

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

GRUNDY COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

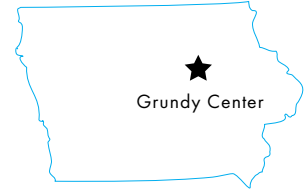
\$11,724 +26.8%
SINCE 2020
SURVEY

Average
County CSR2

86.9

CSR2 Price Per
Point Average

\$134.91



Grundy Center

AVERAGE CASH RENT PER ACRE

\$300



Average
Corn Yield
(2017 - 2021)

209

Rent Per Bushel
of Corn Yield

\$1.44



Average
Soybean Yield
(2017 - 2021)

62

Rent Per Bushel
of Soybean Yield

\$4.84

CAP RATE

\$300 / \$11,724 → 2.56%

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 [320,800](#) total acres in Grundy County, the average [Corn Suitability Rating 2 \(CSR2\)](#) for the [308,030](#) acres of farmland within the county is 86.9 with an average 2021 farmland value of \$11,724 per acre, which is a 26.8% increase from \$9,247 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$11,724) by the Grundy County CSR2 average (86.9), which equals \$134.91 per CSR2 point.

Average cash rent per tillable acre across Grundy County is \$300 (\$262–\$338). The 2017–2021 average corn and soybean yield was 209 and 62 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 \$1.44 for corn and \$4.84 for soybeans. Commodity markets have continued to rise with current cash corn and soybean prices just over \$6.50 and \$13.50 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 Grundy County, Iowa farmland is around 2.56%, or an expected return on investment of just over two and one-half percent.

SUCCESSFUL SALES IN GRUNDY COUNTY, IOWA:

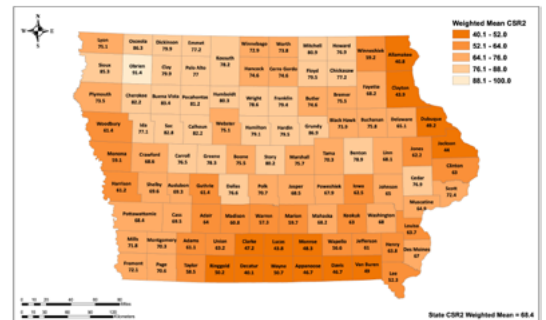
| Sale Date | Land Type | Total Sale Price | Gross Acres | \$/Per Acre | CSR2 | FSA Tillable Acres | \$/CSR2 |
|-----------|--------------|------------------|-------------|-------------|------|--------------------|---------|
| 3/3/22 | Agricultural | \$1,493,400 | 78.60 | \$19,000 | 92.4 | 69.81 | \$232 |
| 4/11/22 | Agricultural | \$2,045,041 | 156.11 | \$13,100 | 88.2 | 149.93 | \$155 |
| 6/7/22 | Agricultural | \$2,556,000 | 120 | \$21,300 | 92.3 | 117 | \$237 |
| 9/21/22 | Agricultural | \$4,189,196 | 200.40 | \$20,900 | 92.3 | 194.39 | \$234 |
| 9/30/22 | Agricultural | \$1,225,049 | 76.09 | \$16,100 | 77.2 | 73.05 | \$217 |
| 10/27/22 | Agricultural | \$981,000 | 45 | \$21,800 | 92.5 | 44.1 | \$240 |



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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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