



National Agricultural
Statistics Service

News Release

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Farmland Values Continue to Rise

United States: Nationwide, farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,900 per acre on January 1, 2006, up 15 percent from 2005. The \$1,900 per acre is a record high and \$250 more than a year earlier. Cropland and pasture values rose by 13 and 22 percent, respectively, since January 1, 2005. Cropland values averaged \$2,390 per acre and pasture values averaged \$1,000 per acre on January 1, 2006, compared with \$2,110 and \$820 per acre, respectively, a year earlier.

The increase in farm real estate values continues to be driven by a combination of mostly nonagricultural factors, including relative low interest rates and strong demand for nonagricultural land uses. Demand for farm real estate as an investment continues to be a strong market influence.

Regional increases in the average value of farm real estate ranged from 8.9 percent in the Delta region to 35 percent in the Mountain region. The highest farm real estate values are in the Northeast region, where urban influences have pushed the average value to \$4,550 per acre. In the Corn Belt region farm real estate values rose 12 percent, to \$3,040 per acre. The Northern Plains region, with its expanse of pasture and rangeland, had the lowest farm real estate value, at \$834 per acre.

The Southeast region had the highest average increase in cropland value, at \$4,550, up \$890 per acre. In the Corn Belt region cropland values rose 12 percent, to \$3,230 per acre. The Lake States region also increased 12 percent, to \$2,550 per acre. Together, the Corn Belt and Lake States regions account for nearly one-third of the U.S. total cropland acres.

The Southeast region had the highest average increase in pasture value, up \$1,510 per acre. In the Northern Plains, Southern Plains, Mountain, and Pacific regions (17 western states) pasture values per acre increased 15 percent, 24 percent, 54 percent, and 13 percent, respectively. Together, the 17 western states account for about 89 percent of the total pasture acres on farms in the 48 States.

Maryland: The value of all farm real estate in Maryland increased \$1,000 per acre between January 1, 2005 and January 1, 2006 and is currently estimated at \$8,900 per acre. This includes an increase in the value of cropland from \$7,600 per acre to \$8,800 per acre and an increase in the value of pasture from \$7,300 per acre to \$8,300 per acre. Although the increase in value is significant, the rate of increase has slowed from previous years. Between June 2004 and June 2005, the farm real estate value increased an estimated 39 percent, but increased only 13 percent between June 2005 and June 2006. Cropland rental rates held steady at an average \$62.00 per acre. This includes both irrigated and non-irrigated cropland.

Delaware: The value of all farm real estate rose 21 percent in Delaware between January 1, 2005 and January 1, 2006. The Farm Real Estate Value was up \$1,800 this year, from \$8,400 per acre in 2005 to \$10,200 per acre in 2006. While the increase is significant, the rate of increase was much lower than the rise in value between 2004 and 2005. That year, the value of farm real estate increased 40 percent. The value of cropland increased 23 percent, with cropland currently valued at \$9,800 per acre. Cropland rental rates were up \$1.00, to an average \$65.00 per acre. This includes both irrigated and non-irrigated cropland.

LAND VALUES & CASH RENTS, SELECTED STATES 2002-2006

	2002	2003	2004	2005	2006
Land Values					
<i>dollars per acre</i>					
Farm Real Estate					
Delaware	3,700	4,000	6,000	8,400	10,200
Maryland	4,000	4,150	5,700	7,900	8,900
New Jersey	8,600	9,100	9,750	10,500	10,900
Pennsylvania	3,250	3,450	3,650	4,220*	4,790
Virginia	2,530	2,700	3,200	4,050*	4,900
48 States	1,210	1,270	1,360	1,650*	1,900
Cropland					
Delaware	3,500	3,850	5,700	8,000	9,800
Maryland	3,900	4,000	5,600	7,600	8,800
New Jersey	9,000	9,300	9,900	10,500	11,200
Pennsylvania	3,350	3,500	3,700	4,280*	5,110
Virginia	2,550	2,800	3,300	4,100*	5,300
48 States	1,590	1,660	1,770	2,110*	2,390
Pasture					
Maryland	3,500	3,650	5,500	7,300	8,300
New Jersey	9,700	10,000	10,600	11,300	11,700
Pennsylvania	1,800	1,850	2,000	2,200	2,480
Virginia	2,100	2,250	2,800	3,850*	4,800
48 States	577	605	634	820*	1,000
Cash Rents					
<i>dollars per acre</i>					
Cropland					
Delaware	56.30	57.00	61.00	64.00	65.00
Maryland	55.50	55.50	59.00	62.00	62.00
New Jersey	47.00	47.00	47.50	47.50	47.50
Pennsylvania	40.00	41.00	43.00	45.00	46.50
Virginia	36.00	36.50	39.00	40.00	39.00
48 States	71.60	73.00	76.50	78.00	79.00
Pasture					
Northeast Region	22.00	23.00	24.00	24.00	26.00
48 States	9.20	9.00	9.60	10.30	10.80

* Revised.

Northeast region includes CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT.

48 States exclude Alaska and Hawaii.