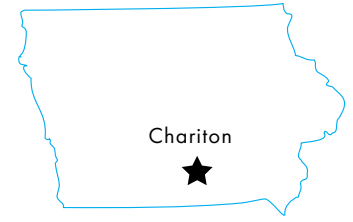
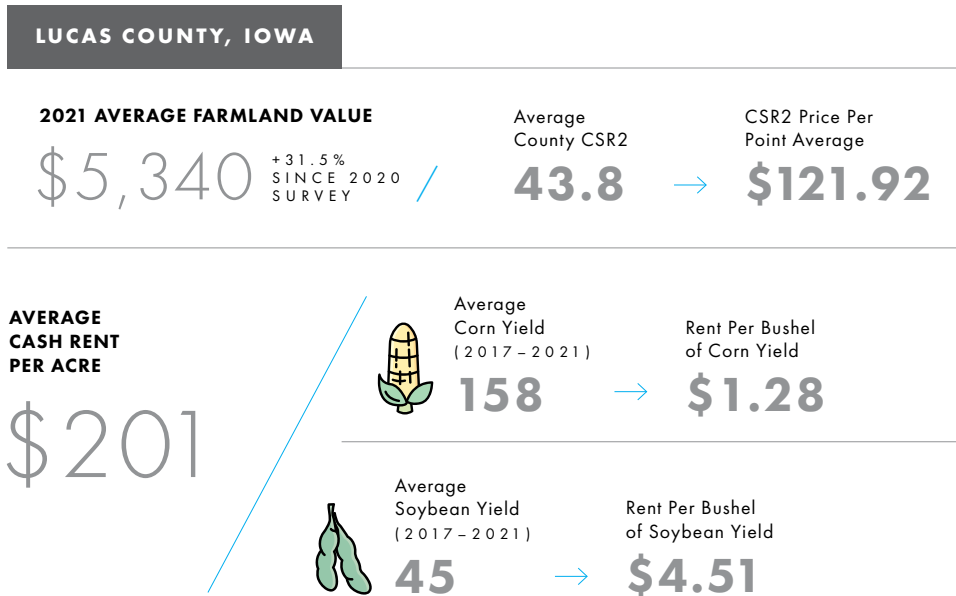


Continuing with the Iowa Farmland Values blog series, we will use the 2021 Farmland Value Survey to highlight average farmland characteristics and production costs in and across Lucas, Clarke, Decatur, and Wayne Counties. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.



**CAP RATE**  
 \$201 / \$5,340 → **3.80%**

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 **278,300** total acres in Lucas County, the average **Corn Suitability Rating 2 (CSR2)** for the **175,437** acres of farmland within the county is 43.8 with an average 2021 farmland value of \$5,340 per acre, which is a 31.5% increase from \$4,061 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$5,340) by the Lucas County CSR2 average (43.8), which equals \$121.92 per CSR2 point.

Average cash rent per tillable acre across Lucas County is \$201 (\$159-\$248). The 2017-2021 average corn and soybean yield was 158 and 45 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 \$1.28 for corn and \$4.51 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 Lucas County, Iowa farmland is around 3.80%, or an expected return on investment of just over of three and three-quarters percent.

**SUCCESSFUL SALES IN LUCAS COUNTY, IOWA:**

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/09/21	Agricultural	\$912,000	160	\$5,700	61.4	135.23	\$110
1/21/22	Agricultural	\$194,000	20	\$9,700	80	19.07	\$127
1/21/22	Agricultural	\$292,000	40	\$7,300	49.4	35.12	\$168
3/30/22	Agricultural	\$319,000	42	\$7,595	54.4	37.08	\$158
4/29/22	Recreational	\$1,352,000	260	\$5,200	52.5	93.25	-



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**