The Performance of Farmland Investment vs. S&P 500

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A Quick Introduction: Dr. Wendong Zhang

- Grown up in a rural county in NE China
- Attended college in Shanghai and Hong Kong
- Ph.D. in Ag Econ in 2015 from Ohio State
- 2012 summer intern at USDA-ERS on farm economy and farmland values
- Research and extension interests: land value, land ownership, agriculture and the environment, China Ag
% Change in Iowa Farmland Values
1951-2015

IOWA STATE UNIVERSITY
Extension and Outreach

CARD
Center for Agricultural and Rural Development
S&P 500 vs. Farmland Values: A Question of Timing

Source: Mike Duffy
Ag DM Newsletter June 2014
S&P 500 vs. Farmland Values: A Question of Timing

Source: Zhang and Duffy
Ag DM Newsletter April 2016

Return to S & P Investment Relative to Iowa Farmland Investment

Source: Zhang and Duffy
Ag DM Newsletter April 2016
Farmers remain the dominant buyer of Iowa farmland 1986-2015
Iowa Landowners tend to hold the farmland

<table>
<thead>
<tr>
<th>Years of ownership</th>
<th>% of Iowa Farmland</th>
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</thead>
<tbody>
<tr>
<td>Less than 10 years</td>
<td>24%</td>
</tr>
<tr>
<td>10-20 Years</td>
<td>21%</td>
</tr>
<tr>
<td>20-30 Years</td>
<td>19%</td>
</tr>
<tr>
<td>30-40 Years</td>
<td>15%</td>
</tr>
<tr>
<td>&gt; 40 Years</td>
<td>20%</td>
</tr>
</tbody>
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Source: Ag DM PM1980
2012 Iowa Farmland Ownership and Tenure Survey
% of Iowa Farmland by Age and Life Stage of Owners

Source: Ag DM PM1980
2012 Iowa Farmland Ownership and Tenure Survey
% of Farmland Expected to Transfer in the Next Five Years, by Region, 2015

Source: TOTAL 2014
Method of Anticipated Transfer 1982-2012

Percentage of Farmland

Will to family
Will to others
Give to family
Give to others
Sell to family
Sell to others
Put in trust
Other

1982
1992
2002
2007
2012