

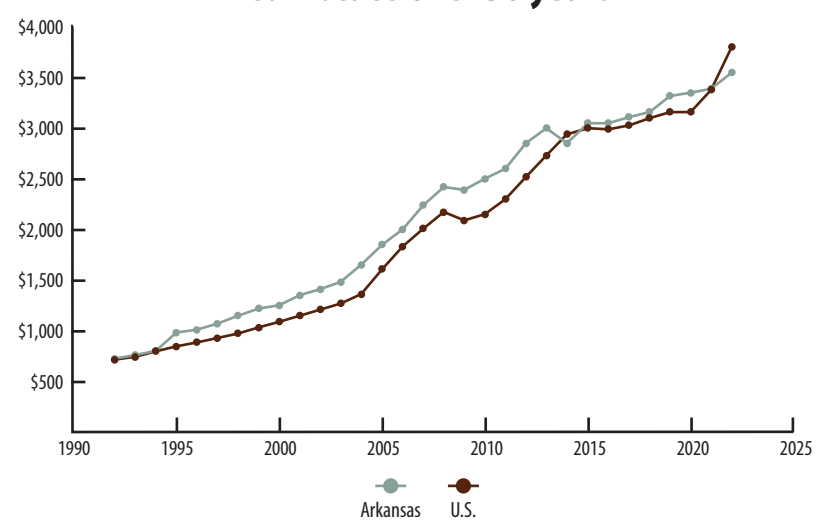
## Arkansas Land Values

Over the past four years Arkansas farmland values have seen significant increases and, according to the National Agricultural Statistics Service's 2022 Land Values Summary, the average value of ag land was \$3,550 per acre in 2022, up 4.7% from 2021. This marks the largest increase Arkansas has seen in three years and can be attributed to factors such as high inflation, the robust housing market, relatively strong commodity prices, and, until recently, low interest rates.

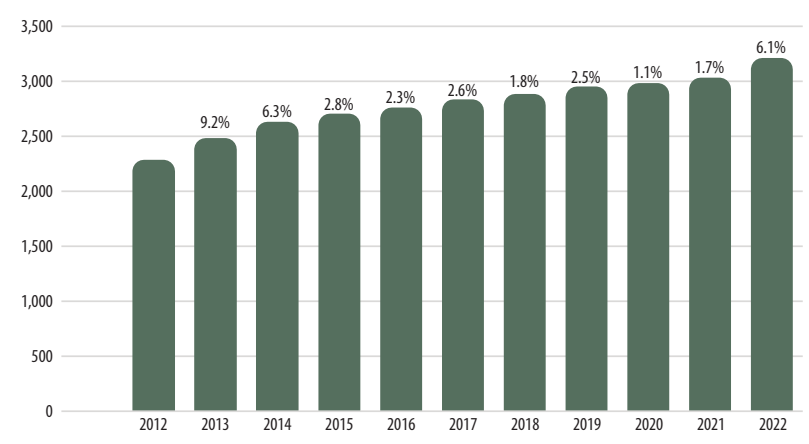
Land values in the Natural State are slightly lower than the national average of \$3,800 per acre, up 12.4% from the previous year. This was the largest numerical increase since the survey began in 1997 and the largest percent increase since 2006. California leads the nation with \$12,000 per acre while New Mexico shows the least valuable agriculture ground at an average of \$610 per acre.

**Cropland:** Like the overall agriculture real estate values, average Arkansas cropland values increased sharply in 2022, having risen to \$3,110 per acre. This represents a 6.1% increase from 2021, which is like the increase in 2014 and only outpaced by 2013, when rates jumped 9.2%. To put dollars to percentages, the increase over 2021 equals about \$180 per acre. Irrigated land represents the highest dollar value for cropland at \$3,600 per acre, which represents a 5.3% increase from

**Average Per-Acre Value of Farm Real Estate Over 30 years**



**Average Arkansas Cropland Value**



2021. However, non-irrigated cropland saw a higher percentage increase at 8.9% when compared to 2021.

This rise in farmland value follows similar patterns across the country, with California and Northeast states claiming the highest average cropland values, as expected. The top three states in terms of percentage growth are Kansas, Nebraska and Iowa, posting gains of 25%, 21% and 20% respectively. These gains are also due to relatively higher commodity prices along with historically low interest rates during the time of reporting.

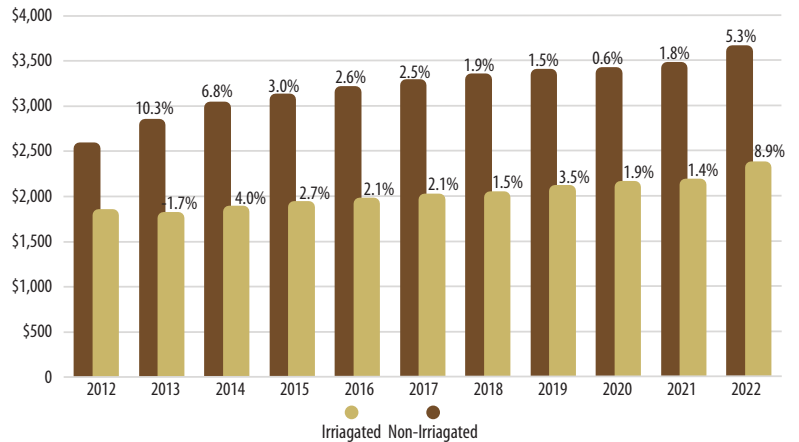
**Cropland Cash Rent:**

The increases in cropland values have translated to moderate increases in cropland cash rents. Average Arkansas cropland rent increased to \$118 per acre this year, 5.4% higher than 2021 rates. Irrigated cropland rents increased 4.3% to an average \$145 per acre, while non-irrigated cropland rents increased 2.2% to an average \$46 per acre. The fluctuations in cash rent for cropland can be attributed to multiyear contracts as opposed to year-over-year contracts.

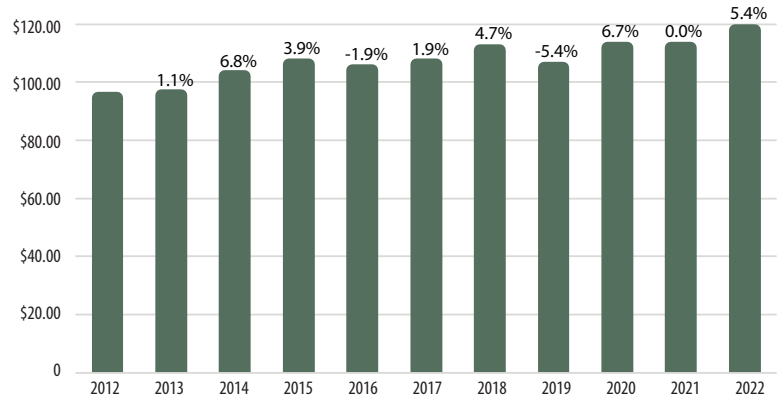
**Pastureland:**

Continuing the trend, pastureland values in Arkansas posted strong gains from the previous year. 2022 pastureland increases clocked in at 5.6% to \$2,850 per acre. 2016 is the only year on record with a higher increase, which was 6.2% over the previous year. The U.S. average for pastureland is now \$1,650 per acre, an increase of 11.5% from 2021. However, the distribution of pastureland values across the country differs from the cropland values and real estate values. Some of the more valuable pasturelands are concentrated in the South and the Mid-South, with the Midwest and the Plains states making up the next group of higher average values. Demand for pastureland has increased as drought has impacted a large portion of the nation. Perennial pastureland value

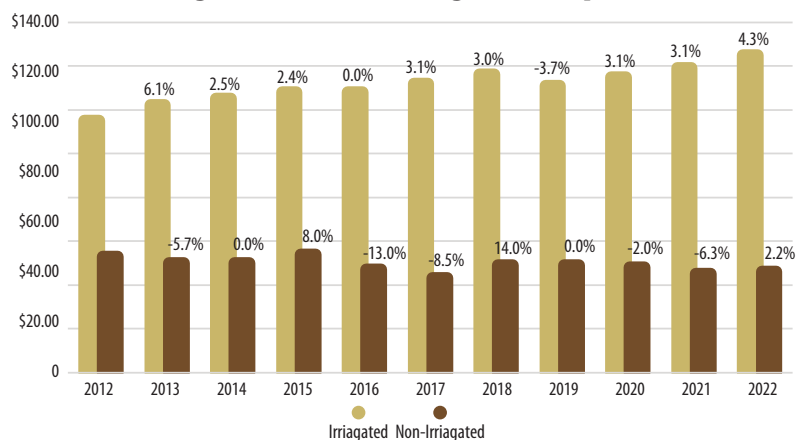
**Average Arkansas Irrigated & Non-Irrigated Cropland Value**



**Average Arkansas Cash Rent for All Cropland**



**Average Arkansas Cash Rent Value for Irrigated and Non-Irrigated Cropland**



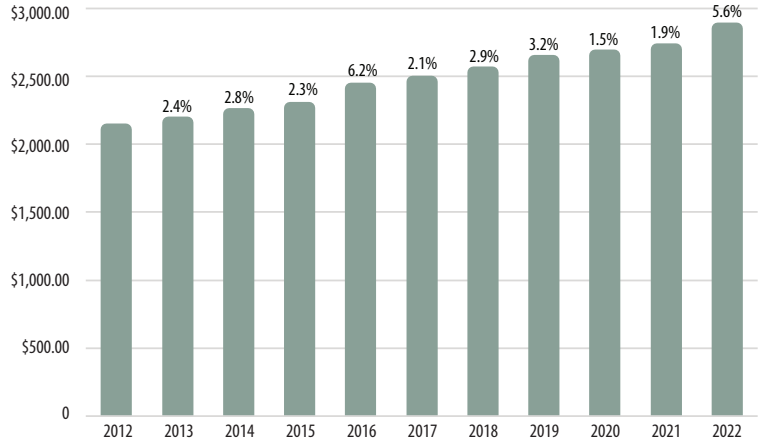
leaders like Kansas, Idaho and South Dakota also posted gains of 16% - 23%.

**Pastureland Cash Rent:**

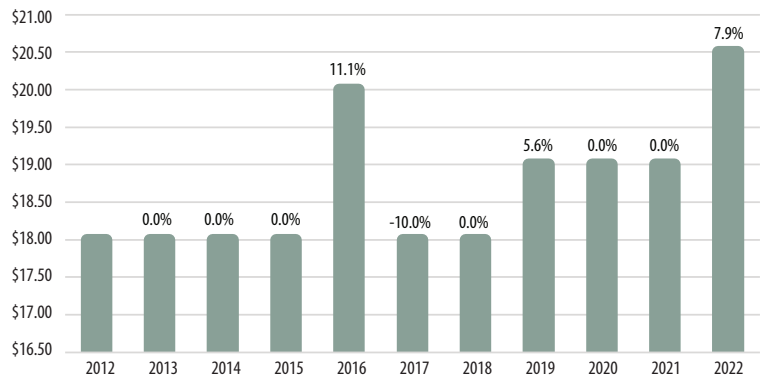
Cash rents for pastureland in Arkansas had the largest increase at 7.9% to \$20.50 per acre, with ranges between \$11.50 and \$33.50. This outpaced the U.S., which saw a 7.7% increase, or \$14 per acre, compared to the previous year. As previously mentioned, the mid-year drought did drive prices for private leases higher than other ag land as ranchers scrambled for alternatives to graze livestock.

In summary, the USDA land value report shows significant increases in not just nationwide cropland values but more specifically Arkansas Agricultural real estate values, cropland values and pastureland values. Cash rent in Arkansas for irrigated, non-irrigated and pastureland has also jumped in recent years. With higher input prices and higher interest rates, the Arkansas grower will also need to keep in mind the increased cost of land and land leases as they work to produce more crops and raise more livestock.

**Average Arkansas Pastureland Value**



**Average Arkansas Pastureland Cash Rent**



*Analysis by Tyler Oxner.  
For more information, contact  
Tyler at (501) 228-1311,  
tyler.oxner@arfb.com.*