

# Farmland values post modest increase in state during 1992

Iowa Secretary of Agriculture Dale M. Cochran said today he is encouraged by an Iowa State University survey that showed Iowa farmland values posted modest increases during 1992. The Secretary said the survey indicates that a steady demand exists for productive farmland.

"The 2.5 percent increase in average farmland values in Iowa in 1992 made this the sixth consecutive year that land values have risen in Iowa. The value of an acre of Iowa farmland today averages \$1,249, which is \$30 higher than a year ago and 59 percent higher than it was during the depths of the farm crisis six years ago. However, the average value of an acre of farmland in Iowa still is 49 percent less than its peak value of \$2,147 per acre in 1981," Cochran said.

"This year's rate of increase is six times greater than in 1991, when land values climbed by only four-tenths of a percent. The 1992 increase came even though the prices farmers are receiving this year for corn and soybeans have not been profitable," Cochran said.

The survey of 590 realtors across the state showed that farmland increased in value by 2.5 percent, \$30 per acre, to \$1249 per acre statewide. Land values increased in all nine of Iowa's crop reporting districts, including northwest Iowa, 1.7 percent; north-central Iowa, 0.8 percent; northeast Iowa, 1.6 percent; west-central Iowa, 3.5 percent; central Iowa, 2.2 percent; east-central Iowa, 1.6 percent; southwest Iowa, 1.6 percent; south-central Iowa, 8.3 percent; and southeast Iowa, 4.1 percent.

"Low interest rates were cited as the major reason for the increase in land values this year. Realtors who were surveyed said however, that depressed commodity prices were seen as limiting the increases in land values in many areas," Cochran said.