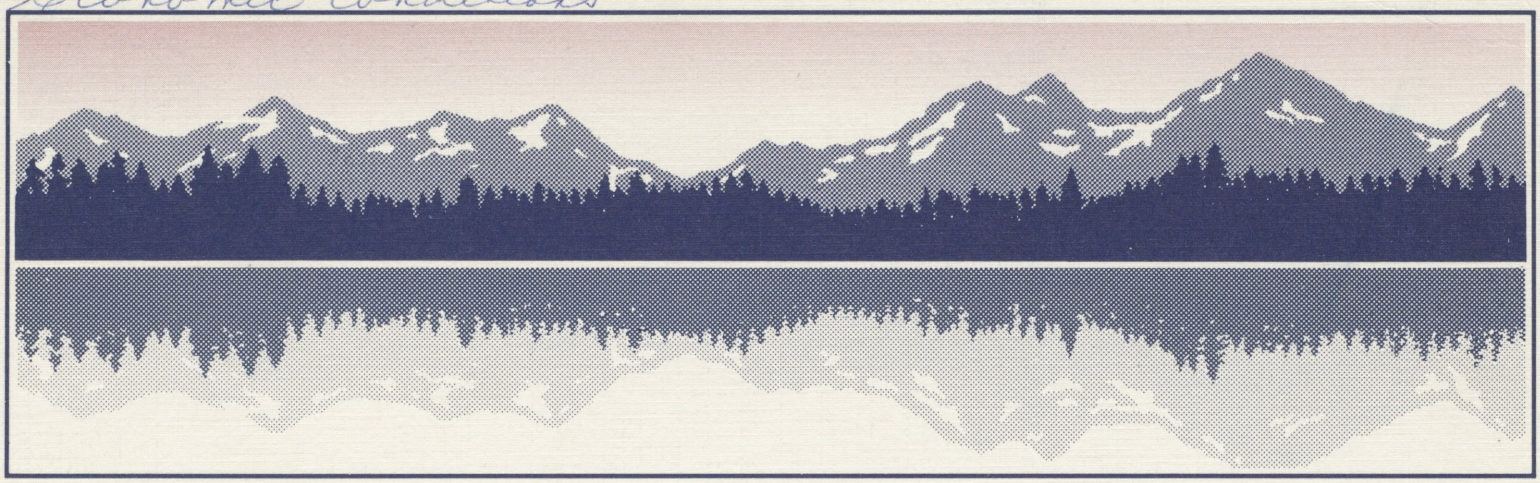
Economic conditions



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FARMLAND VALUES IN THE PACIFIC NORTHWEST REGION: THE SITUATION IN 1988

by

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In an earlier article, we discussed the changes in farm land values in the U.S. from the 1960s through 1987 (Wirth). In this article, we make use of some new data for 1988, and some preliminary information for 1989 that have just become available. The objective is to examine the changes in farmland values that appear to be developing from mid-1988 through early 1989. The focus is on the Pacific Northwest states of Idaho, Montana, Oregon and Washington. But before we go into that, a brief historical review of what has happened to farmland values over the past few decades should provide a useful perspective.

MODEST INFLATION IN FARM LAND VALUES

Until the decade of the 1980s, farmland values had increased generally throughout the United States since 1933. From that point until 1960, the index of average values had risen by 325%. During the 1960s, values for the U.S. increased on the average at 5.5% per year (Table 1). The three Pacific Northwest states of Montana, Oregon and Washington experienced about the same rate; Idaho was lower, at 4.4%. During the same period, in contrast, the annual rate of increase for the consumer price index (CPI) was only 2.3%.

HIGH INFLATION IN FARMLAND VALUES

Beginning in 1973, the increase in the average value of U.S. farmland reached double digit rates that would last through 1981 (Table 1). This was also true for each of the four Pacific Northwest states. Average values in each of the four states and the U.S. had annual rates of increase that peaked at over 20%. The peak rate year for Idaho, Montana, and the U.S. was 1974. It was 1976 in Washington, and 1979 in Oregon.

During the decade of the 1970s U.S. farmland values grew at an average annual rate of nearly 13%. This rate substantially outpaced general price inflation; during the decade the CPI grew at an annual rate of 7.1% (Table 1).

THE PEAK YEARS FOR FARMLAND VALUES

Land value appreciation *rates* peaked in the 1970s, but land values continued to rise through the early years of the 1980s (Table 1). Average values reached the highest levels for Idaho, Montana, Oregon and the U.S. in 1982; for Washington, it was 1984.

For the U.S., the increase in farmland values from 1960 to the peak year of 1982 averaged 603% (Table 1). Each of the four Pacific Northwest states had increase rates above that level, with the highest in Oregon (701%).

Inflationary impacts on farmland resulted from a number of factors. Important in this regard were: 1. strong domestic and international demand for farm products, 2. attractive government support programs, 3. low to negative real interest rates, and 4. high rates of general price inflation and prevailing beliefs that farmland would continue to be a good hedge against inflation.

FALLING FARMLAND VALUES

From the peak years, farmland values fell generally across the U.S., and by drastic magnitudes in some states (Table 2). The most severe decreases from peak levels occurred within states of the Corn Belt, Lake States and Northern Plains regions.

The downturn in land values in the 1980s was importantly influenced by: 1. declines in world prices for farm commodities, 2. the strong U.S. dollar that made U.S. farm exports too expensive, 3. high real interest rates that raised farm operating costs and reduced returns to farmland, and 4. the change in potential land investor's expectations from optimism to pessimism.

THE SITUATION IN 1988

USDA's Farmland Market Survey for February 1988 showed a turnaround in farmland values for most regions (USDA-ERS 1). The U.S. average value per acre increased by 3% from 1987 to 1988. This was the first increase in the U.S. average since the 1981-82 change. While the U.S. average edged upwards from 1987 to 1988, increases did not generally extended to the western regions. The 1987-88 estimated change for the Mountain and Pacific regions was -2%. For the four Pacific Northwest states, the 1987-88 average change was estimated at -1% (Table 2). Montana land values were estimated to have declined by 2% from 1987 to 1988, while Oregon and Washington were experiencing average decreases of 3%. The exception was Idaho, with an increase of 4%.

While the western states as a whole, and the Pacific Northwest states in particular, did not generally experience appreciating farmland values in 1988, the indicated changes from the previous year can certainly be seen as a turnaround of sorts, or at least the beginning of a turnaround. This becomes abundantly clear when 1987-88 changes are contrasted with a year earlier. For 1986-87, the Pacific Northwest region was down by an average of 11%. The 1986-87 change for Montana was -18%, for Idaho, -12%, for Washington, -11%, and -8% for Oregon.

CHANGES IN FARMLAND VALUES BY LAND USE CLASS

The information reported in Tables 3 and 4 is from the surveys of the Pacific Northwest Farmland Panel (PNW Panel). The most recent survey for which final data are available is for April 1988. Some preliminary results are available for the February 1989 survey.

The Panel consists of real estate brokers, appraisers, and agribankers who are knowledgeable about farm real estate values. Panel members are drawn from Washington, Oregon, Idaho, and Montana. They report estimates for farmland values, land rental rates, expectations for 12 months into the future, and farm real estate market activity during the past quarter. Panel surveys provide information on the basis of *land use class*, which is not available from any other source.

The Panel survey for 1988 appeared to confirm USDA estimates that farmland values in the Pacific Northwest may be approaching a turnaround after a long period of steep declines. According to the 1988 survey of the Panel and some preliminary indications from the 1989 survey, the uniform mood of pessimism that has characterized the region's farmland markets in recent years may be changing to a more optimistic outlook.

Cropland

The 1988 survey showed that from 1987 to 1988, irrigated cropland fell in value by 4% on the average for the 4-state region (Table 3). This compares with decreases during the two previous years of over 15% each year. From 1987 to 1988, the Idaho average showed an increase of almost 4% compared with a decrease of 19% a year earlier. Montana irrigated cropland was estimated to be down 3% from 1987; Oregon and Washington, both off by about 7%. The modest changes indicated for 1988 contrast sharply with the annual double-digit declines that have characterized each state since the first PNW Panel survey in 1985.

The situation was similar for nonirrigated cropland in the region. The average change from 1987 to 1988 in per acre value ranged from a slight plus for Idaho to -6% for Washington. The 4-state average change was -4%. Again, the contrasts with the large percentage decreases over the previous two years in each state seems significant.

Data for Whitman County in Washington (eastern border) are representative of what has been happening to nonirrigated cropland in the region over the past 7-8 years. Prime farm land (wheat land) in this county peaked in 1983 at an average of $2,278 per acre. By 1987 the average value had dropped by 52% to $1,100. In 1988,

values were reported to average $1,007 per acre, and range between $975 and $1,100. This is a decrease of 8% over the 1987-88 period, and a loss in average value of well over one-half from the peak year.

Other Farmland

The largest decreases from 1987 to 1988 in the 4-state region (Table 3) were noted for nonirrigated pasture and grazing land, -11% in Montana and -16% in Washington, and farm woodlands in Oregon (-13%), and Washington (-11). Some panelists believe that further downward adjustments may be in the offing for these lower quality lands, even though values for high-quality lands may be on the rise.

Data for irrigated orchards and vineyards are available for Oregon and Washington. These lands are reportedly still experiencing downward movements in market values during early 1988. From 1987 to 1988, average orchard values fell about 9% compared with a 11% decrease a year earlier. Vineyards were down about 6% in 1988 compared with a 7% decline the previous year.

FARMLAND AND GENERAL PRICE INFLATION

Farmlands in the Pacific Northwest region had an excellent track record as a hedge against general price inflation — that is, until 1983. From 1960 through 1982, farmland values in the region grew at an average annual rate of 9.6%, while the CPI was increasing at an average annual rate of 5.5%. In 22 of those 23 years, farmland appreciated at a higher rate than general price inflation (Table 1).

In 1983, the situation changed. Farmland values in the region began to fall. By 1988, average land values for the region had decreased 30% from 1982, an average of -5.1% per year. During that 6-year period, the CPI grew 23%, about 3.5% a year. Over these years in the region, the asset values of farmlands in real terms were falling by 8% to 9% a year, farmland was no longer an effective hedge against inflation. To what extent farmland will return to its former status is an important question for present land owners, potential land buyers, and those who finance farm real estate. The answers that these people give to that question will importantly influence the future directions of farmland values.

Some members of the PNW Panel offered opinion in this regard in the 1988 survey. Several noted that until the crash in land values in the early 1980s, farmland as an investment had more than kept up with inflation, and would again fulfill the same role. Others observed that farmers compared with nonfarm investors are content to accept a lesser return on investment. They said that farmers were now anticipating a 2% to 3% annual rate of growth in values, and that may explain most of the rebound in current land bids and sales. A number offered opinions suggesting that farmland values appeared to be nearing the level where prospective returns could be expected to produce a positive rate of return on investment.

EXPECTED CHANGES IN LAND VALUES IN NEXT 12 MONTHS

Panel members are asked to predict the change in land values by land use category for the 12 months ahead. Over the past 3 years the expected change for the coming year, on the average for all land uses was from -5% to -6% (Table 4). Virtually all panel members said values would fall each year during this period. But, results from the April 1988 survey were very different.

Judging from panel members responses and comments, there was a mood of cautious optimism among panelists that has not been in evidence since the first panel survey in 1985. Most expected 1989 land values to be about the same as in 1988, or to be slightly higher. Only a few were predicting further declines. Several other surveys were also expecting general increases in land values for 1989 (USDA-ERS 2, 3, 4; Walraven & Rosine).

In the past, projections by the PNW Panel have tended to predict more moderate declines in farmland values than what has actually prevailed. This has been consistently true for each state in each land use category, and for both 1985-86 and 1986-87 (Tables 3 & 4). The predicted declines in cropland values have underestimated

the actual decreases by 8% to 13% per year between the 1985 and 1987 surveys. But the result from the April 1988 survey tell a different story; for 1987-88, the predicted changes came much closer to the actual changes. For the 4-state region, the average expected change (from the April 1987 survey) in the value of irrigated cropland for 1988 was -5.1%. The actual change reported for 1988 was -4.0%. Similarly, for nonirrigated cropland, the prediction was -5.2%, the 1988 reported actual was -4.2%.

Whether this more accurate set of relationships will hold for the time ahead is an interesting question. Apparently, there have been some changes in panelist's expectations with respect to cropland, but comparisons for other land use categories is mixed.

If this closer correspondence between predicted and actual noted for cropland in the 1988 survey holds, 1989 could signal the long-awaited turnaround in farmland values for the Pacific Northwest. However, this conclusion presupposes that panelists have effectively discerned and modeled the important factors that affect land values into their prediction techniques. And perhaps also, that they are lucky in making predictions. The reader will have to decide how much credibility to place in these predictions, or any others.

Preliminary data from the 1989 survey appears to bear out the expectation that farmland values in the region have flattened out or turned slightly upwards. Early responses also suggest that the prevailing outlook for the next 12 months is for a continuation of moderate upward pressures on values of farm real estate.

Data from USDA's February 1989 land values survey were not available at the time of this writing (April 10, 1989). A preliminary release of the results of this survey are expected in late April 1989.

FARMLAND VALUES IN THE FUTURE

On the national and international scene, a number of factors are changing in ways that can be expected to seriously impact agriculture's financial fortunes, especially the value of farmland. It would be desirable to have a mathematical model that would accurately predict farmland value movements for a year or two ahead. Such a model would include as variables, measures that would effectively sense and monitor all relevant economic, political, social, cultural and psychological forces that affect land values. Unfortunately, this model has not yet been invented, and the prospects for its invention seem remote.

In the meantime, we shall have to rely on the informed opinions of our expert witnesses, the panel members and others who study and track land values, and on our abilities to sift pertinent data from the burgeoning flow of information that assails us every day. As we look to the immediate future, we can see a number of developments that need to be evaluated. Among the more important are:

- The optimism concerning farmland values that is beginning to emerge in some regions and states may be primarily the result of the high net cash incomes in farming for 1986, 1987 and 1988, and the expectation that those levels will continue through 1989 and beyond.
- Direct government payments to agriculture are forecast at $10-12 billion for 1989 (USDA-ERS 5). The average was $14.2 billion over the 3-year 1986-88 period, close to three times the average paid from 1980 through 1985.

Government payments accounted for 37% of net farm income for the 1986-88 period, compared with 23% for the 1980-85 years. These payments have obviously had important and positive effects on the turnaround in farmland values. How long will federal government programs continue to support agriculture at current high levels? The Congress is now considering this question.

- Negative influences continue to characterize many farmland markets. Important in this regard are: 1) concerns that the extensive drought of 1988, which continued in the Plains states through November and December, and in California through the winter months may not be over (USDA-ERS 5), 2) farmlands that lenders still hold and may dump on the market, 3) world agricultural trade

negotiations, and 4) the weakened balance sheet position of a number of farmers that implies at least another year or two of serious debt reduction and asset restructuring. Important in this regard are drought-impacted farmers.

- Low to moderate interest rates have beneficial effects in supporting land values, on lowering production costs, and on refinancing possibilities. Interest costs are always an important claim against farm income, and hence on the rates of return earned on farmland and other farm resources.

The high interest rates of the early 1980s (the Prime averaged 18.9% in 1981) resulted in interest costs that exceeded net farm income in both 1980 and 1983. At the beginning of 1987, the prime interest rate stood at 7.5%. (Wall Street Journal). It moved somewhat higher peaking above 9% in August, then drifted downward to a rate of 8.75% in late-December. By summer of 1988 it was up to 9.5%, and then was bumped to 10.0% in August 1988 in response to an increase in the discount rate by the Federal Reserve Board (Fed). The prime now stands at 11.5% and may move higher if the Fed continues to believe that inflationary pressures are excessive.

Obviously, the movement toward higher interest rates will dampen the recovery of farmland values as potential investors factor the higher rates into capitalization calculations. On the other hand, the risk and instability in the stock and bond markets may make farmland, as an investment, attractive by comparison.

- Risks, and uncertainties, overshadow the immediate future for farmland values. But, there is reason for at least cautious optimism that farmland values are beginning to stabilize, if not increase in a broad range of land markets. If inflationary pressures continue, then there could be a renewal of land price appreciation that has characterized earlier times.

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TABLE 1. FARMLAND VALUES FOR PACIFIC NORTHWEST AND UNITED STATES, AND CONSUMER PRICE INDEX, 1960 TO 1988

YEAR	ID	MT	OR	WA	FOUR STATES	U.S.[a]	CPI[b]	ID	MT	OR	WA	FOUR STATES	U.S.[a]	CPI[b]
	VALUE PER ACRE OF LAND AND BUILDINGS ($)							ANNUAL PERCENTAGE CHANGE						
1960	112	35	88	133	92	117	88.7	2.8	6.1	0.0	3.1	2.5	5.4	1.6
1961	114	36	90	136	94	119	89.6	1.8	2.9	2.3	2.3	2.2	1.7	1.0
1962	120	38	94	137	97	125	90.6	5.3	5.6	4.4	0.7	3.5	5.0	1.1
1963	124	39	102	143	102	130	91.7	3.3	2.6	8.5	4.4	4.9	4.0	1.2
1964	129	41	108	147	106	138	92.9	4.0	5.1	5.9	2.8	4.2	6.2	1.3
1965	134	42	115	154	111	147	94.5	3.9	2.4	6.5	4.8	4.7	6.5	1.7
1966	142	47	121	168	120	158	97.2	6.0	11.9	5.2	9.1	7.4	7.5	2.9
1967	152	50	128	182	128	168	100.0	7.0	6.4	5.8	8.3	7.1	6.3	2.9
1968	162	54	134	199	137	179	104.2	6.6	8.0	4.7	9.3	7.2	6.5	4.2
1969	168	56	143	215	146	189	109.8	3.7	3.7	6.7	8.0	6.0	5.6	5.4
1970	177	60	150	224	153	196	116.3	5.4	7.1	4.9	4.2	5.0	3.7	5.9
1971	188	63	166	224	160	203	121.3	6.2	5.0	10.7	0.0	4.9	3.6	4.3
1972	205	68	186	238	174	219	125.3	9.0	7.9	12.0	6.3	8.7	7.9	3.3
1973	229	76	205	273	196	246	133.1	11.7	11.8	10.2	14.7	12.3	12.3	6.2
1974	287	96	234	308	231	302	147.7	25.3	26.3	14.1	12.8	18.1	22.8	11.0
1975	339	112	250	350	263	340	161.2	18.1	16.7	6.8	13.6	13.6	12.6	9.1
1976	386	134	294	438	313	397	170.5	13.9	19.6	17.6	25.1	19.1	16.8	5.8
1977	454	157	342	535	372	474	181.5	17.6	17.2	16.3	22.1	18.8	19.4	6.5
1978	515	176	414	602	427	531	195.4	13.4	12.1	21.1	12.5	14.7	12.0	7.7
1979	585	196	504	692	494	628	217.4	13.6	11.4	21.7	15.0	15.8	18.3	11.3
1980	698	235	587	736	564	737	246.8	19.3	19.9	16.5	6.4	14.1	17.4	13.5
1981	774	251	668	877	643	819	272.4	10.9	6.8	13.8	19.2	13.9	11.1	10.4
1982	839	271	705	922	684	823	289.1	8.4	8.0	5.5	5.1	6.5	0.5	6.1
1983	814	259	705	933	678	788	298.4	-3.0	-4.4	0.0	1.2	-0.9	-4.3	3.2
1984	814	264	698	961	684	782	311.1	0.0	1.9	-1.0	3.0	1.0	-0.8	4.3
1985	749	222	579	923	618	679	322.2	-8.0	-15.9	-17.0	-4.0	-9.6	-13.2	3.6
1986	644	204	521	812	545	595	328.4	-14.0	-8.1	-10.0	-12.0	-11.8	-12.4	1.9
1987	567	167	479	723	484	547	340.4	-12.0	-18.1	-8.1	-11.0	-11.2	-8.1	3.7
1988	592	164	466	699	480	564	354.2	4.4	-1.8	-2.7	-3.3	-0.8	3.1	4.1
PEAK	839	271	705	961	684	823	354.2	25.3	26.3	21.7	25.1	19.1	22.8	13.5
YEAR	1982	1982	1983	1984	1982	1982	1988	1974	1974	1979	1976	1976	1974	1980
	PERCENTAGE CHANGE FROM INDICATED YEARS							AVERAGE RATE % CHANGE OVER INDICATED YEARS						
1960-69	50	60	63	62	58	62	24	4.4	5.5	5.0	5.3	5.0	5.5	2.3
1970-79	231	227	236	209	224	220	87	13.4	13.5	13.6	12.6	13.1	12.9	7.1
1980-88	-15	-30	-21	-5	-15	-23	44	0.7	-1.3	-0.3	0.5	0.1	-0.7	5.6
1960-88	429	369	430	426	422	382	299	6.4	6.1	6.3	6.3	6.3	6.1	5.0
1970-88	234	173	211	212	214	188	205	7.4	6.5	7.0	6.9	7.0	6.5	6.4
1960 TO PEAK YR.	649	674	701	623	644	603	299	9.9	10.2	9.6	9.2	9.8	9.7	5.2
PEAK YR TO 1988	-29	-39	-34	-27	-30	-31	NA	-4.0	-6.4	-7.8	-6.8	-4.5	-5.8	NA

SOURCES: USDA, ERS, AGRICULTURAL RESOURCES, AR-6, JULY 1987, AND FARM REAL ESTATE HISTORICAL SERIES DATA, 1950-85, STAT BUL 738, DEC 1985. USDC, BUREAU OF THE CENSUS, STATISTICAL ABSTRACT OF THE UNITED STATES, 1987, AND USDC, BUREAU OF ECONOMIC ANALYSIS, SURVEY OF CURRENT BUSINESS, VOL 67, NO 6, JUNE 1987 (THE CPI INDEX FOR 1988 IS BASED ON MARCH). USDA, ESCS, FARM REAL ESTATE MARKET DEVELOPMENTS, CD-84, AUG 1979. USDA-ERS, OUTLOOK & SITUATION SUMMARY, 4-14-88.

[a]: THE U.S. AVERAGE ACRE OF FARMLAND INCREASED 325% FROM 1933 (GREAT DEPRESSION LOW) TO 1960.

[b]: CPI = CONSUMER PRICE INDEX 1967 = 100.

TABLE 2. FARMLAND VALUE TRENDS, SELECTED REGIONS AND STATES, 1973, 1981, 1982, AND 1986 TO 1988

	1973	1981	1982	1986	1987	1988	1973-81	1973-82	1981-88	1982-88	1986-87	1987-88
	---------- DOLLARS PER ACRE ----------						---------- PERCENTAGE CHANGE ----------					
LAKE STATES												
MICHIGAN	444	1,289	1,278	936	833	853	190	188	-34	-33	-11	2
WISCONSIN	328	1,152	1,144	711	626	630	251	249	-45	-45	-12	1
MINNESOTA	269	1,281	1,272	609	493	563	376	373	-56	-56	-19	14
AVERAGE	347	1,241	1,231	752	651	682	258	255	-45	-45	-13	5
CORN BELT												
OHIO	505	1,831	1,629	1,013	942	991	263	223	-46	-39	-7	5
INDIANA	494	2,031	1,804	1,058	931	983	311	265	-52	-46	-12	6
ILLINOIS	567	2,188	2,023	1,143	1,040	114	286	257	-49	-45	-9	7
IOWA	466	1,999	1,889	841	748	890	329	305	-55	-53	-11	19
MISSOURI	294	990	945	606	552	572	237	221	-42	-39	-9	4
AVERAGE	465	1,808	1,658	932	843	910	289	256	-50	-45	-10	8
NORTHERN PLAINS												
NORTH DAKOTA	108	436	455	317	282	292	304	321	-33	-36	-11	4
SOUTH DAKOTA	94	329	349	215	178	187	250	271	-43	-46	-17	5
NEBRASKA	193	729	730	364	335	366	278	278	-50	-50	-8	9
KANSAS	199	619	628	387	340	368	211	216	-41	-41	-12	8
AVERAGE	149	528	541	321	284	303	256	264	-43	-44	-12	7
MOUNTAIN STATES												
MONTANA	76	251	271	204	167	164	230	257	-35	-39	-18	-2
IDAHO	229	774	839	644	567	592	238	266	-24	-29	-12	4
WYOMING	55	180	193	154	151	140	227	251	-22	-27	-2	-7
COLORADO	137	434	451	357	364	364	217	229	-16	-19	2	0
NEW MEXICO	56	192	195	134	122	132	243	248	-31	-32	-9	8
ARIZONA	91	287	302	231	242	214	215	232	-25	-29	5	-12
UTAH	141	567	589	478	454	428	302	318	-25	-27	-5	-6
NEVADA	74	262	268	199	211	193	254	262	-26	-28	6	-9
AVERAGE	107	368	389	300	285	278	243	262	-24	-28	-5	-2
PACIFIC STATES												
WASHINGTON	273	877	922	812	723	699	221	238	-20	-24	-11	-3
OREGON	205	668	705	521	479	466	226	244	-30	-34	-8	-3
CALIFORNIA	509	1,732	1,900	1,571	1,366	1,341	240	273	-23	-29	-13	-2
AVERAGE	329	1,092	1,176	968	856	835	232	257	-24	-29	-12	-2
PACIFIC NORTHWEST												
MONTANA	76	251	271	204	167	164	230	257	-35	-39	-18	-2
IDAHO	229	774	839	644	567	592	238	266	-24	-29	-12	4
WASHINGTON	273	877	922	812	723	699	221	238	-20	-24	-11	-3
OREGON	205	668	705	521	479	466	226	244	-30	-34	-8	-3
AVERAGE	96	643	684	545	484	480	228	250	-25	-30	-11	-1
LAKE STATES CORN BELT AND NORTHERN PLAINS	20	1,192	1,143	668	592	632	272	257	-47	-45	-11	7
MOUNTAIN STATES & PACIFIC STATES	18	730	782	634	570	557	235	258	-24	-29	-10	-2
48 STATES	46	819	823	595	547	564	233	235	-31	-31	-8	3

SOURCE: USDA, ERS, FARM REAL ESTATE: HISTORICAL SERIES DATA, 1950-85, STATISTICAL BULLETIN 738,DEC 1985, AND AGRICULTURAL RESOURCES: AGRICULTURAL LAND VALUES AND MARKETS, SITUATION AND OUTLOOK REPORT, AR-6, JULY 1987. USDA,ERS, OUTLOOK & SITUATION SUMMARY, 4-14-88.

TABLE 3. FARM REAL ESTATE VALUES: AVERAGE VALUE PER ACRE OF LAND, BY STATE, PACIFIC NORTHWEST, 1985 THROUGH 1988

LAND USE (a)	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION (b)
			ESTIMATED AVERAGE VALUE PER ACRE IN DOLLARS (b)		
IRRIGATED CROPLAND					
1985	1,493	1,030	1,657	2,069	1,562
1986	1,218	860	1,426	1,782	1,322
1987	987	676	1,234	1,580	1,119
1988	1,024	657	1,143	1,474	1,075
CHANGE 1985-86 IN %	-18.4%	-16.5%	-13.9%	-13.9%	15.4%
CHANGE 1986-87 IN %	-19.0%	-21.4%	-13.5%	-11.3%	15.3%
CHANGE 1987-88 IN %	3.7%	-2.8%	-7.4%	-6.7%	-4.0%
IRRIGATED PRODUCING ORCHARDS					
1986	d	nr	4,972	7,181	6,077
1987	d	nr	4,381	6,475	5,428
1988	d	nr	4,112	5,773	4,943
CHANGE 1986-87 IN %	d	nr	-11.9%	-9.8%	-10.7%
CHANGE 1987-88 IN %	d	nr	-6.1%	-10.8%	-8.9%
IRRIGATED PRODUCING VINEYARDS					
1986	d	nr	2,733	4,388	3,561
1987	d	nr	2,596	4,025	3,311
1988	d	nr	2,487	3,773	3,130
CHANGE 1986-87 IN %	d	nr	-5.0%	-8.3%	-7.0%
CHANGE 1987-88 IN %	d	nr	-4.2%	-6.3%	-5.5%
IRRIGATED PASTURE OR GRAZING LAND					
1985	713	625	1,090	1,726	1,039
1986	604	484	916	1,356	840
1987	480	358	722	1,132	673
1988	485	348	682	1,055	643
CHANGE 1985-86 IN %	-15.3%	-22.6%	-16.0%	-21.4%	-19.1%
CHANGE 1986-87 IN %	-20.5%	-26.0%	-21.2%	-16.5%	-19.9%
CHANGE 1987-88 IN %	1.0%	-2.8%	-5.5%	-6.8%	-4.5%
NONIRRIGATED CROPLAND					
1985	696	426	892	1,504	880
1986	551	344	649	1,316	715
1987	488	278	550	1,125	610
1988	489	267	526	1,057	585
CHANGE 1985-86 IN %	-20.8%	-19.2%	-27.2%	-12.5%	-18.7%
CHANGE 1986-87 IN %	-11.4%	-19.2%	-15.3%	-14.5%	-14.7%
CHANGE 1987-88 IN %	0.2%	-4.0%	-4.4%	-6.0%	-4.2%
NONIRRIGATED PASTURE OR GRAZING LAND					
1985	261	157	508	1,159	521
1986	205	122	392	1,015	434
1987	173	94	293	849	352
1988	178	84	270	715	312
CHANGE 1985-86 IN %	-21.5%	-22.3%	-22.8%	-12.4%	-16.8%
CHANGE 1986-87 IN %	-15.6%	-23.0%	-25.3%	-16.4%	-18.7%
CHANGE 1987-88 IN %	2.9%	-10.6%	-7.8%	-15.8%	-11.5%
WOODLAND ON FARMS					
1985	d	d	577	1,400	989
1986	d	d	452	921	687
1987	d	d	340	809	575
1988	d	d	296	718	507
CHANGE 1985-86 IN %	d	d	-21.7%	-34.2%	-30.6%
CHANGE 1986-87 IN %	d	d	-24.8%	-12.2%	-16.3%
CHANGE 1987-88 IN %	d	d	-12.9%	-11.2%	-11.7%

a: ESTIMATES FOR LAND USE CLASSES ARE FROM THE PACIFIC NORTHWEST PANEL.
b: FOUR STATE TOTALS ARE UNWEIGHTED MEANS DERIVED BY AVERAGING THE FOUR STATE MEANS.
d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.
na: NOT AVAILABLE. nr: NONE REPORTED.
nr: NONE REPORTED

TABLE 4. FARM REAL ESTATE VALUES: AVERAGE EXPECTED PERCENTAGE CHANGES IN VALUE IN NEXT 12 MONTHS, PACIFIC NORTHWEST, 1985 THROUGH 1988

LAND USE (a)	CHANGE EXPECTED IN LAND VALUES DURING NEXT 12 MONTHS FROM APRIL 1 TO APRIL 1					
	YEAR	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION (b)
		AVERAGE EXPECTED PERCENTAGE CHANGE IN LAND VALUES				
IRRIGATED CROPLAND	1985	-6.0	-8.7	-5.8	-5.2	-6.4
	1986	-5.9	-6.1	-6.5	-7.8	-6.6
	1987	-5.2	-6.9	-1.5	-6.7	-5.1
	1988	-0.1	1.3	2.0	0.2	0.9
IRRIGATED PRODUCING ORCHARDS	1986	d	nr	-1.5	-4.8	-3.2
	1987	d	nr	-2.1	-1.5	-1.8
	1988	d	nr	1.9	-3.2	-0.7
IRRIGATED PRODUCING VINEYARDS	1986	d	nr	-4.3	-1.7	-3.0
	1987	d	nr	-1.0	-1.3	-1.2
	1988	d	nr	9.3	-2.1	3.6
IRRIGATED PASTURE OR GRAZING LAND	1985	-4.7	-5.9	-5.3	-5.8	-5.4
	1986	-5.4	-4.9	-4.7	-5.0	-5.0
	1987	-5.0	-4.3	-0.9	-3.7	-3.5
	1988	1.1	0.0	0.3	-0.8	0.2
NONIRRIGATED CROPLAND	1985	-5.1	-6.9	-4.4	-5.4	-5.5
	1986	-4.9	-7.1	-5.2	-8.0	-6.3
	1987	-6.0	-6.5	-3.2	-5.1	-5.2
	1988	-0.2	1.0	1.9	0.0	0.7
NONIRRIGATED PASTURE OR GRAZING LAND	1985	-3.3	-7.6	-5.9	-2.9	-4.9
	1986	-5.7	-7.2	-4.3	-4.8	-5.5
	1987	-5.0	-7.0	-3.5	-2.1	-4.4
	1988	0.4	1.7	1.5	0.2	1.0
WOODLAND ON FARMS	1985	d	d	-6.0	-6.8	-6.4
	1986	d	d	-2.0	-1.9	-2.0
	1987	d	d	-0.6	-2.1	-1.4
	1988	d	d	4.5	0.3	2.4
ALL LAND USES	1985	-4.8	-7.3	-5.4	-4.8	-5.6
	1986	-5.5	-6.3	-5.2	-6.4	-5.8
	1987	-5.3	-6.2	-2.3	-4.4	-4.5
	1988	0.3	1.1	2.1	-0.5	0.8

a: ESTIMATES BY LAND USE CLASS ARE FROM THE PACIFIC NORTHWEST PANEL.
b: FOUR STATE REGION TOTALS ARE UNWEIGHTED MEANS DERIVED BY AVERAGING THE FOUR STATE MEANS.
d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.
nr: NONE REPORTED.