



Louisiana Land Market Report 2020

Pastureland Values and Rental Rates

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Report in a Snapshot

- This publication reports on land values of pastureland and cash rents based on a survey administered by LSU AgCenter in 2020 to Louisiana Agricultural Lenders and Land Appraisers.
- State average value of pastureland reported at \$2,905/acre, and cash rents at \$33/acre (5.64% and 13.8% increase respectively from 2019)
- Respondents expected no significant changes to occur in pastureland values and cash rents in the next 12 months.

Summary

This publication reports on land values of pastureland and cash rents for 2020 based on a survey administered by the Agricultural Economics and Agribusiness department LSU Agricultural Center (LSU AgCenter) to Louisiana Agricultural Lenders and Land Appraisers. The survey was administered by Dr. Lawson Connor to collect updated information on the general outlook on the expectation of pastureland values and cash rents. This report also documents the percentage change in price and cash rents compared to 2019.

Pastureland values and cash rents for pastureland are reported based on the five Agricultural Center regions: Northwest (Region1), Northeast (Region 2), Central (Region 3), Southwest (Region 4), and Southeast (Region 5).

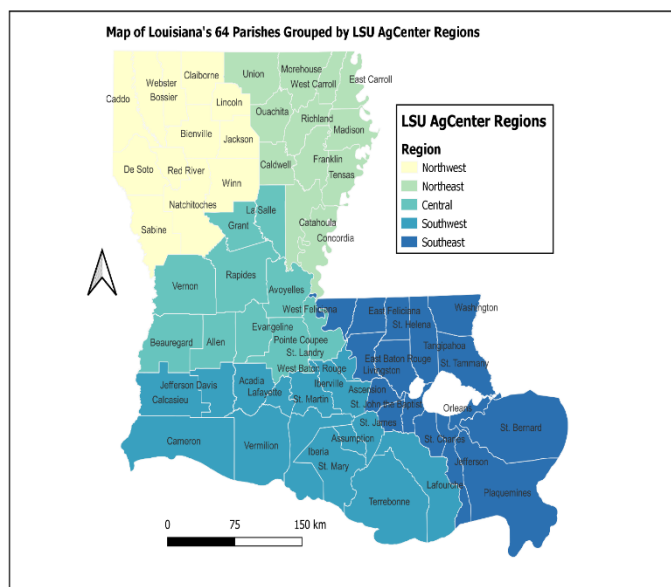


Figure 1: Map of Louisiana's 64 Parishes Grouped by LSU AgCenter Regions

According to survey respondents' observation, the average value of pastureland and cash rents are \$2,905/acre and \$33/acre respectively; a 5.64% and 13.8% increase respectively from the previous year (\$2,750/acre and \$29/acre respectively). In all five regions, survey respondents expected no significant changes to occur in pastureland values and cash rents in the next 12 months.

Pastureland Prices & Rental Rates

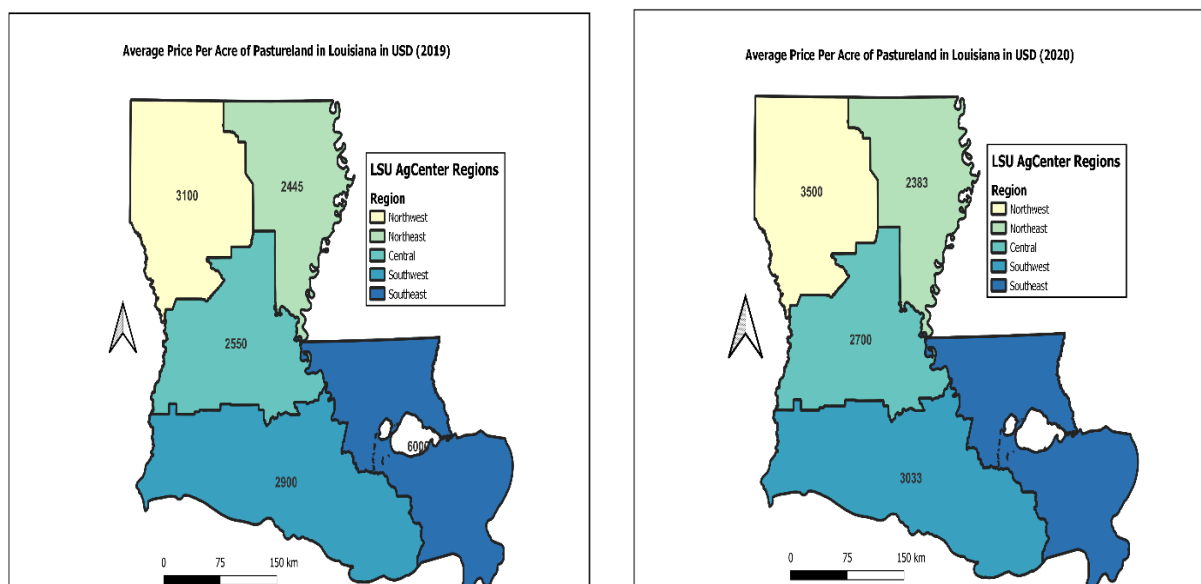


Figure 2: Avg. Pastureland Per Acre Price 2019 (left) and 2020 (right)

Respondents were asked for their observations of fair sales values (refers to an assets sale price agreed upon by a willing buyer and seller, assuming both parties are knowledgeable and enter the transaction freely) of pastureland in their respective regions. Figure-2 shows the average of respondents' observations of fair sales values for pastureland across the five regions in the years 2019 (left panel) and 2020 (right panel).

Table-1: Average Sales Price on Pastureland and their Percentage Change in 2019 and 2020

REGION	AVERAGE SELLING PRICE/ACRE (2019)	AVERAGE SELLING PRICE/ACRE (2020)	PERCENTAGE CHANGE
NORTHWEST	\$3,100	\$3,500	+12.9%
NORTHEAST	\$2,445	\$2,383	-2.52%
CENTRAL	\$2,550	\$2,700	+5.88%
SOUTHWEST	\$2,900	\$3,033	+4.59%
SOUTHEAST	\$6,000	No data	

Table-1 shows the average sales values and percentage changes from 2019 to 2020. The Northwest region reported the highest values for pastureland at \$3,500/acre for 2020 which is also the highest increase (12.9%) from 2019. The Southwest region captured the second-highest value at \$3,033/acre for 2020 which is a 4.59% increase from the previous year. The reported value of pastureland in the Central region is \$2,700/acre for 2020 which is a 5.88% increase from the previous year. The Northeast region had the lowest pastureland values at \$2,383/acre; a 2.52% decrease from the previous year. No responses were collected for the Southeast region in 2020.

Excluding the Southeast region, the estimated average value for pastureland is \$2,905/acre, compared to \$2,750/acre in 2019. Thus, there is an overall 5.64% increase in the average value of pastureland across the state of Louisiana.

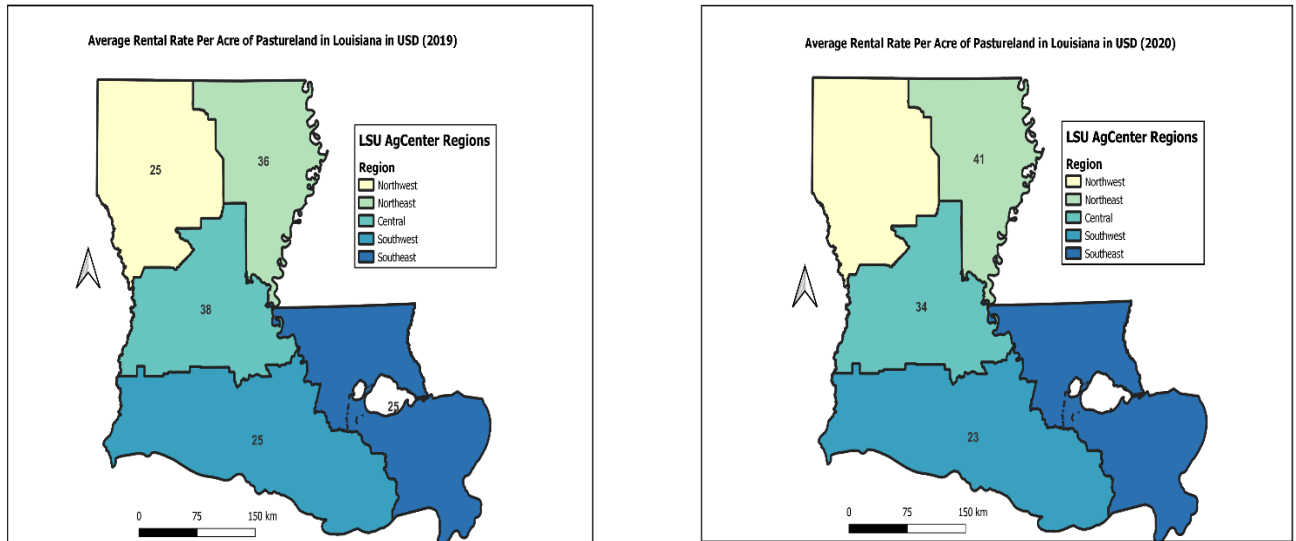


Figure 3: Avg. Pastureland Per Acre Rental Rates 2019 (left) and 2020 (right)

Respondents were asked for their observations of the cash rental rate of pastureland in their respective regions. Figure-3 reports these values by region in 2019 (left panel) and 2020 (right panel).

Table-2: Average Cash Rental Rates on Pastureland and their Percentage Change in 2019 and 2020

REGION	AVERAGE RENTAL RATE/ACRE (2019)	AVERAGE RENTAL RATE/ACRE (2020)	PERCENTAGE CHANGE
NORTHWEST	\$25	No Data	No Data
NORTHEAST	\$36	\$41	+13.89%
CENTRAL	\$38	\$34	-10.5%
SOUTHWEST	\$25	\$23	+8.0%
SOUTHEAST	\$25	No data	

Table-2 shows the average cash rental percentage changes from 2019 to 2020. For cash rents, Northeast reported the highest price among all regions at \$41/acre in 2020 which is a 13.89% increase from 2019. The Southwest region had the lowest rental values at \$23/acre in 2020; an increase of 8.0% from the previous year. Unlike all other regions, the Central region had a 10.5% decrease in rental rate at \$34/acre in 2020 from the value at \$38/acre in 2019. No cash rent data were collected from the Northwest and Southeast regions to determine average cash rental rates of pastureland. Like pastureland price, average cash rents for pastureland were \$33/acre in 2020 while in 2019 were \$29/acre; a 13.8% overall increase.

Expected Changes in Pastureland Prices and Rental Rates

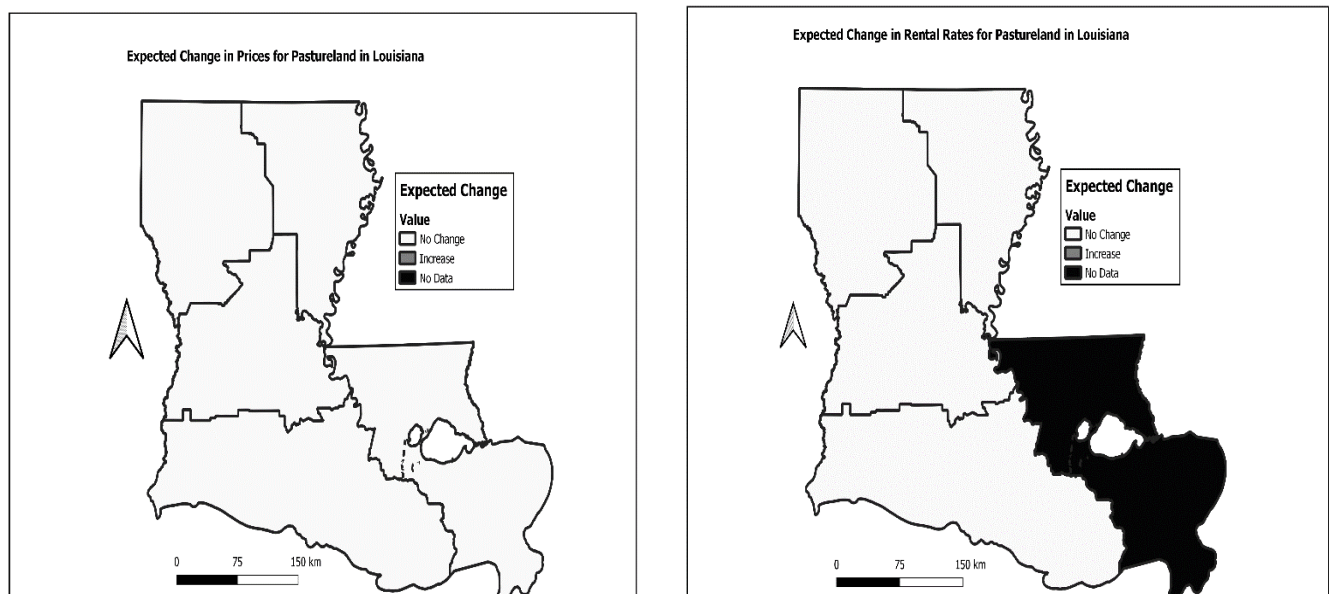


Figure 4: Expected Changes in Prices (left) and Rental Rates(right) in the next 12 months

In Figure-4, we report respondents' expectations for land values and cash rents for pastureland in the next 12 months. The three-color gradient depicts the three directions: no change-white, increase- grey and no data- black. No respondent expected to see decreases in the Pastureland prices and rental rates. In all five regions, survey respondents expected no change in the price of Pastureland for the next 12 months. In the next 12 months, no changes are also expected in the cash rents of Northwest, Northeast, Central, and Southwest regions. No data was collected for the Southeast region in the year 2020.

We comment that variations in the expected versus realized prices may exist. This can be attributed to low response rates from specific regions. Moreover, location, size (acreage), land productivity, as well as factors related to urbanization and land quality (development) should be considered.

Information on irrigated cropland and non-irrigated cropland may be found at [Farm Finance and Management](#).

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