

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.

## STORY COUNTY, IOWA

### 2021 AVERAGE FARMLAND VALUE

**\$11,487** +25.7% SINCE 2020 SURVEY

Average County CSR2

**80.2**

CSR2 Price Per Point Average

**\$143.23**

### AVERAGE CASH RENT PER ACRE

**\$275**



Average Corn Yield (2017 - 2021)

**186**

Rent Per Bushel of Corn Yield

**\$1.48**



Average Soybean Yield (2017 - 2021)

**55**

Rent Per Bushel of Soybean Yield

**\$5.00**



Nevada

### CAP RATE

**\$275 / \$11,487 → 2.39%**

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 **367,200** total acres in Story County, the average **Corn Suitability Rating 2 (CSR2)** for the **304,022** acres of farmland within the county is 80.2 with an average 2021 farmland value of \$11,487 per acre, which is a 25.7% increase from \$9,139 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$11,487) by the Story County CSR2 average (80.2), which equals \$143.23 per CSR2 point.

Average cash rent per tillable acre across Story County is \$275 (\$245-\$309). The 2017-2021 average corn and soybean yield was 186 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 \$1.48 for corn and \$5.00 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 Story County, Iowa farmland is around 2.39%, or an expected return on investment of just shy of two and one-half percent.

### SUCCESSFUL SALES IN STORY COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
1/6/22	Agricultural	\$1,249,857	81.69	\$15,300	87.7	73.79	\$193
2/9/22	Agricultural	\$1,820,258	115.94	\$15,700	88.6	113.58	\$177
3/3/22	Agricultural	\$1,520,000	80	\$19,000	86	76.28	\$232
5/18/22	Agricultural	\$1,178,980	107.18	\$11,000	72.3	101.99	\$160
5/27/22	Agricultural	\$2,266,152	154.16	\$14,700	79.4	140.30	\$203



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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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