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## **Florida Agricultural Land Values Increase: 2000 Survey Results<sup>1</sup>**

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The 2000 Florida Land Value Survey results indicate that agricultural land values have increased in all of the regions of the state. This was only the second year since 1990 that the value of orange and grapefruit groves have not declined in value. Because of improved prices for grapefruit, the value of grapefruit groves increased 25 percent or more since the 1999 survey. The value of cropland and pastureland increased in all regions of the state. Agricultural land values continue to vary by geographic area and type of land use.

The Florida Land Value Survey, conducted by the Food and Resource Economics Department at the University of Florida, provides estimates of the value of different types of agricultural land for geographic regions of the state. The survey questionnaire was designed to obtain estimates of the market value for different types of land as of May 2000. Survey respondents included rural appraisers, farm lenders, real estate brokers, farm managers, land investors, county extension agents, Farm Services Agency and Natural Resource and Conservation Service personnel, county property appraisers and other persons who develop and maintain information about

rural land values in their areas. Respondents provided a total of 200 usable county reports for the 2000 survey.

The state was divided, based on agricultural production, into four major regions (Northwest, Northeast, Central and South) (Figure 1). A fifth region (Southeast) was delineated as a result of the impact of urbanization in southeast Florida. Even though the state was divided into more homogeneous regions, wide variation in agricultural land values still exists within each region.

To view other land value surveys, please visit the following website at <http://www.agbuscenter.ifas.ufl.edu/landuse>.

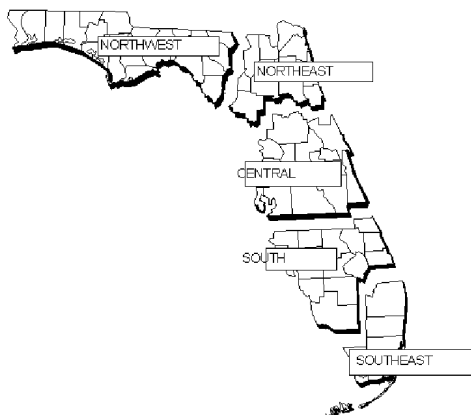
### **Changes by Type of Land Use**

The largest changes in agricultural land values occurred in grapefruit groves (an increase of 28.4 percent in the South region and 25.1 percent in the Central region). The value of orange groves increased 1.7 percent. The value of cropland increased from 5 to 10 percent, while pastureland values increased as much as 9 percent. The value of farm woods increased from 5 to 9 percent in the northern regions (Table 1).

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**Figure 1.** Geographic regions used for the Florida Land Value Survey.

### Citrus

Citrus land values increased for the second consecutive year since 1990. The value of grapefruit groves increased 28.4 percent in the South region and 25.1 percent in the Central region. The value of orange groves increased 1.7 percent in both the South and Central regions. The value of land with 5- to 7-year-old citrus plantings increased 1.9 percent in the South region and 1.4 percent in the Central region.

### Cropland

The value of cropland increased in all regions. The value of both irrigated and nonirrigated cropland increased about 10 percent in the Northwest region, 8 percent in the South region and 5 percent in the Central region. In the Northeast region, the value of irrigated cropland increased 9.9 percent and the value of nonirrigated cropland increased 6.5 percent.

### Pastureland

The value of pastureland increased in all regions. The largest increase in pastureland values occurred in the South region. The value of both improved and unimproved pastureland increased almost 9 percent in the South region, about 6 percent in the Northwest and Central regions. In the Northeast region, the value of unimproved pastureland increased 8.3 percent and improved pastureland values increased 2.9 percent.

### Farm Woods

The value of farm woods increased 9.1 percent in the Northwest region and 5.2 percent in the Northeast region.

### Regional Comparisons of Land Values

The average value of citrus land was higher in the South region than in the Central region. However, the value of other types of agricultural land was higher in the Central region than it was in other regions. The average value of orange groves was \$6,956 per acre in the South region, about \$175 per acre higher than in the Central region. The estimated value of grapefruit groves was \$3,759 per acre in the South region, \$216 per acre higher than in the Central region. The average value of land with 5- to 7-year-old citrus plantings was \$5,799 per acre in the South region, more than \$950 per acre higher than in the Central region.

Except for nonirrigated cropland, the values of cropland and pastureland were higher in the Central region than in other regions. Again this year, the lowest agricultural land values were reported in the Northwest region.

The value of irrigated cropland ranged from \$2,311 per acre in the Central region to \$1,332 per acre in the Northwest region. The value of irrigated cropland ranged from \$2,430 in the Northeast region to \$1,466 in the Northwest region. The value of irrigated cropland in the Central and South regions was \$2,425 and \$2,036 per acre, respectively. The value of nonirrigated cropland and improved pastureland are closely related across regions and were \$2,212 and \$2,195 per acre, respectively, in the Central region. The values of nonirrigated cropland and improved pastureland for the Northeast region were about 80 percent of those in the Central region and the value of these types of land in the South region were about three-fifths of those in the Central region. In the Northwest region, the value of nonirrigated cropland and improved pasture were only about one-half of those in the Central region. The value of unimproved pastureland in the Northeast region was higher (\$1,558 per acre) than in the Central region (\$1,410 per acre). The value of

unimproved pastureland in the South and Northwest regions was 67 percent and 62 percent, respectively, of values in the Northeast region.

### Transition Land

Transition land is defined as agricultural land that is being converted or likely to be converted to nonagricultural uses as sites for homes, subdivisions and commercial uses. Transition land values were analyzed by metropolitan and non-metropolitan counties for each region. Metropolitan counties are those that are classified as Metropolitan Statistical Areas by the U.S. Office of Management and Budget and are considered as urban or urbanizing areas, while non-metropolitan counties are the more rural counties where less land is being converted to urban uses. This year, transition land values were again almost three times higher in the Southeast region than in the other regions. In the other regions, the values for transitional land in metropolitan counties remained two to three times as high as the value of transition land in non-metropolitan counties (Table 3).

The value of transition land within five miles of a major town in metropolitan counties increased 4 to 5.5 percent in the northern areas, 5.6 to 6 percent in the South and Southeast regions, and 2.5 percent in the Central region. The value of transition land within five miles of a major town ranged from \$10,046 to \$11,600 per acre, except in the Southeast region where transition land values were \$34,000 per acre. Transition land values more than five miles from a major town in metropolitan counties ranged from \$5,182 to \$7,181 per acre, except in the Southeast region where transition land values were \$22,917 per acre. Transition land values within five miles of a major town in non-metropolitan counties ranged from \$3,672 to \$5,217 per acre, while transition land values more than five miles from a major town in non-metropolitan counties ranged from \$2,710 to \$3,250 per acre.

### Cash Rents

The estimated cash rent for nonirrigated cropland was \$31.70 per acre in the Northwest region and \$25.10 per acre in the Northeast region (Table 2). The estimated cash rent for improved pastureland was \$21.60 per acre in the Northwest region, \$18.70 per

acre in the Northeast region, \$18.40 per acre in the South region and \$18.10 per acre in the Central region. Cash rent for unimproved pastureland ranged from \$14 per acre in the Northwest region to \$9.50 per acre in the Central region. The 2000 cash rent estimates indicate that cash rents increased in the Northwest, Central and South regions and declined in the Northeast region.

Cash rent as a percent of the estimated value of cropland and pastureland continues to be quite low as compared to other areas of the country. These low rates of return have been consistent for several years indicating that the market value of agricultural land has been bid up beyond the income earning capacity from agricultural uses. Perhaps, this reflects the extent to which the nonagricultural demand for land has been capitalized into agricultural land values.

### Expected Trends

Survey respondents were asked if they expected agricultural land values to be higher, lower or remain unchanged during the next 12 months. Forty-nine percent of the respondents in the Northwest and Northeast regions expected agricultural land values to increase in their region while 44 percent of the respondents in the southern (Central, South and Southeast) regions expected land values to increase (Table 4). Respondents in the Northwest and Northeast regions expected land values to increase 3.6 percent during the next 12 months. Agricultural land values in the Central region were expected to increase 3.1 percent and respondents in the South region expected a 2.2 percent increase in agricultural land values. The Southeast region is expected to see the largest increase of all regions at 6.2 percent, due to the impact of urbanization in this region.

### Use of the Survey Results

The estimates of land values provided in this report are based on the opinions of many people involved in the real estate market. Care must be exercised when making year-to-year comparisons between surveys for several reasons. First, the group of participating respondents changes from year to year. Second, government rules and regulations affecting water, land use and the environment may change and affect agricultural land values. Finally,

with these changes, the results may not be directly comparable with results from previous years.

Despite these limitations, this survey has provided estimates of agricultural land values that have been fairly consistent throughout time. These estimates serve as a guide to the relative value of different land uses within areas and between areas. It is important, however, to emphasize that the value of a specific tract of land may vary substantially from these estimates because of the physical characteristics of the tract, the location of the tract and economic and institutional factors that may affect or restrict its use. Therefore, the value of a specific tract of land should be determined by a professional appraiser.

## References

Reynolds, John E. "The Florida Land Market Report: 1999 Survey Results." *Florida Food and Resource Economics*, No. 143. University of Florida, Gainesville, FL, July-August 1999.

**Table 1.** Estimated land value per acre, by geographic region and land use, 1999 and 2000.

Region/Land Use	Date		
	May 1999	May 2000	Percent Change
		\$/acre	
<i>SOUTH</i>			
Mature Oranges	6,956	7,073	1.7
Mature Grapefruit	3,759	4,824	28.4
5-7 Year Citrus	5,799	5,909	1.9
Cropland			
Irrigated	1,889	2,036	7.8
Nonirrigated	1,284	1,388	8.1
Pastureland			
Improved	1,252	1,362	8.8
Unimproved	956	1,036	8.4
<i>CENTRAL</i>			
Mature Oranges	6,780	6,899	1.7
Mature Grapefruit	3,543	4,431	25.1
5-7 Year Citrus	4,871	4,941	1.4
Cropland			
Irrigated	2,311	2,425	4.9
Nonirrigated	2,115	2,212	4.6
Pastureland			
Improved	2,137	2,195	4.6
Unimproved	1,329	1,410	6.1
<i>NORTHEAST</i>			
Cropland			
Irrigated	2,212	2,430	9.9
Nonirrigated	1,660	1,768	6.5
Pastureland			
Improved	1,780	1,831	2.9
Unimproved	1,439	1,558	8.3
Farm Woods	1,337	1,406	5.2
<i>NORTHWEST</i>			
Cropland			
Irrigated	1,332	1,466	10.1
Nonirrigated	1,201	1,316	9.6
Pastureland			
Improved	1,092	1,162	6.5
Unimproved	916	970	5.9
Farm Woods	840	916	9.1

**Table 2.** Cash rent by geographic region, May 2000.

Land Class	Northwest	Northeast	Central	South
Improved Pastureland	21.6	18.7	18.1	18.4
Unimproved Pastureland	14.0	10.0	9.5	10.3
Nonirrigated Cropland	31.7	25.1	—	—

**Table 3.** Estimated value of transition land by geographic region, May 2000.

Region/Category	Date		
	May 1999	May 2000	Percent Change
	<i>\$/acre</i>		
<i>Metropolitan Counties</i>			
<i>&lt; 5 Miles to Major Town</i>			
Northwest	9,653	10,046	4.1
Northeast	11,000	11,600	5.5
Central	11,082	11,364	2.5
South	10,582	11,171	5.6
Southeast	32,063	34,000	6.0
<i>&gt; 5 Miles to Major Town</i>			
Northwest	4,961	5,188	4.6
Northeast	6,173	6,460	4.7
Central	6,968	7,181	3.1
South	4,725	5,182	9.7
Southeast	21,953	22,917	4.4
<i>Non-Metropolitan Counties</i>			
<i>&lt; 5 Miles to Major Town</i>			
Northwest	3,422	3,672	7.3
Northeast	4,156	4,444	6.9
Central	—	—	—
South	5,092	5,217	2.5
<i>&gt; 5 Miles to Major Town</i>			
Northwest	2,569	2,710	5.5
Northeast	2,757	3,000	8.8
Central	—	—	—
South	2,714	3,250	19.8

**Table 4.** Respondents' opinions regarding their expectations of farmland values over the next 12 months, by geographic region, May 2000.

Item	Higher	No Change	Lower
	<i>Percentage of Responses</i>		
<i>Land Values, Next 12 Months</i>			
Southern Regions	44	53	3
Northern Regions	49	38	13