

PRESS RELEASE

FOR RELEASE: September 22, 2003

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The Iowa Farm and Land Chapter #2 REALTORS® Land Institute is pleased to announce the results of our September 2003 Land Trends and Values Survey. Our REALTORS® Land Institute Chapter is an arm of the National Association of REALTORS® and is organized for REALTORS® who specialize in farm and land sales, management and appraisal. Participants in the survey are specialists in farmland and are asked for their opinions about the current status of the Iowa farmland market.

Participants were asked to estimate the average value of farmland as of September 1, 2003. These estimates are for bare, unimproved land with a sale price on a cash basis. Pasture and timberland values were also requested as supplemental information.

The results of these surveys show a statewide average increase of cropland values of 3.5% for the March 2003 to September 2003 period. Combining this 3.5% increase with the 4.9% increase reported in March of 2003 indicates a statewide average increase of 8.4% for the year from September 1, 2002 to September 1, 2003.

All nine Iowa crop reporting districts showed an increase. The districts varied from a 2.5% increase in East Central Iowa to a 5.1% increase in South Central Iowa.

Reasons given for farmland value increases include low supply of listings and significant demand resulting from continued farm expansion, 1031 Tax Deferred Exchanges, and investor diversification. Favorable long-term interest rates have also helped support the farmland market. The drought conditions we have experienced across Iowa in late summer and concern of economic forecasts are issues that may impact farmland values in the near future.

The Iowa Farm & Land REALTORS® farmland value survey has been conducted as of March and September since 1978. This survey plus the Central States Farm Multiple Listing Exchange are activities of REALTORS® specializing in agricultural land brokerage on a daily basis.