

Starting our 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 Dallas, Boone, Greene, and Guthrie Counties. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

BOONE COUNTY, IOWA

2021 AVERAGE FARMLAND VALUE

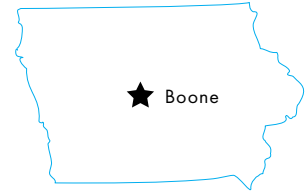
\$11,177 +25.7%
SINCE 2020
SURVEY

Average
County CSR2

75.5

CSR2 Price Per
Point Average

\$148.04



AVERAGE CASH RENT PER ACRE

\$262



Average
Corn Yield
(2017 - 2021)

190

Rent Per Bushel
of Corn Yield

\$1.38



Average
Soybean Yield
(2017 - 2021)

56

Rent Per Bushel
of Soybean Yield

\$4.68

CAP RATE

\$262 / \$11,177 → 2.34%

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 Boone County, the average Corn Suitability Rating 2 (CSR2) for the 315,061 acres of farmland within the county is 75.5 with an average 2021 farmland value of \$11,177 per acre, which is a 25.7% increase from \$8,890 since 2020. To determine the CSR2 price per point average, divide the average farmland value (\$11,177) by the Boone County CSR2 average (75.5), which equals \$148.04 per CSR2 point.

Average cash rent per tillable acre across Boone County is \$262 (\$232-\$297). The 2017-2021 average corn and soybean yield was 190 and 56 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 \$1.38 for corn and \$4.68 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 Boone County, Iowa farmland is around 2.34%, or an expected return on investment of just over two and one-quarter percent.

SUCCESSFUL SALES IN BOONE COUNTY, IOWA:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
01/10/22	Agricultural	\$2,675,000	200	\$13,375	87.7	186.25	\$164
01/20/22	Agricultural	\$853,600	73.29	\$11,647	78.8	70.72	\$153
01/28/22	Agricultural	\$2,200,000	159.52	\$13,791	83.9	158.12	\$166
02/28/22	Agricultural	\$860,000	74.39	\$11,561	74.7	74.39	\$155
03/02/22	Agricultural	\$2,504,488	153.74	\$16,290	83.0	153.13	\$197



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