



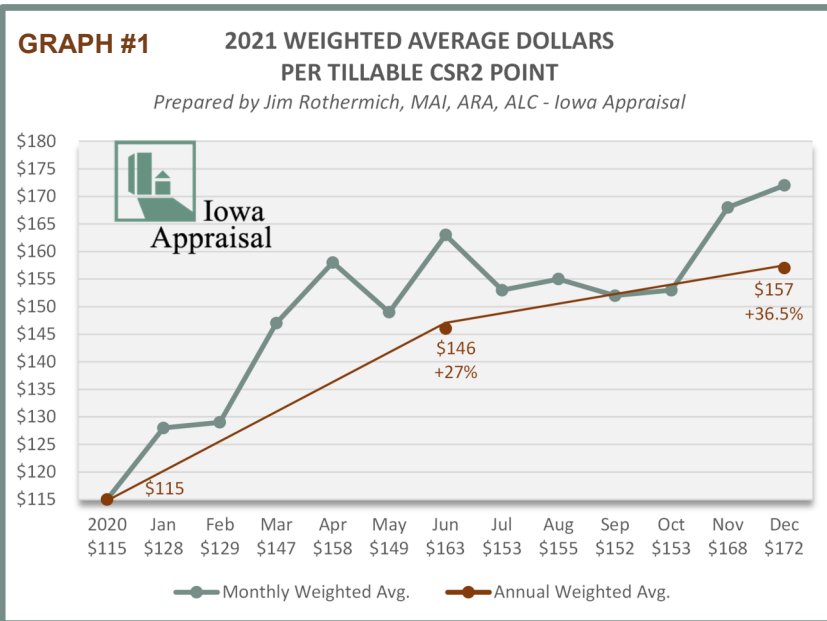
Farmland Appraisal Services

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.

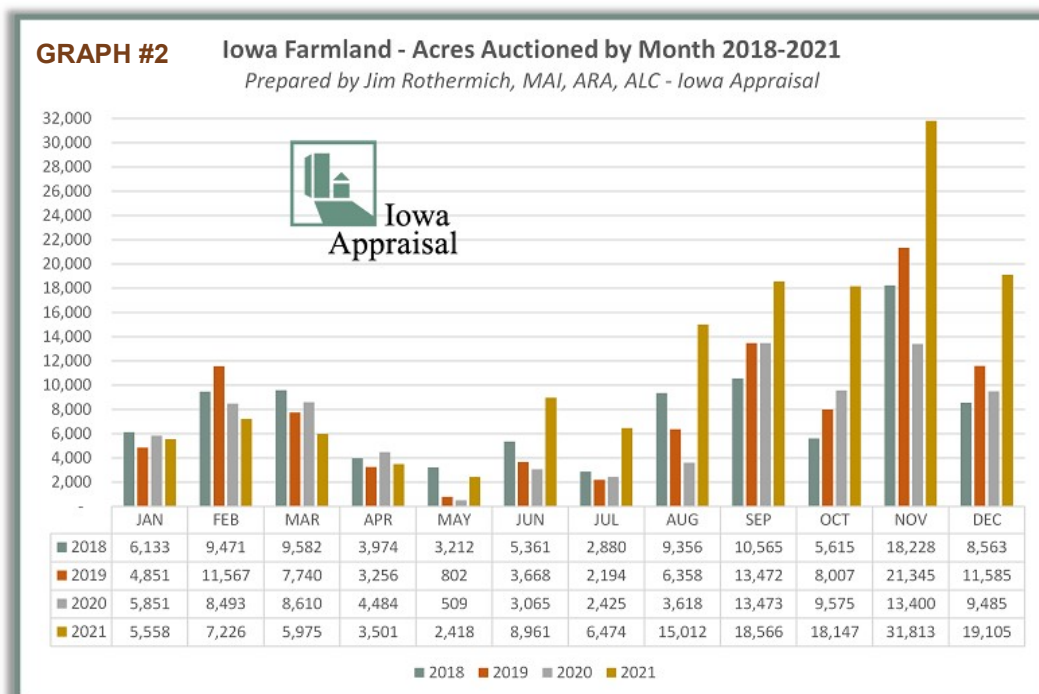
MARKET COMMENTARY - JANUARY 2022

Greetings! Auction activity continues to be very active in the new year and January is above the historical trend for this month. The typical number of acres auctioned in January ranges from 5-6,000. January 2022 boasted 7,976 acres, up 43.5% from January 2021.



Market conditions were intensely aggressive in 2021. Using parameters of 35 acres or more per tract, and tillable land at 80% or higher, auction data indicates a 36.5% increase in dollars per CSR2 point from year end 2020 to year end 2021. Most of the increase in market conditions occurred in the first six months of the year, with weighted average dollars per tillable CSR2 point up 27% as of June 30.

Focusing on 2021 in **GRAPH #2** below (yellow), the market was starving for acres the first half of the year, but finally reacted in June to higher prices and fear of a potential increase in estate taxes. **Acres going to auction were far beyond average for the remainder of the year.**



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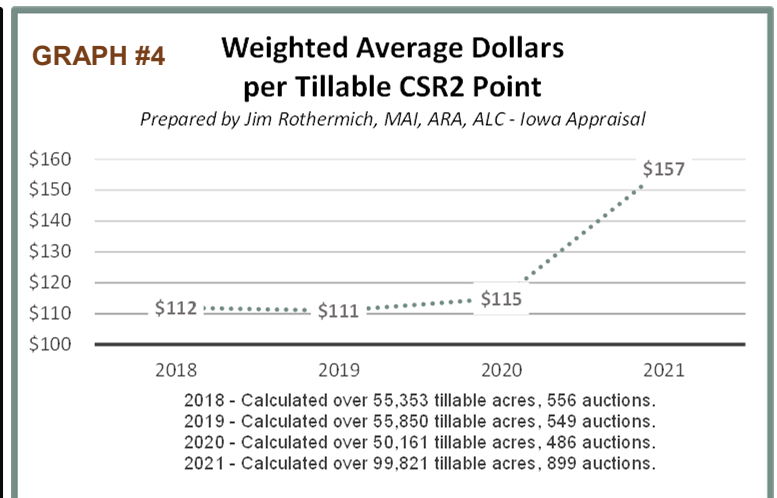
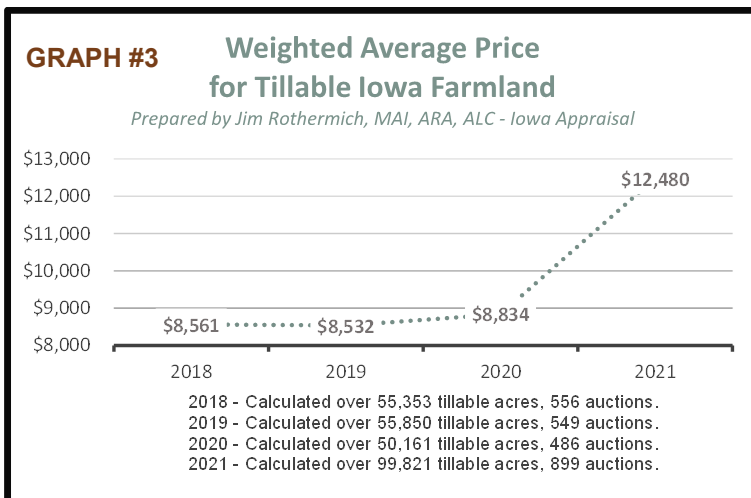




MARKET COMMENTARY CONTINUED - JANUARY 2022

Prices “leveled” from July to October, running between \$150-\$155 per point. Then came November, typically the beginning of the selling season as harvest is mostly in the grain bin. However, 2021 brought an unprecedented number of acres to auction in November and December. With that said, notice how prices started moving up again (**GRAPH #1**). Market conditions increased 11.5% the last two months of the year while a historical number of acres went to auction. Concern crept in as we wondered if the market could absorb that much land. The market devoured those acres delivering another increase in prices. The demand to buy land was like no other time in Iowa history.

Another interesting data point is the average price for tillable farmland. 2021 auction data suggests the average price of Iowa tillable land is \$12,480/acre, or \$157/CSR2. Note how flat the market was from 2018 to 2020.



Here are prices by crop reporting district:

GRAPH #5

	Dollars per Tillable Acre (Weighted Avg.)			
	2021	2020	2019	2018
Statewide	\$12,480	\$8,834	\$8,532	\$8,561
Central District	\$13,319	\$9,384	\$9,384	\$8,758
East Central District	\$13,015	\$10,238	\$9,944	\$8,905
North Central District	\$11,978	\$7,785	\$7,937	\$8,396
Northeast District	\$12,831	\$9,083	\$7,761	\$8,358
Northwest District	\$14,083	\$10,161	\$9,388	\$10,123
South Central District	\$8,810	\$6,230	\$5,556	\$6,373
Southeast District	\$10,991	\$8,347	\$7,897	\$8,342
Southwest District	\$10,140	\$6,562	\$6,562	\$6,609
West Central District	\$11,919	\$8,880	\$8,542	\$8,290

GRAPH #6

	Dollars per Tillable CSR2 Point (Weighted Avg.)			
	2021	2020	2019	2018
Statewide	\$157	\$115	\$111	\$112
Central District	\$162	\$113	\$113	\$114
East Central District	\$173	\$129	117	\$124
North Central District	\$151	\$102	101	\$104
Northeast District	\$163	\$116	100	\$110
Northwest District	\$158	\$123	119	\$120
South Central District	\$142	\$101	\$93	\$95
Southeast District	\$146	\$118	\$116	\$115
Southwest District	\$145	\$101	\$94	\$95
West Central District	\$160	\$122	\$112	\$112

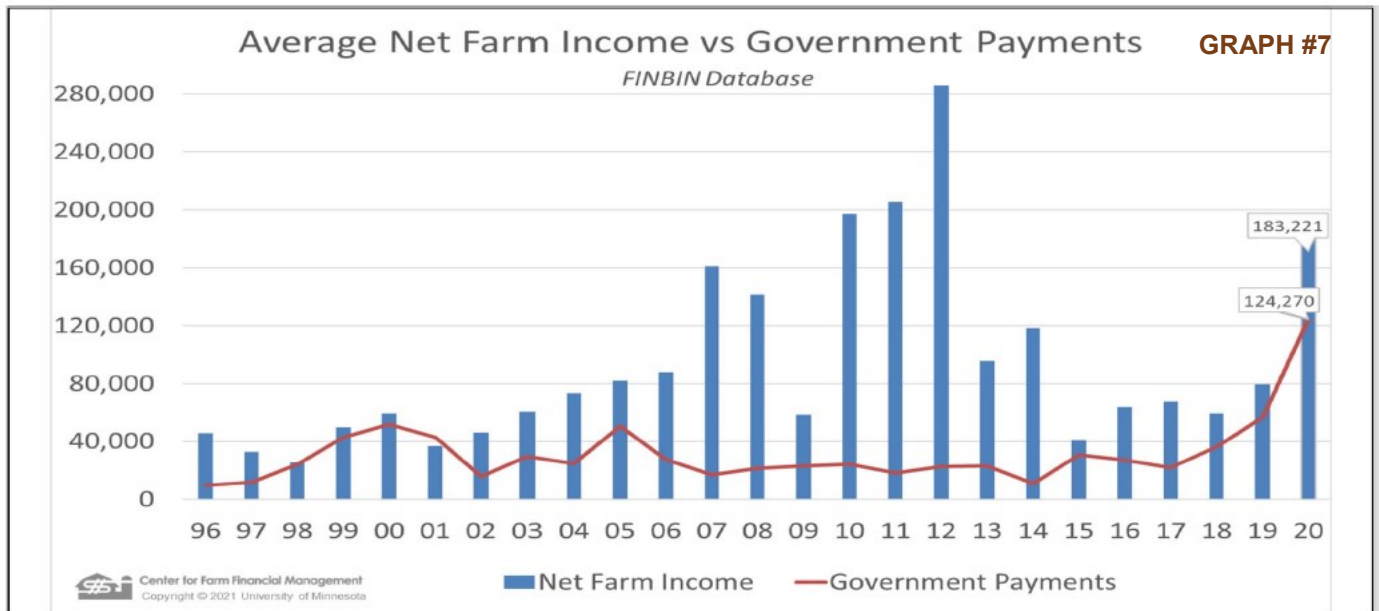
As I reflect on the historical year of 2021, there were several factors that influenced the intensely aggressive market conditions. In my opinion, the biggest was the infusion of government payments which quickly drove prices to historical levels (see **GRAPH #7**). There is still a lot of cash out in the country looking for a home. I expect market conditions to level but continue strongly, and more sales at \$20,000/acre and higher (not just in Northwest Iowa). Interest rates will likely go up (I am hearing 0.25%-0.50% for the next 4+ quarters). I think the market can handle increased interest rates in 2022. Time will tell for 2023 and beyond.

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MARKET COMMENTARY CONTINUED - JANUARY 2022



Cash price of corn and soybeans (current and one year ago), which is highly correlated to land prices:

	<u>Date</u>	<u>Price</u>	<u>Source</u>
Cash Price Corn	2/1/2022	\$6.18/bushel	Poet - Menlo, IA
Cash Price Soybeans	2/1/2022	\$14.66/bushel	ADM - Des Moines, IA
Cash Price Corn	2/1/2021	\$5.32/bushel	Flint Hills Resources - Menlo, IA
Cash Price Soybeans	2/1/2021	\$13.69/bushel	ADM - Des Moines, IA

Have a good Groundhog Day!

“That’s my story and I am sticking to it!”

Jim, “the Land Talker”



Iowa Land Auction Results - January 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
01/06/22	Grundy	Tillable-Pasture	154.07	\$5,100	73.8	103.5	\$103
01/06/22	Mahaska	Tillable-CRP	170.02	\$8,900	87.3	138.98	\$125
01/06/22	Mahaska	Tillable-Recreation	253.54	\$9,600	83.8	176.2	-

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
01/08/22	Adair	Tillable	146.04	\$8,313	63.4	121.09	\$158
01/08/22	Adair	Tillable	165.48	\$8,237	59.4	137.81	\$167
01/10/22	Montgomery	Tillable	69.49	\$10,200	68.1	61.23	\$170
01/10/22	Woodbury	Tillable	149.23	\$11,000	50.3	144.64	\$226
01/10/22	Woodbury	Tillable	115.23	\$11,900	57.7	133.28	\$178
01/10/22	Woodbury	Tillable-Recreation	39	\$13,000	45	23.7	-
01/11/22	Franklin	Tillable	43	\$14,800	94.5	39.97	\$168
01/11/22	Franklin	Tillable	94	\$14,000	89	91.6	\$161
01/11/22	Franklin	Tillable	76	\$8,675	62.7	73.07	\$144
01/12/22	Cherokee	Tillable	76.74	\$16,200	93.4	71.49	\$186
01/12/22	Cherokee	Tillable	77.2	\$17,800	86.3	76.73	\$208
01/12/22	Ida	Tillable	80.23	\$20,100	95.7	79.79	\$211
01/12/22	Ida	Tillable	163.83	\$21,300	93	159.19	\$236
01/12/22	Ida	Tillable	80	\$21,100	95	78.77	\$226
01/12/22	Sac	Tillable	70.26	\$16,700	94.9	70.26	\$176
01/12/22	Adair	Tillable-Pasture	199	\$8,100	63.1	150.2	\$170
01/12/22	Adair	Tillable-Pasture	224	\$8,750	58.3	195.7	\$172
01/12/22	Chickasaw	Tillable	171	No Sale	69.3	153.05	-
01/13/22	Page	Tillable	76.47	\$10,200	74.6	73	\$143
01/13/22	Page	Tillable-Pasture	79	\$6,000	59.9	72	\$110
01/13/22	Marion	Tillable	140	\$7,000	76.5	133.54	\$96
01/13/22	Marion	Tillable-Recreation	44	No Sale	63.8	24.4	-
01/13/22	Lucas	Tillable-Recreation	68	\$3,750	31.5	35.88	-
01/13/22	Lucas	Tillable-Recreation	52	\$3,175	27.3	36.86	-
01/13/22	Lucas	Tillable	152	No Sale	48.4	145	-
01/13/22	Lucas	Tillable	138	No Sale	53.3	125	-
01/13/22	Lucas	Tillable	145	\$4,150	43.9	119	\$115
01/13/22	Lucas	Tillable	158	\$4,775	43.8	125	\$138
01/13/22	Lucas	Tillable-CRP	160	\$4,475	49.6	132.77	\$109
01/13/22	Clay	Tillable	77.38	\$15,500	91.1	73.85	\$178
01/13/22	Butler	Tillable	246	\$14,175	88	239.4	\$166
01/14/22	Poweshiek	Tillable	160	\$5,800	56.5	123.17	\$133
01/18/22	Chickasaw	Tillable	76.5	\$5,300	60.2	65.83	\$102
01/18/22	Bremer	Pasture-Tillable	67.5	\$7,700	81	33.13	-
01/18/22	Chickasaw	Recreation-Tillable	40.7	\$6,600	56.6	14.49	-
01/18/22	Chickasaw	Tillable	113.39	\$6,700	56.1	87.4	\$155
01/18/22	Chickasaw	Tillable	48.01	\$4,700	39.5	45.99	\$124
01/18/22	Crawford	Tillable	80	\$13,600	68.3	70	\$228
01/19/22	Emmet	Tillable	160	\$8,500	67.4	155.94	\$129

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
01/19/22	Des Moines	Tillable	91.99	\$7,250	78.7	83.93	\$101
01/19/22	Dickinson	Tillable	80.52	\$14,300	85.2	79.53	\$170
01/19/22	Dickinson	Tillable	80.66	\$7,200	60.7	63.71	\$150
01/20/22	Wapello	Recreation-Tillable	53	cancelled	-	-	-
01/20/22	Fremont	Tillable	103.87	\$7,550	75.5	111.84	\$93
01/20/22	Hardin	Tillable	199.5	\$13,900	86.4	193.34	\$166
01/21/22	Wayne	Tillable	20	\$9,800	79	19.27	\$129
01/21/22	Lucas	Tillable	20	\$9,700	80	19.07	\$127
01/21/22	Lucas	Tillable	40	\$6,900	58.4	33.73	\$140
01/21/22	Lucas	Tillable	40	\$7,300	49.4	35.12	\$168
01/21/22	Lucas	Tillable	40	\$9,600	69.8	38.54	\$143
01/22/22	Ringgold	Tillable	158	\$3,468	37.7	126.73	\$115
01/22/22	Ringgold	Tillable	251	\$4,029	31.8	191.68	\$166
01/24/22	Muscatine	Tillable	68.88	\$10,159	72.8	68.21	\$141
01/25/22	Guthrie	Tillable-2 Wind Turbines	320	\$8,550	54.4	286.49	\$176
01/25/22	Guthrie	Tillable	136.75	\$8,100	54.4	123.83	\$164
01/26/22	Bremer	Tillable	149.0	\$14,300	87.1	148.63	\$165
01/26/22	Bremer	Tillable	56.49	\$15,100	88.7	55.87	\$172
01/26/22	Palo Alto	Tillable	157.9	\$12,100	82.1	143.58	\$162
01/26/22	Scott	Tillable	77.19	\$17,600	97.3	74.6	\$187
01/26/22	Scott	Tillable	80	\$12,250	82.1	79.54	\$150
01/26/22	Scott	Tillable	155	\$13,900	83.9	148	\$173
01/27/22	Decatur	Tillable	198	No Sale	36.9	104	-
01/27/22	Decatur	Tillable	38.35	\$4,200	26.3	32.57	\$188
01/27/22	Mills	Tillable	158.26	\$12,600	80.9	151.63	\$163
01/27/22	Benton	Tillable	144.58	\$15,750	91.3	142.89	\$175
01/27/22	Emmet	Tillable	80	\$13,600	86.3	77	\$164
01/29/22	Marion	Tillable	78	\$13,462	77.6	73.74	\$183
TOTAL			7,976			6,919	

Farmland Appraisal Services

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