

# News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY  
DENVER • OKLAHOMA CITY • OMAHA

---

One Memorial Drive • Kansas City, MO 64198 • Phone: 816.881.2683

**For Immediate Release**  
**February 12, 2010**

**Contact:** Jennifer Clark  
402-221-5560  
[jennifer.clark@kc.frb.org](mailto:jennifer.clark@kc.frb.org)

## **AG CREDIT SURVEY FINDS THAT CROPLAND VALUES STRENGTHEN**

Supported by higher farm income, cropland values in the seven-state Tenth Federal Reserve District strengthened in the fourth quarter of 2009, according to the Federal Reserve Bank of Kansas City's Survey of Agricultural Credit Conditions.

Stronger crop prices at the end of the year underpinned a rise in both nonirrigated and irrigated cropland values during the quarter, pushing farmland values above year-ago levels in the seven-state District. In contrast, rangeland values slipped below year-ago levels as contractions in the livestock sector dampened demand for pasture ground.

Robust farm demand remained the primary driver in farm real estate markets, the survey found. District bankers noted that fewer farmers were selling farmland and the limited supply of farms was contributing to stronger cropland value gains. Survey respondents also reported a slowdown in nonfarm demand for farmland and an increase in cash transactions for farmland purchases.

With higher incomes during the fourth quarter, farm credit conditions improved. Of the 241 bankers responding to the survey, more reported higher loan repayment rates and fewer loan renewals and extensions. More bankers expected renewed capital spending in 2010, especially since many farmers scaled back on equipment purchases during 2009. Several contacts reported that farmers increased their use of vendor credit for the purchase of crop inputs and grain production equipment.

The complete survey is available at [www.KansasCityFed.org/agcrsurv/agcrmain.htm](http://www.KansasCityFed.org/agcrsurv/agcrmain.htm).

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

###

