

SOUTHWESTERN ONTARIO LAND VALUES

2020 Edition



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OVERVIEW

This past year will be remembered as the year of the pandemic where lives were lost, stores were shuttered, vacations were cancelled and the federal government planted a new orchard of money trees. However, as disruptive as this past year has been, and continues to be, farmers have still found a way to buy and sell farms with overall values continuing to increase. Some of factors that have impacted land values over the last year are as follows:

- ◇ Those of you who are regular readers of this study, or have heard presentations I have given, know how much emphasis I put on interest rates when discussing the main factors on farmland values. 2020 continued the trend of historically low interest rates with the pandemic being responsible for yet another significant decrease in borrowing costs.
- ◇ The 2020 crop year was a very good one in most parts of Ontario. Good yields have been followed up with great prices to end 2020 and start 2021. The futures prices for the 3 main crops are well below the old crop prices but are still significantly better than most we have seen in the past 6-7 years.
- ◇ Livestock density in the traditional livestock areas of Ontario continues, as it likely always will, to have an impact on land values.
- ◇ Non-farmer buyers of land also continue to have big impacts on land values. Investors continued to buy more land in Ontario in 2020 with investor confidence in farmland values remaining quite high.
- ◇ The mobility and movement of farmers from south to north, particularly into Grey and Bruce Counties, has continued to close the value gap between southern and northern Counties.

Unlike the last number of years where land values have been increasing modestly, I expect land values in 2021 to increase at a faster rate. The last few months of 2020 and the first few of 2021 have produced various new highs and current demand for land is resemblant of 2011-2012.

SOUTHWESTERN ONTARIO (11 COUNTIES)

Average 2019 to 2020 Change	5.33%
Average Annual Change from 2010 to 2020	10.72%
SW Ontario 2020 Median	\$15,000

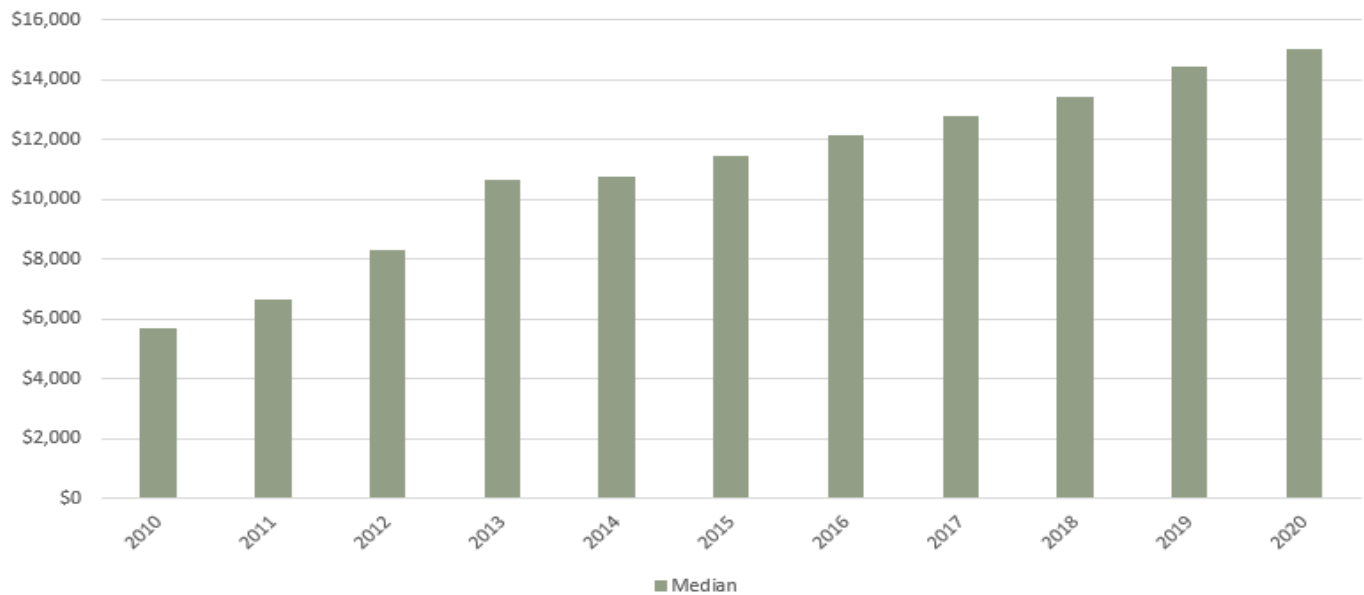
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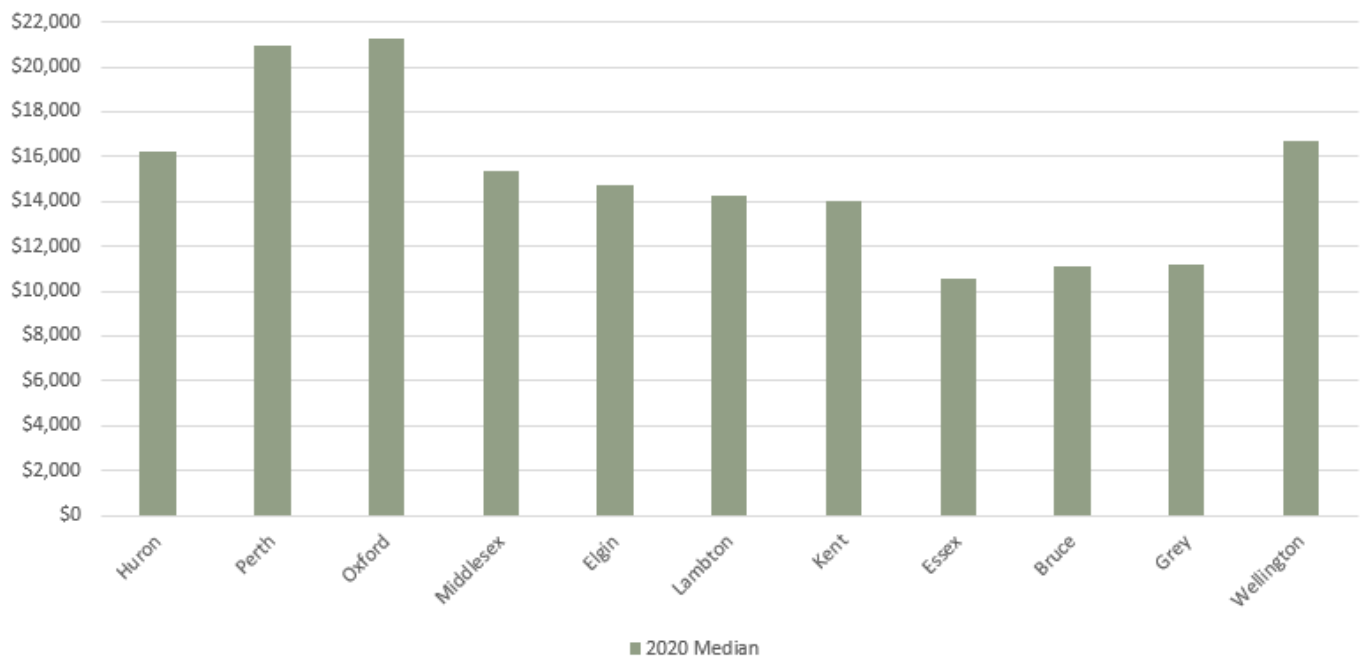
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SOUTHWESTERN ONTARIO LAND VALUES



The graph above compares the median land value for all 11 Counties studied each year from 2010 to 2020.



The graph above shows the median 2020 land value per County.

CHANGE IN VALUES

County	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	Average
Huron	23.88%	36.89%	20.24%	-9.47%	1.54%	8.33%	3.57%	5.99%	7.33%	-1.49%	9.68%
Perth	8.72%	34.38%	17.50%	8.05%	4.55%	-2.80%	6.94%	3.47%	3.29%	5.78%	8.99%
Oxford	7.81%	19.07%	25.64%	5.58%	6.12%	5.60%	7.41%	-1.44%	-4.22%	9.44%	8.10%
Middlesex	41.80%	24.25%	5.82%	7.65%	4.58%	9.41%	7.78%	4.68%	6.86%	-6.63%	10.62%
Elgin	37.65%	15.38%	29.01%	8.79%	5.31%	3.44%	12.86%	-6.34%	3.13%	17.57%	12.68%
Lambton	4.34%	69.19%	36.80%	-10.71%	3.98%	-0.88%	17.64%	1.00%	-2.00%	19.10%	13.84%
Kent	23.44%	14.06%	26.75%	8.00%	-5.70%	2.28%	2.46%	-0.37%	19.96%	-0.92%	9.00%
Essex	2.37%	13.61%	18.44%	3.67%	3.44%	6.71%	12.57%	4.19%	6.09%	0.06%	7.11%
Bruce	43.90%	29.52%	39.30%	-2.34%	1.72%	12.55%	2.20%	7.80%	0.63%	14.10%	14.94%
Grey	1.62%	50.29%	-6.99%	16.71%	23.59%	7.29%	15.51%	7.72%	6.91%	4.84%	12.75%
Wellington	20.08%	20.21%	16.86%	-2.97%	14.10%	2.42%	18.04%	1.89%	14.49%	-3.17%	10.20%
Average	19.60%	29.71%	20.85%	2.99%	5.75%	4.94%	9.73%	2.60%	5.68%	5.33%	

HURON COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

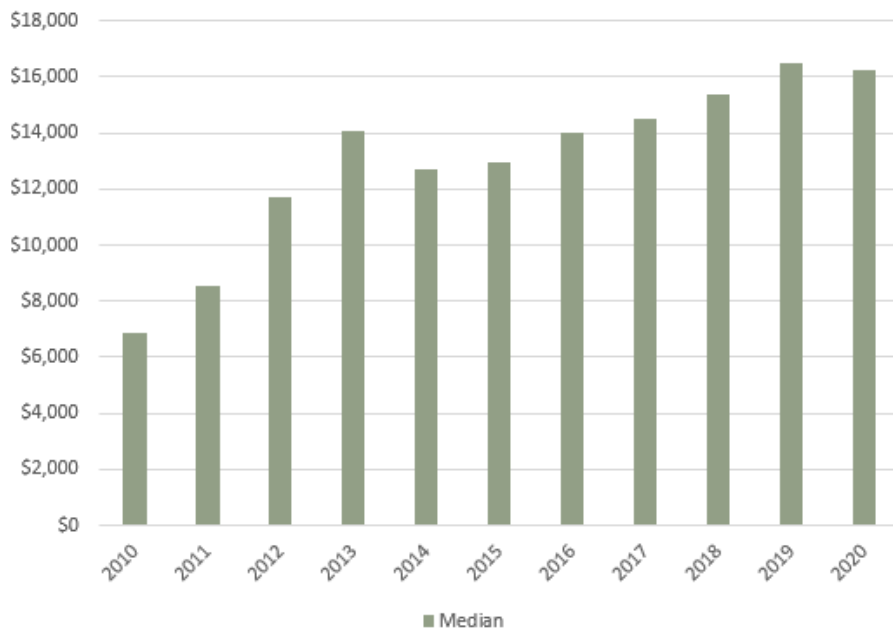
Corn	169
Soybeans	49
Winter Wheat	90

Source: OMAFRA

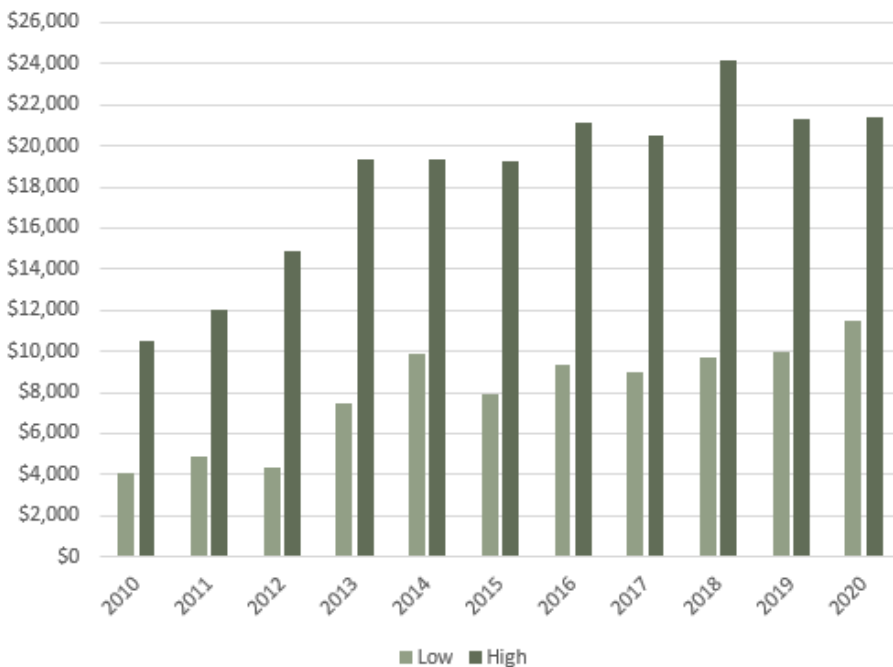
2019 Top Farm Cash Receipt

Hogs	\$230,910,000
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Source: OMAFRA



The graph above shows the median land values for Huron County each year from 2010 to 2020.



The graph above shows the low and high land values for Huron County each year from 2010 to 2020.



PERTH COUNTY



OVERVIEW

5 year Average Crop Yields
(bushels/acre)

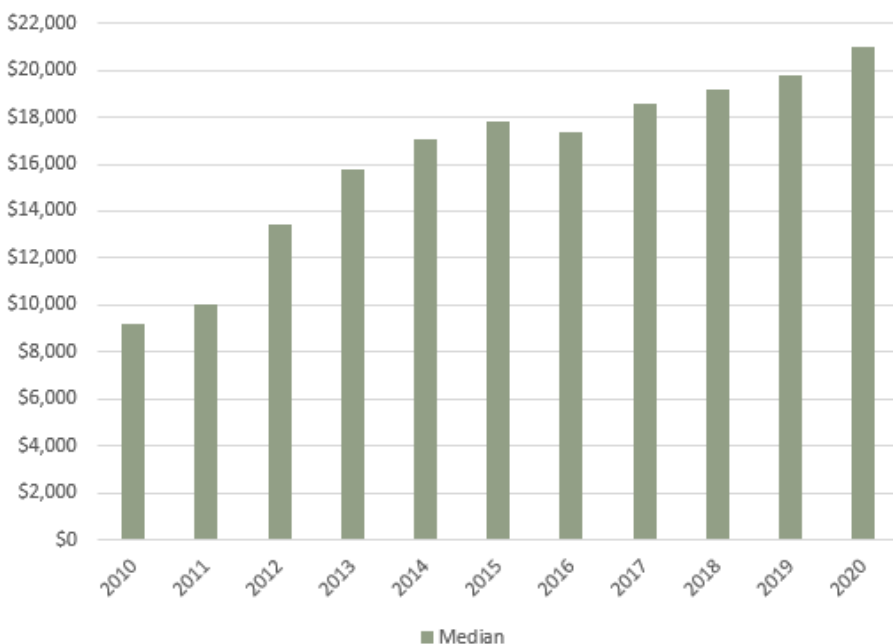
Corn	173
Soybeans	52
Winter Wheat	92

Source: OMAFRA

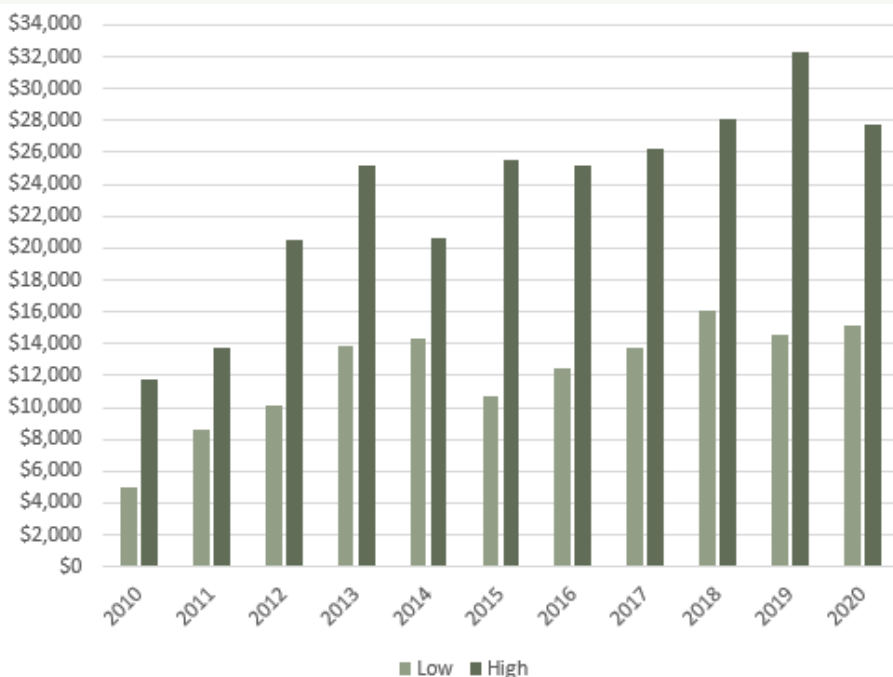
2019 Top Farm Cash Receipt

Dairy	\$258,010,000
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Source: OMAFRA



The graph above shows the median land values for Perth County each year from 2010 to 2020.



The graph above shows the low and high land values for Perth County each year from 2010 to 2020.



OXFORD COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

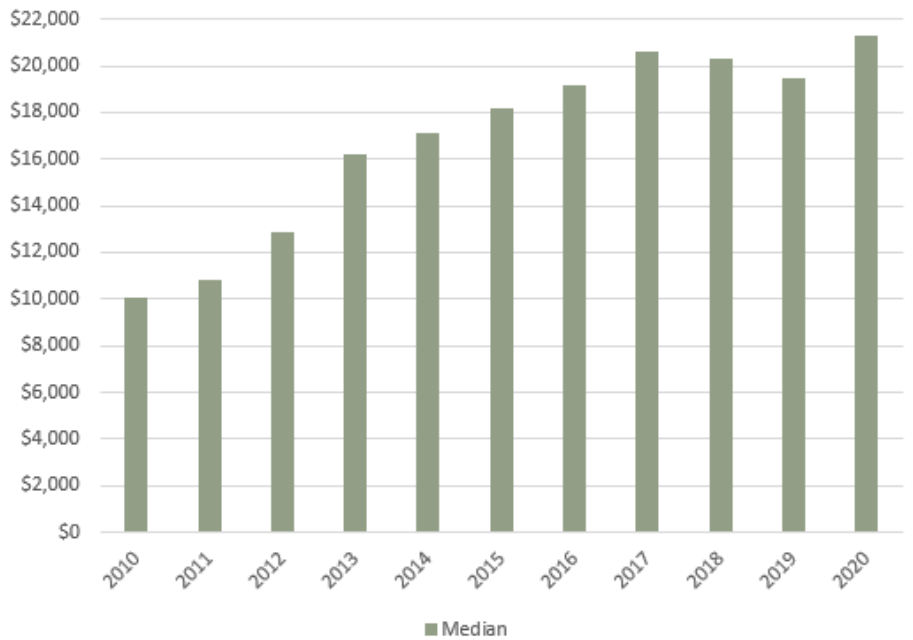
Corn	180
Soybeans	52
Winter Wheat	94

Source: OMAFRA

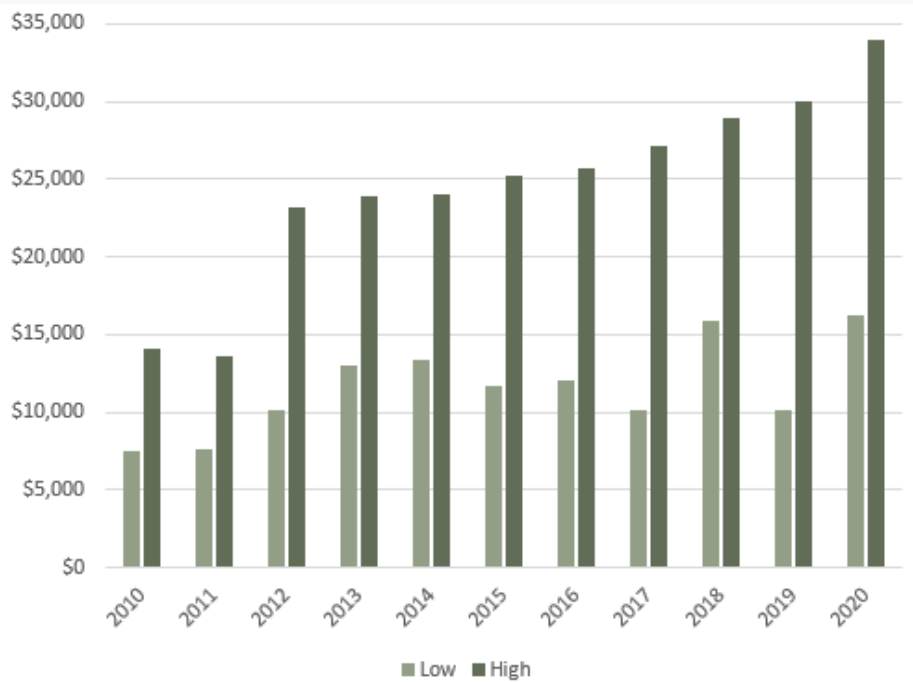
2019 Top Farm Cash Receipt

Dairy	\$276,530,000
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Source: OMAFRA



The graph above shows the median land values for Oxford County each year from 2010 to 2020.



The graph above shows the low and high land values for Oxford County each year from 2010 to 2020.



MIDDLESEX COUNTY



OVERVIEW

5 year Average Crop Yields
(bushels/acre)

Corn	177
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Soybeans	50
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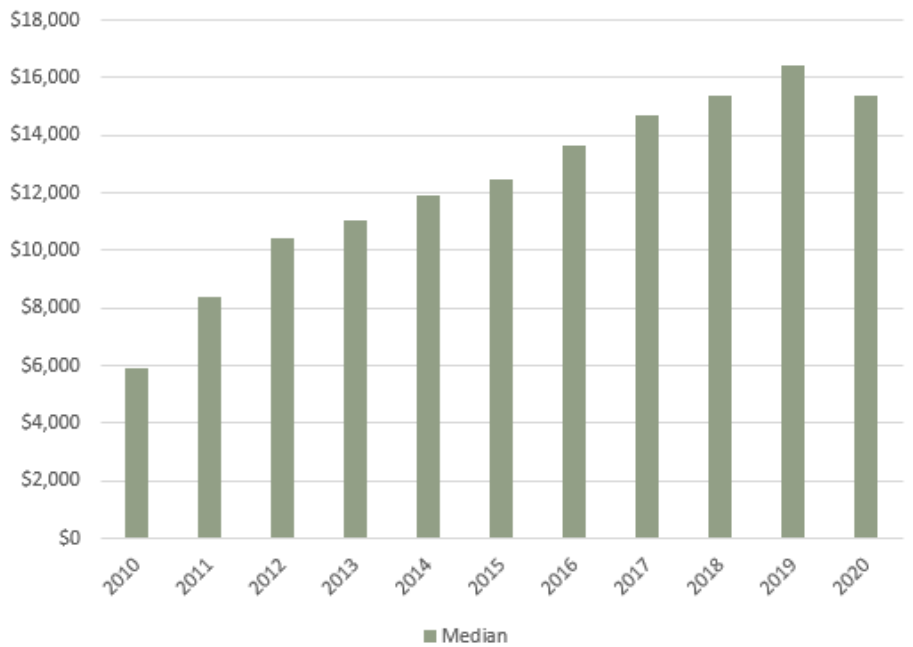
Winter Wheat	92
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Source: OMAFRA

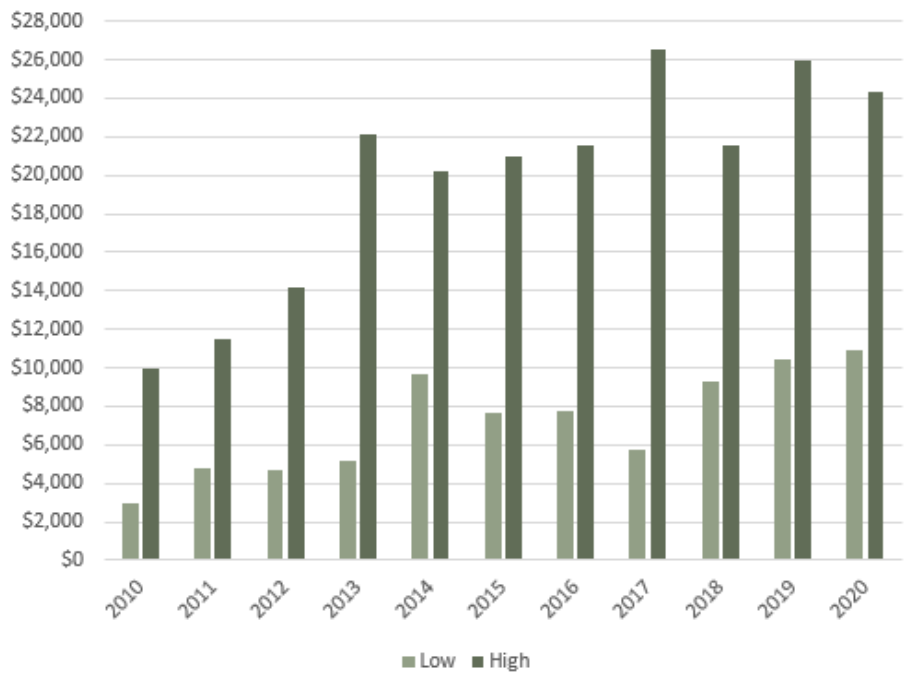
2019 Top Farm Cash Receipt

Corn	\$141,610,000
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Source: OMAFRA



The graph above shows the median land values for Middlesex County each year from 2010 to 2020.



The graph above shows the low and high land values for Middlesex County each year from 2010 to 2020.



ELGIN COUNTY



OVERVIEW

5 year Average Crop Yields
(bushels/acre)

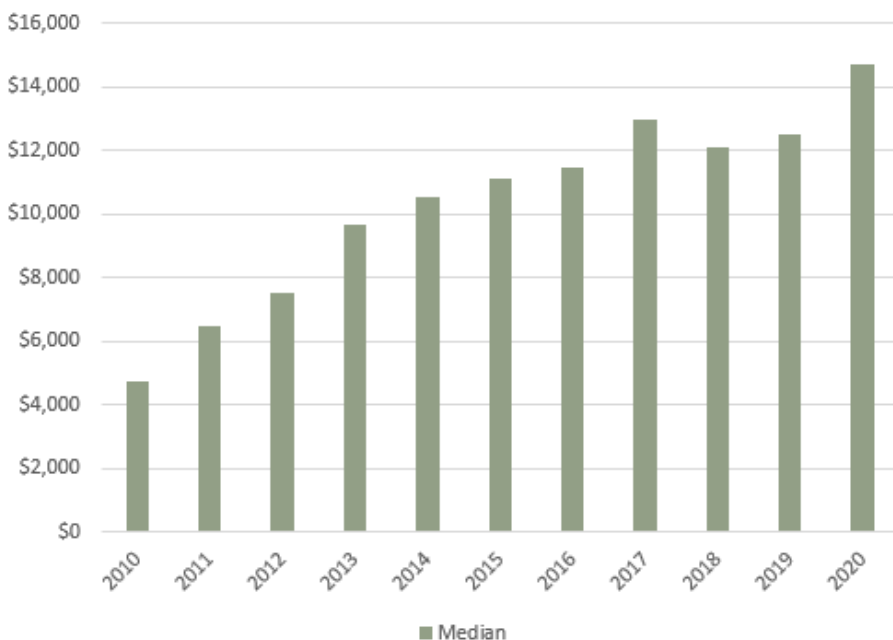
Corn	176
Soybeans	49
Winter Wheat	86

Source: OMAFRA

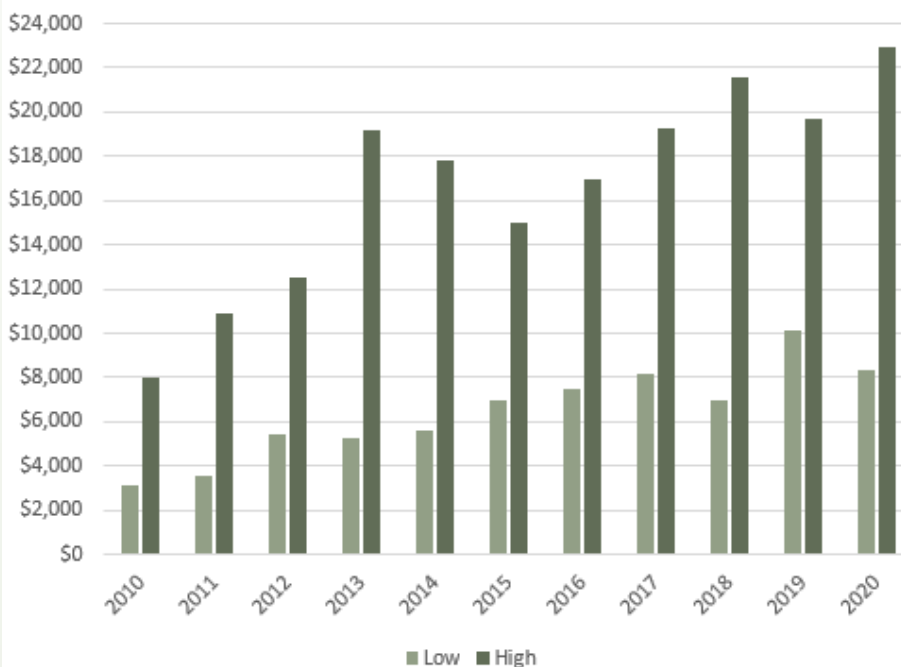
2019 Top Farm Cash Receipt

Corn	\$95,370,000
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Source: OMAFRA



The graph above shows the median land values for Elgin County each year from 2010 to 2020.



The graph above shows the low and high land values for Elgin County each year from 2010 to 2020.



LAMBTON COUNTY



OVERVIEW

5 year Average Crop Yields
(bushels/acre)

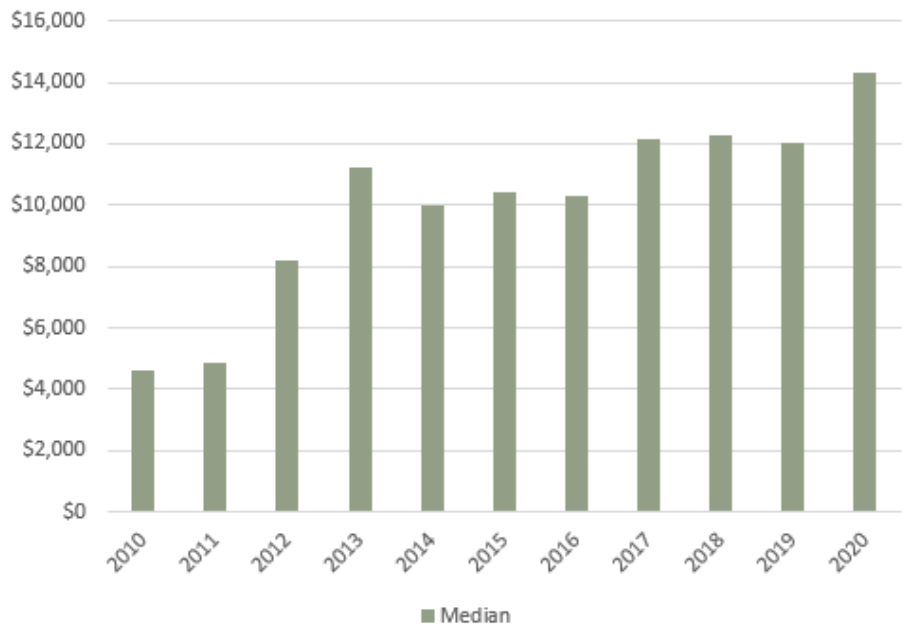
Corn	174
Soybeans	49
Winter Wheat	82

Source: OMAFRA

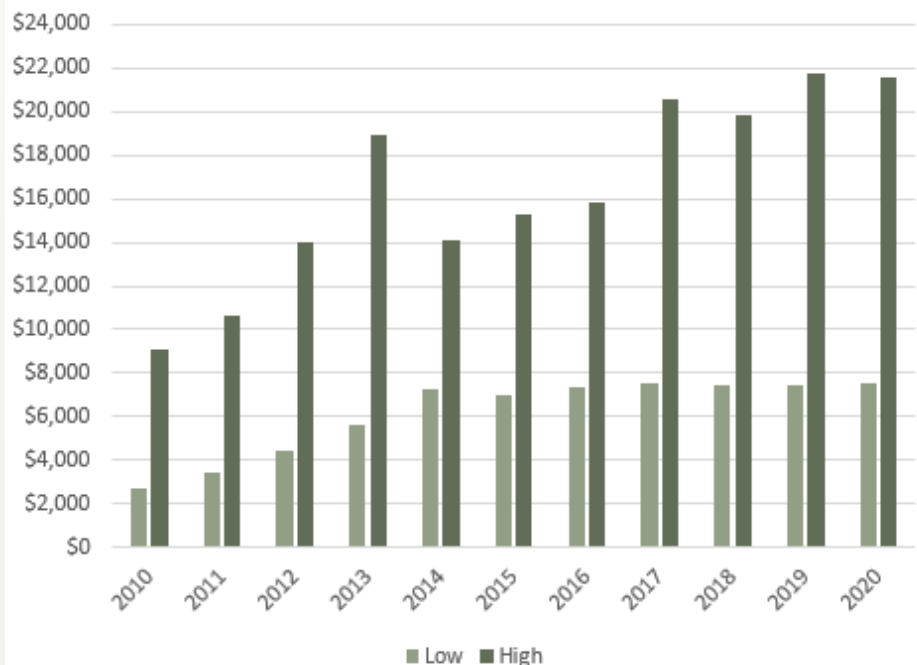
2019 Top Farm Cash Receipt

Soybeans	\$161,410,000
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Source: OMAFRA



The graph above shows the median land values for Lambton County each year from 2010 to 2020.



The graph above shows the low and high land values for Lambton County each year from 2010 to 2020.



KENT COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

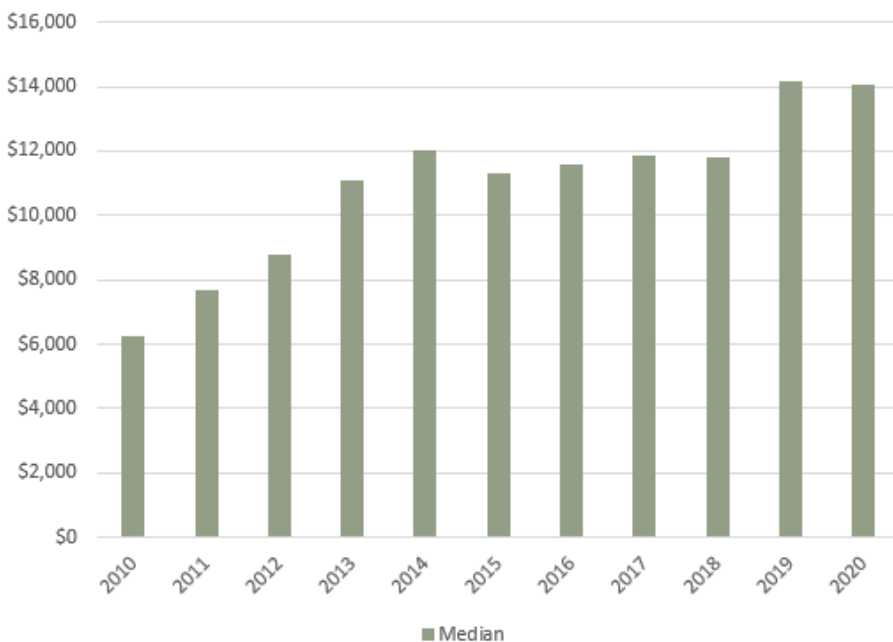
Corn	186
Soybeans	51
Winter Wheat	92

Source: OMAFRA

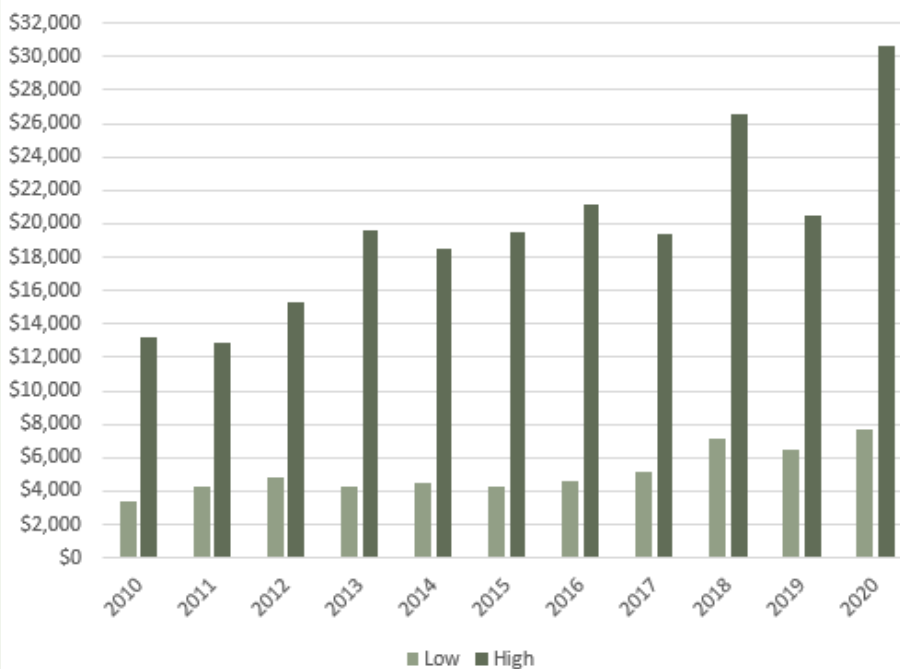
2019 Top Farm Cash Receipt

Field Vegetables	\$191,950,000
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Source: OMAFRA



The graph above shows the median land values for Kent County each year from 2010 to 2020.



The graph above shows the low and high land values for Kent County each year from 2010 to 2020.



ESSEX COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

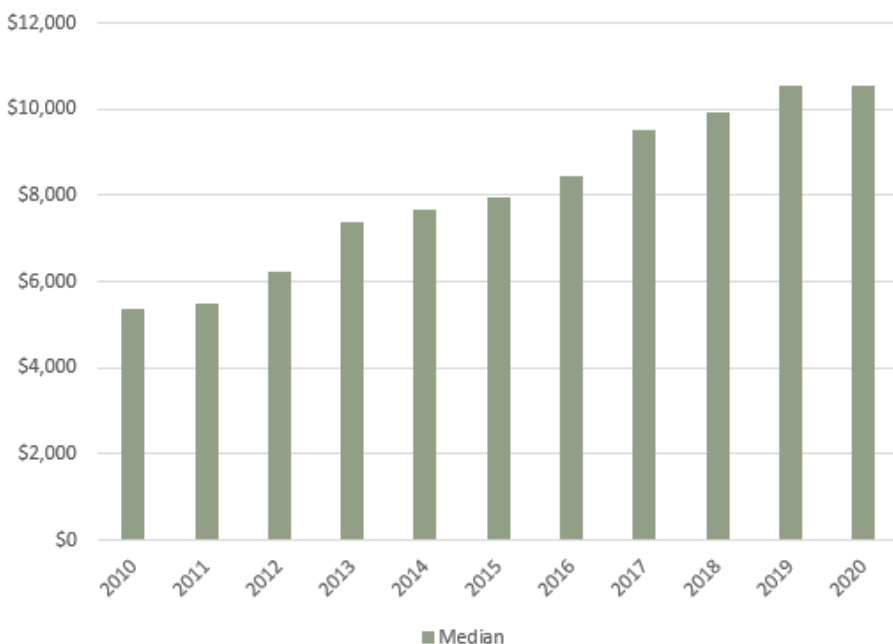
Corn	175
Soybeans	50
Winter Wheat	75

Source: OMAFRA

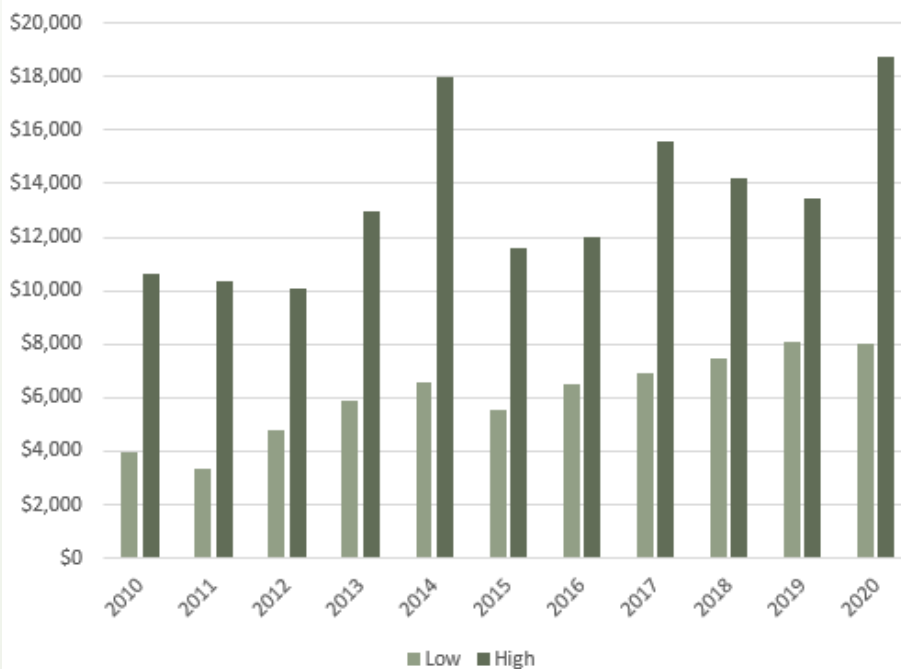
2019 Top Farm Cash Receipt

Greenhouse Vegetables	\$744,820,000
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Source: OMAFRA



The graph above shows the median land values for Essex County each year from 2010 to 2020.



The graph above shows the low and high land values for Essex County each year from 2010 to 2020.



BRUCE COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

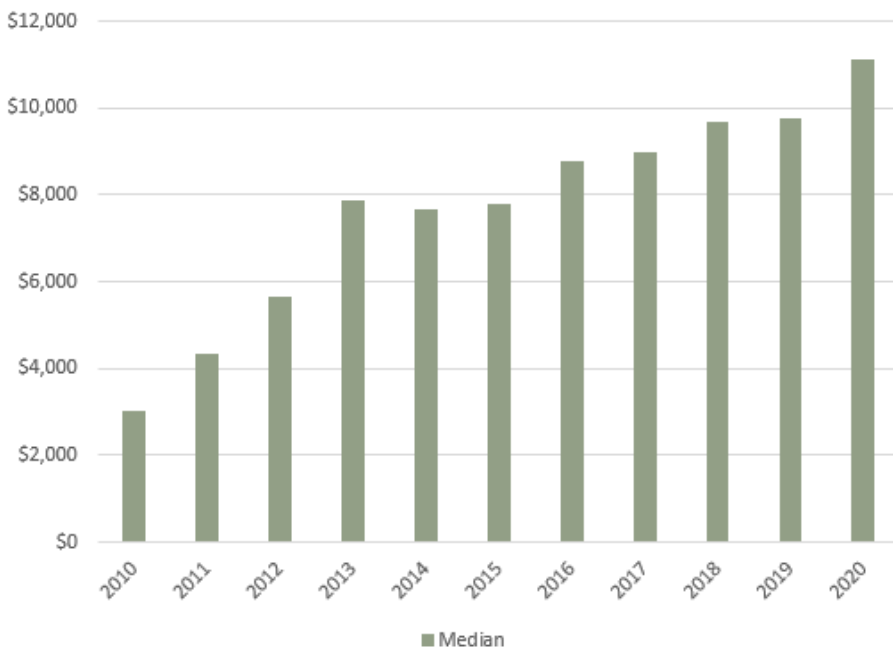
Corn	158
Soybeans	46
Winter Wheat	89

Source: OMAFRA

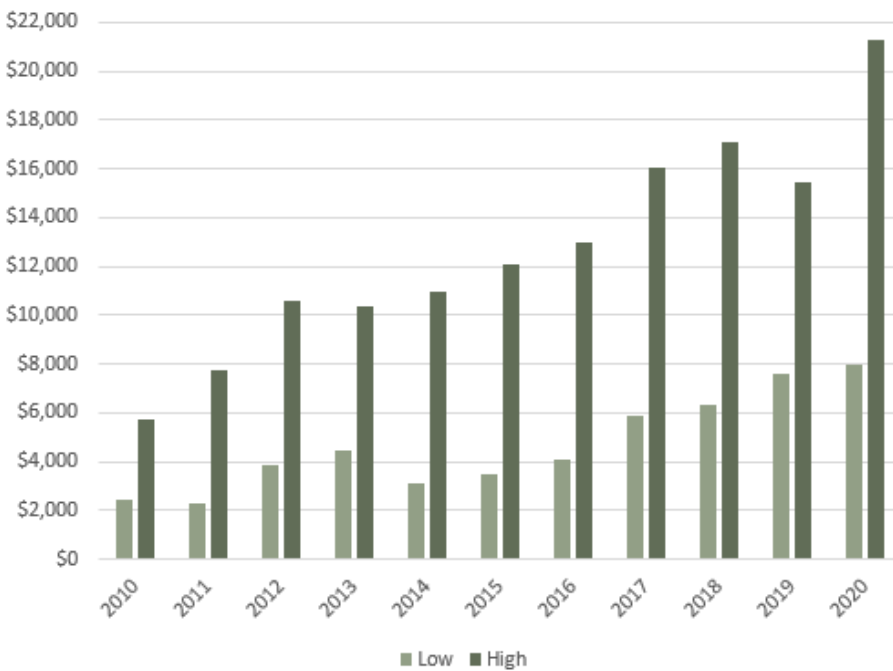
2019 Top Farm Cash Receipt

Steers and Slaughter Heifers	\$174,700,000
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Source: OMAFRA



The graph above shows the median land values for Bruce County each year from 2010 to 2020.



The graph above shows the low and high land values for Bruce County each year from 2010 to 2020.



GREY COUNTY



OVERVIEW

5 year Average Crop Yields (bushels/acre)

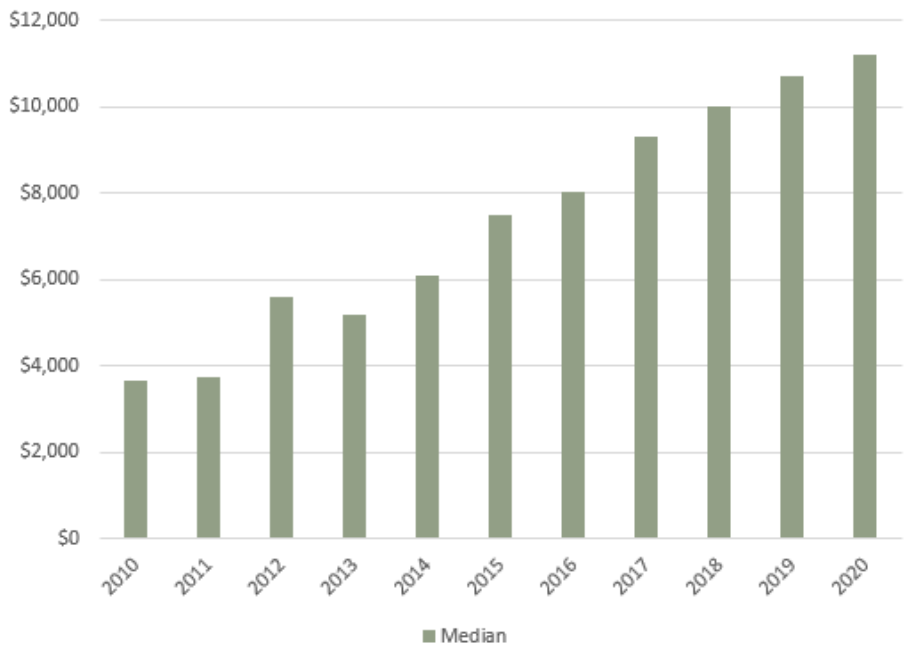
Corn	149
Soybeans	43
Winter Wheat	79

Source: OMAFRA

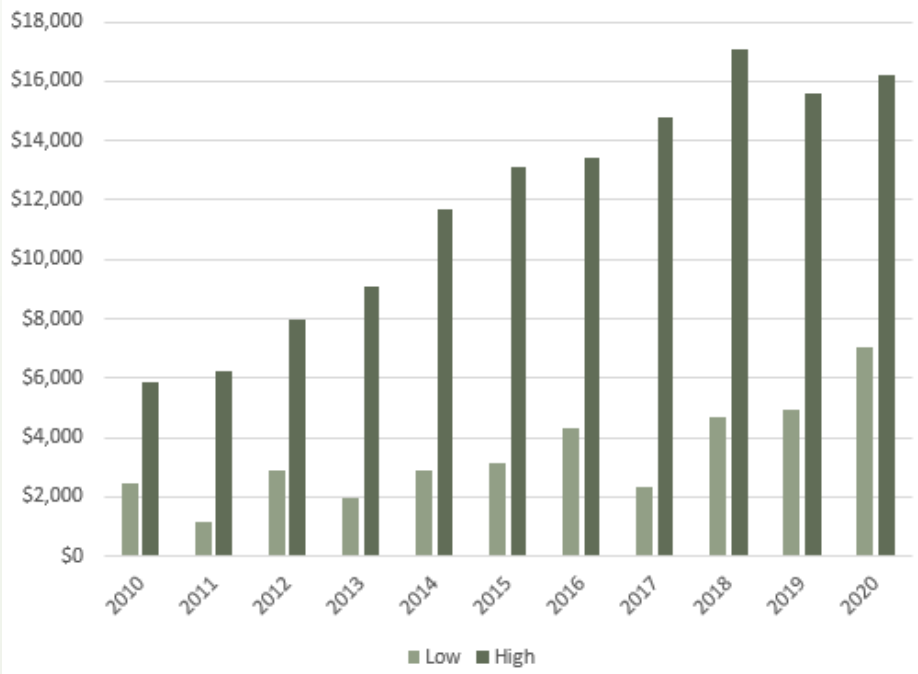
2019 Top Farm Cash Receipt

Steers and Slaughter Heifers	\$137,780,000
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Source: OMAFRA



The graph above shows the median land values for Grey County each year from 2010 to 2020.



The graph above shows the low and high land values for Grey County each year from 2010 to 2020.



WELLINGTON COUNTY



OVERVIEW

5 year Average Crop Yields
(bushels/acre)

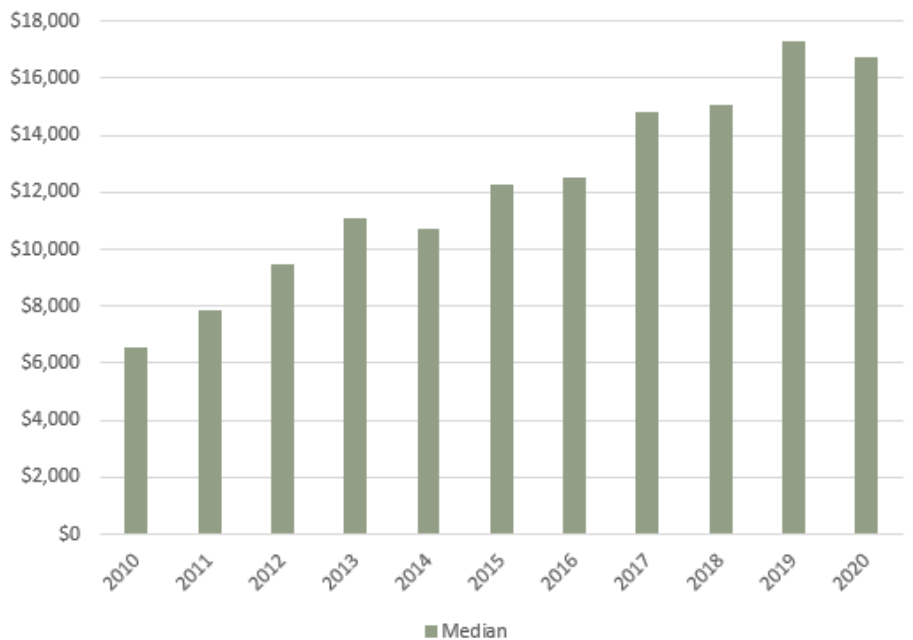
Corn	161
Soybeans	47
Winter Wheat	84

Source: OMAFRA

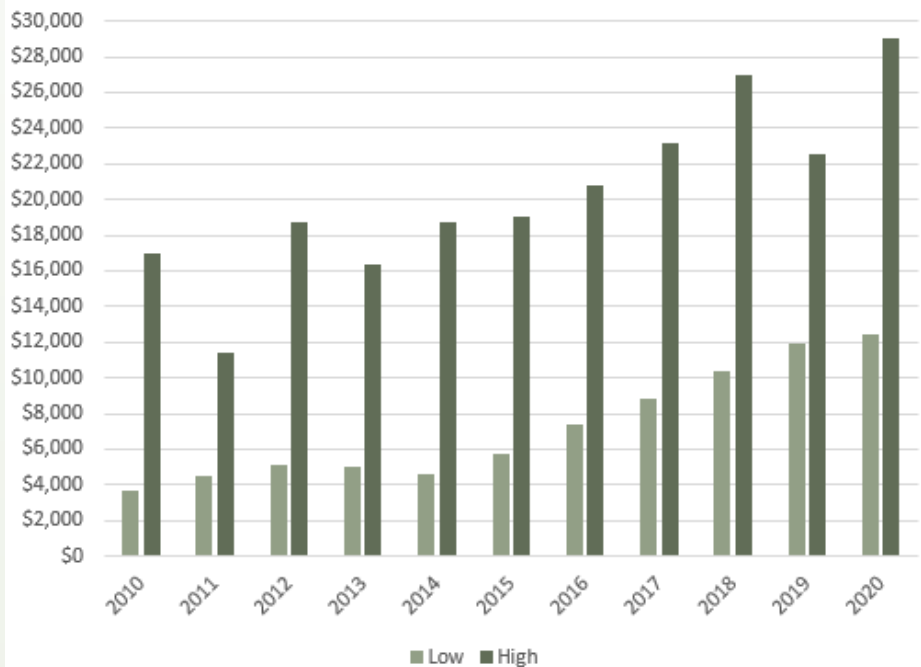
2019 Top Farm Cash Receipt

Dairy	\$210,500,000
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Source: OMAFRA



The graph above shows the median land values for Wellington County each year from 2010 to 2020.



The graph above shows the low and high land values for Wellington County each year from 2010 to 2020.



Parameters

This study has been completed to provide information on agricultural land values in the general Southwestern Ontario region. The Counties of Huron, Perth, Oxford, Middlesex, Elgin, Lambton, Kent, Essex, Bruce, Grey and Wellington have all been analysed in this report.

Only sales that occurred in 2020 were selected for the 2020 study. The majority of the sales chosen had no building improvements (vacant land), with the exceptions being minimally improved properties (i.e. older house and shed) which have had the value of the improvements extrapolated. Also, the sales utilized were considered to be used solely for farming purposes. The sales have been analysed on a per tillable acre basis, as this rate is believed to be the most accurate reflection of the value of agricultural land.

In stating land values in this report, the median unit of measurement was used rather than the mean, as the median tends to better protect against outliers in the sales data. The same study was completed from 2010 to 2019, with those results also shown in this report.

Disclaimer

The information contained in this report was obtained from sources believed to be reliable. Certain information in this report has been accepted at face value; especially if there is no reason to doubt its accuracy. Certain empirical data required interpretive analysis pursuant to the objective of this report. However, I have not verified its accuracy and make no guarantee, warranty or representation regarding it. The specific sales data provided is subject to the possibility of errors, omissions, mistakes in calculation of total and tillable acre sizes, as well as error in reported sale price and/or sale date. Although an attempt has been made to find every pertinent sale in the areas described, it is not possible to confirm that this is the case.

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