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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 - OCTOBER 2022

Greetings! Harvest is progressing with the USDA reporting 94% soybeans and 77% corn harvested in the state through October 30. There’s not much rain in the extended forecast, and I expect the 2022 harvest will, for the most part, be finished in the next 10 days. **Yield results vary across the state but are better than expected.** I have heard of corn yields north of 200 bushels per acre and soybeans north of 60 bushels per acre. Yes, there are areas that had disappointing yields due to lack of rain. The 2022 crop year will go down in history as a dry year. In dry years, good farms with good soil shine and those farms with thinner soils just don’t perform. That’s why good farms that perform year in and year out are in demand. As I have said before, “You only pay for a good farm once.”

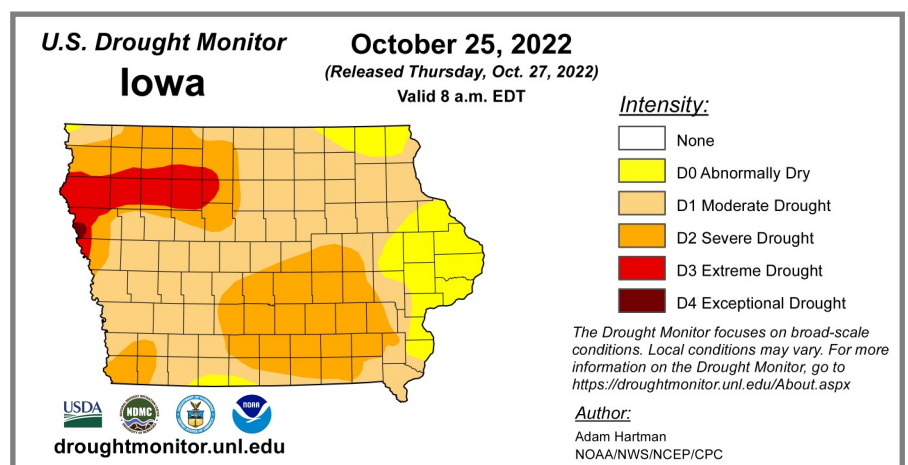
Iowa needs rain - badly! The whole state is in a drought and it’s getting worse. Soil profiles are empty and will take substantial rain to recharge. Have you heard about the super water highway, known as the Mississippi River? It’s more like a creek. Low water levels are restricting barge traffic. This is backing up grain shipments and affecting the amount of fertilizer delivered via the river. This developing story has huge economic implications to the grain belt.

The land market continues to be strong with variability. What I mean by variability is we have price records and “no sales” in the same month. Lower to medium quality farms are softening in parts of the state.

Buyers with weaker equity positions are being affected by higher borrowing costs. As interest rates go up, the buyer pool gets smaller. When confirming sale prices with my realtor friends, I constantly hear that managing seller expectations is very difficult in this market.

Let’s talk about new price records. Plymouth County hit a high on October 10 with a sale at \$26,250/acre. Per the auctioneer, the buyer was a local farmer. Bidding started at \$17,000/acre and went up \$1,000/acre to \$26,000/acre. There were three bidders at \$25,000/acre. The price was negotiated in minutes. This sale broke the previous record of \$26,000/acre set on August 31 in Sioux County.

As you know, this newsletter is about Iowa land prices, but I have to talk about a recent land auction in Richardson County, Nebraska. Richardson County is in the southeast corner of Nebraska bordering the Missouri River, not that far from Hamburg, Iowa. On October 27, 279.76 acres were offered in two tracts via online auction. Tract 1, a 116.69 acre upland farm, sold for \$27,400/acre. Tract 2, a 163.07 acre Big Nemaha River Bottom farm, sold for \$14,400/acre. There was no influence from development or wind turbines and it was purchased for corn and soybean production. Per the auctioneer, there were two local farmer buyers and two runner up local farmer bidders. **Tract 1 set a price record for both Iowa and Nebraska, and no telling how many other states.** With the recent record prices being paid by local farmers for land, I expect this trend to continue. Some farmers have had a profitable year and will be very competitive at auction.



Continued on next page.





MARKET COMMENTARY - CONTINUED

In the table on the right, I have loaded up auctions booked for November, which is typically the busiest month for land auctions. This could increase slightly, but it gives a year-to-date visual of the volume of land auctioned in 2022 versus previous years. I think 2022 will beat 2021 in acres auctioned, but not by much. The data indicates volume for the past two months is more "normal." The next six weeks will tell if the market will absorb the elevated land volume at auction. So far, it has. Stay tuned!

As requested by numerous readers, I have acquired some market-derived cash rental data. Thank you to those who notified me of cash rent auctions, and those who provided me with data – it is much appreciated. If you know of any other cash rent auctions (county or state-owned land), or are willing to share data, please send me an email and I will include this in future newsletters.

	Acres Auctioned				
	2018	2019	2020	2021	2022
January	6133	4851	5851	5558	7976
February	9471	11567	8493	7226	8731
March	9582	7740	8610	5975	8376
April	3974	3256	4484	3501	8865
May	3212	802	509	2418	5589
June	5361	3668	3065	8961	19735
July	2880	2194	2425	6474	11114
August	9356	6358	3618	15012	13288
September	10565	13472	13473	18566	18060
October	5615	8007	9575	18147	10520
November	18228	21345	13400	31813	20272
Year Total	84,377	83,260	73,503	123,651	132,526

You can draw your own conclusions about the table of market data below.

State	Date	County	Acres	CSR2	Rent/Acre	2021 Rent	\$/CSR2	Gross \$	Term	*2022 Rent/Acre High Quality Third County Average
Iowa	01/31/22	Pocahontas	69.3	83.9	\$427.50	-	\$5.10	\$29,626	3 years	\$284
Iowa	03/23/22	Calhoun	165.81	84.8	\$438.50	-	\$5.17	\$72,708	3 years	\$278
Iowa	10/01/22	O'Brien	297.43	93.8	\$427.50	\$325.50	\$4.56	\$127,151	1 year	\$324
Iowa	10/01/22	Franklin-Wright	2,000	80-88	\$405.00	\$325.00	\$4.60-\$5.06	\$810,000	1 year	\$309-\$310
Iowa	10/01/22	Buchanan	242	81.9	\$385.00	-	\$4.70	\$93,170	1 year	\$305
Iowa	10/01/22	Buchanan	69.76	78.7	\$405.00	-	\$5.15	\$28,253	3 years	\$305
Iowa	10/01/22	Jasper	799.68	70	\$370.00	-	\$5.29	\$295,882	1 year	\$316
Iowa	10/01/22	Butler	281	87.7	\$505.00	-	\$5.76	\$141,905	1 year	\$336
Missouri	08/31/22	Livingston	466.3	-	\$295.41	-	-	\$137,750	2 years	-
Minnesota	09/20/22	Marshall	474	-	\$220.00	-	-	\$104,280	2 years	-

* Source: Iowa State University Cash Rent Survey

"-" means no information or unknown

Below are cash prices of corn and soybeans, which are highly correlated to land prices, current and one year ago.

	Date	Price	Source
Cash Price Corn	11/1/2022	\$6.918/bushel	Poet - Menlo, IA
Cash Price Soybeans	11/1/2022	\$14.58/bushel	ADM - Des Moines, IA
Cash Price Corn	11/1/2021	\$5.43/bushel	Poet - Menlo, IA
Cash Price Soybeans	11/1/2021	\$12.40/bushel	ADM - Des Moines, IA

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

Jim, "the Land Talker"



Iowa land auction results on next page.





Iowa Land Auction Results - October 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.

DEFINITIONS

UNDISCLOSED: *The land sold for an undisclosed amount. This could be a sealed bid auction, or a live auction that did not meet the reserve at auction but was successfully negotiated after the auction.*

UNDETERMINED: *Auction results could not be retrieved. The land may or may not have sold.*

\$/TILLABLE CSR2: *This is reported when tillable acres are greater than or equal to 80%; "-" will show for anything below 80%.*

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
10/01/22	Adams	CRP-Pasture	110	\$5,500	47.2	61.42	-
10/04/22	Greene	Tillable	156.97	\$14,100	87.2	154.26	\$165
10/04/22	Appanoose	Tillable	51	\$7,550	57.7	48.7	\$137
10/04/22	Appanoose	Tillable	41.25	\$7,500	58.9	32.62	\$161
10/04/22	Appanoose	Pasture-Tillable	86	\$4,750	38.9	36.76	\$286
10/04/22	Appanoose	Tillable	59.89	\$7,650	51.3	56.73	\$157
10/04/22	Appanoose	Tillable-Recreation	29	\$4,350	32.7	16.72	\$231
10/04/22	Appanoose	Tillable-Recreation	117	\$3,975	45.4	75.42	\$136
10/05/22	Calhoun	Tillable	40	\$18,100	86.3	39.1	\$215
10/06/22	Poweshiek	Tillable	72.35	\$11,500	71.7	62.44	\$186
10/06/22	Grundy	Tillable	138.78	Postponed	92.7	134.15	-
10/07/22	Wright	Tillable	210	\$6,200	53.9	201.3	\$120
10/07/22	Appanoose	Pasture	40	\$4,000	-	-	-
10/07/22	Story	Tillable	56	\$17,100	85.6	55.56	\$201
10/07/22	Harrison	Tillable	106		77.6	104.99	\$0
10/07/22	Plymouth	Tillable	240	\$11,100	66.4	225.85	\$178
10/08/22	Monroe	Tillable	37	\$6,800	54.9	36	\$127
10/08/22	Monroe	Tillable	40	\$5,700	47.3	36.02	\$134
10/10/22	Plymouth	Tillable	55.6	\$26,250	91.7	53.8	\$296
10/11/22	Jefferson	Tillable	70.27	\$13,000	79.3	68.5	\$168
10/11/22	Jefferson	Tillable	80.39	\$12,050	78.5	77.5	\$159
10/11/22	Grundy	Tillable	77.79	Undisclosed	81.4	77.79	-
10/11/22	Cass	Tillable	155	\$12,000	81.5	134.72	\$169
10/11/22	Ida	Tillable	145.46	\$14,350	89	136.57	\$172
10/12/22	Pocahontas	Tillable	80	\$14,400	83.9	78.94	\$174
10/13/22	O'Brien	Tillable-Pasture	150.35	\$14,000	88.7	128	\$185
10/13/22	Boone	Tillable	145	\$12,700	86.2	141.63	\$151
10/13/22	Mills	Tillable	160	No Sale	78	148.31	-
10/14/22	Buena Vista	Tillable	72.63	\$12,800	79.6	72.38	\$161

Continued on next page.



Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
10/14/22	Hancock	Tillable	56	\$14,200	86.9	52.99	\$173
10/14/22	Hancock	Tillable	57	\$11,800	78.8	55.75	\$153
10/14/22	Wayne	Tillable	40	\$7,500	74.9	35.15	\$114
10/14/22	Wayne	Pasture	40	\$4,550	51.6	34.42	\$102
10/14/22	Wayne	Pasture	31.13	\$6,300	65	8.77	-
10/14/22	Wayne	Tillable-CRP	188.37	\$6,900	72.9	160.29	\$111
10/14/22	Wayne	Hay	44.17	\$4,200	41.4	33.00	-
10/14/22	Wayne	CRP-Tillable	124.49	\$5,900	53.9	107.68	\$127
10/14/22	Wayne	Hay	54.94	\$6,700	54.3	52.46	\$129
10/14/22	Hardin	Tillable	119	\$13,000	89	114.33	\$152
10/14/22	Madison	Tillable-Pasture	160	\$6,150	63.6	110.49	-
10/18/22	Ida	Tillable-Wind Turbine	116.7	\$16,400	92.8	113.50	\$182
10/18/22	Sac	Tillable	80	\$15,350	83	76.37	\$194
10/18/22	Humboldt	Tillable	76.79	\$14,500	84	74.50	\$178
10/18/22	Humboldt	Tillable	219.66	\$10,300	79.5	206.22	\$138
10/19/22	Story	Tillable	56.6	No Sale	88.4	57.18	-
10/19/22	Boone	Tillable	80	\$13,000	79.2	77.67	\$169
10/19/22	O'Brien	Tillable	112.46	\$17,700	93.7	108.95	\$195
10/19/22	O'Brien	Pasture-Tillable	43.32	\$9,100	71.3	14.29	-
10/20/22	Warren	Development	68.07	\$19,000	58.9	37.34	-
10/20/22	Jasper	Tillable	139.89	\$13,100	85.7	124.80	\$171
10/20/22	Iowa	Tillable	62.66	\$10,000	68.1	56.36	\$163
10/20/22	Calhoun	Tillable	114.57	\$14,000	82.7	111.86	\$173
10/21/22	Butler	Tillable	185	No Sale	81.3	176.49	-
10/21/22	Carroll	Tillable	199.38	\$16,500	78	194.30	\$217
10/21/22	Plymouth	Development-Tillable	40	\$20,500	82.1	40.00	\$250
10/21/22	Keokuk	Tillable	96.68	\$7,000	70.2	88.77	\$109
10/21/22	Keokuk	Tillable	119	\$9,100	68.4	117.80	\$134
10/21/22	Keokuk	Site-Woods	8	\$2,900	-	-	-
10/25/22	Buena Vista	Tillable	67.78	\$11,725	86.8	66.40	\$138
10/25/22	Buena Vista	Pasture-Recreation	50.46	\$5,400	68.9	8.50	-
10/25/22	Taylor	CRP-Pasture	80	\$5,850	59.4	44.64	-
10/25/22	Page	CRP-Pasture	79	\$5,000	60.5	42.05	-
10/25/22	Pottawattamie	Tillable	35.57	\$10,700	54.9	28.00	-
10/25/22	Kossuth	Tillable	40	\$17,000	81.9	39.63	\$210
10/25/22	Lucas	Tillable	100.06	\$6,550	52.5	91.21	\$137
10/25/22	Lucas	Tillable-Cattle Facility	42	\$5,000	45	25.79	-

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
10/25/22	Lucas	Tillable-Development	12.5	\$8,200	40.5	12.00	\$211
10/25/22	Jasper	Tillable	156	\$17,200	88.3	155.63	-
10/25/22	Jasper	Tillable	74.08	\$15,500	85	73.52	-
10/25/22	Jasper	Tillable	131.32	\$15,600	82.2	133.79	-
10/25/22	Jasper	Tillable	156	Undisclosed	65.9	141.96	-
10/26/22	Floyd	Tillable	170	Undetermined	87.4	168.36	-
10/26/22	Polk	Tillable	78.5	\$20,300	86.1	78.00	\$237
10/26/22	Buena Vista	Tillable	137.82	\$19,000	95	134.50	\$205
10/26/22	Dickinson	Tillable	162	\$16,350	86.4	162.00	\$189
10/26/22	Cass	Tillable	52	Undisclosed	59.1	47.00	-
10/26/22	Cass	Tillable-Hay	168	\$7,500	73.8	108.00	-
10/27/22	Lyon	Tillable	77.59	\$18,200	92.1	75.69	\$203
10/27/22	Lyon	Tillable	74.47	\$14,900	89.3	74.38	\$167
10/27/22	Lyon	Pasture	55.92	\$5,100	-	-	-
10/27/22	Lyon	Tillable	27.63	\$16,000	94.2	26.28	\$179
10/27/22	Sioux	Tillable	79.87	\$18,000	94.9	77.51	\$195
10/27/22	Sioux	Tillable	75.22	\$20,250	94.1	69.08	\$234
10/27/22	Adair	Pasture-Tillable	155.78	\$8,200	59.5	68.60	-
10/27/22	Cerro Gordo	Tillable	110	\$10,999	80	107.35	\$141
10/27/22	Des Moines	CRP-Recreation	20.81	\$5,200	59.4	10.21	-
10/27/22	Louisa	Tillable	123.6	\$11,400	84.2	102.19	\$164
10/27/22	Des Moines	Tillable	127.13	\$11,500	80.8	118.81	\$152
10/27/22	Grundy	Tillable	45	\$21,800	92.4	44.20	\$240
10/27/22	Marshall	Tillable	311	\$16,500	92.5	296.30	\$187
10/28/22	Woodbury	Tillable	54.61	\$14,300	74.9	51.50	\$202
10/28/22	Woodbury	Tillable	144.37	\$12,200	69.9	123.49	\$204
10/28/22	Woodbury	Tillable	72.96	\$9,300	75.5	69.09	\$130
10/28/22	Woodbury	Tillable	82.85	\$9,000	72.8	78.42	\$131
10/28/22	Clinton	Tillable	59.172	\$11,750	66.8	55.76	\$187
10/28/22	Clinton	Tillable	290.296	\$9,200	59	283.46	\$160
10/28/22	Clinton	Tillable	81.988	\$10,500	64.9	75.15	\$177
10/28/22	Appanoose	Tillable	79.77	\$7,450	48.4	70.14	\$175
10/28/22	Appanoose	Tillable	54.48	\$4,200	43.7	46.47	\$113
10/28/22	Appanoose	Tillable	34.7	\$4,100	34.1	24.94	-
10/28/22	Appanoose	Recreation-Tillable	86.82	\$4,150	34.5	32.12	-
10/28/22	Appanoose	Tillable	80.58	\$7,450	50.6	75.27	\$158
10/28/22	Appanoose	Tillable-Recreation	80.61	\$4,150	42.3	51.88	-

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
10/28/22	Appanoose	Recreation- Tillable	51.73	\$3,450	44.9	13.40	-
10/28/22	Appanoose	Former CRP-Tillable	159.82	\$3,850	35.5	131.65	\$132
10/28/22	Page	Tillable	78.16	\$13,500	80	74.38	\$177
10/28/22	Page	Tillable-Pasture	156.04	\$8,400	70.4	117.48	-
10/28/22	Page	Tillable	77.28	\$9,100	72	68.26	\$143
10/28/22	Page	Tillable-Pasture	119	\$8,400	74.7	93.80	\$143
10/29/22	Osceola	Tillable	40.03	\$16,400	84.6	39.53	\$196
TOTAL			10,520			9,146	

Farmland Appraisal Services

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