

SOURCE: Castanet News/Castanet.net – March 15, 2023

## BIG JUMP IN FARMLAND VALUE

# Average price of Okanagan farm acre increases to nearly \$30K

The value of farmland in the Okanagan shot up substantially in 2021, topping even the hefty provincial average increase.

**Farm Credit Canada** released its annual Farmland Values Report on Monday, and the statistics show that B.C. farmland value increased 18.1% last year. That figure was even greater in the Okanagan, where the jump was 21.6%.

B.C.'s increase followed upticks of 8% in 2020 and 5.4% in 2019. Overall, the average increase across Canada last year was 8.3%.

"The low interest rate environment and favorable commodity prices seem to have offset some of the many challenges that could have been expected to restrain the demand for farmland and the price producers are willing to pay for land," FCC chief economist J.P. Gervais said in a press release.

"It's a testament to the resilience and business confidence of farm operators who are largely driving this strong Canadian farmland market."

The average price of an Okanagan acre last year was \$29,700, while the price jumped 33.7% in the South Coast region to an average cost of \$134,700.

Gervais noted that Canada's agriculture industry is still facing uncertainty, since labor shortages, supply chain disruptions, geopolitical tensions, farm input inflation and incremental interest rate increases. At the same time, FCC is forecasting that receipts of grains, oilseeds and pulses in Canada will increase in 2022, fueled by strong demand and tight global supply.

The largest increase in land value occurred in Ontario, where the number jumped by 22.2% last year.

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