

Continuing with the 2022 Iowa Farmland Values blog series, we will use the 2021 Farmland Value Survey to highlight average farmland characteristics and production costs in and across **Adair, Madison, Warren, and Jasper Counties**. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

ADAIR COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

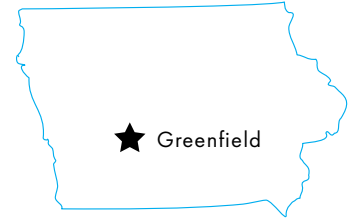
\$7,159 +27.1%
 SINCE 2020
 SURVEY

Average
 County CSR2

64

CSR2 Price Per
 Point Average

\$111.86



★ Greenfield

AVERAGE CASH RENT PER ACRE

\$213



Average
 Corn Yield
 (2017 - 2021)

168

Rent Per Bushel
 of Corn Yield

\$1.27



Average
 Soybean Yield
 (2017 - 2021)

51

Rent Per Bushel
 of Soybean Yield

\$4.18

CAP RATE

\$213 / \$7,159 → 2.98%

The average cap rate typically ranges from 2–6%, but is often around 3–4%. **FARMLAND** is a low cashflow business, but very high in appreciation. Overall, it's on par with the returns of the S&P 500, with far less volatility.

Data compiled from [*2021 ISU Land Value Survey conducted by the Center for Agricultural and Rural Development \(CARD\)](#) and [*Iowa State University Extension and Outreach File C2-10](#) in Ames, Iowa.

Of the **364,600** total acres in Adair County, the [average Corn Suitability Rating 2 \(CSR2\)](#) for the **334,850** acres of farmland within the county is 64 with an average 2021 farmland value of \$7,159 per acre, which is a 27.1% increase from \$5,634 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$7,159) by the Adair County CSR2 average (64), which equals \$111.86 per CSR2 point.

Average cash rent per tillable acre across Adair County is \$213 (\$186-\$241). The 2017-2021 average corn and soybean yield was 168 and 51 bushel per acre, respectively. The average rent per bushel of crop yield is calculated by cash rent divided by average crop yield expected, which is \$1.27 for corn and \$4.18 for soybeans. Commodity markets have continued to rise with current cash corn and soybean prices over \$7.50 and \$17.00 per bushel, respectively.

The capitalization rate, or also commonly referred to as cap rate, is the rate of return on a real estate property based on the income that the property is expected to generate for the landowner. The cap rate can help evaluate and compare the risk of one property or market to another, where it depends on demand, available inventory within the area, and specific type of property. The cap rate for Adair County, Iowa farmland is around 2.98%, or an expected return on investment of just shy of three percent.

SUCCESSFUL SALES IN ADAIR COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
1/8/22	Agricultural	\$1,336,251	165.48	\$8,075	59.4	137.81	\$163
1/12/22	Agricultural	\$1,611,900	199	\$8,100	63.06	150.2	\$170
3/15/22	Agricultural	\$920,000	80	\$11,500	67.4	71.84	\$190
3/23/22	Agricultural	\$2,389,000	160	\$14,932	73.9	145.5	\$222
5/6/22	Agricultural	\$1,360,000	160	\$8,500	65.0	142.11	\$147



Calculated from NRCS acreages and CSR2 values contained in ISPAID (Iowa Soil Properties and Interpretations Database) version 8.1 as of May 2017.

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