

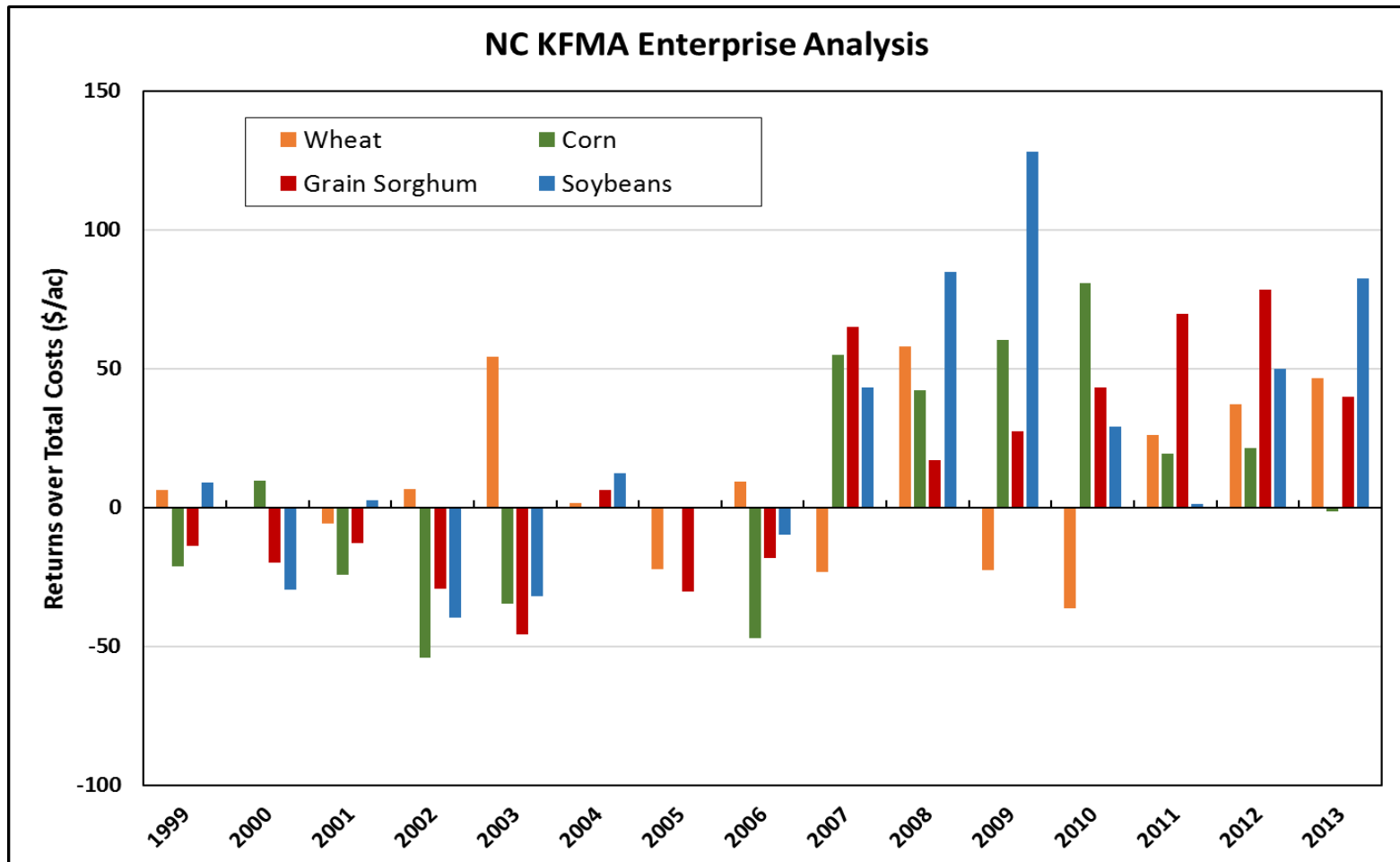


Kansas Land Values and Rental Rates

Mykel Taylor
Associate Professor
K-State Dept. of
Agricultural Economics
mtaylor@ksu.edu

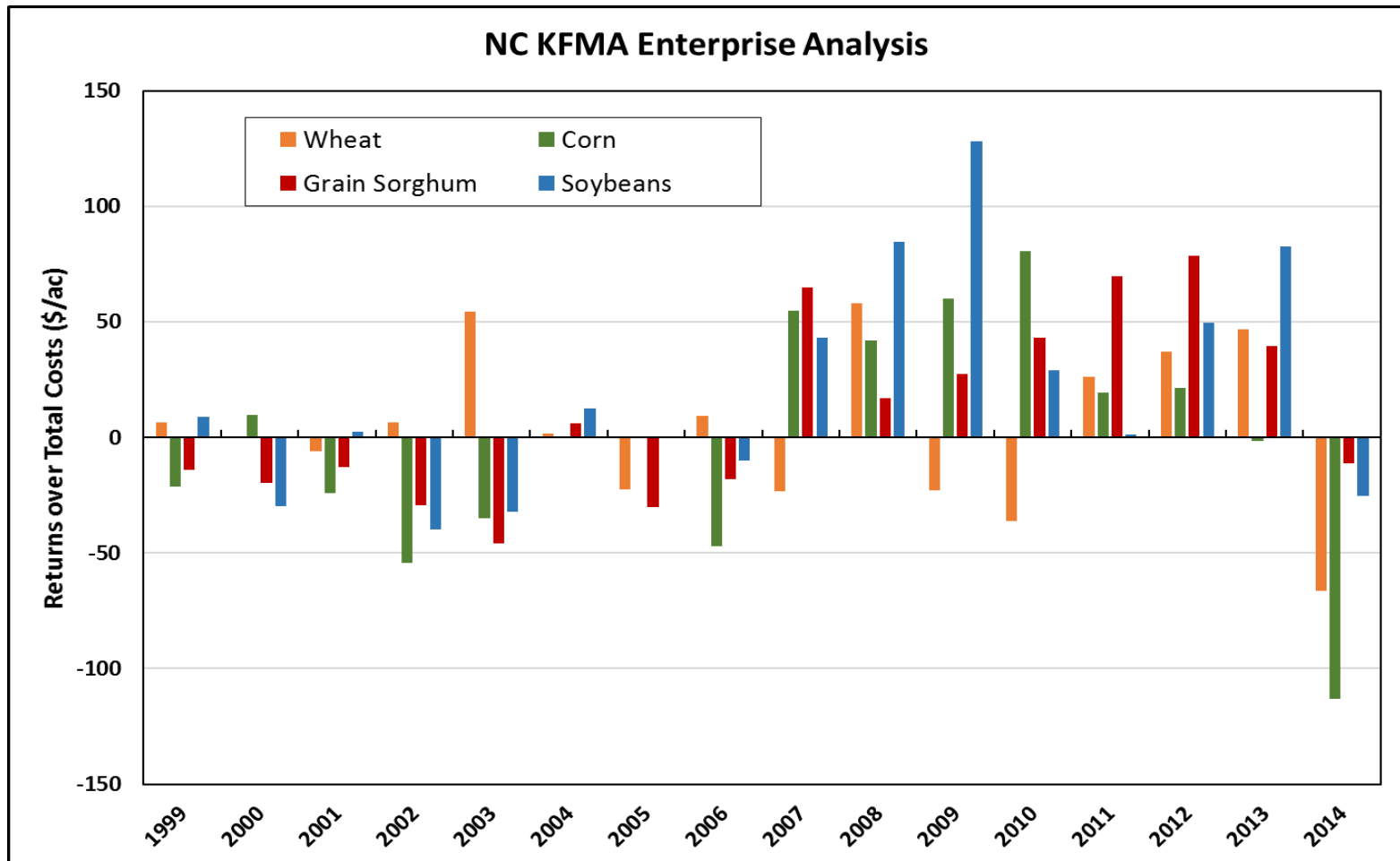
Current Economic Conditions

Returns to Farming



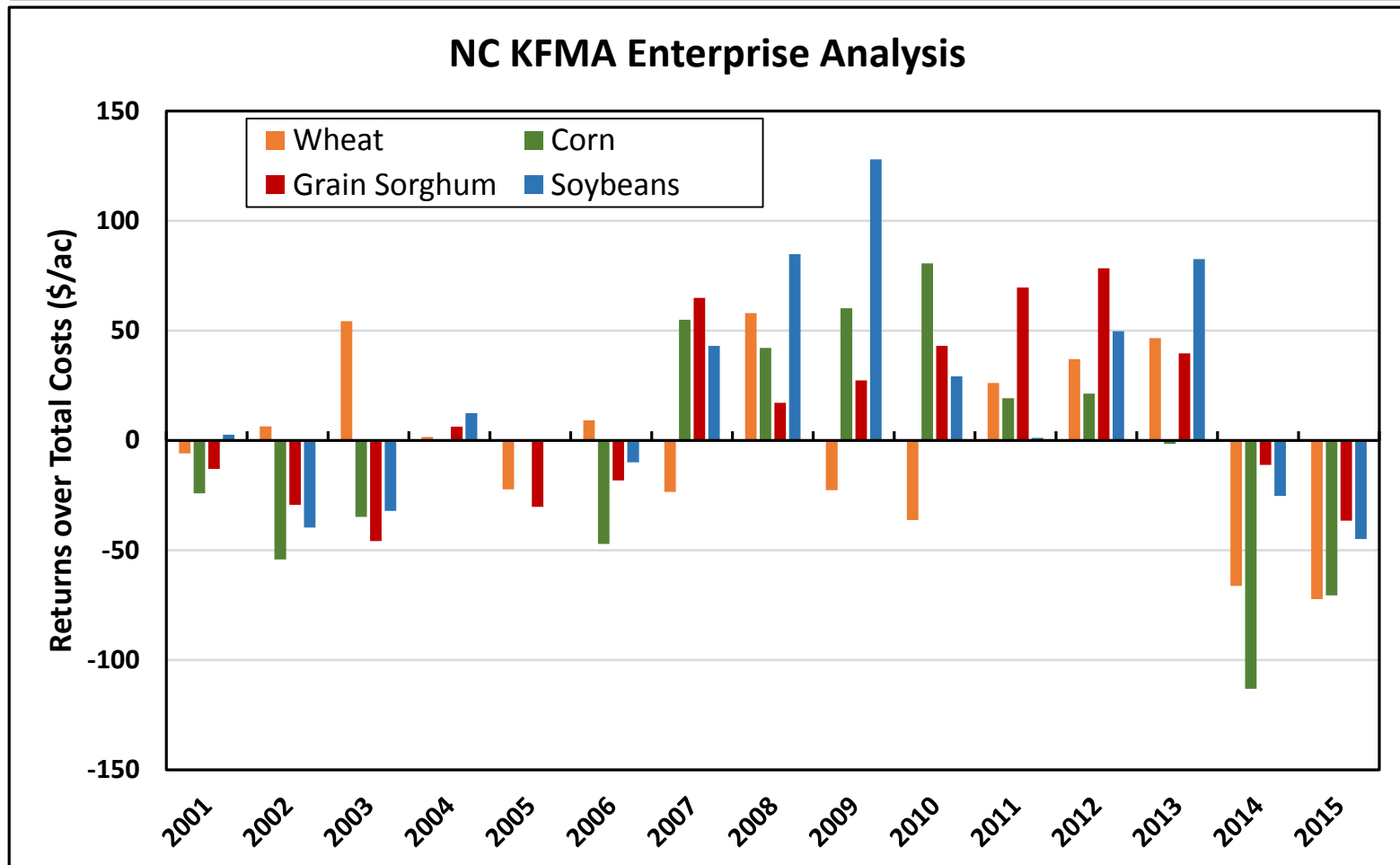
Source: KFMA Enterprise Reports (<http://www.agmanager.info/kfma>)

Returns to Farming



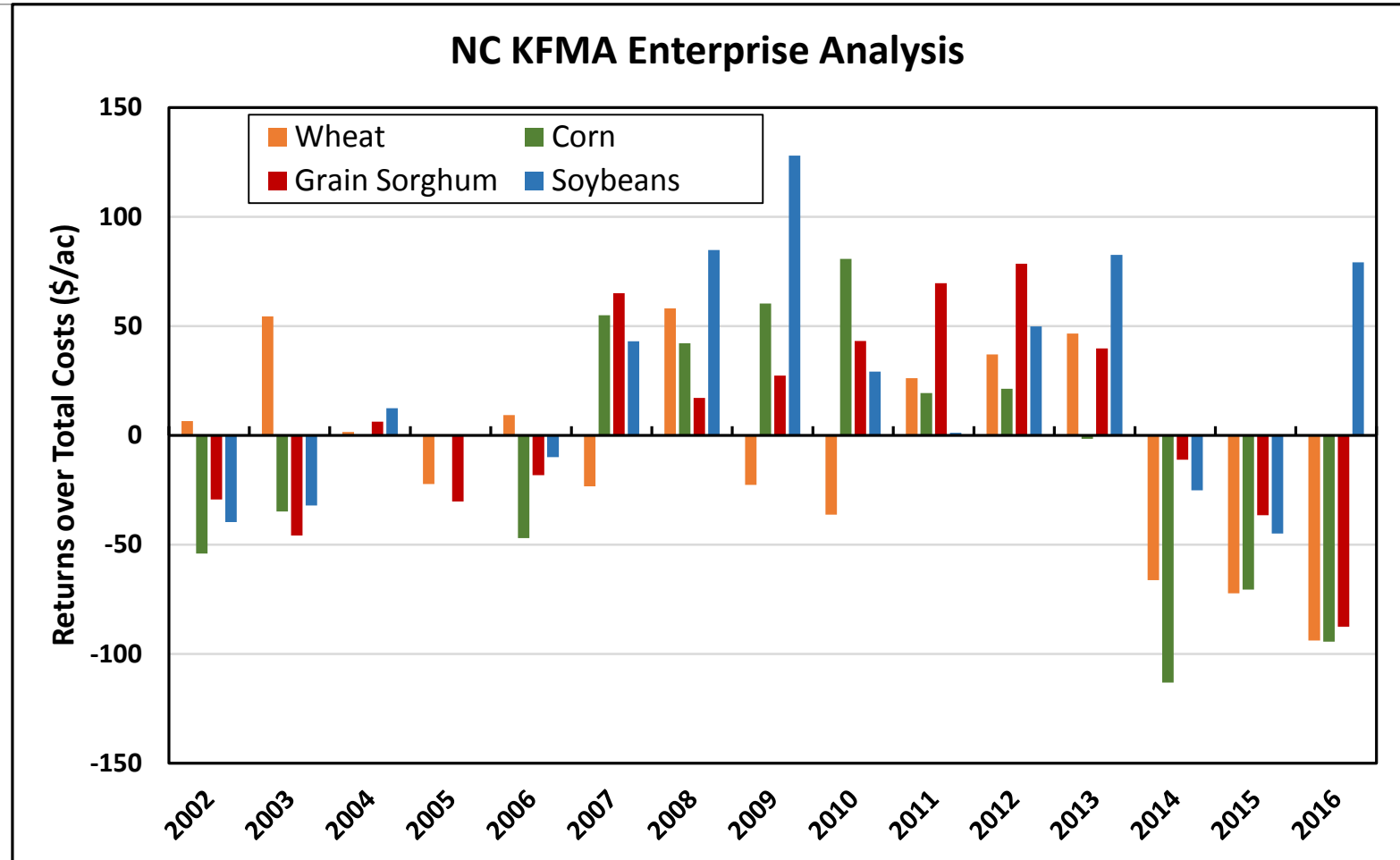
Source: KFMA Enterprise Reports (<http://www.agmanager.info/kfma>)

Returns to Farming



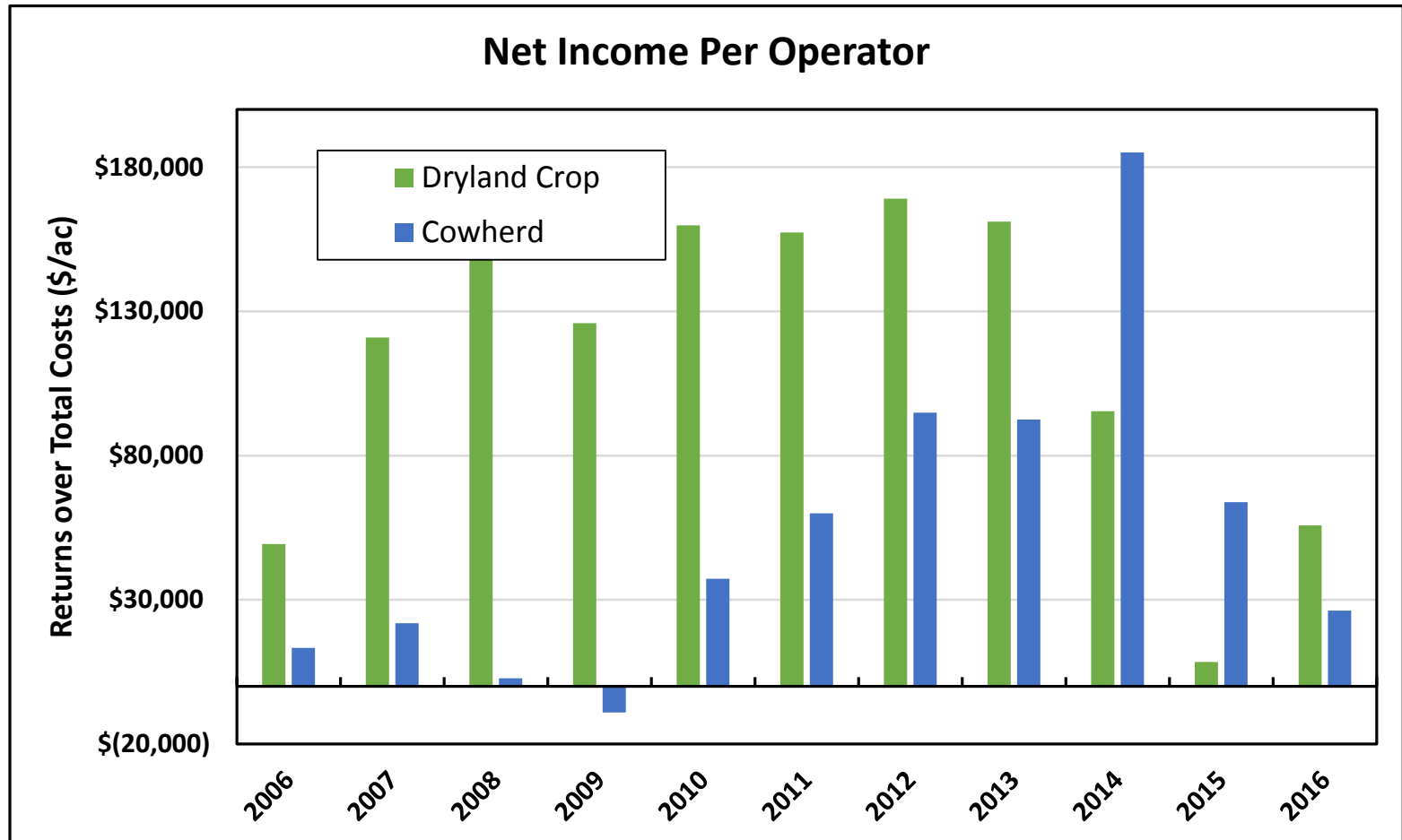
Source: KFMA Enterprise Reports (<http://www.agmanager.info/kfma>)

Returns to Farming

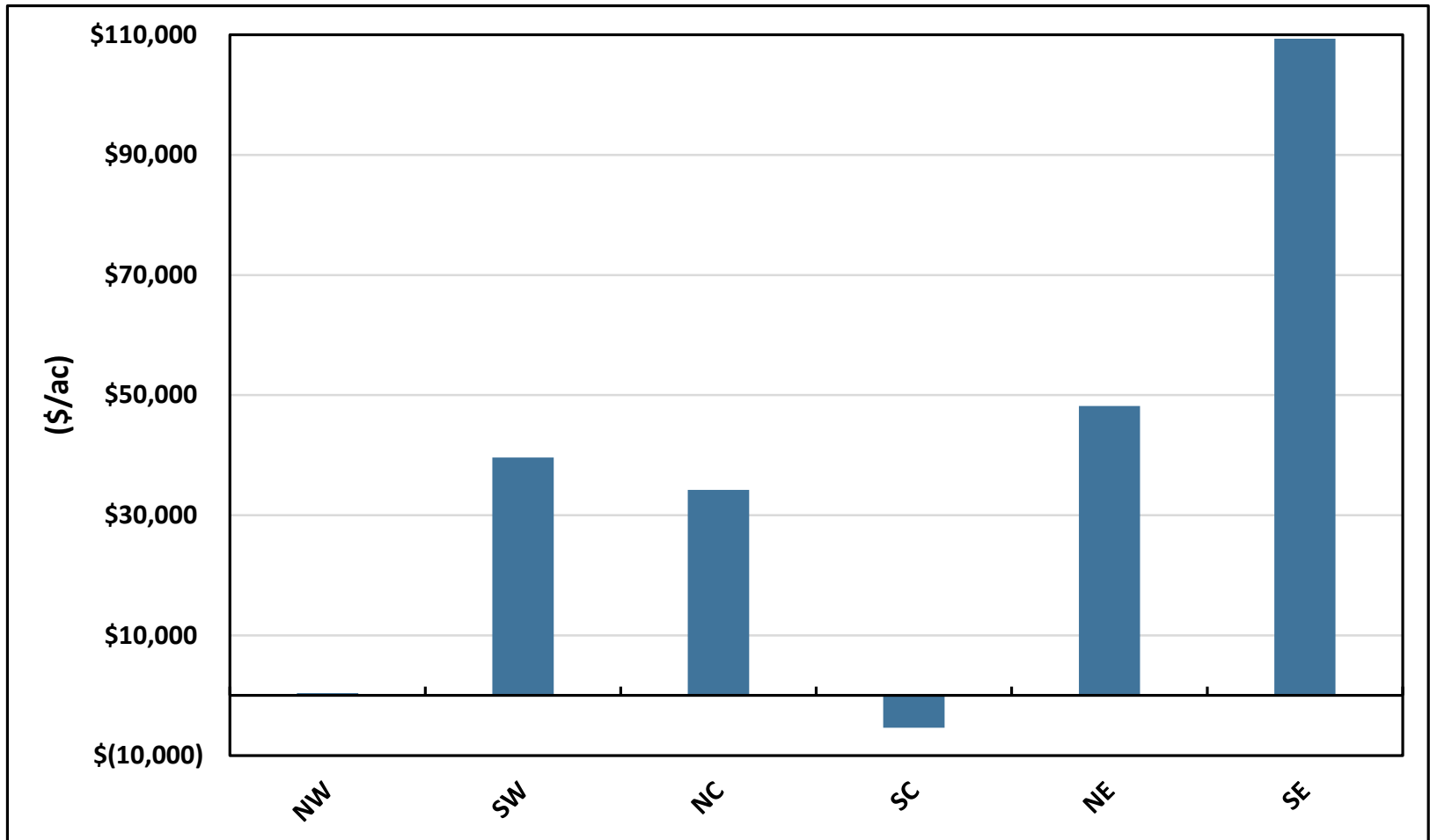


Source: KFMA Enterprise Reports (<http://www.agmanager.info/kfma>)

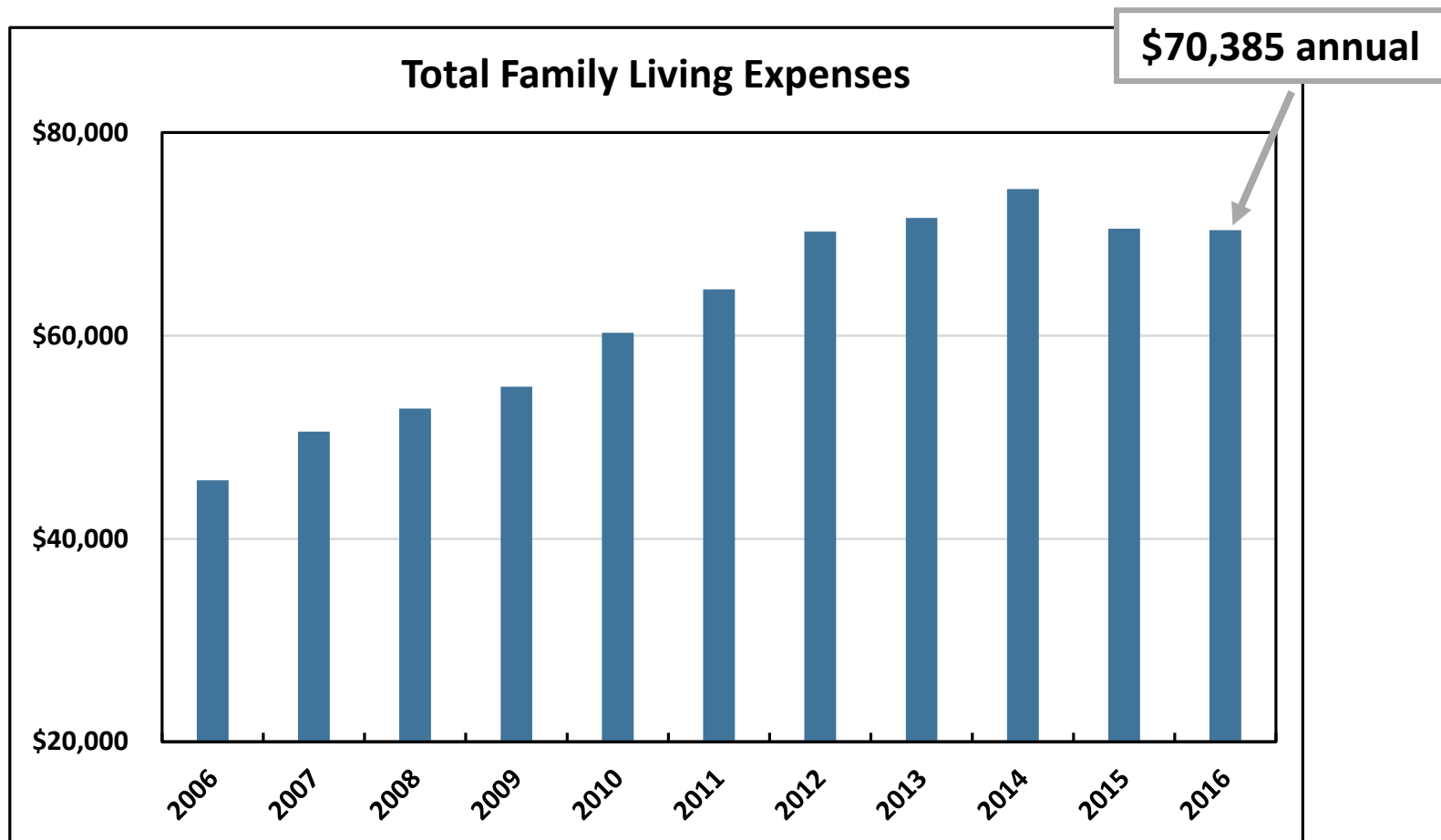
Net Farm and Ranch Income



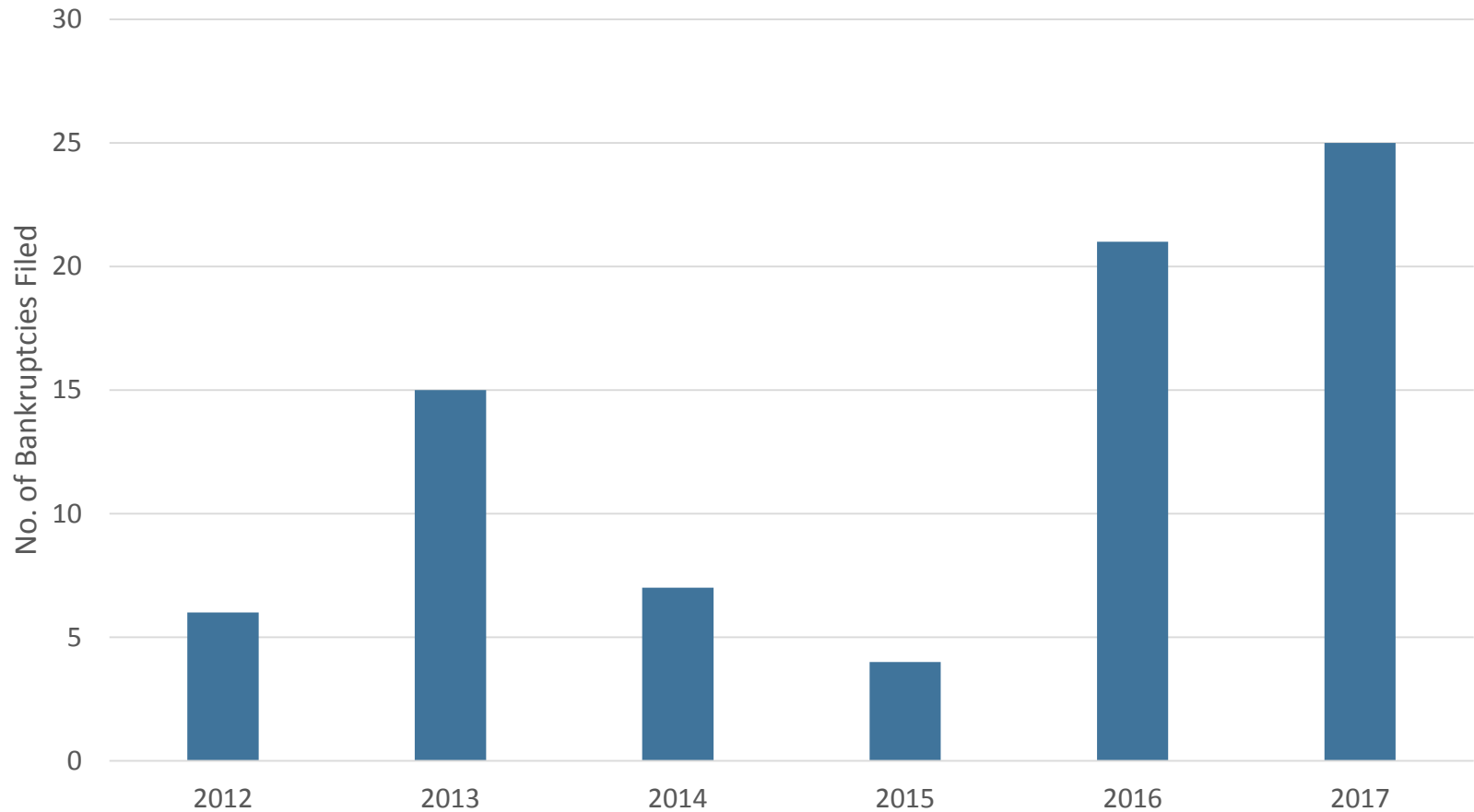
Average Net Farm Income



Farm Family Living Expenses

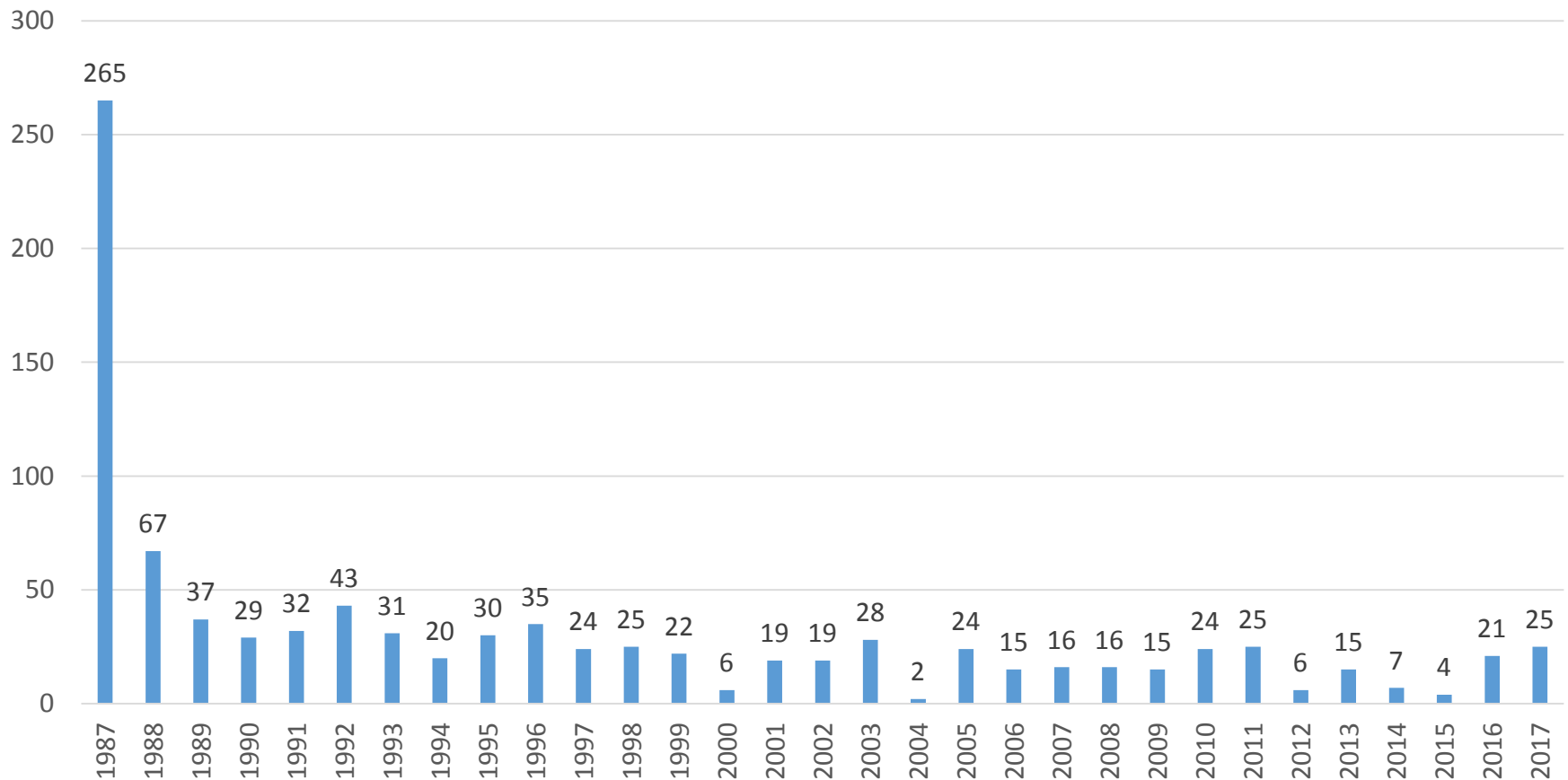


Bankruptcies Filed by KS Farms



Bankruptcies Filed by KS Farms

KS Chapter 12 Bankruptcies



Land Value Trends

Land Values

Affected by profitability in ag sector

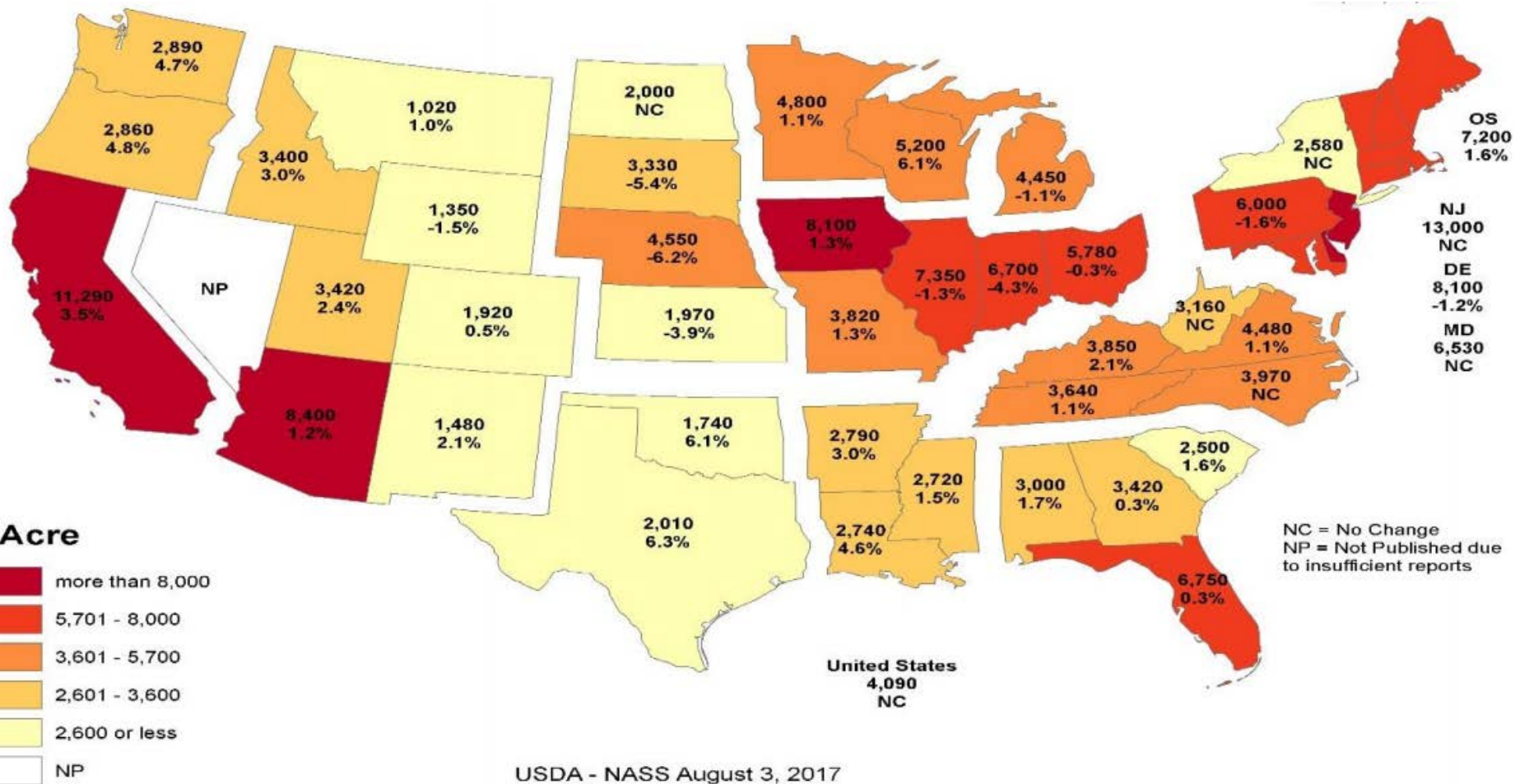
But land values do not adjust as quickly as profitability to changes in commodity prices

Adjustment period due to

- Long-run reasons for buying and holding land
- Expectations of buyers/sellers

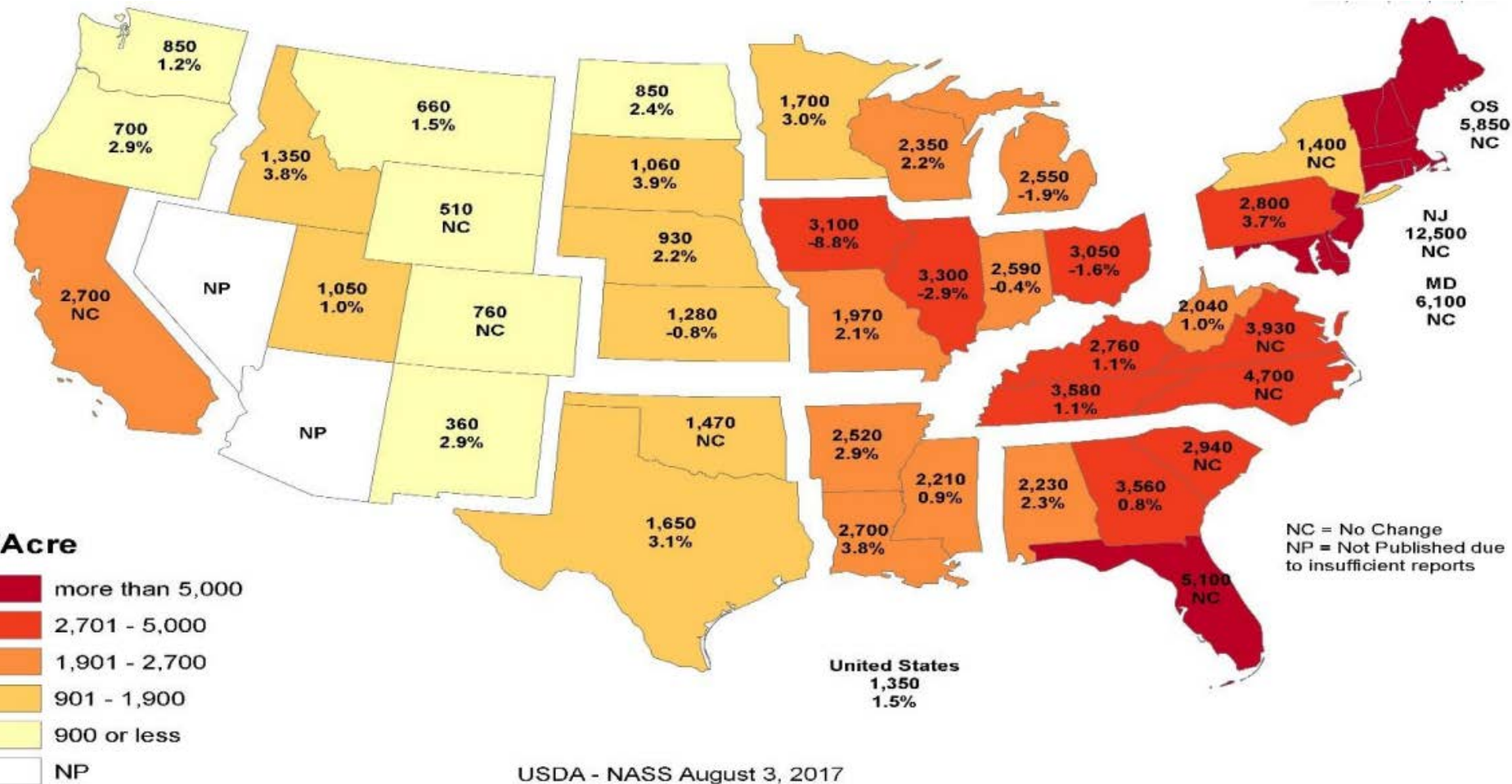


2017 Cropland Values



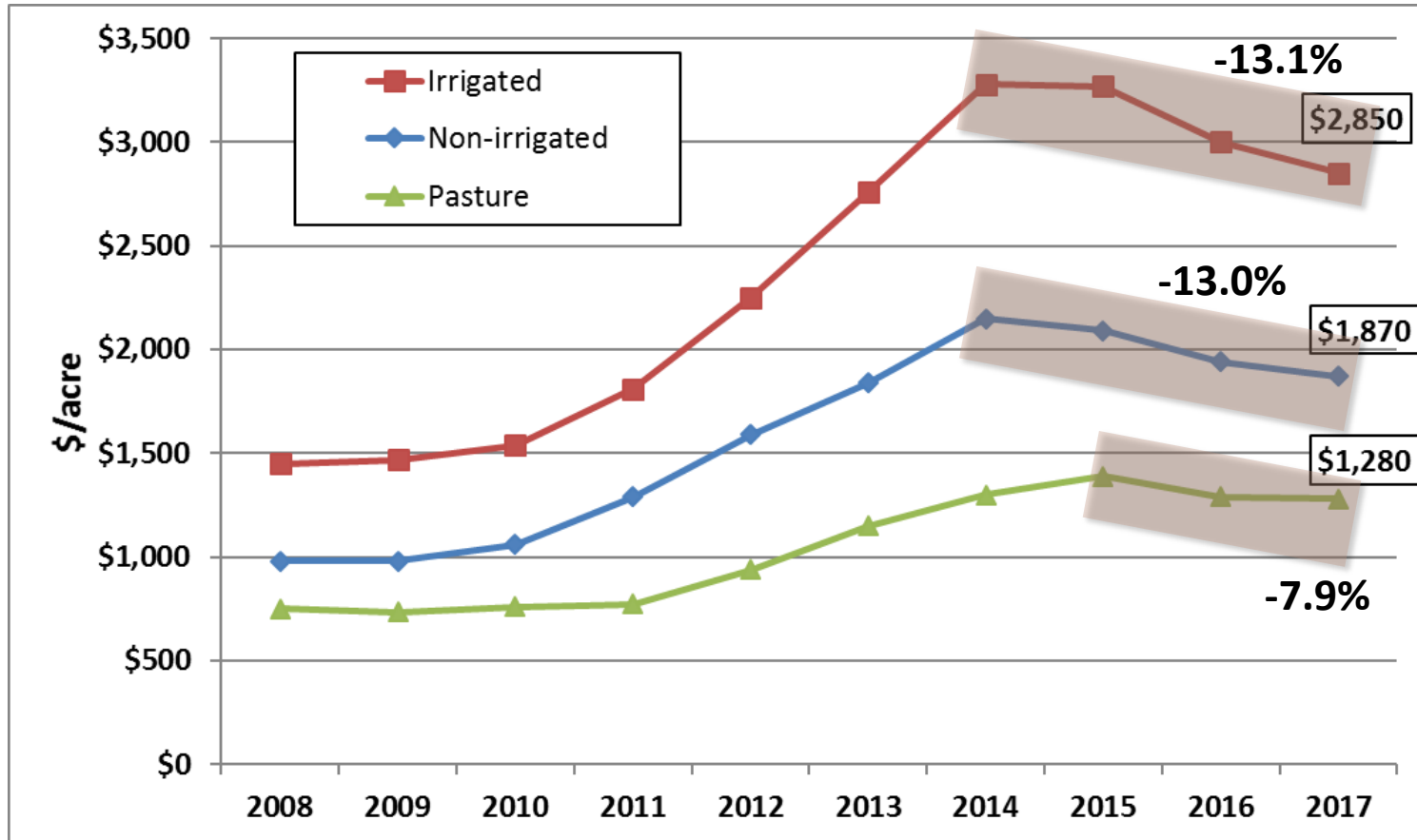
USDA - NASS August 3, 2017

2017 Pasture Land Values



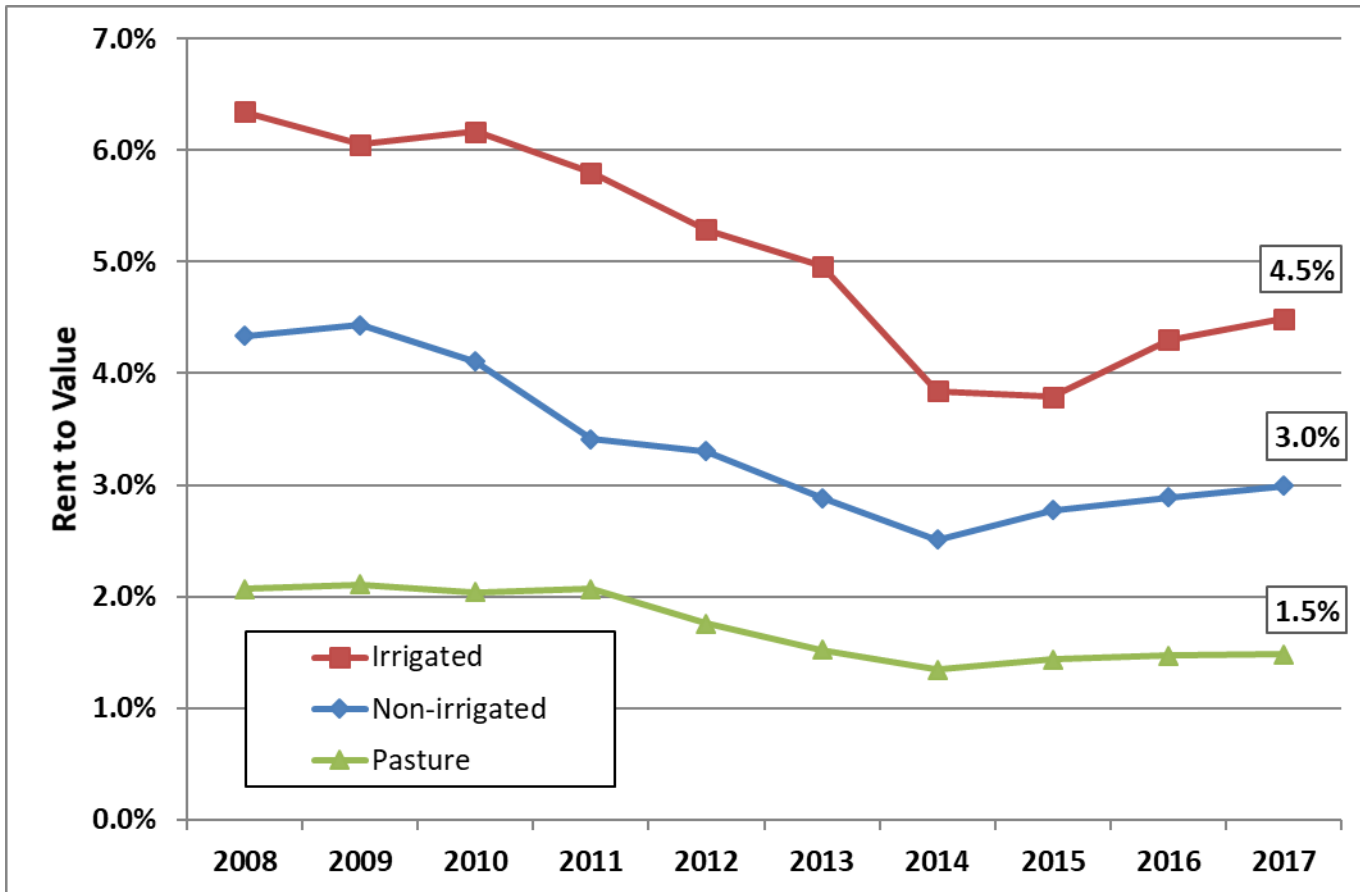
USDA - NASS August 3, 2017

Kansas Land Values



Source: USDA-NASS

Rent-to-Land Value Ratio



Source: USDA-NASS

Market-Based Land Values

Kansas Land Values

Source for market transaction data

- Property Valuation Department, Topeka

2014-16 sales data

- County location, population density
- Acres in sale
- Mixture of irrigated, non-irrigated and pasture in parcel
- 20-year average rainfall and water-holding capacity
- Enrollment in CRP
- Value of improvements is removed for bare land value
- Parcels under 40 acres are omitted
- Johnson and Wyandotte County parcels removed

PVD Sales Data 2014-2016

2016	Average	
Acres in Sale	155.8	
CRP Contracts	4.5%	
Sales Per County	24.7	
All Years		
Total Sales Transactions:	6,845	
2016	2,117	18% drop in sales
2015	2,502	
2014	2,333	

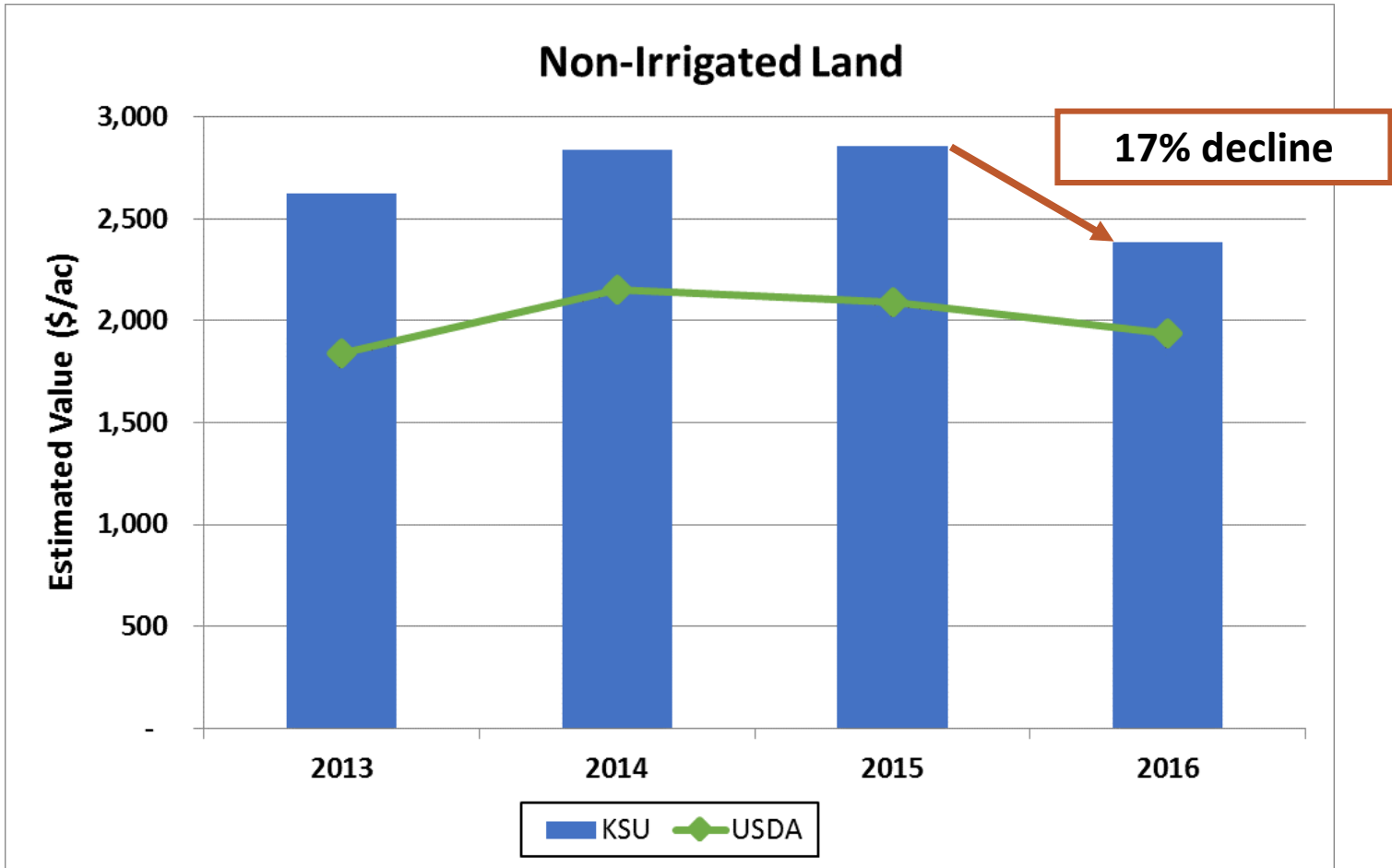
Model-Predicted Sales Price (\$/ac)

Land Type	2016	2015	2014
Non-Irrigated	2,398	2,897	2,835
Irrigated	4,896	5,540	5,444
Pasture	1,726	1,871	1,684
All Cropland and Pasture	\$3,027	\$3,378	\$3,321

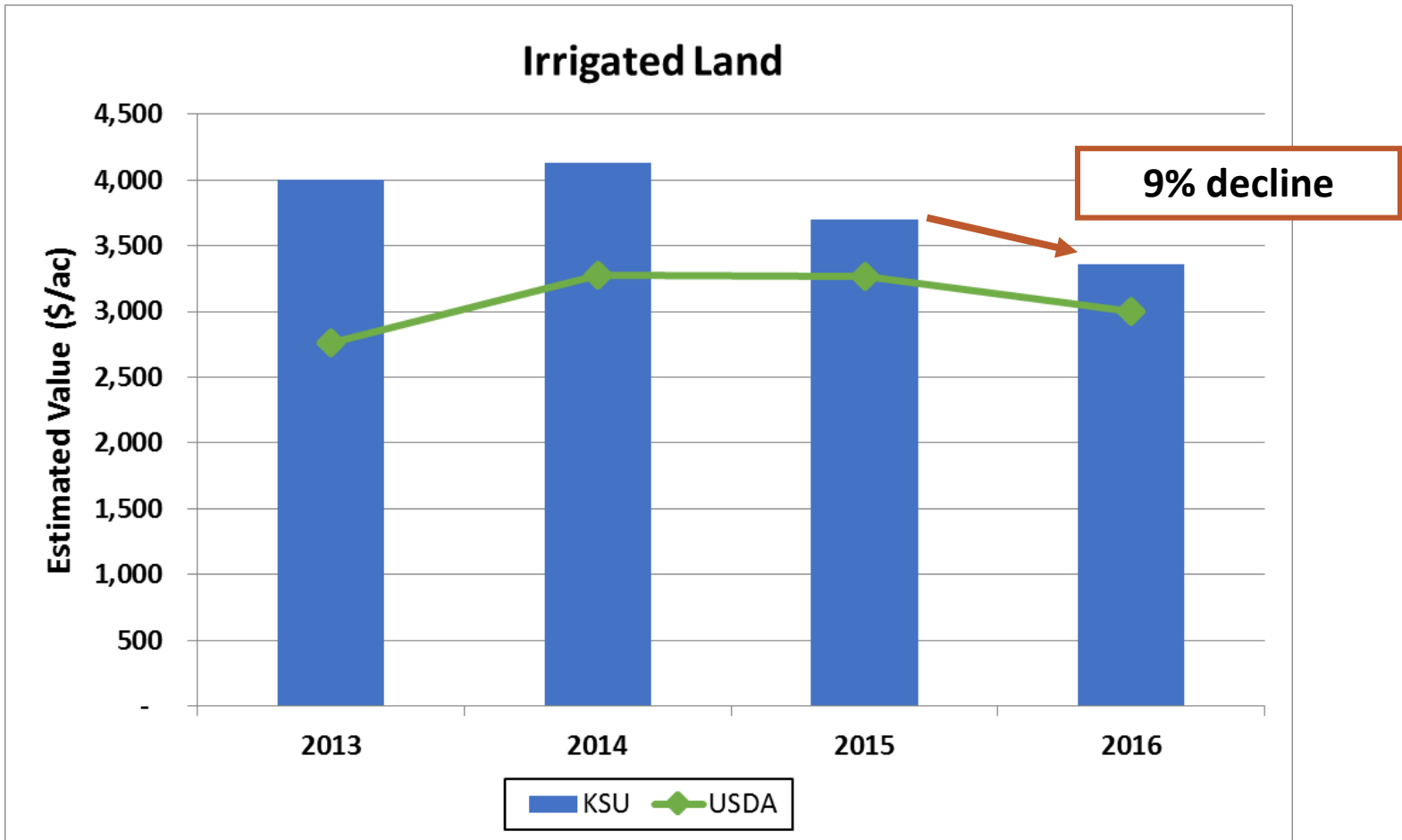
**10.4% decline
from 2015**

Land Model Results

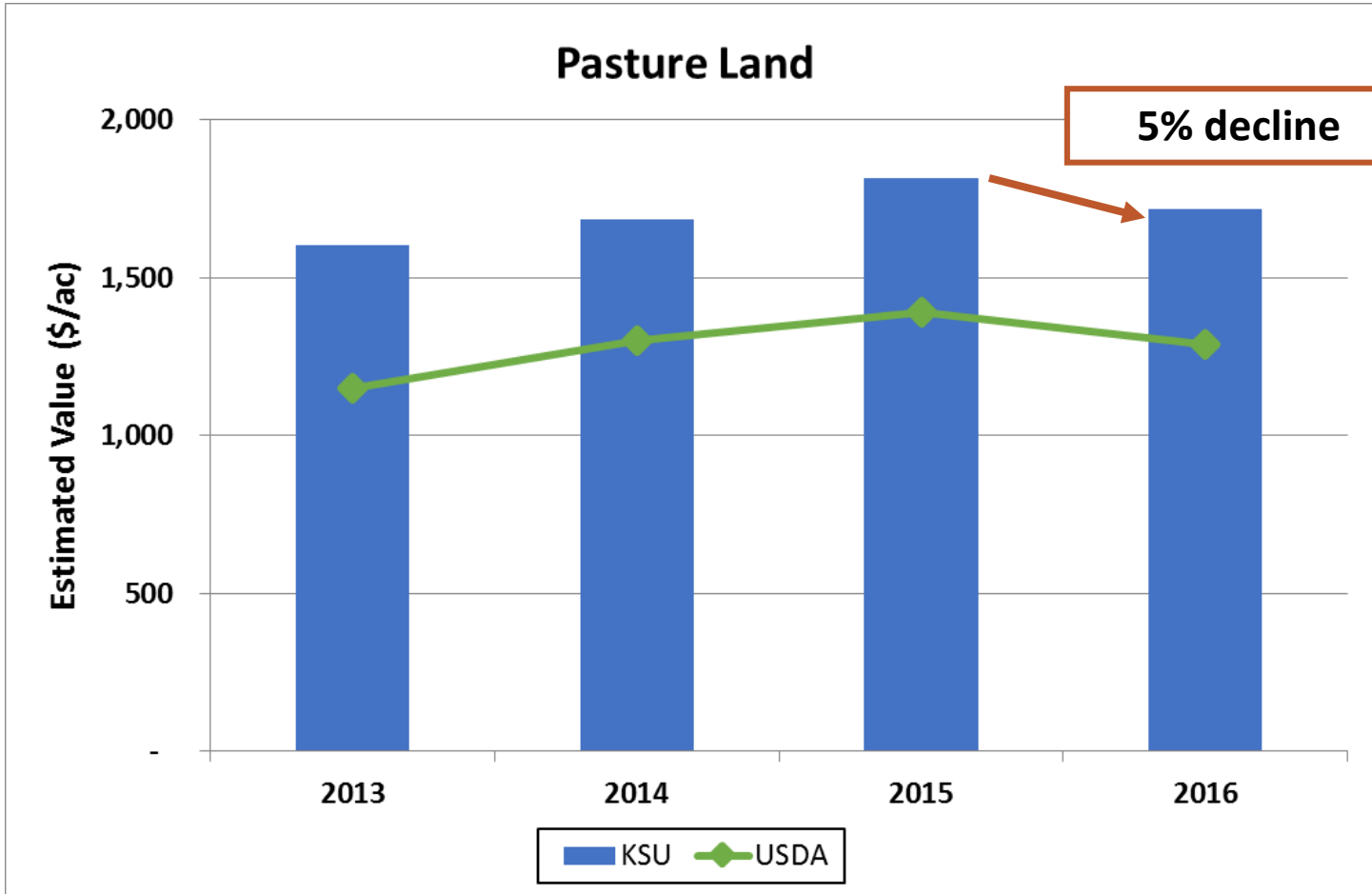
Land Model Results



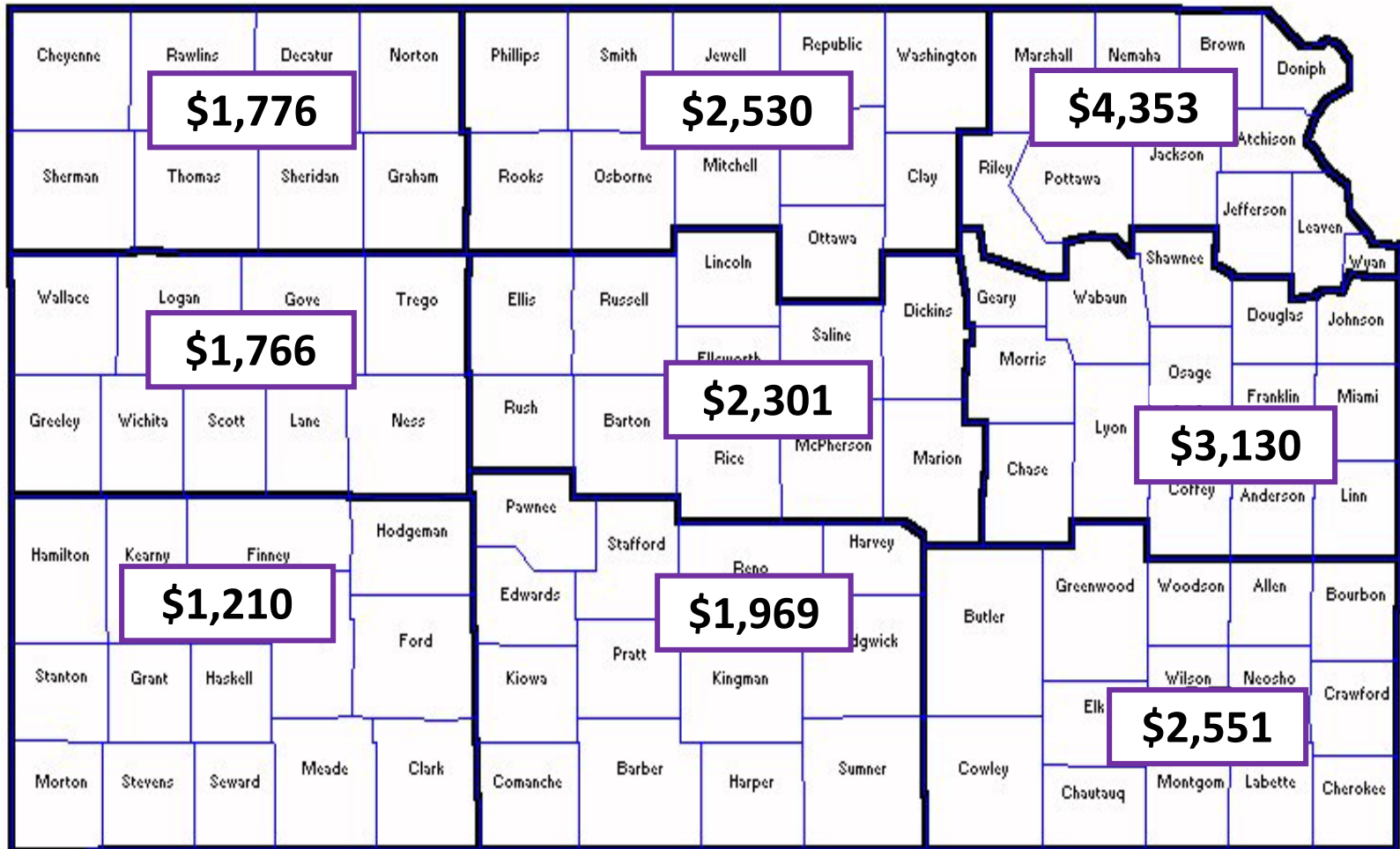
Land Model Results



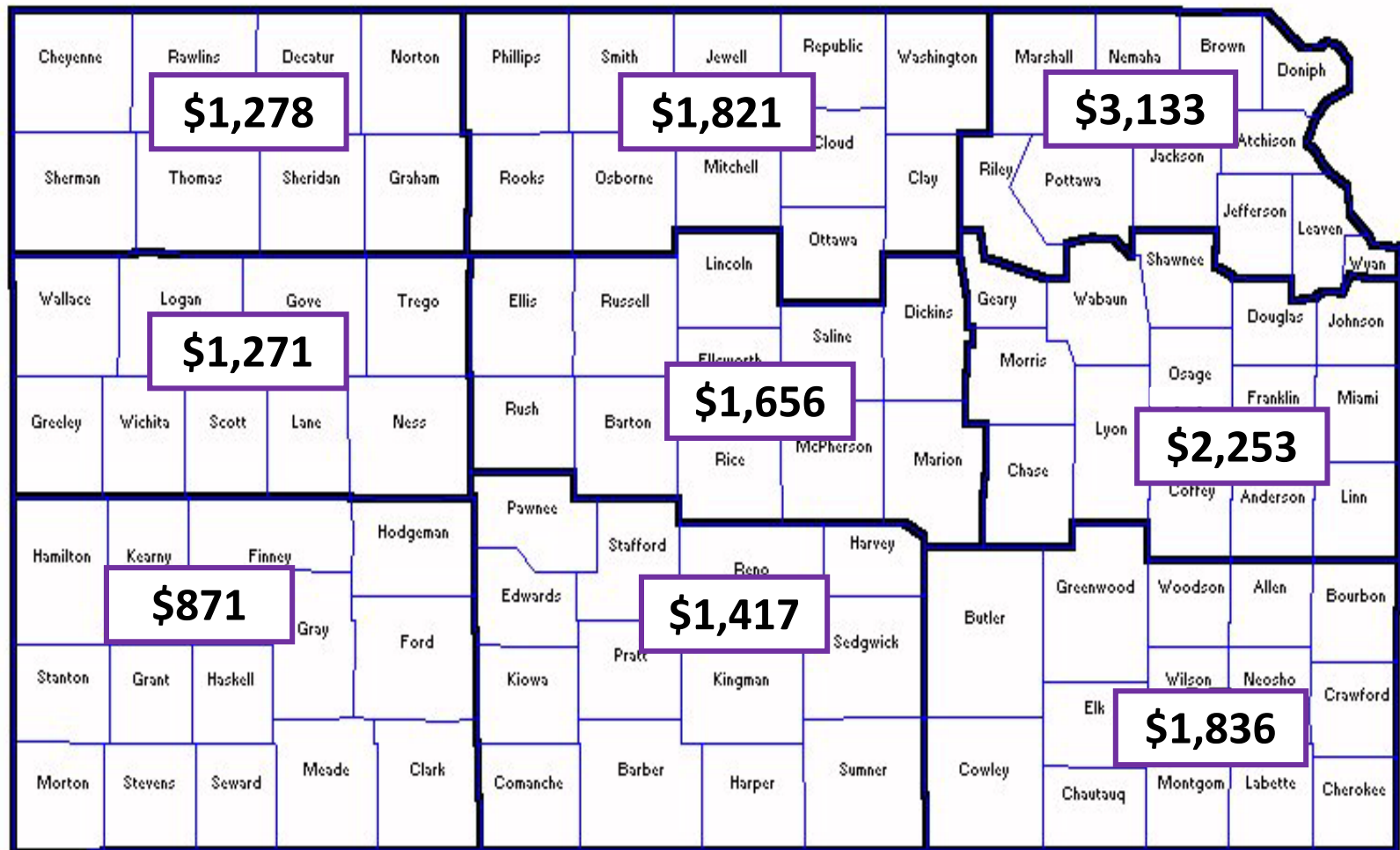
Land Model Results



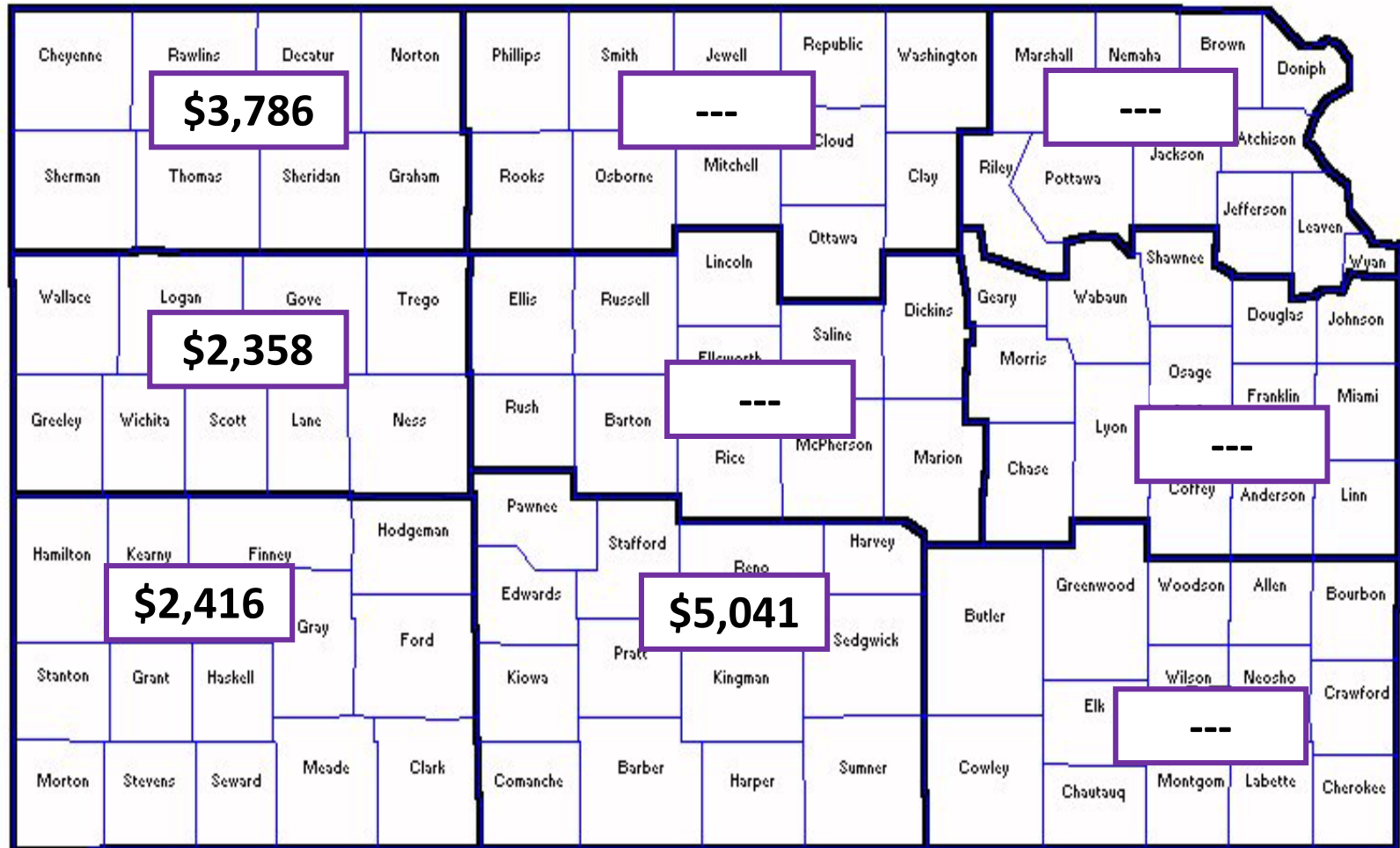
2016 Non-Irrigated Land Values



2016 Pasture Land Values

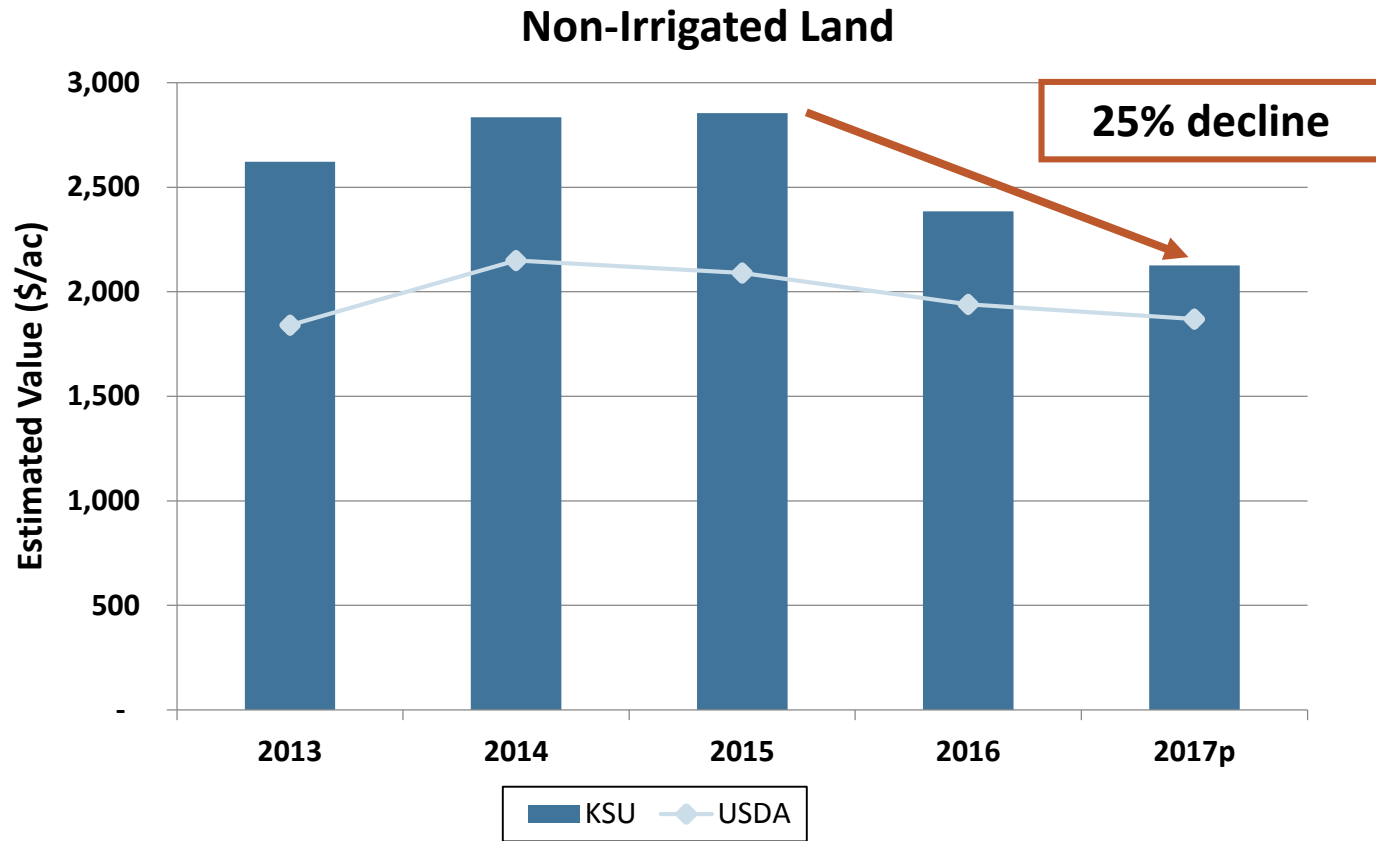


2016 Irrigated Land Values

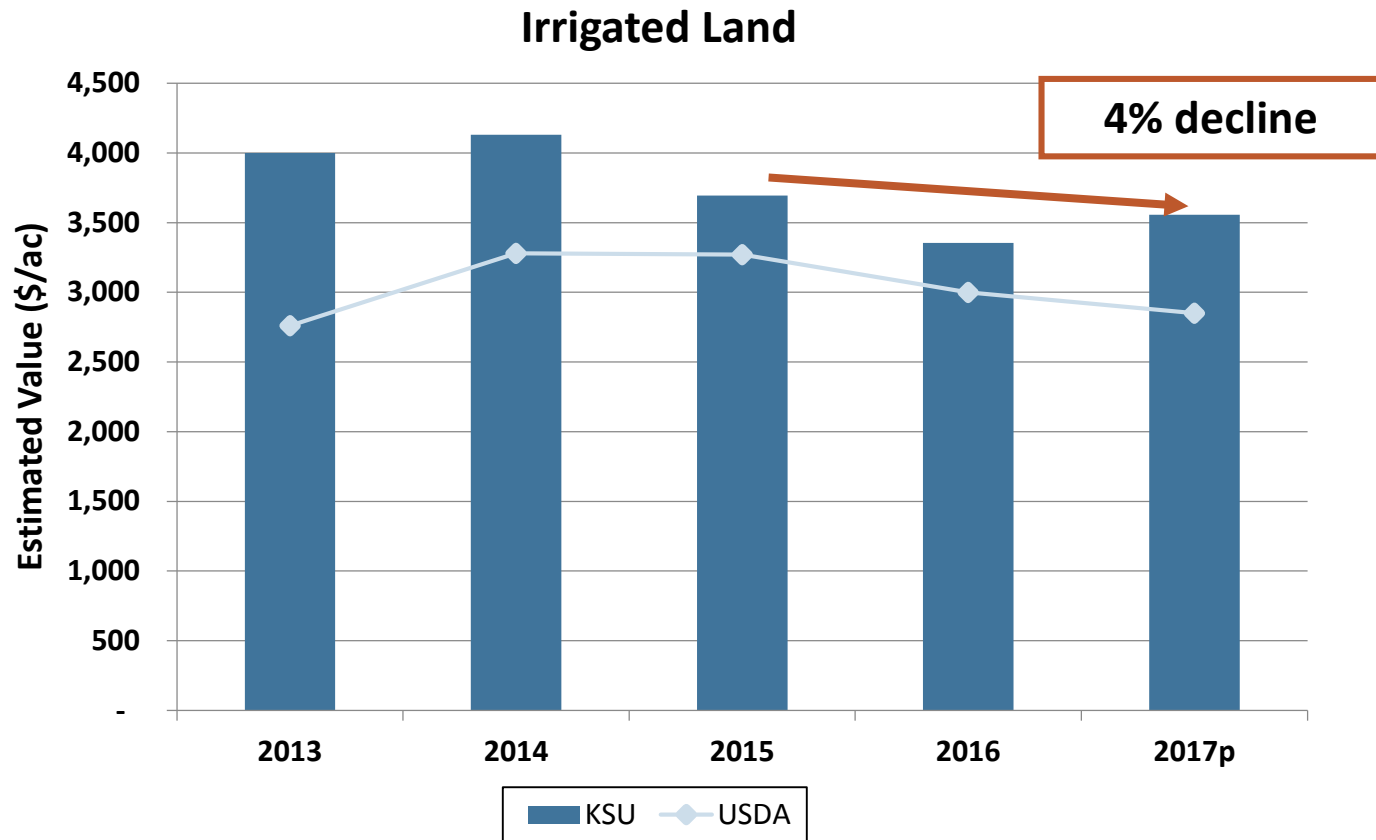


2017 Projections

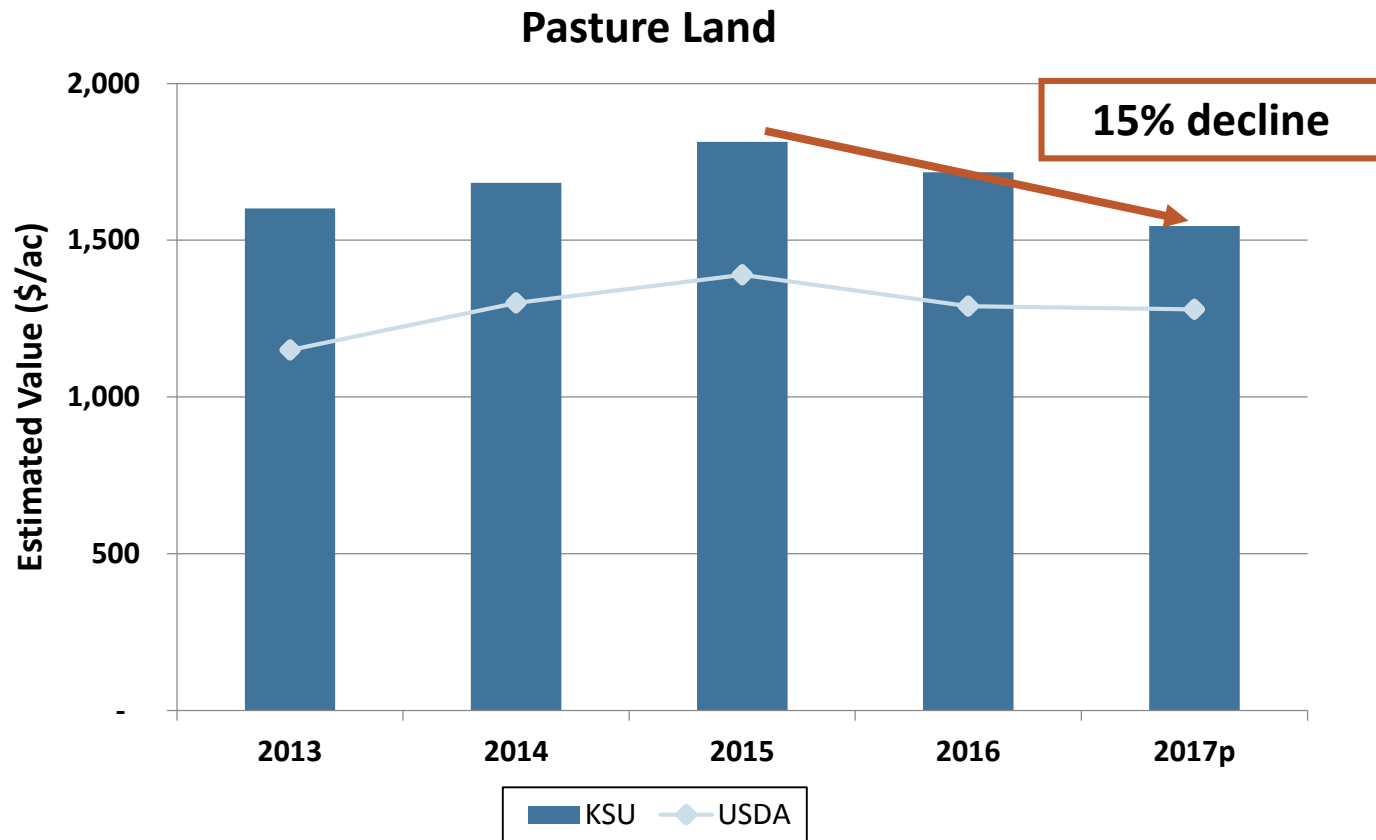
Land Model Results



Land Model Results

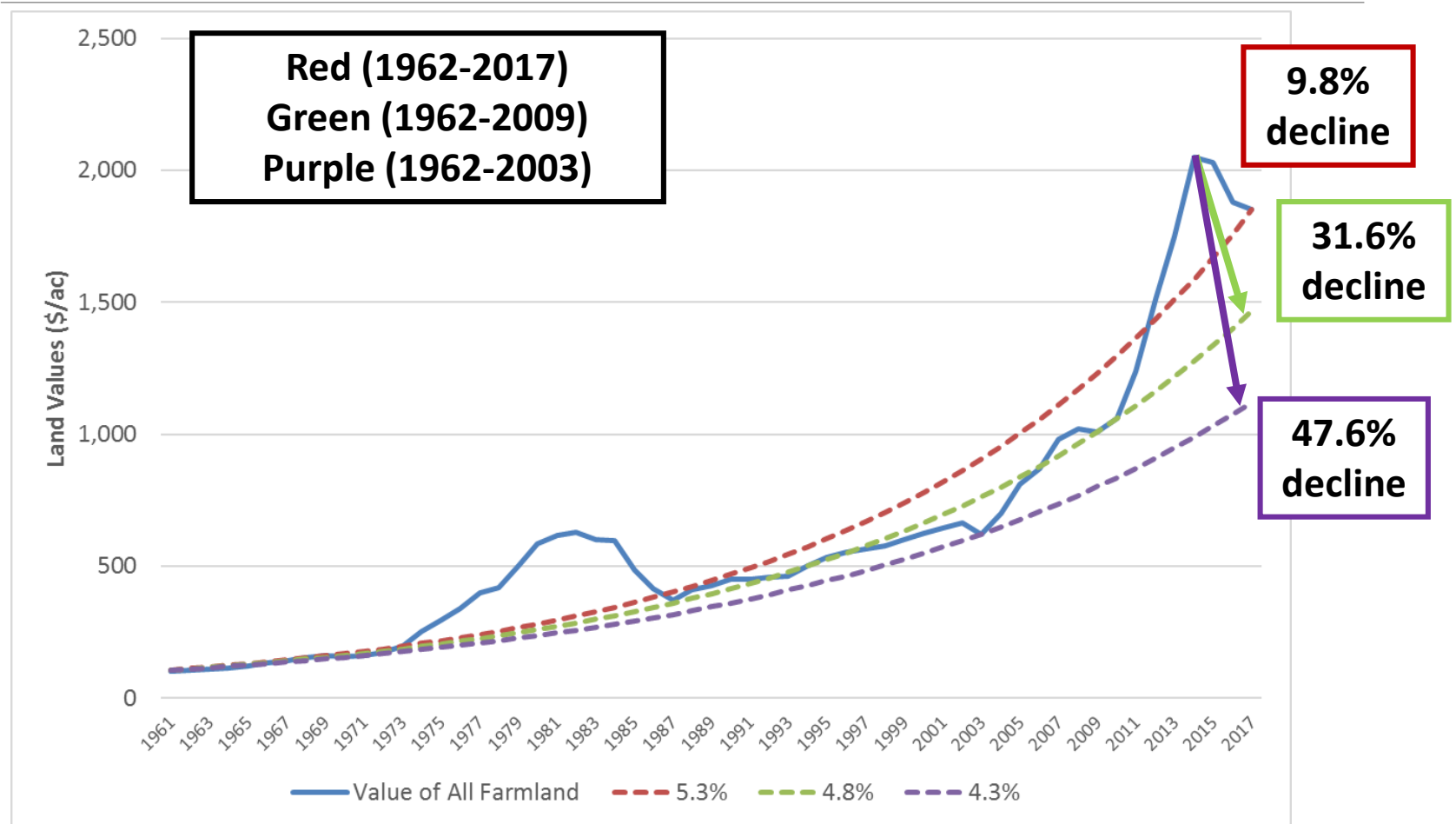


Land Model Results



Long-Run Growth

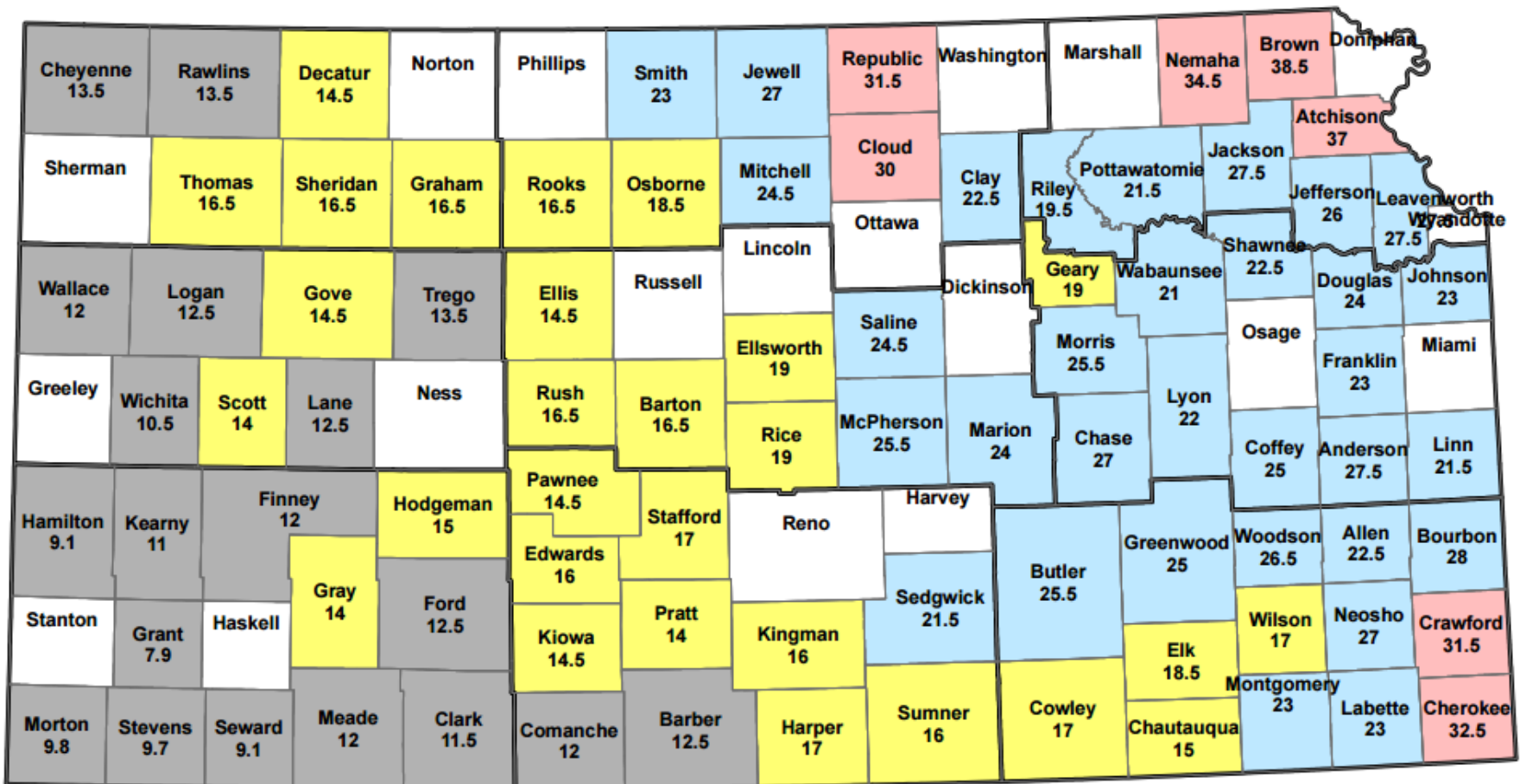
Kansas Land Values



Rental Rates

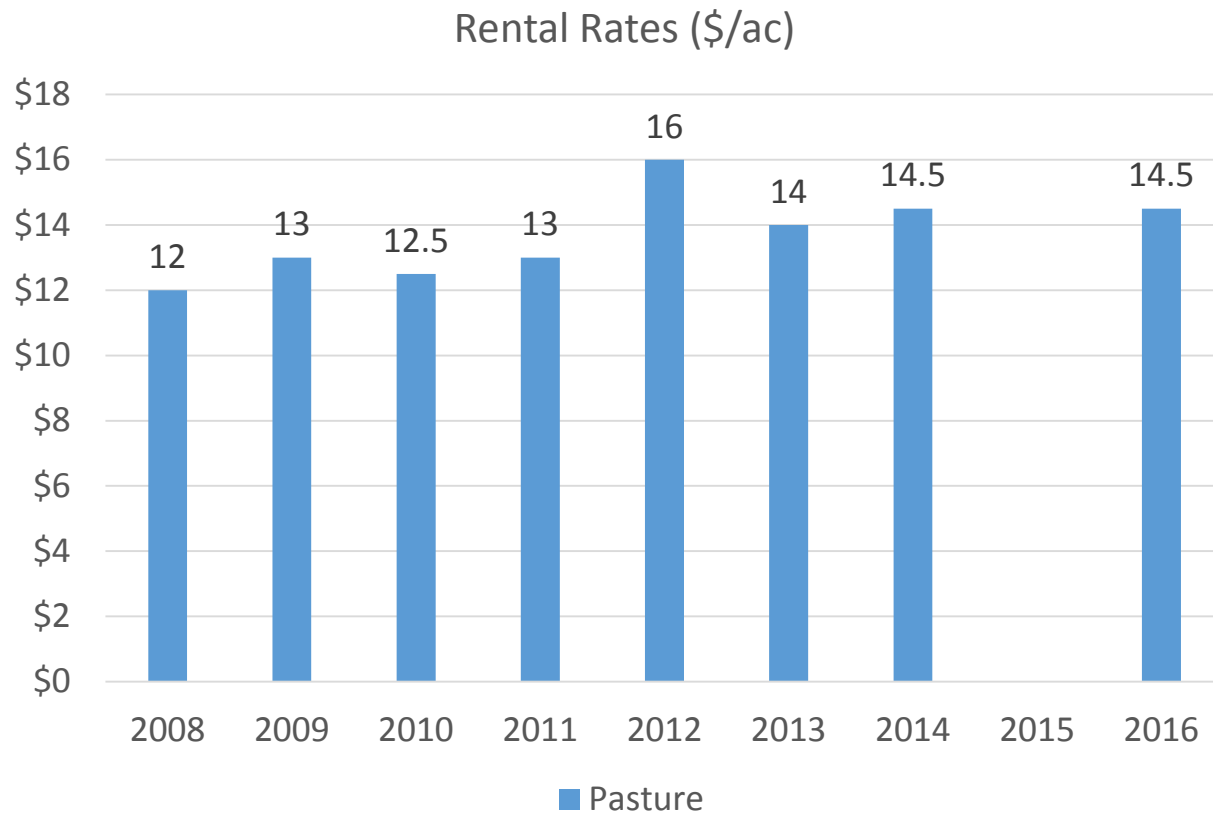


2016 USDA Pasture Rents



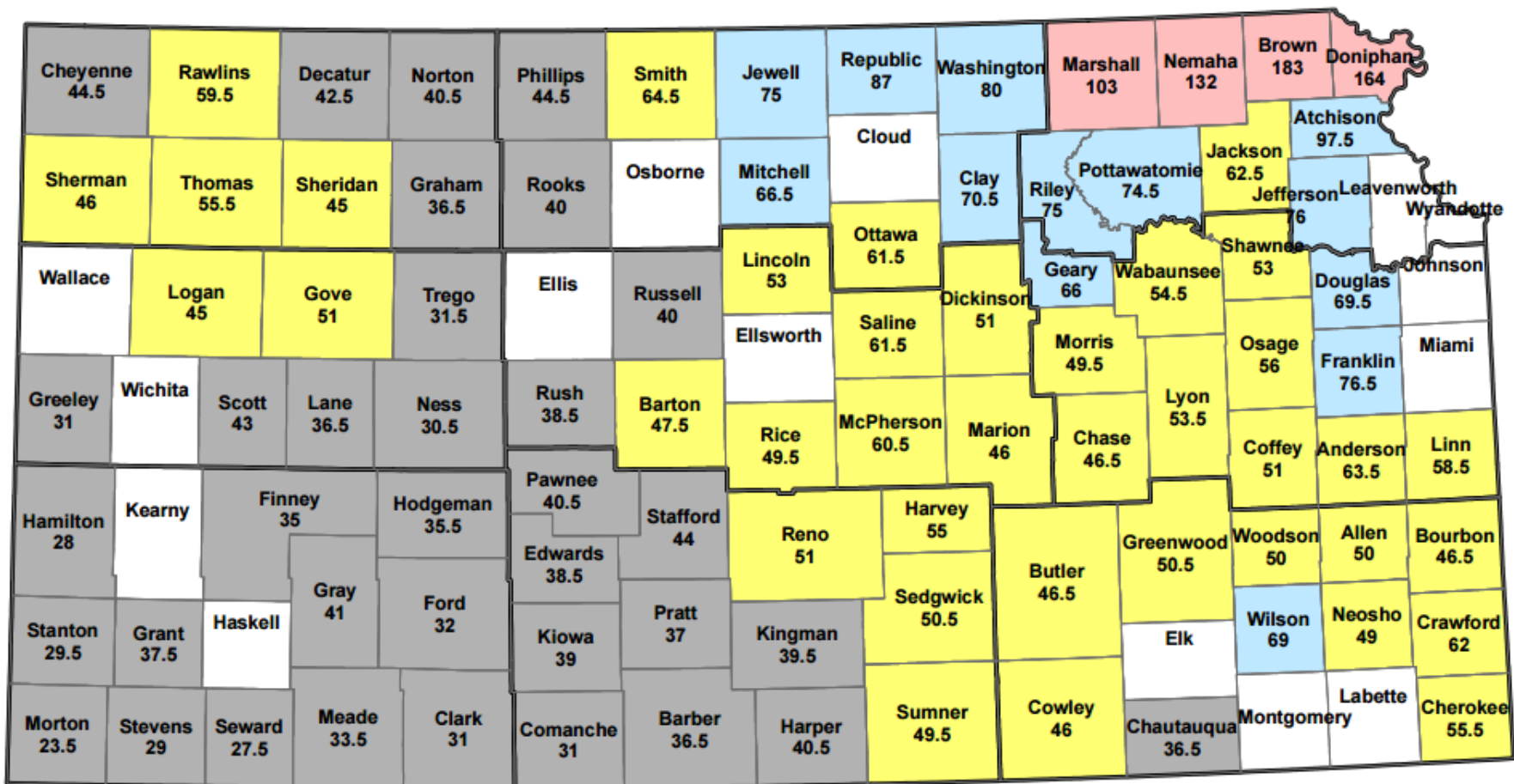
Source: USDA-NASS

Rental Rates-Ellis Co.



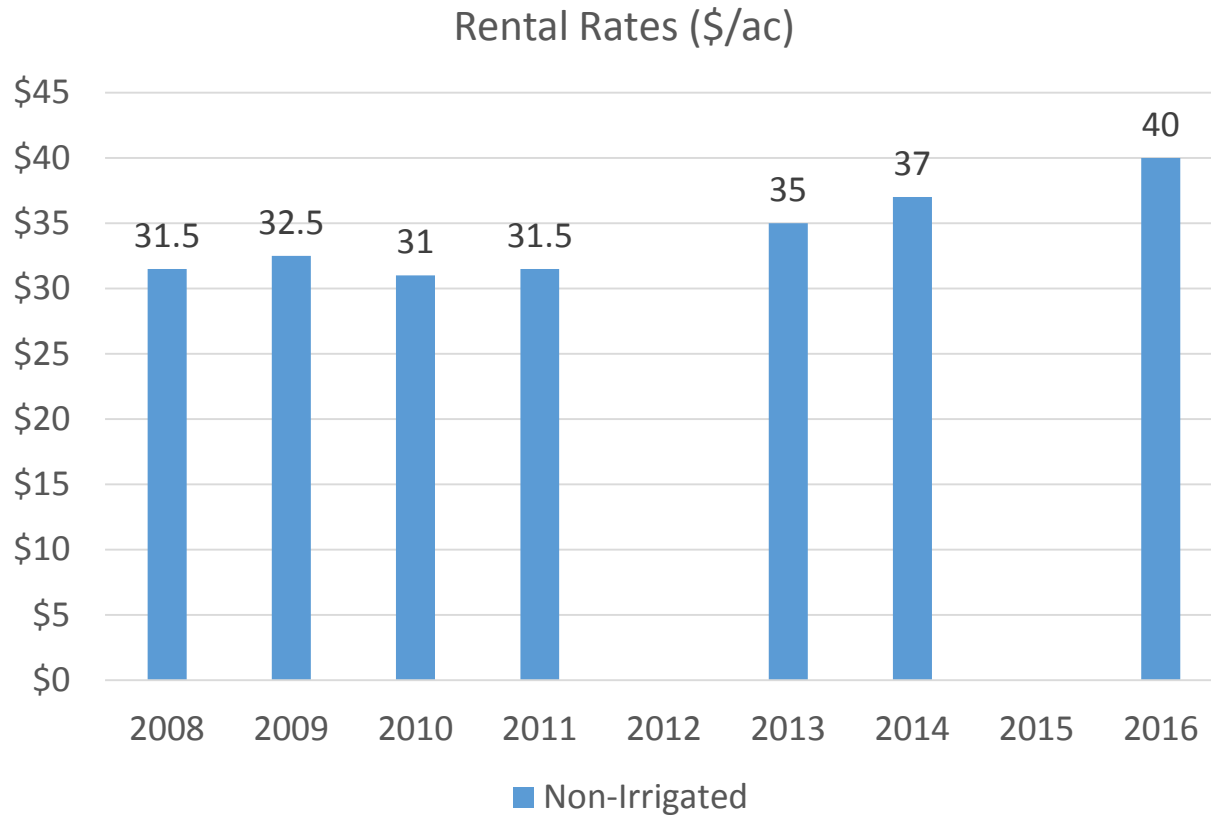
Source: USDA-NASS

2016 USDA Non-Irrigated Rents



Source: USDA-NASS

Rental Rates-Ellis Co.



Source: USDA-NASS

Public Information

Limited public information on rental rates

- Surveys (USDA, some KS Counties)
- K-State budgeting approach: what a representative farmer could afford to pay

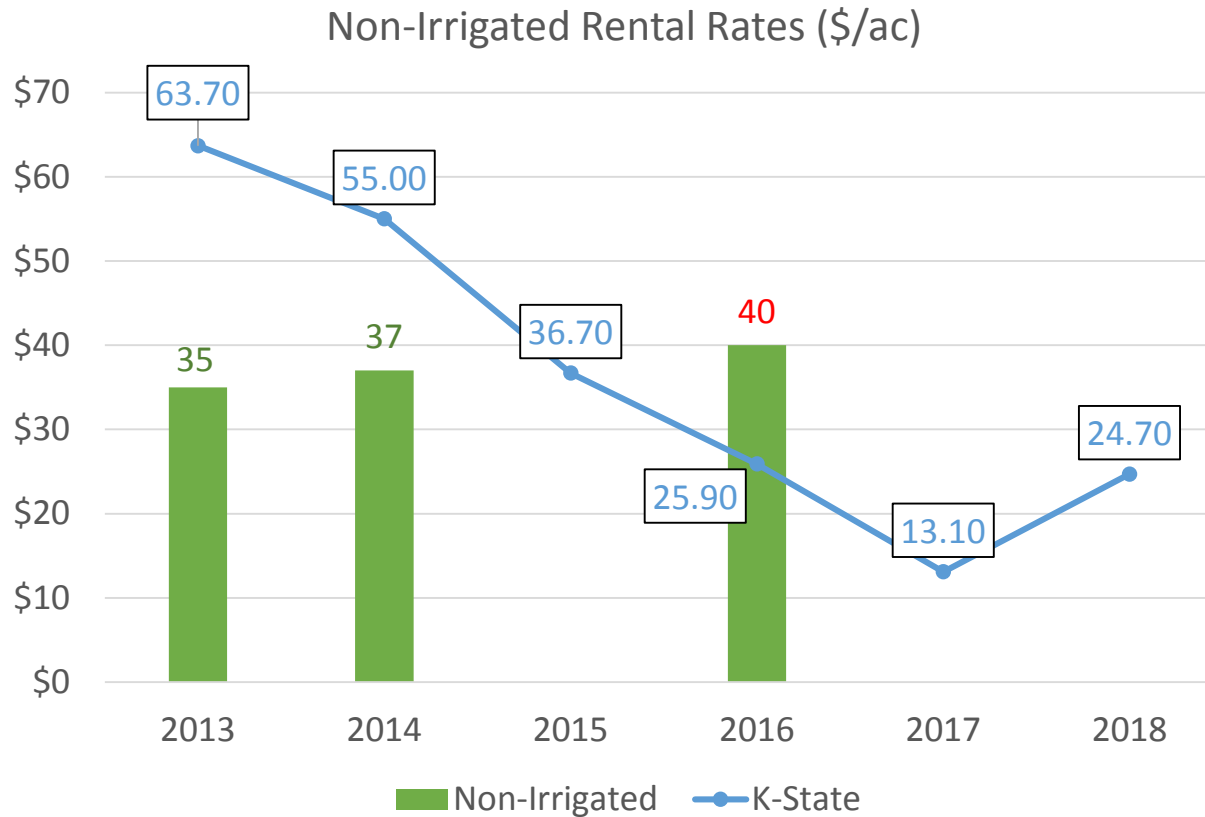
Comparisons need to be done carefully

- One measures what is actually being paid
- One measures what we expect could be paid

KSU Non-Irrigated Rental Rates

Central District	2015	2016	2017	2018
Barton	48.20	34.10	17.40	34.10
Dickinson	65.70	46.00	24.60	48.40
Ellis	36.70	25.90	13.10	24.70
Ellsworth	53.40	37.60	19.20	35.30
Lincoln	58.00	40.90	21.10	39.70
Marion	58.90	41.50	21.90	43.20
McPherson	61.30	43.10	22.30	44.50
Rice	60.10	42.50	22.00	42.00
Rush	42.20	30.00	15.10	28.90
Russell	46.40	32.90	16.60	32.00
Saline	60.80	42.50	22.30	43.00
Average:	\$53.79	\$37.91	\$19.60	\$37.80

USDA vs. KSU - Ellis



Source: USDA-NASS and www.AgManager.info/land-leasing

Why are rents staying high?

Multi-year leases

- Consider signing 3-5 year leases but renegotiate rate annually

Good yields in 2016, soybeans profitable

- Kept some profitability in sector to pay rents that wouldn't be affordable with average or below average yields

People are willing to pay more than they can afford in the short run

- Length of the short run is going to vary by producer

Online Resources

2016 Kansas County-Level Ag Land Values

- www.agmanager.info/land-leasing/land-buying-valuing

2017 Rent Estimates: Non-Irr. & Irrigated Cropland

- www.agmanager.info/land-leasing/land-rental-rates

Pasture Rental Rate Tool

- www.agmanager.info/land-leasing/land-rental-rates/pasture-rental-rate-decision-tool

Pasture Rental Rate Tool



[Home](#) [About Soils](#) [Help](#) [Contact Us](#)

You are here: [Web Soil Survey Home](#)

Search

Enter Keyword

All NRCS Sites ▾

Browse by Subject

- [Soils Home](#)
- [National Cooperative Soil Survey \(NCSS\)](#)
- [Archived Soil Surveys](#)
- [Status Maps](#)
- [Official Soil Series Descriptions \(OSD\)](#)
- [Soil Series](#)
- [Extent Mapping Tool](#)
- [Geospatial Data Gateway](#)
- [eFOTG](#)
- [National Soil Characterization Data](#)
- [Soil Health](#)
- [Soil Geography](#)

The simple yet powerful way to access and use soil data.



Welcome to Web Soil Survey (WSS)



Web Soil Survey (WSS) provides soil data and information produced by the National Cooperative Soil Survey. It is operated by the USDA Natural Resources

Conservation Service (NRCS) and provides access to the largest natural resource information system in the world. NRCS has soil maps and data available online for more than 95 percent of the nation's counties and anticipates having 100 percent in the near future. The site is updated and maintained online as the single authoritative source of soil survey information.

Soil surveys can be used for general farm, local, and wider area planning. Onsite investigation is needed in some cases, such as soil quality assessments and certain

I Want To...

- [Start Web Soil Survey \(WSS\)](#)
- [Know Web Soil Survey Requirements](#)
- [Know Web Soil Survey operation hours](#)
- [Find what areas of the U.S. have soil data](#)
- [Find information by topic](#)
- [Know how to hyperlink from other documents to Web Soil Survey](#)
- [Know the SSURGO data structure](#)

Announcements/Events

- [Web Soil](#)

Kansas Land Values and Rental Rates

Mykel Taylor
Associate Professor
K-State Dept. of
Agricultural Economics
mtaylor@ksu.edu