

**CASH RENTS AND
LAND VALUES**



Released: August 5, 2005

E-mail: nass-mn@nass.usda.gov
Homepage: <http://www.nass.usda.gov/mn/>

MINNESOTA FARM CASH RENTS CONTINUE UPWARD CLIMB

The 2005 average cash rent for Minnesota cropland is \$86.50 per acre, up \$3.00 from 2004 and \$4.50 above 2003, according to the USDA, NASS, Minnesota Field Office. Average pasture cash rent for 2005 is \$20.50 per acre, up \$1.00 from 2004 and up \$1.50 from 2003.

U.S. HIGHLIGHTS

Nationally, Cash Rents per acre paid to landlords for cropland rose 2.0 percent while pasture rents increased 7.3 percent for the 2005 crop and grazing year. Cropland cash rents paid in 2005 averaged \$78.00 per acre, compared with \$76.50 per acre for 2004. Pasture cash rents averaged \$10.30 per acre, 70 cents higher than the \$9.60 per acre in 2004. Cropland cash rents reported in 2005 increased in all regions except the Mountain region, where rental rates declined 50 cents to \$62.00 per acre. The Corn Belt and Northern Plains regions, which together accounted for slightly more than one half of cash-rented cropland acreage, increased 2.6 and 6.0 percent, respectively, from 2004. Cropland cash rents increased \$3.00 per acre, to \$117.00, in the Corn Belt and \$3.00 per acre, to \$53.00, in the Northern Plains.

The major corn and soybean producing States of Illinois, Indiana, and Iowa experienced increases ranging from 1.9 to 4.0 percent for cropland cash rents. Illinois and Iowa cropland cash rents averaged \$129.00 and \$131.00 per acre, respectively. In the Northern Plains and Southern Plains regions, which account for two-thirds of the cash-rented pasture acreage, rental rates were up 1.7 percent and 3.7 percent, respectively. Wisconsin, at \$38.00 per acre, continues to lead the Nation with the highest per acre pasture rent.

**CROPLAND RENTED FOR CASH: AVERAGE CASH RENT PER ACRE,
BY SELECTED STATES, 2001-2005**

STATES	2001	2002	2003	2004	2005
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
MINNESOTA	80.50	81.00	82.00	83.50	86.50
WISCONSIN	66.00	67.00	68.00	70.00	70.00
IOWA	117.00	120.00	122.00	126.00	131.00
NORTH DAKOTA	36.00	36.50	36.50	37.50	39.00
SOUTH DAKOTA	40.00	42.00	45.00	47.50	50.40

**PASTURE RENTED FOR CASH: AVERAGE CASH RENT PER ACRE,
BY SELECTED STATES, 2001-2005**

STATES	2001	2002	2003	2004	2005
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
MINNESOTA	19.00	19.00	19.00	19.50	20.50
WISCONSIN	36.00	36.00	36.00	37.00	38.00
IOWA	30.00	30.50	31.00	32.50	36.00
NORTH DAKOTA	9.80	9.70	9.80	10.20	10.60
SOUTH DAKOTA	11.00	10.90	11.00	11.60	12.30

MINNESOTA AGRICULTURAL LAND VALUES INCREASE

The January 1, 2005 Minnesota farm real estate value, including all land and buildings averaged \$2,030, up \$230 from 2004 and up \$430 from 2003, according to the USDA, NASS, Minnesota Field Office. Minnesota cropland value rose 9.5 percent and pasture value increased 15.7 percent from 2004 to 2005.

U.S. HIGHLIGHTS

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,510 per acre on January 1, 2005, up 11.0 percent from 2004. This is the largest percentage increase since 1981, when farm real estate values rose 11.1 percent from the previous year. The \$150 per acre increase is the largest dollar increase on record. The previous record was 1980, when values climbed \$109 per acre above the 1979 value.

Cropland and pasture values rose by 11.3 and 9.5 percent, respectively, from January 1, 2004. Cropland values averaged \$1,970 per acre and pasture values averaged \$694 per acre on January 1, 2005, compared with \$1,770 and \$634 per acre, respectively, a year earlier. The value of other land and buildings increased 11.9 percent. The increase in farm real estate values was driven by a combination of factors, including low interest rates, high commodity production and prices, and strong demand for nonagricultural land uses.

Regional increases in the average value of farm real estate ranged from 8.2 percent in the Delta and Southern Plains regions to 13.2 percent in the Northeast and Southeast Regions. The highest farm real estate values were in the Northeast region, where urban influences have pushed the average value to \$4,020 per acre. In the Corn Belt region farm real estate values rose 10.9 percent, to \$2,550 per acre.

**FARM REAL ESTATE: AVERAGE VALUE PER ACRE,
BY SELECTED STATES, JANUARY 1, 2001-2005**

STATES	2001	2002	2003	2004	2005
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
MINNESOTA	1,400	1,500	1,600	1,800	2,030
WISCONSIN	1,950	2,150	2,300	2,500	2,850
IOWA	1,850	1,920	2,010	2,200	2,490
NORTH DAKOTA	410	415	425	455	500
SOUTH DAKOTA	405	430	460	500	570

2005 Farm Real Estate Value by State

Dollars per Acre & Percent Change from 2004

