

Farmland Market Update

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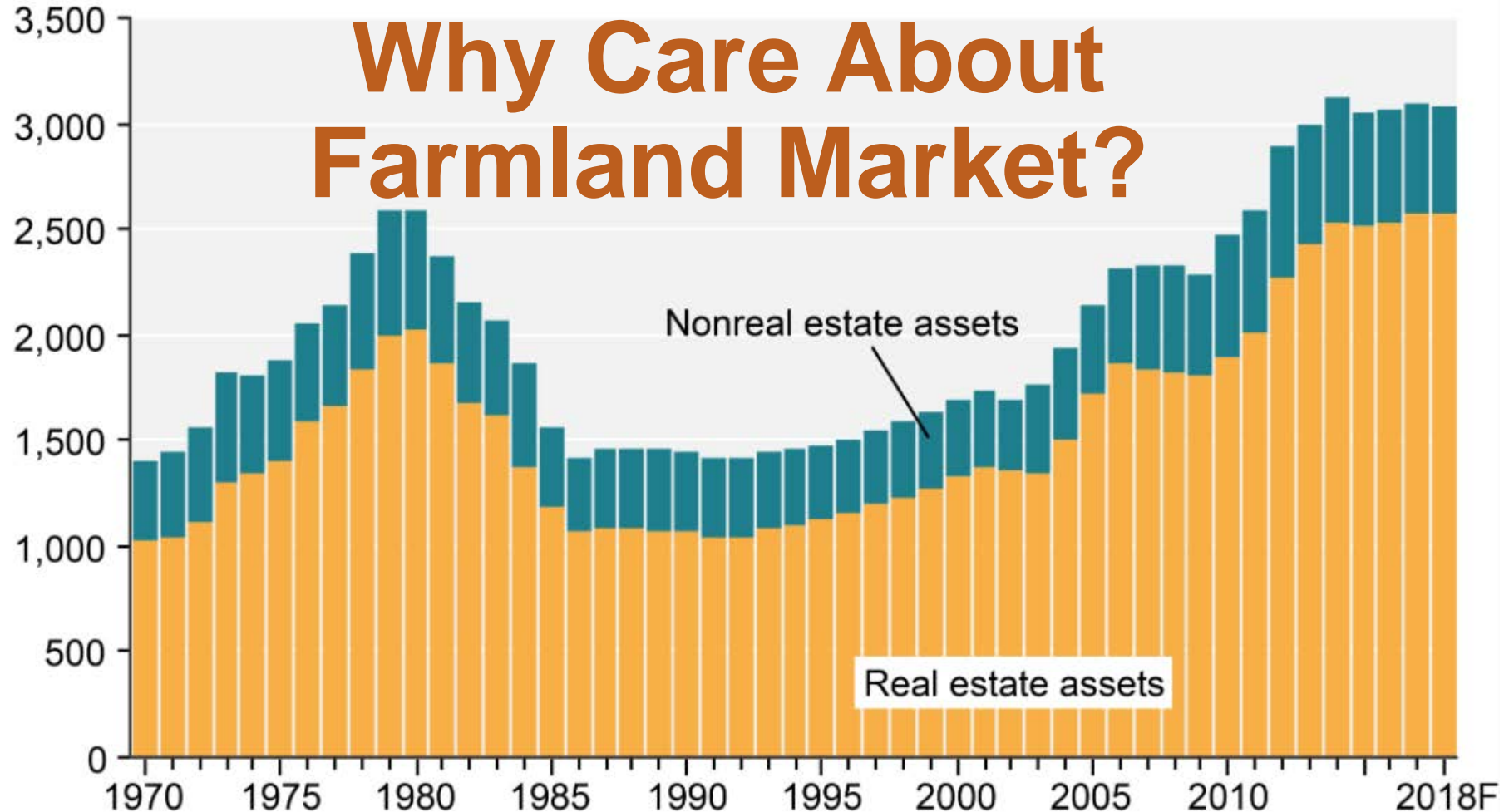
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2018 ANR Spring InService

April 2, 2018, Ames, Iowa

\$ billion (2018)

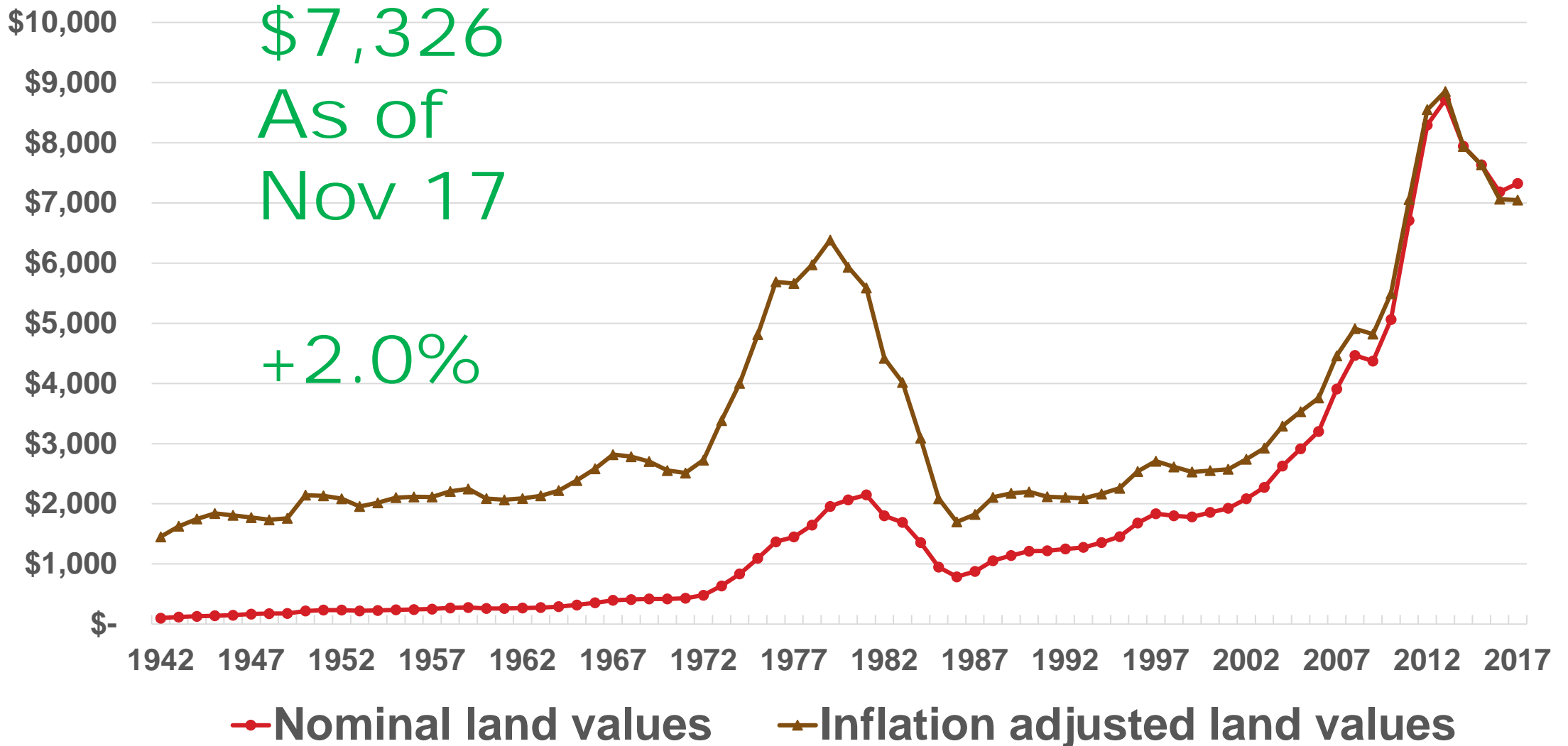


Note: F = forecast. The GDP chain-type price index is used to convert the nominal (current-dollar) statistics to real (inflation adjusted) amounts (2018=100).

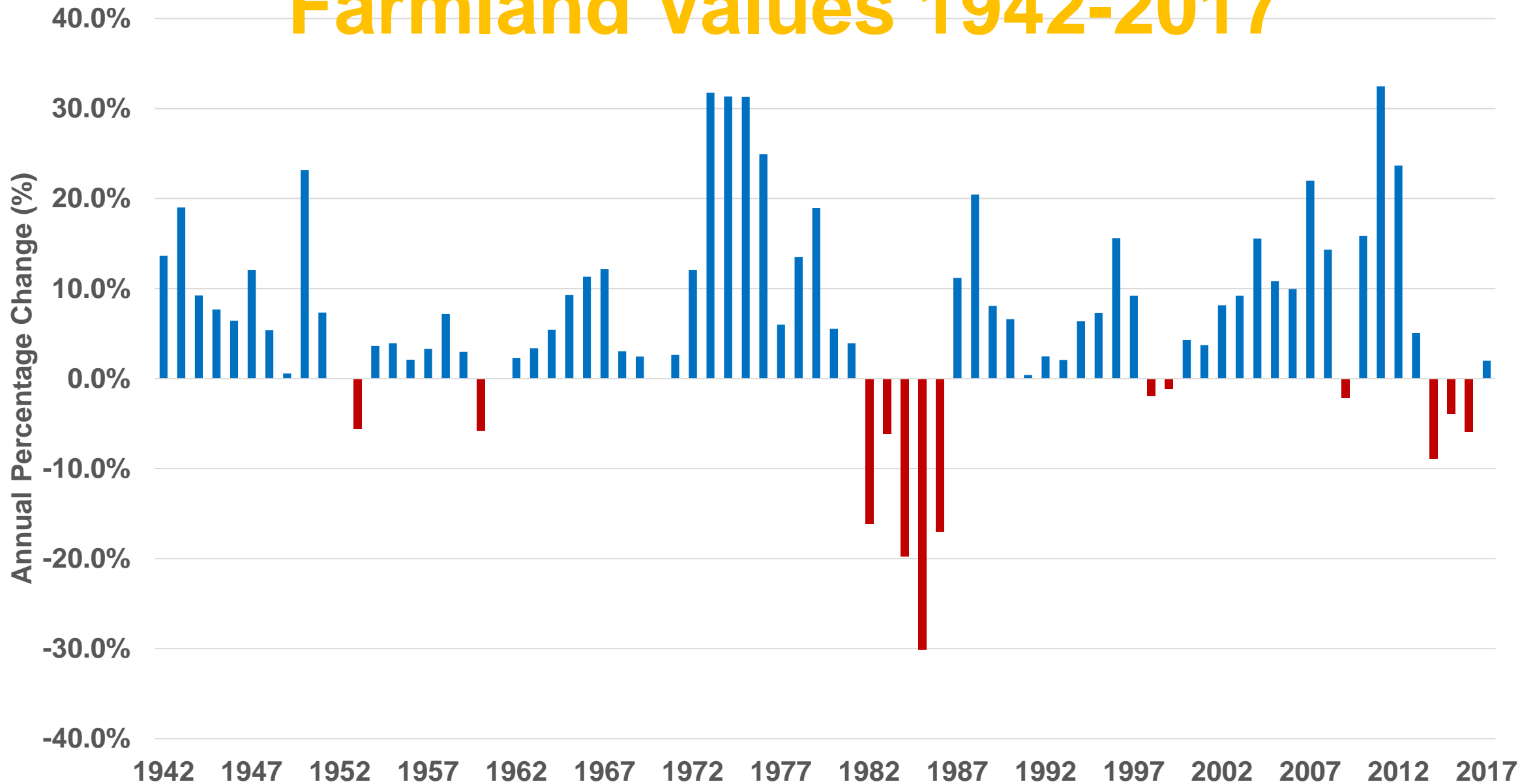
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of February 7, 2018.

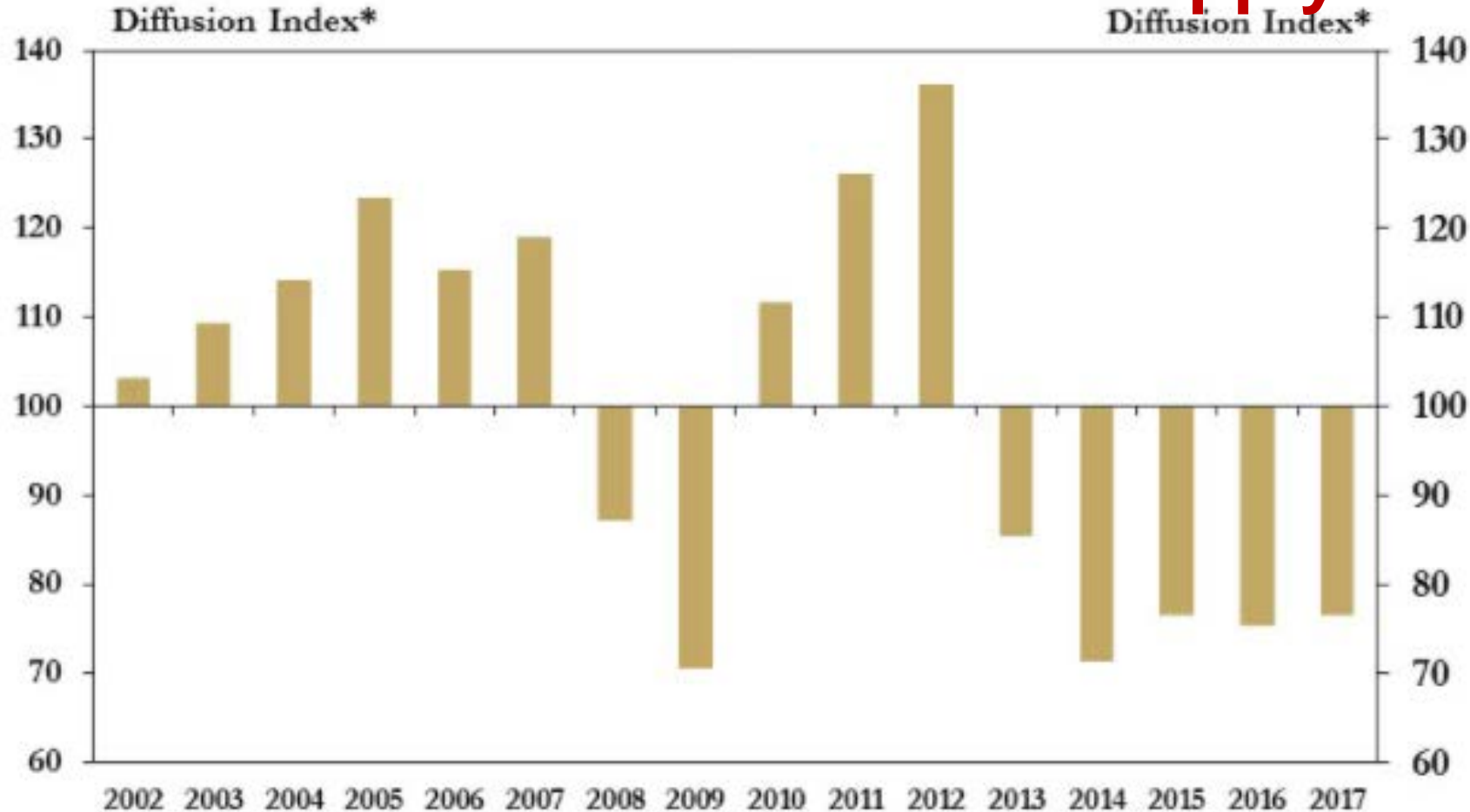
AVERAGE Iowa Land Values 1941-2017



% Change in Nominal Iowa Farmland Values 1942-2017



The “temporary break” in continued declines results from **limited land supply**



*Bankers responded to each item by indicating whether the volume of land sales increased, decreased, or remain the same. The index numbers are computed by subtracting the percentage of bankers who responded “decreased” from the percentage who responded “increased” and adding 100.

Even thinner farmland market

In 2017, Only **150,000** acres were sold in Iowa = **0.5%** of all farmland

(Typically, 1-2%)

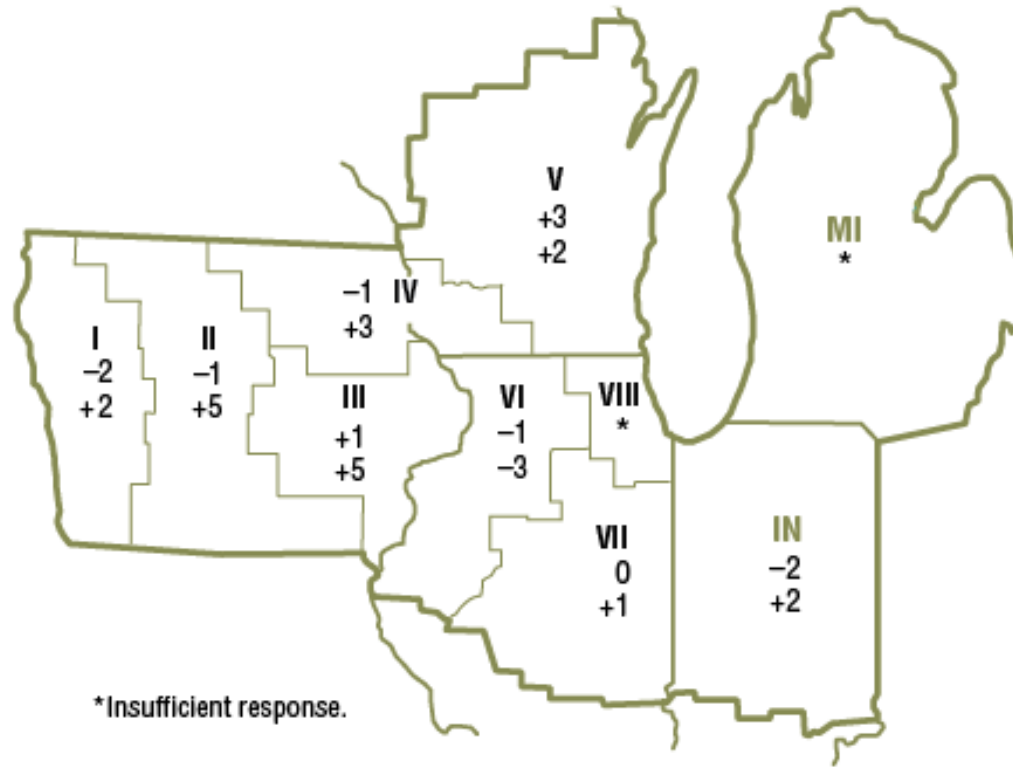
Chart 3: Volume of Farmland Sales

Percent change in dollar value of "good" farmland

Top: October 1, 2017 to January 1, 2018

Bottom: January 1, 2017 to January 1, 2018

	October 1, 2017 to January 1, 2018	January 1, 2017 to January 1, 2018
Illinois	0	-1
Indiana	-2	+2
Iowa	0	+3
Michigan	*	*
Wisconsin	+2	+2
Seventh District	0	+1



FEDERAL RESERVE BANK
of CHICAGO

March 17 – Sept 17: +2%
Sept 17 – March 18: +2.9%

+5%

AgLetter : February 2018

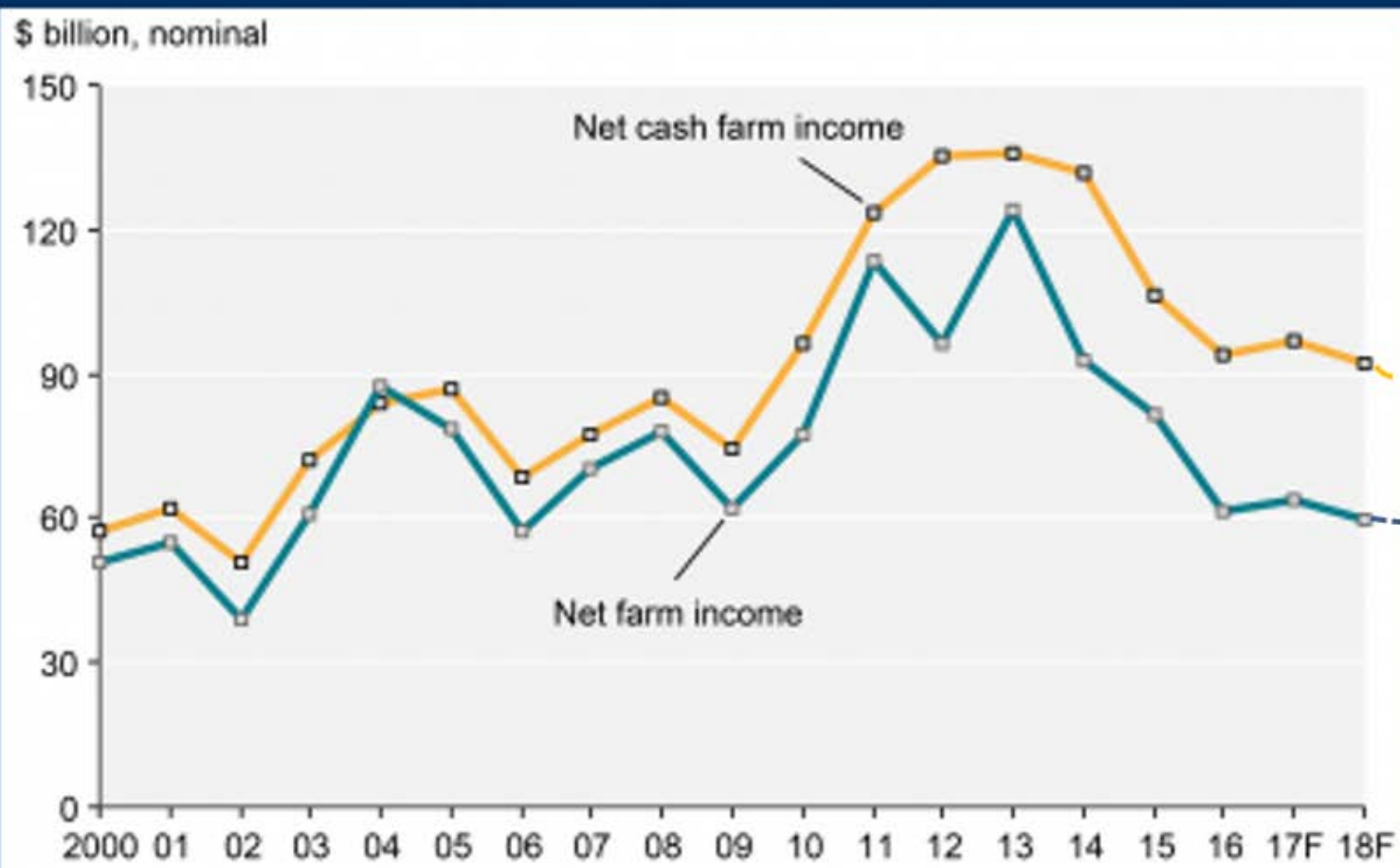
By David Oppedahl



**Economic Fundamentals
that drive land value
haven't improved much**

**Land Value = localized net
income / universal
interest rate**

Net farm income and net cash farm income, 2000-18F U.S. Total



USDA
OCE
Forecast
to 2026

China Ag Center · Publicat

Minghao Li, Wendong Zhang, and Chad E. Hart. 2018. ["What Can We Learn about U.S.-China Trade Disputes from China's Past Trade Retaliations?"](#) *CARD Policy Brief*. Center for Agricultural and Rural Development, Iowa State University.



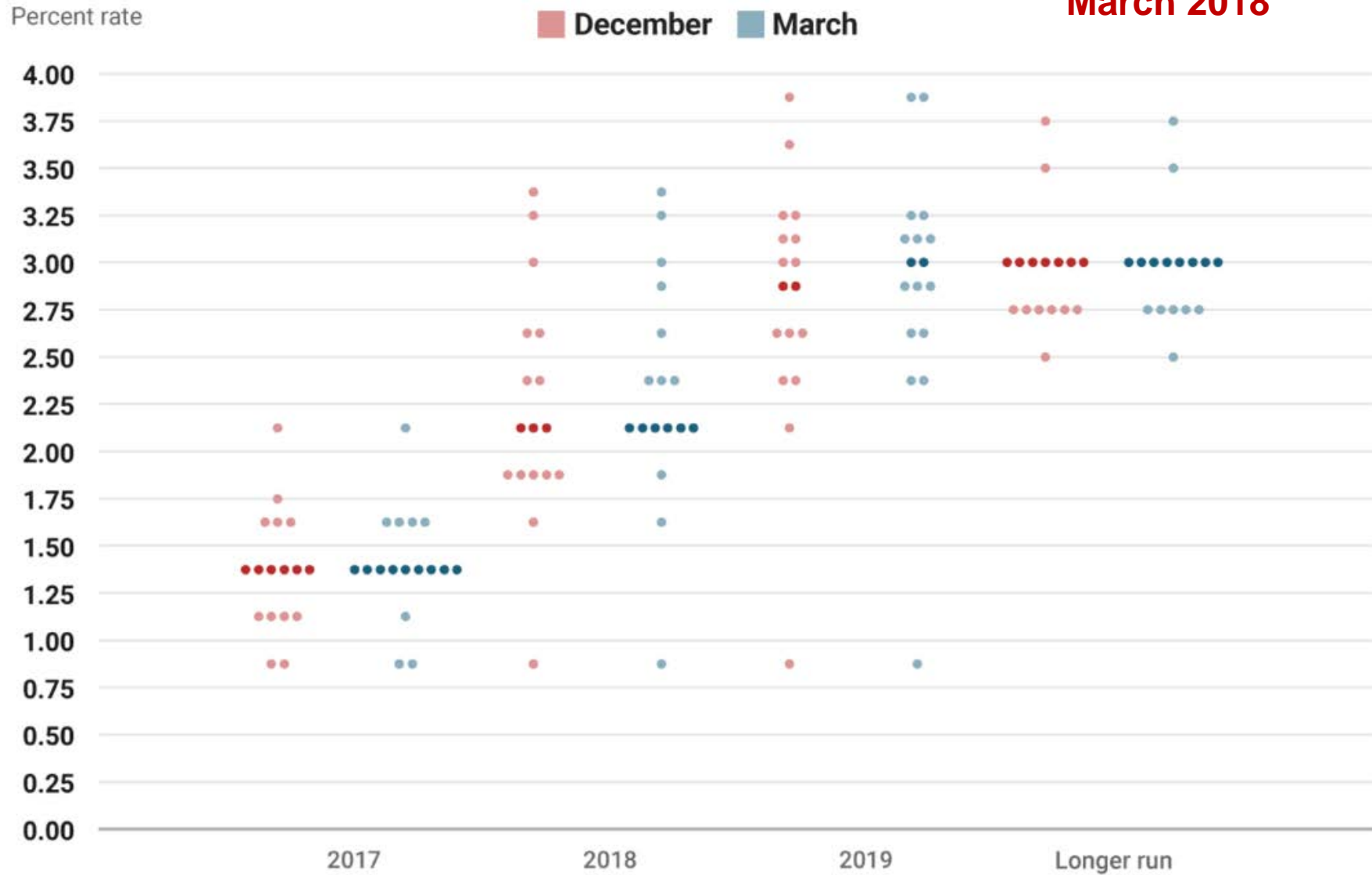
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fp Farm Policy News

The U.S. Department of Agriculture's Economic Research Service (ERS) [indicated on Wednesday](#) that, "Net farm income, a broad measure of profits, is forecast to decrease \$4.3 billion (6.7 percent) to \$59.5 billion in 2018, which would be the lowest level in nominal terms since 2006."

FED DOT PLOT

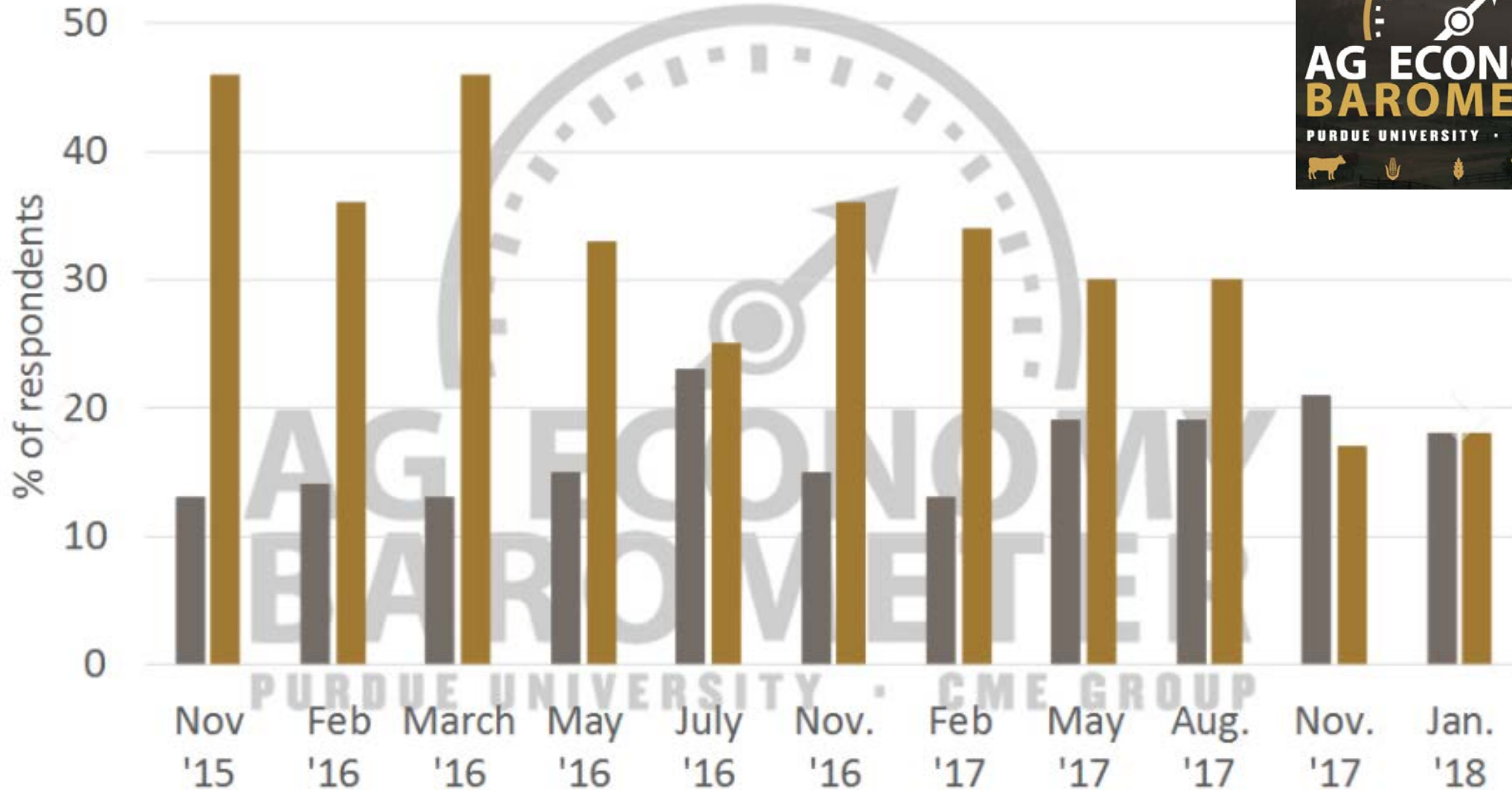
March 2018



Long-term interest rate expectations
What the Fed Reserve thinks the interest rate should be

Farmland Price Expectations, 12 months from now

■ Higher Farmland Prices ■ Lower Farmland Prices



Most Recent Observation: Jan. 2018

Producer Survey

Iowa Farmland Value Portal

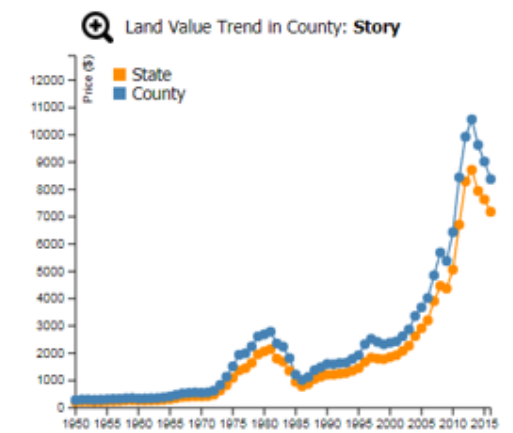
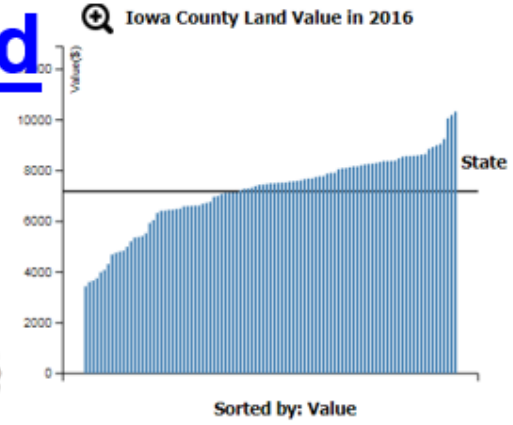
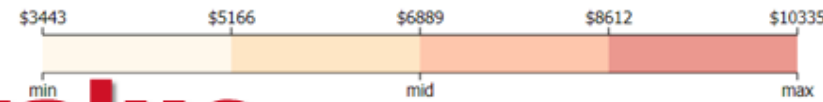
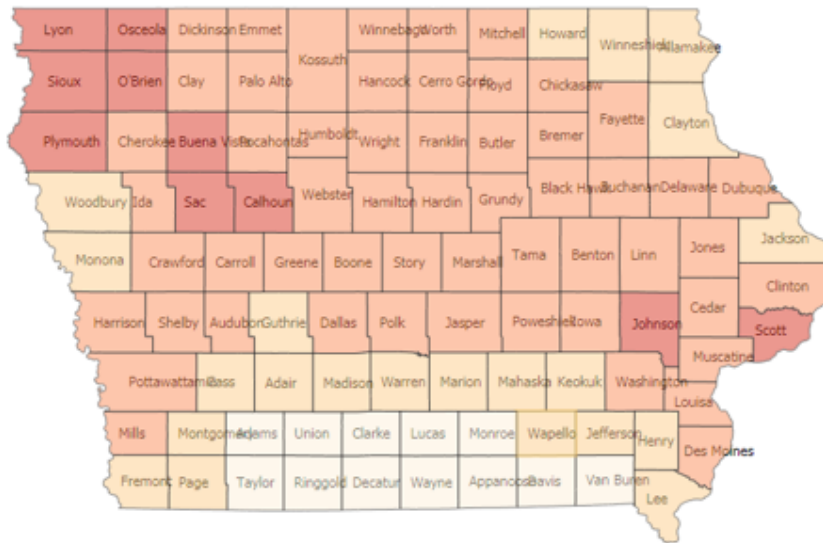


#ISUlandvalue



<http://bit.ly/LandResults2017>

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Land Value History for State Of Iowa

