

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 Carroll, Crawford, Shelby, and Audubon Counties. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

SHELBY COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

\$10,237 +30.0%
SINCE 2020
SURVEY

Average
County CSR2

69.6



CSR2 Price Per
Point Average

\$147.08



AVERAGE CASH RENT PER ACRE

\$276



Average
Corn Yield
(2017 - 2021)

201



Rent Per Bushel
of Corn Yield

\$1.37



Average
Soybean Yield
(2017 - 2021)

57



Rent Per Bushel
of Soybean Yield

\$4.84

CAP RATE

\$276 / \$10,237 → **2.70%**

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 378,300 total acres in Shelby County, the average Corn Suitability Rating 2 (CSR2) for the 370,551 acres of farmland within the county is 69.6 with an average 2021 farmland value of \$10,237 per acre, which is a 30% increase from \$7,789 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$10,237) by the Shelby County CSR2 average (69.6), which equals \$147.08 per CSR2 point.

Average cash rent per tillable acre across Shelby County is \$276 (\$241-\$313). The 2017-2021 average corn and soybean yield was 201 and 57 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 \$4.84 for soybeans. Current commodity markets for cash corn and soybean prices are around \$6.25 and \$14.25 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 Shelby County, Iowa farmland is around 2.70%, or an expected return on investment of just shy of two and three-quarters percent.

SUCCESSFUL SALES IN SHELBY COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/29/21	Agricultural	\$1,263,570	76.58	\$16,500	77.2	76.58	\$214
1/14/22	Agricultural	\$2,028,000	160	\$12,675	64.5	148.77	\$211
3/10/22	Agricultural	\$840,000	80	\$10,500	57.1	68.96	\$213
3/29/22	Agricultural	\$1,936,605	119.2	\$16,247	74.5	114.11	\$228
4/28/22	Agricultural	\$1,991,200	152	\$13,100	70.8	146.12	\$192



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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