



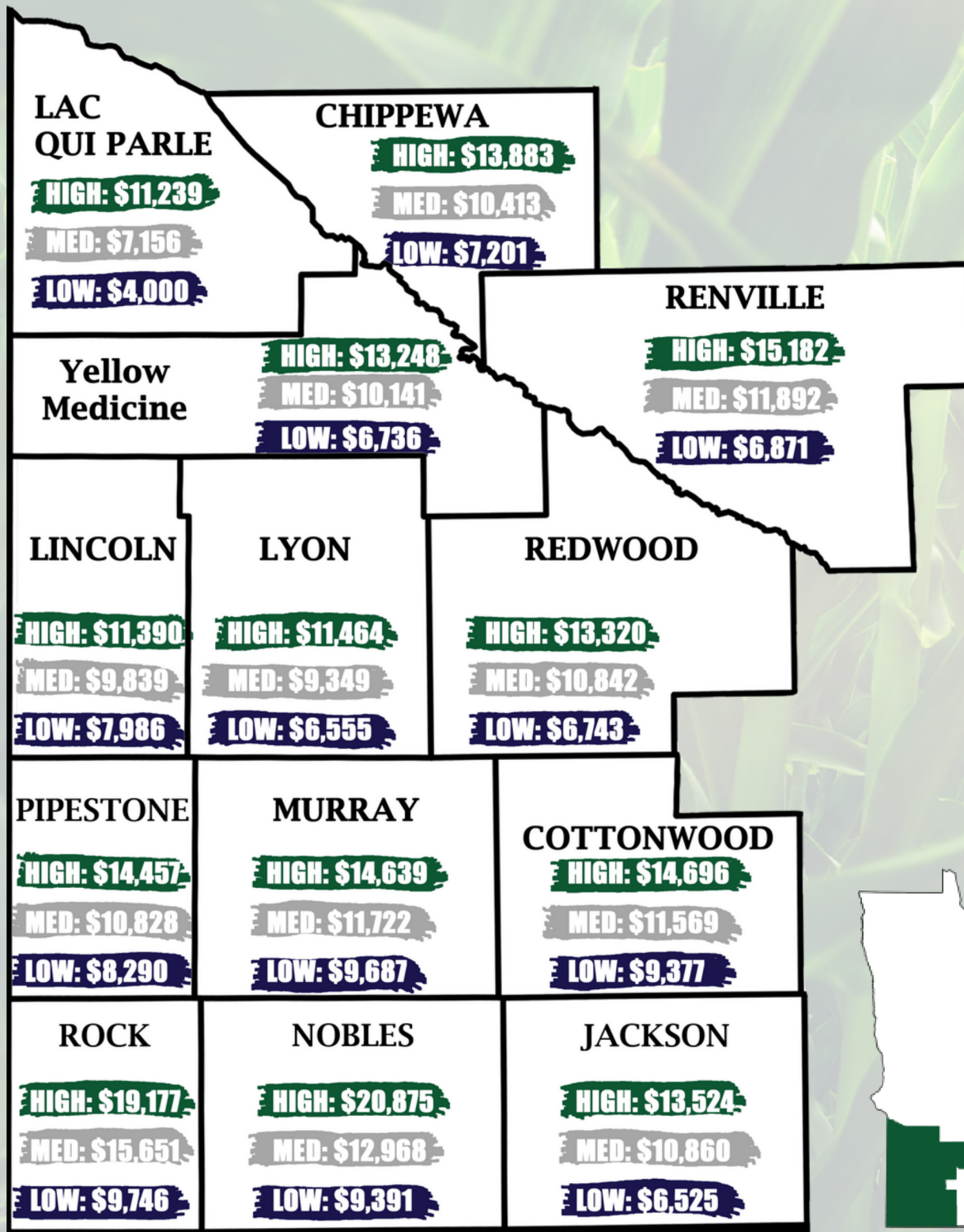
LAND VALUE REPORT

LAC QUI PARLE \$11,239	CHIPPEWA \$13,883	
YELLOW MEDICINE \$13,248		RENVILLE \$15,182
LINCOLN \$11,390	LYON \$11,464	REDWOOD \$13,320
PIPESTONE \$14,457	MURRAY \$14,639	COTTONWOOD \$14,696
ROCK \$19,177	NOBLES \$20,875	JACKSON \$13,524

County High Tillable Land Sale Values - 2023

**All data was considered arms-length transactions (good for study) verified from the county recorders offices and the Northwestern Farm Management's appraisal team.*

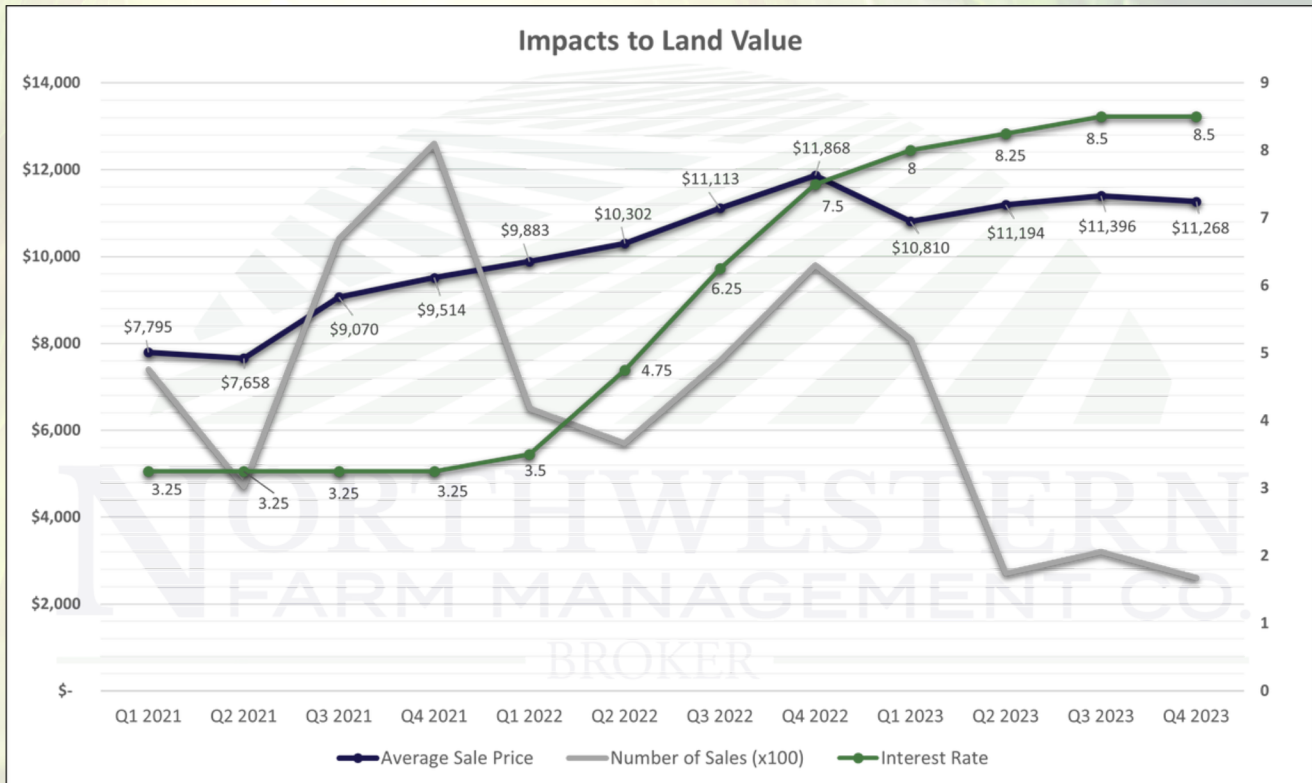
2023 Land Sales Per Tillable Acre



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Why Haven't Interest Rates Negatively Impacted Farmland Values?

The data in the graph below shows the correlation of cropland values to the number of sales compared to interest rates.



*All data was considered arms length transactions (good for study) verified from the county recorders offices and the Northwestern Farm Management's appraisal team. The counties used in this study were Rock, Nobles, Jackson, Cottonwood, Murray, Pipestone, Lincoln, Lyon, Redwood, Renville, Yellow Medicine, Lac qui Parle, and Chippewa.

Land values dramatically increased in recent years to record highs as a result of high commodity prices, low interest rates, USDA payments, political uncertainty, and investors looking to diversify their portfolio. The Federal Government increased interest rates starting in 2022 to help offset the rising inflation rate post COVID-19. Many thought the market would see a negative impact on farmland values as the buyers' purchasing power would likely be reduced.

For example: An 80-acre farm that sold in Q1 of 2022 for \$10,000 per acre with a 65% loan-to-value (LTV) and an interest rate of 3.50%, would have a land payment of \$395 per acre. To maintain the same land payment of \$395 per acre at an interest rate of 8.50%, that same farm would have to sell for approximately \$6,200 per acre.

So why is the math not mathing?

As shown in the graph above, although interest rates increased significantly from Q1 of 2022, we are still seeing farmland values near record highs. During the past 2 years, both land values and the number of sales peaked in Q4 of 2022. Since Q4 of 2022, the number of sales has substantially decreased, which has helped land values remain near record highs despite interest rates remaining strong. It is a true supply and demand scenario – reduced supply kept demand and values strong.



NORTHWESTERN FARM MANAGEMENT CO.

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- Fast turnaround times with reliable results

PROVEN RESULTS

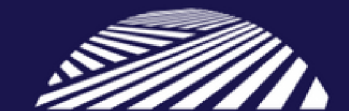
TRUSTED ADVICE

Farmland Sales Since 2019

\$208,879,265
Total Sales

29,134
Total Acres

4
States



**NORTHWESTERN
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Contact us today!



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