



Louisiana Land Market Report 2020

Non-Irrigated Cropland Values and Rental Rates

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Report in a Snapshot

- This publication reports on land values of non-irrigated cropland and cash rents based on a survey administered by LSU AgCenter in 2020 to Louisiana Agricultural Lenders and Land Appraisers.
- State average value of non-irrigated cropland reported at \$3,320/acre, and cash rents at \$101/acre (a 2.47% increase and 22.9% decrease, respectively from 2019)
- Respondents expected a slight increase to occur in non-irrigated cropland values but no significant changes for cash rents in the next 12 months.

Summary

This publication reports on land values of non-irrigated cropland 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 non-irrigated cropland values and cash rents. This report also documents the percentage change in price and cash rents compared to 2019. Land values and cash rents for non-irrigated cropland are reported based on the five Agricultural Center regions: Northwest (Region 1), Northeast (Region 2), Central (Region 3), Southwest (Region 4), and Southeast (Region 5).

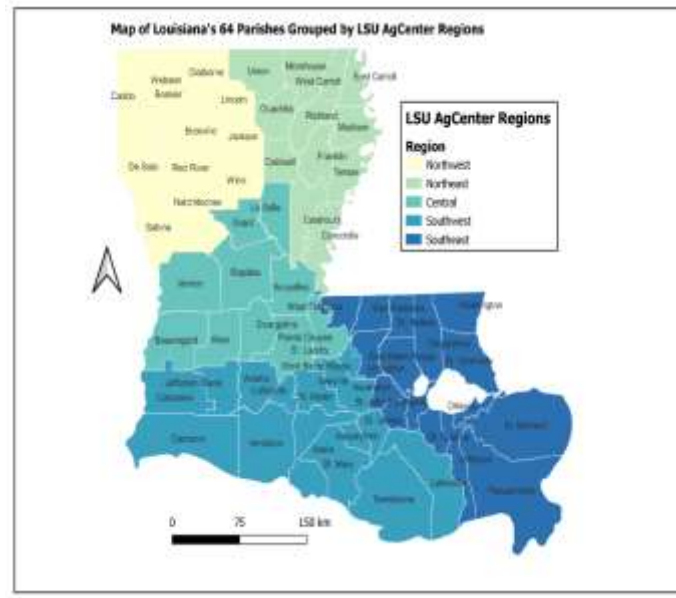


Figure 1: Map of Louisiana's 64 Parishes Grouped by LSU AgCenter Regions

According to survey respondents' observation, the average value of non-irrigated cropland and cash rents are \$3,320/acre and \$101/acre, respectively; a 2.47% increase and 22.9% decrease respectively from the previous year (\$3,240/acre and \$131/acre respectively). In the next 12 months, survey respondents were expected to see a slight increase in non-irrigated cropland price but for cash rents, it will be mostly unchanged.

Non-Irrigated Cropland Prices & Rental Rates

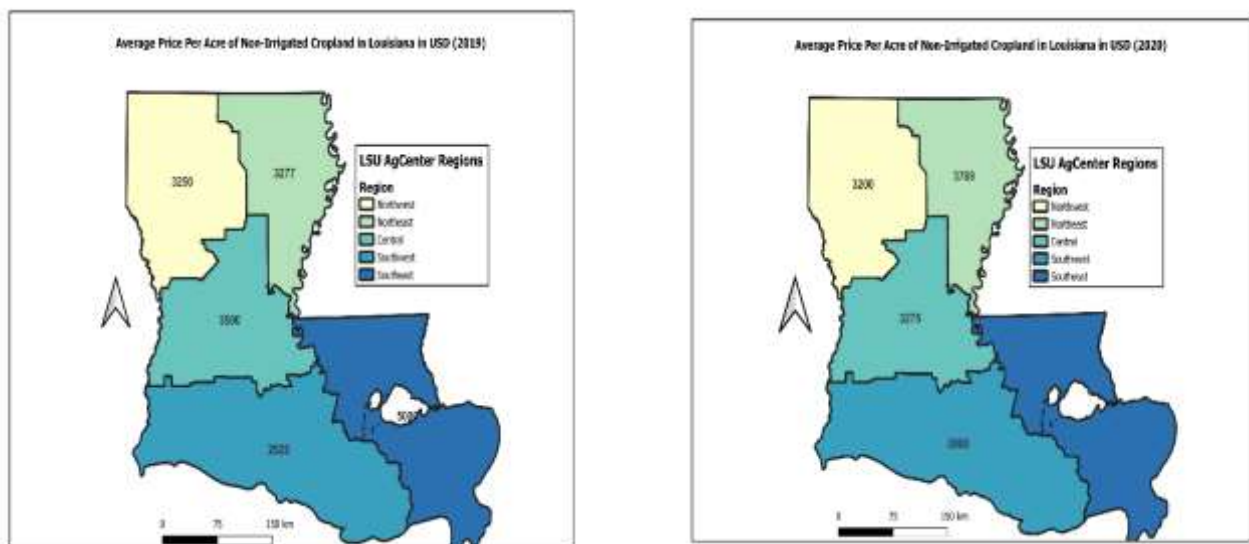


Figure 2: Avg. Non-Irrigated Cropland Per Acre Price 2019 (left) and 2020 (right)

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

Table-1: 2019 and 2020 Average Sales Price on Non-Irrigated Cropland and their Percentage Change

REGION	AVERAGE SELLING PRICE/ACRE (2019)	AVERAGE SELLING PRICE/ACRE (2020)	PERCENTAGE CHANGE
NORTHWEST	\$3,250	\$3,200	-1.54%
NORTHEAST	\$3,277	\$3,789	+15.62%
CENTRAL	\$3,500	\$3,275	-6.43%
SOUTHWEST	\$2,925	\$3,000	+2.56%
SOUTHEAST	\$5,000	No data	

Table-1 shows the average sales values and percentage changes from 2019 to 2020. The Northeast region reported the highest values for non-irrigated land at \$3,789/acre for 2020 which is a 15.62% increase from 2019. The Central region captured the second-highest value at \$3,275/acre for 2020 which is the highest decrease (-6.43%) from the previous year. The Southwest region had the lowest non-irrigated cropland values at \$3,000/acre; a 2.56% increase from the previous year. Similarly, the Northwest region had a 1.54% decrease in non-irrigated cropland value at \$3,200/acre in 2020 from the value at \$4,250/acre in 2019. No responses were collected for the Southeast region in 2020.

Excluding the Southeast region, the reported average value for non-irrigated cropland is \$3,320/acre, compared to \$3,240/acre in 2019. Thus, there is an overall 2.47% increase in the average value of non-irrigated cropland across the state of Louisiana.

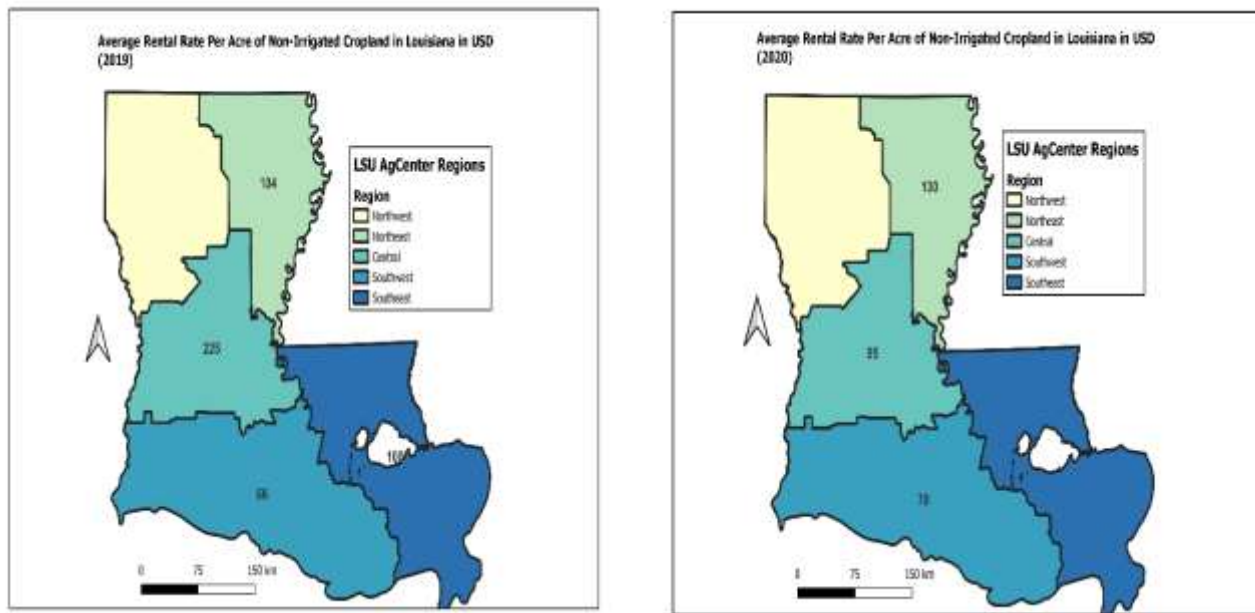


Figure 3: Avg. Non-Irrigated Cropland Per Acre Rental Rates 2019 (left) and 2020 (right)

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

Table-2: 2019 and 2020 Average Cash Rental Rates on Non-Irrigated Cropland and their Percentage Change

REGION	AVERAGE RENTAL RATE/ACRE (2019)	AVERAGE RENTAL RATE/ACRE (2020)	PERCENTAGE CHANGE
NORTHWEST	No Data	No Data	No Data
NORTHEAST	\$103.67	\$130	+25.4%
CENTRAL	\$225	\$95	-57.8%
SOUTHWEST	\$65.63	\$78	+18.85%
SOUTHEAST	\$100	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 \$130/acre in 2020 which is a 25.4% increase from 2019. The Southwest region had the lowest rental values at \$78/acre in 2020; an increase of 18.85% from the previous year. Unlike Northeast and Southwest regions, the Central region had a 57.8% decrease in non-irrigated cropland cash rent at \$95/acre in 2020 from the value at \$225/acre in 2019. This might be a bias due to the few responses being collected from this region. No cash rent data were collected from the Northwest and Southeast regions to determine average cash rental rates of non-irrigated cropland. Unlikely cropland prices, average cash rents for non-irrigated cropland were \$101/acre in 2020 while in 2019 were \$131/acre; a 22.9% overall decrease.

Expected Changes in Non-Irrigated Cropland Prices and Rental Rates

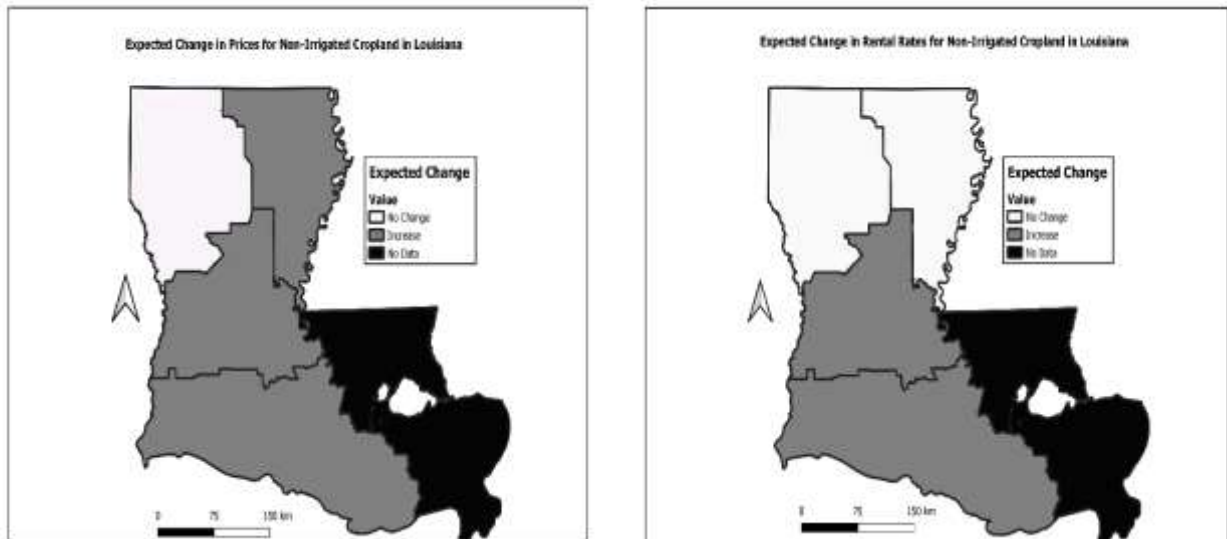


Figure 4: Expected Changes in Prices (left) and Rental Rates (right) in the next 12 months

In Figure-4, we report respondents' expectations for land values and cash rents for non-irrigated cropland 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 irrigated cropland prices and rental rates. In the Northeast, Central, and Southwest regions, survey respondents expected a slight increase in the price of non-irrigated cropland for the next 12 months; but respondents expected no change in the Northwest region. In the next 12 months, no changes are expected in the cash rents in the Northwest and Northeast regions, but a slight increase is expected in the Central and Southwest regions. No data was collected for the Southeast region in both years of 2019 and 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, land productivity, crop variety grown, as well as factors related to urbanization and land development should be considered.

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

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