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News Release

Cooperating with the Montana Department of Agriculture
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Montana and U.S. Farm Real Estate Values Up

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Montana farm real estate values have steadily increased over the past nine years according to the USDA, National Agricultural Statistics Service, Montana Field Office. The average value of farm real estate in Montana on January 1, 2008 was \$1,100 per acre, up \$140 from 2007. In 2008, the average value of cropland increased \$15 to \$945 per acre. The average value of irrigated cropland was \$3,800, an increase of \$100 from a year ago, while non-irrigated cropland rose \$30 per acre to \$680 per acre. Pasture values increased \$60 to \$910 per acre.

In the U.S., farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,350 per acre on January 1, 2008, up 8.8 percent from 2007. The \$2,350 per acre is a record high and \$190 more than a year earlier.

Both cropland and pasture values for 2008 are record highs. Cropland values rose by 10 percent to \$2,970 per acre, up from the previous high of \$2,690 in 2007. Pasture value rose by 6 percent to \$1,230 per acre.

While commercial and residential development has slowed in many regions, farm real estate values continue to increase. Strong commodity prices and farm programs, outside investments, favorable interest rates, and tax incentives continue to be the factors that drive farm real estate values to record levels. Livestock prices, recreational use, and urban development remain the predominant influences that increase pasture land values.

Regional increases in the average value of farm real estate ranged from 1.6 percent in the Northeast region to 15.5 percent in the Northern Plains region. The highest farm real estate values remained in the Northeast region, where development pressure continued to push the average value to \$5,080 per acre. The Northern Plains region had the lowest farm real estate value, at \$1,110 per acre, up 15.5 percent from the previous year. In the Corn Belt region cropland values rose 14.8 percent, to \$4,260 per acre. The Southern Plains region increased 12 percent from the previous year, to \$1,490 per acre.

The Northern Plains region also had the highest average percentage increase in pasture value, 19.7 percent above 2007. In the Southern Plains and Mountain regions, which account for more than half of the pasture in the U.S., pasture values per acre increased 17.1 percent and 6.4 percent, respectively.

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