

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.

MADISON COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

\$7,839

+ 25.7%
 SINCE 2020
 SURVEY

Average
 County CSR2

60.8

CSR2 Price Per
 Point Average

\$128.93



AVERAGE CASH RENT PER ACRE

\$214



Average
 Corn Yield
 (2017 - 2021)

177

Rent Per Bushel
 of Corn Yield

\$1.21



Average
 Soybean Yield
 (2017 - 2021)

53

Rent Per Bushel
 of Soybean Yield

\$4.04

CAP RATE

\$214 / \$7,839 → 2.73%

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 360,400 total acres in Madison County, the average [Corn Suitability Rating 2 \(CSR2\)](#) for the 271,017 acres of farmland within the county is 60.8 with an average 2021 farmland value of \$7,839 per acre, which is a 25.7% increase from \$6,236 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$7,839) by the Madison County CSR2 average (60.8), which equals \$128.93 per CSR2 point.

Average cash rent per tillable acre across Madison County is \$214 (\$179-\$254). The 2017-2021 average corn and soybean yield was 177 and 53 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 \$1.21 for corn and \$4.04 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 Madison County, Iowa farmland is around 2.73%, or an expected return on investment around two and three-quarters percent.

SUCCESSFUL SALES IN MADISON COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/22/21	Agricultural	\$1,468,800	152.92	\$9,605	82.9	142.75	\$124
3/7/22	Agricultural	\$880,000	139.95	\$6,288	47.6	109.94	\$168
3/19/22	Agricultural	\$1,250,000	144.39	\$8,657	76.7	110.64	\$136
3/19/22	Agricultural	\$1,290,980	75.94	\$17,000	92.2	73.96	\$189
3/31/22	Agricultural	\$513,400	34	\$15,100	91.5	33.17	\$169



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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