

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 Hamilton, Hardin, Marshall, and Grundy Counties. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

HARDIN COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

\$10,960 +28.5% SINCE 2020 SURVEY / Average County CSR2 **79.5** → CSR2 Price Per Point Average **\$137.86**

AVERAGE CASH RENT PER ACRE

\$269



Average Corn Yield (2017 - 2021)

196

Rent Per Bushel of Corn Yield

\$1.37

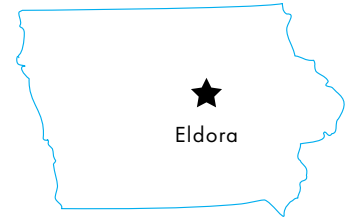


Average Soybean Yield (2017 - 2021)

58

Rent Per Bushel of Soybean Yield

\$4.64



Eldora

CAP RATE

\$269 / \$10,960 → 2.45%

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 [364,400](#) total acres in Hardin County, the average [Corn Suitability Rating 2 \(CSR2\)](#) for the [336,611](#) acres of farmland within the county is 79.5 with an average 2021 farmland value of \$10,960 per acre, which is a 28.5% increase from \$8,531 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$10,960) by the Hardin County CSR2 average (79.5), which equals \$137.86 per CSR2 point.

Average cash rent per tillable acre across Hardin County is \$269 (\$226-\$315). The 2017-2021 average corn and soybean yield was 196 and 58 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 \$1.37 for corn and \$4.64 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 Hardin County, Iowa farmland is around 2.45%, or an expected return on investment of just shy of two and one-half percent.

SUCCESSFUL SALES IN HARDIN COUNTY, IOWA:

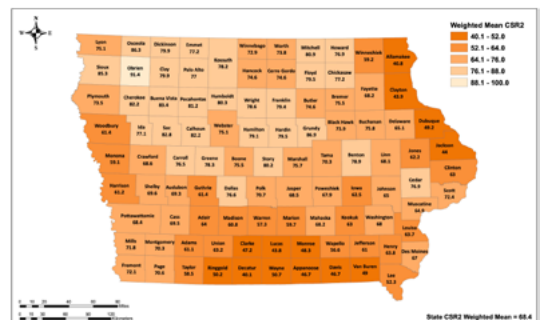
Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
1/20/22	Agricultural	\$2,773,050	199.5	\$13,900	86.4	193.34	\$166
1/21/22	Agricultural	\$592,000	40	\$14,800	85.2	39	178
3/15/22	Agricultural	\$1,100,000	80	\$13,750	84.4	78.69	\$166
4/14/22	Agricultural	\$2,240,000	175	\$12,800	87.9	163.7	\$156
4/19/22	Agricultural	\$540,000	40	\$13,500	78.5	40	\$172
10/14/22	Agricultural	\$1,547,000	119	\$13,000	89.0	114.24	\$152



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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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