

American Farmland Prices Are Going Bonkers

Mamta Badkar / Feb. 13, 2013, 1:01 PM

Despite the severe drought still gripping the U.S., farmland values continued to rise across most crop-growing regions in the third quarter. This is according to bankers surveyed in the latest report from the Kansas City Fed.

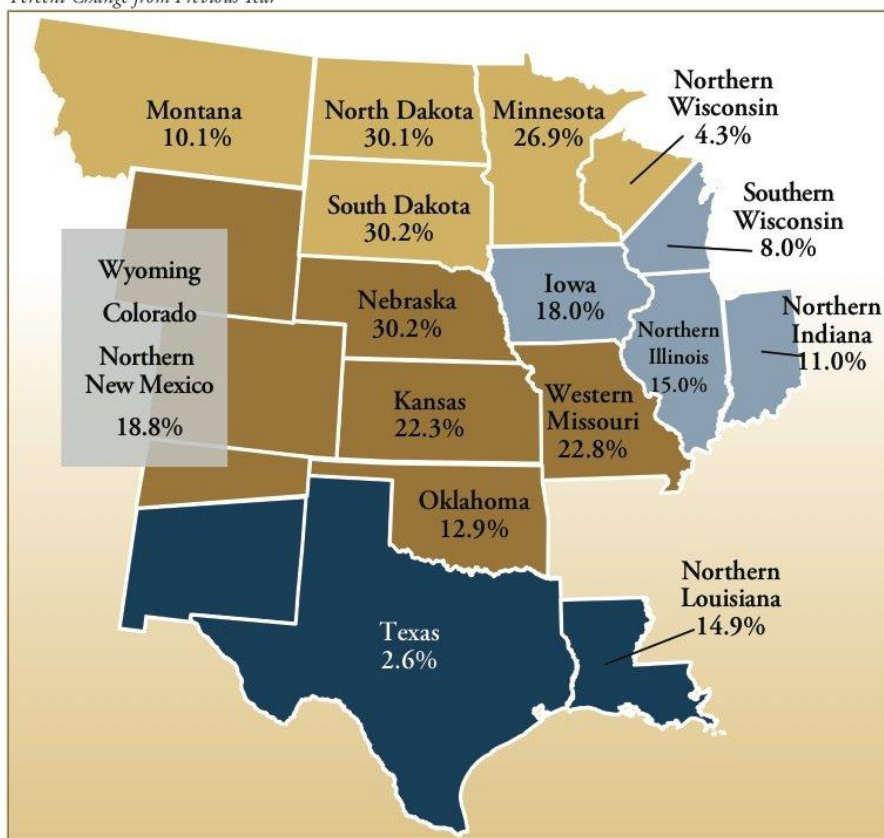
Farm income and land values were boosted by high crop prices and high crop insurance payments. In North and South Dakota, land lease revenue increased thanks to the region's energy deposits.

Bankers in the Corn Belt and Central Plains reported strong annual increases. Meanwhile in Texas, where growing conditions were poor, farmland values increased a modest 2.6 percent year-over-year.

For 2013, they continue to expect farmland values to stay elevated. Here's a look at how non-irrigated farmland values increased in the third quarter:

Map 1: Value of Non-Irrigated Cropland (Third Quarter, 2012)

Percent Change from Previous Year



Kansas City Fed