

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.

WARREN COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

\$9,021

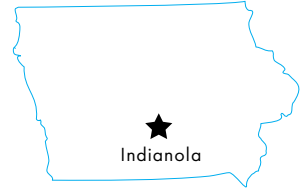
+29.2%
 SINCE 2020
 SURVEY

Average
 County CSR2

57.3

CSR2 Price Per
 Point Average

\$157.43



AVERAGE CASH RENT PER ACRE

\$215



Average
 Corn Yield
 (2017 - 2021)

172

Rent Per Bushel
 of Corn Yield

\$1.25



Average
 Soybean Yield
 (2017 - 2021)

51

Rent Per Bushel
 of Soybean Yield

\$4.22

CAP RATE

\$215 / \$9,021 → 2.38%

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 366,900 total acres in Warren County, the average [Corn Suitability Rating 2 \(CSR2\)](#) for the 247,153 acres of farmland within the county is 57.3 with an average 2021 farmland value of \$9,021 per acre, which is a 29.2% increase from \$6,982 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$9,021) by the Warren County CSR2 average (57.3), which equals \$157.43 per CSR2 point.

Average cash rent per tillable acre across Warren County is \$215 (\$188-\$245). The 2017-2021 average corn and soybean yield was 172 and 51 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 \$1.25 for corn and \$4.22 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 Warren County, Iowa farmland is around 2.38%, or an expected return on investment of just shy of two and one-half percent.

SUCCESSFUL SALES IN WARREN COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
11/3/21	Agricultural/Development	\$880,000	80	\$11,000	58.7	73.88	\$203
2/11/22	Agricultural/Development	\$1,192,240	85.16	\$14,000	87.2	81.79	\$167
2/25/22	Agricultural/Development	\$901,320	75	\$12,018	84.0	73	\$147



Calculated from NRCS acreages and CSR2 values contained in ISPAID (Iowa Soil Properties and Interpretations Database) version 8.1 as of May 2017.

 **Matt Adams** | 515.423.9235
 Matt@PeoplesCompany.com

 **Doug Bear** | 515.745.3192
 Doug.Bear@PeoplesCompany.com

12119 Stratford Drive, Suite B
 Clive, IA 50325

PeoplesCompany.com
855.800.LAND