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FENCELINE

Ode to a Cow
When life seems one too many for you,
Go and look at a cow,
When the future's black and blue,
Go and look at a cow.
For she does nothing but eat her food,
And sleep in the meadows entirely nood,
Refusing to fret or worry or brood.
Because she doesn't know how.
Whenever you're feeling bothered and sore,
Go and look at a cow.
When everything else is a fearful bore,
Go and look at a cow.
Observe her gentle and placid air,

Her nonchalance and savior faire,
Her absolute freedom from every care,
Her imperturbable brow.
So when you're at the end of your wits,
Go and look at a cow.
Or when your nerves are frayed to bits,
And wrinkles furrow your brow;
She'll merely moo in her gentle way,
Switching her rudder as if to say:
"Bother tomorrow! Let's live today!
Take the advice of a cow."
The Old Farmer's Almanac, 1936

"We've seen incredible volatility in land values in the last six years," said Mykel Taylor, associate professor and farm management specialist with K-State Research and Extension. During that time, historic high prices were recorded in 2014-2015 followed by sliding values in 2016 and so far this year.

Values for non-irrigated or dryland cropland in Kansas have fallen the most – 17 percent since 2015 – said Taylor, who gave a presentation on the topic at the recent K-State Risk and Profit Conference in Manhattan. Prices for irrigated cropland dropped 9 percent, and pasture land values fell 5 percent in that period.

Farmland values and rental rates are two of Taylor's primary areas of research. She uses data from farmer surveys conducted by the Kansas Agricultural Statistics Service and transaction data recorded in the Kansas Department of Revenue Property Valuation Division to study trends. The farmer surveys provide a ballpark estimate of what land is selling for, but it's based on farmers' opinions, she said, adding that the farmer response rate to such surveys in Kansas is relatively low. For that reason, using market-based data from actual transactions recorded at the PVD gives a clearer picture.

Long-run trends indicate farmland values will continue to move lower through the rest of the year and potentially beyond and may fall by as much as 50 percent from the highs of 2014 and 2015, Taylor said, noting that though land values typically follow agricultural profitability, they do not adjust as quickly as changes to grain and livestock prices do.

"The way net farm income is related to land values, we project out a possible 30 to 50 percent drop from the 2014-2015 highs," she said, noting that prices vary across the state.

"Farmers are still our biggest buyers of (Kansas) farmland," Taylor said when asked about multi-national corporations buying farmland in Kansas. "Kansas is not as attractive to investors as states in the Corn Belt because of the volatility in our yields."

Some appraisers have reported that the overall number of bidders at farmland auctions has dipped, she added.

Information on farmland values, rental rates and other information can be found on the K-State extension agricultural economics website www.agmanager.info.