4720	4932	4911	3790	2953	3656
2019	4759	6099	5325	4803	4950	5467	5279	3844	2955	3790
2020	5078	6486	5297	5213	5492	5793	5599	4055	3262	4134
2021	6397	8088	6992	6717	7044	7136	7215	5155	4058	4734
2022	7369	9569	7849	8047	8161	7927	8441	6081	4379	5406
2023	7664	9497	8045	7965	9084	7917	8087	6131	5105	6357

Figure 2. 2023 and 2022 Iowa land values by county.

State Average Values

Nov 2023: \$11,835
Nov 2022: \$11,411

County estimates of average dollar value per acre for Iowa farmland based on US Census of Agriculture estimates and the Nov. 1, 2023, Iowa Land Value Survey conducted by Center for Agricultural and Rural Development, Iowa State University and Iowa State University Extension and Outreach. The top figure is the estimated Nov. 1, 2023, value; the bottom figure is the percentage of change from the estimated Nov. 1, 2022, value.

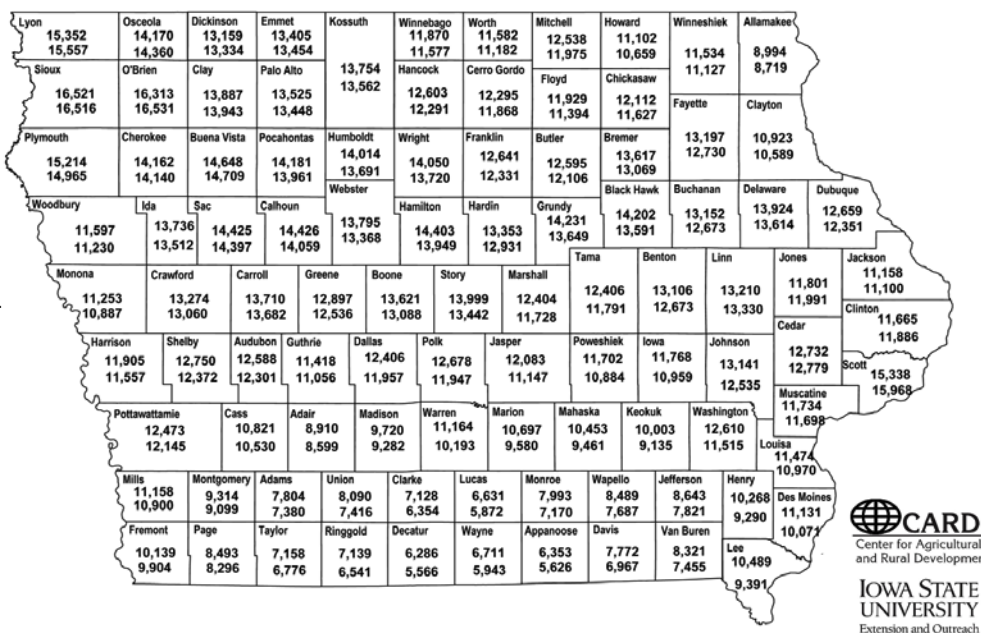
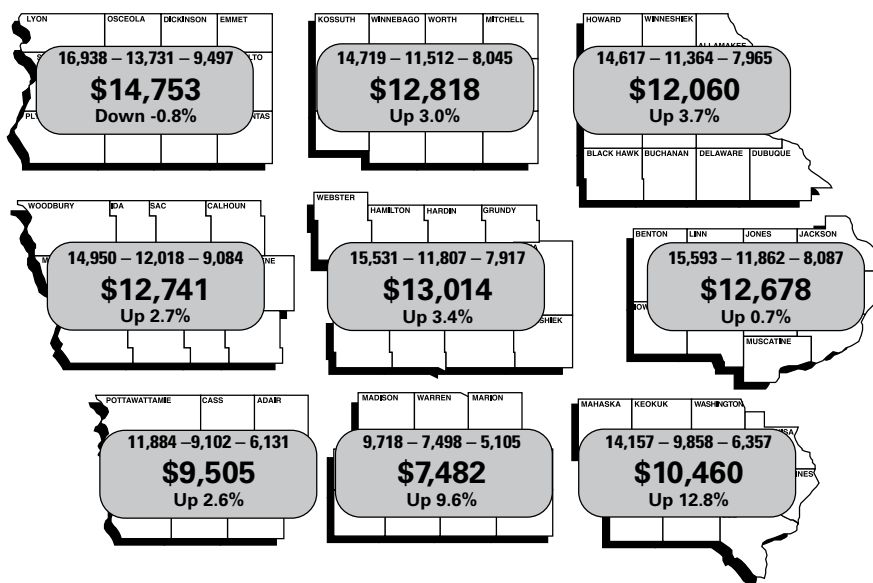


Figure 3. 2023 Iowa land values by crop reporting district.



Estimates of average dollar value per acre for high, medium, and low grade farmland (top row) on Nov. 1, 2023, by Iowa Crop Reporting District; the Crop Reporting District average (middle row); and the average percentage change from Nov. 1, 2022 (bottom row). The estimates are based on a survey conducted by Iowa State University, Center for Agricultural and Rural Development, and Iowa State University Extension and Outreach.

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