



Farmland Appraisal Services

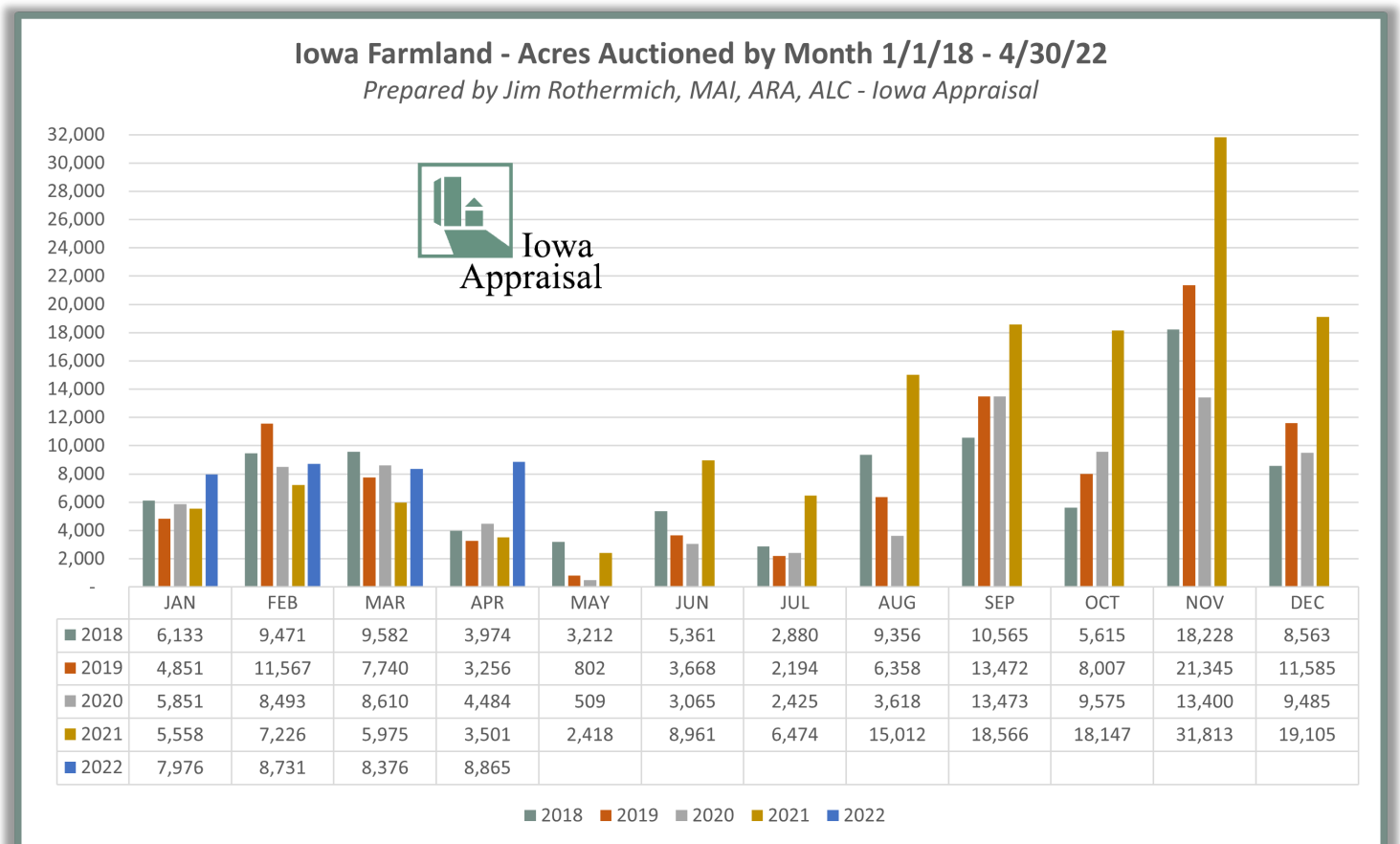
Provided by **Jim Rothermich, MAI, ARA, ALC** - Vice President

Known as “*the Land Talker*,” Jim has nearly three decades of experience in the fields of agricultural economics, farm production, and land appraisals. His appraisal specialty is grain and livestock facilities.

MARKET COMMENTARY - APRIL 2022

Greetings! Planting is happening at a snail’s pace. The U.S.D.A. reported Iowa has 2% of corn and 1% of soybeans planted as of 4/25/22, both well below 5-year averages for this time of year. Furthering delays, the extended forecast anticipates more rain. Acres can get planted in a hurry once weather is favorable, so though very frustrating, there is still plenty of time to get planting done.

My auction data indicates a high volume of land was auctioned in April, which is surprising. At 8,865 acres, April 2022 exceeded the typical range of 3,500-4,500 acres for April. High prices continue pushing land to the market.



Rising interest rates are getting a lot of attention. On the following page is an interesting visual of U.S. interest rates over the past 200 years.

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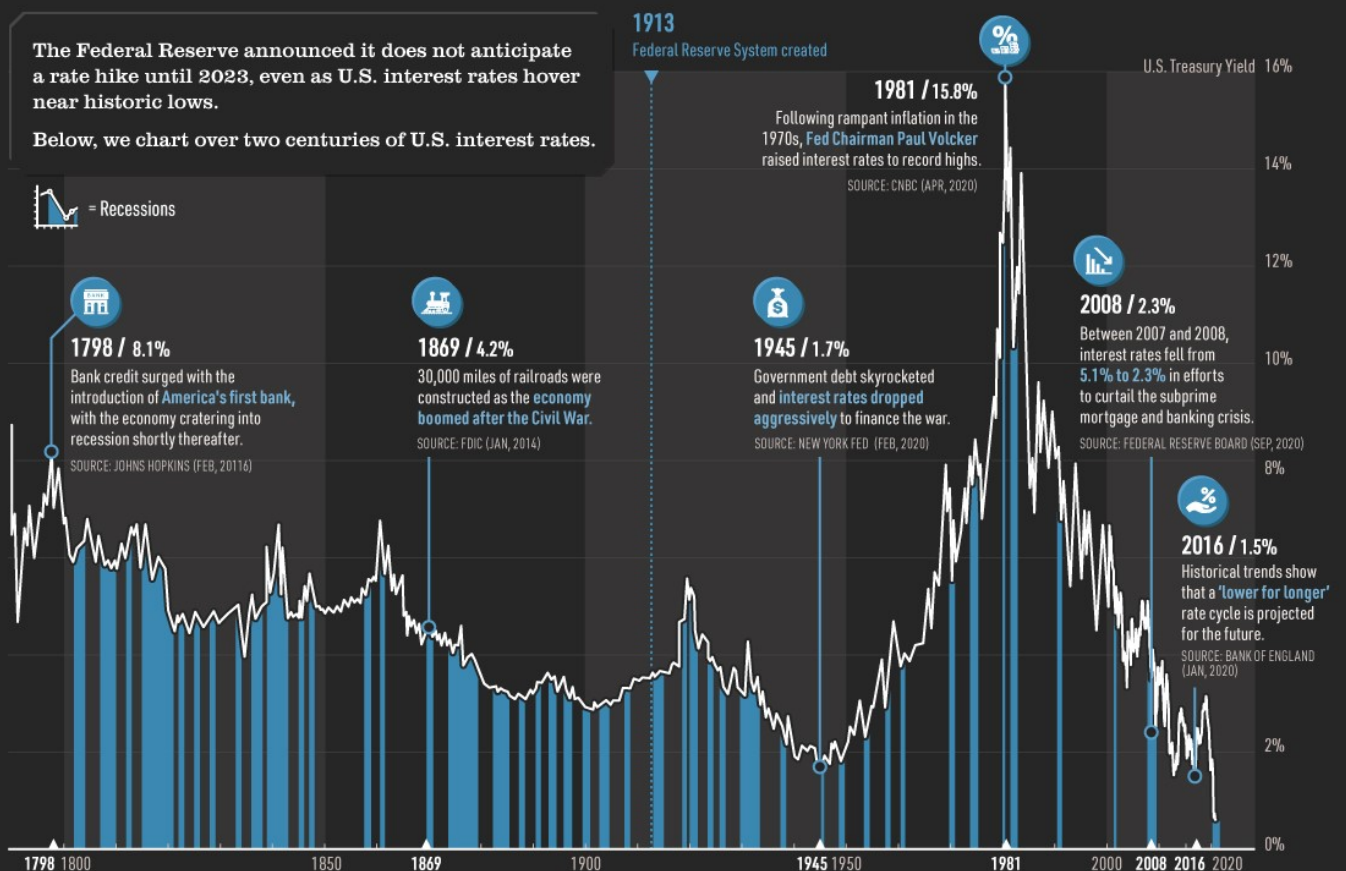
MARKET COMMENTARY CONTINUED - APRIL 2022

200 YEARS OF INTEREST RATES IN THE U.S.

The Federal Reserve announced it does not anticipate a rate hike until 2023, even as U.S. interest rates hover near historic lows.

Below, we chart over two centuries of U.S. interest rates.

= Recessions



SOURCE: GOLDMAN SACHS GLOBAL INVESTMENT RESEARCH VIA ISABELNET (MAY, 2019), FEDERAL RESERVE BOARD (SEP, 2020), NBER (JULY, 2020), NBER (1986), NBER (1926)

10-YEAR TREASURY YIELD

The 10-Year Treasury Yield is a prime mover for U.S. interest rates. It indicates the price of debt backed by the U.S. government, the country's safest issuer of capital.

On average, interest rate cycles have lasted 22-27 years.

ALL-TIME HIGH
Sep 1981
15.8%

ALL-TIME LOW
Aug 2020
0.5%

SOURCE: U.S. DEPARTMENT OF THE TREASURY (SEP, 2020)



Source: Goldman Sachs Global Investment Research via IsabelNet (May, 2019)
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<https://advisor.visualcapitalist.com/us-interest-rates/>

When are rising interest rates going to affect land prices? According to farm realtors they haven't shown up in the land market so far, but it is a concern. Interest rates are only one component that drives land prices, but they are not the major factor. I think historically high commodity prices are currently the main driving force for increasing land values, with inflation

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MARKET COMMENTARY CONTINUED - APRIL 2022

second. Owning land is considered a hedge against inflation and is driving buyers to the market, particularly buyers with high equity positions. Historically, current interest rates are still low.

Per recent conversations with residential realtors, I do think interest rate hikes have started affecting the housing market. If this is long-term, development will either slow or stop, and will eventually decrease the number of 1031 Exchange buyers who have been aggressive bidders at auction. Time will tell how these buyers will fare in a slower housing market, but for now, I expect them to continue being aggressive at auctions for the rest of 2022.

Below are cash prices of corn and soybeans, which are highly correlated to land prices, current and one year ago. This is the first time I've reported corn over \$8/bushel!

	<u>Date</u>	<u>Price</u>	<u>Source</u>
Cash Price Corn	5/2/2022	\$8.12/bushel	Poet - Menlo, IA
Cash Price Soybeans	5/2/2022	\$16.55/bushel	ADM - Des Moines, IA
Cash Price Corn	5/3/2021	\$7.27/bushel	Flint Hills Resources - Menlo, IA
Cash Price Soybeans	5/3/2021	\$15.52/bushel	ADM - Des Moines, IA

"That's my story and I am sticking to it!"

Jim, "the Land Talker"



Iowa Land Auction Results - April 2022

This list includes auctions conducted by various auction firms throughout the State of Iowa not affiliated with Iowa Appraisal. CSR-2 soil rating is calculated on tillable acres of each tract of land.

Contact Jim Rothermich if you would like additional information on these transactions.

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
04/01/22	Allamakee	Tillable	130	Undisclosed	89.9	127.25	-
04/01/22	Allamakee	Tillable	60	Undisclosed	78.2	60	-
04/01/22	Allamakee	Tillable	85	Undetermined	80.5	43.97	-
04/01/22	Sioux	Tillable	65	\$20,500	87.4	60.44	\$252
04/01/22	Worth	Tillable	91	\$8,400	72.7	77.64	\$135
04/01/22	Allamakee	Tillable	73.50	\$10,000	58.7	67.47	\$186
04/01/22	Allamakee	Tillable-Recreation	203.07	\$7,300	55.7	152.52	\$174
04/01/22	Allamakee	Tillable	149.92	\$12,000	68.6	137.69	\$190
04/01/22	Clayton	Tillable	108.01	\$7,100	30.5	101.92	\$247
04/02/22	Carroll	Tillable	116.17	\$15,000	75.4	109.46	\$211
04/04/22	Sioux	Tillable	80.00	\$16,700	86.4	77.74	\$199
04/04/22	Shelby	Tillable	249.30	\$9,800	69.9	232.94	\$150

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
04/05/22	Story	Tillable-Development	73.50	\$18,300	87.4	68	\$226
04/05/22	Des Moines	Tillable	70.31	\$7,376	61.2	52.56	\$161
04/06/22	Henry	CRP-Recreation	161.28	\$4,800	49.8	72.58	-
04/06/22	Henry	CRP-Recreation	29.50	\$8,000	47.9	24.37	\$202
04/06/22	Keokuk	Tillable	40	\$4,250	42.6	26.42	-
04/06/22	Clay	Tillable	81.67	\$16,700	93.2	78.65	\$186
04/07/22	Benton	Tillable	36.98	\$14,621	81.8	35.66	\$185
04/07/22	Iowa	Tillable	80	\$11,000	83.3	65.52	\$161
04/07/22	Dubuque	Tillable	180.74	\$18,600	73.7	166.36	\$274
04/07/22	Dubuque	Tillable	38.39	\$21,000	77.8	38	\$272
04/07/22	Mills	Tillable	176.1	\$9,800	95.7	172.3	\$105
04/08/22	Franklin	Tillable-CRP-Wetland	80.0	\$11,800	81.4	77.18	\$150
04/08/22	Franklin	CRP	36	\$6,000	48.5	34.8	\$128
04/08/22	Franklin	Tillable	72	\$13,600	83.9	70.56	\$165
04/09/22	Clarke	Hay-Recreation	20.0	\$5,500	33	15.6	-
04/09/22	Clarke	CRP-Tillable	60	\$6,750	52.5	56.9	\$136
04/09/22	Hancock	Pasture	79.00	\$4,200	-	-	-
04/09/22	Warren	Golf Course	225.40	\$8,200	-	-	-
04/09/22	Monroe	Recreation-CRP	93.00	\$4,950	49.1	41.5	-
04/11/22	Grundy	Tillable	156.11	\$13,100	88.2	149.93	\$155
04/12/22	Pottawattamie	Tillable	307.38	\$12,200	77.3	285.67	\$170
04/12/22	Taylor	Tillable-Recreation	170.00	\$6,600	60.3	101	-
04/12/22	O'Brien	Tillable	60.27	\$20,450	91.7	56.82	\$237
04/12/22	Clay	Tillable	240.00	\$20,100	96	226.48	\$222
04/12/22	Clay	Tillable	160.00	\$19,700	95.2	147.29	\$225
04/13/22	Buena Vista	Tillable	170.00	\$14,000	83.2	166.80	\$171
04/13/22	Buena Vista	Tillable	152.00	\$13,300	79.9	146.80	\$172
04/13/22	Buena Vista	Tillable	164.29	\$14,600	86.8	161.1	\$172
04/13/22	Buena Vista	Tillable	56.64	\$14,600	88.1	53.51	\$175
04/13/22	Buena Vista	Tillable	54.88	\$14,400	86.2	52.50	\$175
04/13/22	Buena Vista	Tillable	80.00	\$15,100	87.6	78.1	\$177
04/13/22	Buena Vista	Tillable	162.19	\$14,100	84.5	153.53	\$176
04/13/22	Sac	Tillable	80.00	\$19,000	85.5	76.43	\$233
04/13/22	Keokuk	Tillable	60.80	\$10,000	62.7	57.61	\$168
04/13/22	Keokuk	Tillable	145.26	\$10,000	69.2	136.23	\$154
04/13/22	Keokuk	Tillable	26.43	\$12,400	70.7	26.09	\$178
04/13/22	Keokuk	Tillable	33.20	\$15,700	83.2	33.20	\$189
04/13/22	Hardin	Tillable	175.00	\$12,800	87.9	163.70	\$156
04/14/22	Jasper	CRP	78.46	Cancelled	75.4	63.43	-

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
04/14/22	Mahaska	Pasture	98.75	\$5,650	50.9	94.00	\$117
04/14/22	Mitchell	Tillable	151.81	\$15,000	88	148.00	\$175
04/14/22	Mitchell	Tillable	150.49	\$11,900	71.1	146	\$173
04/14/22	Howard	CRP-Sand-Gravel	185.00	Undisclosed	55.8	72.3	-
04/14/22	Buchanan	Tillable	60.00	\$10,300	71.2	52.1	\$167
04/14/22	Buchanan	Tillable	134.00	\$7,650	51.9	130.55	\$151
04/15/22	Jasper	Tillable	163.00	\$13,200	70.2	147.68	\$208
04/15/22	Decatur	Tillable	279.30	\$5,900	64.1	223.26	\$115
04/18/22	Harrison	Pasture	160.00	\$9,950	52.7	130.69	\$231
04/19/22	Story	Tillable	154.16	\$14,700	79.4	140	\$203
04/20/22	Worth	CRP-Tillable	100.00	\$5,010	59	81.81	\$104
04/20/22	Worth	Tillable	118.02	\$8,083	68.8	113.19	\$123
04/20/22	Worth	CRP-Tillable	140.00	\$5,032	73.1	124.56	\$77
04/21/22	Howard	CRP-Tillable	130.00	\$8,787	68.7	125.1	\$133
04/23/22	Carroll	Pasture	36.00	\$6,200	-	-	-
04/25/22	Sioux	Tillable	41.43	\$23,500	90.4	39.41	\$273
04/25/22	Sioux	Tillable	104.99	\$22,700	88.1	104.19	\$260
04/26/22	Greene	Tillable	117.37	\$16,200	85.5	117.37	\$189
04/26/22	Greene	Tillable	44.76	\$17,025	87.6	44.76	\$194
04/26/22	Dallas	Tillable	80.00	\$17,100	87.9	74.82	\$208
04/26/22	Dallas	Tillable	80.00	\$16,100	87.6	76.62	\$192
04/26/22	Greene	Tillable	159.00	\$5,100	65.4	89.02	-
04/27/22	Linn	Tillable	35.70	\$14,975	70.6	33.5	\$226
04/27/22	Dallas	Tillable	74.90	\$7,534	59.5	64.96	\$146
04/27/22	Allamakee	Tillable	76.35	\$9,600	53.4	64.7	\$212
04/28/22	Shelby	Tillable	152.00	\$13,100	70.8	146.12	\$192
04/29/22	Lucas	Recreation-CRP	260.00	\$5,200	52.5	93.25	-
TOTAL			8,865			7,361	

Farmland Appraisal Services

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