

PRESS RELEASE

FOR RELEASE: September 21, 2005

FOR MORE INFORMATION CONTACT:

Troy Louwagie - 319-895-8858

The Iowa Farm and Land Chapter #2 REALTORS® Land Institute is pleased to announce the results of our September 2005 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, 2005. 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 5.5% for the March 2005 to September 2005 period. Combining this 5.5% increase with the 6.5% increase reported in March 2005 indicates a statewide average increase of 12.0% for the year from September 1, 2004 to September 1, 2005.

All nine Iowa crop reporting districts showed an increase. The districts varied from a 3.8% increase in Southeast Iowa to a 9.8% increase in South Central Iowa for the March 2005 to September 2005 period.

Factors contributing to the increase in farmland values include; less farms for sale, continued demand resulting from the expansion of farmers, 1031 Tax Deferred Exchanges, and investor diversification. Concerns that could affect farmland values in the future include; lower commodity prices, increased fuel and fertilizer costs, lower yields, drier weather and slightly higher interest rates.

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.