

Going Down

Northeast Neb. Land Values Decline 5%

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Land values in northeast Nebraska are on the decline, although the region's price-per-acre remains the second-highest average in the state.

Statewide, the average land value is now \$3,250 per acre, down 2 percent since 2014, according to the University of Nebraska-Lincoln's Farm Real Estate Market Survey.

Northeast Nebraska's average land value is second only to eastern Nebraska's \$7,100 per acre.

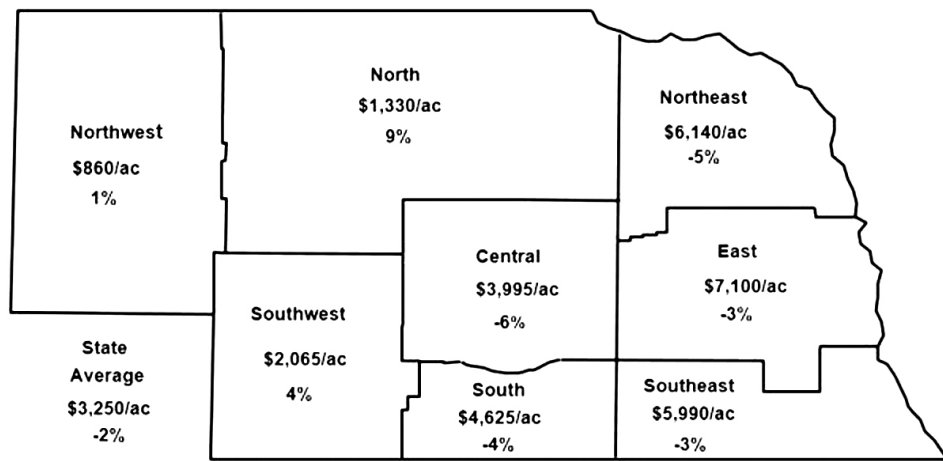
Other state regions' average land values include: Southeast, \$5,990; South, \$4,625; Central, \$3,995; Southwest, \$2,065; North, \$1,330; and Panhandle, \$860.

The North, Southwest and Panhandle's land value averages increased by 9 percent, 4 percent and 1 percent, respectively. All other regions' land value averages decreased, ranging from 6 percent down in the Central to 3 percent down in the East and Southeast.

The overall rate of change in land values depended on the percentage of the region's cropland versus hayland or pasture. The higher rates of decline occurred in regions largely composed of dryland or irrigated cropland.

Irrigated and dryland crop ground saw the greatest decline in land values, reflective of decreased crop prices as well as high farm input costs. Not surprisingly, the rate of decline in land values was greater for marginal parcels of ground than higher-quality tracts.

Over the last three to five years, dryland and crop-



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land values lead Nebraska in the increases of land values," according to the survey's report, written by Hartington, Neb.-based UNL Extension educator Jim Jansen, and UNL budget analyst and farm management specialist Roger Wilson at Lincoln, Neb. "This strong growth was hard to maintain into 2015 as returns for crops declined while input costs remained fairly constant."

Hayland and pasture ground values are significantly improved since 2014, likely due to record cattle prices. Hayland used for forage production saw the largest increase in value, by 20 percent. Non-tillable grazing land saw the second-largest increase in value, by 16 percent.

"These two land classes [hayland and non-tillable grazing land] are the primary resources that cow-calf producers utilize," according to Jansen and Wilson. "As the expected prices for calves remain strong for 2015, the industry participants are more willing to bid up the price of these land resources."

The changes in land values also affected cash rental

rates. Cropland rental rates declined in all regions, while pasture rates increased across the state.

Value of dryland with no irrigation potential dropped 12 percent since 2014 in Northeast Nebraska, the second-largest change in values. Statewide, values of this land type decreased in all regions, ranging from 14 percent in the Panhandle to 4 percent in the South.

Value of dryland with irrigation potential also dropped in northeast Nebraska, by 2 percent. Statewide, land values for this land type followed the same downward trend, ranging from 17 percent in Central to 2 percent in Northeast Nebraska and the Southeast.

Value of tillable grazing land decreased 9 percent in northeast Nebraska. Other regions with a decrease in values of this land type were the Southeast with an 8 percent decline and the Panhandle and the South, both down 3 percent. All other regions saw an increase in land values, ranging from 28 percent in the Southwest to 14 percent in the East.

Value of non-tillable grazing land increased 4 percent

in northeast Nebraska. Statewide, values of this land type climbed in all regions, ranging from 22 percent in Central to 2 percent in the South.

Value of hayland increased 25 percent in northeast Nebraska. Values of this land type increased in all regions, ranging from 27 percent in the Southwest to 9 percent in the Panhandle.

Value of gravity-irrigated cropland increased 1 percent in northeast Nebraska. The only other region with an increase in values of this land type was the Panhandle, up 6 percent. All other regions saw a decline in values of this land type, ranging from 14 percent in Central to 2 percent in both the North and the Southwest.

Value of center pivot-irrigated cropland dropped 8 percent in northeast Nebraska. All other regions except the Southwest, which saw an 1 percent increase in values for this land type, also experienced a reduction in land values, ranging from 12 percent in Central to 2 percent in the South.

