

25th Year Edition
**NEBRASKA FARM
REAL ESTATE MARKET
DEVELOPMENTS 2001-02**

by
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and
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Nebraska Farm Real Estate Market Developments 2001-2002

by

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This report is also available through the Internet. The website address is:

<http://agecon.unl.edu/realestate/re2002.pdf>

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Nebraska Farm Real Estate Market Developments 2001-2002

Summary

In this *silver anniversary edition*, we provide a 25-year perspective of Nebraska's agricultural real estate market as well as analyzing the market dynamics of recent months.

Despite being a market of very limited turnover rates of ownership as well as rental leases, the market for agricultural real estate is still very dynamic. This is very obvious in the past 25 years during which agricultural land values in Nebraska experienced both "boom" and "bust" conditions before developing a more steady-to-gradually-upward trend more recently. Average 2002 levels of values in nominal terms are essentially in the same range as those of the previous historical peak more than 20 years ago (and prior to major value declines.) However, when adjusted for general inflation in the U.S. economy, these current values in real, purchasing power terms are more than 25 percent lower than the previous peak (which hindsight would suggest was an unsustainable economic aberration.) While the nature of the market participants (buyers and sellers) have remained fairly similar over the past quarter century, today's market is characterized by a much higher percentage of cash sales (no debt financing) as well as larger down-payment levels associated with current mortgages. In other words, today's market for farm real estate in Nebraska is on a much stronger financial footing than that of a quarter century ago.

As for the more recent patterns, the 2002 UNL Nebraska Farm Real Estate Market Survey showed February 2002 values up an average of 3.9 percent above year-earlier levels. Although not all areas of the state and land types experienced this level of increase, there were no instances where survey panel members reported declines. This fairly solid traction in the land market was attributed to a number of factors including: demand for farm expansion (with limited offerings on the market), current mortgage interest rates, "1031" tax exchanges, federal farm program dollar infusions, and non-farmer investor interest.

Cash rental rates for 2002 season are generally higher than year-earlier levels, as demand for rental land by expanding farm operators remains strong throughout the state. In a number of instances, the 2002 cash rental rates represent historic highs. Pasture rental rates for 2002 (whether measured on a per-acre basis or animal-unit-month basis) are also reportedly higher.

Reported estimates of net rates of return to land for 2002 were generally steady to somewhat lower. This has essentially been the trend of the past several years as land values have tended to increase at a somewhat faster rate than the associated dollar net returns.

Nebraska Farm Real Estate Market Developments 2001-2002

Introduction

This marks the 25th consecutive year that the UNL Department of Agricultural Economics has been tracking and researching agricultural real estate market conditions and trends across Nebraska. From this base of information and analysis, those with interest in agricultural real estate markets have been able to gain better understanding of the market dynamics and, therefore, be able to make more informed decisions. In this ***silver anniversary edition***, we take a 25-year perspective and appraise the changes over that time period, as well as focusing upon the market dynamics of recent months.

The foundation of this effort is an *expert panel* of reporters from across the state who annually provide their insight into market conditions in their respective areas. The panel is comprised of individuals, who are well informed about the agricultural real estate market. Many are practicing real estate appraisers and/or professional farm managers, while others are employed in the fields of agricultural real estate sales and agricultural lending.

The vast majority of panel members have participated in this annually for a number of years—thus providing important continuity to the survey process and the quality of information series. In fact, several have been a part of the effort for more than 15 years.

As of February 1st of each year, which essentially centers on the primary period of annual market activity, members of this panel provide “point-in-time” estimates of current market values for the various classes of agricultural land in their respective areas. In the February 2002 survey, about 150 reporters from across the state participated in this effort. These estimates are aggregated into averages and ranges for each of the state’s eight agricultural statistics areas. District averages are then aggregated to the state level using an acreage weighting procedure to arrive at all-state estimates for each of the land types. These values, when compared across geographic area and over time, provide a solid basis of market patterns and trends for the state. The 25 year historical series for these values are in the appendix of this report.

Reporter panel members also provide details on actual agricultural real estate sales which have occurred over the previous 12 months and estimates of current-year cash rental rates for the various classes of land in their localities.

In sum, the information collected from the reporter panel each year has provided a rich data series regarding Nebraska’s agricultural real estate market. And together with other external information sources, a solid understanding of the general market can be achieved. However, the reader is cautioned to use the information in this report carefully. While it provides a general picture, specific inferences *cannot* automatically be made for a particular local real estate market or a specific agricultural land parcel. Nebraska is simply too heterogeneous and any specific land parcel too unique to realistically allow the information contained herein to be the sole basis of current market value or going agricultural rents. When the latter is desired, we advise seeking the services of a certified agricultural real estate appraiser or professional farm manager.

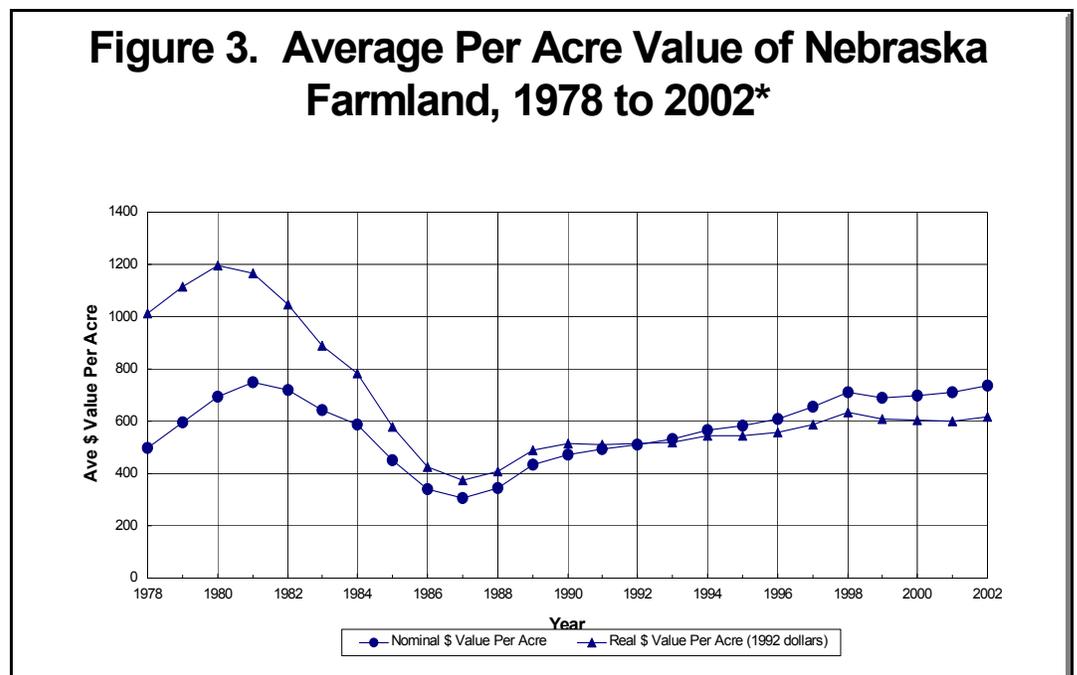
As for the turnover rate of land in the rental market, it too is fairly limited, albeit more active than the transfer market. In a 1996 UNL leasing study, tenant respondents from across the state reported their existing leasing arrangements (both share and cash leases) had been in effect for an average of nearly 13 years, even though most rental land is being leased on a year-to-year basis and subject to annual renegotiation. Given this average length, it would infer that the average tenant turnover rate of agricultural land leases in Nebraska is about 8 percent per year ($100/13 = 7.69$). And with about 43 percent of this state's agricultural land base being leased (about 20 million acres), this rate of annual turnover converts to about 1.5 million acres of agricultural land that changes tenants annually.

As with ownership turnover rate, this relatively low rate of tenant turnover also contributes to a more spirited bidding environment among tenants for the land that is available to rent in any given year. Even in recent years, when economic pressures would suggest some softening of cash rental rates, this situation of limited availability of land to rent in the face of strong demand reduces the tendency for tenants to try to negotiate lower cash rents.

In sum, both the ownership and control of agricultural real estate remains in the same hands over extended periods of time. Thus, the associated markets reflect significant events for the parties involved when turnover does occur.

Nebraska's Agricultural Land Market: A Quarter Century Perspective

Nebraska's agricultural land market has experienced the extremes of land "boom" and "bust" within the past quarter century (Figure 3.). In 1978, the state was already about five years into a very "bullish" land market, with an intensity which had not been seen for more than six decades. Agricultural land values continued to rise at double-digit annual rates for three more years, leading to the state's all-land average peaking at an historic high of \$741 per acre in 1981. Economic hindsight now indicates that this peak was, indeed, an unsustainable aberration in a fragile market driven by (1) market



participants' expectations of continuing value increases and (2) heavy debt financing by the majority of buyers. When the agricultural crisis of the 1980s settled in with plunging farm incomes and soaring interest rates on debt, the result was obvious—a land “bust” that bordered on being an economic meltdown. For the next six consecutive years, agricultural land values fell rapidly, as financial hardship forced land onto the market with few and hesitant buyers. By early 1987, the states's all-land nominal average had fallen back to \$306 per acre—representing a devaluation to 41 cents on the dollar from its historical peak just six years previous.

From this low point in 1987, income conditions in agriculture began to improve, and, in turn, land values. For the next 11 consecutive years, the average value of farmland moved steadily upward before a slight decline was recorded in 1999, and then followed by generally minor value changes ever since. In short, it has taken the past 15 years for Nebraska land values to rebuild a more solid basis of value, and return to levels of the early 1980s.

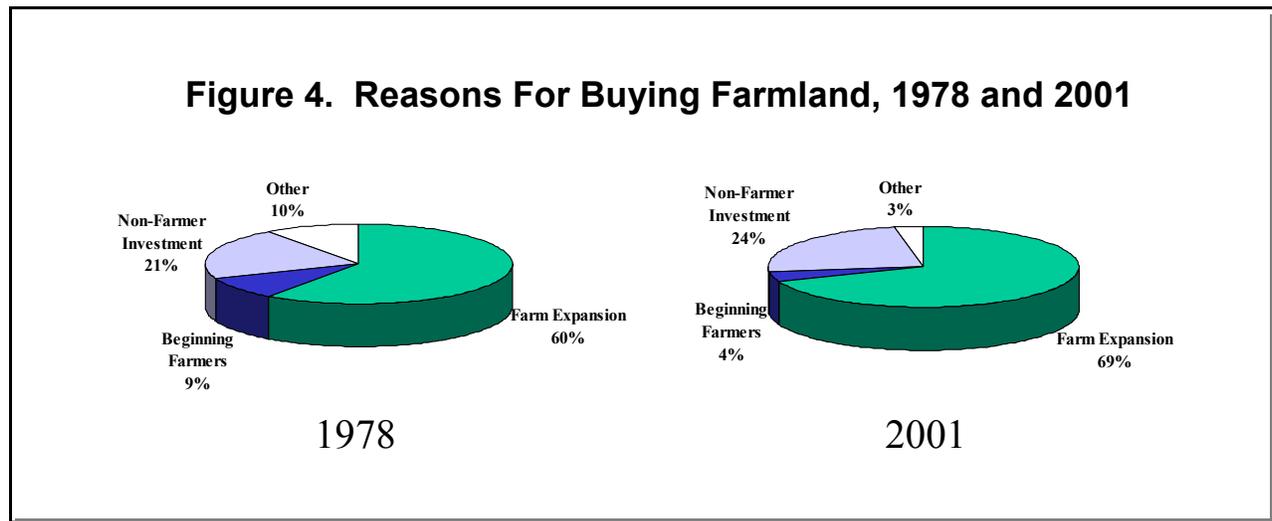
In nominal terms, the 2002 levels of average values are essentially in the same range as those of the previous 1981 peak, and about 80 percent higher than those of 1978. However, when adjusting for general inflation in the overall U.S. economy, and expressing these land values in real (or purchasing power) terms, the economic performance of agricultural land over the 25 years is rather dismal. Compared with its average value a quarter century ago, it is presently nearly 28 percent **lower** in real dollars. In short, a farmland parcel purchased 25 years ago has not maintained its purchasing power value for the owner. Although land is often viewed by long-term investors as a sound investment whose value will tend to increase with inflation, its value-holding potential is still highly dependent upon the timing of such investment and the period of ownership.

While land values represent a key economic indicator of the agricultural real estate market, it is also important to consider the characteristics and trends of the transactions themselves. The UNL market survey series has tracked these factors over the past quarter century—collecting information for a sampling of actual sales each year. Thus a “then” and “now” comparison can be made of the following factors.

Size of Tract on the Market: No discernible trend is observed in average size of tract transferred. The recent acreage patterns, presented in Figure 2 are similar to those of 25 years earlier. However, the average sale price per tract does show upward movement over time to present levels that average more than a quarter-million dollars per tract. This implies that the market is not accessible to everyone, but rather to those of some financial means.

Financing: Up through the early 1980s, most purchases involved considerable debt financing of some type—mortgage or seller-financed land contracts. For example in 1977-78, 90 percent of the purchases involved debt-capital with down payments (of owner equity) that generally averaged 20 percent or less. This resulted in the debt capital portion of the purchase price averaging more than 70 percent ($.90 \times .80 = .72$). In contrast, in 2001, only 54 percent of the purchases reportedly involved debt financing, with average down payment levels of 40 percent or more. As a result, the debt capital portion of current transactions is just over 30 percent ($.54 \times .60 = .32$). In short, the debt-equity ratio associated with agricultural land transactions has essentially been inverted over the past 25 years and with it, a much more financially-resilient group of new owners.

Buyers: Throughout the past quarter century, active farmers purchasing land for expansion have always been the predominant buyer group, but their share of purchases has expanded (Figure 4). At the same time, the share of purchases by beginning farmer buyers has diminished, further substantiating the point that the buyer side of the market has become, over time, increasingly restricted to people of considerable financial means. Also evident from this time comparison is that investor buyers have become somewhat more prevalent—sometimes in direct competition with farmer buyers, and sometimes inadvertently working with farmers by buying the parcels and leasing them back to active farmers looking for expanded rented acreage to farm.



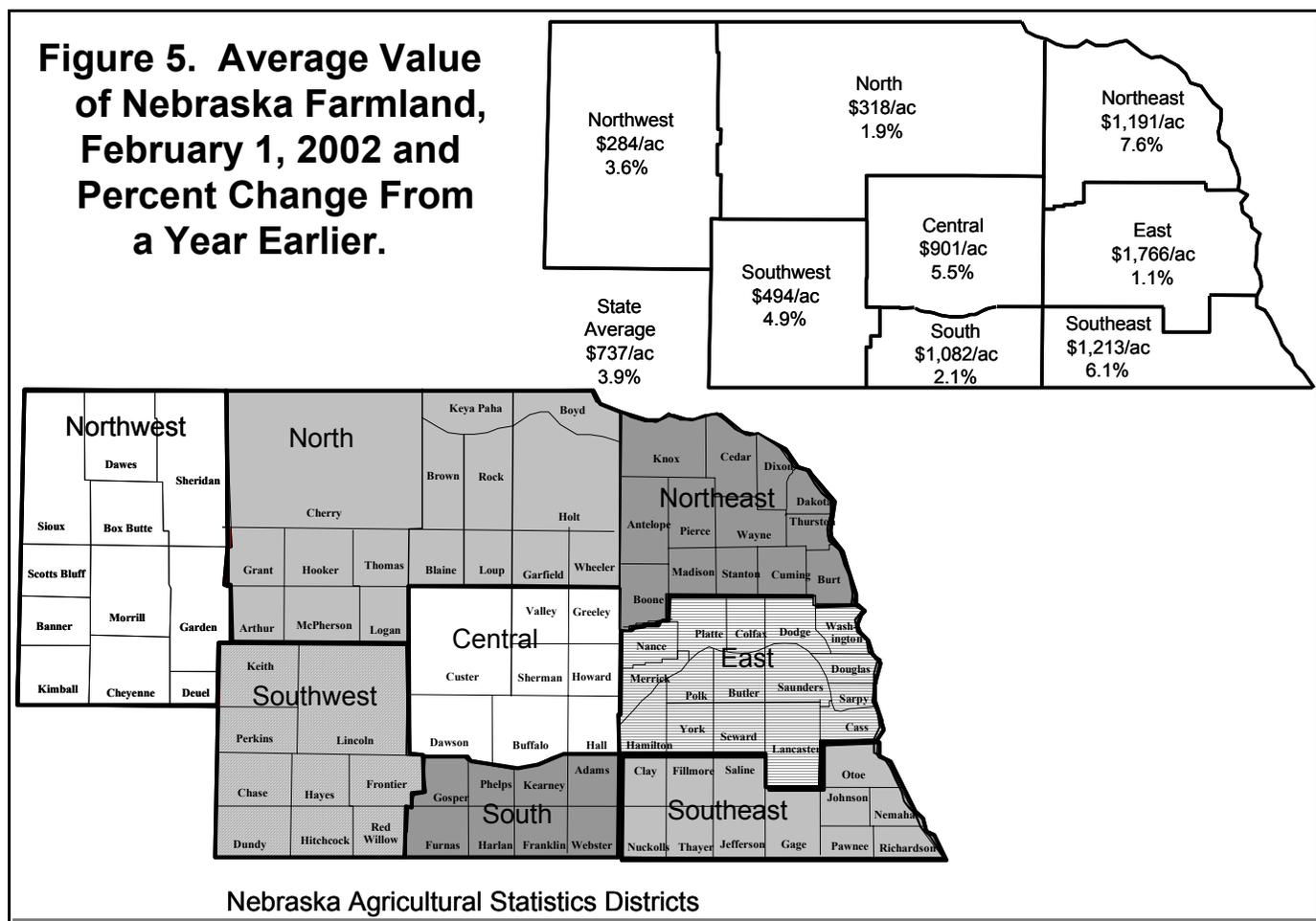
Sellers: On the seller side of the market, land tends to be held for lengthy periods of time—decades instead of years. Consequently, estate settlements have always been the primary motive for sale. Likewise, individuals quitting farming for health or retirement reasons remain a sizable seller group. However, one change over 25 years ago is a smaller proportion of financially-forced sales. Today, there appears to be a fairly low incidence of selling activity arising from forced sales due to extreme financial stress—a further confirmation that today’s ownership of agricultural real estate generally remains in strong financial hands, despite chronically low aggregate net farm income levels for the state as a whole in recent years.

Current Land Value Patterns and Trends

During the 12-month period ending February 1st, 2002, Nebraska’s agricultural land values rose an average of 3.9 percent, increasing the state all-land average value to \$737 per acre (Figure 5 and Table 1). This per-acre value is within 2 percent of the historic high for Nebraska land values which was reached in 1981.

The overall rate of change is generally similar to those of surrounding states over recent months. While some variation was evident across the state, members of the UNL reporter panel were universal in their opinions that land value declines have not been evident; instead the market has been one of stable to upward moving value levels. In short, there has been resiliency in the land market, despite lackluster aggregate net farm income levels in Nebraska over the past few years.

On a sub-state regional basis, the pattern of all-land value changes for the 12 months ending February 1st, 2002 shows the strongest increases in the Northeast District (7.6



percent), Southeast District (6.1 percent), and Central District (5.5 percent). In the Northeast, reporters noted the above-average crop yields for the past few years, as well as expanding soybean production in the area as contributing to land market strength. In addition, the area's relatively integrated crop and livestock economy allowed it to capitalize on improved livestock returns over the past few years, thus also creating some upward influence on land values. To some extent, the Central District experienced similar influences; while reporters in the Southeast District indicated that being in relatively close proximity to the state's metropolitan centers has led to some relatively greater non-farmer demand.

In contrast, land values in the East District remained relatively stable over the 12-month period, recording an overall change of 1.1 percent. Particularly, the higher-valued land classes in this region showed little or no change, perhaps reflecting some caution to the cash-crop economy and its potential vulnerability to federal farm policy. In the North District, the overall change was modest as well, albeit for different reasons. Here, the dominant land class, nontillable grazing land, was reportedly down slightly for the year, which followed a rather sizable percentage gain of nearly 7 percent in the previous year

(see Appendix Table 4). In other words, grazing land value changes in that area should probably be considered as being essentially a 6 percent gain over two years.

Table 1. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, Feb. 1, 2001 - Feb. 1, 2002.^a

Type of Land and Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Dryland Cropland (No Irrigation Potential)									
Rptd. in 2002	325	407	1,095	680	1,523	460	743	1,024	798
Rptd. in 2001	319	403	996	645	1,493	433	725	954	760
% Change	1.9	1.0	9.9	5.4	2.0	6.2	2.5	7.3	5.0
Dryland Cropland (Irrigation Potential)									
Rptd. in 2002	418	514	1,355	1,020	1,814	581	1,145	1,318	1,142
Rptd. in 2001	409	500	1,256	981	1,807	572	1,126	1,234	1,100
% Change	2.2	2.8	7.9	4.0	0.4	1.6	1.7	6.8	3.8
Grazing Land (Tillable)									
Rptd. in 2002	182	299	706	523	796	325	537	629	354
Rptd. in 2001	171	288	670	505	750	291	524	578	335
% Change	6.4	3.8	5.4	3.6	6.1	11.7	2.5	8.8	5.7
Grazing Land (Nontillable)									
Rptd. in 2002	151	218	515	419	584	213	378	499	253
Rptd. in 2001	142	220	475	386	532	200	353	479	243
% Change	6.3	-0.9	8.4	8.5	9.8	6.5	7.1	4.2	4.1
Hayland									
Rptd. in 2002	313	388	611	502	694	373	483	529	411
Rptd. in 2001	306	381	563	458	677	364	450	502	398
% Change	2.3	1.8	8.5	9.6	2.5	2.5	7.3	5.4	3.3
Gravity Irrigated Cropland									
Rptd. in 2002	914	1,080	1,759	1,825	2,298	1,350	1,827	1,928	1,800
Rptd. in 2001	900	1,033	1,715	1,729	2,273	1,279	1,810	1,843	1,750
% Change	1.6	4.5	2.6	5.6	1.1	5.6	0.9	4.6	2.9
Center Pivot Irrigated Cropland ^b									
Rptd. in 2002	775	1,043	1,775	1,693	2,401	1,167	1,830	1,959	1,513
Rptd. in 2001	742	965	1,653	1,602	2,420	1,152	1,778	1,898	1,459
% Change	4.4	8.0	7.4	5.7	-0.8	1.3	2.9	3.2	3.7
All Land Average ^c									
Rptd. in 2002	284	318	1,191	901	1,766	494	1,082	1,213	737
Rptd. in 2001	274	312	1,107	854	1,747	471	1,060	1,143	709
% Change	3.6	1.9	7.6	5.5	1.1	4.9	2.1	6.1	3.9

^a SOURCE: 2001 and 2002 UNL Nebraska Farm Real Estate Market Developments surveys.

^b Value of pivot not included in per acre value.

^c Weighted averages.

With the exception of the North District, nontillable grazing land values showed rather solid gains across the remainder of the state for the year ending February 1st, 2002. As one survey panel member commented, “reasonable cattle prices have held grassland values firm”.

February 2002 all-land average values represent historic nominal highs in four of the state's statistical districts—the North, Northeast, Central, and East (Appendix Table 4). In the other districts, 2002 all-land average values remain below nominal levels reached in the early 1980s. In the Northwest District particularly, the current all-land average value remains considerably below the historical high reached in 1981—less than 72 percent of that high point.

Agricultural Land Value Ranges For 2002

In addition to estimates of average value, UNL survey panel members also provide value estimates across quality gradients for the respective land classes (Table 2). These value estimates for low grade and high grade land provide a useful perspective of how the market participants incorporate quality factors into the negotiated prices paid. These ranges should not be interpreted as being simply the geographic variation across the multi-county agricultural statistics district, but rather the degree of variation in values that are reportedly observed within the local real estate markets as well.

The pattern of ranges reported in 2002 appear fairly consistent with those of recent years. (Appendix Table 5). Value premiums for high grade land tends to be 15 to 20 percent for the cropland classes; whereas grazing land and hayland classes in many areas of the state show even larger percentage premiums for quality. The quality premiums reported for high grade irrigated land were rather modest percentage adjustments from the value averages of those land classes.

For low grade land, the percentage of value discount from the average, according to UNL survey reporters, was more extreme. For the dryland cropland classes, the low grade classes tended to be discounted by more than 20 percent in most areas of the state. Likewise, irrigated land that was considered to be low grade by the UNL survey panel members was discounted 25 to 30 percent from average values in several of the districts for 2002. In other words, there is clearly a market sensitivity to quality measures associated with agricultural land parcels.

Factors Influencing Current Agricultural Land Markets

UNL survey panel members are asked each year to rank a set of forces influencing their local markets. They use a ranking scale ranging from 1 (strongly negative) to 5 (strongly positive) with 3 being essentially no impact upon area land values. In 2002, 12 of the 19 forces were reportedly contributing to higher area land values, with purchase for farm expansion and current mortgage interest rates at the top of the list (Figure 6). As farms grow larger and fewer in number, there appears to be a rather constant demand from active farmers in virtually any local market. Obviously, other positive forces are also correlated with this active farmer demand, including federal farm program support, current credit availability, and the limited amount of land offerings for sale. Moreover, with the recent passage of the new federal farm program (May 2002), the farm program influence will likely be an even greater positive base to real estate values than previously, since the support package has been strengthened (this enhanced “economic floor” will ultimately get capitalized into agricultural land values).

Table 2. Average Reported Value Per Acre of Nebraska Farmland for Different Types and Grade of Land in Nebraska by Agricultural Statistics District, February 1, 2002. ^a

Type of Land and Grade	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Dryland Cropland (No Irrigation Potential)								
Average	325	407	1095	680	1523	460	743	1024
High Grade	365	530	1350	845	1730	570	865	1290
Low Grade	230	325	870	530	1160	380	535	750
Dryland Cropland (Irrigation Potential)								
Average	418	514	1355	1020	1814	581	1145	1318
High Grade	490	635	1665	1280	2040	650	1280	1485
Low Grade	340	425	1065	785	1380	490	805	915
Grazing Land (Tillable)								
Average	182	299	706	523	796	325	537	629
High Grade	205	360	815	685	980	380	640	730
Low Grade	145	255	575	455	625	255	395	490
Grazing Land (Nontillable)								
Average	151	218	515	419	584	213	378	499
High Grade	170	270	650	502	720	255	455	565
Low Grade	115	165	470	355	465	180	285	355
Hayland								
Average	313	388	611	502	694	373	483	529
High Grade	370	475	740	605	900	535	550	620
Low Grade	255	310	500	405	550	345	340	460
Gravity Irrigated Cropland								
Average	914	1080	1759	1825	2298	1350	1827	1925
High Grade	1050	1270	1945	2155	2500	1485	1960	2090
Low Grade	610	870	1390	1320	1805	1045	1255	1450
Center Pivot Irrigated Cropland ^b								
Average	755	1043	1775	1693	2401	1167	1830	1959
High Grade	940	1185	2030	2025	2545	1320	1975	2020
Low Grade	585	750	1435	1190	1790	830	1275	1490

^a SOURCE: 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

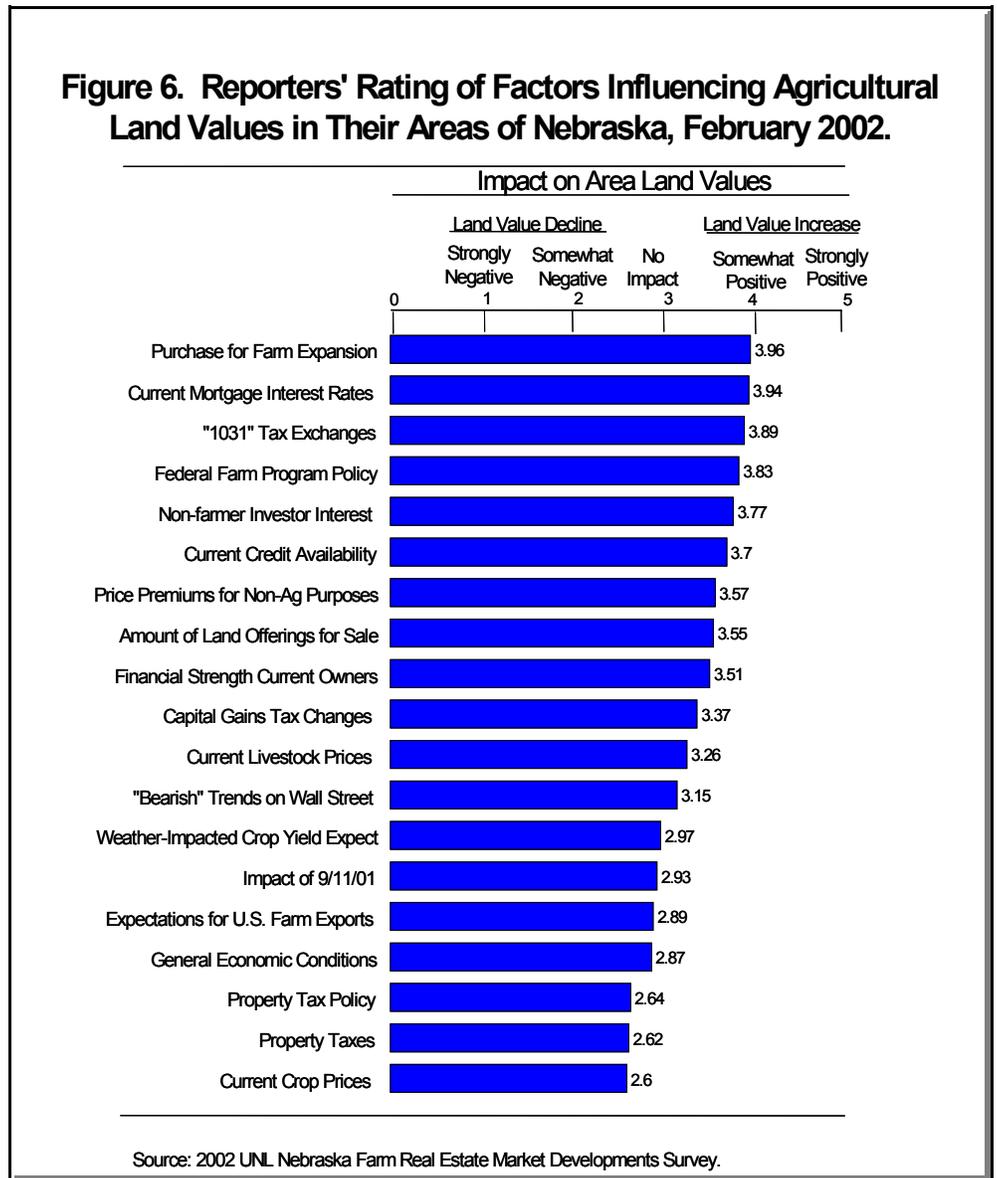
^b Value of pivot not included in per acre value.

As for the presence of non-farmers in the land markets around the state, reporters noted this was a positive force on land values in their local markets. And nested within this non-farmer impact were several other forces of positive influence including: "1031" tax exchange provisions, purchase of agricultural land for multiple uses (including non-agricultural), and "bearish" trends on Wall Street. As one reporter noted, "...we are seeing increased interest from investors who are moving dollars out of stocks and going to a safer investment in land as well as from older buyers moving funds out of low-paying CDs". In other words, perceptions of

relative earnings and value stability appear to have made agricultural real estate a more competitive investment alternative in recent months. And this has occurred despite the dampening effect of persistently-low crop prices and rather burdensome property taxes for agricultural land owners in Nebraska.

On the supply side of the agricultural land market, there are also upward forces—namely the limited amount of land offerings for sale and the financial strength of current owners. In essence, the market is one of very inelastic supply (the percentage change in quantity of land supplied to the market is much less than the associated percentage change in bid price). The agricultural land market is one in which the very same forces which enhance the demand side of the market are also the ones which contribute to current owners wanting to continue holding title to it.

Market Characteristics of Actual Sales in 2001



In the 2002 UNL survey, the reporter panel provided specific information on actual real estate transactions which had occurred in their area over the previous 12 months. These sales were considered by reporters to be arms-length sales that were typical and representative of the market. In total, information was collected on 435 sales which had occurred in 2001—constituting more than 160,000 acres and representing nearly 14 percent of the annual ownership turnover rate in the state. Thus, the sample is considered sufficient to provide inferences for the broader agricultural real estate market in Nebraska.

Average tract size of 2001 sales varied considerably by area of the state; yet as noted earlier, it is a market of real estate parcels rather than whole farm units (Table 3). Even the larger acreage transactions in the major range areas of the state tended to be ranch land parcels rather than complete units. Average per acre prices also varied widely across Nebraska in 2001—reflecting the heterogeneous nature of the land resource base and the relative distribution of the land across the land use classes. The range in per acre values for the sales was from a low of less than \$250 in the North District, where 94 percent of the land transferred was pasture, to more than \$2,100 per acre in the East District, where the majority of the land sold was irrigated cropland.

Also noteworthy of these parcels is that the vast majority (71 percent) did not include any buildings; while 19 percent reportedly had some buildings of poor condition. In short, nine out of ten market sales in 2001 were land parcels where buildings either did not exist or contributed marginally to the parcel’s value.

Table 3. Land Characteristics of 2001 Agricultural Real Estate Transactions, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Average Size of Tract	Average Percent Distribution			Average Price	
		Dry Cropland	Irrigated Cropland	Pasture	Per Acre	Per Tract
	- Acres -	----- Percent -----			----- Dollars -----	
Northwest	805	18	19	63	366	294,600
North	2,600	4	2	94	248	644,300
Northeast	160	62	26	12	1,338	214,000
Central	234	16	35	49	1,102	257,900
East	120	36	55	9	2,140	256,800
Southwest	687	6	9	85	367	252,300
South	163	34	41	25	1,246	203,100
Southeast	189	45	20	35	1,123	212,200
State	372	19	18	63	692	257,400

SOURCE: Based on 435 transactions which occurred across Nebraska during 2001 and reported in the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

In all regions of the state, the average price per parcel sold in 2001 exceeded \$200,000. Despite this level of dollar magnitude typically associated with the agricultural real estate market, a substantial portion of the transactions (44 percent) were reportedly cash transactions involving no debt financing (Table 4). This level of cash transactions has been the general pattern for the past few years, despite the fact that mortgage interest rates have gradually declined to levels that are currently at 30-year lows.

Table 4. Types of Financing Associated with 2001 Agricultural Real Estate Sales, by Agricultural Statistics District in Nebraska.

Agricultural Statistics District	Financing of Purchase				
	Cash Purchase	Mortgage	Contract for Deed	Other	Total
----- Percent -----					
Northwest	53	42	58	0	100
North	87	8	5	0	100
Northeast	31	65	3	1	100
Central	39	53	8	0	100
East	45	48	5	2	100
Southwest	47	47	6	0	100
South	32	54	12	2	100
Southeast	45	50	4	1	100
State	44	50	5	1	100

SOURCE: Based on 435 transactions which occurred across Nebraska during 2001 and reported in the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

The relatively high incidence of cash sales reflects in part the presence of 1031 tax exchanges where buyers are simply reinvesting dollar proceeds from previous real estate sales in order to defer capital gains taxes. However, it is also reflective of the fact that many of the buyers in today's market have considerable financial means, and are not as dependent upon debt capital as their counterparts a quarter century ago.

Of the reported transactions for 2001, estate settlements constituted the primary seller class followed by non-farmers (Table 5). While regional variations tend to occur from year to year, the overall state-wide pattern of sellers has remained remarkably stable for the past several years.

Likewise, buyer patterns in 2001 remained quite similar to those of recent years (Table 6). More than seven out of every ten purchases were by active farmers. However, with the exception of the Southwest District, the various classes of non-farmer buyers do represent a substantial presence on the buying side of the market.

Table 5. Percent Distribution of Agricultural Real Estate Transactions in 2001 by Seller Type, by Agricultural Statistics District in Nebraska. ^a

Agricultural Statistics District	Type of Seller				
	Active Farmer/Rancher	Quitting Farmer/Rancher	Estate	Nonfarmer	Other ^b
-----Percent-----					
Northwest	16	32	26	24	2
North	30	15	35	20	0
Northeast	16	13	40	26	5
Central	10	26	34	18	12
East	9	19	31	41	1
Southwest	9	38	47	6	0
South	23	13	41	23	0
Southeast	13	11	36	36	4
State	14	19	36	28	3

^a SOURCE: Based on 435 transactions which occurred across Nebraska during 2001 and reported in the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Includes private organizations and government agencies.

Table 6. Percent Distribution of Agricultural Real Estate Transactions in 2001 by Buyer Type, by Agricultural Statistics District in Nebraska. ^a

Agricultural Statistics District	Type of Buyer				
	Active Farmer/Rancher	Local Nonfarmer	Nonlocal Nebraska Resident	Out-of-State Buyer	Other ^b
-----Percent-----					
Northwest	73	11	11	5	0
North	71	0	29	0	0
Northeast	71	13	10	6	0
Central	78	11	9	2	0
East	67	24	6	2	1
Southwest	94	0	2	3	1
South	75	20	5	0	0
Southeast	66	16	9	9	0
State	72	14	9	4	1

^a SOURCE: Based on 435 transactions which occurred across Nebraska during 2001 and reported in the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Includes private organizations and government agencies.

2002 Cash Rental Market Conditions

According to UNL survey reporters, 2002 cash rental rates for farmland and pasture show steady to slightly upward patterns across the state (Appendix Table 6 and Table 7). Relative to year-earlier levels, dryland cropland cash rental rates are higher in all but the East District (which showed no change). In some of the areas, particularly the Northeast and the Southeast Districts, the increase was rather sizable. Likewise, the 2002 irrigated land rent averages were generally higher as well, although the percentage increases were generally more moderate than those of dryland cropland. However, 2002 cash rents for gravity irrigated land in the Southwest District were reportedly down somewhat from year-earlier levels, a likely reflection of tighter water-use restrictions for some of the area irrigation projects.

Reporters frequently commented that demand for cropland to cash rent is strong in most local markets, thus keeping rental rates on a stable to upward trend. Farm size expansion and consolidation continues at a rapid rate, and with it a robust cash rent market.

Rental rate levels for 2002 show relatively wide ranges around the averages for each of the various land classes. This is clearly a reflection of quality variations in tracts which rental market participants identify.

In several instances, the 2002 cropland cash rent levels are new historic highs (see Appendix Table 6). This was the case for nearly all the cropland classes in the Northeast and Southeast Districts, but was observed for some of the classes in other areas as well.

Pasture rental rates for 2002 were also higher (Appendix Table 6 and Table 8). The per-acre rates were up over year-earlier levels in all but one of the districts. On an animal unit month (AUM) basis for cow-calf pairs, the pasture rental rates were also higher in all but the Southwest District (where no change was reported). Cattle numbers have been maintained in the state over the past few years, as well as considerable numbers of cattle being shipped into the state for the grazing season. At the same time, dry weather conditions have cut forage production in some areas. The combination of these factors has led to an upward pattern to AUM rates.

**Table 7. Reported Cash Rental Rates for Various Types of Nebraska Farmland: 2002
Averages and Ranges by Agricultural Statistics District.^a**

Type of Land	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per Acre -----								
Dryland Cropland:								
Average	21	38	84	54	87	31	53	69
Range:								
High	26	49	101	71	101	40	67	82
Low	17	28	67	43	71	25	41	57
Gravity Irrigated Cropland:								
Average	84	102	124	128	135	103	128	131
Range:								
High	113	125	142	149	156	116	148	153
Low	64	85	104	104	113	85	108	109
Center Pivot Irrigated Cropland:								
Average	96	108	133	131	146	116	133	138
Range:								
High	119	129	153	149	165	128	156	156
Low	78	86	111	111	121	96	115	121
Dryland Alfalfa:								
Average	b	b	87	56	81	b	56	b
Range:								
High	b	b	99	71	101	b	72	b
Low	b	b	73	43	69	b	44	b
Irrigated Alfalfa:								
Average	b	b	124	113	123	b	116	b
Range:								
High	b	b	144	128	143	b	140	b
Low	b	b	104	91	109	b	93	b
Other Hayland:								
Average	b	b	50	38	50	b	36	b
Range:								
High	b	b	65	49	64	b	45	b
Low	b	b	36	27	39	b	28	b
Pasture:								
Average	8	13	34	24	31	12	21	24
Range:								
High	10	16	43	30	41	15	27	33
Low	6	9	25	19	22	10	15	18

^a SOURCE: Reporters' estimated cash rental rates (both averages and ranges) from the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Insufficient number of reports.

Table 8. Reported Cash Rental Rates for Pasture on a Monthly Rate Basis for 2002: Averages and Ranges by Agricultural Statistics District.^a

Type of Land	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

		----- Dollars Per Month -----							
Cow-Calf Pair (AUM) Rates ^c									
Average	20.35	26.35	23.80	25.10	24.30	25.00	23.30	24.40	
Range:									
High	24.75	30.90	29.10	29.75	29.00	29.60	27.75	30.00	
Low	16.30	21.75	19.15	20.20	20.60	21.00	16.50	19.00	
Stocker (500-600 lb) Rates:									
Average	12.85	15.80	15.50	15.70	b	15.75	b	b	
Range:									
High	15.60	17.85	18.20	17.80	b	18.00	b	b	
Low	10.65	13.50	11.80	12.00	b	13.00	b	b	

^a SOURCE: Reporters' estimated cash rental rates (both averages and ranges) from the 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Insufficient number of reports.

^c A 1,000 lb. cow with calf at side grazed for one month during the normal usage season. This is considered an animal unit.

Adjusting Irrigated Cash Rents for Differing Ownership Configurations

The cash rents presented in Table 7 for the irrigated land classes are on the basis of the landowner providing the complete irrigation system including the well, pump, power unit, water distribution system, and any other associated equipment. However, in many instances this is not the case. In fact, the tenant may be owning and contributing one or more components of the irrigation system. When this occurs, the cash rent needs to be adjusted downward appropriately to reflect the tenant's contribution *in kind* to the leasing contract.

The basic principle involved in adjusting for differing irrigation ownership configurations is called **Relative Contributions**. In other words, when the tenant owns some of the irrigation system, he/she is contributing some physical capital as well as rental payment dollars. The landowner is making a correspondingly smaller contribution in the form of land with less than a complete irrigation system. So, for each component supplied by the tenant, the associated annual ownership costs and repair costs should be estimated and then subtracted from the average rental payment for the area.

Irrigation ownership costs include annual depreciation and interest on the investment. Depreciation is usually calculated using zero salvage value and assigning an annual depreciation percentage rate on the basis of years of useful life. The various irrigation components have varying lengths of useful life (see **Estimated Irrigation Costs, 2001**, Nebraska Cooperative Extension CC 371). For example, a well may have an assumed life of 30 years and therefore be depreciated annually at 3.33 percent, while a pump and gearhead may be assumed to last 18 years and be depreciated 5.56 percent annually. Likewise, a diesel power unit may depreciate at 6.67 percent annually (assuming a 12 year life), while a center pivot unit with an expected life of 20 years would have a 5 percent annual depreciation rate. The replacement-cost-new of these various components is then multiplied by the corresponding annual depreciation rate and expressed on a per-acre basis.

Interest is typically figured at a "real" interest rate (for example, 5 percent) on the

average investment in the particular irrigation component. The “real” interest rate is the nominal or market rate less the expected annual rate of inflation. Given the assumption of zero salvage value, the average dollar investment over the expected life of the component is therefore 50 percent of the replacement-cost-new of that particular item.

In addition to the above ownership costs, the owner also typically incurs annual operating costs in the form of repairs. Actual repair costs are obviously unpredictable; but reasonable average estimates can be derived on a per-acre-inch of water applied. For example, using data from the extension circular noted above, repair costs on diesel power units typically averages \$.34 per-acre-inch of irrigation water applied, and repair costs on the center pivot system average \$.32 per-acre-inch. So, assuming 130 irrigated acres with 12 inches per acre applied during the irrigation season, the average per acre repair costs would be \$4.08 for the power unit and \$3.84 for the center pivot system.

To illustrate the total adjustment process to irrigated cash rents, let’s consider two different scenarios: (1) the tenant is supplying the irrigation power unit; and (2) the tenant is providing the irrigation power unit and the center pivot system.

In the first scenario, assume the irrigation power unit which the tenant is supplying is a diesel engine costing \$8,000 new with an expected life of 12 years. The annual depreciation expense on this component would be \$667 ($\$8,000 \times .0833$) while the estimated interest expense would be \$200 ($\$8,000/2 \times .05$). If 130 acres are being irrigated, the combined ownership costs of the tenant’s power unit is \$6.67 per irrigated acre ($\$867/130$). In addition, the operating costs or repairs on this power unit would add another \$4.08 to the tenant’s contribution *in kind*. So, if the typical cash rent in the area for similar properties is \$140 per irrigated acre, the rent under this arrangement should be adjusted downward about \$11 to \$129 per acre.

In the second scenario, the tenant not only is providing the power unit, but the center pivot system as well. Assume the center pivot system has a replacement cost new of \$34,000 with a 20-year useful life. Tenant-incurred annual depreciation on the center pivot system is \$1,700 ($\$34,000 \times .05$), while the interest expense would be \$850 ($\$34,000/2 \times .05$). So, combined with the tenant-owned power unit, the total ownership cost contribution that the tenant is making is \$3,417 (\$867 for the power unit plus \$2,550 for the Center pivot). Assuming 130 acres under irrigation, this converts to a per-acre tenant contribution of \$26.28 for depreciation and interest on this equipment. Moreover, with the combined repair cost estimates of \$4.08 per acre for the power unit and \$3.84 for the center pivot system, the total tenant contribution *in kind* is \$34.20 per irrigated acre. Consequently, the \$140 cash rent average for the area should be negotiated downward to \$106 per acre for this particular landowner-tenant ownership configuration.

Similar dollar adjustments to going cash rents can be made for essentially any tenant-landowner ownership configuration of the various irrigation components. However, both parties must agree to use the most reliable data sources, as well as be in agreement on the particular assumptions used in the adjustment calculations. When this is the case, the rental market for shared ownership of irrigation systems will operate both efficiently and equitably.

2002 Gross Rent-To-Value Ratios

As UNL panel reporters provide cash rental rate averages for their areas, they also provide current estimates of market value for the land associated with those rent level estimates. The relationship of rental averages to these associated values is the gross rent-to-value ratios for the various land types across the state (Table 9). It is quite evident from this table that the relationship of negotiated rental rates to land value varies widely across land classification as well as area of the state. Because of higher land owner costs associated with irrigated land (depreciation on irrigation equipment, etc.) the negotiated rents on irrigated land will be a higher percentage of real estate value than those associated with dryland cropland. Likewise, higher ratios for irrigated cropland tend to show up in the western and northern areas relative to the rest of the state—apparently reflecting greater long-term risk factors in those areas, which tends to contribute to higher gross rent-to-value ratios.

As for pastureland, the gross rent-to-value ratios tend to be somewhat lower than those associated with cropland. Ownership costs, including property taxes, generally take a smaller percentage of negotiated pasture rents, therefore owners will tend to accept a somewhat lower gross rent-to-value ratio (in the 4 to 6 percent range).

Obviously, relative to other types of real estate investment, these ratios appear somewhat low. For example, for residential real estate the historical *rule-of-thumb* has traditionally been that monthly rents should approach one percent of current market value (i.e., an annual 12 percent gross rent-to-value ratio). Likewise, for commercial real estate, negotiated annual lease rates as a percent of value are typically in the eight to ten percent range. However, there are legitimate reasons for these lower ratios on agricultural real estate which include: (1) a more informal and close-knit rental market in which the risk of payment default or property damage is significantly reduced for the agricultural land owner; (2) a rental market for which the occupancy rate approaches 100 percent (in contrast to other real estate classes where annual occupancy rates may frequently fall below 85 percent; (3) minimum ownership costs associated with advertising for new tenants and renegotiating annual leases; and (4) a somewhat different type of ownership philosophy in which long-term stable dollar returns and maintenance (stewardship) of a productive real estate asset is more important than short-term rates of return that are competitive with other more profitable (albeit more risky) real estate investment alternatives. Moreover, given recent

Table 9. Reported Cash Rental Rates, Associated Estimates of Value, and Gross Rent as a Percent of Market Value by Type of Land and Agricultural Statistics District, 2002. ^a

Agricultural Statistics District and Type of Land	Gross Cash Rent Per Acre	Associated Value Per Acre ^b	Gross Rent to Value
	----- Dollars -----		--- Percent ---
Northwest:			
Dryland Cropland	21	305	6.9
Gravity Irrigated Cropland	84	915	9.2
Center Pivot Irrigated Cropland ^c	96	935	10.3
Pastureland	8	145	5.5
North:			
Dryland Cropland	38	455	8.4
Gravity Irrigated Cropland	102	1,125	9.1
Center Pivot Irrigated Cropland ^c	108	1,100	9.8
Pastureland	12	220	5.5

Table 9. Reported Cash Rental Rates, Associated Estimates of Value, and Gross Rent as a Percent of Market Value by Type of Land and Agricultural Statistics District, 2002. ^a

Agricultural Statistics District and Type of Land	Gross Cash Rent Per Acre	Associated Value Per Acre ^b	Gross Rent to Value
Northeast:			
Dryland Cropland	84	1,220	6.9
Gravity Irrigated Cropland	124	1,840	6.7
Center Pivot Irrigated Cropland ^c	133	1,820	7.3
Dryland Alfalfa	87	1,220	7.1
Irrigated Alfalfa	124	1,825	6.8
Other Hayland	50	710	7.0
Pastureland	34	640	5.3
Central:			
Dryland Cropland	54	795	6.8
Gravity Irrigated Cropland	128	1,755	7.3
Center Pivot Irrigated Cropland ^c	131	1,662	7.9
Dryland Alfalfa	56	700	8.0
Irrigated Alfalfa	113	1,505	7.5
Other Hayland	38	535	7.1
Pastureland	24	420	5.7
East:			
Dryland Cropland	87	1,625	5.4
Gravity Irrigated Cropland	135	2,290	5.9
Center Pivot Irrigated Cropland ^c	146	2,360	6.2
Dryland Alfalfa	81	1,240	6.5
Irrigated Alfalfa	123	2,050	6.0
Other Hayland	50	875	5.7
Pastureland	31	645	4.8
Southwest:			
Dryland Cropland	31	470	6.6
Gravity Irrigated Cropland	103	1,235	8.3
Center Pivot Irrigated Cropland ^c	116	1,195	9.7
Pastureland	12	220	5.5
South:			
Dryland Cropland	53	790	6.7
Gravity Irrigated Cropland	128	1,775	7.2
Center Pivot Irrigated Cropland ^c	133	1,795	7.4
Pastureland	21	430	4.9
Southeast:			
Dryland Cropland	69	1,180	5.8
Gravity Irrigated Cropland	131	1,905	6.9
Center Pivot Irrigated Cropland ^c	138	2,025	6.8
Pastureland	24	555	4.3

^a Source: 2002 UNL Nebraska Farm Real Estate Market Developments Survey.

^b Average values given by reporters for the land on which their cash rent estimates were made.

^c Value of the pivot included in the value per acre.

stock market volatility and the relatively low rates of return to government-insured certificates-of-deposit (CDs), having agricultural real estate as part of one's wealth portfolio looks increasingly economically desirable to many investors.

Market-Derived Net Rates of Return

Agricultural land is primarily a production asset rather than a consumption good; therefore, its value is tied closely to the real and expected economic returns which owners receive. The classic economic principle says that rent (economic return) determines value of agricultural real estate. Consequently, the appraisal of a specific agricultural property will usually consider the income capitalization approach to value. This approach estimates the future flow of dollar returns expected from a parcel and then capitalizes that into a present value. In its most basic form, this reduces to the formula:

Present Value=estimated annual net returns/capitalization rate. For example, if annual net returns are expected to average \$100 per acre per year and the capitalization rate is 5 percent, the estimated market value for that property is \$2,000 per acre (\$100/.05).

In agricultural appraisal, the conventional means for deriving the capitalization rate is by *going -to-the market*. In other words, the appraiser studies the expected net returns of recent properties sold and expresses those as a percent of sale price. This gives an indication of what market participants currently will accept in terms of rate of return on investment.

Each year, UNL survey panel members are asked to provide the average net percentage rates of return to agricultural land given current values. This is the annual expected net income per acre divided by current average value per acre. The estimate does not include any expected capital gains accruing to land ownership. These estimates are made for each of the major land groups: irrigated land, dryland cropland, and grazing land. In short, these are measures of the market-derived capitalization rates currently being used by appraisers for the various land types by sub-state region.

Reporter estimates for 2002 appear in Table 10. For the irrigated and dryland cropland classes, the 2002 estimates of annual net rates of return are generally at or near historic lows (for the 13 years this series has been maintained). While rents (returns) have gradually increased over the period, the associated land values have increased at a somewhat faster pace. What this suggests is that buyers in the market in recent years have been willing to bid more aggressively than what the level of expected returns would previously have suggested. The possible reasons for this are several including: (1) the limited supply of land on the market which forces buyers of add-on units to bid more aggressively; (2) the presence of buyers using 1031 tax-exchange options to defer taxes; (3) interest in the non-agricultural uses of the land by some buyers which diminishes the importance of annual economic flows; and (4) the recent lackluster and volatile performance of alternative investments.

Table 10. Estimated Annual Net Rates of Return by Type of Land and Agricultural Statistics District, 1990-2002.^{ab}

Type of Land and Year	Agricultural Statistics District								State Ave.
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	
----- Percent -----									
Irrigated Land:									
1990	8.3	9.3	6.9	6.8	6.7	6.3	6.3	6.0	7.1
1991	8.7	8.0	6.8	6.5	6.4	6.4	6.2	5.9	6.9
1992	6.8	6.5	6.6	6.6	6.0	6.5	6.0	6.1	6.4
1993	6.6	6.0	6.5	6.1	5.7	6.5	6.5	6.0	6.2
1994	6.9	6.5	6.3	6.3	5.6	6.2	5.7	5.7	6.2
1995	6.6	6.8	6.5	5.9	5.3	5.9	6.0	5.0	6.0
1996	6.7	6.3	6.9	5.8	5.2	6.5	6.2	5.4	6.1
1997	7.2	7.0	7.0	6.0	5.3	6.7	6.3	5.7	6.4
1998	6.7	6.7	6.0	5.8	5.0	6.6	5.7	5.4	6.0
1999	6.0	5.9	5.9	5.3	4.6	6.1	4.9	5.0	5.5
2000	6.0	6.2	6.0	5.6	5.0	6.3	5.5	5.0	5.7
2001	5.6	6.2	5.9	5.4	4.9	6.5	5.2	5.0	5.6
2002	5.4	5.9	5.5	5.3	4.5	6.2	5.3	5.1	5.4
Dryland Cropland:									

Table 10. Estimated Annual Net Rates of Return by Type of Land and Agricultural Statistics District, 1990-2002.^{ab}

Type of Land and Year	Agricultural Statistics District								State Ave.
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	
	-----Percent-----								
1990	6.2	6.3	5.9	6.4	5.9	4.7	6.1	6.3	6.0
1991	5.9	5.0	6.0	5.9	5.8	4.7	6.1	5.8	5.7
1992	4.8	5.0	5.6	5.9	5.7	5.6	5.2	6.1	5.5
1993	5.0	4.3	5.8	5.7	5.3	5.3	6.1	5.2	5.4
1994	4.5	5.2	6.0	5.4	5.2	5.2	5.3	5.4	5.3
1995	4.2	6.0	6.2	5.3	5.2	5.1	5.4	5.0	5.3
1996	4.1	5.0	6.3	5.6	5.0	5.3	5.5	5.2	5.3
1997	5.1	5.8	6.4	5.6	5.3	5.3	5.4	5.4	5.5
1998	4.5	5.5	5.8	5.3	4.8	4.8	5.4	5.0	5.1
1999	4.3	4.9	5.4	5.1	4.5	3.9	4.5	4.9	4.7
2000	4.0	5.2	5.4	5.1	4.7	4.5	4.7	5.0	4.8
2001	4.1	5.3	5.5	5.0	4.6	4.3	4.6	4.7	4.8
2002	4.0	4.6	5.3	5.1	4.5	4.7	4.6	4.9	4.7
Grazing Land:									
1990	4.0	5.8	4.6	4.9	5.0	4.5	5.4	5.0	4.9
1991	5.5	5.9	5.4	5.0	5.3	5.8	5.5	5.5	5.4
1992	4.0	5.3	4.9	4.6	4.4	5.1	5.0	5.0	4.8
1993	4.3	4.6	5.0	4.6	4.3	4.6	4.5	4.6	4.6
1994	4.7	4.5	5.1	4.4	4.3	4.7	4.1	4.5	4.5
1995	3.7	4.7	4.9	4.0	4.2	4.5	4.2	4.0	4.3
1996	3.8	4.3	4.9	4.3	4.0	4.3	3.8	4.1	4.2
1997	3.6	4.3	4.9	4.5	4.0	4.0	3.6	4.2	4.1
1998	3.4	4.2	4.6	4.1	3.9	4.2	4.0	3.8	4.0
1999	3.1	3.5	4.4	4.2	3.6	3.2	3.6	3.9	3.7
2000	3.3	4.4	4.6	3.7	3.8	3.6	4.0	4.1	3.9
2001	2.9	4.0	4.3	3.9	4.0	3.4	3.5	4.1	3.8
2002	2.8	4.1	4.4	3.8	3.7	4.0	3.8	4.1	3.8

^a SOURCE: UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Reporters' estimates of current annual net percentage rates of return given current values. Real estate appraisers refer to this percentage as the market-derived capitalization rate.

Appendix

Appendix Table 1. Farm Real Estate Values in Nebraska, USDA Historical Series, 1860-2002.^a

Year	Number of Farms <u>Thousand</u>	Land in Farms <u>Million Acres</u>	Value of Land & Buildings			Building Value <u>Million Dollars</u>
			<u>Per Acre</u> Dollars	<u>Per Farm</u> Thousand Dollars	<u>Total Value</u> Million Dollars	
1860	2.8	1.0	6	1.4	6	
1870	12.3	2.1	12	2.0	24	
1880	63.4	9.9	11	1.7	106	
1890	113.6	21.6	19	3.5	402	
1900	121.5	29.9	19	4.8	578	91
1910	129.7	38.6	47	14.0	1,813	199
1911	129.2	39.0	48	14.4	1,864	
1912	128.8	39.2	49	14.9	1,919	
1913	128.2	39.5	50	15.4	1,974	
1914	127.5	39.8	51	15.9	2,027	
1915	126.9	40.3	50	15.9	2,017	
1916	126.3	40.9	51	16.5	2,084	
1917	125.8	41.5	54	17.8	2,240	
1918	125.2	41.8	62	20.7	2,591	
1919	123.1	41.9	71	23.8	2,978	
1920	124.6	42.2	88	29.8	3,712	382
1921	125.1	41.9	82	27.5	3,439	
1922	137.1	41.9	71	21.7	2,974	
1923	126.6	42.1	68	22.6	2,860	
1924	127.3	41.8	63	20.7	2,635	398
1925	127.5	42.1	60	19.8	2,524	
1926	128.2	42.5	60	19.9	2,552	
1927	128.5	43.2	58	19.5	2,505	
1928	128.6	44.0	57	19.5	2,508	
1929	128.9	44.3	57	19.6	2,526	
1930	129.3	44.6	56	19.3	2,495	447
1931	129.9	45.0	52	18.0	2,338	
1932	130.8	45.8	44	15.4	2,015	
1933	132.0	46.0	35	12.2	1,609	
1934	133.2	46.4	35	12.2	1,625	
1935	134.0	46.9	34	11.9	1,594	341
1936	131.2	46.7	34	12.1	1,587	
1937	128.5	47.4	32	11.8	1,516	
1938	125.8	47.4	30	11.3	1,421	
1939	123.6	46.8	28	10.6	1,310	
1940	121.1	47.4	24	9.4	1,138	257
1941	119.2	48.2	22	8.9	1,061	
1942	116.9	48.2	24	9.9	1,157	
1943	115.6	47.5	27	11.1	1,283	
1944	113.7	47.9	33	13.9	1,580	
1945	111.4	47.6	37	15.8	1,760	382
1946	111.3	47.4	42	17.9	1,992	
1947	110.1	48.0	47	20.5	2,257	
1948	109.0	47.3	56	24.3	2,649	
1949	108.0	47.2	62	27.1	2,927	
1950	109.0	48.4	58	25.6	2,789	
1951	107.0	48.4	66	29.8	3,192	562
1952	105.0	48.3	72	33.1	3,477	605
1953	104.0	48.3	75	34.7	3,610	621
1954	103.0	48.3	70	32.8	3,386	589
1955	102.0	48.3	73	34.5	3,534	645

See footnotes at end of table.

1956	101.0	48.3	73	34.9	3,523	719
1957	98.0	48.3	72	35.8	3,501	606
1958	96.0	48.3	79	40.0	3,839	572
1959	94.0	48.3	86	43.9	4,131	677
1960	93.0	48.2	89	46.3	4,308	763

Appendix Table 1. Farm Real Estate Values in Nebraska, USDA Historical Series, 1860-2002.^a

Year	Number of Farms <u>Thousand</u>	Land in Farms <u>Million Acres</u>	Value of Land & Buildings			Building Value <u>Million Dollars</u>
			<u>Per Acre</u> Dollars	<u>Per Farm</u> Thousand Dollars	<u>Total Value</u> Million Dollars	
1961	90.0	48.2	90	48.2	4,341	790
1962	88.0	48.2	95	52.2	4,598	860
1963	86.0	48.1	97	54.0	4,647	911
1964	84.0	48.2	105	60.0	5,055	1,072
1965	82.0	48.2	111	65.3	5,352	1,258
1966	80.0	48.2	120	72.6	5,805	1,283
1967	78.0	48.2	132	81.4	6,348	1,143
1968	76.0	48.2	143	90.5	6,882	1,136
1969	74.0	48.2	150	97.8	7,238	1,021
1970	73.0	48.1	154	101.5	7,407	941
1971	72.0	48.1	157	104.9	7,552	853
1972	71.0	48.1	170	115.2	8,177	932
1973	70.0	48.1	193	132.6	9,283	1,012
1974	70.0	48.1	242	166.3	11,640	1,152
1975	67.0	47.9	282	201.6	13,508	1,229
1976	67.0	47.9	363	259.2	17,366	1,546
1977	66.0	47.8	420	304.1	20,070	1,806
1978	66.0	47.8	412	298.5	19,702	1,832
1979	65.0	47.7	525	385.3	25,043	2,204
1980	65.0	47.7	635	466.0	30,289	2,547
1981	65.0	47.7	729	535.0	34,773	2,851
1982	63.0	47.5	730	550.4	34,675	2,809
1983	62.0	47.4	701	535.9	33,227	2,758
1984	61.0	47.2	645	499.1	30,444	2,710
1985	60.0	47.2	485	381.9	22,911	2,474
1986	59.0	47.2	416	332.7	19,629	2,532
1987	59.0	47.2	400	320.1	18,885	2,682
1988	58.0	47.1	457	371.1	21,525	3,186
1989	57.0	47.1	511	422.2	24,068	3,451
1990	57.0	47.1	524	433.0	24,680	3,186
1991	56.0	47.1	517	434.8	24,350	2,978
1992	56.0	47.1	517	434.8	24,350	3,026
1993	55.0	47.1	514	440.2	24,209	3,061
1994	55.0	47.1	562	481.5	26,485	3,670
1995	56.0	47.0	580	486.8	27,260	4,280
1996	56.0	47.0	610	512.0	28,670	4,473
1997	55.0	46.4	620	582.3	28,768	4,459
1998	55.0	46.4	645	544.1	29,928	4,639
1999	55.0	46.4	670	565.2	31,088	4,819
2000	54.0	46.4	695	597.2	32,248	4,998
2001	54.0	46.4	725	606.3	33,640	5,198
2002 ^b	53.0	46.4	753	659.2	34,939	5,354

^a SOURCE: Farm Real Estate Historical Series Data: 1950-92, USDA, Economic Research Service, Sta. Bul. No. 855, May 1993 and earlier reports as well as recent issues annually by Economic Research Service, U.S. Department of Agriculture.

^b Preliminary estimates.

Appendix Table 2. Deflated USDA Farmland Values and Percent Changes for Nebraska, 1930 to 2002.^a

Year	USDA Average Value/Ac. for Nebraska	1st Quarter GDP Price Deflator (1992 = 100)	Deflated Average Value/Ac.^b	Year-to-Year Change Deflated Farmland in Values^c
1930	56	10.83	517	
1931	52	9.84	528	2.1
1932	44	8.75	503	-4.7
1933	35	8.57	408	-18.9
1934	35	9.30	376	-7.8
1935	34	9.48	359	-4.5
1936	34	9.57	355	-1.1
1937	32	10.02	319	-10.1
1938	30	9.75	308	-3.4
1939	28	9.66	290	-5.8
1940	24	9.93	242	-16.6
1941	22	10.74	205	-15.3
1942	24	11.82	203	-1.0
1943	27	12.36	219	7.9
1944	33	12.635	261	19.2
1945	37	12.91	287	10.0
1946	42	14.98	280	-2.4
1947	47	16.97	277	-1.1
1948	56	18.14	309	11.6
1949	62	17.96	345	11.7
1950	58	18.32	317	8.1
1951	66	19.49	339	6.9
1952	72	19.765	364	7.4
1953	75	20.04	374	2.8
1954	70	20.31	345	-7.8
1955	73	20.76	352	-2.0
1956	73	21.39	341	-3.1
1957	72	22.20	324	-5.0
1958	79	22.47	352	8.6
1959	86	22.92	375	6.5
1960	89	23.13	385	2.7
1961	90	23.45	384	-0.3
1962	95	23.75	400	4.2
1963	97	24.00	404	1.0
1964	105	24.35	431	6.7
1965	111	24.77	448	3.9
1966	120	25.32	474	5.8
1967	132	26.14	505	6.5
1968	143	27.21	526	4.2
1969	150	28.39	528	0.2
1970	154	29.94	514	-2.6
1971	156	31.50	495	-3.7
1972	171	33.02	518	4.7
1973	193	34.36	562	8.5
1974	246	37.01	665	18.3
1975	282	41.05	687	3.3
1976	363	43.69	831	21.0
1977	420	46.32	907	9.2
1978	412	49.42	834	-8.0
1979	525	53.51	981	17.6

See footnotes at end of table.

Appendix Table 2. Deflated USDA Farmland Values and Percent Changes for Nebraska, 1930 to 2002.^a

Year	USDA Average Value/Ac. for Nebraska	1st Quarter GDP Price Deflator (1992 = 100)	Deflated Average Value/Ac. ^b	Year-to-Year Change Deflated Farmland in Values ^c
1980	635	58.18	1091	11.2
1981	729	64.15	1136	4.1
1982	730	68.86	1060	-6.7
1983	701	72.08	973	-8.2
1984	645	75.02	860	-11.6
1985	485	77.63	625	-27.3
1986	416	79.81	521	-16.6
1987	400	82.09	487	-6.5
1988	457	84.67	540	10.9
1989	511	88.45	578	7.0
1990	524	92.00	570	-1.4
1991	517	96.27	537	-5.8
1992	517	99.13	522	-2.8
1993	514	101.84	505	-3.3
1994	562	104.13	540	6.9
1995	580	106.74	543	0.6
1996	610	108.91	560	3.1
1997	620	111.00	559	-0.2
1998	645	112.32	574	2.7
1999	670	113.45	591	3.0
2000	695	115.21	603	2.0
2001	725	117.85	615	2.0
2002 ^d	753	119.42	631	2.6

^a Revised from series reported in earlier reports. Refers to year ending March 1 for years prior to 1976; year ending February 1 for years 1976-1981; year ending April 1 for years 1982-1985; year ending February 1, 1986-1989; year ending January 1, 1990-1994; mid-year 1995-1997, and year ending January 1, 2000.

^b Computed by dividing the USDA average value per acre by the 1st Quarter GDP Price Deflator (1992 x 100) and multiplying by 100.

^c A positive value entry in this column represents a **real** increase in asset value for the year (i.e., the rate of land value appreciation exceeded the general rate of inflation for the U.S. economy). Conversely, a negative value entry represents a real decrease in asset value.

^d Preliminary estimate.

Appendix Table 3. Nominal and Deflated Agricultural Land Values by Selected Types of Land in Nebraska, 1978 to 2002.^a

Year	Nominal Value/Ac. ^a				1st Quarter GDP Price Deflator (1992 = 100)	Deflated Value/Ac. ^b			
	Dryland Cropland	Center Pivot Irrigated Cropland ^c	Grazing Land (Nontillable)	All Land Average		Dryland Cropland	Center Pivot Irrigated Cropland ^c	Grazing Land (Nontillable)	All Land Average
	----- Dollars/Ac. -----					----- Dollars/Ac. -----			
1978	492	947	153	500	49.42	996	1,916	310	1,012
1979	602	1,114	186	597	53.51	1,125	2,082	348	1,116
1980	702	1,272	209	695	58.18	1,207	2,186	359	1,195
1981	778	1,341	230	749	64.15	1,213	2,090	359	1,168
1982	742	1,293	227	720	68.86	1,078	1,878	330	1,046
1983	681	1,130	205	642	72.08	945	1,568	284	891
1984	632	1,049	184	588	75.02	842	1,398	245	784
1985	501	833	135	450	77.63	645	1,073	174	580
1986	384	634	98	339	79.81	481	794	123	425
1987	371	580	83	306	82.09	452	707	101	373
1988	416	661	91	346	84.67	491	781	107	409
1989	500	841	123	432	88.45	565	951	139	488
1990	532	935	146	473	92.00	578	1,016	159	514
1991	536	977	159	492	96.27	557	1,015	165	511
1992	551	1,000	166	510	99.13	556	1,009	167	514
1993	573	1,045	172	531	101.84	563	1,026	169	521
1994	608	1,107	183	566	104.13	584	1,063	176	544
1995	623	1,149	192	582	106.74	584	1,076	180	545
1996	656	1,235	189	608	108.91	602	1,134	174	558
1997	706	1,338	202	654	111.00	636	1,205	182	589
1998	767	1,471	224	710	112.32	683	1,310	199	632
1999	749	1,428	219	690	113.45	660	1,259	193	608
2000	752	1,455	230	698	115.21	653	1,263	200	606
2001	760	1,459	243	709	117.85	645	1,237	206	601
2002	798	1,513	253	737	119.42	668	1,267	212	617

^a February 1st estimates reported in the UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Computed by dividing the average value per acre by the 1st Quarter Gross Domestic Price (GDP) Deflator and multiplying by 100.

^c Pivot not included in per acre value.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c

----- Dollars Per Acre -----

Dryland Cropland (No Irrigation Potential)

1978	289	253	648	319	817	360	468	660	492
1979	317	319	813	397	1,061	387	541	808	602
1980	347	340	920	471	1,296	454	626	971	702
1981	419	346	1,009	519	1,409	546	754	1,060	778
1982	411	335	966	502	1,325	522	752	988	742
1983	387	321	864	450	1,204	469	664	939	681
1984	379	300	779	416	1,129	444	653	840	632
1985	325	237	643	340	905	365	474	612	501
1986	259	198	499	263	669	308	412	423	384
1987	242	190	520	246	626	288	377	416	371
1988	267	202	576	301	692	294	411	513	416
1989	305	250	688	370	824	371	491	621	500
1990	309	279	728	407	877	409	491	662	532
1991	316	279	735	463	885	380	508	655	536
1992	340	295	700	418	955	386	513	673	551
1993	337	288	766	486	1,000	373	573	701	573
1994	345	314	797	504	1,090	390	620	741	608
1995	335	320	803	519	1,144	403	637	764	623
1996	358	338	823	535	1,244	419	658	799	656
1997	381	363	909	588	1,336	432	701	852	706
1998	385	390	982	631	1,477	457	753	956	767
1999	346	367	968	635	1,462	428	740	953	749
2000	331	400	970	648	1,464	434	708	958	752
2001	319	403	996	645	1,493	433	725	954	760
2002	325	407	1,095	680	1,523	460	743	1,024	798

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c

----- Dollars Per Acre -----

Dryland Cropland (Irrigation Potential)

1978	409	387	741	590	1,128	471	873	953	757
1979	449	514	930	708	1,411	520	1,102	1,152	926
1980	533	565	1,132	767	1,733	628	1,282	1,352	1,107
1981	680	533	1,225	880	1,785	733	1,432	1,402	1,192
1982	658	535	1,097	833	1,665	685	1,411	1,268	1,108
1983	563	462	975	680	1,462	654	1,175	1,160	979
1984	507	441	911	638	1,349	631	1,050	1,069	905
1985	425	340	746	486	1,013	504	705	723	684
1986	312	300	598	367	746	377	573	545	524
1987	285	250	567	325	707	328	503	508	484
1988	310	266	646	380	801	339	576	623	552
1989	376	339	773	483	980	433	684	772	674
1990	371	367	840	539	1,056	473	706	816	720
1991	396	360	817	604	1,083	478	756	777	725
1992	411	381	823	658	1,124	476	792	835	753
1993	419	400	884	678	1,195	445	883	888	794
1994	430	436	962	739	1,338	482	923	936	861
1995	429	424	1,002	781	1,397	493	941	979	891
1996	441	444	1,040	845	1,525	508	1,008	1,046	948
1997	458	475	1,103	917	1,643	543	1,114	1,130	1,018
1998	482	510	1,219	986	1,810	578	1,216	1,250	1,115
1999	436	480	1,216	956	1,792	538	1,173	1,172	1,081
2000	418	492	1,220	951	1,800	546	1,112	1,187	1,080
2001	409	500	1,256	981	1,807	572	1,126	1,234	1,100
2002	418	514	1,355	1,020	1,814	581	1,145	1,318	1,142

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Grazing Land (Tillable)									
1978	177	191	433	299	549	215	465	433	248
1979	186	229	521	347	701	259	479	574	288
1980	200	261	583	395	760	307	621	643	328
1981	251	257	622	435	881	332	697	636	357
1982	248	248	605	422	824	317	710	654	348
1983	198	234	571	405	739	315	555	589	315
1984	187	233	500	325	661	285	519	521	289
1985	146	180	392	259	510	205	339	357	218
1986	101	135	275	166	366	146	250	241	154
1987	77	99	267	135	336	115	187	236	124
1988	80	107	294	168	361	100	208	292	134
1989	104	150	362	217	418	130	253	341	173
1990	102	185	381	270	459	153	296	360	197
1991	107	200	394	308	495	168	338	366	213
1992	113	213	395	339	500	169	348	395	224
1993	121	195	427	359	524	171	371	418	227
1994	128	215	440	380	573	192	407	460	246
1995	128	223	456	400	611	193	414	471	253
1996	125	225	473	406	617	196	413	483	255
1997	135	250	512	440	686	200	433	519	276
1998	153	265	550	461	741	227	467	575	299
1999	165	270	569	456	735	234	470	575	306
2000	173	275	581	471	731	256	464	588	315
2001	171	288	670	505	750	291	524	578	335
2002	182	299	706	523	796	325	537	629	354

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Grazing Land (Nontillable)									
1978	115	126	308	216	384	119	268	315	153
1979	134	156	340	267	486	148	309	417	186
1980	143	169	394	304	549	190	346	473	209
1981	164	182	418	339	620	217	398	474	230
1982	168	183	412	329	584	195	418	472	227
1983	151	169	375	283	511	181	339	460	205
1984	134	152	350	248	455	168	328	384	184
1985	94	115	258	192	341	118	236	243	135
1986	71	85	179	131	262	84	158	178	98
1987	60	71	166	106	238	68	120	173	83
1988	58	76	189	128	270	75	152	220	91
1989	71	109	242	183	310	101	209	266	123
1990	83	134	272	225	340	113	233	298	146
1991	86	148	284	252	357	125	254	314	159
1992	90	155	302	267	373	126	261	316	166
1993	93	157	322	278	382	136	290	330	172
1994	98	167	325	302	388	153	307	354	183
1995	106	175	337	308	421	163	308	357	192
1996	103	173	347	299	428	155	296	367	189
1997	115	183	366	327	468	163	318	412	202
1998	128	199	395	366	516	189	337	473	224
1999	127	192	411	350	507	187	327	476	219
2000	137	206	432	365	510	193	333	478	230
2001	142	220	475	386	532	200	353	479	243
2002	151	218	515	419	584	213	378	499	253

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Hayland									
1978	232	266	370	372	477	231	298	371	281
1979	287	308	436	397	593	281	345	509	332
1980	301	338	506	441	699	349	402	554	369
1981	323	331	558	482	738	368	417	532	375
1982	328	334	544	472	714	344	445	557	375
1983	290	286	509	408	658	344	375	496	331
1984	283	247	497	295	568	329	369	463	296
1985	261	206	332	273	470	250	258	311	241
1986	190	154	233	230	335	182	190	219	179
1987	160	119	188	195	271	148	175	201	144
1988	144	130	238	230	317	178	202	245	159
1989	194	183	295	275	382	220	268	291	210
1990	217	218	326	328	405	245	278	328	243
1991	225	240	330	350	434	252	286	361	261
1992	248	247	325	365	452	250	329	341	269
1993	242	265	365	366	473	251	360	358	283
1994	251	296	392	400	511	278	386	370	310
1995	260	300	418	408	528	277	397	385	317
1996	270	300	429	403	524	289	396	402	320
1997	295	325	459	438	575	300	403	435	346
1998	315	345	517	472	640	336	437	497	373
1999	318	325	507	457	625	330	412	502	359
2000	313	358	539	444	618	350	398	463	379
2001	306	381	563	458	677	364	450	502	398
2002	313	388	611	502	694	373	483	529	411

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
Gravity Irrigated Cropland									
1978	1,246	796	1,030	1,545	1,624	1,134	1,412	1,404	1,410
1979	1,300	964	1,289	1,705	1,910	1,197	1,746	1,772	1,638
1980	1,369	1,020	1,547	1,976	2,317	1,329	2,046	2,026	1,906
1981	1,555	1,054	1,781	2,088	2,403	1,493	2,230	2,026	2,030
1982	1,580	1,033	1,771	2,053	2,269	1,598	2,254	1,924	1,994
1983	1,361	1,000	1,430	1,798	1,969	1,412	1,872	1,854	1,737
1984	1,269	1,020	1,429	1,613	1,838	1,250	1,762	1,639	1,601
1985	1,042	817	1,102	1,304	1,329	1,010	1,283	1,171	1,214
1986	754	612	900	940	975	867	963	957	920
1987	650	567	775	802	959	718	863	843	826
1988	668	691	862	948	1,151	740	994	956	947
1989	815	900	1,100	1,210	1,462	841	1,232	1,170	1,182
1990	841	900	1,186	1,413	1,513	895	1,390	1,285	1,287
1991	834	917	1,250	1,518	1,622	975	1,480	1,306	1,363
1992	889	1,035	1,221	1,563	1,653	1,021	1,583	1,413	1,418
1993	857	1,058	1,246	1,609	1,730	1,018	1,643	1,479	1,461
1994	875	1,070	1,250	1,666	1,842	1,093	1,728	1,568	1,533
1995	857	1,065	1,260	1,671	1,887	1,090	1,731	1,606	1,548
1996	870	1,070	1,361	1,738	1,989	1,138	1,800	1,697	1,621
1997	890	1,115	1,466	1,858	2,160	1,167	1,943	1,853	1,740
1998	925	1,150	1,575	1,972	2,340	1,200	2,042	1,936	1,847
1999	894	1,050	1,575	1,861	2,247	1,198	1,945	1,813	1,768
2000	907	1,025	1,696	1,754	2,279	1,325	1,856	1,831	1,765
2001	900	1,033	1,715	1,729	2,273	1,279	1,810	1,843	1,750
2002	914	1,080	1,759	1,825	2,298	1,350	1,827	1,928	1,800

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c

----- Dollars Per Acre -----

Center Pivot Irrigated Cropland^b

1978	771	678	956	877	1,484	813	1,023	1,286	947
1979	915	770	1,164	1,076	1,690	895	1,291	1,590	1,114
1980	894	886	1,372	1,223	2,043	971	1,535	1,795	1,272
1981	973	816	1,456	1,312	2,110	1,105	1,732	1,900	1,341
1982	989	810	1,332	1,270	2,010	1,123	1,681	1,748	1,293
1983	847	769	1,217	1,016	1,727	926	1,391	1,643	1,130
1984	809	698	1,130	969	1,655	827	1,350	1,465	1,049
1985	691	581	875	850	1,243	691	1,055	1,020	833
1986	496	400	700	628	970	558	788	788	634
1987	417	396	703	541	888	487	665	723	580
1988	446	441	800	622	1,038	548	792	820	661
1989	532	604	993	779	1,320	683	1,021	1,056	841
1990	619	710	1,090	910	1,393	765	1,117	1,133	935
1991	651	714	1,129	1,053	1,461	748	1,229	1,194	977
1992	681	740	1,084	1,085	1,510	783	1,263	1,228	1,000
1993	641	745	1,156	1,160	1,593	799	1,356	1,346	1,045
1994	690	800	1,215	1,200	1,707	850	1,425	1,413	1,107
1995	693	825	1,254	1,268	1,793	882	1,454	1,474	1,149
1996	710	913	1,320	1,340	1,930	981	1,550	1,565	1,235
1997	748	962	1,427	1,507	2,111	1,058	1,696	1,725	1,338
1998	829	1,020	1,583	1,698	2,332	1,139	1,863	1,907	1,471
1999	750	984	1,581	1,616	2,288	1,124	1,830	1,806	1,428
2000	750	981	1,609	1,579	2,424	1,192	1,795	1,810	1,455
2001	742	965	1,653	1,602	2,420	1,152	1,778	1,898	1,459
2002	775	1,043	1,775	1,693	2,401	1,167	1,830	1,959	1,513

See footnotes at end of table.

Appendix Table 4. Average Reported Value of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1978-2002.^a

Type of Land & Year	Agricultural Statistics District								
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast	State ^c
----- Dollars Per Acre -----									
All Land Average^c									
1978	279	201	674	608	1,125	363	796	844	500 ^d
1979	307	244	836	699	1,376	405	970	1,044	597 ^d
1980	333	269	989	800	1,670	472	1,139	1,215	695 ^d
1981	397	271	1,077	865	1,748	538	1,268	1,260	749 ^d
1982	396	269	1,004	843	1,643	527	1,272	1,173	720 ^d
1983	343	248	890	734	1,475	480	1,057	1,099	642 ^d
1984	318	229	829	654	1,341	442	990	989	588 ^d
1985	258	180	664	528	1,007	347	706	689	450 ^d
1986	190	136	522	379	745	273	543	518	339 ^d
1987	165	115	502	324	707	232	474	482	306 ^d
1988	173	124	567	385	817	241	545	579	346 ^d
1989	210	171	689	495	1,009	300	673	711	432 ^d
1990	219	202	744	580	1,069	331	734	763	473 ^d
1991	226	215	747	639	1,115	341	787	756	492 ^d
1992	239	226	737	669	1,156	348	827	800	510 ^d
1993	239	226	790	693	1,217	346	885	845	531 ^d
1994	249	244	835	728	1,325	375	935	894	566 ^d
1995	250	251	860	744	1,378	384	944	925	582 ^d
1996	254	256	895	769	1,479	398	984	978	608 ^d
1997	269	275	962	833	1,600	417	1,066	1,057	654 ^d
1998	288	295	1,053	897	1,754	450	1,140	1,162	710 ^d
1999	275	285	1,052	859	1,718	439	1,099	1,111	690 ^d
2000	276	299	1,070	842	1,737	464	1,056	1,121	698 ^d
2001	274	312	1,107	854	1,747	471	1,060	1,143	709 ^d
2002	284	318	1,191	901	1,766	494	1,082	1,213	737 ^d

^a February 1st estimates reported in the annual UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Pivot not included in per acre value.

^c Weighted average based upon acreage in each land type.

^d All land average for state may not conform to USDA series due to different acreage weighting. In addition, the USDA series includes farm buildings in its per acre estimates of value.

Appendix Table 5. Historical Per Acre Value Range for Different Types and Quality Grades of Land in Nebraska by Agricultural Statistics District, 1997-2002. ^a

District and Type of Land	Reported Value Per Acre											
	Low Grade						High Grade					
	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
----- Dollars Per Acre -----												
Northwest:												
Dry Crop (No irr. potential) ¹	300	275	235	220	225	230	455	450	405	385	365	365
Dry Crop (Irr. pot.)	375	380	360	335	335	340	525	555	500	490	480	490
Grazing (Tillable)	120	120	130	140	140	145	160	170	205	210	200	205
Grazing (Nontillable)	100	100	95	105	105	115	130	145	150	160	160	170
Hayland	220	250	230	235	255	255	340	355	380	360	370	370
Gravity Irrigated	655	650	600	600	585	610	1,040	1,095	1,090	1,130	1,020	1,050
Center Pivot Irrigated ^b	635	570	530	530	565	585	865	915	830	890	890	940
North:												
Dry Crop (No irr. potential)	275	275	270	280	310	325	450	475	465	490	495	530
Dry Crop (Irr. pot.)	400	415	360	390	385	425	600	685	575	600	600	635
Grazing (Tillable)	210	215	230	245	250	255	345	360	365	345	325	360
Grazing (Nontillable)	135	140	160	180	170	165	225	245	250	285	290	280
Hayland	250	280	240	300	310	310	500	495	455	485	470	475
Gravity Irrigated	890	900	900	875	815	870	1,350	1,430	1,335	1,325	1,265	1,270
Center Pivot Irrigated ^b	790	800	750	765	690	750	1,105	1,200	1,150	1,175	1,160	1,185
Northeast:												
Dry Crop (No irr. potential)	625	710	725	740	805	870	1,090	1,275	1,200	1,175	1,230	1,350
Dry Crop (Irr. pot.)	765	935	960	1,000	1,055	1,065	1,175	1,350	1,385	1,415	1,545	1,665
Grazing (Tillable)	425	480	505	475	530	575	635	680	710	705	770	815
Grazing (Nontillable)	315	365	345	360	365	470	455	500	515	530	590	650
Hayland	360	450	425	445	465	500	550	630	640	655	695	740
Gravity Irrigated	1,080	1,190	1,240	1,365	1,310	1,390	1,630	1,835	1,710	1,945	1,865	1,945
Center Pivot Irrigated ^b	1,055	1,240	1,270	1,265	1,295	1,435	1,575	1,845	1,780	1,850	1,925	2,030
Central:												
Dry Crop (No irr. potential)	430	470	500	505	495	530	705	735	765	795	815	845
Dry Crop (Irr. pot.)	605	695	700	710	740	785	1,170	1,210	1,170	1,195	1,235	1,280
Grazing (Tillable)	365	395	410	415	425	455	570	585	585	590	665	685
Grazing (Nontillable)	260	280	290	300	315	355	380	410	400	425	460	502
Hayland	320	365	375	345	360	405	530	565	545	530	550	605
Gravity Irrigated	1,310	1,445	1,325	1,190	1,215	1,320	2,070	2,200	2,045	1,920	2,035	2,155
Center Pivot Irrigated ^b	1,010	1,225	1,200	1,085	1,100	1,190	1,780	1,880	1,840	1,785	1,910	2,025

See footnotes at end of table.

Appendix Table 5. Historical Per Acre Value Range for Different Types and Quality Grades of Land in Nebraska by Agricultural Statistics District, 1997-2002. ^a

District and Type of Land	Reported Value Per Acre											
	Low Grade						High Grade					
	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
----- Dollars Per Acre -----												
East:												
Dry Crop (No irr. potential)	950	1,050	1,060	1,070	1,095	1,160	1,570	1,700	1,727	1,735	1,695	1,730
Dry Crop (Irr. pot.)	1,150	1,340	1,350	1,365	1,395	1,380	1,810	2,010	2,055	2,035	2,015	2,040
Grazing (Tillable)	490	555	480	510	590	625	800	865	780	850	895	980
Grazing (Nontillable)	370	380	395	425	420	465	555	630	605	625	700	720
Hayland	460	495	535	530	565	550	700	750	800	760	875	900
Gravity Irrigated	1,610	1,790	1,740	1,745	1,760	1,805	2,420	2,605	2,510	2,525	2,560	2,500
Center Pivot Irrigated ^b	1,570	1,750	1,720	1,755	1,815	1,790	2,370	2,595	2,585	2,640	2,600	2,545
Southwest:												
Dry Crop (No irr. potential)	325	340	355	350	350	380	540	545	495	490	520	570
Dry Crop (Irr. pot.)	400	430	450	445	465	490	645	650	610	610	635	650
Grazing (Tillable)	175	200	215	225	230	255	240	280	285	315	350	380
Grazing (Nontillable)	135	150	155	165	165	180	205	215	215	230	235	255
Hayland	250	290	315	325	330	345	425	465	455	505	515	535
Gravity Irrigated	795	870	900	1,005	985	1,045	1,295	1,365	1,280	1,415	1,415	1,485
Center Pivot Irrigated ^b	730	780	800	855	820	830	1,195	1,260	1,135	1,330	1,285	1,320
South:												
Dry Crop (No irr. potential)	480	520	500	485	505	535	825	870	885	865	865	865
Dry Crop (Irr. pot.)	805	905	790	755	745	805	1,285	1,375	1,360	1,275	1,345	1,280
Grazing (Tillable)	325	340	350	340	395	395	505	555	555	535	655	640
Grazing (Nontillable)	245	250	235	235	270	285	370	385	390	375	450	455
Hayland	300	325	260	255	310	340	460	500	445	435	515	550
Gravity Irrigated	1,295	1,385	1,335	1,260	1,265	1,255	2,145	2,225	2,140	2,020	2,005	1,960
Center Pivot Irrigated ^b	1,090	1,340	1,270	1,160	1,200	1,275	1,925	2,035	1,965	1,910	1,930	1,975
Southeast:												
Dry Crop (No irr. potential)	610	700	725	670	680	750	1,140	1,315	1,255	1,200	1,150	1,290
Dry Crop (Irr. pot.)	915	1,035	810	790	835	915	1,375	1,540	1,345	1,245	1,350	1,485
Grazing (Tillable)	400	465	455	440	445	490	575	725	670	685	690	730
Grazing (Nontillable)	320	375	330	340	340	355	455	570	565	600	535	565
Hayland	330	380	385	400	425	460	500	580	580	570	585	620
Gravity Irrigated	1,295	1,340	1,355	1,345	1,345	1,450	2,045	2,150	1,980	2,060	2,085	2,090
Center Pivot Irrigated ^b	1,300	1,485	1,220	1,285	1,395	1,490	2,050	2,185	1,950	1,940	2,090	2,080

^a Source: UNL Nebraska Farm Real Estate Market Developments Surveys.

^b Pivot not included in per acre value.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

----- Dollars Per Acre -----

Dryland Cropland

1981	b	b	60	43	68	35	38	55
1982	b	b	67	38	71	34	38	60
1983	b	b	63	43	66	25	41	57
1984	b	b	63	41	72	29	44	57
1985	b	b	55	38	65	26	40	50
1986	b	b	52	29	58	25	35	45
1987	b	b	55	29	58	23	35	45
1988	b	b	58	35	62	25	38	48
1989	b	b	65	42	70	26	43	52
1990	b	b	65	44	72	31	41	54
1991	b	b	64	45	73	27	41	58
1992	b	b	60	47	73	28	43	57
1993	24	28	65	46	74	28	47	60
1994	b	33	66	44	79	32	45	62
1995	21	36	69	48	79	29	46	61
1996	21	35	69	49	81	31	47	62
1997	22	38	74	53	85	32	49	65
1998	22	39	79	53	88	32	51	70
1999	21	38	79	51	85	30	49	67
2000	20	38	79	53	86	29	49	66
2001	20	37	78	53	87	29	51	64
2002	21	38	85	54	87	31	53	69

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

Gravity Irrigated Cropland

1981	b	b	107	114	114	97	117	115
1982	100	96	b	119	116	97	115	115
1983	93	95	b	110	111	92	110	112
1984	110	95	100	115	113	89	115	113
1985	91	90	89	105	99	80	103	98
1986	78	73	80	90	97	77	93	88
1987	b	67	83	88	96	76	91	85
1988	b	70	94	94	103	76	95	93
1989	b	87	102	111	115	88	106	97
1990	74	88	99	113	113	96	106	104
1991	84	95	99	119	118	101	112	103
1992	83	101	98	109	119	99	118	109
1993	77	93	107	118	124	94	124	114
1994	83	100	110	121	131	107	124	122
1995	80	98	108	120	127	101	123	116
1996	78	99	108	124	127	104	126	118
1997	80	105	114	129	136	108	132	125
1998	91	105	116	129	136	103	133	128
1999	85	102	111	123	133	98	130	119
2000	82	98	118	123	133	100	128	120
2001	84	98	122	128	133	106	127	126
2002	84	100	124	128	136	104	128	131

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

Center Pivot Irrigated Cropland

1981	b	71	117	102	118	91	126	119
1982	98	82	116	108	120	93	127	119
1983	90	86	101	100	114	83	117	116
1984	98	81	99	101	118	80	120	114
1985	b	69	93	90	104	81	111	96
1986	b	60	86	75	99	69	91	86
1987	b	62	83	77	97	66	82	86
1988	b	67	91	82	100	73	89	93
1989	b	88	99	98	110	81	101	100
1990	77	97	106	99	114	91	104	108
1991	85	98	108	109	120	94	115	110
1992	79	96	105	102	120	92	119	113
1993	79	83	107	108	124	93	124	114
1994	85	104	115	116	130	98	126	122
1995	86	100	118	117	128	101	127	122
1996	80	107	117	119	130	105	128	124
1997	90	115	124	130	142	110	138	132
1998	95	115	125	132	143	111	138	132
1999	90	109	122	124	143	110	136	127
2000	93	105	125	124	144	111	135	129
2001	94	106	130	129	144	113	132	134
2002	96	108	132	131	146	115	133	135

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
Dryland Alfalfa								
1981	b	b	53	47	56	31	45	45
1982	b	b	57	47	64	31	43	47
1983	b	b	56	43	64	32	43	50
1984	b	b	50	46	63	36	44	45
1985	b	b	50	44	59	28	42	40
1986	b	b	47	32	52	25	44	40
1987	b	b	41	32	53	b	41	37
1988	b	b	52	36	58	b	42	39
1989	b	b	59	41	64	b	56	48
1990	b	b	62	49	67	30	b	48
1991	b	38	62	57	71	28	b	49
1992	b	36	56	46	58	b	50	48
1993	b	27	65	47	66	31	50	54
1994	b	b	65	46	70	37	51	52
1995	b	b	68	50	73	b	54	57
1996	b	b	68	52	78	b	51	54
1997	b	b	72	56	82	b	54	60
1998	b	b	79	58	86	b	59	64
1999	b	b	80	54	82	b	b	64
2000	b	b	80	56	82	b	b	b
2001	b	b	79	53	79	b	b	b
2002	b	b	86	55	82	b	56	b

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
Irrigated Alfalfa								
1981	b	b	88	92	96	b	90	b
1982	b	b	75	87	100	56	90	b
1983	b	b	78	89	105	70	84	b
1984	b	b	80	83	96	68	84	b
1985	b	b	74	80	87	b	69	b
1986	b	b	68	58	69	b	68	b
1987	b	b	61	62	70	b	68	b
1988	b	b	72	66	78	b	68	b
1989	b	b	89	88	92	b	100	b
1990	b	b	96	95	93	90	111	b
1991	b	b	98	98	102	78	98	b
1992	b	b	88	81	82	b	94	b
1993	b	b	96	96	92	b	100	b
1994	b	b	99	93	101	b	95	b
1995	b	b	99	102	101	b	103	b
1996	b	b	108	106	108	b	109	b
1997	b	b	113	106	119	b	b	b
1998	b	b	118	112	124	b	b	b
1999	b	b	112	108	115	b	b	b
2000	b	b	105	107	114	b	b	b
2001	b	b	118	107	118	b	b	b
2002	b	b	124	111	121	b	116	b

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast

Other Hayland

1981	b	21	b	37	39	34	b	34
1982	b	18	b	30	b	b	b	34
1983	b	b	b	41	b	b	b	31
1984	b	b	b	32	44	29	b	36
1985	b	b	b	38	38	b	b	28
1986	b	b	b	26	29	b	b	26
1987	b	b	b	28	32	b	b	24
1988	b	b	b	26	31	b	b	31
1989	b	b	b	30	44	b	b	34
1990	b	b	b	39	44	34	b	38
1991	b	18	37	37	43	35	b	33
1992	b	21	31	30	34	b	27	30
1993	b	22	38	34	38	b	35	29
1994	b	b	38	37	39	b	33	29
1995	b	b	41	40	44	b	31	34
1996	b	b	42	40	40	b	31	36
1997	b	b	42	43	44	b	32	38
1998	b	b	48	43	50	b	35	40
1999	b	b	48	38	48	b	b	b
2000	b	b	48	35	43	b	b	b
2001	b	b	50	37	47	b	b	b
2002	b	b	50	38	51	b	36	b

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
Pastureland (Per-Acre)								
1981	6	8	33	16	28	10	14	26
1982	5	9	31	15	22	9	16	24
1983	6	9	26	16	21	9	14	24
1984	6	8	25	16	23	9	16	23
1985	5	6	20	13	23	7	14	20
1986	5	b	16	10	22	6	10	16
1987	4	4	18	10	20	5	11	15
1988	4	5	20	12	21	6	12	18
1989	5	7	23	15	23	7	15	19
1990	5	9	25	17	25	9	15	20
1991	6	10	26	20	27	10	17	22
1992	7	12	25	18	25	12	18	21
1993	6	10	24	21	27	10	19	21
1994	9	11	30	21	28	11	20	23
1995	7	11	31	21	27	12	19	24
1996	7	11	30	20	28	12	19	24
1997	8	12	30	21	29	12	20	25
1998	8	12	31	22	30	12	21	25
1999	7	12	31	21	29	11	20	23
2000	7	13	32	22	29	11	20	21
2001	7	12	32	23	30	11	20	22
2002	8	13	33	24	32	12	21	25

See footnotes at end of table.

Appendix Table 6. Historical Average Cash Rental Rates of Nebraska Farmland for Different Types of Land by Agricultural Statistics District, 1981-2002.^a

Type of Land and Year	Agricultural Statistics District							
	Northwest	North	Northeast	Central	East	Southwest	South	Southeast
----- Dollars Per AUM -----								
-								
Pasture (Per Animal Unit/Mo.)^c								
1981	13.00	13.30	12.85	15.80	12.65	14.40	13.75	12.90
1982	13.00	12.50	15.25	15.95	13.85	16.00	15.00	14.95
1983	13.40	16.60	16.50	16.65	14.50	15.45	15.21	15.81
1984	13.20	15.90	15.30	16.55	14.10	15.25	14.75	15.60
1985	12.20	12.70	12.90	13.00	12.80	13.60	12.80	13.60
1986	10.70	10.50	11.00	10.60	10.10	10.40	10.70	11.30
1987	9.55	10.35	10.10	10.55	10.20	10.25	10.50	10.50
1988	9.50	11.00	10.90	11.30	13.00	12.70	12.65	13.50
1989	11.35	14.50	14.00	14.50	13.25	12.80	14.20	13.70
1990	12.90	16.75	15.55	17.80	15.70	17.40	15.00	15.35
1991	14.85	20.00	18.00	20.30	19.50	18.25	17.50	18.00
1992	14.60	21.00	18.80	19.95	17.40	17.65	19.00	18.00
1993	16.40	21.30	18.50	22.35	19.85	20.75	20.40	19.85
1994	17.20	23.25	19.70	23.00	21.55	23.00	23.00	21.60
1995	16.75	23.40	19.90	23.00	20.50	22.30	22.20	20.30
1996	16.40	23.00	18.35	21.80	21.00	20.35	21.15	20.05
1997	17.00	23.50	20.50	22.25	22.30	21.20	21.20	20.75
1998	18.10	23.70	21.00	23.40	23.60	23.40	22.20	21.70
1999	16.70	23.00	21.60	23.25	21.90	23.25	22.00	20.40
2000	18.25	23.15	23.80	23.80	22.50	24.50	22.00	21.35
2001	19.65	25.10	23.40	24.45	24.00	25.00	22.20	22.75
2002	20.35	26.35	23.80	25.10	24.30	25.00	23.30	24.40

^a Reporter's annual estimates of cash rental rates in the annual UNL Nebraska Farm Real Estate Market Developments Survey Series.

^b Insufficient number of reports.

^c Animal unit month (AUM) refers to sufficient forage capacity to sustain an animal unit for one month during the normal range season. Animal unit is defined by the Society of Range Management as: a mature cow approximately 1,000 pounds, **either** dry or with calf up to six months of age, or the equivalent based on a standardized amount of forage consumed.