

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

Nebraska Farm Real Estate Reports

Agricultural Economics Department

June 2008

Nebraska Farm Real Estate Market Developments 2007-2008

Bruce Johnson

University of Nebraska-Lincoln, bjohnson2@unl.edu

Ben Blomendahl

University of Nebraska-Lincoln

Ryan Lukassen

University of Nebraska-Lincoln

Follow this and additional works at: https://digitalcommons.unl.edu/agecon_farmrealestate

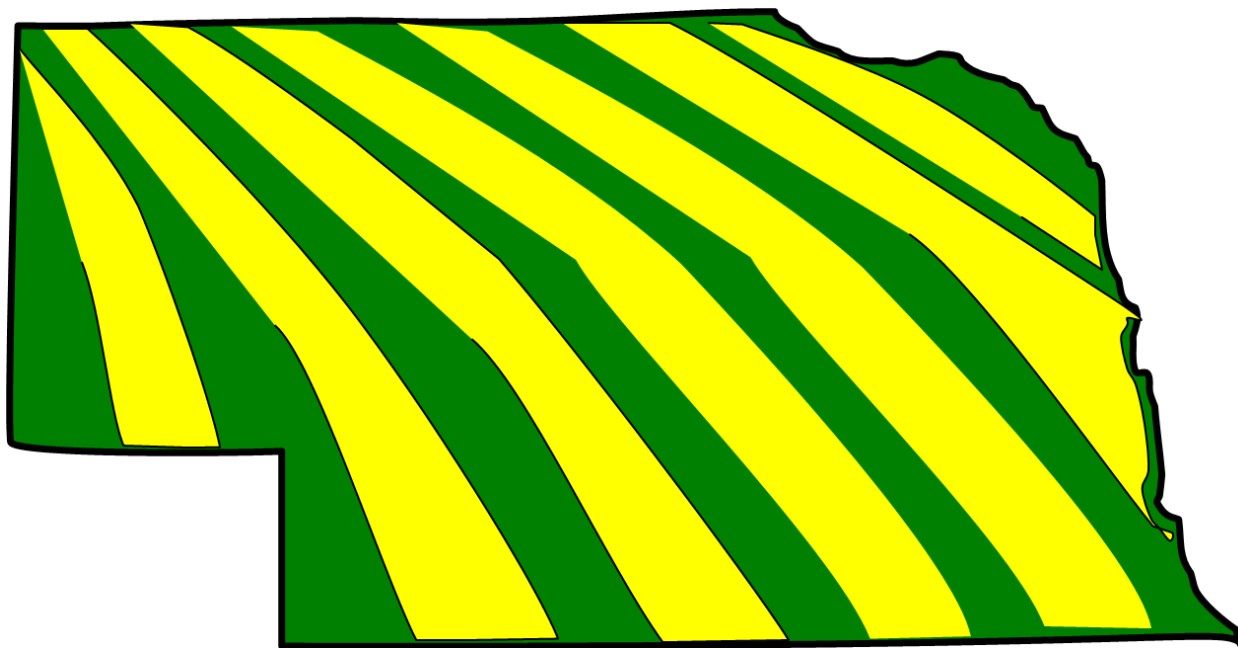


Part of the [Agricultural and Resource Economics Commons](#)

Johnson, Bruce; Blomendahl, Ben; and Lukassen, Ryan, "Nebraska Farm Real Estate Market Developments 2007-2008" (2008). *Nebraska Farm Real Estate Reports*. 2.

https://digitalcommons.unl.edu/agecon_farmrealestate/2

This Article is brought to you for free and open access by the Agricultural Economics Department at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Nebraska Farm Real Estate Reports by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.



Nebraska Farm Real Estate Market Developments 2007-2008

by
Bruce Johnson
Ben Blomendahl
and
Ryan Lukassen



The University of Nebraska–Lincoln does not discriminate based on gender, age, disability, race, color, religion, marital status, veteran's status, national or ethnic origin, or sexual orientation

Nebraska Farm Real Estate Market Developments 2007-2008

by

Bruce Johnson*
Ben Blomendahl**
and
Ryan Lukassen***

* Professor, Department of Agricultural Economics, University of Nebraska-Lincoln,
68583 Phone Number (402) 472-1794 e-mail: bjohnson2@unl.edu

** Graduate Assistant, Department of Agricultural Economics, University of Nebraska-
Lincoln

*** Undergraduate Assistant, Department of Agricultural Economics, University of
Nebraska-Lincoln

* * * * *

Sincere appreciation goes to the survey reporters for their participation in the annual UNL Nebraska Farm Real Estate Market Survey. Without their valuable input, much of the information within this report would not exist.

Special appreciation also goes to Diane Wasser, Project Coordinator, for her significant contributions throughout the survey process and report preparation.

This report and previous issues can be found on the Internet. The website address is:

<http://www.agecon.unl.edu/realestate.html>

* * * * *

Nebraska Farm Real Estate Market Developments 2007-2008

Summary

In this, the 30th year of the UNL Farm Real Estate Market Developments Survey and report series, some of the most dramatic changes ever in the market have occurred. During the year ending February 1st 2008, the average value of Nebraska farmland rose 23%, the largest annual increase in the series. Virtually every region of the state experienced strong cropland value increases. Cash rental rates experienced record advances as well, with 2008 levels for the cropland classes being 17% to 24% higher than 2007 levels.

Clearly, the agricultural real estate market has responded to crop commodity prices which have shot upward to record levels, and with them economic returns to land that few would have thought possible just a few years ago. Domestic demand from the ethanol industry coupled with a growing world demand has tipped the supply/demand dynamic to a point where market participants are factoring in a whole new paradigm of income expectations into the land market decision framework.

The rapid rise of Nebraska agricultural land values over the past four years (an average increase of 72%) raises concern that this may be a real estate bubble that is not sustainable and hence lead to subsequent devaluation. However, the income fundamentals underlying the recent increases appear sound.

Active farmers have returned to dominate the buying side of the market in most regions of the state, accounting for nearly three-fourths (73%) of the Nebraska purchases in 2007. In contrast, active and quitting farmers represented only a third of the selling side of the market.

One indicator of the current financial strength of the market is the fact that half of the reported sales during 2007 were cash purchases with no debt financing incurred. This was even more significant, considering that the average purchase price exceeded \$400,000 per parcel in seven of the eight sub-state regions.

Compared with recent years, both the reported and the calculated net percentage rates of return to the various agricultural land classes have risen. This is an indication that buyers are using some caution and factoring greater risk considerations into their maximum bid determinations. In other words, the new levels of economic returns to land are not being fully capitalized into the land values. Given the increased volatility of the entire agricultural economy, this is a positive sign that the land markets are responding responsibly.

As for 2008 expectations, the vast majority of UNL survey reporters (86%) anticipated further increases in agricultural land values during the year. On average, they were expecting increases of 12% for the year. The majority of reporters (63%) expected the level of market activity—number of parcels being offered for sale—to be similar in 2008 to levels of recent years.

Table of Contents

Introduction.....	1
2008 Land Values and Recent Trends	1
Agricultural Land Value and Income in a Historical Perspective	4
Land Value Ranges	6
Net Rates of Return to Agricultural Land	8
Factors Impacting Current Agricultural Land Markets	11
Characteristics of 2007 Market Transactions	12
2008 Cash Rental Market Conditions	15
Cash Rental Rate Adjustments for Different Irrigation Ownership Configurations	17
Hunting/Outdoor Recreation Leases.....	19
2008 Gross Rent to Value Ratios	20
Analyzing Earnings and Debt Servicing Capacity for Selected Land Types & Locations	22
Reporters' Expectations for 2008	22
Appendix	24

List of Figures

Nebraska Agricultural Statistics Districts	iii
Figure 1: Average Value of Nebraska Farmland, February 1, 2008 and Percent Change from Year Ago	2
Figure 2: USDA Average Land Values for Nebraska: 1950-2008P.....	5
Figure 3: USDA Real Average Land Values for Nebraska 1950-2008P	5
Figure 4: Agricultural Land Values and Net Farm Income in Nebraska, 1978-2008.....	6
Figure 5: Reporters' Rating of Factors Influencing Agricultural Land Values in Their Areas of Nebraska, February 2008	11

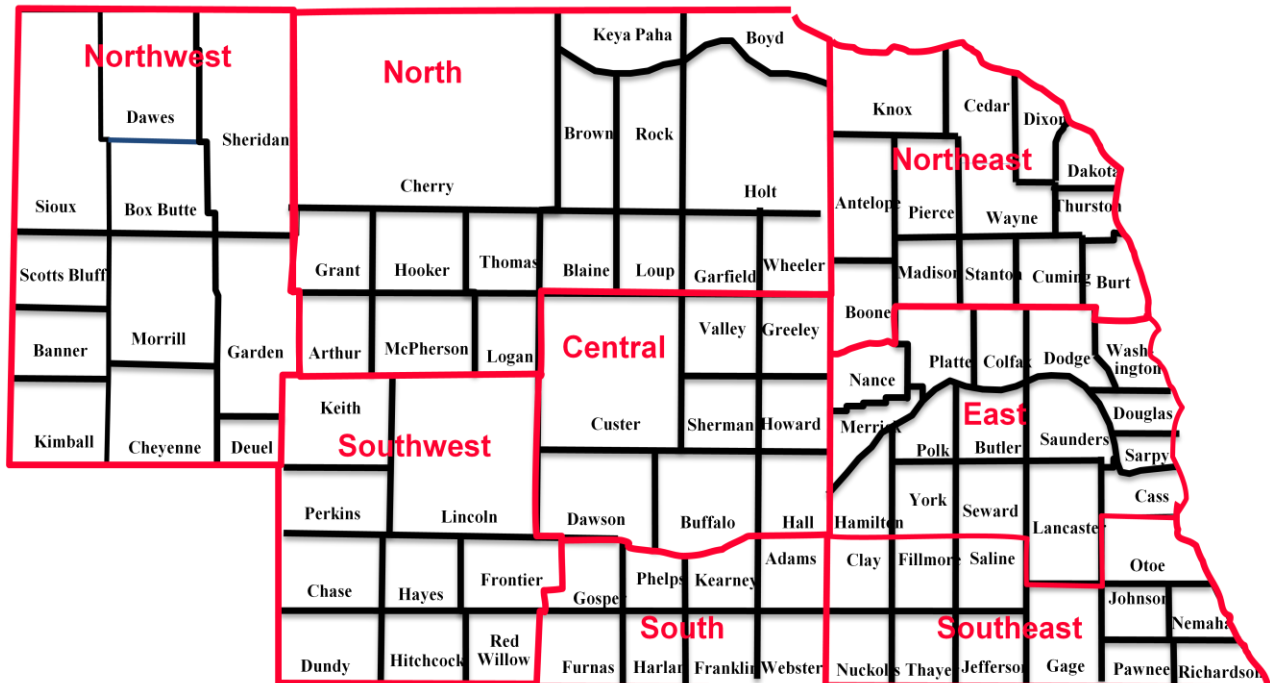
List of Tables

Table 1: Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, Feb. 1, 2007-Feb.1, 2008	3
Table 2: Average Reported Value Per Acre of Nebraska Farmland for Different Types and Grade of Land in Nebraska by Agricultural Statistics District, Feb. 1, 2008	8
Table 3: Estimated Annual Net Rates of Return by Type of Land and Agricultural Statistics District, 1990-2008.....	9-10
Table 4: Land Characteristics of 2007 Agricultural Real Estate Transactions, by Agricultural Statistics District in Nebraska	12
Table 5: Types of Financing Associated with 2007 Agricultural Real Estate Sales by Agricultural Statistics District in Nebraska	13
Table 6: Percent Distribution of Agricultural Real Estate Transactions in 2007 by Seller Type, by Agricultural Statistics District in Nebraska	13
Table 7: Percent Distribution of Agricultural Real Estate Transactions in 2007 by Buyer Type, by Agricultural Statistics District in Nebraska	14
Table 8: Percent Distribution Trends of Agricultural Real Estate Transactions in Nebraska by Buyer Type, 1998-2008	14
Table 9: Reported Cash Rental Rates for Pasture on a Monthly Rate Basis for 2008: Averages and Ranges by Agricultural Statistics District.....	16
Table 10: Reported Rental Rates for Pasture on a Monthly Rate Basis for 2008: Averages and Ranges by Agricultural Statistics District	17
Table 11: Cash Rental Adjustments on Center Pivot Irrigated Cropland in Nebraska Under Various Landowner/Tenant Ownership Configurations, by Agricultural Statistics District 2008	18
Table 12: Reported Hunting Lease Rates in Nebraska, 2008	19
Table 13: Reported Cash Rental Rates, Associated Estimates of Value, and Gross Rent as a Percent of Market Value by Type of Land and Agricultural Statistics District, 2008.....	21
Table 14: Analysis of typical Net Returns for Selected Land Types and Locations Using Typical Cash Rental Rates, 2008.	23

Appendix Tables

Appendix Table 1: Farm Real Estate Values in Nebraska, USDA Historical Series 1860-2008	25-26
Appendix Table 2: Deflated USDA Farmland Values and Percent Changes for Nebraska 1930-2008	27-28
Appendix Table 3: Nominal and Deflated Agricultural Land Values by Selected Types of Land in Nebraska, 1978-2008	29
Appendix Table 4: Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008	30-37
Appendix Table 5: Historical Per Acre Value Range for Different Types and Quality Grades of Land in Nebraska by Agricultural Statistics District, 2003-2008	38-39
Appendix Table 6: Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008	40-47

Nebraska Agricultural Statistics Districts



Introduction

This is the 30th year of the annual UNL Nebraska Farm Real Estate Market Developments survey. It comes at a very dynamic time in history when agricultural production and the resources used in that production are taking on profound global significance in a world of ever-growing demand for food, feed, and fuel. In turn, the nature of agricultural land markets is undergoing major change, as will be evident in the pages to follow.

Nebraska plays a major role in the U.S. agricultural economy. As a state, it ranks **fourth** in total cash receipts from all farm commodities and in volume of on-farm grain storage. It is **third** nationally in corn for grain production and cattle and calves. Its national ranking is **second** in cattle-on-feed, in irrigated land acreage, and in corn-based ethanol production. And it ranks **first** among the states in commercial red meat production and great northern beans production (<http://www.agr.state.ne.us/facts.pdf>).

The state's rich and diverse agricultural land endowment is the foundation of its productivity. With nearly 46 million acres of agricultural land, and abundant water aquifers irrigating more than 7.5 million acres, it represents a major natural resource asset for a sustainable future. Clearly, the current economic forces are factoring this into the markets for agricultural land (New York Times, 6/5/2008).

The 2008 UNL survey was conducted as of February 1st, surveying about 150 land market observers from across the state. These individuals, most of whom participate each year in the survey, are closely associated with the agricultural land markets in their geographic areas, working as agricultural real estate appraisers, lenders, professional farm managers, and other real estate professionals. The insight provided by this survey panel provides critical insight into the current conditions and trends in values and rents as well as general market characteristics.

Point-in-time estimates of values and rents are provided by these respondents for the various land classes that provide a trend series over time (the 30-year trend series for values and the 27-year series for cash rents are included in the statistical appendix of this report). State-level estimates of values are averages of the regions weighted by acreage distributions across the respective geographic regions.

Actual sales data on representative agricultural real estate transfers are also collected from reporters. In the 2008 survey, reporters provided more detailed information on 460 transactions which had occurred during the previous 12 months. This data base gives valuable insight into the transfer market down to the sub-state region level. When compared with previous years, this information reveals trends underway over time as well as variation across sub-state regions.

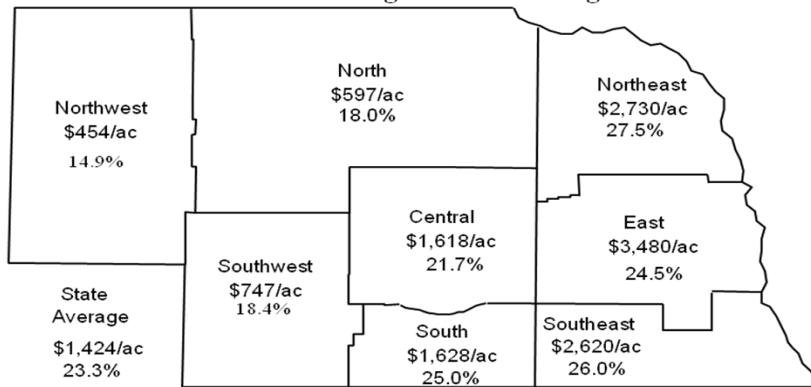
Additional features included in this year's report are information on:

- Hunting leases and general patterns across the state.
- Cash lease rates for irrigated land under various landlord/tenant ownership configurations.

2008 Nebraska Land Values and Recent Trends

During the year ending February 1st 2008, Nebraska farmland values rose sharply (Figure 1 and Table 1). In fact, the average all-state land value rose 23% over the 12-month period, the largest percentage annual gain recorded in the 30-year history of the UNL Nebraska Farm Real Estate Survey.

Figure 1. Average Value of Nebraska Farmland, February 1, 2008 and Percent Change from a Year Ago.



Source: 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

Sizable percentage increases in values were recorded across all sub-state regions and land classes during this time period, although the magnitude of change did vary somewhat. Clearly, participants on both the buying and selling side of these local markets were factoring in more profitable earnings of the recent past and positive expectations of earnings into the near-term future. Virtually all crop enterprises in the state experienced upward commodity prices—in many cases, price surges that would

have defied even the most optimistic expectations of just a few years ago. As corn price rises continued during 2007, prices of crops competing with corn for land also moved upward to new plateaus. And even for areas of the state where agricultural crops are not in direct competition with corn for acres, commodity prices were still climbing due to world supply/demand dynamics. In short, for the crop portion of the state's agricultural land market, a new commodity price plateau was emerging in the minds of market participants during 2007, and it was probably inevitable that this new mind-set would factor into spirited bidding for the associated agricultural cropland. As one survey respondent commented, which echoed the opinions of many others, *"this market is being driven by commodity prices across the board"*.

By region, the largest percentage value increases for the 12-month period were centered in the eastern areas of the state, led by the 27.5% gain recorded in the Northeast region. With the exception of the nontillable grazing land class, all classes of land in the Northeast region surged sharply upward in value, with dryland cropland values climbing about 30%. Given the sharp upward gains in this region over the past few years, the magnitude of this recent percentage advance borders on being described as being a "land boom" (over the past four years, the all-land average value in the Northeast has nearly doubled—a 97% increase).

Value advances during 2007 and recent years have also been quite strong in the Southeast region, where another 26% value advance was recorded for the 12-month period ending February 1, 2008. Here also, the all-land average value has nearly doubled in the past four years (94%).

Other areas of the state nearly matched the 2007 percentage increases of the Northeast and Southeast regions, but in the context of the past few years, the value appreciation has been much less. For example, in the South region, which recorded a 25% increase for 2007, the total increase over the past four years is just 37%. Much of this region has dealt with water availability issues and restrictions which led to much more cautious land market bidding in recent years. Higher commodity prices plus some weather relief during 2007 from multi-year drought conditions finally created strong value advances in this region as well.

Table 1. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, Feb. 1, 2007 - Feb. 1, 2008.^a

Type of Land and Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Dryland Cropland (No Irrigation Potential)									
Rptd. in 2008	460	707	2482	1347	3203	693	1214	2367	1578
Rptd. in 2007	383	558	1917	1056	2608	559	932	1840	1249
% Change	20.1	26.7	29.5	27.6	22.8	24.0	30.3	28.6	26.3
Dryland Cropland (Irrigation Potential)									
Rptd. in 2008	505	1035	3145	1894	3691	716	1301	2700	2213
Rptd. in 2007	490	808	2407	1561	2900	702	1126	2150	1771
% Change	3.1	28.1	30.7	21.3	27.3	3.3	15.5	25.6	25.0
Grazing Land (Tillable)									
Rptd. in 2008	316	567	1578	1018	1927	417	887	1380	648
Rptd. in 2007	282	475	1343	848	1493	387	684	1083	542
% Change	12.1	19.4	17.5	20.0	29.0	7.8	29.6	27.4	19.6
Grazing Land (Nontillable)									
Rptd. in 2008	287	386	975	781	1219	344	658	883	450
Rptd. in 2007	250	358	900	668	1033	310	553	749	401
% Change	14.8	7.8	8.3	16.9	18.0	11.0	19.0	17.9	12.2
Hayland									
Rptd. in 2008	570	688	1220	998	1525	660	859	1006	846
Rptd. in 2007	500	568	1005	791	1255	530	717	875	699
% Change	14.0	21.1	21.4	26.1	21.5	24.5	19.8	15.0	21.0
Gravity Irrigated Cropland									
Rptd. in 2008	1475	1633	3550	2934	4080	1550	2689	3477	3007
Rptd. in 2007	1195	1305	2795	2431	3323	1275	2199	2719	2444
% Change	23.4	25.1	27.0	20.7	22.8	21.6	22.3	27.9	23.0
Center Pivot Irrigated Cropland ^b									
Rptd. in 2008	1400	2221	3871	3082	4464	2071	3034	3818	3101
Rptd. in 2007	1112	1733	3077	2521	3646	1575	2254	3055	2463
% Change	25.9	28.1	25.8	22.3	22.4	31.5	34.6	25.0	25.9
All Land Average ^c									
Rptd. in 2008	454	597	2730	1618	3480	747	1628	2620	1424
Rptd. in 2007	395	506	2142	1329	2795	631	1302	2079	1155
% Change	14.9	18.0	27.5	21.7	24.5	18.4	25.0	26.0	23.3

^a SOURCE: 2007 and 2008 UNL Nebraska Farm Real Estate Market Developments surveys.

^b Value of pivot not included in per acre value.

^c Weighted averages

The western regions of Nebraska experienced smaller, albeit sizable, percentage value advances for the year ending February 1st, 2008. To a great extent this reflects the fact that these regions are comprised of a larger proportion of grazing land acreage, which did not appreciate as fast as cropland during the year due deteriorating income conditions in the cattle industry. There were also other classes of land among these regions which did not show major value gains due to both real and perceived limitations on water availability. However, for both the gravity and center pivot land classes, substantial percentage gains in value were evident for the year.

By type of land class, appreciations in average values at the state level from February 1st 2004 to February 1st 2008 are as follows (derived from historical series in Appendix Table 4):

- Dryland Cropland (No Irrigation Potential) 83.1%
- Dryland Cropland (Irrigation Potential) 74.0%
- Grazing Land (Tillable) 72.8%
- Grazing land (Nontillable) 63.6%
- Hayland 67.5%
- Gravity Irrigated Cropland 53.6%
- Center Pivot Irrigated Cropland 73.4%
- All-land Average 72.2%

The above patterns of appreciation rates over this extended period certainly are a reflection of rising crop commodity prices and the associated cropland income potential, particularly in the last half of this four-year period. The nontillable grazing land and hayland classes showed smaller gains. Tillable grazing land (which in some areas still infers the potential conversion to cropland via irrigation development) experienced larger gains than the other forage classes, but was region-specific in nature. It is also notable that the appreciation gains for gravity irrigated cropland have tended to lag those of center pivot cropland—clearly reflecting the greater energy, water, and labor efficiencies associated with the latter.

Agricultural Land Values and Income in a Historical Perspective

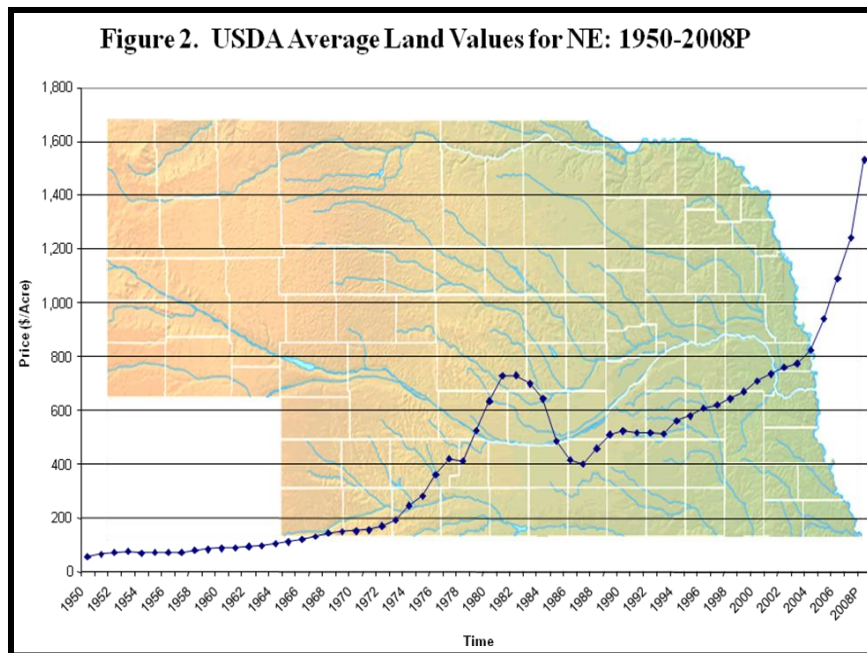
Given the recent explosiveness of agricultural land values in Nebraska and its neighboring states:

Iowa (<http://www.extension.iastate.edu/publications>),
 Kansas (<http://www.agmanager.info/farming/land>), and
 South Dakota (<http://agbiopubs.sdstate.edu/articles/c273>),

it is important to analyze the situation in a broader, longer-term context, attempting to understand more clearly the underlying forces. Bottom line, the basic question could be, “are we witnessing a real estate bubble?” (By real estate bubble we are inferring increases in real estate valuations until they reach unsustainable levels relative to incomes and other economic elements.)

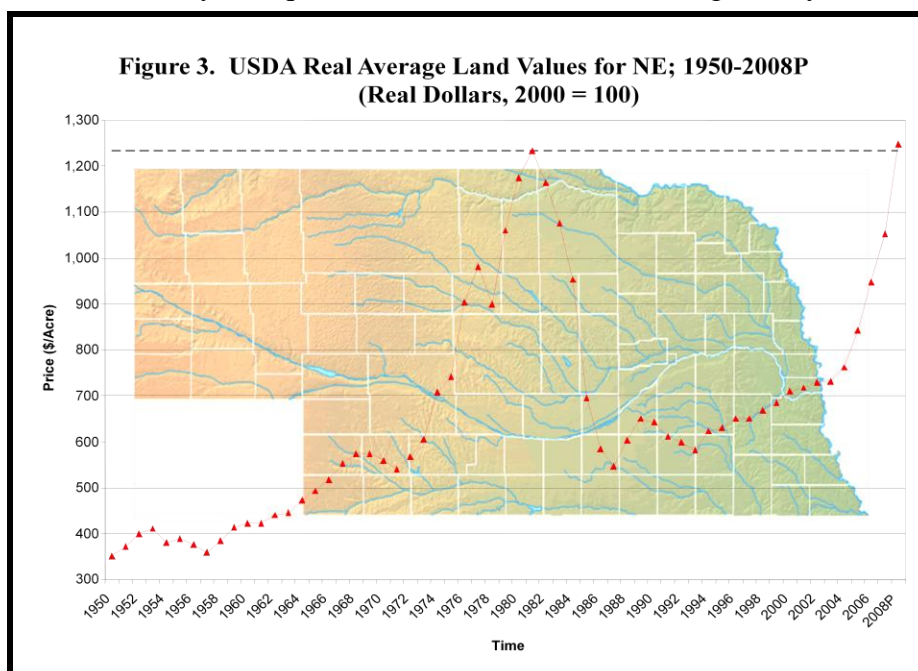
Using the USDA agricultural land value series for Nebraska going back to 1950, it is clear that recent value changes have been profound relative to the rather deliberate changes of the previous two decades (Figure 2). In fact, with the exception of the value run-up during the period, 1976-1981, the recent surge is unprecedented over the past half century. Moreover, the period of asset devaluation which occurred during the period 1981 to 1986, could certainly raise the concern that a similar devaluation period may be again be in the near-term future.

However, looking further at the long-term trend and adjusting for inflation (values adjusted to constant dollars) the historical pattern of the USDA series for Nebraska looks somewhat different (Figure 3). In real terms, average values peaked in 1981 and then plunged precipitously in the years to follow. In fact, only with the gain recorded in the most recent 12-month period has Nebraska's average agricultural land value reached and slightly exceeded the previous all-time high in constant dollars (GDP Price Deflator with the year 2000 equal to 100). In this context, the current value of agricultural real estate seems more realistic.



But ultimately, the question still remains about the legitimacy of the recent value advances. Are they

grounded on some economic fundamentals or are they reflecting a highly-speculative market aberration?

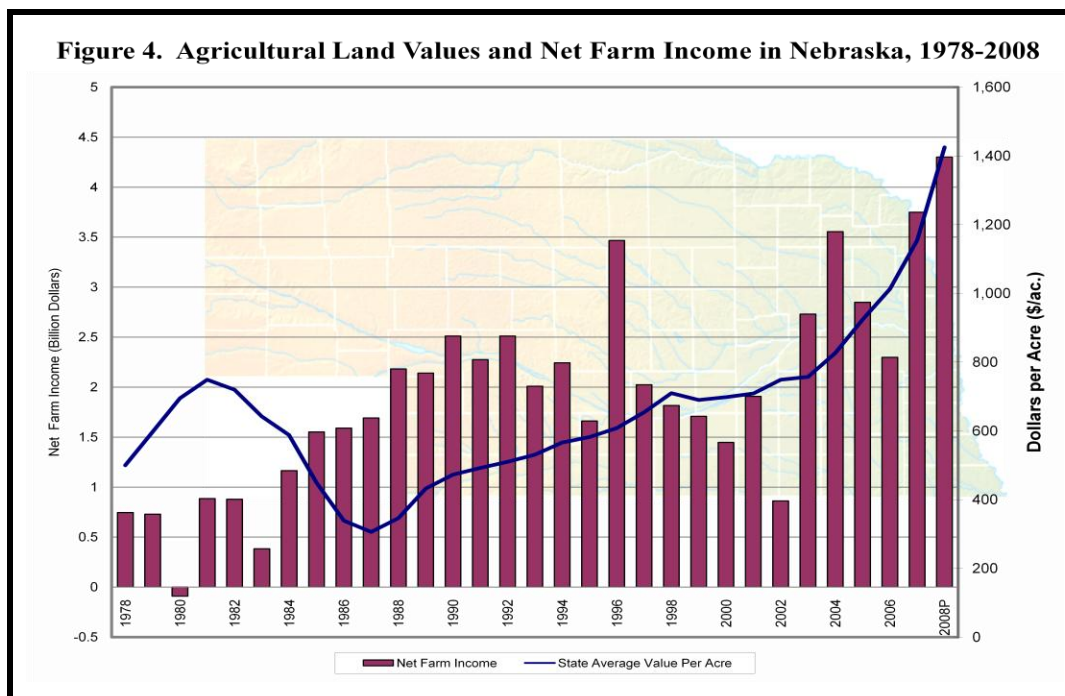


Since agricultural land represents an income-producing asset, its value is essentially driven by the earnings (both actual and expected) that it generates. Charting USDA annual net farm income estimates for Nebraska over the past 30 years provides a proxy for land earnings over time (Figure 4). While year-to-year variations are sizable, there is clearly an upward trend in the most recent years. In fact, USDA preliminary estimates for 2007 reveal a record income year for

Nebraska, with the forecasted 2008 level even higher. Moreover, the division of the total income picture between the crop sector and the livestock sector has shifted dramatically towards the former over the past two to three years which would imply the relative increases in returns to cropland have actually exceeded this aggregate income measure.

In short, the recent income earnings history and the expectations into the foreseeable future would provide a solid economic basis for the robust land value appreciation that has occurred up to this point in time. In addition to the rapid development of the corn-based ethanol industry, domestic and world demand for this state's agricultural crop commodities is strong, with supply constraints becoming increasingly problematic.

U.S. agricultural exports reached a record high in 2007; and forecasts for 2008 place agricultural export volume 33% higher. To be sure, risk and uncertainty is high in this economic climate. That said, however, it would appear that land market participants have factored a higher income plateau into their reasoning. And land, being the *residual claimant* of earnings to agricultural production, has been valued accordingly.



Of course, the implications in terms of wealth accumulation to Nebraska farm real estate owners are significant. First, based on the USDA series as presented in Appendix Table 1, it is evident that more than \$13 billion of land asset wealth in current dollars has been added in the past year alone. Given that the vast majority of agricultural real estate is owned by in-state owners, this suggests a stronger financial footing for the state's economy at the same time that other parts of the country are experiencing substantial real estate devaluation and related economic weakness.

Second, it also suggests that a subtle shift in property tax burden may be taking place over time. While agricultural real estate has been appreciating rapidly—and assessed values adjusted upward accordingly—the other real estate classes have generally remained relatively stable or even declined somewhat in value. In turn, the agricultural real estate component's portion of the overall property tax burden in the respective tax jurisdiction will tend to increase over time (for more discussion of this, see *Nebraska Farmer* magazine, June 6, 2008).

Land Value Ranges

Reporters to the UNL farm real estate survey report values ranges for each of the respective land classes in their areas. The 2008 averages for low grade and high grade land are presented in Table 2 and the most recent 6-year history of these ranges are found in Appendix Table 5.

These ranges reveal the considerable variation in value that market participants recognize and factor into the buying-selling process. Given that grade is basically reflecting real and perceived productivity measures, it suggests that market participants are generally astute to earnings potential.

As to what factors impact these grades and associated values, certainly soil productivity measures are primary. A detailed soils classification breakdown by acres is in public record for each land ownership parcel in the state (complete files maintained by the county assessor's office in each respective county). The classification system is an array of eight classes for irrigated land (IA1, IA, IIA1, IIA, IIIA1, IIIA, IVA1, IVA), eight classes for dryland cropland (ID1, ID, IID1, IID, IIID1, IIID, IVD1, IVD) and eight classes for pasture/grazing land (IG1, IG, IIG1, IIG, IIIG1, IIIG, IVG1, IVG). In each instance the "I" grades are the highest quality and the "IV" grades are the lowest. The associated assessed values per acre will essentially reflect an index of productivity across these grades.

In addition to soil productivity, numerous other factors can impact both real and perceived quality of a particular agricultural land parcel. Parcel size, for example, may alter perceived quality and hence value. If a parcel is relatively small, for example, it may not be as desirable as a farmable unit. Conversely, a parcel may be so large, (a more common occurrence in ranching areas of the state) that the potential buyer pool may be rather limited by financial constraints.

The general farmability of a tract of land will also be a consideration of quality. Smaller and more irregularly configured parcels and field sizes will not be as desirable in the market, and therefore experience a value discount. This becomes an increasing consideration as farming operations expand in size and strive for high production efficiencies.

Of course, in the case of irrigated land, water availability and associated costs of irrigation can vary greatly from parcel to parcel and impact market value. For example, irrigated parcels powered with electric motors will be graded (and valued) higher in today's market simply because of the relative energy cost advantage associated with electric power over alternative energy sources.

Across all three general land classes, weed problems, drainage problems, unique fertilization requirements, etc. all may impact the market participants' determination of grade and value.

To sum up, in the case of the agricultural land market, virtually every parcel is unique. Assigning value can be, and often is, a complex analysis process. And the more refined these considerations enter into the market negotiation process, the more accurate the market assigns value.

Table 2. Average Reported Value Per Acre of Nebraska Farmland for Different Types and Grade of Land in Nebraska by Agricultural Statistics District, February 1, 2008. ^a

Type of Land and Grade	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
	----- Dollars Per Acre -----							
Dryland Cropland (No Irrigation Potential)								
Average	465	707	2482	1347	3203	693	1214	2391
High Grade	575	930	3340	1700	3610	770	1525	2865
Low Grade	340	600	2150	945	2435	490	875	1855
Dryland Cropland (Irrigation Potential)								
Average	505	1035	3147	1894	3691	716	1301	2700
High Grade	605	1300	3810	2290	4075	785	1800	3150
Low Grade	390	930	2690	1300	2955	610	1010	2075
Grazing Land (Tillable)								
Average	316	567	1578	1018	1927	417	887	1380
High Grade	365	800	1880	1400	2350	450	1095	1480
Low Grade	265	525	1300	770	1660	390	605	1020
Grazing Land (Nontillable)								
Average	287	386	975	765	1019	344	658	883
High Grade	360	440	1220	945	1500	390	755	1060
Low Grade	245	320	820	650	1015	290	500	660
Hayland								
Average	570	688	1280	998	1525	660	859	1006
High Grade	650	835	1410	1080	2100	970	900	1295
Low Grade	435	600	1050	760	1600	540	600	800
Gravity Irrigated Cropland								
Average	1475	1633	3550	2934	4080	1550	2689	3477
High Grade	1860	1900	4000	3380	4495	1900	3215	3815
Low Grade	1075	1350	3085	2285	3310	1265	2080	2850
Center Pivot Irrigated Cropland ^b								
Average	1400	2221	3964	3082	4464	2071	3034	3818
High Grade	1760	2625	4460	3450	4865	2385	3325	4175
Low Grade	1110	1750	3230	2320	3515	1495	2050	3010

^a SOURCE: 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Value of pivot not included in per acre value.

Net Rates of Return to Agricultural Land

UNL survey reporters provide estimates of the average percentage **net** rates of return for each of the general land classes. This percentage is the annual expected per-acre income return to the land owner (after property taxes and all other owner-related expenses are subtracted) divided by the current average per acre value of the parcel. In the financial world, this is the estimated percentage rate of return on assets (ROA). Real estate appraisers calculate this return on income-producing property and refer to it as the market-derived capitalization rate, since it is based upon the estimated annual net income flows associated with recent market sales. It is this rate that is commonly used in the income approach to agricultural land appraisal.

The 2008 estimates of net rates of return along with the historical series are presented in Table 3. For irrigated land, the 2008 rates were nearly universally higher than those of the previous two years. A similar pattern across the regions can also be observed for the dryland cropland class.

Table 3. Estimated Annual Net Rates of Return by Type of Land and Agricultural Statistics District, 1990-2008.^{ab}

Type of Land and Year	Agricultural Statistics District								State Ave.
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	

----- Percent -----

Irrigated Land:

1990	8.3	9.3	6.9	6.8	6.7	6.3	6.3	6.0	7.1
1991	8.7	8.0	6.8	6.5	6.4	6.4	6.2	5.9	6.9
1992	6.8	6.5	6.6	6.6	6.0	6.5	6.0	6.1	6.4
1993	6.6	6.0	6.5	6.1	5.7	6.5	6.5	6.0	6.2
1994	6.9	6.5	6.3	6.3	5.6	6.2	5.7	5.7	6.2
1995	6.6	6.8	6.5	5.9	5.3	5.9	6.0	5.0	6.0
1996	6.7	6.3	6.9	5.8	5.2	6.5	6.2	5.4	6.1
1997	7.2	7.0	7.0	6.0	5.3	6.7	6.3	5.7	6.4
1998	6.7	6.7	6.0	5.8	5.0	6.6	5.7	5.4	6.0
1999	6.0	5.9	5.9	5.3	4.6	6.1	4.9	5.0	5.5
2000	6.0	6.2	6.0	5.6	5.0	6.3	5.5	5.0	5.7
2001	5.6	6.2	5.9	5.4	4.9	6.5	5.2	5.0	5.6
2002	5.4	5.9	5.5	5.3	4.5	6.2	5.3	5.1	5.4
2003	5.3	5.8	5.2	5.2	4.4	6.3	5.4	5.1	5.3
2004	5.3	6.1	5.2	5.2	4.7	5.6	5.3	5.3	5.3
2005	5.9	5.9	4.9	5.0	4.0	5.6	5.4	5.0	5.2
2006	5.5	5.8	4.2	4.9	3.7	5.4	5.3	4.4	4.9
2007	5.4	5.9	4.7	5.0	3.9	6.0	5.6	4.9	5.0
2008	6.0	6.0	4.9	5.2	4.2	5.8	5.6	5.1	5.4

Dryland Cropland:

1990	6.2	6.3	5.9	6.4	5.9	4.7	6.1	6.3	6.0
1991	5.9	5.0	6.0	5.9	5.8	4.7	6.1	5.8	5.7
1992	4.8	5.0	5.6	5.9	5.7	5.6	5.2	6.1	5.5
1993	5.0	4.3	5.8	5.7	5.3	5.3	6.1	5.2	5.4
1994	4.5	5.2	6.0	5.4	5.2	5.2	5.3	5.4	5.3
1995	4.2	6.0	6.2	5.3	5.2	5.1	5.4	5.0	5.3
1996	4.1	5.0	6.3	5.6	5.0	5.3	5.5	5.2	5.3
1997	5.1	5.8	6.4	5.6	5.3	5.3	5.4	5.4	5.5
1998	4.5	5.5	5.8	5.3	4.8	4.8	5.4	5.0	5.1
1999	4.3	4.9	5.4	5.1	4.5	3.9	4.5	4.9	4.7

Type of Land and Year	Agricultural Statistics District								State Ave.
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	

----- Percent -----

Dryland Cropland Continued:

2000	4.0	5.2	5.4	5.1	4.7	4.5	4.7	5.0	4.8
2001	4.1	5.3	5.5	5.0	4.6	4.3	4.6	4.7	4.8
2002	4.0	4.6	5.3	5.1	4.5	4.7	4.6	4.9	4.7
2003	3.6	4.5	4.8	4.6	4.1	4.1	4.7	4.4	4.4
2004	3.5	4.4	4.5	4.3	3.8	3.9	4.4	4.6	4.2
2005	3.6	3.9	4.2	4.5	3.5	4.0	4.6	4.4	4.1
2006	3.5	4.4	3.6	4.2	3.4	3.8	4.6	4.1	4.0
2007	4.1	4.4	4.3	4.6	3.4	3.7	4.8	4.0	4.1
2008	4.5	4.8	4.4	4.7	3.9	4.2	5.0	4.4	4.5

Grazing Land:

1990	4.0	5.8	4.6	4.9	5.0	4.5	5.4	5.0	4.9
1991	5.5	5.9	5.4	5.0	5.3	5.8	5.5	5.5	5.4
1992	4.0	5.3	4.9	4.6	4.4	5.1	5.0	5.0	4.8
1993	4.3	4.6	5.0	4.6	4.3	4.6	4.5	4.6	4.6
1994	4.7	4.5	5.1	4.4	4.3	4.7	4.1	4.5	4.5
1995	3.7	4.7	4.9	4.0	4.2	4.5	4.2	4.0	4.3
1996	3.8	4.3	4.9	4.3	4.0	4.3	3.8	4.1	4.2
1997	3.6	4.3	4.9	4.5	4.0	4.0	3.6	4.2	4.1
1998	3.4	4.2	4.6	4.1	3.9	4.2	4.0	3.8	4.0
1999	3.1	3.5	4.4	4.2	3.6	3.2	3.6	3.9	3.7
2000	3.3	4.4	4.6	3.7	3.8	3.6	4.0	4.1	3.9
2001	2.9	4.0	4.3	3.9	4.0	3.4	3.5	4.1	3.8
2002	2.8	4.1	4.4	3.8	3.7	4.0	3.8	4.1	3.8
2003	2.4	3.3	3.8	3.3	3.4	3.4	3.9	3.8	3.4
2004	2.8	3.1	3.6	3.3	3.7	3.3	3.4	4.1	3.4
2005	2.6	3.3	3.7	3.8	2.9	3.1	3.6	4.3	3.4
2006	2.7	3.1	3.0	3.6	3.0	3.1	3.7	3.8	3.3
2007	2.3	2.5	3.0	2.9	2.9	2.8	3.5	3.0	2.9
2008	2.8	3.1	3.3	2.9	3.4	2.9	3.4	3.6	3.2

^a SOURCE: UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Reporters' estimates of current annual net percentage rates of return given current values. Real estate appraisers refer to this percentage as the market-derived capitalization rate.

As previously discussed, the strong crop commodity price picture has dramatically raised economic returns to cropland. And while much of this higher income plateau has been quickly capitalized into higher land values, there is still enough risk and uncertainty associated with recent economic windfalls that market

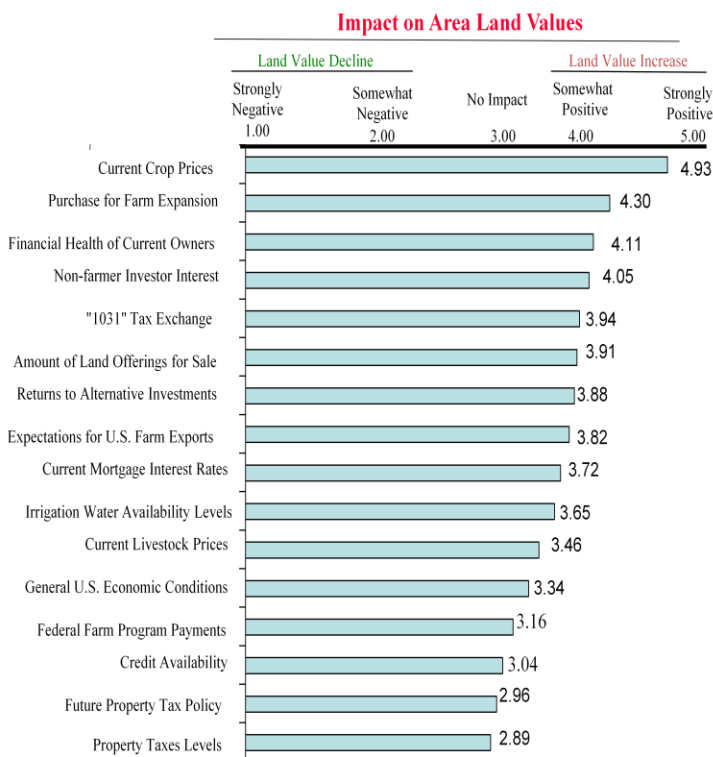
participants are hesitant to factor all of the perceived income gains into asset appreciation. Instead, they are requiring a somewhat higher rate of return at their maximum bid level than previously. In terms of the market dynamics, this is a healthy sign. Greater risk is being factored into market decisions, even in this period of rapid asset value appreciation.

For the grazing land class, the pattern of change in the net rate of return appears more variable across the regions. Income conditions in the livestock industry have not paralleled those of the crop sector: in fact in the past 12 to 18 months, there has been somewhat of a countervailing income picture as rising crop prices has meant soaring feed input prices for livestock producers. In turn, market participants have been more cautious in bidding up grazing land values, not willing to accept a lower expected rate of return than what is already historically low relative to the cropland classes.

Factors Impacting Current Agricultural Land Markets

Survey reporters are asked each year for their perspective on factors influencing the agricultural land values in their local markets. In this year's survey, reporters were nearly unanimous in their belief that current crop prices were strongly influencing land value increases—4.93 on a 5.00 scale (Figure 5). Market observers also noted a host of other factors that are contributing to land value increases in their respective markets, most of which have been noted in previous years but with changing levels of influence. In the current year's survey for example, purchase for farm expansion and financial health of current owners were ranked as greater influences on land value increases than the two factors perceived as the most influential just two years previously--non-farmer investor interest and "1031" tax exchanges. Credit availability in 2008 was seen as basically having little impact on land values, ranking 14th among the factors, as compared with rankings of 8th in 2007 and 6th in 2006. Property tax levels and future property tax policy were the only two factors perceived as down-side influences on land values, but the perceived impact was seen as minor.

Figure 5. Reporters' Rating of Factors Influencing Agricultural Land Values in Their Areas of Nebraska, February 2008.



Source: 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

Clearly, the nature of the market has shifted with the times, with a current situation that is dominated with a host of interrelated factors contributing to an upward movement in land values.

Characteristics of 2007 Market Transactions

Detailed information was provided by 2008 UNL survey reporters for a total of 460 market transactions that occurred during the previous year. This data base provides a solid representative sample of actual sales that can better characterize the market patterns and trends.

The 2007 transactions showed distinct regional differences, which historically has been the case since Nebraska's land asset base and agricultural industry vary greatly from one sub-state region to the next (Table 4). Average transaction tract size varies greatly as does also the associated land type configurations. Despite these regional differences, however, today's agricultural land transactions represent substantial dollar volume contracts wherever they are occurring. For the first time in our real estate analysis and reporting series, the average sale price per tract in 2007 exceeded \$400,000 in seven of the eight sub-state regions.

Table 4. Land Characteristics of 2007 Agricultural Real Estate Transactions, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Average Size of Tract	Average Percent Distribution			Average Price	
		Dry Cropland	Irrigated Cropland	Pasture	Per Acre	Per Tract
- Acres - ----- Percent ----- ----- Dollars -----						
Northwest	663	10	12	78	586	388,500
North	3,451	1	10	89	490	1,700,800
Northeast	191	66	20	14	2,830	540,500
Central	414	41	37	65	1,230	509,200
East	115	44	53	3	3,687	424,000
Southwest	629	15	24	61	783	492,000
South	146	15	64	21	2,819	411,600
Southeast	170	66	18	16	2,645	449,700
State	518	14	17	69	1,081	559,800

SOURCE: Based on 460 transactions which occurred across Nebraska during 2007 and reported in the 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

The fact that the market is characterized by high dollar-value transactions makes it somewhat surprising that half of the representative sales occurring during 2007 were purchases for cash with no debt financing involved (Table 5). While there were regional differences, the heavy presence of buyers with substantial financial means is certainly a factor throughout the state. In fact, it may explain in part the fact that "credit availability" was not perceived by survey reporters as a particularly important factor in the recent upward movement of land values.

As for the selling side of the market in 2007, the survey findings suggest that estate settlement continues to be a major reason for land coming onto the market (Table 6). However, relative to past years there are more active-farmer and retiring-farmer sellers who are seeing the opportunities of liquidating land assets at price premiums. This was particularly evident in the major grazing land areas of the state.

Table 5. Types of Financing Associated with 2007 Agricultural Real Estate Sales, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Financing of Purchase			
	Cash Purchase	Mortgage	Contract for Deed	Other
----- Percent -----				
Northwest	59	39	0	2
North	91	6	0	3
Northeast	40	59	1	0
Central	62	36	2	0
East	48	52	0	0
Southwest	35	65	0	4
South	44	52	0	4
Southeast	32	60	3	5
State	50	48	1	1

SOURCE: Based on 460 transactions which occurred across Nebraska during 2007 and reported in the 2008 UNL Nebraska Farm Real Estate Market Developments Survey

Table 6. Percent Distribution of Agricultural Real Estate Transactions in 2007 by Seller Type, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Type of Seller					
	Active Farmer	Quitting Farmer	Estate	Local Non-farmer	Non-Local NE Resident	Out of State Resident
----- Percent -----						
Northwest	47	16	25	2	2	8
North	36	28	20	4	8	4
Northeast	1	20	34	23	8	14
Central	19	19	34	14	7	7
East	11	12	54	16	4	3
Southwest	29	21	42	8	--	--
South	11	22	34	22	4	7
Southeast	7	12	48	13	5	15
State	16	17	40	14	5	3

SOURCE: Based on 460 transactions which occurred across Nebraska during 2007 and reported in the 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

While some active farmers are selling land, many other active farmers are buying it. In fact, during 2007 nearly three-fourths (73%) of the purchases were by active farmers (Table 7). With the exception of the North district where half the transactions were purchases by out-of-state buyers, active farmer buyers were a strong presence.

Table 7. Percent Distribution of Agricultural Real Estate Transactions in 2007 by Buyer Type, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Type of Buyer			
	Active Farmer/Rancher	Local Non-farmer	Non-local Nebraska Resident	Out-of-State Buyer
----- Percent -----				
Northwest	61	10	11	18
North	30	2	18	50
Northeast	85	6	6	3
Central	72	16	5	7
East	76	12	6	6
Southwest	88	8	4	0
South	55	30	11	4
Southeast	81	11	5	3
State	73	10	7	10

SOURCE: Based on 460 transactions which occurred across Nebraska during 2007 and reported in the 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

While active farmers (usually purchasing for expansion purposes) have always been a significant buyer group in most of the state's agricultural land markets, their activity has ebbed and flowed over time. As can be seen in Table 8, which tracks this same data series over the past 10 years, active farmers represented just 59% of the buyer side of the market in 2004 after falling for four years. (This was a time period when outside investor interest, particularly in combination with "1031" tax exchange provisions, was gaining momentum.) But, since that time active farmers have taken a more aggressive role on the buyer side as the income picture of the crop sector has dramatically improved. If income conditions remain favorable for the foreseeable future, it is likely that active farmers will continue to bid aggressively for agricultural land when it becomes available and complements their operations.

Table 8. Percent Distribution Trends of Agricultural Real Estate Transactions in Nebraska by Buyer Type, 1998-2007.

Year	Type of Buyer				
	Active Farmer/Rancher	Local Non-farmer	Non-Local Nebraska Resident	Out-of-State Buyer	Other
----- Percent -----					
1998	72	12	9	6	1
1999	68	16	10	5	1
2000	76	13	6	4	1
2001	72	14	9	4	1
2002	63	18	7	10	2
2003	63	20	11	6	0
2004	59	20	13	6	2
2005	61	18	13	7	1
2006	71	12	8	9	0
2007	73	10	7	10	0

Source: Annual UNL Nebraska Farm Real Estate Market Developments Surveys.

2008 Cash Rental Market Conditions

Cash rental rates for cropland have moved substantially higher for the 2008 crop season as market participants, tenants and landowners alike became aware of the income advances with the new commodity price plateaus of late 2007 and early 2008. Coupled with strong competition among farmers for additional acres to plant in 2008, the stage was set for the 2008 increases in both dollar and percentage terms to be the highest one-year changes recorded in the 28-year history of the UNL cash rent series, surpassing the previously largest increase of last year (Table 9 and Appendix Table 6). Cash rents for most cropland classes across the sub-state regions were 17 to 24 % higher than 2007 levels. In essence, the cash rent percentage advances tended to mirror the percentage advances in values over the past year—unlike the historical pattern of cash rent changes tending to lag value advances. Nebraska's cropland cash rent advances were in-line with those of other agricultural states—23% in Iowa, 18% in Illinois, and 17% in Indiana (http://www.chicagofed.org/publications/agletter/may_2008pdf).

Across the state, the highest average per acre cash rents were for center-pivot irrigated cropland. Average rents on this land class exceeded \$200 per acre in the Eastern and Northeast regions, with the high-quality center pivot land topping out in excess of \$250 per acre for the 2008 crop season. (It should be noted, that some rental parcels were contracted at much higher levels, but our reporters indicated those were more the exception than the rule in local markets.)

Gravity irrigated land rents also advanced for the 2008 crop year, but continued to remain below the center pivot rates by as much as 12% in some areas of the state. Increasingly, the water, energy, and labor efficiencies associated center pivot irrigation verses gravity systems are being factored into the cash rental market as well as the transfer market.

Dryland cropland rents moved solidly upward for 2008, not only because of higher commodity price outlooks but also because of more favorable moisture patterns across much of the state through 2007 and into 2008 for dryland crop production.

While cropland rental rates were surging, 2008 pasture rents showed smaller gains over 2007 levels. Particularly, in the major range-producing regions, the percentage advances on pasture rents were less than half of the cropland rate advances. The economic shocks of rising feed costs to the fed-cattle industry have rippled backward to the range areas of the state which supply the feeder cattle. The economic returns to pasture generally have not kept pace with those of cropland.

However, there are some positive countervailing factors which have worked to enhance the forage producing land assets as well. First, the major incorporation of distillers grains (a corn-ethanol by-product) into cattle feeding rations has provided Nebraska feedlots with a comparative advantage over other cattle-feeding regions of the country farther removed from the ethanol industry. This advantage tends to spill over on the cow-calf industry located close by, which, in turn, gives Nebraska's grassland values and rents some upward movement. Secondly, there is an increasing tendency to back-ground feeder cattle on forage-based rations to heavier weights before placement into feedlots for finishing to market weights. In other words there is a partial substitution effect of forage for grain taking place, which eventually gets factored into rental returns and values of forage producing land.

Table 9. Reported Cash Rental Rates for Various Types of Nebraska Farmland: 2008 Averages and Ranges by Agricultural Statistics District. ^{ac}

Type of Land	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Dryland Cropland:								
Average.....	33	50	134	86	135	40	69	113
Range:								
High.....	38	69	179	109	173	50	95	142
Low.....	23	38	109	63	110	27	50	88
Gravity Irrigated Cropland:								
Average.....	126	142	188	173	189	116	168	185
Range:								
High.....	162	154	215	205	229	144	196	219
Low.....	90	125	151	146	156	102	133	154
Center Pivot Irrigated Cropland								
Average.....	140	159	208	185	211	159	183	198
Range:								
High.....	155	191	253	227	256	190	214	241
Low.....	90	131	166	153	174	132	146	170
Dryland Alfalfa:								
Average.....	b	b	126	73	120	b	b	b
Range:								
High.....	b	b	157	88	150	b	b	b
Low.....	b	b	101	65	95	b	b	b
Irrigated Alfalfa:								
Average.....	b	b	142	165	172	b	b	b
Range:								
High.....	b	b	184	192	197	b	b	b
Low.....	b	b	114	132	144	b	b	b
Other Hayland:								
Average.....	b	b	b	59	b	b	b	b
Range:								
High.....	b	b	b	80	b	b	b	b
Low.....	b	b	b	50	b	b	b	b
Pasture:								
Average.....	10	16	39	30	36	13	27	35
Range:								
High.....	13	21	59	37	51	17	34	43
Low.....	7	14	30	23	26	10	19	24

^a SOURCE: Reporters' estimated cash rental rates (both averages and ranges) from the 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Insufficient number of reports.

^c A disclaimer: Cash rental rates provided in this table and in the Historical Cash Rent Series in Appendix Table 6 should be used as indicators of general patterns and trends for the sub-state regions and not necessarily as appropriate levels to be assigned to any specific land parcel.

The changes noted above also seem to be carrying over into the dollars-per-month bases which are frequently used in the major forage areas of the state (Table 10) and, as noted in Appendix Table 6, the cow-calf pair rates as well as the stocker rates are higher across the state for 2008.

Table10. Reported Cash Rental Rates for Pasture on a Monthly Rate Basis for 2008: Averages and Ranges by Agricultural Statistics District. a

Type	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
	----- Dollars Per Month -----							
Cow-Calf Pair Rates ^c								
Average	26.25	33.65	31.90	33.10	31.60	31.65	27.75	29.85
Range:								
High	31.75	39.35	39.55	38.70	37.60	37.50	28.65	38.20
Low	20.25	28.20	25.00	28.30	22.60	27.75	20.75	22.00
Stocker (500-600 lb) Rates:								
Average	b	21.20	19.75	23.30	b	b	b	b
Range:								
High	b	22.75	23.00	27.40	b	b	b	b
Low	b	17.00	15.50	19.35	b	b	b	b

^a SOURCE: Reporters' estimated cash rental rates (both averages and ranges) from the 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Insufficient number of reports.

^c A cow-calf pair is typically considered to be 1.25 to 1.30 animal units (animal unit being 1,000 lb. animal). However, this can vary depending on weight of cow and age of calf.

Cash Rental Rate Adjustments for Different Irrigation Ownership Configurations

The cash rental rate series as previously discussed reflects per-acre rates for center pivot irrigated land assuming the landowner owns the complete irrigation system. This is generally the case across Nebraska. But it is not uncommon for the tenant to own part of the system, and thus provide a rental *payment-in-kind* in addition to the dollar cash rent. In those situations, it is appropriate for the cash rents to be adjusted downward accordingly from the “going cash rent” in the area. Reporters in the 2008 UNL survey provided cash rent data for the various ownership scenarios from which we could estimate the dollar adjustments being made.

As noted in Table 11, when the tenant is providing the irrigation power unit, the dollar rent discount from the “full landlord ownership” scenario appears to be in the \$8 to \$10 per acre range. Given the typical ownership costs associated with such units this seems to be a reasonable economic adjustment. It should be noted, that this ownership arrangement also occurs with gravity irrigation systems, and so here also, the dollar adjustment to cash rents for gravity irrigated land may well be similar.

Table 11. Cash Rental Adjustments on Center Pivot Irrigated Cropland in Nebraska under Various Landowner/Tenant Ownership Configurations, by Agricultural Statistics District, 2008

Agricultural Statics District	Average Cash Rent when Landowner Owns: Total System	Average per Acre Discount when Tenant Owns:	
		Irrigation Power Unit	Center Pivot
----- Dollars per Acre -----			
Northwest	140	b	22
North	159	b	b
Northwest	208	9	28
Central	185	8	28
East	211	9	26
Southwest	159	b	b
South	183	10	24
Southeast	198	8	22

^a SOURCE: 2008 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Insufficient number of reports.

In cases where the tenant is providing the center pivot distribution system, there are more extenuating circumstances that can alter the negotiated cash rent level substantially. Since these systems can not be easily moved, it is more likely that the landowner-tenant relationship is for a multi-year duration, and, in turn, there may be other factors impacting the dollar adjustment for this tenant contribution. Perhaps a multi-year leasing contract (with annual cash rent adjustments) would be foundational to this kind of situation.

That said, however, the survey data suggests that the dollar adjustment for tenant ownership of the center pivot system runs in the \$22 to \$28 per acre range. (Note: this dollar amount would be computed for only the actual acres being irrigated by the center pivot and would not include the dryland corner acres.) As a general rule of thumb, it would appear that a cash rent adjustment of \$25 per irrigated acre would fall in the appropriate range in most cases.

Of course, when tenants are providing both the power unit and center pivot system, the total contribution and *payment-in-kind* by the tenant would suggest a \$30 to \$35 downward adjustment to the “going cash rent” in the area.

Increasingly, both landowners and tenants alike will need to consider these various kinds of arrangements and make reasoned economic allowances for them. At times, landowners may be overlooking these tenant contributions to the system and be reluctant to make the appropriate dollar adjustments. Other times, tenants may overlook additional contributions on the part of the landowner (such as the appropriate reimbursement for on-farm grain or machinery storage that comes with the land). Bottom-line, the cash lease contract should be comprehensive, fair, and understandable to all parties involved.

Hunting/Outdoor Recreation Leases

Access to land for hunting and various recreational purposes is of interest to many people. Often, rural land, while primarily agricultural in nature and deriving its primary income flow from agricultural production, often provides a flow of non-agricultural goods and services. This can be in the form of wildlife habitat that can offer opportunities of hunting, fishing, birding, and other recreational activities. In turn, markets can develop that provide a venue for these goods, primarily in the form of leasing arrangements for private-party access.

While such leasing markets are extensive and quite profitable in other parts of the country—particularly in Texas, New Mexico, South Dakota, and Wyoming – the outdoor recreation industry in rural areas is still in the early stages of development in Nebraska.

Reporters to the 2008 UNL survey were asked if they were aware of any agricultural land currently being leased or sub-leased in individuals or organizations for exclusive hunting rights. Nearly four out of ten reporters (39%) did know of specific leases in their areas.

As for types of leases being used, the majority (55%) were on a *site-per-season* basis; 27% were on a *acre-per-season* basis; and 18% were on a *hunter-per-day* arrangement. This distribution appears reasonable, since leasing arrangements are often negotiated through hunting clubs who assemble tracts of land for exclusive access by their respective members.

In many cases, the reporters' specific knowledge of such leases was limited; so current fee rates remain sketchy at best. But the rates noted in Table 12 give at least some parameters of current hunting lease rates.

Table 12. Reported Hunting Lease Rates in Nebraska, 2008^a

Type of Land	Lease Rates		
	Hunter /Day Average (\$)	Seasonal Charge	
		\$/acre	\$/site
Conservation Reserve Program Land (CRP)	75.00	6.30	
River Frontage	63.00	10.70	550.00
Pasture/Range			
No Tree Cover	50.00	1.00	300.00
With Tree Canopied Areas	300.00	6.50	830.00
Cropland			
Minimal Habitation	100.00	3.75	
Good Habitation	200.00	7.50	

^aSource: 2008 UNL Nebraska Farm Real Estate Market Developments Survey

2008 Gross Rent to Value Ratios

Perspective on the relationship of earnings (real and anticipated) to market value is essential to understanding of the farm real estate market. And in these highly dynamic times, this is even more critical.

Two approaches are used to analyze this relationship. The *net rate of return*, as previously discussed, provides a point-in-time estimate by survey reporters for the various land classes. The second method is the *gross rate of return* and the associated gross-rent-to-value ratio.

The gross-rent-to-value ratio is useful in drawing inferences for specific property parcels for which there is incomplete information. One can work from a known per-acre value of the parcel back to an implied cash rent given current conditions, or, alternatively, make an estimate of the parcel's current market value from the current cash rental rates on the land. That is why this ratio can be considered the linchpin connecting the ownership transfer market with the rental market.

Using the cash rents previously presented in relation to the associated per-acre values reported with those rents, the 2008 gross rent to value ratios are calculated for the various land classes (Table 13). For dryland cropland, the ratios ranged from 4.4% in the East to 6.3% in the Northwest region. These two regions represented the regional low and high for gravity irrigated cropland as well.

On average for the state as a whole, the average rent-to-value ratio for dryland cropland was 5.6% and 6.6% for gravity irrigated cropland. For center pivot irrigated cropland, the average was 6.4%, ranging from 5.0% in the East region to 8.6% in the North region. Lowest gross rent-to-value ratios were consistently observed for the pastureland class across all the regions.

While the gross rent-to-value ratios provide a benchmark of basic earnings associated with the various land classes and the general relationship of those rental earnings to current market values, the ratios do not always identify clearly the perceptions of the market participants regarding their income expectations. In today's market dynamic, cash rents may actually represent the lower level of income expectations for some market participants. For example, non-farmer market participants bidding on farmland may be anticipating returns from either a crop share rental arrangement or a custom farming arrangement—both of which are likely to yield higher, albeit riskier, gross earnings. Of course, for the major buyer group, active farmers, the anticipated returns to the purchased parcel will usually be calculated as it is integrated into a larger operation, and thereby be higher than current average cash rental rates. Consequently, the anticipated gross returns can vary substantially from one buyer to the next, which, in turn, will lead to an array of anticipated net earnings. This is a partial explanation for the differing relationships of reported percentage net returns presented earlier in Table 3 of the gross rent-to-value ratios as evidenced in Table 13.

Table 13. Reported Cash Rental Rates, Associated Estimates of Value, and Gross Rent as a Percent of Market Value by Type of Land and Agricultural Statistics District, 2008.^{ad}

Agricultural Statistics District and Type of Land	Gross Average Cash Rent Per Acre	Associated Value Per Acre ^b	Gross Rent to Value
	----- Dollars -----		--- Percent ---
Northwest:			
Dryland Cropland	33	525	6.3
Gravity Irrigated Cropland	126	1575	8.0
Center Pivot Irrigated Cropland ^c	140	1635	8.6
Pastureland	10	285	3.5
North:			
Dryland Cropland	50	900	5.6
Gravity Irrigated Cropland	142	1740	8.2
Center Pivot Irrigated Cropland ^c	159	2300	6.9
Pastureland	16	400	4.0
Northeast:			
Dryland Cropland	134	2470	5.4
Gravity Irrigated Cropland	188	3200	5.9
Center Pivot Irrigated Cropland ^c	208	3700	5.6
Dryland Alfalfa	126	2690	4.7
Pastureland	39	960	4.0
Central:			
Dryland Cropland	86	1420	6.0
Gravity Irrigated Cropland	173	2800	6.2
Center Pivot Irrigated Cropland ^c	185	3000	6.2
Dryland Alfalfa	73	1375	5.3
Irrigated Alfalfa	165	2735	6.0
Other Hayland	59	1050	5.6
Pastureland	30	790	3.8
East:			
Dryland Cropland	135	3050	4.4
Gravity Irrigated Cropland	189	3820	5.0
Center Pivot Irrigated Cropland ^c	211	4260	5.0
Dryland Alfalfa	120	2765	4.3
Irrigated Alfalfa	172	3450	5.0
Pastureland	36	1000	3.6
Southwest:			
Dryland Cropland	40	675	5.9
Gravity Irrigated Cropland	16	1525	7.6
Center Pivot Irrigated Cropland ^c	159	2150	7.4
Pastureland	13	340	3.8
South:			
Dryland Cropland	69	1175	5.5
Gravity Irrigated Cropland	168	2600	6.5
Center Pivot Irrigated Cropland ^c	183	3070	6.0
Pastureland	27	625	4.3
Southeast:			
Dryland Cropland	113	2150	5.3
Gravity Irrigated Cropland	185	3380	5.5
Center Pivot Irrigated Cropland ^c	198	3560	5.6
Pastureland	35	840	4.2

^a Source: 2008UNL Nebraska Farm Real Estate Market Developments Survey.

^b Average values given by reporters for the land on which their cash rent estimates were made.

^c Value of the pivot included in the value per acre of this land class.

^d A disclaimer: Cash rental rates provided in this table and in the Historical Cash Rent Series in Appendix Table 6 should be used as indicators of general patterns and trends for the sub-state regions and not necessarily as appropriate levels to be assigned to any specific land parcel.

Annualized Earnings and Debt-Servicing Capacity For Selected Land Types and Locations

Taking the current values and cash rents, we have expanded the analysis for selected land types to account for the full complement of owner expenses to arrive at dollar per-acre annual net returns and the potential debt-servicing potential of those returns given current mortgage interest rate conditions. The results are presented in Table 14. For some classes, net returns to land, after all ownership costs are factored in, fall below 4% and, in turn, debt-servicing capacity falls below 40% of purchase price. These relatively low levels of returns have occurred despite phenomenal increases in cash rental rates in recent years.

Does this mean that all participants are buying agricultural land today with this level of economic return in mind? It does not. As previously noted, a majority of buyers in today's market are active farmers expanding their acreage base with the parcel purchase. For them, the spreading of fixed costs over more acres and other production efficiencies of their operations may well lead them to expect higher percentage rates of return to their land investment than what the going cash rent returns are.

Take, for example, high-quality eastern Nebraska center pivot cropland capable of producing 225 bu. per acre corn and 60 bu. per acre soybeans. Given current costs of production, including property taxes and depreciation/maintenance costs associated with land ownership, it is still possible, even with rising input costs, to net out annual returns of more than \$500 per acre given the new plateau of commodity prices (assuming by relatively conservative commodity prices of corn at \$4.75 per bushel and soybeans at \$11.00 per bushel). A \$500 annual net return to a land parcel currently valued in the market at \$5,500 per acre implies a net rate of return to the operator owner of 9%. This would generate debt-service capacity of the net returns equivalent to 61% of the purchase price.

The fact that these market participants are not bidding up land even faster than the recent appreciation rates reflects greater caution on their part regarding greater risk of volatile future commodity price levels as well as future input cost increases. The required rate of return factored into their "maximum bid" levels is, in turn, markedly higher than in previous years.

Reporter's Expectations for 2008

Reporters to the February 2008 UNL survey were asked to provide their land market expectations for the year. Their responses were similar across the state.

As for the number of agricultural land parcels offered for sale in 2008, nearly two-thirds (63%) expected similar levels of activity to the previous year in their local markets. However, more than a third of the reporters (35%) believed there would be some increase in sales activity in 2008, with the expected increase averaging about 9%.

When asked about the agricultural land values, the vast majority (86%) were anticipating further increases during 2008. On average, they were expecting increases for the year of 12%; but the variation in expected rates of increase was considerable ranging from 5% to 25%. Only 3% of the reporters expected declines in market value during 2008.

Table 14: Analysis of Typical Net Returns For Selected Land Types and Locations Using Typical Cash Rental Rates, 2008 .^{a/}

Region and Land In Nebraska	Current purchase price/ acre (\$)	Annual cash rent/ acre (gross)	Gross Rent-to- Value ratio (%)	Annual Owner Expenses				Annual net returns/ acre (before income taxes) (\$)	% Rate of Return to land (before income taxes) (%)	Mortgage amount/ acre which could be serviced by the net returns assuming 20-year amortized loan at 6.5%	
				Real Estate Taxes ^c (\$)	Irrigation Costs ^d (\$)	Incidental Costs (\$)	Total Owner Costs (\$)			Dollars	% of Annual purchase price
Northwest Gravity Irrigated Cropland (from well)	1,575	126	8.0	17.30	28.50	4.50	50.30	75.70	4.8	834	53
Northern Pivot Irrigated Cropland (from well)^b	2,300	159	6.9	25.30	38.00	5.75	69.05	89.95	3.9	991	43
Northern Sandhills Rangeland	400	16	4.0	3.60	--	1.25	4.85	16.15	2.8	123	34
Northeast Dryland Cropland	2,470	134	5.4	27.15	--	4.00	31.15	105.85	4.2	1,133	46
Northeast Pivot Irrigated Cropland^b	3,700	208	5.6	40.70	38.00	5.75	84.45	123.55	3.3	1,361	37
Southeast Dryland Cropland	2,150	113	5.3	23.65	--	4.00	27.65	85.35	4.0	940	44
Southwest Dryland Cropland	675	40	5.9	7.40	--	2.25	9.65	30.35	4.5	334	49
Southern Pivot Irrigated Cropland^b	3,070	183	6.0	33.75	38.00	5.75	77.50	105.50	3.4	1,162	38
Eastern Dryland Cropland	3,050	135	4.4	33.55	--	4.00	37.55	101.45	3.3	1,118	37
Eastern Gravity Irrigated Cropland (from well)	3,820	189	5.0	42.00	28.50	5.75	76.25	112.75	3.0	1,242	33
Eastern Pivot Irrigated Cropland^b	4,260	211	5.0	46.85	38.00	5.75	90.60	120.40	2.8	1,327	31
Central Pivot Irrigated Cropland^b	3,000	185	6.2	33.00	38.00	5.75	76.75	108.75	3.6	1,198	40

^{a/} Current purchase prices and cash rents based upon the UNL 2008 Nebraska Farm Real Estate Market Survey.

^{b/} Value of pivot included in the land value.

^{c/} Annual Real estate taxes assumed to be 1.1 percent of purchase price for all cropland, and 9.9% of purchase price for all rangeland.

^{d/} Estimated fixed costs of depreciation and insurance on irrigation equipment, based on *Estimated Irrigation Costs*, 2001, Nebraska Cooperative Extension C371

Appendix

Appendix Table 1. Farm Real Estate Values in Nebraska, USDA Historical Series, 1860-2008.^a

Year	Number of Farms	Land in Farms	Value of Land & Buildings			Building Value
			Per Acre	Per Farm	Total Value	
	<u>Thousand</u>	<u>Million Acres</u>	<u>Dollars</u>	<u>Thousand Dollars</u>	<u>Million Dollars</u>	<u>Million Dollars</u>
1860	2.8	1.0	6	1.4	6	
1870	12.3	2.1	12	2.0	24	
1880	63.4	9.9	11	1.7	106	
1890	113.6	21.6	19	3.5	402	
1900	121.5	29.9	19	4.8	578	91
1910	129.7	38.6	47	14.0	1,813	199
1911	129.2	39.0	48	14.4	1,864	
1912	128.8	39.2	49	14.9	1,919	
1913	128.2	39.5	50	15.4	1,974	
1914	127.5	39.8	51	15.9	2,027	
1915	126.9	40.3	50	15.9	2,017	
1916	126.3	40.9	51	16.5	2,084	
1917	125.8	41.5	54	17.8	2,240	
1918	125.2	41.8	62	20.7	2,591	
1919	123.1	41.9	71	23.8	2,978	
1920	124.6	42.2	88	29.8	3,712	382
1921	125.1	41.9	82	27.5	3,439	
1922	137.1	41.9	71	21.7	2,974	
1923	126.6	42.1	68	22.6	2,860	
1924	127.3	41.8	63	20.7	2,635	398
1925	127.5	42.1	60	19.8	2,524	
1926	128.2	42.5	60	19.9	2,552	
1927	128.5	43.2	58	19.5	2,505	
1928	128.6	44.0	57	19.5	2,508	
1929	128.9	44.3	57	19.6	2,526	
1930	129.3	44.6	56	19.3	2,495	447
1931	129.9	45.0	52	18.0	2,338	
1932	130.8	45.8	44	15.4	2,015	
1933	132.0	46.0	35	12.2	1,609	
1934	133.2	46.4	35	12.2	1,625	
1935	134.0	46.9	34	11.9	1,594	341
1936	131.2	46.7	34	12.1	1,587	
1937	128.5	47.4	32	11.8	1,516	
1938	125.8	47.4	30	11.3	1,421	
1939	123.6	46.8	28	10.6	1,310	
1940	121.1	47.4	24	9.4	1,138	257
1941	119.2	48.2	22	8.9	1,061	
1942	116.9	48.2	24	9.9	1,157	
1943	115.6	47.5	27	11.1	1,283	
1944	113.7	47.9	33	13.9	1,580	
1945	111.4	47.6	37	15.8	1,760	382
1946	111.3	47.4	42	17.9	1,992	
1947	110.1	48.0	47	20.5	2,257	
1948	109.0	47.3	56	24.3	2,649	
1949	108.0	47.2	62	27.1	2,927	
1950	109.0	48.4	58	25.6	2,789	
1951	107.0	48.4	66	29.8	3,192	562
1952	105.0	48.3	72	33.1	3,477	605
1953	104.0	48.3	75	34.7	3,610	621
1954	103.0	48.3	70	32.8	3,386	589
1955	102.0	48.3	73	34.5	3,534	645
1956	101.0	48.3	73	34.9	3,523	719
1957	98.0	48.3	72	35.8	3,501	606
1958	96.0	48.3	79	40.0	3,839	572
1959	94.0	48.3	86	43.9	4,131	677
1960	93.0	48.2	89	46.3	4,308	763

Appendix Table 1. Farm Real Estate Values in Nebraska, USDA Historical Series, 1860-2008.^a

Year	Number of Farms	Land in Farms	Value of Land & Buildings			Building Value
			Per Acre	Per Farm	Total Value	
	<u>Thousand</u>	<u>Million Acres</u>	<u>Dollars</u>	<u>Thousand Dollars</u>	<u>Million Dollars</u>	<u>Million Dollars</u>
1961	90.0	48.2	90	48.2	4,341	790
1962	88.0	48.2	95	52.2	4,598	860
1963	86.0	48.1	97	54.0	4,647	911
1964	84.0	48.2	105	60.0	5,055	1,072
1965	82.0	48.2	111	65.3	5,352	1,258
1966	80.0	48.2	120	72.6	5,805	1,283
1967	78.0	48.2	132	81.4	6,348	1,143
1968	76.0	48.2	143	90.5	6,882	1,136
1969	74.0	48.2	150	97.8	7,238	1,021
1970	73.0	48.1	154	101.5	7,407	941
1971	72.0	48.1	157	104.9	7,552	853
1972	71.0	48.1	170	115.2	8,177	932
1973	70.0	48.1	193	132.6	9,283	1,012
1974	70.0	48.1	242	166.3	11,640	1,152
1975	67.0	47.9	282	201.6	13,508	1,229
1976	67.0	47.9	363	259.2	17,366	1,546
1977	66.0	47.8	420	304.1	20,070	1,806
1978	66.0	47.8	412	298.5	19,702	1,832
1979	65.0	47.7	525	385.3	25,043	2,204
1980	65.0	47.7	635	466.0	30,289	2,547
1981	65.0	47.7	729	535.0	34,773	2,851
1982	63.0	47.5	730	550.4	34,675	2,809
1983	62.0	47.4	701	535.9	33,227	2,758
1984	61.0	47.2	645	499.1	30,444	2,710
1985	60.0	47.2	485	381.9	22,911	2,474
1986	59.0	47.2	416	332.7	19,629	2,532
1987	59.0	47.2	400	320.1	18,885	2,682
1988	58.0	47.1	457	371.1	21,525	3,186
1989	57.0	47.1	511	422.2	24,068	3,451
1990	57.0	47.1	524	433.0	24,680	3,186
1991	56.0	47.1	517	434.8	24,350	2,978
1992	56.0	47.1	517	434.8	24,350	3,026
1993	55.0	47.1	514	440.2	24,209	3,061
1994	55.0	47.1	562	481.5	26,485	3,072
1995	56.0	47.0	580	486.8	27,260	3,080
1996	56.0	47.0	610	512.0	28,670	3,139
1997	55.0	46.4	620	582.3	28,768	3,049
1998	55.0	46.4	645	544.1	29,928	3,068
1999	55.0	46.4	670	565.2	31,088	3,078
2000	54.0	46.4	710	610.1	32,944	3,146
2001	53.0	46.4	735	643.5	34,104	3,138
2002	52.0	46.4	760	678.2	35,264	3,121
2003	48.5	45.9	775	733.5	35,572	3,024
2004	48.3	45.8	825	784.0	37,785	3,079
2005	48.0	45.7	940	879.8	42,958	3,351
2006	47.6	45.7	1,090	1,046.5	49,813	3,711
2007	47.3	45.7	1,230	1,183.4	56,211	3,991
2008 ^b	47.3	45.6	1,517	1,459.5	69,327	4,922

^a SOURCE: Farm Real Estate Historical Series Data: 1950-92, USDA, Economic Research Service, Sta. Bul. No. 855, May 1993 and earlier reports as well as recent electronic issues annually by Economic Research Service, U.S. Department of Agriculture.

^b Preliminary estimates.

Appendix Table 2. Deflated USDA Farmland Values and Percent Changes for Nebraska, 1930 to 2008.^a

Year	USDA Average Value/Ac. for Nebraska	1st Quarter GDP Price Deflator (2000 = 100)	Deflated Average Value/Ac.^b	Year-to-Year Change Deflated Farmland Values^c
1930	56	11.53	486	
1931	52	10.34	503	3.5
1932	44	9.12	482	-4.2
1933	35	8.87	395	-18.1
1934	35	9.37	374	-5.4
1935	34	9.56	356	-4.9
1936	34	9.67	352	-1.1
1937	32	10.09	317	-9.9
1938	30	9.79	306	-3.3
1939	28	9.70	289	-5.7
1940	24	9.81	245	-15.2
1941	22	10.46	210	-14.2
1942	24	11.28	203	1.3
1943	27	11.89	227	11.8
1944	33	12.17	271	19.5
1945	37	12.49	296	9.3
1946	42	13.99	300	1.4
1947	47	15.51	303	1.0
1948	56	16.38	342	12.8
1949	62	16.35	379	10.8
1950	58	16.53	351	-7.4
1951	66	17.72	372	6.1
1952	72	18.02	400	7.4
1953	75	18.24	411	2.8
1954	70	18.42	380	-7.5
1955	73	18.75	389	2.5
1956	73	19.39	376	-3.2
1957	72	20.04	359	-4.4
1958	79	20.50	385	7.3
1959	86	20.75	414	7.7
1960	89	21.04	423	2.2
1961	90	21.28	423	0.0
1962	95	21.57	440	4.1
1963	97	21.80	445	1.1
1964	105	22.13	474	6.6
1965	111	22.53	493	3.9
1966	120	23.18	518	5.0
1967	132	23.89	553	6.7
1968	143	24.91	574	3.8
1969	150	26.15	574	0.0
1970	154	27.53	559	-2.5
1971	156	28.91	540	-3.5
1972	171	30.17	567	5.0
1973	193	31.85	606	6.9
1974	246	34.73	708	16.9
1975	282	38.00	742	4.8
1976	363	40.20	903	21.7
1977	420	42.75	982	8.8
1978	412	45.76	900	-8.3
1979	525	49.55	1060	17.7
1980	635	54.04	1175	10.9
1981	729	59.12	1233	4.9
1982	730	62.73	1164	-5.6
1983	701	65.21	1075	-7.6
1984	645	67.66	953	-11.3
1985	485	69.71	696	-27.0
1986	416	71.25	584	-16.1

Appendix Table 2. Deflated USDA Farmland Values and Percent Changes for Nebraska, 1930 to 2008.^a

Year	USDA Average Value/Ac. for Nebraska	1st Quarter GDP Price Deflator (2000 = 100)	Deflated Average Value/Ac.^b	Year-to-Year Change Deflated Farmland Values^c
1987	400	73.20	546	-6.4
1988	457	75.69	604	10.6
1989	511	78.56	650	7.7
1990	524	81.59	642	-1.2
1991	517	84.44	612	-4.6
1992	517	86.38	599	-2.2
1993	514	88.38	582	-2.9
1994	562	90.26	623	7.0
1995	580	92.11	630	1.1
1996	610	93.85	650	3.2
1997	620	95.41	650	0.0
1998	645	96.47	669	2.9
1999	670	97.87	685	2.3
2000	710	100.00	710	3.6
2001	735	102.40	718	1.1
2002	760	104.09	730	1.7
2003	775	106.00	731	0.0
2004	825	108.24	762	4.2
2005	940	111.79	841	10.4
2006	1090	115.36	944	12.2
2007	1230	118.75	1036	9.7
2008^d	1517	121.31	1251	20.8

^a Revised from series reported in earlier reports. Refers to year ending March 1 for years prior to 1976; year ending February 1 for years 1976-1981; year ending April 1 for years 1982-1985; year ending February 1, 1986-1989; year ending January 1, 1990-1994; mid-year 1995-1997, and year ending January 1, 2000.

^b Computed by dividing the USDA average value per acre by the 1st Quarter GDP Price Deflator (2000 = 100) and multiplying by 100.

^c A positive value entry in this column represents a **real** increase in asset value for the year (i.e., the rate of land value appreciation exceeded the general rate of inflation for the U.S. economy). Conversely, a negative value entry represents a real decrease in asset value.

^d Preliminary estimate.

Appendix Table 3. Nominal and Deflated Agricultural Land Values by Selected Types of Land in Nebraska, 1978 to 2008.^a

Year	Nominal Value/Ac. ^a				1st Quarter GDP Price Deflator (2000 = 100)	Deflated Value/Ac. ^b			
	Dryland Cropland	Center Pivot Irrigated Cropland ^c	Grazing Land (Nontillable)	All Land Average		Dryland Cropland	Center Pivot Irrigated Cropland ^c	Grazing Land (Nontillable)	All Land Average ^d
----- Dollars/Ac. -----						----- Dollars/Ac. -----			
1978	492	947	153	500	45.76	1075	2069	334	1093
1979	602	1114	186	597	49.55	1215	2248	375	1205
1980	702	1272	209	695	54.01	1300	2355	386	1287
1981	778	1341	230	749	59.02	1318	2272	389	1269
1982	742	1293	227	720	62.73	1183	2029	362	1148
1983	681	1130	205	642	65.21	1044	1733	314	985
1984	632	1049	184	588	67.66	934	1550	272	869
1985	501	833	135	450	69.71	718	1195	194	646
1986	384	634	98	339	71.25	539	890	138	476
1987	371	580	83	306	73.20	507	792	113	418
1988	416	661	91	346	75.69	550	873	120	457
1989	500	841	123	432	78.56	636	1071	156	550
1990	532	935	146	473	81.59	652	1146	179	580
1991	536	977	159	492	84.44	635	1157	188	583
1992	551	1000	166	510	86.38	638	1158	192	590
1993	573	1045	172	531	88.38	648	1182	195	601
1994	608	1107	183	566	90.26	674	1226	203	627
1995	623	1149	192	582	92.11	676	1247	208	632
1996	656	1235	189	608	93.85	699	1316	201	648
1997	706	1338	202	654	95.41	740	1402	212	685
1998	767	1471	224	710	96.47	795	1525	232	736
1999	749	1428	219	690	97.87	765	1459	224	705
2000	752	1455	230	698	100.00	752	1455	230	698
2001	760	1459	243	709	102.40	742	1425	237	692
2002	779	1622	249	749	104.09	748	1558	239	720
2003	788	1636	250	757	106.00	743	1543	234	714
2004	862	1788	275	827	108.24	796	1652	254	764
2005	973	1996	316	924	111.79	870	1785	268	827
2006	1088	2152	352	1013	115.36	943	1865	305	878
2007	1249	2463	401	1155	118.75	1052	2074	338	973
2008	1578	3101	450	1424	121.31	1301	2556	371	1174

^a February 1st estimates reported in the UNL Nebraska Farm Real Estate Market Developments surveys.

^b Computed by dividing the average value per acre by the 1st Quarter Gross Domestic Price (GDP) Deflator and multiplying by 100.

^c Pivot not included in per acre value.

^d Deflated all land average based on the UNL Nebraska survey series and will not correspond directly with the USDA series presented in Appendix Table 2.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Dryland Cropland (No Irrigation Potential)									
1978	289	253	648	319	817	360	468	660	492
1979	317	319	813	397	1061	387	541	808	602
1980	347	340	920	471	1296	454	626	971	702
1981	419	346	1009	519	1409	546	754	1060	778
1982	411	335	966	502	1325	522	752	988	742
1983	387	321	864	450	1204	469	664	939	681
1984	379	300	779	416	1129	444	653	840	632
1985	325	237	643	340	905	365	474	612	501
1986	259	198	499	263	669	308	412	423	384
1987	242	190	520	246	626	288	377	416	371
1988	267	202	576	301	692	294	411	513	416
1989	305	250	688	370	824	371	491	621	500
1990	309	279	728	407	877	409	491	662	532
1991	316	279	735	463	885	380	508	655	536
1992	340	295	700	418	955	386	513	673	551
1993	337	288	766	486	1000	373	573	701	573
1994	345	314	797	504	1090	390	620	741	608
1995	335	320	803	519	1144	403	637	764	623
1996	358	338	823	535	1244	419	658	799	656
1997	381	363	909	588	1336	432	701	852	706
1998	385	390	982	631	1477	457	753	956	767
1999	346	367	968	635	1462	428	740	953	749
2000	331	400	970	648	1464	434	708	958	752
2001	319	403	996	645	1493	433	725	954	760
2002	325	407	1095	680	1523	460	743	1024	779
2003	319	360	1107	710	1585	453	748	1059	788
2004	328	416	1231	758	1717	473	800	1190	862
2005	330	447	1382	847	2024	495	864	1396	973
2006	348	483	1641	933	2276	519	875	1563	1088
2007	383	558	1917	1056	2608	559	932	1840	1249
2008	460	707	2482	1347	3203	693	1214	2367	1578

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Dryland Cropland (Irrigation Potential)									
1978	409	387	741	590	1128	471	873	953	757
1979	449	514	930	708	1411	520	1102	1152	926
1980	533	565	1132	767	1733	628	1282	1352	1107
1981	680	533	1225	880	1785	733	1432	1402	1192
1982	658	535	1097	833	1665	685	1411	1268	1108
1983	563	462	975	680	1462	654	1175	1160	979
1984	507	441	911	638	1349	631	1050	1069	905
1985	425	340	746	486	1013	504	705	723	684
1986	312	300	598	367	746	377	573	545	524
1987	285	250	567	325	707	328	503	508	484
1988	310	266	646	380	801	339	576	623	552
1989	376	339	773	483	980	433	684	772	674
1990	371	367	840	539	1056	473	706	816	720
1991	396	360	817	604	1083	478	756	777	725
1992	411	381	823	658	1124	476	792	835	753
1993	419	400	884	678	1195	445	883	888	794
1994	430	436	962	739	1338	482	923	936	861
1995	429	424	1002	781	1397	493	941	979	891
1996	441	444	1040	845	1525	508	1008	1046	948
1997	458	475	1103	917	1643	543	1114	1130	1018
1998	482	510	1219	986	1810	578	1216	1250	1115
1999	436	480	1216	956	1792	538	1173	1172	1081
2000	418	492	1220	951	1800	546	1112	1187	1080
2001	409	500	1256	981	1807	572	1126	1234	1100
2002	418	514	1355	1020	1814	581	1145	1318	1135
2003	396	480	1410	1095	1930	558	1118	1290	1159
2004	445	534	1554	1137	2093	586	1217	1469	1272
2005	450	579	1696	1286	2395	606	1330	1642	1417
2006	455	650	1931	1450	2642	623	1229	1854	1556
2007	490	808	2407	1564	2900	702	1126	2150	1771
2008	505	1035	3145	1894	3691	716	1301	2700	2213

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Grazing Land (Tillable)									
1978	177	191	433	299	549	215	465	433	248
1979	186	229	521	347	701	259	479	574	288
1980	200	261	583	395	760	307	621	643	328
1981	251	257	622	435	881	332	697	636	357
1982	248	248	605	422	824	317	710	654	348
1983	198	234	571	405	739	315	555	589	315
1984	187	233	500	325	661	285	519	521	289
1985	146	180	392	259	510	205	339	357	218
1986	101	135	275	166	366	146	250	241	154
1987	77	99	267	135	336	115	187	236	124
1988	80	107	294	168	361	100	208	292	134
1989	104	150	362	217	418	130	253	341	173
1990	102	185	381	270	459	153	296	360	197
1991	107	200	394	308	495	168	338	366	213
1992	113	213	395	339	500	169	348	395	224
1993	121	195	427	359	524	171	371	418	227
1994	128	215	440	380	573	192	407	460	246
1995	128	223	456	400	611	193	414	471	253
1996	125	225	473	406	617	196	413	483	255
1997	135	250	512	440	686	200	433	519	276
1998	153	265	550	461	741	227	467	575	299
1999	165	270	569	456	735	234	470	575	306
2000	173	275	581	471	731	256	464	588	315
2001	171	288	670	505	750	291	524	578	335
2002	182	299	706	523	796	325	537	629	347
2003	180	280	750	562	801	290	534	640	341
2004	212	307	794	611	926	305	558	716	375
2005	225	330	919	658	1075	316	640	830	410
2006	251	383	1067	740	1224	349	651	962	464
2007	282	475	1343	848	1493	387	684	1083	542
2008	316	567	1578	1018	1927	417	887	1380	648

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Grazing Land (Nontillable)									
1978	115	126	308	216	384	119	268	315	153
1979	134	156	340	267	486	148	309	417	186
1980	143	169	394	304	549	190	346	473	209
1981	164	182	418	339	620	217	398	474	230
1982	168	183	412	329	584	195	418	472	227
1983	151	169	375	283	511	181	339	460	205
1984	134	152	350	248	455	168	328	384	184
1985	94	115	258	192	341	118	236	243	135
1986	71	85	179	131	262	84	158	178	98
1987	60	71	166	106	238	68	120	173	83
1988	58	76	189	128	270	75	152	220	91
1989	71	109	242	183	310	101	209	266	123
1990	83	134	272	225	340	113	233	298	146
1991	86	148	284	252	357	125	254	314	159
1992	90	155	302	267	373	126	261	316	166
1993	93	157	322	278	382	136	290	330	172
1994	98	167	325	302	388	153	307	354	183
1995	106	175	337	308	421	163	308	357	192
1996	103	173	347	299	428	155	296	367	189
1997	115	183	366	327	468	163	318	412	202
1998	128	199	395	366	516	189	337	473	224
1999	127	192	411	350	507	187	327	476	219
2000	137	206	432	365	510	193	333	478	230
2001	142	220	475	386	532	200	353	479	243
2002	151	218	515	419	584	213	378	499	249
2003	149	210	559	446	590	219	389	490	250
2004	163	230	619	494	655	240	422	550	275
2005	191	269	706	543	784	273	482	629	316
2006	215	304	800	588	907	298	497	688	352
2007	250	358	900	668	1033	310	553	749	401
2008	287	386	975	781	1219	344	658	883	450

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Hayland									
1978	232	266	370	372	477	231	298	371	281
1979	287	308	436	397	593	281	345	509	332
1980	301	338	506	441	699	349	402	554	369
1981	323	331	558	482	738	368	417	532	375
1982	328	334	544	472	714	344	445	557	375
1983	290	286	509	408	658	344	375	496	331
1984	283	247	497	295	568	329	369	463	296
1985	261	206	332	273	470	250	258	311	241
1986	190	154	233	230	335	182	190	219	179
1987	160	119	188	195	271	148	175	201	144
1988	144	130	238	230	317	178	202	245	159
1989	194	183	295	275	382	220	268	291	210
1990	217	218	326	328	405	245	278	328	243
1991	225	240	330	350	434	252	286	361	261
1992	248	247	325	365	452	250	329	341	269
1993	242	265	365	366	473	251	360	358	283
1994	251	296	392	400	511	278	386	370	310
1995	260	300	418	408	528	277	397	385	317
1996	270	300	429	403	524	289	396	402	320
1997	295	325	459	438	575	300	403	435	346
1998	315	345	517	472	640	336	437	497	373
1999	318	325	507	457	625	330	412	502	359
2000	313	358	539	444	618	350	398	463	379
2001	306	381	563	458	677	364	450	502	398
2002	313	388	611	502	694	373	483	529	446
2003	319	380	660	557	765	375	508	575	464
2004	339	433	715	577	815	413	513	611	505
2005	383	438	780	600	928	416	600	669	537
2006	430	481	871	679	1071	449	633	760	598
2007	500	568	1005	791	1255	530	717	875	699
2008	570	688	1220	998	1525	660	859	1006	846

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}

----- Dollars Per Acre -----

Gravity Irrigated Cropland

1978	1246	796	1030	1545	1624	1134	1412	1404	1410
1979	1300	964	1289	1705	1910	1197	1746	1772	1638
1980	1369	1020	1547	1976	2317	1329	2046	2026	1906
1981	1555	1054	1781	2088	2403	1493	2230	2026	2030
1982	1580	1033	1771	2053	2269	1598	2254	1924	1994
1983	1361	1000	1430	1798	1969	1412	1872	1854	1737
1984	1269	1020	1429	1613	1838	1250	1762	1639	1601
1985	1042	817	1102	1304	1329	1010	1283	1171	1214
1986	754	612	900	940	975	867	963	957	920
1987	650	567	775	802	959	718	863	843	826
1988	668	691	862	948	1151	740	994	956	947
1989	815	900	1100	1210	1462	841	1232	1170	1182
1990	841	900	1186	1413	1513	895	1390	1285	1287
1991	834	917	1250	1518	1622	975	1480	1306	1363
1992	889	1035	1221	1563	1653	1021	1583	1413	1418
1993	857	1058	1246	1609	1730	1018	1643	1479	1461
1994	875	1070	1250	1666	1842	1093	1728	1568	1533
1995	857	1065	1260	1671	1887	1090	1731	1606	1548
1996	870	1070	1361	1738	1989	1138	1800	1697	1621
1997	890	1115	1466	1858	2160	1167	1943	1853	1740
1998	925	1150	1575	1972	2340	1200	2042	1936	1847
1999	894	1050	1575	1861	2247	1198	1945	1813	1768
2000	907	1025	1696	1754	2279	1325	1856	1831	1765
2001	900	1033	1715	1729	2273	1279	1810	1843	1750
2002	914	1080	1759	1825	2298	1350	1827	1928	1821
2003	890	1075	1760	1835	2401	1213	1863	1899	1840
2004	925	1125	1867	1961	2531	1297	1969	2087	1957
2005	975	1183	1980	2153	2691	1365	2021	2173	2077
2006	1036	1199	2310	2295	2953	1340	1925	2400	2202
2007	1195	1305	2795	2431	3323	1275	2199	2719	2444
2008	1475	1633	3550	2934	4080	1550	2689	3477	3007

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
Center Pivot Irrigated Cropland^b									
1978	771	678	956	877	1,484	813	1023	1286	947
1979	915	770	1164	1076	1690	895	1291	1590	1114
1980	894	886	1372	1223	2043	971	1535	1795	1272
1981	973	816	1456	1312	2110	1105	1732	1900	1341
1982	989	810	1332	1270	2010	1123	1681	1748	1293
1983	847	769	1217	1016	1727	926	1391	1643	1130
1984	809	698	1130	969	1655	827	1350	1465	1049
1985	691	581	875	850	1243	691	1055	1020	833
1986	496	400	700	628	970	558	788	788	634
1987	417	396	703	541	888	487	665	723	580
1988	446	441	800	622	1038	548	792	820	661
1989	532	604	993	779	1320	683	1021	1056	841
1990	619	710	1090	910	1393	765	1117	1133	935
1991	651	714	1129	1053	1461	748	1229	1194	977
1992	681	740	1084	1085	1510	783	1263	1228	1000
1993	641	745	1156	1160	1593	799	1356	1346	1045
1994	690	800	1215	1200	1707	850	1425	1413	1107
1995	693	825	1254	1268	1793	882	1454	1474	1149
1996	710	913	1320	1340	1930	981	1550	1565	1235
1997	748	962	1427	1507	2111	1058	1696	1725	1338
1998	829	1020	1583	1698	2332	1139	1863	1907	1471
1999	750	984	1581	1616	2288	1124	1830	1806	1428
2000	750	981	1609	1579	2424	1192	1795	1810	1455
2001	742	965	1653	1602	2420	1152	1778	1898	1459
2002	775	1043	1775	1693	2401	1167	1830	1959	1622
2003	750	1075	1840	1785	2460	1033	1846	1981	1636
2004	806	1211	2004	1901	2669	1123	2044	2218	1788
2005	924	1342	2234	2140	3042	1279	2145	2414	1996
2006	967	1480	2600	2224	3253	1344	2010	2743	2152
2007	1112	1733	3077	2521	3646	1575	2254	3055	2463
2008	1400	2221	3871	3082	4464	2071	3034	3818	3101

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2008.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^{cd}
----- Dollars Per Acre -----									
All Land Average^c									
1978	279	201	674	608	1125	363	796	844	500
1979	307	244	836	699	1376	405	970	1,044	597
1980	333	269	989	800	1670	472	1139	1215	695
1981	397	271	1077	865	1748	538	1268	1260	749
1982	396	269	1004	843	1643	527	1272	1173	720
1983	343	248	890	734	1475	480	1057	1099	642
1984	318	229	829	654	1341	442	990	989	588
1985	258	180	664	528	1007	347	706	689	450
1986	190	136	522	379	745	273	543	518	339
1987	165	115	502	324	707	232	474	482	306
1988	173	124	567	385	817	241	545	579	346
1989	210	171	689	495	1009	300	673	711	432
1990	219	202	744	580	1069	331	734	763	473
1991	226	215	747	639	1115	341	787	756	492
1992	239	226	737	669	1156	348	827	800	510
1993	239	226	790	693	1217	346	885	845	531
1994	249	244	835	728	1325	375	935	894	566
1995	250	251	860	744	1378	384	944	925	582
1996	254	256	895	769	1479	398	984	978	608
1997	269	275	962	833	1600	417	1066	1057	654
1998	288	295	1053	897	1754	450	1140	1162	710
1999	275	285	1052	859	1718	439	1099	1111	690
2000	276	299	1050	842	1737	464	1056	1121	698
2001	274	312	1107	854	1747	471	1060	1143	709
2002	283	321	1221	896	1768	500	1096	1204	749
2003	276	308	1266	939	1850	467	1102	1204	757
2004	302	343	1388	1005	1999	500	1188	1354	827
2005	325	379	1537	1110	2268	542	1268	1609	924
2006	349	425	1775	1200	2496	571	1215	1811	1013
2007	395	506	2142	1329	2795	631	1302	2079	1155
2008	454	597	2730	1618	3480	747	1628	2620	1424

^a February 1st estimates reported in the annual UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Pivot not included in per acre value.

^c Weighted average based upon acreage in each land type and/or region.

^d All land average for state may not conform to USDA series due to different acreage weighting. In addition, the USDA series includes farm buildings in its per acre estimates of value

Appendix Table 5. Historical Per Acre Value Range for Different Types and Quality Grades of Land in Nebraska by Agricultural Statistics District, 2002-2007. ^a

District and Type of Land	Reported Value Per Acre											
	Low Grade						High Grade					
	2003	2004	2005	2006	2007	2008	2003	2004	2005	2006	2007	2008
Northwest:	225	235	250	275	280	340	340	350	375	390	445	575
Dry Crop (No irr. pot.)	325	370	350	356	385	390	475	530	550	535	575	605
Dry Crop (Irr. pot.)	150	170	180	205	240	265	205	230	250	280	310	365
Grazing (Tillable)	115	125	155	162	215	245	170	190	225	250	325	360
Grazing (Nontillable)	245	275	310	355	400	435	370	400	460	525	610	650
Hayland	555	575	620	690	815	1075	990	1040	1210	1260	1460	1860
Gravity Irrigated	605	625	680	725	840	1110	920	1000	1165	1160	1315	1760
Center Pivot Irrigated ^b												
North:												
Dry Crop (No irr. pot.)	290	335	360	382	450	600	450	510	565	600	720	930
Dry Crop (Irr. pot.)	425	465	500	570	715	930	600	665	800	900	1080	1300
Grazing (Tillable)	260	290	315	365	455	525	345	375	500	550	680	800
Grazing (Nontillable)	165	180	215	245	290	320	265	305	355	350	410	440
Hayland	305	365	335	380	460	600	465	525	535	575	665	835
Gravity Irrigated	875	900	925	935	1075	1350	1250	1300	1440	1450	1600	1900
Center Pivot Irrigated ^b	770	865	895	1050	1300	1750	1260	1420	1575	1760	2005	2625
Northeast:												
Dry Crop (No irr. pot.)	880	955	1085	1315	1590	2150	1385	1540	1805	2065	2395	3340
Dry Crop (Irr. pot.)	1090	1180	1390	1740	2060	2690	1685	1845	2035	2349	2935	3810
Grazing (Tillable)	600	650	765	875	1080	1300	850	920	1145	1315	1605	1880
Grazing (Nontillable)	450	490	550	650	750	820	670	735	820	925	1085	1220
Hayland	580	630	650	735	860	1050	780	850	910	1030	1175	1410
Gravity Irrigated	1230	1310	1585	1900	2370	3085	1930	2075	2150	2475	3115	4000
Center Pivot Irrigated ^b	1425	1555	1820	2175	2640	3230	2125	2350	2510	2935	3435	4460
Central:												
Dry Crop (No irr. pot.)	530	605	635	715	780	945	895	980	1095	1210	1400	1700
Dry Crop (Irr. pot.)	785	875	865	1010	1050	1300	1325	1360	1555	1700	1750	2290
Grazing (Tillable)	455	530	550	610	645	770	735	835	875	995	1160	1400
Grazing (Nontillable)	355	400	440	500	562	650	520	580	630	710	805	945
Hayland	450	490	450	520	625	760	675	705	715	820	860	1080
Gravity Irrigated	1320	1410	1500	1600	1665	2285	2170	2310	2580	2600	2660	3380
Center Pivot Irrigated ^b	1190	1340	1500	1610	1730	2320	2135	2325	2500	2565	2795	3450
East:												
Dry Crop (No irr. pot.)	1255	1325	1615	1760	2035	2435	1805	1945	2400	2700	3055	3610
Dry Crop (Irr. pot.)	1540	1625	1875	2170	2390	2955	2140	2405	2740	2930	3240	4075
Grazing (Tillable)	640	730	825	1000	1220	1660	990	1155	1350	1440	1765	2350
Grazing (Nontillable)	505	570	600	715	845	1015	735	780	950	1125	1300	1500
Hayland	630	670	810	1000	1210	1600	1060	1140	1305	1635	1575	2100
Gravity Irrigated	1900	1965	2265	2300	2665	3310	2615	2805	3150	3330	3655	4495
Center Pivot Irrigated ^b	1895	2035	2410	2630	2860	3515	2600	2930	3390	3620	3950	4865
Southwest:												
Dry Crop (No irr. pot.)	370	380	385	395	395	490	530	555	575	605	650	770
Dry Crop (Irr. pot.)	495	515	495	535	520	610	655	685	740	725	750	785
Grazing (Tillable)	235	250	270	315	310	390	375	395	402	420	415	450
Grazing (Nontillable)	185	210	215	240	250	290	270	290	330	355	350	390
Hayland	355	370	340	370	445	540	560	615	615	680	780	970
Gravity Irrigated	1010	1015	925	950	1025	1265	1445	1650	1670	1510	1455	1900
Center Pivot Irrigated ^b	790	890	985	1090	1215	1495	1250	1300	1590	1525	1850	2385

Appendix Table 5. Historical Per Acre Value Range for Different Types and Quality Grades of Land in Nebraska by Agricultural Statistics District, 2002-2007.^a

District and Type of Land	Reported Value Per Acre											
	Low Grade						High Grade					
	2003	2004	2005	2006	2007	2008	2003	2004	2005	2006	2007	2008
South:												
Dry Crop (No irr. pot)	550	580	645	635	660	875	865	930	1025	1010	1075	1525
Dry Crop (Irr. pot.)	830	900	995	920	860	1010	1255	1390	1580	1535	1430	1800
Grazing (Tillable)	380	405	470	480	495	605	585	600	700	770	795	1095
Grazing (Nontillable)	310	335	380	370	390	500	440	470	550	575	610	755
Hayland	360	365	430	465	500	600	550	565	670	685	690	900
Gravity Irrigated	1350	1415	1455	1385	1580	2080	2010	2150	2165	2025	2505	3215
Center Pivot Irrigated ^b	1285	1400	1470	1480	1645	2050	2005	2225	2290	2150	2550	3325
Southeast:												
Dry Crop (No irr. pot)	800	890	1070	1155	1540	1855	1325	1500	1770	1975	2350	2865
Dry Crop (Irr. pot.)	1015	1120	1230	1460	1515	2075	1625	1830	2020	2235	2655	3150
Grazing (Tillable)	495	545	640	725	800	1020	720	800	925	1050	1185	1480
Grazing (Nontillable)	375	425	495	525	570	660	560	620	725	825	905	1060
Hayland	480	505	560	640	730	800	690	740	845	930	1080	1295
Gravity Irrigated	1490	1630	1690	1950	2215	2850	2075	2300	2390	2575	3050	3815
Center Pivot Irrigated ^b	1540	1730	1875	2180	2330	3010	2125	2380	2560	2940	3325	4175

^a Source: UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Pivot not included in per acre value.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Dryland Cropland

1981	b	b	60	43	68	35	38	55
1982	b	b	67	38	71	34	38	60
1983	b	b	63	43	66	25	41	57
1984	b	b	63	41	72	29	44	57
1985	b	b	55	38	65	26	40	50
1986	b	b	52	29	58	25	35	45
1987	b	b	55	29	58	23	35	45
1988	b	b	58	35	62	25	38	48
1989	b	b	65	42	70	26	43	52
1990	b	b	65	44	72	31	41	54
1991	b	b	64	45	73	27	41	58
1992	b	b	60	47	73	28	43	57
1993	24	28	65	46	74	28	47	60
1994	b	33	66	44	79	32	45	62
1995	21	36	69	48	79	29	46	61
1996	21	35	69	49	81	31	47	62
1997	22	38	74	53	85	32	49	65
1998	22	39	79	53	88	32	51	70
1999	21	38	79	51	85	30	49	67
2000	20	38	79	53	86	29	49	66
2001	20	37	78	53	87	29	51	64
2002	21	38	85	54	87	31	53	69
2003	22	32	86	59	89	32	52	71
2004	22	35	91	60	94	33	55	75
2005	24	37	92	62	99	33	56	79
2006	24	38	97	63	102	31	52	83
2007	26	41	109	71	113	34	56	93
2008	33	50	134	86	135	40	69	113

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Gravity Irrigated Cropland

1981	b	b	107	114	114	97	117	115
1982	100	96	b	119	116	97	115	115
1983	93	95	b	110	111	92	110	112
1984	110	95	100	115	113	89	115	113
1985	91	90	89	105	99	80	103	98
1986	78	73	80	90	97	77	93	88
1987	b	67	83	88	96	76	91	85
1988	b	70	94	94	103	76	95	93
1989	b	87	102	111	115	88	106	97
1990	74	88	99	113	113	96	106	104
1991	84	95	99	119	118	101	112	103
1992	83	101	98	109	119	99	118	109
1993	77	93	107	118	124	94	124	114
1994	83	100	110	121	131	107	124	122
1995	80	98	108	120	127	101	123	116
1996	78	99	108	124	127	104	126	118
1997	80	105	114	129	136	108	132	125
1998	91	105	116	129	136	103	133	128
1999	85	102	111	123	133	98	130	119
2000	82	98	118	123	133	100	128	120
2001	84	98	122	128	133	106	127	126
2002	84	100	124	128	136	104	128	131
2003	86	98	120	129	135	97	125	128
2004	88	105	129	134	138	101	128	131
2005	94	104	133	134	142	105	130	134
2006	97	105	135	135	144	101	130	138
2007	103	115	156	150	160	107	139	152
2008	126	142	188	173	189	116	168	185

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Center Pivot Irrigated Cropland

1981	b	71	117	102	118	91	126	119
1982	98	82	116	108	120	93	127	119
1983	90	86	101	100	114	83	117	116
1984	98	81	99	101	118	80	120	114
1985	b	69	93	90	104	81	111	96
1986	b	60	86	75	99	69	91	86
1987	b	62	83	77	97	66	82	86
1988	b	67	91	82	100	73	89	93
1989	b	88	99	98	110	81	101	100
1990	77	97	106	99	114	91	104	108
1991	85	98	108	109	120	94	115	110
1992	79	96	105	102	120	92	119	113
1993	79	83	107	108	124	93	124	114
1994	85	104	115	116	130	98	126	122
1995	86	100	118	117	128	101	127	122
1996	80	107	117	119	130	105	128	124
1997	90	115	124	130	142	110	138	132
1998	95	115	125	132	143	111	138	132
1999	90	109	122	124	143	110	136	127
2000	93	105	125	124	144	111	135	129
2001	94	106	130	129	144	113	132	134
2002	96	108	132	131	146	115	133	135
2003	97	105	137	134	145	115	135	138
2004	97	114	144	139	151	117	139	143
2005	107	119	142	139	155	121	143	147
2006	102	120	147	140	157	120	139	152
2007	118	136	173	156	176	128	154	169
2008	140	159	208	185	211	159	183	198

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

- - - - - Dollars Per Acre - - - - -

Dryland Alfalfa

1981	b	b	53	47	56	31	45	45
1982	b	b	57	47	64	31	43	47
1983	b	b	56	43	64	32	43	50
1984	b	b	50	46	63	36	44	45
1983	b	b	50	44	59	28	42	40
1986	b	b	47	32	52	25	44	40
1987	b	b	41	32	53	b	41	37
1988	b	b	52	36	58	b	42	39
1989	b	b	59	41	64	b	56	48
1990	b	b	62	49	67	30	b	48
1991	b	38	62	57	71	28	b	49
1992	b	36	56	46	58	b	50	48
1993	b	27	65	47	66	31	50	54
1994	b	b	65	46	70	37	51	52
1995	b	b	68	50	73	b	54	57
1996	b	b	68	52	78	b	51	54
1997	b	b	72	56	82	b	54	60
1998	b	b	79	58	86	b	59	64
1999	b	b	80	54	82	b	b	64
2000	b	b	80	56	82	b	b	b
2001	b	b	79	53	79	b	b	b
2002	b	b	86	55	82	b	56	b
2003	b	b	84	62	77	b	53	68
2004	b	b	92	63	85	b	53	74
2005	b	b	90	59	82	b	58	b
2006	b	b	89	54	87	b	59	80
2007	b	b	105	63	96	b	b	b
2008	b	b	126	73	120	b	b	b

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Irrigated Alfalfa

1981	b	b	88	92	96	b	90	b
1982	b	b	75	87	100	56	90	b
1983	b	b	78	89	105	70	84	b
1984	b	b	80	83	96	68	84	b
1985	b	b	74	80	87	b	69	b
1986	b	b	68	58	69	b	68	b
1987	b	b	61	62	70	b	68	b
1988	b	b	72	66	78	b	68	b
1989	b	b	89	88	92	b	100	b
1990	b	b	96	95	93	90	111	b
1991	b	b	98	98	102	78	98	b
1992	b	b	88	81	82	b	94	b
1993	b	b	96	96	92	b	100	b
1994	b	b	99	93	101	b	95	b
1995	b	b	99	102	101	b	103	b
1996	b	b	108	106	108	b	109	b
1997	b	b	113	106	119	b	b	b
1998	b	b	118	112	124	b	b	b
1999	b	b	112	108	115	b	b	b
2000	b	b	105	107	114	b	b	b
2001	b	b	118	107	118	b	b	b
2002	b	b	124	111	121	b	116	b
2003	b	b	125	121	124	b	117	b
2004	b	b	132	126	128	b	123	126
2005	b	b	130	121	119	b	124	b
2006	b	b	132	123	120	b	125	b
2007	b	b	b	138	162	b	b	b
2008	b	b	142	165	172	b	b	b

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Other Hayland

1981	b	21	b	37	39	34	b	34
1982	b	18	b	30	b	b	b	34
1983	b	b	b	41	b	b	b	31
1984	b	b	b	32	44	29	b	36
1985	b	b	b	38	38	b	b	28
1986	b	b	b	26	29	b	b	26
1987	b	b	b	28	32	b	b	24
1988	b	b	b	26	31	b	b	31
1989	b	b	b	30	44	b	b	34
1990	b	b	b	39	44	34	b	38
1991	b	18	37	37	43	35	b	33
1992	b	21	31	30	34	b	27	30
1993	b	22	38	34	38	b	35	29
1994	b	b	38	37	39	b	33	29
1995	b	b	41	40	44	b	31	34
1996	b	b	42	40	40	b	31	36
1997	b	b	42	43	44	b	32	38
1998	b	b	48	43	50	b	35	40
1999	b	b	48	38	48	b	b	b
2000	b	b	48	35	43	b	b	b
2001	b	b	50	37	47	b	b	b
2002	b	b	50	38	51	b	36	b
2003	b	b	46	36	53	b	33	b
2004	b	b	b	42	57	b	36	42
2005	b	b	52	42	56	b	36	b
2006	b	b	b	39	55	b	39	b
2007	b	b	b	51	b	b	b	b
2008	b	b	b	59	b	b	b	b

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Pastureland (Per-Acre)								
1981	6	8	33	16	28	10	14	26
1982	5	9	31	15	22	9	16	24
1983	6	9	26	16	21	9	14	24
1984	6	8	25	16	23	9	16	23
1985	5	6	20	13	23	7	14	20
1986	5	b	16	10	22	6	10	16
1987	4	4	18	10	20	5	11	15
1988	4	5	20	12	21	6	12	18
1989	5	7	23	15	23	7	15	19
1990	5	9	25	17	25	9	15	20
1991	6	10	26	20	27	10	17	22
1992	7	12	25	18	25	12	18	21
1993	6	10	24	21	27	10	19	21
1994	9	11	30	21	28	11	20	23
1995	7	11	31	21	27	12	19	24
1996	7	11	30	20	28	12	19	24
1997	8	12	30	21	29	12	20	25
1998	8	12	31	22	30	12	21	25
1999	7	12	31	21	29	11	20	23
2000	7	13	32	22	29	11	20	21
2001	7	12	32	23	30	11	20	22
2002	8	13	33	24	32	12	21	25
2003	7	11	33	23	28	11	22	24
2004	8	13	36	24	32	13	22	27
2005	8	13	37	25	32	12	23	27
2006	9	14	36	26	33	13	22	29
2007	9	15	38	26	36	12	21	30
2008	10	16	39	30	36	13	27	35

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2008.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Month -----								
Pasture (Cow-Calf Pair)^c								
1981	13.00	13.30	12.85	15.80	12.65	14.40	13.75	12.90
1982	13.00	12.50	15.25	15.95	13.85	16.00	15.00	14.95
1983	13.40	16.60	16.50	16.65	14.50	15.45	15.21	15.81
1984	13.20	15.90	15.30	16.55	14.10	15.25	14.75	15.60
1985	12.20	12.70	12.90	13.00	12.80	13.60	12.80	13.60
1986	10.70	10.50	11.00	10.60	10.10	10.40	10.70	11.30
1987	9.55	10.35	10.10	10.55	10.20	10.25	10.50	10.50
1988	9.50	11.00	10.90	11.30	13.00	12.70	12.65	13.50
1989	11.35	14.50	14.00	14.50	13.25	12.80	14.20	13.70
1990	12.90	16.75	15.55	17.80	15.70	17.40	15.00	15.35
1991	14.85	20.00	18.00	20.30	19.50	18.25	17.50	18.00
1992	14.60	21.00	18.80	19.95	17.40	17.65	19.00	18.00
1993	16.40	21.30	18.50	22.35	19.85	20.75	20.40	19.85
1994	17.20	23.25	19.70	23.00	21.55	23.00	23.00	21.60
1995	16.75	23.40	19.90	23.00	20.50	22.30	22.20	20.30
1996	16.40	23.00	18.35	21.80	21.00	20.35	21.15	20.05
1997	17.00	23.50	20.50	22.25	22.30	21.20	21.20	20.75
1998	18.10	23.70	21.00	23.40	23.60	23.40	22.20	21.70
1999	16.70	23.00	21.60	23.25	21.90	23.25	22.00	20.40
2000	18.25	23.15	23.80	23.80	22.50	24.50	22.00	21.35
2001	19.65	25.10	23.40	24.45	24.00	25.00	22.20	22.75
2002	20.35	26.35	23.80	25.10	24.30	25.00	23.30	24.40
2003	19.15	26.15	25.10	24.90	24.45	24.60	23.00	23.15
2004	21.00	27.65	26.80	26.35	26.00	26.25	24.00	25.15
2005	23.15	28.30	28.10	28.55	27.90	26.70	24.60	25.15
2006	23.00	29.40	29.70	28.70	28.00	26.70	26.00	25.80
2007	25.00	29.55	29.15	27.75	26.00	25.70	25.00	25.15
2008	26.25	33.65	31.90	33.10	31.60	31.65	27.75	29.85

^a Reporter's annual estimates of cash rental rates in the annual UNL Nebraska Farm Real Estate Market Developments Survey Series.

^b Insufficient number of reports.

^c A cow-calf pair is typically considered to be 1.25 to 1.30 animal units (animal unit being 1,000 lb. animal). However this can vary depending on weight of cow and age of calf.