

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 Story, Polk, Tama, and Benton Counties. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

POLK COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

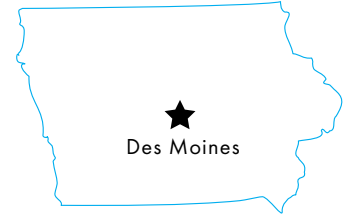
\$10,373 +26.1%
 SINCE 2020 SURVEY

Average County CSR2

70.7

CSR2 Price Per Point Average

\$146.72



CAP RATE

\$256 / \$10,373 → **2.47%**

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.

AVERAGE CASH RENT PER ACRE

\$256



Average Corn Yield (2017 - 2021)

190

Rent Per Bushel of Corn Yield

\$1.35



Average Soybean Yield (2017 - 2021)

55

Rent Per Bushel of Soybean Yield

\$4.65

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 **378,800** total acres in Polk County, the average [Corn Suitability Rating 2 \(CSR2\)](#) for the **193,780** acres of farmland within the county is 70.7 with an average 2021 farmland value of \$10,373 per acre, which is a 26.1% increase from \$8,225 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$10,373) by the Polk County CSR2 average (70.7), which equals \$146.72 per CSR2 point.

Average cash rent per tillable acre across Polk County is \$256 (\$220-\$298). The 2017-2021 average corn and soybean yield was 190 and 55 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 \$1.35 for corn and \$4.65 for soybeans. Current commodity markets for cash corn and soybean prices are around \$6.50 and \$14.50 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 Polk County, Iowa farmland is around 2.47%, or an expected return on investment of just shy of two and one-half percent.

SUCCESSFUL SALES IN POLK COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/1/21	Agricultural	\$2,646,000	189	\$14,000	85.1	164.78	\$189
12/27/21	Agricultural	\$1,585,000	117	\$13,548	86.0	116.61	\$158
1/31/22	Agricultural	\$2,568,810	221.53	\$11,600	84.6	192.04	\$158
3/11/22	Agricultural	\$980,000	76.8	\$12,760	89.0	76.75	\$143
4/12/22	Agricultural	\$2,400,000	240	\$10,000	81.2	152.18	-



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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