Confidence Building In Ag Markets?

In April 2019, Hertz Real Estate President, Doug Hensley, observed, “If we can get some positive news back into the grain market like a new deal with China or continued expansions for both products and processors that use corn, soybeans and wheat, this grain market could turn from sideways and slightly lower to sideways and slightly higher, which would benefit the land market; because, ultimately, the land market functions on the confidence of those in the market.”

Fast forward to December 2019 and a Phase One trade deal with China is complete with a signing ceremony expected early in January. Trade with Japan will increase as of the first of the year as a fresh trade deal with the U.S. takes effect. And the United States Mexico Canada Agreement is on its way to the Senate for debate and likely approval early in 2020.

Trade, as mentioned above by Hensley, was the focus of much debate and consternation. With new trade deals in place, livestock producers are expected to see the most immediate impact, but export demand for soybeans, wheat and corn is also expected to see an equally impressive surge in 2020.

These agreements bode very well for farmers, ranchers and end users who have struggled in 2019 to maintain profitability amid depressed commodity and product prices.

As farm country puts 2019 in the rear-view mirror, the flip of the calendar comes amid growing optimism and notable progress for U.S. exports and agricultural exports in particular. Meanwhile, grain and soy futures are poised to gain upward momentum.

The land market was resilient through 2019 on tight supplies, and buyers seeking out high quality plots to purchase. Lenders and financial institutions were equally resilient, tightening collateral requirements and generally circling the wagons to avoid financial peril for themselves and their customers. Optimism may be growing based on expanding export demand. And, because farm and ranchland were able to hold onto solid values through the year, we see potential for land values to follow grain and livestock prices higher in the coming year.

Here is a sampling or our recent sales:

**Piatt County, Illinois:** 48.40 acres located three miles south of Bement, IL sold December 10 for $12,000 per acre. Offered as a single tract with 47.11 acres tillable and a P.I. of 142.50. Soil types included Flanagan silt loam and Drummer-Milford silty clay loams.

**Murray County, Minnesota:** 320.00 total acres located 2½ miles north of Avoca, MN on Co. Hwy 38 with 282 acres tillable and a P.I. of 92.9. Features a 2018 yield of 182.3 bushels per acre for corn and 57.0 bushels per acre for soybeans. Primary soils are Canisteo, Clarion and Nicollet. Sold on November 20 for $5,700 per acre.

**Washington County, Iowa:** 67.06 total acres seven miles southwest of Washington, IA. Tract includes two steel buildings, one small shed and four grain bins. This nearly level to gently rolling farm had an estimated 63.66 FSA crop acres with a CSR2 of 84.30. Primary soils include Nira, Mahaska and Taintor. Tract sold for $13,400 per acre.

Now, more than ever, in-depth knowledge of the local market is key to any successful farm sale or purchase. To gain a better understanding of farmland values in your local area, please call any of our offices listed on the back page of this newsletter.
Fed Expects Steady 2020 Interest Rates

The U.S. Federal Reserve met on December 11 and announced it would hold benchmark interest rates steady for the time being. Officials with the Fed believe rates are currently low enough to stimulate economic growth, highlighting their upbeat assessment of the overall economy.

The decision to hold rates in place was expected by Fed watchers as the Central Bank had cut interest rates at its previous three meetings.

Fed Chairman Jerome Powell remarked there is a very high bar set for the Fed to raise interest rates. In other words, Powell will be watching for material signs of dramatic economic strength or weakness as a sign the time is right to alter rates.

Fresh data presented on December 11 showed consumer prices rose moderately in November. That was taken as a sign inflation has remained subdued amid historically low U.S. unemployment and an ongoing trade war with China.

In his comments to the press, Powell also stressed the Fed has no plans to resume the bond buying program known as quantitative easing, or QE.

After having raised rates in 2018, and then reversing those gains in 2019, the Federal Reserve now believes the U.S. economy is on solid footing. The stock market is at or near all-time highs. Unemployment is at a 50-year low. Inflation is subdued and the Fed believes there is little risk of runaway inflation as economic growth putters along, adding around 2% growth.

With all of the above in mind, the Fed looked out to 2020 where they see no reason at this time to project rates to rise. The strong U.S. economy has been able to ward off the worst impacts of the trade war with China and it is largely believed there is still room for unemployment to soften ever further.

Given the generally good health of the U.S. economy, the Fed realized the best thing to do would be to take their hands off and let the economy work. After years of jockeying interest rates in an attempt to stabilize the economy and subdue inflation, the December decision to leave rates unchanged will give the U.S. economy a chance to prove how solid it really is.

Chicago -- The Seventh Federal Reserve District posted a 1% year-on-year decline in Q3 2019 land values, and according to the Chicago Federal Reserve Bank, “The District has not experienced a year-over-year change in its agricultural land values of greater than 1 percent over the past 12 quarters—an unprecedented streak of relative stability in farmland values. Nevertheless, there was substantial variation in farmland value changes among the district’s five states. The Fed found in its Q3 2019 survey of bankers. That “substantial variation” included softer farmland values in Illinois and Wisconsin as Iowa and Indiana held steady. The greatest decline was observed in northeastern Iowa, down 5% on the year.

The report notes 76% of respondents expect steady district land values in 2019’s fourth quarter.

St. Louis -- “For the twenty-third consecutive quarter, a solid majority of bankers reported a decline in farm income compared with the same period a year ago,” says the Federal Reserve Bank of St. Louis on its third quarter 2019 findings for the Eighth Federal Reserve District.

The second quarter saw the district’s quality farmland values rise 2.6%. Meanwhile, ranchland and pastureland had a very strong showing, up 10.6% year-on-year. Responses say bankers there expect that trend to continue into Q4 2019.

While land values came under pressure during the quarter, cash rents for quality farmland firmed 0.9%, as rent for ranchland and pastureland firmed 3.7%. But bankers were pessimistic on Q4 cash rents, when they expect rents on all types of land to falter.

Kansas City -- Declining farm income was a focus of the quarterly report from the Kansas City Federal Reserve Bank. As with neighboring districts, Kansas City’s 10th district farmers are laboring amid softening farm income and deterioration in overall credit conditions.

District land values have reportedly fallen since 2015 but values on farmland of all types (irrigated/non-irrigated cropland and ranchland) showed signs of stabilizing and were called roughly steady with the same time last year.

Demand for farm loans in the district continued to rise through the quarter, but the report points out, “Loan demand, on average, grew across the District for the sixth straight year.”

The availability of funds for loan were reported roughly in-line with the same time last year.

Hertz Outlook Winter 2020 — Page 2
In 2019, we were privileged to assist over 330 individuals, families and entities with the sale or purchase of farmland real estate properties. Knowing and appreciating the true value of land has been a critical part of our way of doing business since 1946.
## COMPLETED LAND SALES - 2019

**Hardin County (cont.)**
- 80 Ac. • $700,000 • AgLand

**Humboldt County**
- 148 Ac. • $950,000 • AgLand
- 156 Ac. • $1,100,000 • AgLand
- 508 Ac. • $3,500,000 • AgLand w/Bldgs.

**Ida County**
- 112 Ac. • $791,863 • AgLand
- 119 Ac. • $854,928 • AgLand

**Iowa County**
- 4 Ac. • $195,000 • Acreage
- 40 Ac. • $240,000 • AgLand
- 67 Ac. • $804,000 • AgLand
- 110 Ac. • $375,000 • AgLand
- 156 Ac. • $1,240,200 • AgLand
- 159 Ac. • $1,669,500 • AgLand w/Bldgs.

**Jasper County**
- 25 Ac. • $210,000 • AgLand
- 81 Ac. • $788,775 • AgLand

**Johnson County**
- House • $299,900 • Residential
- 2 Ac. • $167,500 • Residential
- 4 Ac. • $180,000 • Residential
- 7 Ac. • $39,000 • Acreage
- 21 Ac. • $108,623 • AgLand
- 40 Ac. • $270,000 • AgLand
- 68 Ac. • $483,000 • AgLand
- 77 Ac. • $666,040 • AgLand
- 80 Ac. • $920,000 • AgLand
- 84 Ac. • $832,000 • AgLand
- 91 Ac. • $679,366 • AgLand
- 119 Ac. • $940,100 • AgLand w/Bldgs.
- 132 Ac. • $1,042,800 • AgLand
- 134 Ac. • $710,200 • AgLand
- 146 Ac. • $1,058,500 • AgLand
- 152 Ac. • $1,763,200 • AgLand
- 179 Ac. • $1,815,000 • AgLand

**Jones County**
- 77 Ac. • $550,000 • AgLand
- 158 Ac. • $1,733,600 • AgLand w/Bldgs.

**Keokuk County**
- 80 Ac. • $315,000 • AgLand w/Resid.
- 80 Ac. • $1,016,000 • AgLand

**Linn County**
- House • $187,000 • Residential
- 2 Ac. • $168,500 • Residential
- 3 Ac. • $475,000 • Comm’l
- 3 Ac. • $170,000 • Acreage
- 4 Ac. • $420,000 • AgLand w/Bldgs.
- 5 Ac. • $200,000 • Acreage
- 6 Ac. • $44,000 • AgLand
- 6 Ac. • $110,000 • Acreage
- 6 Ac. • $195,000 • Acreage
- 9 Ac. • $185,680 • AgLand
- 14 Ac. • $399,000 • AgLand w/Resid.
- 14 Ac. • $325,224 • AgLand/Comm’l. Dev.
- 15 Ac. • $197,500 • AgLand
- 17 Ac. • $387,515 • Acreage
- 20 Ac. • $376,770 • AgLand
- 31 Ac. • $691,101 • AgLand/Comm’l. Dev.
- 34 Ac. • $385,050 • AgLand
- 36 Ac. • $270,000 • AgLand

**Linn County (cont.)**
- 36 Ac. • $435,000 • AgLand
- 37 Ac. • $176,000 • AgLand
- 38 Ac. • $266,000 • AgLand w/Bldgs.
- 40 Ac. • $486,000 • AgLand
- 40 Ac. • $462,160 • AgLand
- 54 Ac. • $372,600 • AgLand
- 58 Ac. • $391,500 • AgLand w/Bldgs.
- 62 Ac. • $505,120 • AgLand
- 80 Ac. • $832,000 • AgLand
- 96 Ac. • $796,800 • AgLand
- 152 Ac. • $1,178,000 • AgLand
- 160 Ac. • $1,216,000 • AgLand
- 163 Ac. • $1,475,150 • AgLand
- 218 Ac. • $1,467,300 • AgLand
- 282 Ac. • $1,776,000 • AgLand

**Madison County**
- 80 Ac. • $300,800 • AgLand

**Mahaska County**
- 40 Ac. • $172,000 • AgLand
- 140 Ac. • $490,000 • AgLand w/Bldgs.

**Marshall County**
- 75 Ac. • $300,000 • AgLand
- 76 Ac. • $896,800 • AgLand
- 80 Ac. • $1,056,000 • AgLand
- 80 Ac. • $936,000 • AgLand
- 80 Ac. • $944,000 • AgLand
- 80 Ac. • $944,000 • AgLand
- 80 Ac. • $736,000 • AgLand

**Mills County**
- 316 Ac. • $2,243,600 • AgLand

**Mitchell County**
- 40 Ac. • $421,000 • AgLand

**Muscatine County**
- 8 Ac. • $63,143 • AgLand
- 51 Ac. • $188,000 • Timber
- 80 Ac. • $590,000 • AgLand w/Bldgs.
- 80 Ac. • $625,000 • AgLand
- 80 Ac. • $700,000 • AgLand
- 81 Ac. • $795,000 • AgLand w/Bldgs.
- 151 Ac. • $1,200,000 • AgLand

**Page County**
- 58 Ac. • $245,000 • AgLand
- 102 Ac. • $550,000 • AgLand

**Pocahontas County**
- 117 Ac. • $883,500 • AgLand
- 120 Ac. • $972,000 • AgLand w/Bldgs.
- 145 Ac. • $870,900 • AgLand
- 164 Ac. • $1,165,110 • AgLand

**Polk County**
- 3 Ac. • $24,600 • AgLand/Comm’l.
- 81 Ac. • $929,430 • AgLand
- 124 Ac. • $855,000 • AgLand

**Poweshiek County**
- 34 Ac. • $329,800 • AgLand
- 37 Ac. • $165,500 • AgLand
- 73 Ac. • $649,611 • AgLand
- 80 Ac. • $904,000 • AgLand
- 93 Ac. • $950,000 • AgLand
- 156 Ac. • $1,052,000 • AgLand
- 156 Ac. • $1,720,950 • AgLand
<table>
<thead>
<tr>
<th>COUNTY</th>
<th>ACRES</th>
<th>PRICE</th>
<th>CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poweshiek</td>
<td>158</td>
<td>$821,600</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>$1,496,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>$1,424,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Scott</td>
<td>265</td>
<td>$3,100,500</td>
<td>AgLand</td>
</tr>
<tr>
<td>Story</td>
<td>2</td>
<td>$100,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>$775,000</td>
<td>AgLand/Comm'l. Dev.</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>$295,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>$290,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>$582,433</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>73</td>
<td>$773,800</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>79</td>
<td>$697,157</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>$767,714</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>106</td>
<td>$1,155,073</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>153</td>
<td>$1,500,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>316</td>
<td>$3,101,308</td>
<td>AgLand</td>
</tr>
<tr>
<td>Tama</td>
<td>41</td>
<td>$312,000</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>$450,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>155</td>
<td>$543,043</td>
<td>AgLand</td>
</tr>
<tr>
<td>Wapello</td>
<td>140</td>
<td>$357,000</td>
<td>Recreational</td>
</tr>
<tr>
<td>Warren</td>
<td>66</td>
<td>$245,000</td>
<td>Timber</td>
</tr>
<tr>
<td>Washington</td>
<td>39</td>
<td>$142,500</td>
<td>Timber</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>$277,500</td>
<td>AgLand/Resid. Lot</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>$880,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>120</td>
<td>$834,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Wayne</td>
<td>23</td>
<td>$73,600</td>
<td>Timber</td>
</tr>
<tr>
<td>Winnebago</td>
<td>21</td>
<td>$168,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Woodbury</td>
<td>23</td>
<td>$95,670</td>
<td>CRP</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>$250,000</td>
<td>CRP</td>
</tr>
<tr>
<td></td>
<td>153</td>
<td>$665,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Worth</td>
<td>40</td>
<td>$341,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>$369,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>$464,520</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>$560,000</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td>Wright</td>
<td>40</td>
<td>$372,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>$329,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>$820,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Murray</td>
<td>320</td>
<td>$1,824,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Nobles</td>
<td>160</td>
<td>$855,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Grundy</td>
<td>107</td>
<td>$352,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Mercer</td>
<td>227</td>
<td>$1,430,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>New Madrid</td>
<td>345</td>
<td>$2,503,653</td>
<td>AgLand</td>
</tr>
<tr>
<td>Wapello</td>
<td>140</td>
<td>$357,000</td>
<td>Recreational</td>
</tr>
<tr>
<td>Warren</td>
<td>66</td>
<td>$245,000</td>
<td>Timber</td>
</tr>
<tr>
<td>Washington</td>
<td>39</td>
<td>$142,500</td>
<td>Timber</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>$277,500</td>
<td>AgLand/Resid. Lot</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>$880,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>120</td>
<td>$834,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Wayne</td>
<td>23</td>
<td>$73,600</td>
<td>Timber</td>
</tr>
<tr>
<td>Winnebago</td>
<td>21</td>
<td>$168,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Woodbury</td>
<td>23</td>
<td>$95,670</td>
<td>CRP</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>$250,000</td>
<td>CRP</td>
</tr>
<tr>
<td></td>
<td>153</td>
<td>$665,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Worth</td>
<td>40</td>
<td>$341,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>$369,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>$464,520</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>$560,000</td>
<td>AgLand w/Blgds.</td>
</tr>
<tr>
<td>Wright</td>
<td>40</td>
<td>$372,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>$329,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>$820,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Murray</td>
<td>320</td>
<td>$1,824,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Nobles</td>
<td>160</td>
<td>$855,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Grundy</td>
<td>107</td>
<td>$352,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>Mercer</td>
<td>227</td>
<td>$1,430,000</td>
<td>AgLand</td>
</tr>
<tr>
<td>New Madrid</td>
<td>345</td>
<td>$2,503,653</td>
<td>AgLand</td>
</tr>
<tr>
<td>Wapello</td>
<td>140</td>
<td>$357,000</td>
<td>Recreational</td>
</tr>
<tr>
<td>Warren</td>
<td>66</td>
<td>$245,000</td>
<td>Timber</td>
</tr>
<tr>
<td>Washington</td>
<td>39</td>
<td>$142,500</td>
<td>Timber</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>$277,500</td>
<td>AgLand/Resid. Lot</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>$880,000</td>
<td>AgLand</td>
</tr>
<tr>
<td></td>
<td>120</td>
<td>$834,000</td>
<td>AgLand</td>
</tr>
</tbody>
</table>
Take Advantage of Complete Real Estate Services

Will your real estate listing agent represent you in a way that serves your best interests? It’s important to remember that not all agents are equally able to advise you when your farmland is at stake.

Farmland property sales, auctions, acquisitions and exchanges are a team effort. Hertz Real Estate Services/Hertz Farm Management offers the expertise of real estate agents licensed in every state we serve. These agents specialize in the sale, acquisition, appraisal and management of farmland and provide the kind of advice and assistance essential to a successful transaction.

A Hertz agent is your partner, representing you and working with you to realize the greatest net return on your property. Your agent will customize the selling approach to your property, using a variety of tools, including:

- **Brochures** with a location map, real estate tax information, FSA aerial photo and farm payment data, detailed soil map and other pertinent information.

- **For Sale Sign** so interested parties can confirm the location of the property and to reinforce its availability for sale.

- **Advertising** in local, regional and state newspapers for the greatest exposure to potential buyers.

- **Online Listing Services** to give the public access to your listing and allow cooperation with other brokers. We are members of the Realtor’s Land Institute’s Farm and Ranch Multiple Listing Service, which provides information on farm listings to cooperating broker members nationwide. All of our listings also appear on our Hertz Farm Management Web site at www.Hertz.ag

- **Direct Mail** targeted to neighborhood farm operators, absentee landowners, area ag-businesses and banks, as well as other prospect lists we develop to market our exclusive listings and auctions.

- **Tax Deferred Exchanges**, working with clients to complete IRS 1031 Tax Free Exchanges. We can assist your attorney or accountant in putting together the exchange and coordinate the process.

- **Auction Services** including multiple parcel auctions to provide superior results. We help owners analyze their situation and property when making this marketing decision.

- **Farmland Real Estate Professional** to determine the value of your property. Hertz Real Estate Services/Hertz Farm Management agents understand the ag real estate market and farming. They have the ag real estate experience necessary to help you receive the fair market value from your farm property.

- **Closing,** helping you meet title requirements and complete all standard forms, such as the Declaration of Value and Groundwater Hazard Statement. We routinely close our sales as part of our services at no extra cost.

Hertz Real Estate Services/Hertz Farm Management agents understand that your farmland holds not only financial but also personal value. Because they recognize the importance of your relationship with your land, they are in a unique position to offer the objective guidance you need to make the best decisions for you and your family.

Our agents combine a personal approach with exceptional expertise and have become trusted advisors to our customers since 1946. We invite you to become another satisfied Hertz customer. Visit our Web site or call us today to learn how we can work with you.

800.593.5263  www.Hertz.ag
Iowa Farmland Values On the Rise

The statewide value of an acre of Iowa farmland rose 2.3% in 2019, according to an annual survey conducted by Iowa State University. An average acre of Iowa farmland is pegged at $7,432. This is an increase of $168 since 2018, says Dr. Wendong Zhang who conducts the annual Iowa Land Values survey. The $7,432-per-acre estimate, and 2.3% increase in value, represents a statewide average of low-, medium-, and high-quality farmland.

This year’s gain only slightly exceeds the inflation rate, which leaves farmland values basically unchanged from a year earlier on an inflation-adjusted basis, he notes.

Zhang states 82 of Iowa’s 99 counties reported higher land values. As usual, Scott and Decatur counties reported the highest and lowest values, respectively. Decatur County reported a value of $3,586 per acre, a gain of $97, or 2.8%. Scott County reported a value of $10,837 per acre, a gain of $300, or 2.8%.

Eight of nine crop reporting districts reported higher land values. Only the Northeast district reported a decline in values with a loss of 2.9%. The losses in the Northeast district are due mainly to financial stress in the dairy sector, he states.

Low-quality land statewide now averages $4,759 per acre, a 3.3%, or $150 per acre, increase; medium-quality land now averages $6,938 per acre, an increase of 2.0%, or $133 per acre; and, high-quality land now averages $9,078 per acre, an increase of 2.4% or $215 per acre, according to the survey.

Favorable interest rates were the most-cited positive factor influencing farmland values reported by survey respondents. “Nearly 25% (23%) of respondents listed favorable interest rates as a positive factor,” he says.

Limited land supply was the second most-cited factor at 18%. Strong yields were the third highest most frequently noted positive factor influencing land values. The most commonly cited negative factors influencing land values were lower commodity prices, the weather and tariffs on agricultural commodities, Zhang notes.

As it relates to sales volume, some 25% of respondents reported a lower number of farmland sales in 2019 relative to 2018. Just 27% reported more sales. Forty-eight percent of respondents reported the same level of sales. Estate sales at 52% are the leading reason for farmland sales followed by retiring farmers at 24%.

Existing farmers continue as the dominant buyers of farmland at 72%. Investor buyers represent 21% of land sales.