



# Land Values Methodology and Quality Measures

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## Survey Methodology for Land Values

**Scope and Purpose:** Land values are estimated annually in August. Estimates are published for the United States and by State, except Alaska and Hawaii, and include the value per acre of all farm real estate, cropland, and pasture. Value per acre estimates are also published for states with a prevalence of both irrigated and non-irrigated cropland. In addition, the publication contains estimates for the total value of all farm real estate by state, except Alaska and Hawaii, and for the United States.

The data are collected as part of the June Area Survey, a multipurpose survey used to estimate crop acreages and measure incompleteness of the NASS list frame for numerous other surveys. The June Area Survey is conducted every year in all states except Alaska and Hawaii.

**Survey Timeline:** Some presurvey screening is done in May to identify farm operators to be interviewed. Data collection is conducted by personal interview from the end of May through mid-June. The reference date for the June Area Survey is June 1. Regional Field Offices (RFOs) conduct the first round of editing and analysis over a three-week period, ending in late June. An additional week of editing and analysis occurs in early July. Once editing is complete, the data are summarized. Following summarization, RFOs review the survey results for states within their regions and submit State level recommendations to NASS headquarters in mid-July. A national review is completed and national estimates are established. The land values estimates are published annually in early August.

**Sampling:** The target population for the land values estimates is all farms and ranches with \$1,000 or more in agricultural sales (or potential sales). The June Area Survey utilizes an area sampling frame. The area frame consists of all land in all states, except Alaska, and thus represents all farms and ranches. The frame in each state is divided into segments of land. For more intense agricultural regions, segments are about one square mile in size. An optimal sample is selected in each state with a national sample size of approximately 9,900. The cost of building the frame and preparing materials for enumeration is significant, so sampled segments are in the survey for five consecutive years. About 20 percent of the segments are rotated out and replaced with new ones each year.

Through personal interviews, field enumerators divide the segments into tracts, each tract representing a unique operating arrangement. Some of the tracts do not qualify under the farm definition and screen out; the remaining agricultural tracts become the sample for land values. Tracts identified on American Indian Reservations in Arizona, Nevada, New Mexico, and Utah as well as tracts in public land and non-agricultural land use strata in all States are excluded from the sample.

**Data Collection:** Each enumerator is responsible for several segments of land. Enumerators must account for all operations and land contained in their assigned segments. All respondents are contacted in person by an enumerator, and a personal interview is conducted. Survey questionnaires are returned to the RFOs where they are visually reviewed and key entered.

Questionnaire content and format are evaluated annually through a specifications process where requests for changes are evaluated and approved or disapproved. Input may vary from question wording or formatting to a program change involving the deletion or modification of current questions or addition of new ones. If there are significant changes to either the content or format proposed, a NASS survey methodologist will pre-test the changes for usability.

All federal data collections require approval by the Office of Management and Budget (OMB). NASS must document the public need for the data, show the design applies sound statistical practice, ensure the data do not already exist elsewhere, and that the public is not excessively burdened. The June Area questionnaire must display an active OMB number that gives NASS the authority to conduct the survey, a statement of the purpose of the survey and the use of the data being collected, a response burden statement that gives an estimate of the time required to complete the form, a confidentiality statement that the respondent's information will only be used for statistical purposes in combination with other producers, and a statement saying that response to the survey is voluntary and not required by law.

**Survey Edit:** As survey data are collected and captured, data are edited for consistency and reasonableness using automated systems. Reported data are edited as a batch of data when first captured. The edit logic ensures the coding of administrative data follows the methodological rules associated with the survey design. Relationships between data items (i.e. responses to individual questions) on the current survey are verified. Some data items in the current survey are compared to data items from earlier surveys to ensure certain relationships are logical. The edit will determine the status of each record to be either "dirty" or "clean" (i.e. failing or passing the edit requirements for consistency and reasonableness). Records that fail edit requirements must be updated or must be certified by an analyst to be exempt from the failed edit requirement. Only records that pass edit requirements are eligible for final summary.

**Analysis Tools:** Edited June Area data are processed through an interactive analysis tool which displays data for all reports by item. The tool provides scatter plots, tables, charts, and special tabulations that allow the analyst to compare an individual record to similar records. Atypical responses and unusual data relationships become evident and RFO and Headquarters (HQ) staff review them to determine if they are correct. The tool allows comparison to an agricultural operation's previously reported data to detect large changes in the operation. Data found to be in error are corrected, while accepted data are retained.

**Outliers:** Both RFO and HQ statisticians conduct a review of value outliers to ensure the most accurate data and indications possible. The RFO statisticians review outliers for states within their regions and the HQ statistician examines outliers across all states. A determination is made as to whether an adjustment to final estimates will be required for each outlier. Many outliers trace back to unique situations that do not exist in the target population as much as the survey weight would indicate.

**Nonsampling Errors:** Nonsampling errors are present in any survey process. These errors include reporting, recording, and editing errors. Steps are taken to minimize these errors, such as comprehensive interviewer training, validation, and verification of processing systems, application of detailed computer edits, and evaluation of the data via the analysis tools.

**Nonresponse Adjustment:** Response to the June Area Survey is voluntary. Some producers refuse to participate in the survey, others cannot be located during the data collection period, and some submit incomplete reports. These nonrespondents must be accounted for if accurate estimates of land values are to be made. The weights for data items from reporting farms and ranches are not adjusted upward to account for the nonrespondents. For the land value questions, missing item level data are calculated by an imputation algorithm. All other missing item level data are made usable by manual imputation.

The land values imputation algorithm uses a nearest neighbor approach and requires a minimum of five complete reports within the nonresponse group to calculate the imputed value. If five complete reports are not available, the weighting groups are collapsed until five complete reports are identified. The first nonresponse group is reports within the same segment. If five complete reports are not found, it then moves on to reports within the same county and in similar strata, all reports in that county, all reports in the same Agricultural Statistics District (ASD) and lastly the entire State.

**Estimators:** The primary estimators used to set land values estimates are the area frame item-to-item ratios. The estimators calculate the weighted average value per acre by taking the ratio of total dollars to acres. Two area frame estimators are utilized in the NASS estimation program. Items that pertain to data entirely within the segment boundaries are weighted by the sampling weight associated with the segment. Items that pertain to entire farm level data are weighted by the original segment sampling weight and by the proportion of the farm residing inside the segment boundaries. Cropland and pasture land values are based on land within the segment boundaries, thus the numerator and denominator are weighted by only the segment sampling weight. For farm real estate land values, the numerator and denominator are

multiplied by the proportion of the farm residing inside the segment and the original segment sampling weight. Ratio indications are calculated excluding and including the imputed data.

**Estimation:** The land values data are summarized from the June Area dataset. Since all RFOs conduct identical surveys, the State data can be summarized and national survey point estimates, or indications, computed. RFOs are responsible for performing a detailed review of the survey data for states within their regions. Any irregularities revealed by the analysis must be investigated and, if necessary, resolved. The summary results provide multiple direct and ratio indications for each data series being estimated. FOs interpret the survey indications and submit State recommendations to NASS headquarters, providing justification in cases where recommendations deviate from survey results.

For the national estimates, NASS assembles a panel of statisticians to serve as the Agricultural Statistics Board which reviews the national results and establishes the national estimates. Since larger sample sizes yield more precise results, NASS employs the “top-down” approach by determining the national estimates first and reconciling the state recommendations to the national estimate. Using the acreage for each type of land for each state as a weight, state land value estimates are weighted to the national estimate. The Board also enjoys an advantage in being able to examine results across states, and compare the state recommendations. The same estimators used in the state summaries are produced by the national summary. The Board follows the same approach the states do in determining the national estimate. The historical relationship of the survey estimates to the official estimate is evaluated over time to determine accuracy and bias using tables and graphs. Each Board member completes an independent interpretation of the survey results which are shared with the other members and a consensus is reached. Often the state recommendations weighted by acreage do not equal the national estimate. Board members must reexamine the state results and revise some states to make the product of the state estimates agree with the national estimate.

## Quality Metrics for Land Values

**Purpose and Definitions:** Under the guidance of the Statistical Policy Office of the Office of Management and Budget (OMB), the United States Department of Agriculture's National Agricultural Statistics Service (NASS) provides data users with quality metrics for its published data series. The metrics tables below describe the performance data for the survey contributing to the publication. The accuracy of data products may be evaluated through sampling and non-sampling error. The measurement of error due to sampling in the current period is evaluated by the coefficient of variation for each estimated item. Non-sampling error is evaluated by response rates.

**Farm Tract** is a portion of a sampled segment that represents a unique operating arrangement that meets the definition of a farm.

**Sample Size** is the total number of farm tracts found in the sample segments in the June Area Survey excluding tracts on American Indian Reservations in Arizona, Nevada, New Mexico, and Utah and tracts in public and non-agricultural land use strata in all States.

**Response rates** measure the proportion of the farm tracts in the land values sample that responded to the June Area Survey.

**Coefficient of Variation** provides a measure of the size for the standard error relative to the point estimate and is used to measure the precision of the results of a survey estimator.

**June Area Survey Land Values Sample Size and Response Rates:** To assist in evaluating the performance of the estimates in the *Land Values* report, the sample size and response rates are displayed. The sample size changes from year to year as the number of farm tracts identified within the sampled segments varies.

**Land Values Sample Size and Response Rate – Region, State, and United States: 2012 and 2013**

Region and state	Sample size		Response rate	
	2012 (number)	2013 (number)	2012 (percent)	2013 (percent)
Northeast .....	1,885	1,302	78.7	80.3
Connecticut .....	32	27	78.1	92.6
Delaware .....	117	57	73.5	66.7
Maine .....	104	61	67.3	85.2
Maryland .....	214	174	81.8	77.0
Massachusetts .....	81	28	63.0	71.4
New Hampshire .....	18	13	94.4	69.2
New Jersey .....	176	59	83.0	72.9
New York .....	294	237	79.3	84.0
Pennsylvania .....	688	517	78.6	81.0
Rhode Island .....	27	37	81.5	70.3
Vermont .....	134	92	88.1	88.0
Lake .....	3,308	3,115	82.2	82.7
Michigan .....	697	637	79.6	76.8
Minnesota .....	1,718	1,618	80.2	82.8
Wisconsin .....	893	860	88.0	87.0
Corn Belt .....	8,027	7,358	77.4	74.0
Illinois .....	2,007	1,748	79.6	81.3
Indiana .....	1,244	1,025	76.9	70.4
Iowa .....	2,046	1,975	82.5	77.0
Missouri .....	1,685	1,636	69.2	62.7
Ohio .....	1,045	974	77.2	77.6
Northern Plains .....	5,699	5,881	67.8	67.4
Kansas .....	1,572	1,615	58.3	56.0
Nebraska .....	1,618	1,448	67.7	68.2
North Dakota .....	1,315	1,621	74.7	72.8
South Dakota .....	1,194	1,197	72.9	74.5
Appalachian .....	3,952	3,043	85.6	85.2
Kentucky .....	841	578	76.6	84.8
North Carolina .....	1,081	933	78.4	77.7
Tennessee .....	1,121	955	99.0	92.1
Virginia .....	549	303	85.6	79.9
West Virginia .....	360	274	86.4	93.1

See footnote(s) at end of table.

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**Land Values Sample Size and Response Rate – Region, State, and United States:  
2012 and 2013 (continued)**

Region and state	Sample size		Response rate	
	2012 (number)	2013 (number)	2012 (percent)	2013 (percent)
Southeast .....	2,023	1,822	85.1	83.9
Alabama .....	633	592	88.3	90.7
Florida .....	296	271	89.2	79.3
Georgia .....	775	775	81.3	79.0
South Carolina ...	319	184	84.0	89.7
Delta .....	2,622	1,868	86.5	86.8
Arkansas .....	1,021	656	80.9	82.5
Louisiana .....	736	552	86.0	86.8
Mississippi .....	865	660	93.6	91.2
Southern Plains .....	5,359	5,398	82.4	82.5
Oklahoma .....	1,122	1,183	70.1	65.3
Texas .....	4,237	4,215	85.7	87.3
Mountain .....	3,073	2,849	76.5	73.6
Arizona .....	143	124	87.4	91.9
Colorado .....	695	594	63.9	57.7
Idaho .....	562	387	79.9	74.7
Montana .....	973	1,217	82.0	80.4
Nevada .....	33	31	90.9	80.6
New Mexico .....	271	139	79.7	70.5
Utah .....	219	225	81.7	70.2
Wyoming .....	177	132	62.7	68.9
Pacific .....	2,095	1,877	76.0	72.5
California .....	856	832	75.0	76.1
Oregon .....	542	512	82.8	77.5
Washington .....	697	533	71.9	61.9
United States .....	38,043	34,513	78.9	77.3

## Land Values Coefficient of Variation – Region, State, and United States: 2012 and 2013

Region and state	Coefficient of variation					
	Farm real estate		Cropland		Pasture	
	2012	2013	2012	2013	2012	2013
	(number)	(number)	(number)	(number)	(number)	(number)
Northeast .....	5.1	4.2	3.3	4.1	10.2	8.5
Connecticut .....	14.1	22.9	(NA)	(NA)	(NA)	(NA)
Delaware .....	7.4	5.6	13.3	5.4	(NA)	(NA)
Maine .....	11.9	21.8	(NA)	(NA)	(NA)	(NA)
Maryland .....	10.0	8.0	4.6	7.5	(NA)	(NA)
Massachusetts .....	15.0	12.7	(NA)	(NA)	(NA)	(NA)
New Hampshire .....	19.3	11.1	(NA)	(NA)	(NA)	(NA)
New Jersey .....	11.8	21.2	8.2	18.3	14.4	1.3
New York .....	9.9	5.8	8.8	9.2	10.7	6.7
Pennsylvania .....	10.0	4.0	3.7	4.7	6.1	6.8
Rhode Island .....	21.4	11.7	(NA)	(NA)	(NA)	(NA)
Vermont .....	10.0	11.7	(NA)	(NA)	(NA)	(NA)
Lake .....	1.3	1.3	1.3	1.3	3.8	5.2
Michigan .....	2.7	2.6	2.7	3.0	12.9	14.8
Minnesota .....	1.8	2.0	1.7	1.9	5.0	10.9
Wisconsin .....	2.4	2.1	2.9	2.4	3.9	4.0
Corn Belt .....	1.0	0.9	0.7	1.0	2.6	2.8
Illinois .....	1.7	1.2	1.0	1.2	4.7	5.4
Indiana .....	1.5	1.5	1.5	1.6	3.3	4.8
Iowa .....	1.1	1.2	1.1	2.1	3.1	4.3
Missouri .....	1.5	1.9	1.2	1.6	2.9	2.4
Ohio .....	5.6	2.6	2.7	2.1	15.5	12.8
Northern Plains .....	1.3	1.2	1.0	1.3	2.5	2.1
Kansas .....	2.4	1.8	1.9	1.8	4.6	3.0
Nebraska .....	2.4	3.0	2.0	2.7	3.4	3.8
North Dakota .....	2.3	1.9	1.8	2.8	4.4	3.1
South Dakota .....	2.6	2.3	2.2	2.4	5.7	4.2
Appalachian .....	2.0	3.1	3.2	2.3	2.7	4.1
Kentucky .....	4.2	7.3	3.1	4.2	5.8	11.4
North Carolina .....	3.4	6.0	3.6	3.0	5.3	12.1
Tennessee .....	3.3	5.3	2.6	4.3	5.2	6.1
Virginia .....	5.3	7.8	13.0	7.7	5.5	7.2
West Virginia .....	4.7	4.3	6.6	3.2	5.5	5.3

See footnote(s) at end of table.

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**Land Values Coefficient of Variation – Region, State, and United States: 2012 and 2013 (continued)**

Region and state	Coefficient of variation					
	Farm real estate		Cropland		Pasture	
	2012 (number)	2013 (number)	2012 (number)	2013 (number)	2012 (number)	2013 (number)
Southeast .....	6.7	4.4	3.1	2.4	5.7	8.6
Alabama .....	5.0	4.2	3.8	3.6	6.1	6.3
Florida .....	12.7	12.8	4.2	4.1	7.7	15.8
Georgia .....	5.5	5.4	3.7	2.7	9.8	5.7
South Carolina ...	5.3	5.2	5.1	4.7	6.4	9.9
Delta .....	2.5	3.1	1.3	1.7	3.1	3.3
Arkansas .....	3.5	5.8	1.4	2.5	3.5	3.9
Louisiana .....	6.2	5.0	4.2	2.5	7.5	8.0
Mississippi .....	4.0	3.5	1.9	4.3	4.4	7.1
Southern Plains .....	2.1	2.2	1.9	2.0	2.8	2.5
Oklahoma .....	2.4	3.4	2.4	3.5	2.3	5.0
Texas .....	2.6	2.6	2.3	2.4	3.0	2.8
Mountain .....	6.7	14.9	4.2	3.1	6.6	23.7
Arizona .....	6.9	5.6	6.9	8.2	(NA)	(NA)
Colorado .....	5.9	6.3	4.6	5.1	8.0	8.2
Idaho .....	4.1	37.4	4.0	5.0	9.1	17.5
Montana .....	11.0	13.9	4.6	4.1	7.2	6.9
Nevada .....	6.3	23.8	(NA)	(NA)	(NA)	(NA)
New Mexico .....	13.8	77.4	15.8	10.5	19.0	89.0
Utah .....	45.1	8.4	21.1	19.6	14.0	2.2
Wyoming .....	7.4	10.6	10.4	12.6	16.3	5.5
Pacific .....	6.9	7.5	5.4	7.3	10.1	14.5
California .....	5.7	9.4	6.4	8.7	10.7	22.5
Oregon .....	30.4	16.7	7.3	8.2	15.1	15.8
Washington .....	6.5	9.2	6.5	8.4	13.7	16.8
United States .....	1.5	1.9	0.7	0.9	2.5	4.6

(NA) Not available.



## Information Contacts

Process	Unit	Telephone	Email
Estimation .....	Environmental, Economics, and Demographics Branch .....	(202) 720-6146	HQ_SD_EEDB@nass.usda.gov
Data Collection .....	Program Administration Branch .....	(202) 690-8747	HQ_CSD_PAB@nass.usda.gov
Questionnaires and Editing .....	Editing and Questionnaire Branch.....	(202) 720-6201	HQ_CSD_DCB@nass.usda.gov
Sampling .....	Survey Sampling Branch.....	(202) 720-3895	HQ_CSD_SB@nass.usda.gov
Analysis and Estimators .....	Statistical Methods Branch.....	(202) 720-4008	HQ_SD_SMB@nass.usda.gov
Dissemination and Webmaster .....	Data Dissemination Section.....	(202) 720-7017	HQDAPP@nass.usda.gov
Media Contact .....	Public Affairs Section.....	(202) 720-7017	HQDAPP@nass.usda.gov

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