

Research Bulletin 211
April 2025



Farmland Values in Idaho: Trends and Factors at Play

Sunita Pahari, Xiaoli Etienne



University of Idaho

College of Agricultural and Life Sciences

Contents

Introduction 3

Trends of Farmland Value in Idaho..... 3

Farmland Value across Agricultural Districts in Idaho 4

Factors Influencing Farmland Values in Idaho’s Counties..... 5

Conclusion.....7

Further Reading7

Acknowledgment 8

Authors

Sunita Pahari, Graduate Research Assistant, Department of Applied Economics,
University of Idaho

Xiaoli Etienne, Associate Professor, Department of Agricultural Economics and Rural
Sociology, University of Idaho

Published and distributed by the Idaho Agricultural Experiment Station, Mark McGuire, Director.
University of Idaho College of Agricultural and Life Sciences, Moscow, Idaho 83844-2337.
The University of Idaho has a policy of nondiscrimination on the basis of race, color, religion,
national origin, sex, sexual orientation, gender identity/expression, age, disability or status as a
Vietnam-era veteran.

© 2025 by the University of Idaho



Introduction

Over the past three decades, Idaho has witnessed a steady rise in farmland values. However, the increase is not uniform; certain types of agricultural land have experienced greater increases than others. Additionally, while some counties' farmland values have doubled over the past decade, others have seen only modest upturns. This significant disparity in farmland values among counties with similar agricultural bases suggests that additional factors beyond agricultural use are at play.

This bulletin examines the latest trends in farmland values in Idaho and the key factors influencing them. Since agriculture plays a significant role in the state's economy, understanding what affects Idaho's farmland values is essential. This knowledge enables stakeholders to adapt to market shifts, pinpoint areas needing support, and make informed investments in innovative practices that boost productivity. For producers, understanding farmland value is crucial for financial budgeting, securing loans, and planning for succession. Ultimately, this understanding helps to promote agricultural prosperity and equips decision-makers with the insights needed to make strategic choices in farmland buying, selling, and leasing.

Trends of Farmland Value in Idaho

Of the various types of agricultural land in Idaho (Figure 1), cropland with irrigation facilities consistently held the highest values between 1997 and 2023, while pastureland and non-irrigated land values were the lowest. Except for the period of the recession and financial crisis (2008–9), during which all types of agricultural land experienced a decline, farmland values over the sample period notably and consistently rose.

As of 2023, irrigated cropland was valued at an average of \$8,650 per acre, representing a 379% increase over its 1997 value in nominal terms (Figure 2). The inflation-adjusted increase (based on the Consumer Price Index from the Bureau of Labor Statistics), while smaller, still amounts to over 150%. Other types of land also showed significant increases when adjusted for inflation: 80% for cropland including buildings, 113% for cropland, 80% for non-irrigated cropland, and 75% for pastureland.

The large increase in irrigated cropland values is likely due to its higher productivity and profitability (Hrozencik and Aillery 2021), particularly in regions where irrigation plays a key role in production. In contrast, the modest increase in pastureland values may suggest lower productivity growth.

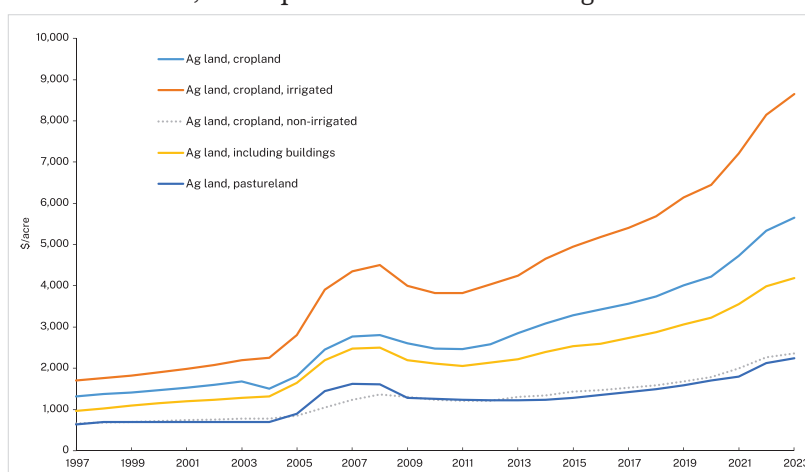


Figure 1. Farmland value in Idaho, 1997–2023. Source: United States Department of Agriculture-National Agricultural Statistics Service (USDA-NASS).

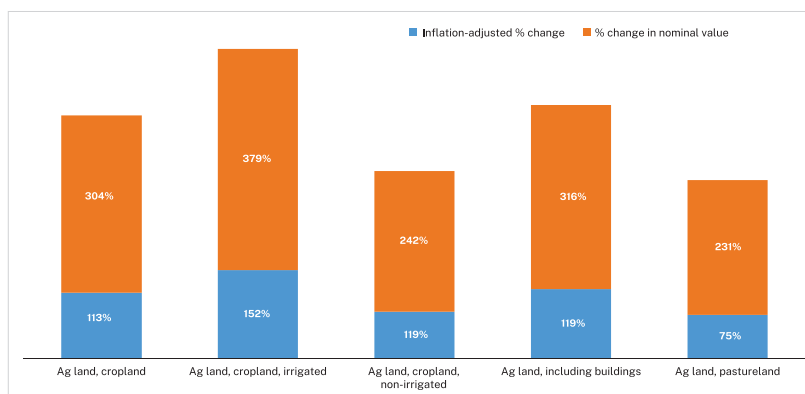


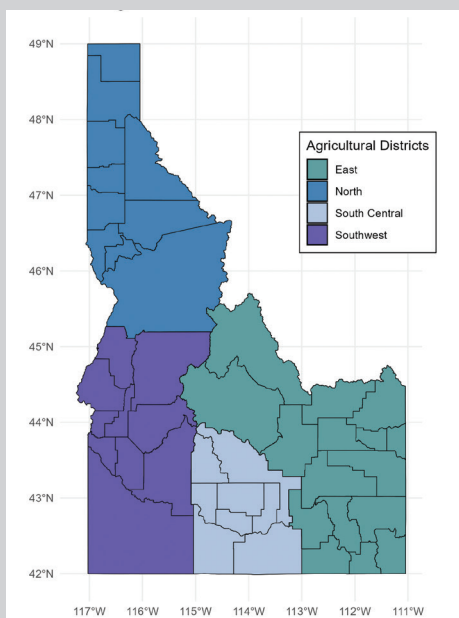
Figure 2. Percentage change in inflation-adjusted and nominal farmland value in Idaho, 1997–2023. Source: United States Department of Agriculture-National Agricultural Statistics Service (USDA-NASS) and the Bureau of Labor Statistics.

Farmland Value across Agricultural Districts in Idaho

The United States Department of Agriculture-National Agricultural Statistics Service divides Idaho into four agricultural districts: North, Southwest (the Treasure Valley area), South-Central (the Magic Valley area), and East (see “Idaho Agricultural Districts”). Based on the Census of Agriculture, which is conducted every five years, the agricultural land value (in nominal terms) was the highest in the South-Central district, averaging \$5,533 in 2022, and lowest in the East district at \$3,846 in 2022 (Figure 3). A clear upward trend is evident in all districts, with the largest increase observed over the last five years (2017–22). During this period, the East and Southwest districts experienced the highest percentage increases, at around 50%.

A more granular look at the county-level agricultural land values reveals some interesting patterns. As shown in Figure 4, Shoshone County in the North district had the highest agricultural land value in 1997, while by 2022, Ada County in the Southwest district had taken the lead.

Idaho Agricultural Districts



Eastern District: Mostly known for its diverse agricultural output like potato, barley, alfalfa, and wheat.

Northern District: Home to significant mining and timber industries, with the main crops being barley, wheat, and legumes.

South-Central District: Also known as the Magic Valley area; one of Idaho's most productive agricultural regions with diverse crop production and the substantial presence of the dairy industry.

Southwest District: Also known as the Treasure Valley area; the center of the state's technology and food-processing industries.

Source: United States Department of Agriculture-National Agricultural Statistics Service.

Within the North district's ten counties, Kootenai County had the highest land value in 2022, followed by Shoshone and Bonner. In the Southwest district, among the nine counties, Ada and Canyon showed the largest increase in agricultural land value between 1997 and 2022, whereas Valley did not see the same increase as the others.

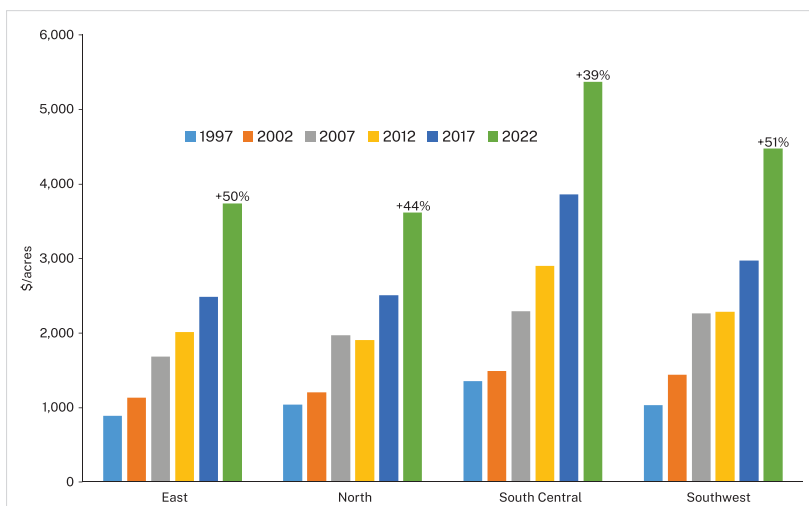


Figure 3. Weighted average farmland value of agricultural districts in Idaho, 1997–2022. Source: USDA-NASS.

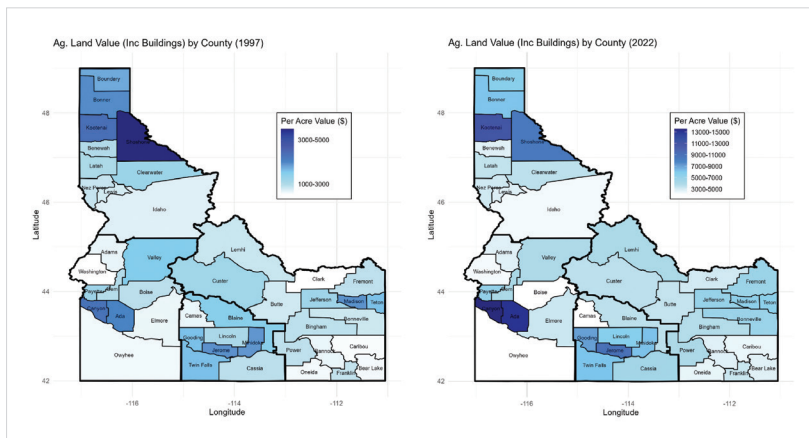


Figure 4. Agricultural land value (including buildings) by county, 1997 and 2022.

In the South-Central district, all counties experienced an increase in land value, with Jerome, Minidoka, and Gooding showing slightly higher increments, and Camas the lowest. Meanwhile, in the East district the increments were not as substantial, although land values in all counties slightly increased. Among them, Jefferson, Madison, Teton, and Bonneville demonstrated slightly higher values.

Figure 5 highlights the top five counties with the fastest and slowest increases in agricultural land value from 1997 to 2022 using the Census of Agriculture data. Ada and Canyon in the Southwest districts, along with Clark, Bonneville, Lincoln, and Bannock in the East, saw the most significant increases, with values rising by up to 500% and more during this period. In contrast, Boise and Valley counties in the Southwest, Blaine in the South Central, Madison in the East, and Shoshone in the North saw the smallest increases.

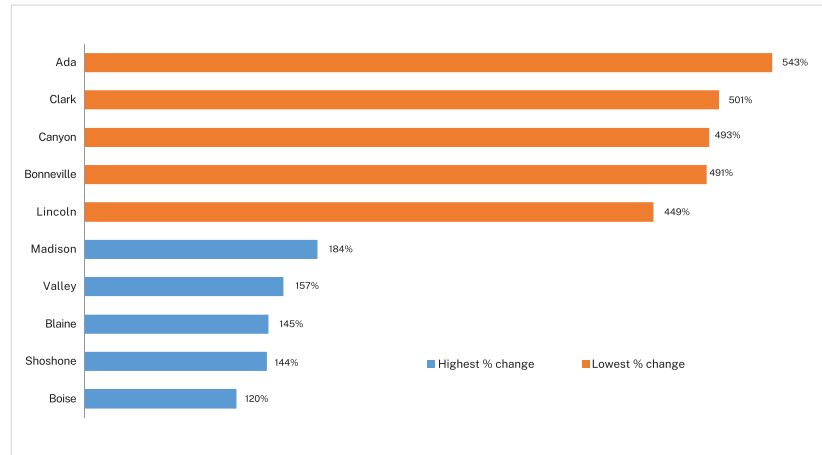


Figure 5. Idaho counties with the fastest and slowest growth in farmland in 1997–2022. Source: USDA-NASS.

Factors Influencing Farmland Values in Idaho's Counties

Farmland prices are influenced by two main categories of factors: farm-related and non-farm-related. Farm-related factors include access to irrigation facilities, market channels, agricultural productivity, and government payments such as subsidies and incentives. Non-farm-related factors encompass proximity to urban areas, availability of natural amenities, demographic trends, industrial composition, property tax rates, credit availability, and other economic influences (Drescher et al. 2001). This section provides a brief discussion of the key factors driving farmland values in Idaho.

- Population growth and urbanization:** Urbanization and demographic trends significantly impact farmland availability and values (Kuethe et al. 2011). Between 2017 and 2022, Idaho lost 144,000 acres of working land—a 1.2% reduction—with counties experiencing higher population growth facing larger farmland losses (Ellis 2024; Stuebner 2020). For instance, Canyon and Ada Counties, where populations grew by 112.5% and 89.2% respectively between 1997 and 2022, saw farmland availability shrink due to urban expansion. In contrast, rural counties with slower or declining populations, such as Shoshone and Custer, experienced less pressure on land values. These contrasts highlight the challenge of balancing agricultural needs with developmental pressures spurred by rapid population growth.
- Farm income:** Previous studies show that farm income directly influences farmland values (Salois et al. 2012). In Idaho, Jefferson, Madison, Gooding, and Minidoka Counties are notable for wheat production, while Minidoka also leads in sugar beet production. Additionally, Idaho's unique climate, soil, and elevation make it a growing hub for commodities like potatoes, barley, hay, milk, onions, hops, seeds, and wine. Companies like Anheuser-Busch InBev are attracted to Idaho for its top-quality malting barley. The presence of industries like Chobani, ConAgra Foods, and world-class seed companies further underscores the potential for farmland value appreciation in leading production areas like Bingham, Madison, Cassia, and Canyon Counties and the Treasure Valley.

- **Expansion of the dairy sector:** Over the past two decades, the dairy industry has become one of Idaho's leading agricultural sectors, with significant expansion in counties in the South-Central and Southwest regions such as Gooding, Jerome, and Twin Falls. This growth, especially the rise of large-scale dairy farms, has increased demand for farmland suitable for dairy operations, affecting land values and usage patterns in these areas.
- **Industrial growth and employment opportunities:** Nonagricultural industries indirectly influence farmland values by attracting populations and increasing income. Although agriculture provides seasonal employment, sectors like services, information, construction, and manufacturing offer more stable and diverse income sources. The fastest-growing industries in Idaho for 2022 indicate a concentration of the construction industry in the Southwest and East (Figure 6), alongside the manufacturing industry in the East. Counties such as Washington, Canyon, Elmore, Madison, Bannock, Fremont, Teton, Franklin, and Power benefit from this diversity, attracting larger populations and increasing farmland demand. Similarly, growth in small business and manufacturing jobs across the state has driven up demand for agricultural products, improved local infrastructures, and stimulated population growth and farmland values.
- **Irrigation facilities:** Irrigation infrastructure is vital for enhancing agricultural productivity and, consequently, land values. In Idaho, the South-Central district (Figure 7) contains 51% irrigated land, mainly in Jerome, Minidoka, and Gooding Counties. The Southwest district has 26% irrigated land, led by Ada County, while the East district has 32% irrigated land, particularly in Jefferson, Madison, and Lemhi Counties. In contrast, the North district has minimal irrigation (1%). Research shows that irrigation can increase crop yields by up to 400% in arid regions (Okorogbona et al. 2018), with irrigated wheat and maize yields rising by 34% and 22%, respectively, compared to non-irrigated crops (Wang et al. 2021). These disparities in irrigation levels could impact agricultural productivity and land values, especially in the South-Central and Southwest regions.

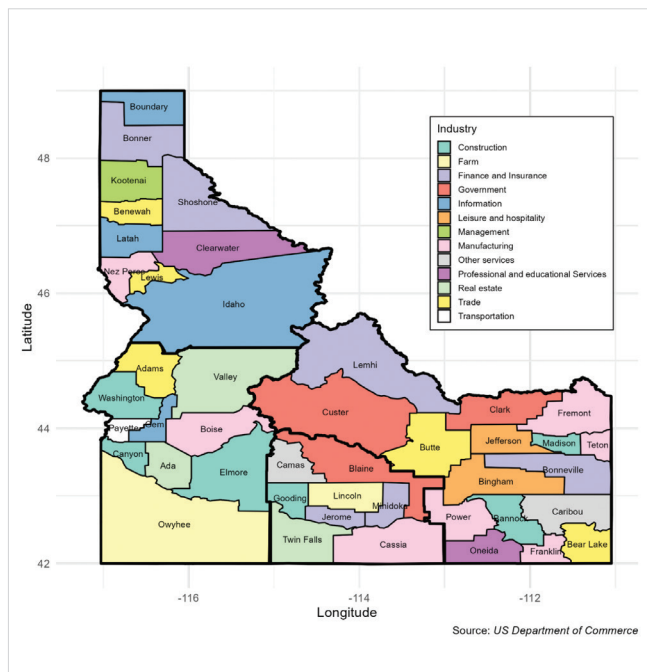


Figure 6. Fastest-growing industry by county (2022).
Source: US Department of Commerce.

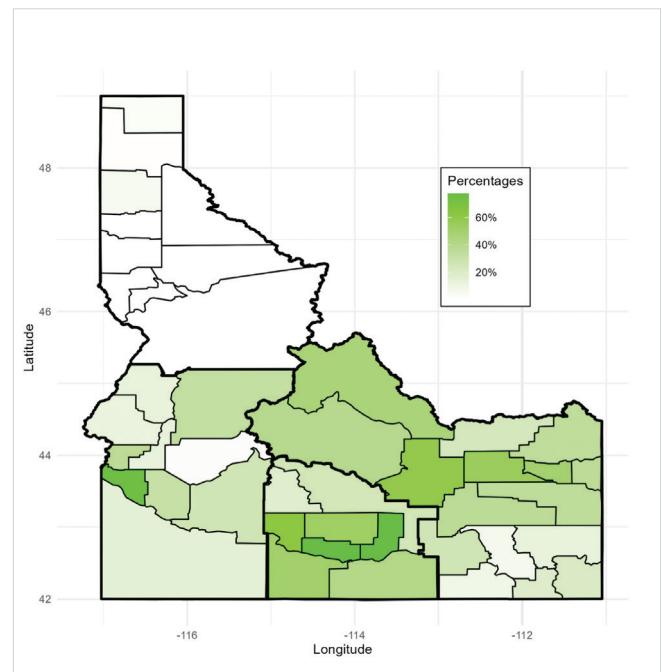


Figure 7. Farmland of Idaho with irrigation by county (2022).

Overall, many factors contributed to the heterogeneous increases in farmland values across the state. Looking ahead, Idaho's farmland values are expected to remain stable or see modest increases. Since prices for most agricultural commodities have declined over the past couple of years and input costs remain high, demand for farmland values may weaken due to tighter profit margins in the agricultural sector. However, factors such as continued population growth, establishment of small businesses, and decreasing interest rates might boost farmland demand and contribute to rising land values across the state.

Conclusion

This bulletin examines the farmland value trend in Idaho and the factors driving such trends. From 1997 to 2023, Idaho's agricultural land values significantly increased, with irrigated cropland experiencing the highest nominal and inflation-adjusted rises due to its productivity and profitability. Growth patterns, however, were uneven across the state's districts and counties, with the South-Central and Southwest regions generally commanding the highest farmland values. These regions have emerged as Idaho's agricultural powerhouses, attracting more investments and driving up land prices. Key factors influencing farmland values include land productivity, population growth, employment opportunities, the presence of irrigation facilities, and proximity to urban centers.

The trends and factors influencing farmland values in Idaho present both opportunities and challenges for investors, farmers, and policymakers. The significant increase in land values, particularly in irrigated cropland and selected counties, highlights the potential for profitable investment in Idaho's agricultural sector. However, it also necessitates careful financial planning and budgeting for farmers who must manage rising land costs alongside other operational expenses. Policymakers can use data on farmland values and trends to design policies that promote equitable land access, encourage investment in irrigation and infrastructure, and support education and training programs for farmers. These measures can help maintain the sector's competitiveness and ensure that agricultural land remains productive and profitable.

Further Reading

- Drescher, K., J. R. Henderson, and K. T. McNamara. 2001. "Farmland Price Determinants." Selected paper presented at the 2001 American Agricultural Economics Association Annual Meeting, 5–8 August 2001, Chicago, IL. <https://doi.org/10.22004/ag.econ.20685>.
- Ellis, S. 2024. "Idaho Loses 144,000 Acres of Farmland." Idaho Farm Bureau Federation. <https://www.idahofb.org/news-room/posts/idaho-loses-144-000-acres-of-farmland/>.
- Hrozencik, R. A., and M. Aillery. 2021. "Trends in US Irrigated Agriculture: Increasing Resilience Under Water Supply Scarcity." Economic Information Bulletin No. 229. United States Department of Agriculture-Economic Research Service. 56 p.
- Kueth, T. H., J. Ifft, J. and M. Morehart. 2011. "The Influence of Urban Areas on Farmland Values." *Choices* 26(2). 7 p. <https://www.jstor.org/stable/choices.26.2.07>.
- Okorogbona, A. O., F. D. Denner, L. R. Managa, T. B. Khosa, K. Maduwa, P. O. Adebola, and S. Macevele. 2018. "Water Quality Impacts on Agricultural Productivity and Environment." *Sustainable Agriculture Reviews* 27: 1–35.
- Salois, M., C. Moss, K. Erickson. 2012. "Farm Income, Population and Farmland Prices: A Relative Information Approach." *European Review of Agricultural Economics* 39(2): 289–307. <https://doi.org/10.1093/erae/jbr032>.

Stuebner, S. 2020. “We’re Losing Farmland in the Treasure Valley.” *The Blue Review*.

<https://www.boisestate.edu/bluereview/losing-farmland-in-the-treasure-valley/>.

Wang, X., C. Müller, J. Elliot, N. D. Mueller, P. Ciais, J. Jägermeyr, J. Gerber, P. Dumas, C. Wang,

H. Yang, L. Li, D. Deryng, C. Folberth, W. Liu, D. Makowski, S. Olin, T. A. M. Pugh, A. Reddy, E.

Schmid, S. Jeong, F. Zhou, and S. Piao. 2021. “Global Irrigation Contribution to Wheat and Maize

Yield.” *Nature Communications* 12(1): 1235. <https://www.nature.com/articles/s41467-021-21498-5>.

Acknowledgment

This work was supported in part by a grant from the USDA NIFA Critical Agricultural Research and Extension program (grant number: USDA-NIFA-CARE 2023-69008-39276). Additional support was provided by the Idaho Wheat Commission under the Bill Flory Endowment in Risk Management to the University of Idaho.