

# Oklahoma Agricultural Land Value Update



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# Before We Discuss the 2023 Results...

OSU land values study based on market sales data provided by Farm Credit Associations of Oklahoma

Average farmland sale = \$548,000. Sales tracts ranged from \$33K to \$20.6M.

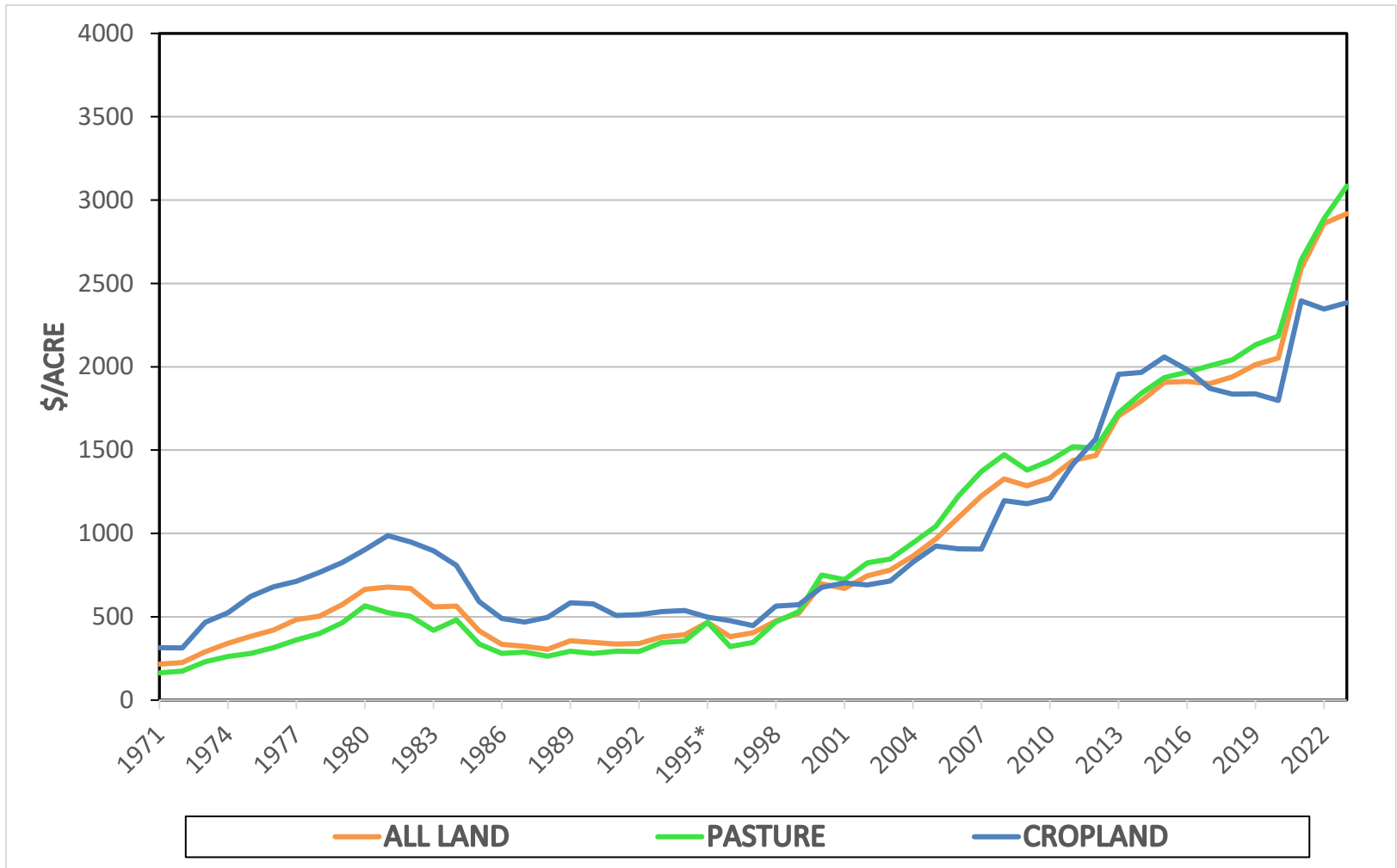
1,197 sales tracts down from 1,529 in 2022.

USDA-NASS and Federal Reserve Bank of Kansas City land value reports are survey-based impressions of the markets.

These data sources provide an interesting comparison and contrast when exploring the dynamics of the land markets.



# Oklahoma Farmland Values



|                          |        |        |        |
|--------------------------|--------|--------|--------|
| Since 2023               | +2.1%  | +6.8%  | +1.6%  |
| Annual growth since 2000 | +13.8% | +13.5% | +11.0% |

Source: OSU Ag Econ Department, 2024



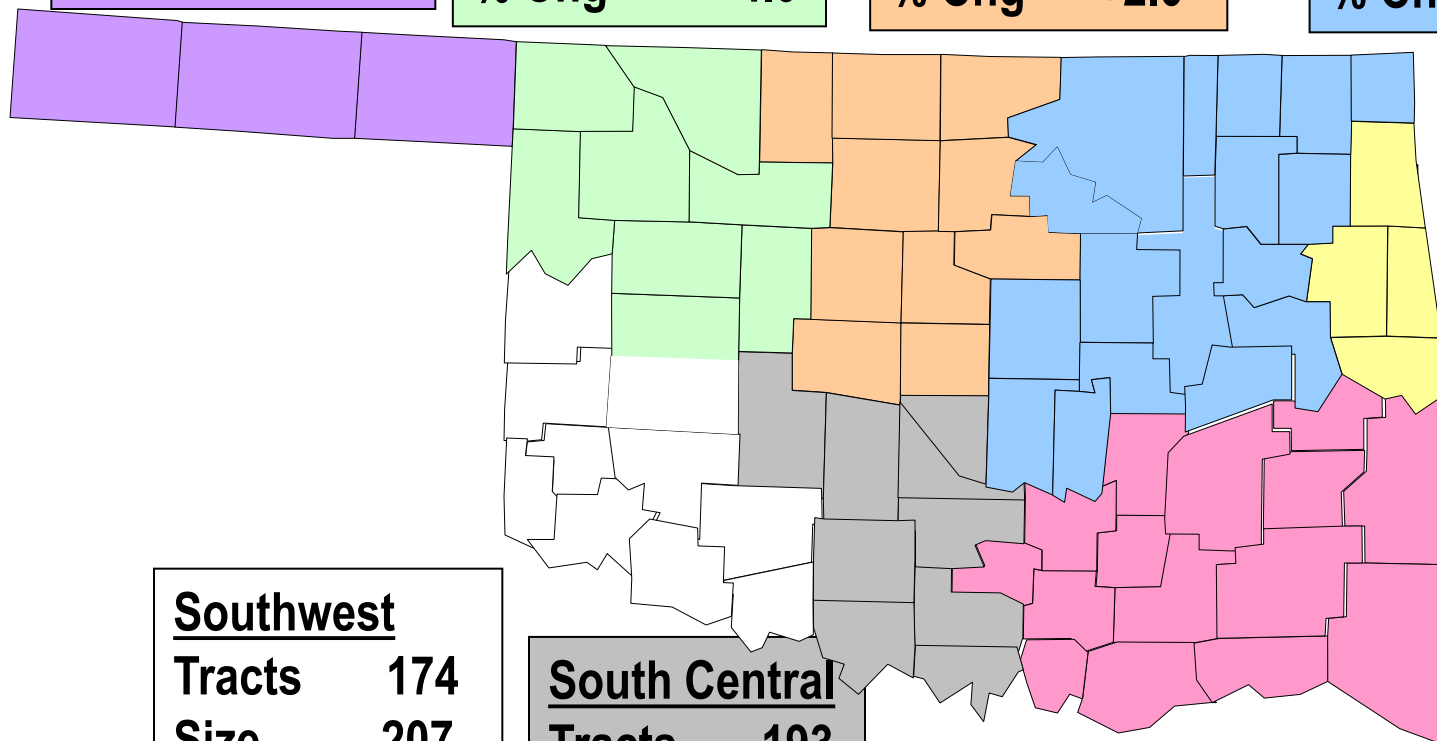
# Oklahoma Land Values by Region, 2023\*

| <u>Panhandle</u> |         |
|------------------|---------|
| Tracts           | 39      |
| Size             | 403     |
| \$/Acre          | \$1,344 |
| % Chg            | +22.1   |

| <u>West-Northwest</u> |         |
|-----------------------|---------|
| Tracts                | 163     |
| Size                  | 200     |
| \$/Acre               | \$1,845 |
| % Chg                 | +4.0    |

| <u>North Central</u> |         |
|----------------------|---------|
| Tracts               | 236     |
| Size                 | 137     |
| \$/Acre              | \$2,999 |
| % Chg                | +2.0    |

| <u>Northeast</u> |         |
|------------------|---------|
| Tracts           | 216     |
| Size             | 213     |
| \$/Acre          | \$3,586 |
| % Chg            | +2.1    |



| <u>East-Central</u> |         |
|---------------------|---------|
| Tracts              | 14      |
| Size                | 81      |
| \$/Acre             | \$4,614 |
| % Chg               | +23.9   |

| <u>Southwest</u> |         |
|------------------|---------|
| Tracts           | 174     |
| Size             | 207     |
| \$/Acre          | \$1,961 |
| % Chg            | +5.6    |

| <u>South Central</u> |         |
|----------------------|---------|
| Tracts               | 193     |
| Size                 | 135     |
| \$/Acre              | \$3,462 |
| % Chg                | -2.1    |

| <u>Southeast</u> |         |
|------------------|---------|
| Tracts           | 161     |
| Size             | 216     |
| \$/Acre          | \$3,609 |
| % Chg            | +8.6    |

\*Tracts  $\geq$  40 Acres  
and  $\leq$  \$9000/Acre

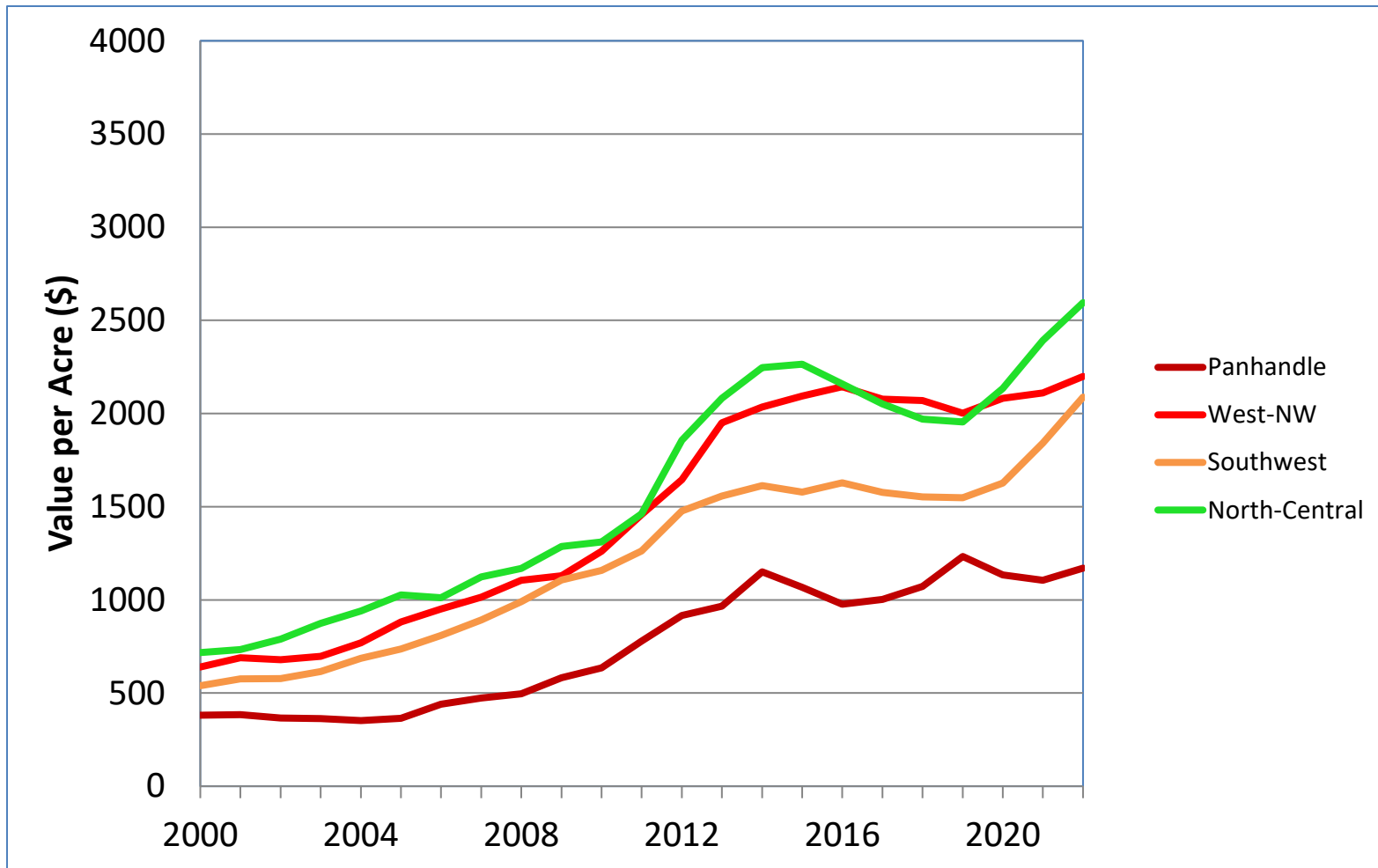
Source: OSU Ag Econ Department, 2024



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# Oklahoma Cropland Values by Region\*

## 3-Year Weighted Average



\*Cropland tracts are defined as having 85%+ annual crop utilization.

Source: OSU Ag Econ Department, 2024

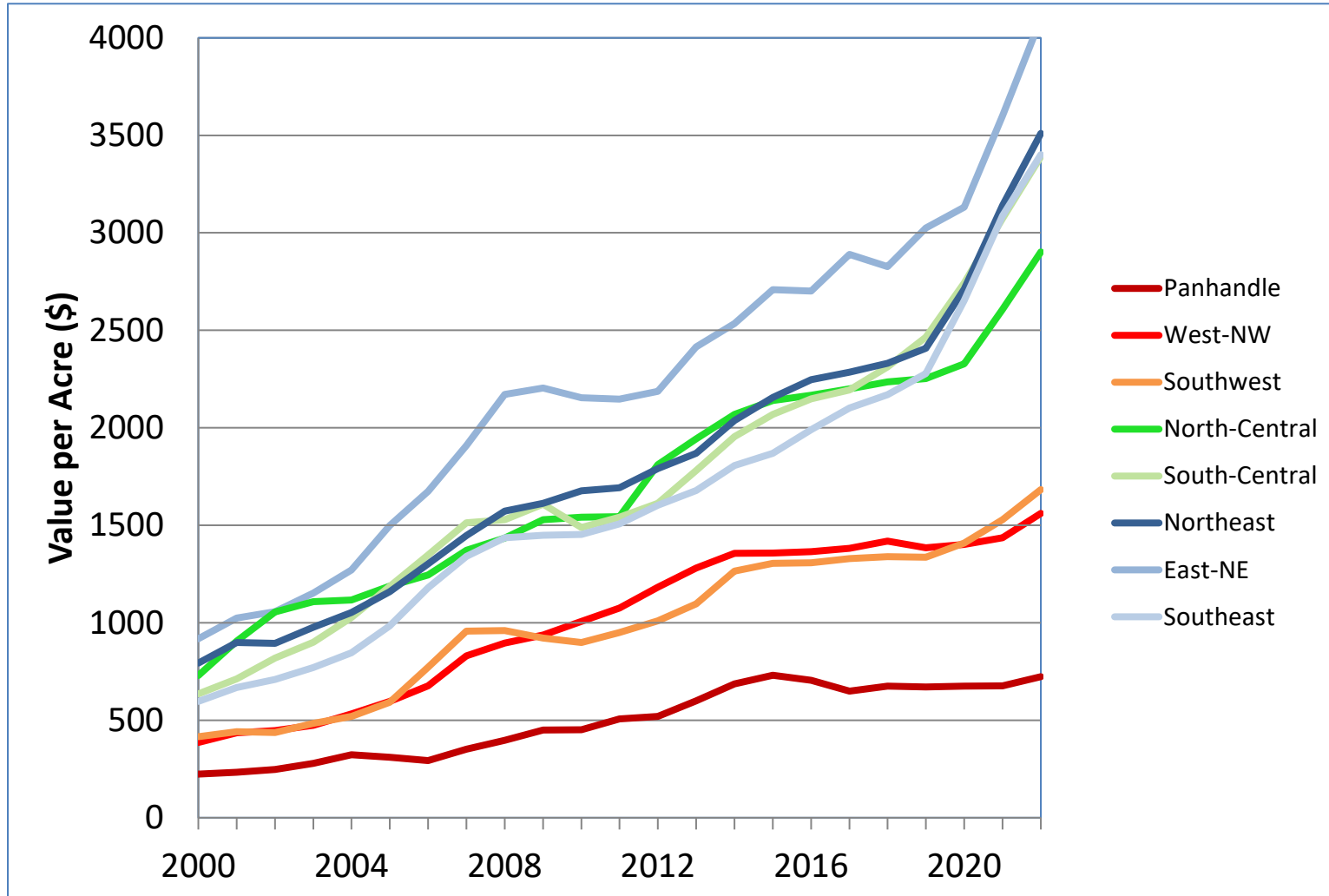


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# Oklahoma Pasture Values by Region\*

3-Year Weighted Average



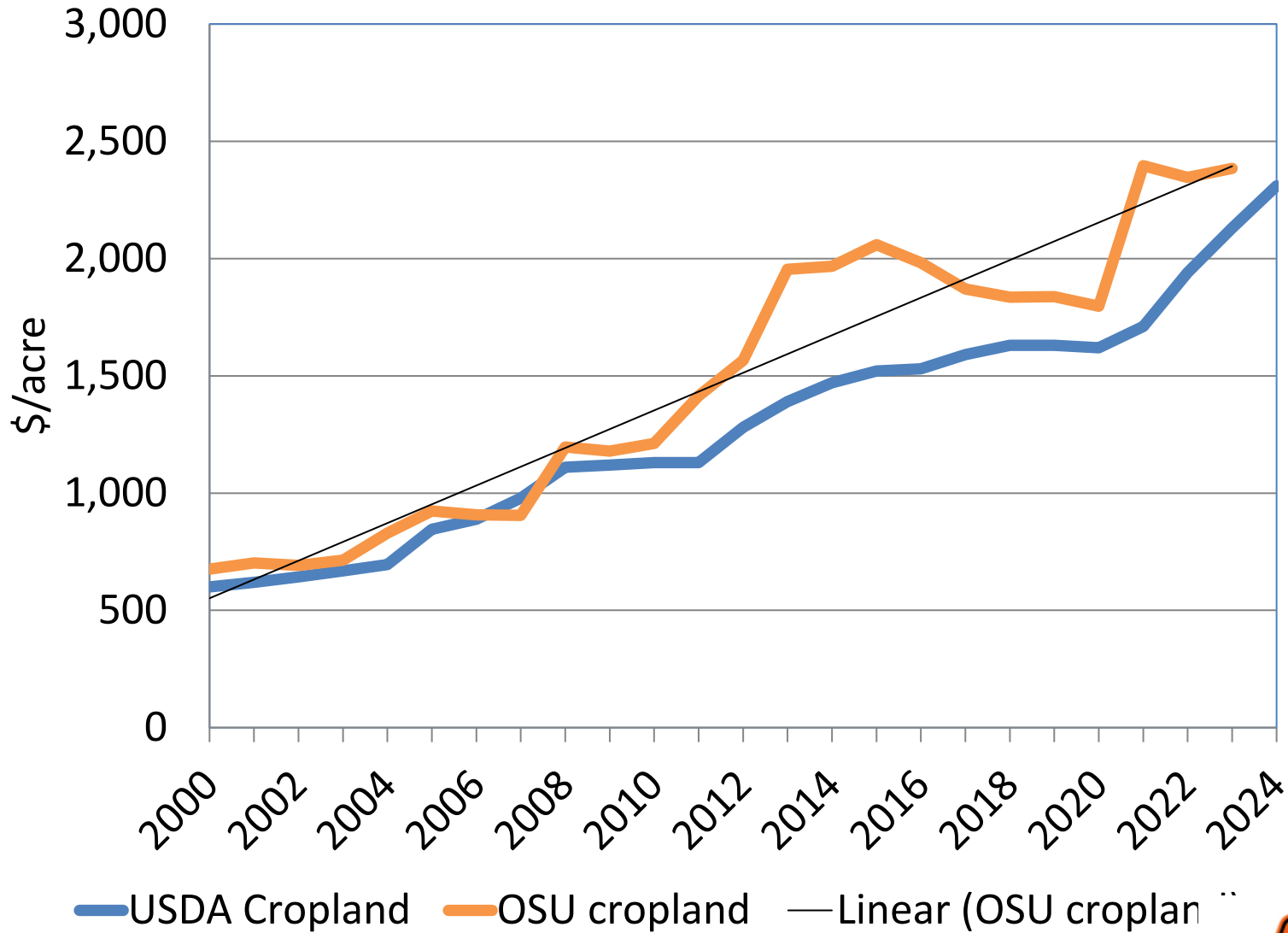
\*Pasture tracts are defined as having 85%+ permanent pasture utilization.

Source: OSU Ag Econ Department, 2024



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# USDA and OSU Cropland Values

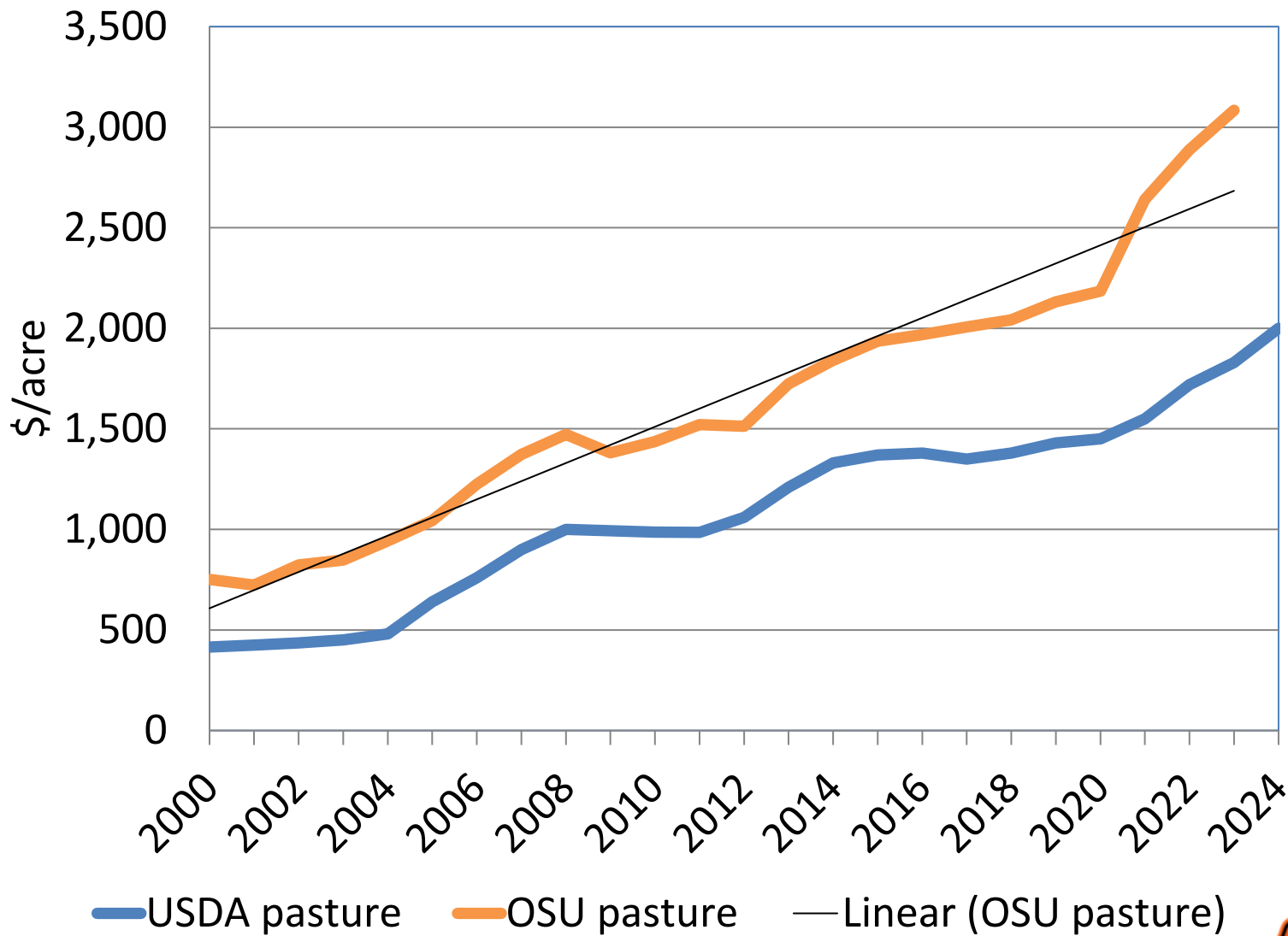


Source: USDA-NASS and OSU Ag Econ Department, 2024



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# USDA and OSU Pastureland Values



Source: USDA-NASS and OSU Ag Econ Department, 2024



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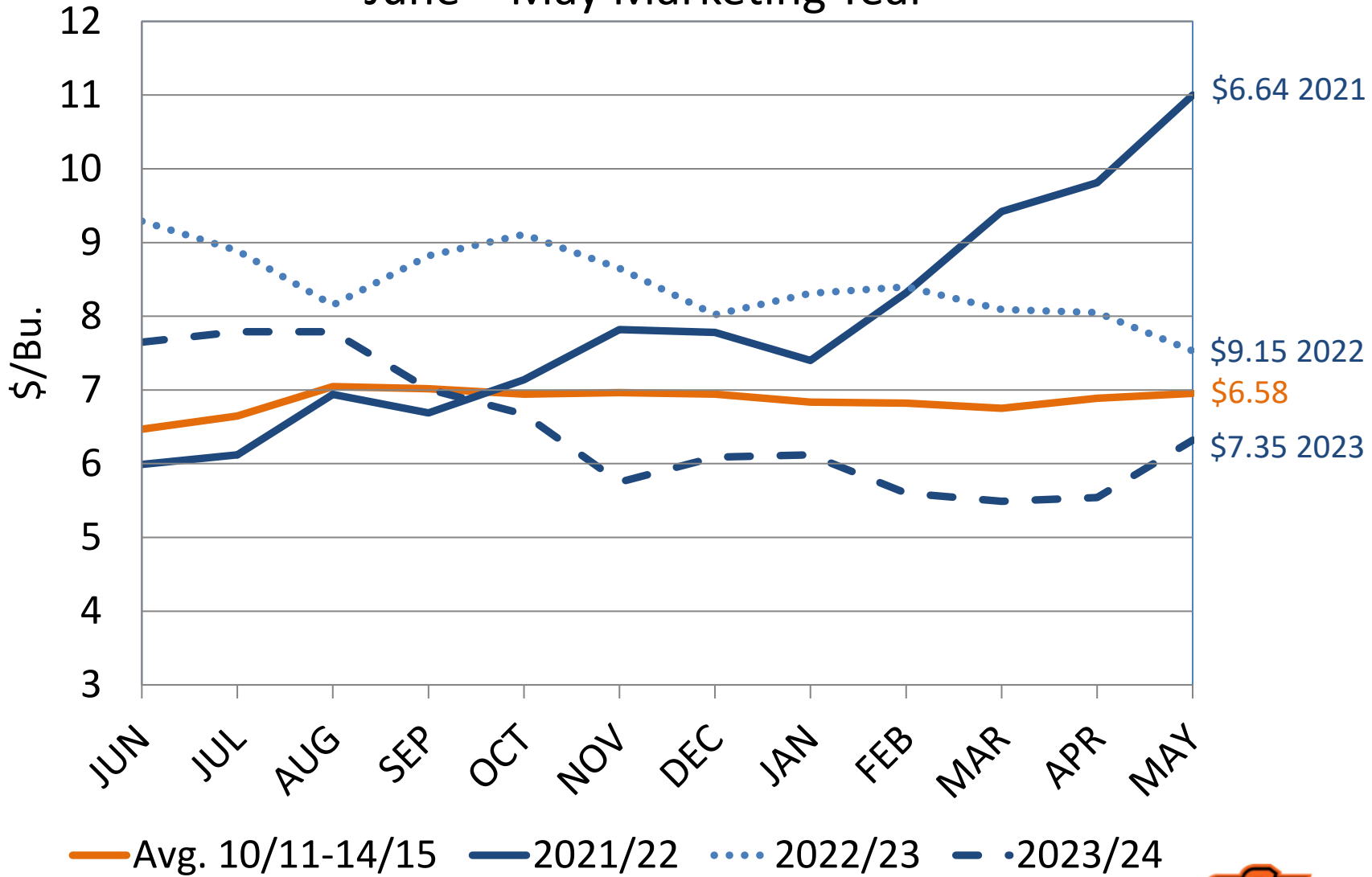
# Where are the land markets headed from here?

- Earnings – current and expected
- Interest rates
- Alternative investments
- Long-term appreciation



# Wheat – Monthly OK Average Price

## June – May Marketing Year



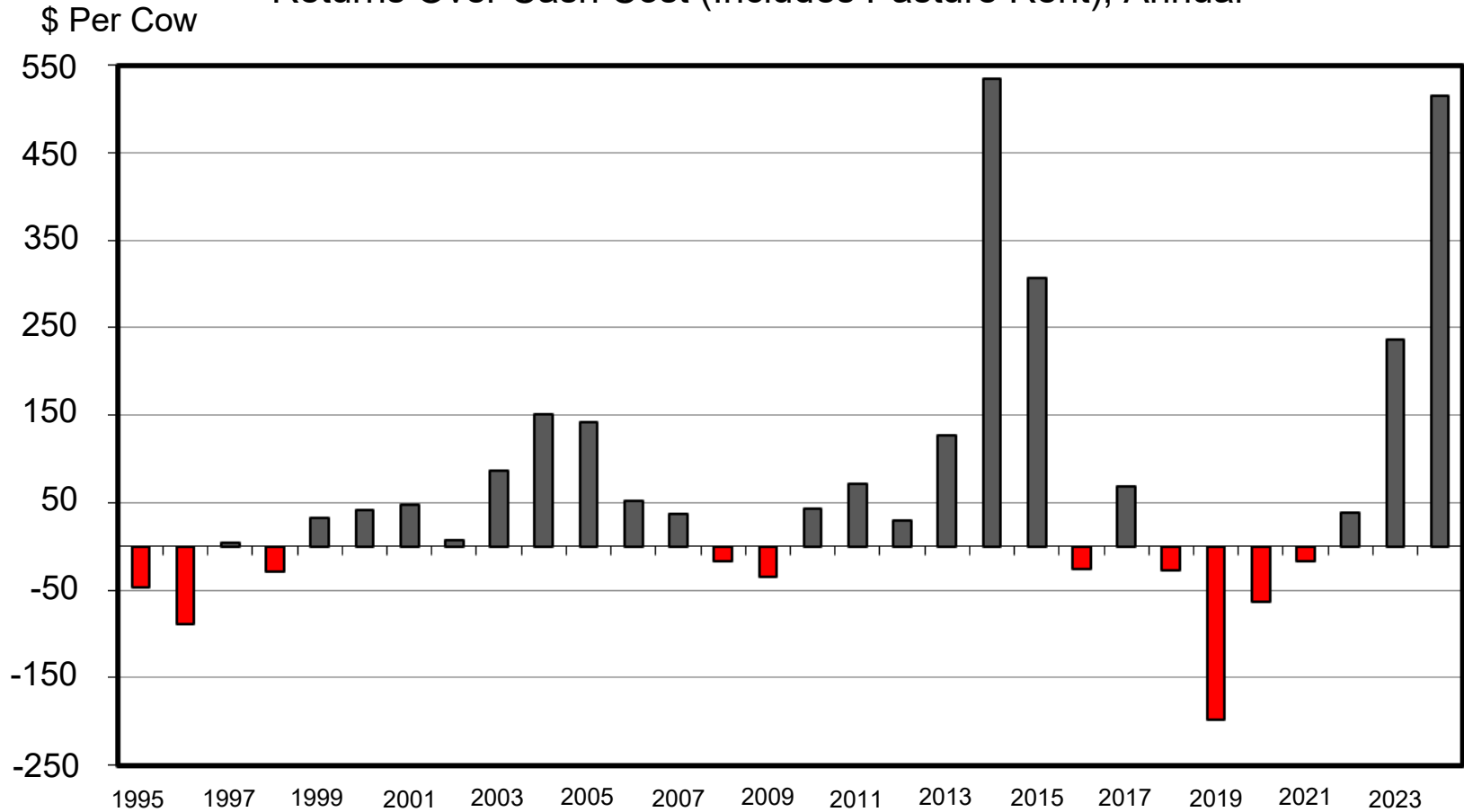
Source: USDA-NASS



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# ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual



Data Source: USDA & LMIC, Compiled by LMIC

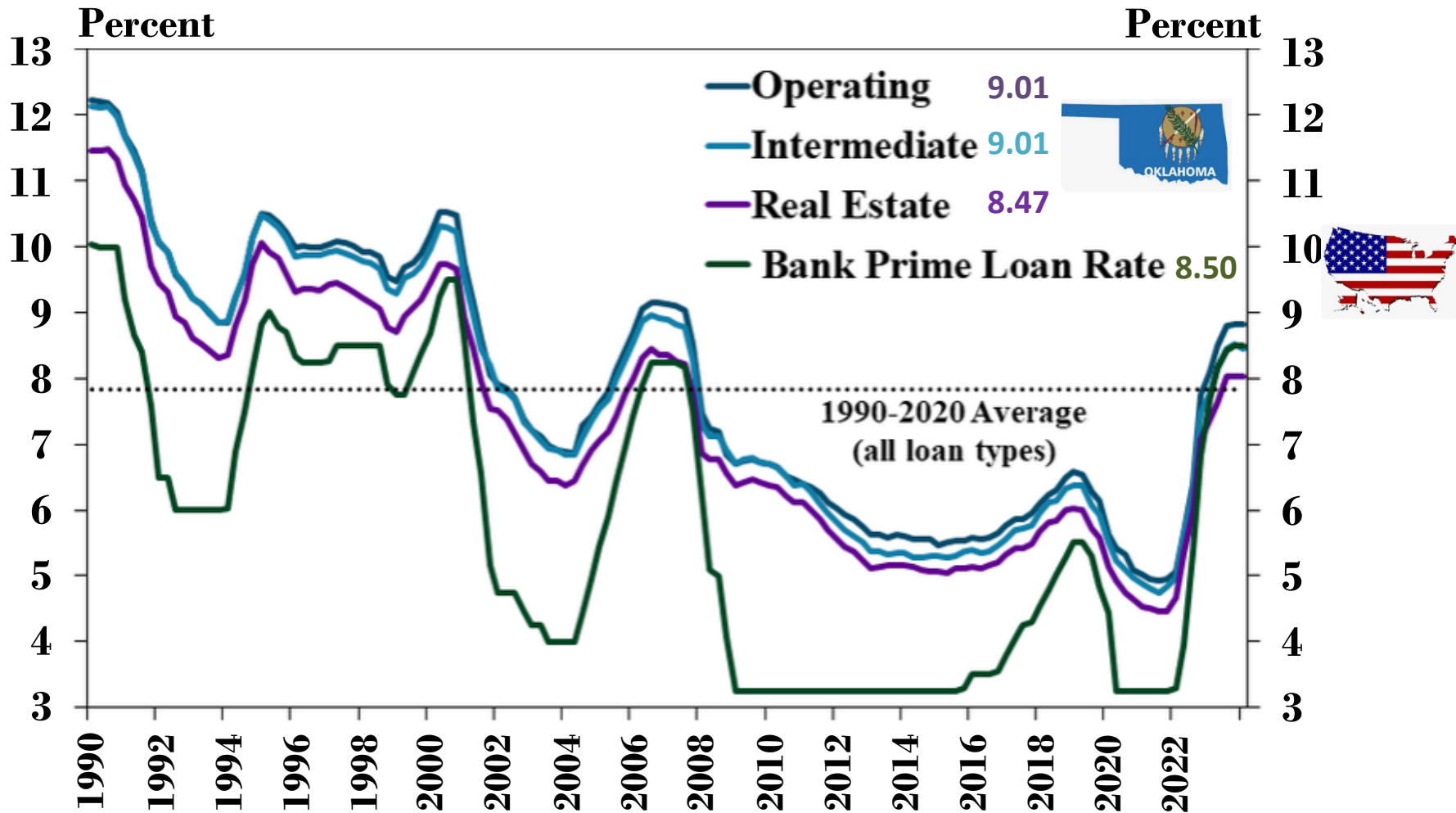
Livestock Marketing Information Center

C-P 66  
07/06/23



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# Tenth District Average Interest Rates



Source: Federal Reserve Bank of KC, May 2024



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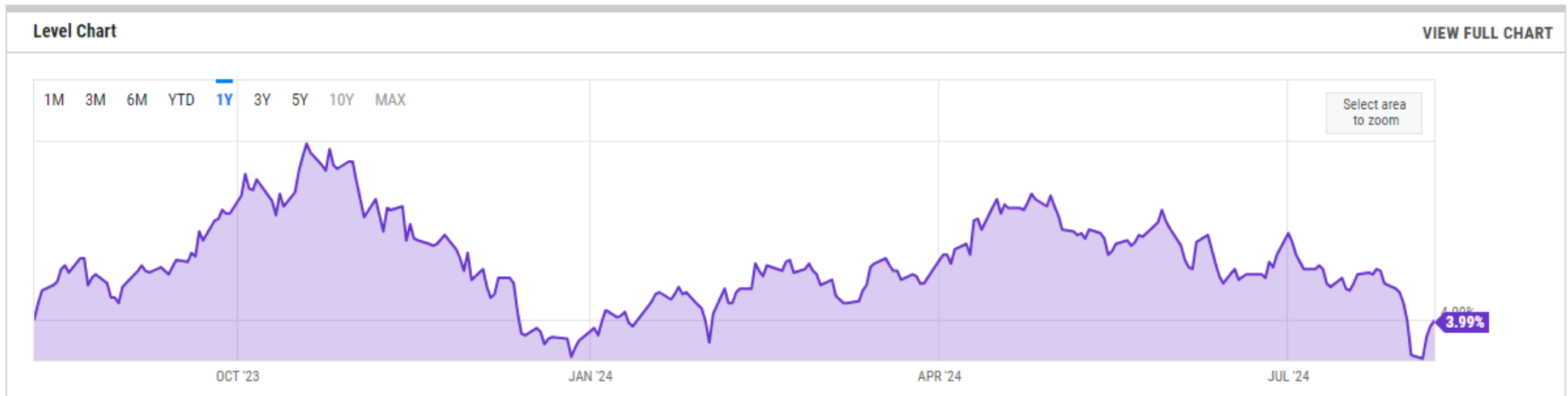


# Alternative Investments

## 10 Year Treasury Rate (I:10YTCMR)

3.99% for Aug 08 2024

Overview Interactive Chart



Source: [https://ycharts.com/indicators/10\\_year\\_treasury\\_rate](https://ycharts.com/indicators/10_year_treasury_rate)



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# Annual Loan Payments (\$/a)

30 year loan, 30% down

|            |           | 2021  | Interest rate |       |       | 2ndQ 2024 |
|------------|-----------|-------|---------------|-------|-------|-----------|
| Land price | Loan \$   | 5.2%  | 6%            | 7%    | 8.4%  |           |
| \$2,000/a  | \$1,400/a | \$93  | \$102         | \$113 | \$129 |           |
| \$2,500/a  | \$1,750/a | \$116 | \$127         | \$141 | \$161 |           |
| \$3,000/a  | \$2,100/a | \$140 | \$153         | \$169 | \$194 |           |

What price per acre could you afford to buy if the max payment is \$100/a at today's 8.4% rate and same repayment terms?

\$1,550 per acre



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Source: Quicken Loan Calculator

# In Summary....

Land values in 2023 continued to increase, but the growth has moderated especially cropland.

Headwinds from higher interest rates, lower grain/fiber prices plus production expenses remain elevated.

2024 values? Mixed. Mostly sideways for cropland, single digit growth for pastureland.

Longer term beyond 2024? Commodity prices and resulting farm income, interest rate levels, market offerings, the financial health of current buyers, prospects for continued appreciation. Plus other motivations....







## OKLAHOMA AGRICULTURAL LAND VALUES HOME

This page provides information about the values of agricultural land in Oklahoma including comparisons, averages and changes over time. All information displayed is based on actual land sale data provided by the Farm Credit Associations of Oklahoma. Approximately 80,000 sales in the database occurred from 1971 through 2021. Note that this is not a comprehensive database of all agricultural land transactions whether they were via public auction or private treaty. The percentage of all transactions captured will vary regionally and annually. Therefore, the land values offered here are a market-based estimate based on a sample of land sales over any given time period.

Only tracts 40 acres in size or larger selling up to \$3,000 per acre are included in the averages through 2007. Beginning in 2008 and once again in 2021, the market ceiling was increased to \$6000 and \$9000, respectively. This reflects a higher Oklahoma agricultural real estate market over time. Per acre values shown for cropland and pasture are the averages of tracts having 85%+ cropland and pasture utilization. Because of unavoidable data collection difficulties, relatively less land sale data is available for 1995 and 1996. As a result, caution is advised when analyzing land patterns and trends during this timeframe.

Every attempt has been made to present information that is useful and interesting while also providing a realistic measure of general trends and patterns. Information is summarized in several different ways according to the links shown. There are statewide statistics, regional



**Farm Management & Finance**

### Contact

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<https://extension.okstate.edu/programs/farm-management-and-finance/oklahoma-land-values>



## Other Information Available

- Kansas City Federal Reserve Bank
  - <http://www.kc.frb.org/>
  - Choose *Ag* in Economy section, then *Current Survey*
- USDA Ag Land Value Data and Reports
  - <http://www.nass.usda.gov/>



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[https://okstatecasnr.az1.qualtrics.com/jfe/form/SV\\_4Z6S10dWmAAffqm](https://okstatecasnr.az1.qualtrics.com/jfe/form/SV_4Z6S10dWmAAffqm)

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