

2016

Land Prices & Cash Rent Survey

Presented by the Minnesota Chapter of
Farm Managers & Rural Appraisers



ASFMRM
Minnesota Chapter
info@mnsafmra.com

2016

Land Prices & Cash Rent Survey

Presented by the Minnesota Chapter of
Farm Managers & Rural Appraisers

Land Price & Cash Rent Survey Disclosure

Data includes January 1st, 2016 to December 31st, 2016 agriculture land sales and cash rent contracts. Land Price Survey Results may include duplication of sales. Land Professionals were asked to omit data from non-typical transaction. The Survey Rental Rates are actual rental information handled by ASFMRA chapter members. Typically, professionally managed land brings premium rents compared to privately negotiated rental rates. The survey reflects the rental rates for land managed by ASFMRA members. Please contact your local professional ASFMRA manager for more assistance.

Survey readers are asked to exercise discretion when using data from this report. This survey data should never be used as a substitute for a Land Professional.



ASFMRA
Minnesota Chapter
info@mnasfmra.com

Letter from the President

It is our pleasure to present our annual Farmland Value and Rent Survey for 2016. As we all know, 2016 was a variable year. Most of the State started out wet and the wetness continued right through fall. However, with the excessive moisture came warm days. Corn, soybean, wheat and sugar beet yields were at or near records this year in several areas of the state. While there were pockets of "average" yields, most areas of the state enjoyed a bountiful harvest.

Land prices and rents in general appear to have decreased in 2016, although not like the decreases we saw in 2013 and 2014. The market for good quality, well drained land continues to be the bright spot in the farmland real estate sector. Buyers are wary of low quality land due to the high price of crop inputs.

Factors buoying land prices include less supply and record yields for the past two years. However, net farm income will continue to put pressure on land prices and rent. With land prices down about 20% from the highest a few years ago, investors are starting to look toward farmland as an alternative investment to the commodity market or stock market. But with a change in the Presidential administration, all bets are off!

I would like to thank the members of the Minnesota chapter of the ASFMRA for their input into our annual land value and rent survey. A special thanks to member Brandon Kirk and Jeremy Bengtson for their time and effort into putting together this survey. Your time and efforts are greatly appreciated.

I would invite any questions you may have to this survey to your local ASFMRA member. These real estate professionals (farm managers, appraisers and real estate agents) can help disseminate the survey results to meet your farm real estate needs. The Minnesota Chapter website is

As always, it is our pleasure to present this survey and we look forward to serving any farm real estate needs you may have.



Sincerely,
Richard H. Johnson, ARA
Minnesota Chapter President

Survey Contributors

Jerry Dee, ARA

Agstar
P.O. Box 7438
Rochester, MN. 55903
gerald.dee@agstar.com

Tyler Erickson

Northwestern Farm Management Co.
301 S. O'Connell St.
Marshall, MN. 56258
tyler@nfmco.com

Brian Field, ARA

Crown Appraisals, Inc.
602 Front St. N
Barnesville, MN. 56514
brianfield@crownappraisalsinc.com

Brice Hedrick

United FCS
4401 Highway 71 S.
Willmar, MN. 56201
Brice.Hedrick@UnitedFCS.com

Richard Johnson, ARA

Johnson Appraisal Co
4789 County 44 Blvd
Nerstrand, Minnesota. 55053
johnsonappraisalco@gmail.com

Brandon Kirk, AFM

Rabo AgriFinance
301 S. O'Connell St.
Marshall, MN. 56258
brandon.kirk@raboag.com

Eldon Krull, AFM

Northwestern Farm Mgmt
301 S. O'Connell St.
Marshall, MN. 56258
eldon@nfmco.com

Kyle Nelson, ARA

Farmers National Co
4141 31st Ave S Suite 101
Fargo, ND. 58104
knelson@farmersnational.com

Brett Pfantz CG

AgStar Financial Services
7540 Airport View Dr SW
Rochester, MN. 55903
brett.pfantz@agstar.com

Nick Reps

AgStar
806 3rd St S.
Waite Park, MN. 56387
nick.reps@agstar.com

Adam Schmidt, ARA

AgStar
1260 W. 5th St.
Northfield, MN. 55057
adam.schmidt@agstar.com

Dennis Schmidt, AFM

Upper Midwest Mngt
1314 Westridge Rd
New Ulm, MN. 56073
dschmidt@ummc.com

Eric Skolness, AFM,ALC

Farmers National Company
P.O. Box 234
Glyndon, MN. 56547
eskolness@farmersnational.com

Aaron Stark

AgStar Financial Services, ACA
PO Box 534
Northfield, MN. 55065
aaron.stark@agstar.com

Garry Streich, ARA

AgStar
P.O. Box 4249
Mankato, MN. 56002
garry.streich@agstar.com

Tim Terras, ARA

AgCountry Farm Credit Services
PO Box 6020
Fargo, ND. 0
tim.terras@agcountry.com

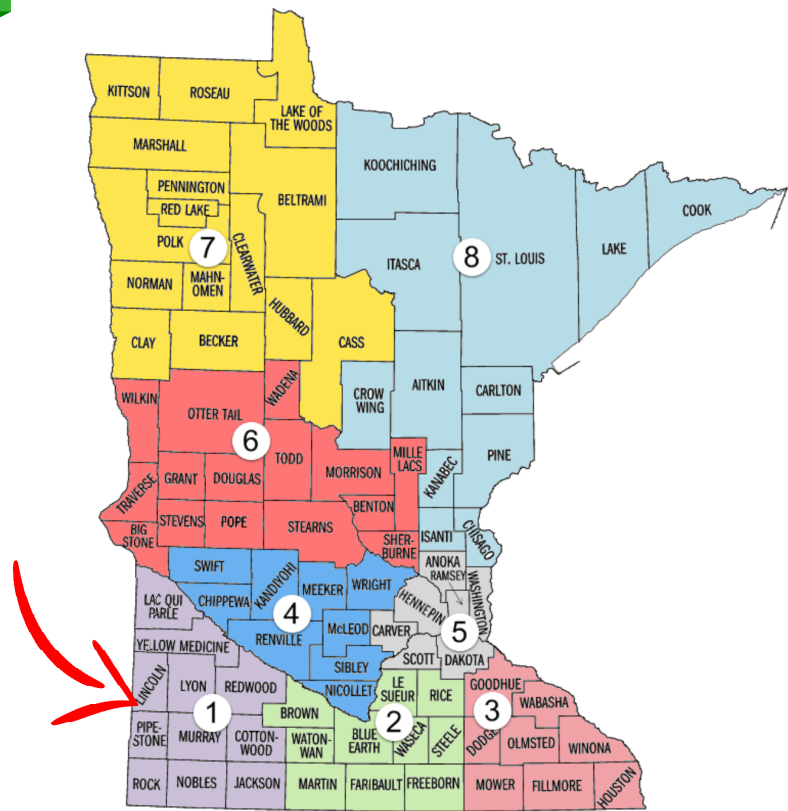


About the Region

The southwest part of MN has a diverse set of soil types. Most farms are gently rolling with slopes of 3-6% but with some topography exceeding 12% slope. Average Crop Productivity Index (CPI) ratings for most farmland vary from 84-94, but there are also farms with ratings below 80, and a limited number of farms with ratings in excess of 95 for the average CPI. Irrigation is limited to a few specific locals.

Land values and rental rates are affected by rainfall rates that generally increase for farms in the eastern and southern part of the region. In addition to rainfall, livestock production also influences values. Land offered for rent or sale in areas with more livestock tends to obtain higher rental and sale values.

Region I



Top Commodities produced by this Region	Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)	County	Cropland Sales				No of Pasture Sales	Pasture sale price			Crop Rents			
				Total Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price		Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High
Corn, soybeans, wheat, sugar beets, alfalfa	135	185	Cottonwood	4	\$5,300	\$8,200	\$6,750					\$202	\$297		
			Jackson	2	\$5,000	\$8,150	\$6,575				\$240	\$320			
			Lac Qui Parle	1	\$3,500	\$5,500	\$4,500				\$160	\$260			
			Lincoln	5	\$4,241	\$6,419	\$5,330				\$201	\$270	\$50	\$63	
			Lyon	8	\$6,822	\$8,295	\$7,559				\$240	\$315			
			Murray	7	\$5,775	\$8,364	\$7,070				\$233	\$290	\$50	\$65	
			Nobles	2	\$6,099	\$8,449	\$7,274				\$225	\$290			
			Pipestone	3	\$5,922	\$7,188	\$6,555				\$208	\$278	\$60	\$80	
			Redwood	5	\$6,346	\$8,049	\$7,198				\$238	\$325			
			Rock	6	\$5,073	\$15,777	\$10,425				\$255	\$345	\$70	\$80	
			Yellow Medicir	11	\$4,019	\$7,157	\$6,136				\$220	\$305			



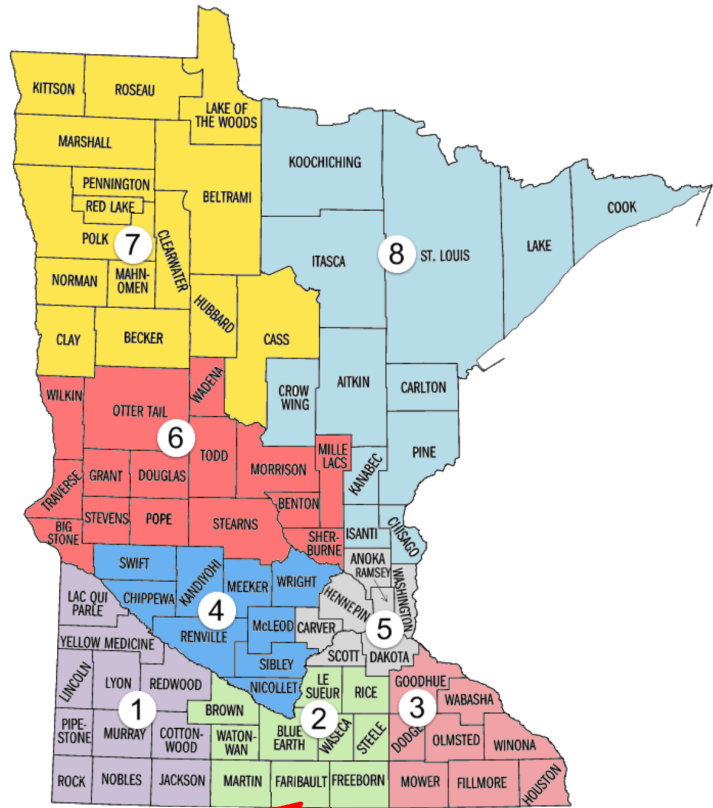
About the Region

The South-Central region of Minnesota is primarily agriculture row crop farming, livestock farms, pasture, and non-tillable acres used for recreational use. The majority of the cropland is corn and soybeans with smaller amounts of wheat and alfalfa. There is a considerable amount of livestock production in this area with a large presence of cattle, hog, and some poultry production. Soils in this area are very productive, with mostly silty clay, silt loam and loam soils with good fertility. This area receives adequate rainfall and the soils hold water adequately, therefore irrigation is not typical. Some softening of cropland values occurred, especially in lower quality cropland. The higher quality cropland values remained relatively stable in this area.

Rents:

Cropland ranges from \$200/acre on lower quality ground and very few high quality tracts bringing \$300+/acre. \$225-\$250 is very common with \$275 setting the top on good quality tracts. There have been a few cases of farmers walking away from landlords who are demanding top dollar rent but it seems these landlords are not having too much difficulty finding new tenants.

Region II



List the top 5 Commodities produced	Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)	County	No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High
			Brown	4	\$7,140	\$8,793	\$7,890					\$150	\$300	\$25	\$50
			Blue Earth	7	\$4,500	\$8,900	\$6,909					\$160	\$275	\$30	\$55
			Faribault	19	\$5,511	\$8,437	\$6,884								
			Freeborn	15	\$4,900	\$8,700	\$6,850					\$175	\$300		
			Le Sueur	11	\$5,318	\$8,335	\$7,200					\$210	\$278		
			Martin	10	\$6,112	\$9,780	\$7,862					\$230	\$280		
			Rice	15	\$5,000	\$7,750	\$6,300					\$188	\$263		
			Steele	10	\$4,830	\$8,925	\$7,000					\$225	\$240		
			Waseca	8	\$5,629	\$9,700	\$7,600					\$250	\$300		
			Watonwan	13	\$5,300	\$9,890	\$7,650					\$240	\$265		



ASFMRA
Minnesota Chapter
info@mnaasfmra.com

About the Region

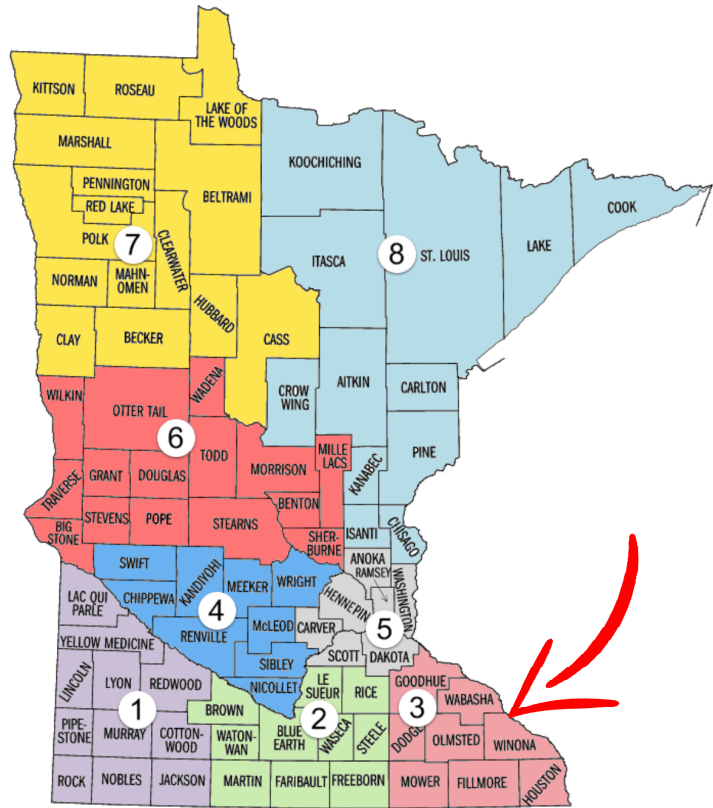
Cropland Sales:

Any high quality land with quality drainage sold in the high \$7,000s to low \$8,000s. Lower quality farms sold around the \$6,000/acre range. There have been a number of no sale auctions in SE MN this summer and fall. The number of auctions and real estate listings is very low.

Rents:

\$275 on high quality, well drained land. \$225-\$250 very common. \$200 on low quality, poorly drained land. Flex rent has been looked at as an option with a \$25 bonus if corn exceeds \$3.75 local price

Region III



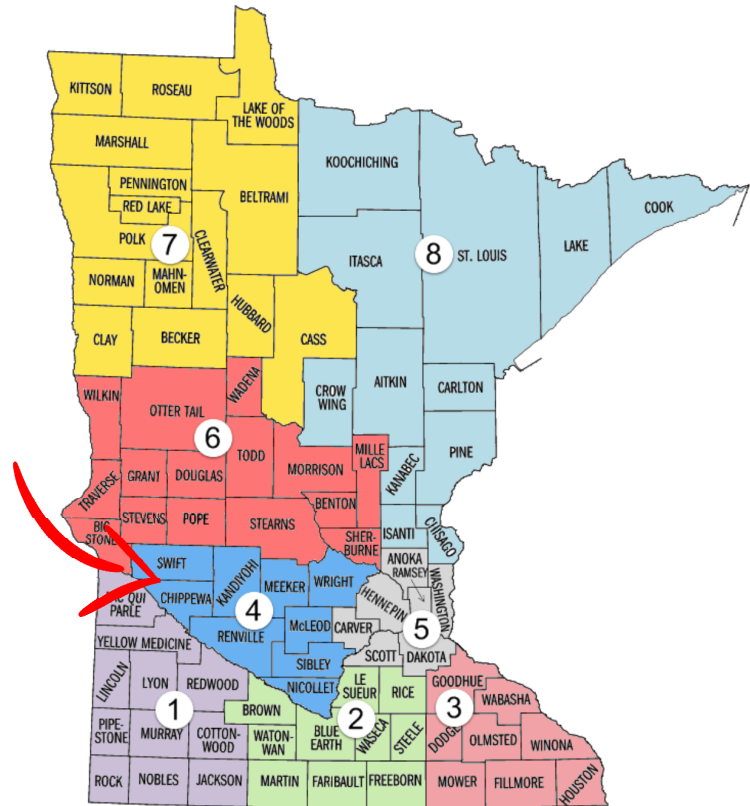
Top Commodities produced by this Region		County	No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High	
Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)														
Corn, Soybeans, Alfalfa, Peas, Sweet Corn, Hogs	155	222.5	Dodge	8	\$5,369	\$8,533	\$6,951					\$200	\$275		
			Fillmore	2	\$6,862	\$6,875	\$6,869	2	\$2,500	\$2,500	\$2,500				
			Goodhue	8	\$4,250	\$8,000	\$6,125	1	\$3,000	\$3,000	\$3,000	\$150	\$238	\$45	
			Houston	2	\$4,000	\$6,000	\$5,000	4	\$1,800	\$3,800	\$2,800				
			Mower	10	\$5,465	\$8,816	\$7,141					\$180	\$275		
			Olmsted	21	\$4,381	\$7,440	\$5,911					\$180	\$275		
			Wabasha	9	\$5,156	\$7,500	\$6,328					\$160	\$275		
			Winona												



About the Region

The Central Region of Minnesota is a mix of cash crop farms with mostly productive soils, and a smaller number of livestock farms. Major crops include corn, soybeans, and sugar beets with minor amounts of alfalfa, edible beans, and sweet corn. The land has level to gently rolling topography and the soil type in this area are very productive fertile clays, silty clays, and loams that have good water hold capacities. There are some areas of sandy soils, which require irrigation. The natural drainage network has been supplemented by extensive ditches and tile lines, both public & rural, which assists the water in its journey to the Minnesota River. Overall the land that has productive soils and adequate drainage continued to maintain its value better than the lower quality land. Demands for quality farmland to purchase or rent remains high. The lack of sale has no doubt helped to maintain the value. Overall land rents have decreased from 2016 to 2017. It is estimated that cash rents will decrease between 5% - 10%. There remain some higher rents of \$300/acre or more, but they are becoming the minority. Rents are more in the \$225 to \$260/acre range, with some having a 'flex' component of yield or price.

Region IV



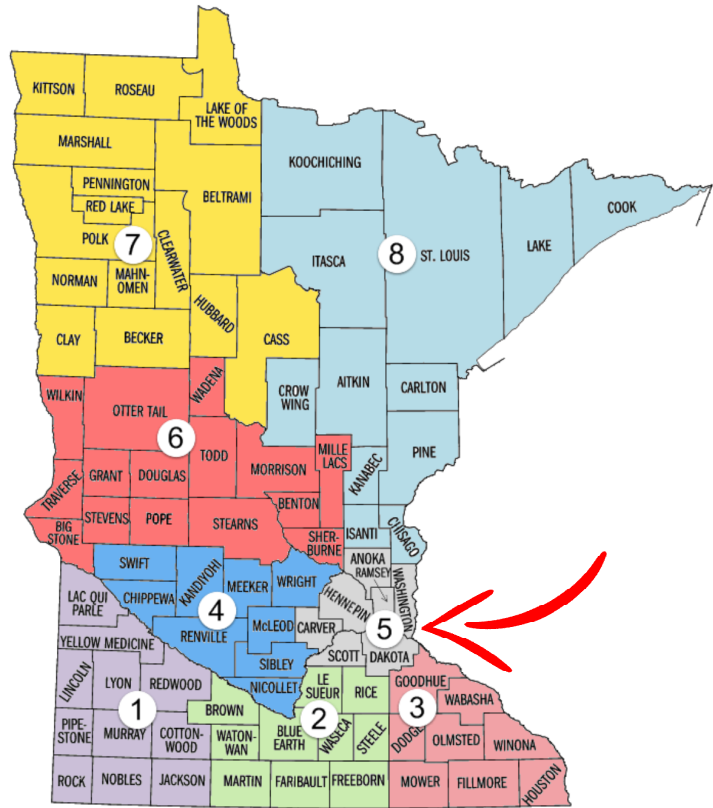
Top Commodities produced by this Region		County	No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High	
Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)														
corn, soybeans, sugar beets, sugar beets, peas	162.5	235	Chippewa	10	\$5,250	\$7,683	\$6,467					\$150	\$315		
			Kandiyohi	18	\$3,125	\$8,063	\$5,594					\$150	\$275		
			McLeod									\$225	\$280		
			Meeker	28	\$2,658	\$8,500	\$5,579					\$140	\$275		
			Nicollet									\$225	\$300		
			Renville	9	\$6,302	\$8,873	\$7,855								
			Sibley									\$225	\$285		
			Swift	13	\$3,607	\$7,812	\$5,710					\$125	\$300		
			Wright	2	\$4,538	\$5,000	\$4,769								



About the Region

Comments pending...please check back shortly.

Region V



Top Commodities produced by this Region			County	No of Cropland Sales				No of Pasture Sales				Crop Rents			
Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)			Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price		Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High	
Corn, Soybeans Sugar Beets	150	220	Anoka												
			Carver	3	\$7,016	\$8,841	\$7,800				\$250				
			Dakota	4	\$5,894	\$6,952	\$6,509				\$180	\$400			
			Hennepin												
			Ramsey												
			Scott	4	\$7,103	\$8,097	\$7,600								
			Washington												



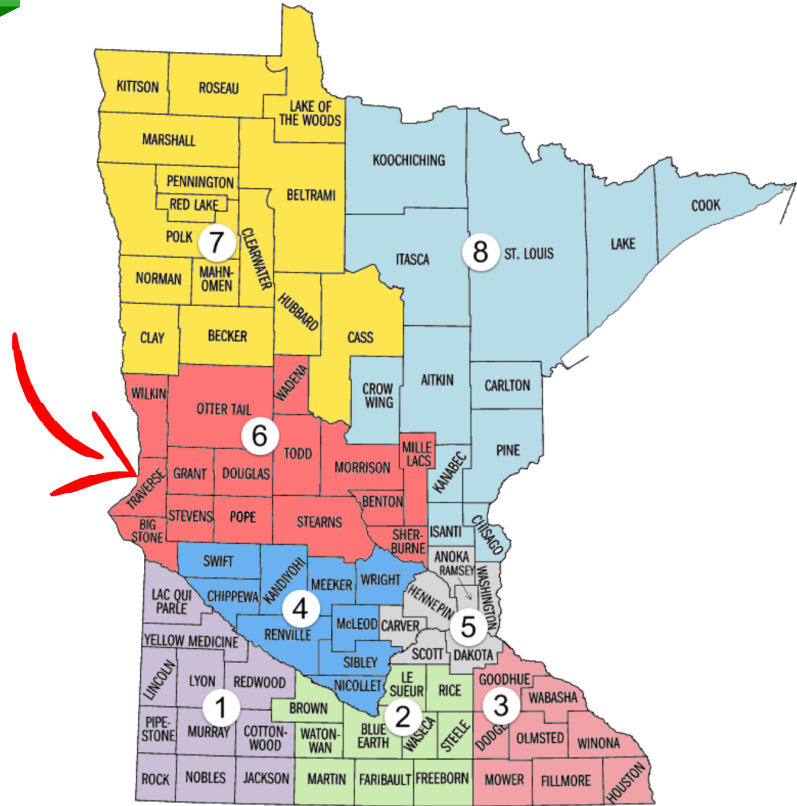
ASFMRA
Minnesota Chapter
info@mnasfmra.com

About the Region

Variability in land prices and rents sums up this region. While some counties experienced decreasing land values, others experienced slight increases. It appears the declining markets were found mainly in the more agriculture intensive areas (mainly the western side of this region). The eastern part of this region is more populated and thus overall land prices were seen as steady to slightly increasing mainly due to recreational influences.

Excellent yields throughout this region helped buoy cropland prices and cropland rents. Cash rental rates (although limited data) appear to suggest a steady to slightly decreasing trend due to low profit margins. Areas traditionally held up by livestock and dairy are also seeing some decrease in cash rents being paid. Reasons for cash rents not decreasing more severely include farmers not wanting to give up rental land (although some area bankers have suggested they will be pressuring a few producers to give up high priced rental land). The majority of buyers are still farmers (both older and younger operators). There has been some limited investor purchases in the past year as well.

Region VI



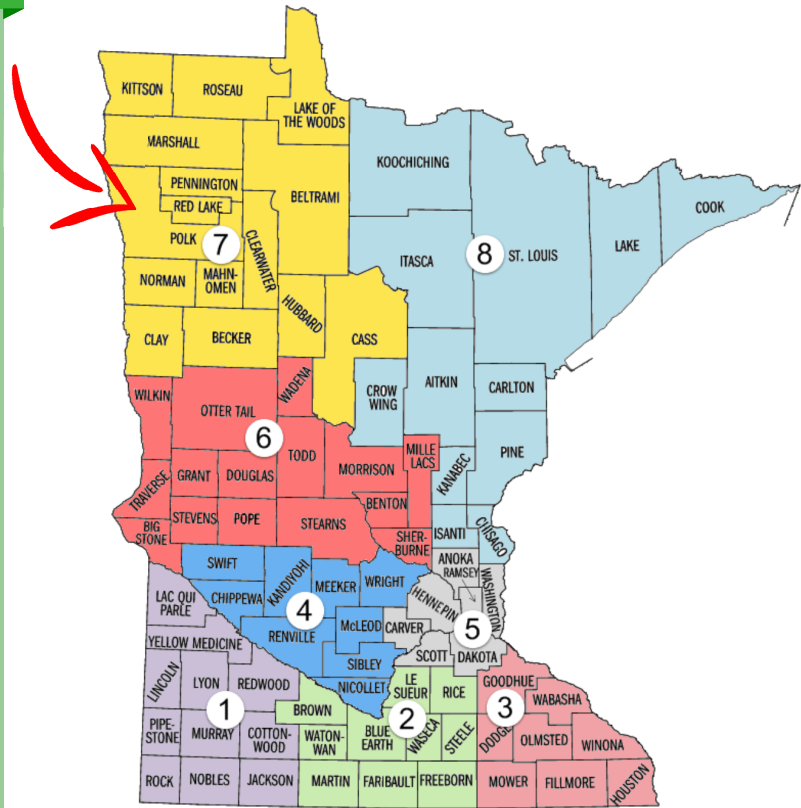
Top Commodities produced by this Region		County	Cropland Sales				Pasture Sales				Crop Rents				
Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)		No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High	
Corn, Soybeans, Spring Wheat, Sugarbeets	133	242	Benton	8	\$2,000	\$3,500	\$2,750	8	\$1,000	\$1,800	\$1,400				
			Big Stone	2	\$4,500	\$5,333	\$4,917					\$100	\$200		
			Douglas	2	\$4,425	\$4,750	\$4,588								
			Grant	6	\$4,133	\$7,167	\$5,650	12	\$2,000	\$3,300	\$2,650				
			Mille Lacs									\$40			
			Morrison	11	\$2,000	\$4,000	\$3,000	11	\$1,000	\$2,000	\$1,500				
			Otter Tail	2	\$2,813	\$4,350	\$3,581	1	\$1,108	\$1,708	\$1,408	\$120	\$180		
			Pope	12	\$3,000	\$5,500	\$4,250	12	\$1,500	\$2,800	\$2,150				
			Sherburne		\$5,000	\$7,000	\$6,000		\$2,500	\$3,500	\$3,000				
			Stearns		\$4,000	\$7,600	\$5,800		\$2,000	\$3,800	\$2,900				
			Stevens												
			Todd		\$2,500	\$4,500	\$3,500		\$1,300	\$2,300	\$1,800	\$30	\$100		
			Traverse	2	\$3,300	\$6,000	\$4,650					\$150	\$225		
			Wilkin	4	\$3,399	\$4,231	\$3,815					\$113	\$190		



About the Region

The Northwestern Region of Minnesota borders Canada and North Dakota. Soils along the western border are typically productive, as they were once part of glacial Lake Agassiz basin. The eastern portion of the region is a complex upland area consisting of short uneven slopes and many depressions and natural draws. The majority of the cropland is row crops of corn, soybeans, sugar beets, and with some acreage in wheat and alfalfa/grass hay. Sales in this region indicate that tracts with tile are selling significantly higher than tracts without tile. Sale prices of marginal land continue to decline at a much faster rate than good quality land. Overall, land values are declining at a slower rate than in years past.

Region VII



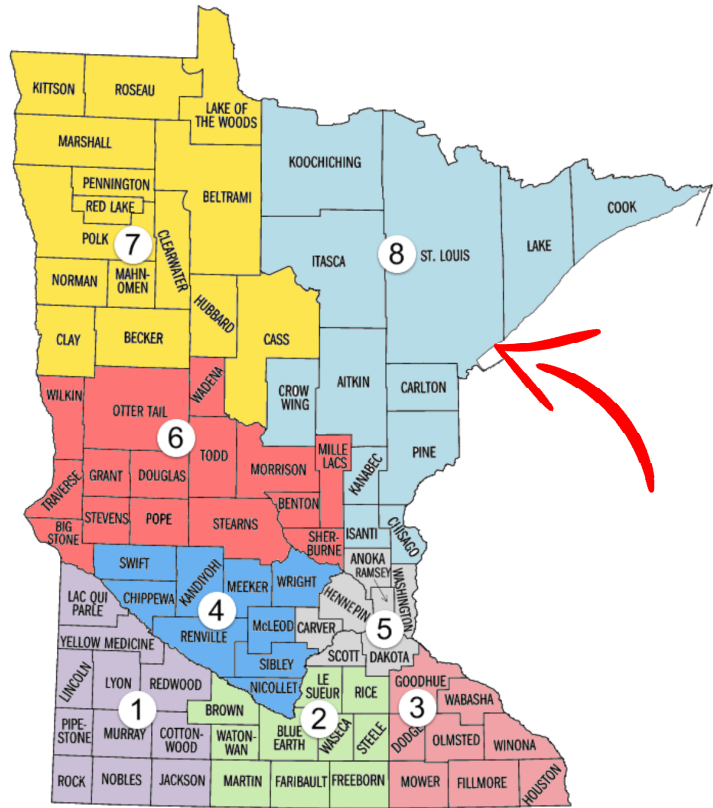
Top Commodities produced by this Region	Region-wide Corn yield, bushel (Low)	Region-wide Corn yield, bushel (High)	County	No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Crops and Pasture Rents						
												Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High			
Spring Wheat, Corn, Soybeans, Sunflowers, Edible Beans, Barley, Potatoes	119	192	Becker	5	\$2,645	\$4,225	\$3,435						\$78	\$190	\$20	\$40		
			Beltrami					1	\$850		\$850							
			Cass															
			Clay	16	\$2,612	\$4,911	\$3,762							\$109	\$163			
			Clearwater															
			Hubbard															
			Kittson	4	\$1,000	\$2,200	\$1,600	5	\$500	\$850	\$675							
			Lake of the Woods															
			Mahnomen	1	\$2,500	\$2,500	\$2,500								\$50	\$150		
			Marshall	5	\$1,793	\$3,325	\$2,559								\$90	\$130		
			Norman	7	\$1,932	\$4,609	\$3,271								\$95	\$180		
			Pennington															
			Polk	7	\$3,450	\$5,704	\$4,577								\$150	\$200		
			Red Lake	5	\$1,800	\$2,277	\$2,039	1	\$375	\$375	\$375	\$50	\$110					



ASFMRA
Minnesota Chapter
info@mnsafmra.com

About the Region

Region VIII



Top Commodities produced by this Region Region-wide Corn yield, bushel (Low) Region-wide Corn yield, bushel (High)	County	No of Cropland Sales	Low Cropland sale price	High Cropland Sale Price	Avg Cropland sale price	Pasture	No of Pasture Sales	Low Pasture sale price	High Pasture sale price	Avg Pasture sale price	Rents	Crop Rents Low	Crop Rents High	Pasture Rents Low	Pasture Rents High
---	---------------	-----------------------------	--------------------------------	---------------------------------	--------------------------------	----------------	----------------------------	-------------------------------	--------------------------------	-------------------------------	--------------	-----------------------	------------------------	--------------------------	---------------------------

No survey data was submitted for this Region



ASFMRA
 Minnesota Chapter
info@mnaasfmra.com