

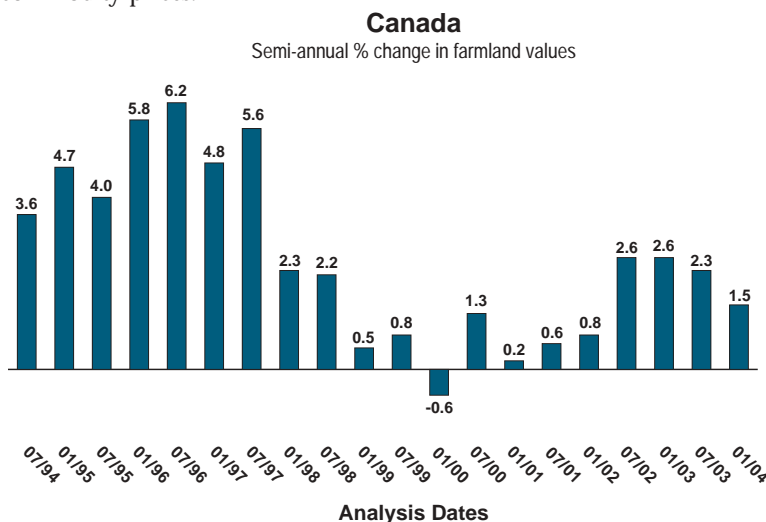
Land is one of the major assets required for agricultural production. In recognition that market knowledge is important to those in the agricultural industry, Farm Credit Canada (FCC) produces the **Farmland Values** report every six months. This report is a principal source of national farmland values trends and is one of more than three dozen products and services that FCC provides to help Canadian producers.

This publication and more detailed, up-to-date farmland values for local areas is available on the FCC Web site at [www.fcc-fac.ca](http://www.fcc-fac.ca) under the heading “products and services” or specifically at [http://www.fcc-fac.ca/english/our\\_company/media/publications/index.shtml](http://www.fcc-fac.ca/english/our_company/media/publications/index.shtml).

If you have access to the Internet and would prefer not to receive the printed copy of this report, please contact Myrna Stark Leader at (306) 780-8614 or e-mail [myrna.starkleader@fcc-fac.ca](mailto:myrna.starkleader@fcc-fac.ca).

## National Trends

The average value of farm land across the country increased by 1.5 per cent during the last six months of 2003. The upward trend has been sustained since January 2000. The largest increase was in Ontario at 3.3 per cent with smaller increases across the West and in Quebec. This figure is not as high as the average increase recorded for the first six months of 2003. This is the result of market conditions including lower commodity prices.



### Did you know?

- Farm Credit Canada is Canada's largest agricultural term lender, serving more than 45,000 customers.
- FCC offers some three dozen financial products, farm management services and educational tools to help primary producers and agribusiness operators succeed.
- To learn more about FCC, please visit our Web site at [www.fcc-fac.ca](http://www.fcc-fac.ca), contact your nearest FCC office or call 1-800-387-3232 to be directed to the office nearest you.



## Methodology

In 1985, FCC established a system of 245 benchmark farm properties to monitor variations in bareland values across Canada. Since 1990, benchmark properties have been appraised semi-annually on January 1 and July 1. These selected parcels represent the most prevalent classes of agricultural soil in each census district. The benchmark properties are zoned for agriculture and represent current land use. Weighting is assigned to each property and to each province, based on the improved farmland area recorded by the 1996 Census of Agriculture.

FCC appraisers estimate market value using recent bareland comparable sales. These sales must be arm's length transactions. Once sales are selected, they are reviewed, analysed and adjusted to benchmark properties. Individual values are reconciled before accredited appraisers review the appraisal reports.

## Provincial Trends

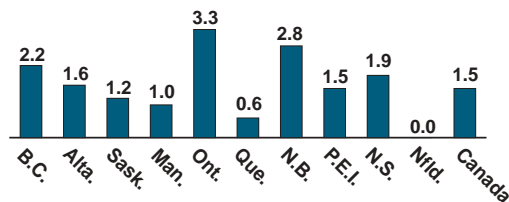
For the last six months of 2003, Ontario led all provinces with an average gain of 3.3 per cent in farmland values. British Columbia had an increase of 2.2 per cent, while Alberta, Saskatchewan and Manitoba all showed smaller increases in values compared to the first half of 2003.

Quebec reported only a slight increase in average value. Atlantic Canada showed growth in values in all provinces except in Newfoundland and Labrador where values remained steady.

### Provincial comparison of farmland values

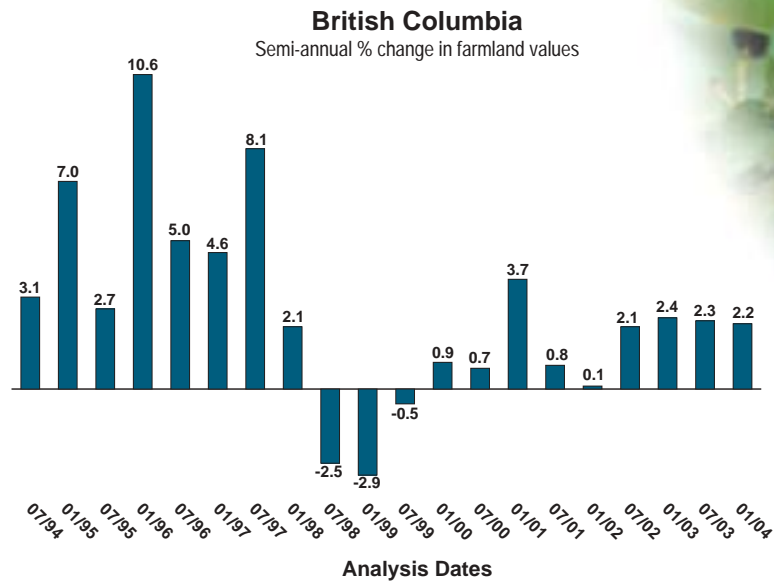
Semi-annual % change in farmland values

July 1, 2003 to January 1, 2004

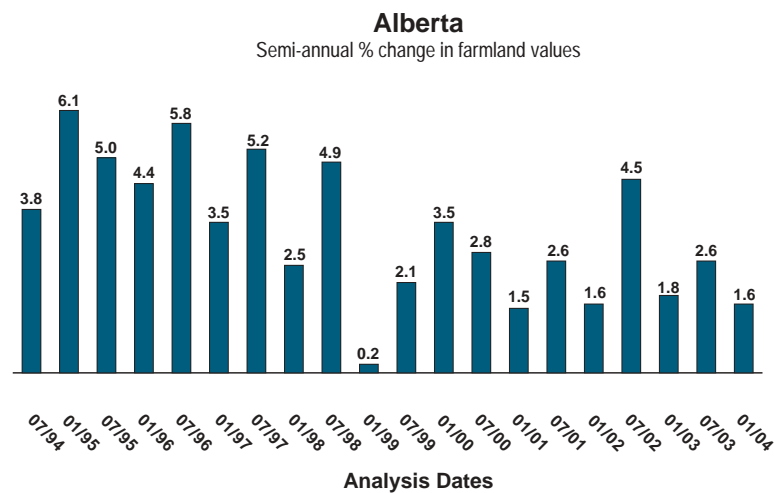


### Farmland Values increases in 2003

Provinces	First half of 2003	Second half of 2003
B.C.	2.3%	2.2%
Alta.	2.6%	1.6%
Sask.	1.9%	1.2%
Man.	2.2%	1.0%
Ont.	3.8%	3.3%
Que.	2.7%	0.6%
N.B.	1.9%	2.8%
P.E.I.	0	1.5%
N.S.	0.5%	1.9%
Nfld.	0	0
Canada	2.3%	1.5%



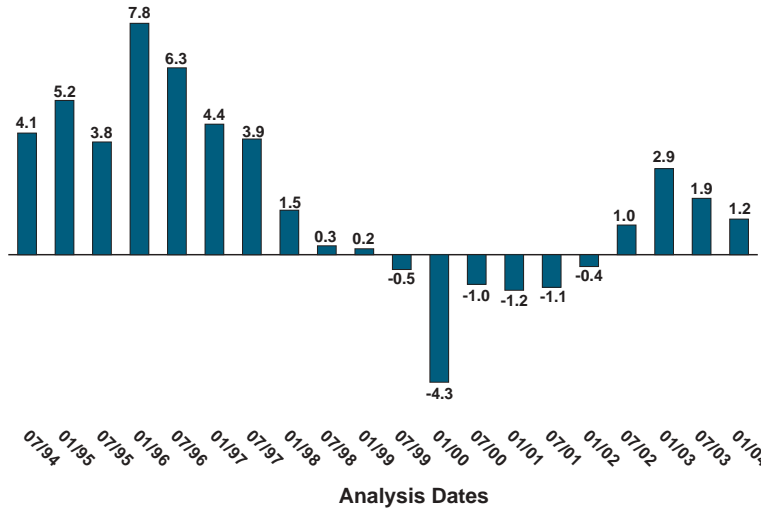
Property values in the Lower Mainland of British Columbia showed a general upward trend, indicated by sales of raspberry properties and land suitable for planting blueberries. Parts of the province with an attractive climate and rural atmosphere such as Vancouver Island and the Okanagan, particularly the South Okanagan, increased in value due to purchases by retirees and the acreage market. The Dawson Creek and North Central regions of the province have a relatively stable market.



Land values in many parts of Alberta were stable. However, pockets of increased prices in some areas resulted in a 1.6 per cent average value gain. Irrigated land values are stable, but sales volume is down. Off-farm employment opportunities support a strong demand for land within commuting distance to cities. Industry and rural residential properties continue to compete for land on the urban fringe.

### Saskatchewan

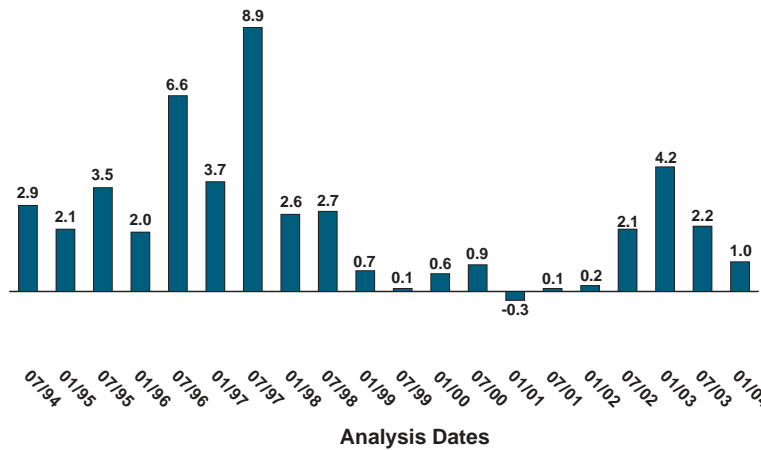
Semi-annual % change in farmland values



Land values in Saskatchewan continued to increase for the fourth consecutive period showing a 1.2 per cent average gain. Value trends vary throughout the province. Some areas of good quality land are in high demand at very competitive prices. This tends to be land suitable for diversified cropping and economies of scale. Buyers from outside the province continue to create competition in the local market.

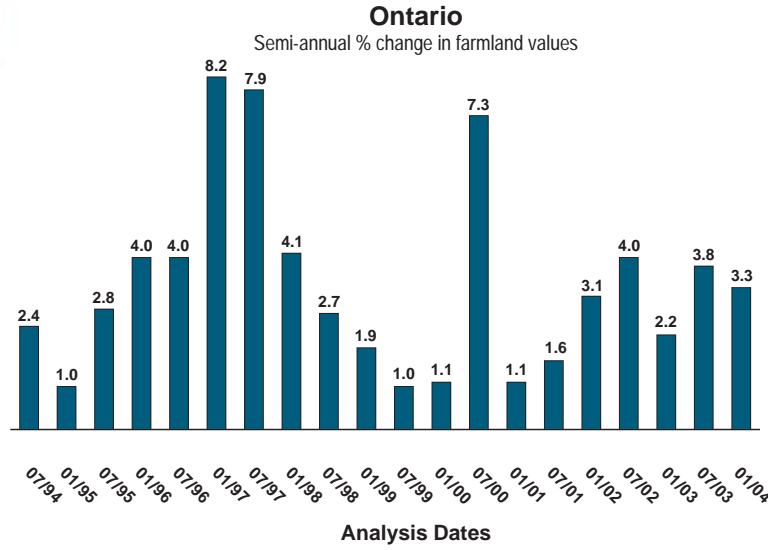
### Manitoba

Semi-annual % change in farmland values



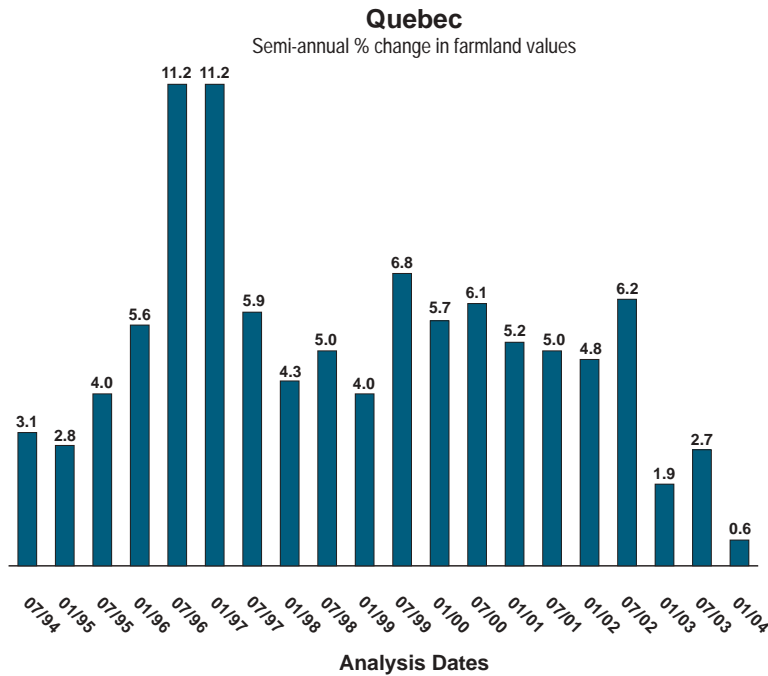
Manitoba land values continue to increase. With the current rise of one per cent, the cumulative increase for 2003 is 3.2 per cent. Prices for land suitable for special crops such as potatoes and beans continue to be a factor in driving the market upward. Values in traditional grain-growing areas tend to be unchanged. The greatest area of competition is generally where land is higher quality.





Changes in land values across Ontario over the last six months of 2003 varied. Overall, the province showed an increase of 3.3 per cent – slightly less than 3.8 per cent in the first half of 2003 – but still the highest percentage increase across Canada.

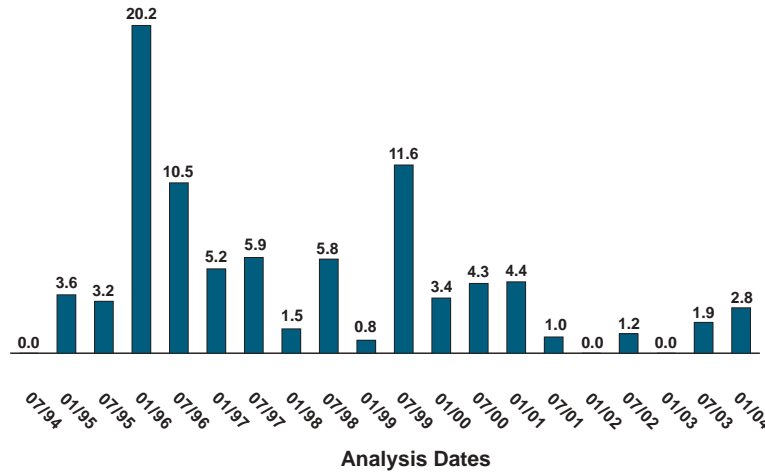
Northern Ontario saw stronger demand, particularly in the Timiskaming region, as purchasers from the southern part of the province pushed the market upward. Eastern Ontario also showed stronger prices, driven by urban pressures and existing farm expansion. Markets are up slightly in the central and southern regions. A primary reason for purchasing land continues to be nutrient management. Land values in the commuter shadow around major urban areas, particularly north and east of the Greater Toronto Area, also increased slightly.



Land values in Quebec were steady during the last half of 2003. This follows 10 years of increases, the highest of which were in 1996-97. Market conditions including corn and hog prices may be a factor. There is no indication of major differences in land price fluctuations among various areas of the province.

### New Brunswick

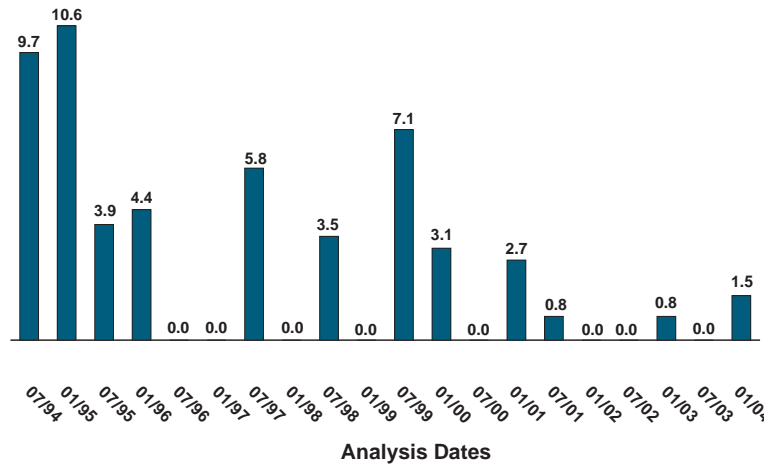
Semi-annual % change in farmland values



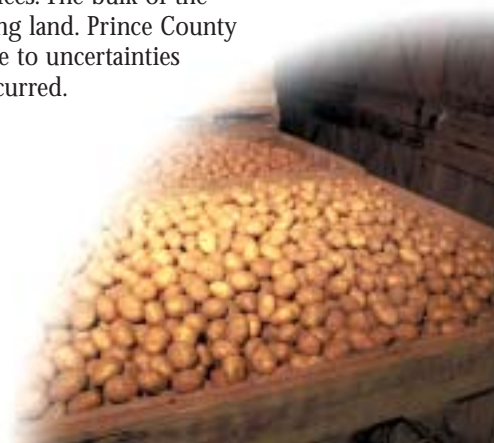
The New Brunswick land market showed an overall increase of 2.8 per cent. While land prices in the Grand Falls area remained unchanged with lower than usual activity, prices in the Woodstock area increased 5.2 per cent. Sales in this potato-growing area are active and land prices are firming. The southern region, around Sussex, saw stable land market conditions.

### Prince Edward Island

Semi-annual % change in farmland values

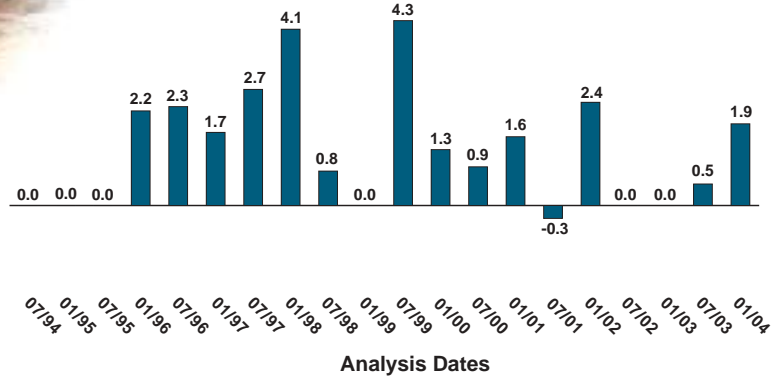


Average land values on P.E.I. increased 1.5 per cent. This is driven by a 2.8 per cent increase in values in Queens and Kings Counties, where good quality crop land is demanding strong prices. The bulk of the activity is in the potato sector, although other commodity producers are actively buying land. Prince County remains unchanged. The land market has been less active than in the past, possibly due to uncertainties facing potato and livestock producers, although no downward effect on prices has occurred.



### Nova Scotia

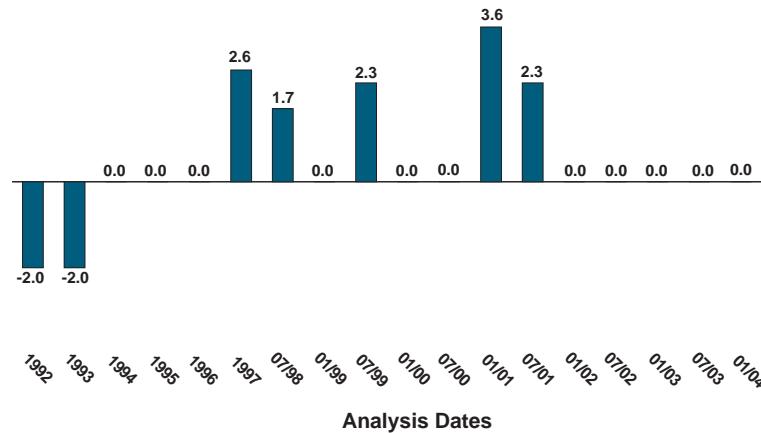
Semi-annual % change in farmland values



Land values in Nova Scotia increased by 1.9 per cent during the last six months of 2003. Results vary across the province. In the Antigonish region, continued demand by livestock operators in the western part of the area drove a 2.2 per cent increase. Land values in the Truro area remained stable. When good land goes on the market, it usually sells quickly. Land values in the Kentville area increased 2.9 per cent. This region's crop land base experienced consistent, growing demand from most major commodity groups.

### Newfoundland and Labrador

Semi-annual % change in farmland values



The value of agricultural land in Newfoundland and Labrador remained unchanged. The land market has been quiet, with relatively few sales other than retiring land owners. The cost to clear land for agricultural use remains high and as a result there is continued demand for farm land when it becomes available. Trends were similar on both the east and west coast of the province.

## Questions regarding farmland values can be directed to:

**Atlantic Canada:**

Patrick Doohan (bilingual)  
(902) 432-6523

**Quebec:**

Michel Rousseau (bilingual)  
(418) 648-7613

**Ontario:**

Tom Nolan (bilingual)  
(519) 826-2033

**Western Canada:**

Gerard Woynarski  
(306) 780-7099  
Mireille Bilodeau VongPhit (bilingual)  
(306) 780-8630

For information on FCC products and services, call 1-888-332-3301.

Farm Credit Canada  
1800 Hamilton Street P.O. Box 4320  
Regina, Saskatchewan S4P 4L3  
Telephone: (306) 780-8100  
Fax: (306) 780-6103

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Visitez [www.fac-fcc.ca](http://www.fac-fcc.ca). Cliquez sur «Propriétés» dans la menu «Produits et services».

### Did you know?

Free, local, up-to-date farmland values information from across Canada is available on the Farm Credit Canada Web site at [http://www.fcc-fac.ca/english/our\\_company/media/publications/index.shtml](http://www.fcc-fac.ca/english/our_company/media/publications/index.shtml).

If you would like to receive a hard copy of Farmland Values or an e-mail notification of its publication, please contact Myrna Stark Leader at (306) 780-8614 or e-mail [myrna.starkleader@fcc-fac.ca](mailto:myrna.starkleader@fcc-fac.ca) and we will add you to our mailing or e-mail distribution list.



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