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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 - JANUARY 2023

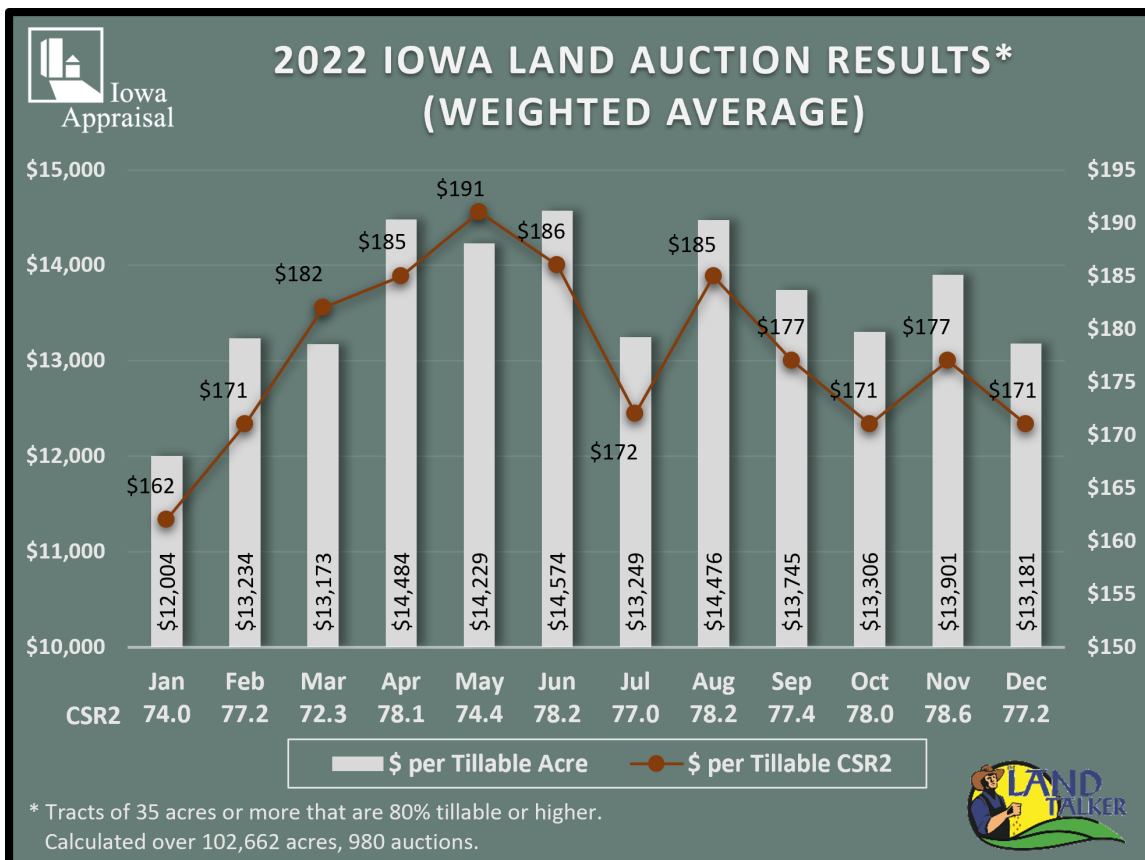
Greetings! I was privileged to speak with **Tyne Morgan**, Host & Executive Producer of U.S. Farm Report, about the trending cash rent auction format and the explosive increases occurring in rental rates with that format, along with the current land market conditions. **Check out U.S. Farm Report on Saturday morning (2/4/23)** on RFD-TV and other local affiliates.

Auction volume in January 2023 was less than it was the same time last year, but it is above what is typical for the month of January.

Acres Auctioned in Iowa						
	2018	2019	2020	2021	2022	2023
January	6,133	4,851	5,851	5,558	7,976	7,245

I am not sure if this trend will continue. As can be seen in the auction data, there were several farms that did not meet the reserve and were “no sale” at auction. Lower quality farms are being affected by current economic conditions. Auction companies may take fewer low to mid-quality farms to auction and instead do a traditional listing. I don’t expect auction volume to crash by any means, but volume may be more typical to recent years past. Farmland is still selling at historically high prices. If you are thinking about selling, take a look at this market. Educate yourself on market conditions. My farm realtor friends continue to say managing seller expectations is their biggest challenge.

Following are the results of my 2022 auction data analysis for the state - by weighted average dollars per tillable CSR2 point, weighted average price per acre, and weighted average CSR2.



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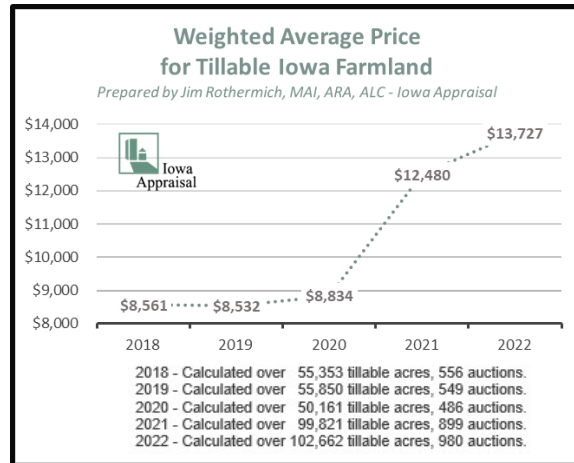
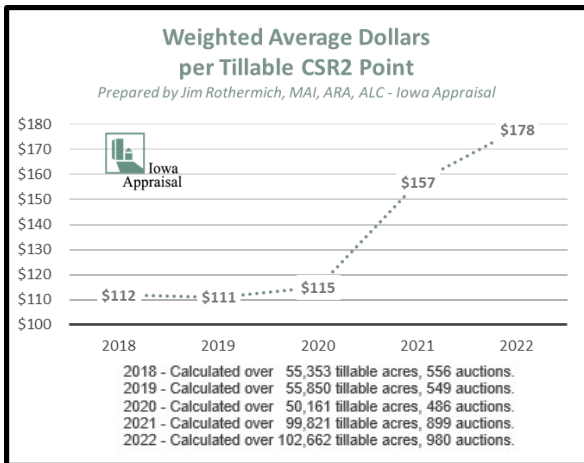


## MARKET COMMENTARY - CONTINUED

Year end 2021, statewide average dollars per CSR2 point finished at \$157, with average dollars per acre at \$12,480.

Based on dollars per tillable CSR2 point, the graph on page 1 illustrates the explosive market conditions in the first five months of 2022, peaking in May at \$191 per point. After May, market conditions slightly declined and leveled, finishing the year with a statewide average dollars per tillable CSR2 point at \$178 and \$13,727 per acre. Based on dollars per CSR2 point, from January 1, 2022 to January 1, 2023, market conditions increased 13.4%. I forecast market conditions to be “level” for the next several months.

The graphs and tables below show current and historical analysis of dollars per tillable CSR2 point, dollars per tillable acre, number of auctions, and number of tillable acres by crop reporting district. Note how flat market conditions were from 2018-2020.



Dollars per Tillable CSR2 Point (Wtd. Avg.)					
Iowa	2022	2021	2020	2019	2018
Statewide	\$178	\$157	\$115	\$111	\$112
Central District	\$176	\$162	\$113	\$113	\$114
East Central District	\$187	\$173	\$129	\$117	\$124
North Central District	\$166	\$151	\$102	\$101	\$104
Northeast District	\$182	\$163	\$116	\$100	\$110
Northwest District	\$199	\$158	\$123	\$119	\$120
South Central District	\$149	\$142	\$101	\$93	\$95
Southeast District	\$159	\$146	\$118	\$116	\$115
Southwest District	\$144	\$145	\$101	\$94	\$95
West Central District	\$194	\$160	\$122	\$112	\$112

Dollars per Tillable Acre (Weighted Avg.)					
Iowa	2022	2021	2020	2019	2018
Statewide	\$13,727	\$12,480	\$8,834	\$8,532	\$8,561
Central District	\$14,301	\$13,319	\$9,384	\$9,384	\$8,758
East Central District	\$13,888	\$13,015	\$10,238	\$9,944	\$8,905
North Central District	\$13,194	\$11,978	\$7,785	\$7,937	\$8,396
Northeast District	\$13,826	\$12,831	\$9,083	\$7,761	\$8,358
Northwest District	\$16,808	\$14,083	\$10,161	\$9,388	\$10,123
South Central District	\$9,139	\$8,810	\$6,230	\$5,556	\$6,373
Southeast District	\$11,724	\$10,991	\$8,347	\$7,897	\$8,342
Southwest District	\$10,199	\$10,140	\$6,562	\$6,562	\$6,609
West Central District	\$14,646	\$11,919	\$8,880	\$8,542	\$8,290

# of Auctions					
Iowa	2022	2021	2020	2019	2018
Statewide	980	899	486	549	556
Central District	130	110	48	84	79
East Central District	66	58	11	27	28
North Central District	151	139	61	86	79
Northeast District	92	55	59	31	26
Northwest District	200	231	125	107	133
South Central District	69	39	37	13	29
Southeast District	74	59	42	71	61
Southwest District	73	47	30	57	37
West Central District	125	161	72	73	84

# of Tillable Acres Auctioned					
Iowa	2022	2021	2020	2019	2018
Statewide	102,662	99,821	50,161	55,850	55,353
Central District	13,312	13,409	4,859	8,540	7,734
East Central District	6,330	5,521	1,516	2,676	2,928
North Central District	15,814	16,162	5,853	8,398	8,685
Northeast District	9,300	6,309	5,824	2,794	2,718
Northwest District	20,593	23,868	12,484	11,064	11,847
South Central District	6,521	3,550	3,638	1,017	2,838
Southeast District	7,303	5,193	4,044	5,991	4,793
Southwest District	9,355	6,812	3,656	7,293	4,793
West Central District	14,133	18,998	8,222	8,077	4,804

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## MARKET COMMENTARY - CONTINUED

Cash rent auction results are stunning. One farm eclipsed \$600/acre. As requested, I continue to acquire market-derived cash rental data and will let you draw your own conclusions. I appreciate those who notified me of cash rent auctions, and those who provided me with data. Please keep sending!

State	Date	County	Acres	CSR2	PI	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
Iowa	11/01/22	Story	155	86.7	-	\$504.00	\$350.00	\$5.81	\$78,120	1 year	\$309
Iowa	12/14/22	Clarke	241.37	49	-	\$475.00	-	\$9.69	\$114,651	3 years	\$191
Iowa	12/15/22	Fremont	71.56	77	-	\$415.00	\$245.00	\$5.39	\$29,697	3 years	\$256
Iowa	12/21/22	Floyd	23.4	66	-	\$310.00	\$200.00	\$4.70	\$7,254	3 years	\$261
Iowa	01/18/23	Chickasaw	78.19	82.6	-	\$525.00	-	\$6.36	\$41,050	1 year	\$342
Iowa	01/18/23	Chickasaw	228.52	62.3	-	\$475.00	-	\$7.62	\$108,547	1 year	\$342
Iowa	01/18/23	Chickasaw	31.73	39	-	\$250.00	-	\$6.41	\$7,933	1 year	\$342
Iowa	01/18/23	Chickasaw	12.25	hay	-	\$150.00	-	-	\$1,838	1 year	\$342
Illinois	10/20/22	Fulton	59.4	-	126	\$490.00	\$300.00	-	\$29,106	3 years	-
Illinois	01/05/23	Peoria	21	-	115	\$321.00	-	-	\$6,741	1 year	-
Illinois	01/15/23	Fulton	99	-	109	\$620.00	\$280.00	-	\$61,380	3 years	-
Illinois	01/13/23	McLean	99	-	139	\$500.00	\$235.00	-	\$49,500	5 years	-
Illinois	01/16/23	Pike	38	-	106	\$245.00	\$125.00	-	\$9,310	2 years	-
Illinois	01/25/23	McLean	99	-	139	\$500.00	\$235.00	-	\$49,500	5 years	-
Missouri	08/31/22	Livingston	466.3	-	-	\$295.41	-	-	\$137,750	2 years	-
Missouri	12/14/22	Atchison	105.33	-	-	\$413.00	-	-	\$43,501	1 year	-
Minnesota	09/20/22	Marshall	474	-	75	\$220.00	-	-	\$104,280	2 years	-
Minnesota	10/27/22	Stevens	156.1	-	87	\$385.00	\$265.00	-	\$60,099	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.

	<u>Date</u>	<u>Price</u>	<u>Source</u>
Cash Price Corn	2/1/2023	\$7.01/bushel	Poet - Menlo, IA
Cash Price Soybeans	2/1/2023	\$15.35/bushel	ADM - Des Moines, IA
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

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

Jim, "the Land Talker"



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# Iowa Land Auction Results - January 2023

*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
01/05/23	Marshall	Tillable	120.48	\$13,200	89.5	119.34	\$149
01/06/23	Clay	Tillable	80	\$21,700	97	79.15	\$226
01/09/23	Mahaska	Tillable	76.54	\$15,700	87.3	75.5	\$182
01/09/23	Mahaska	Tillable	78.97	\$6,200	55.7	65.11	\$135
01/09/23	Mahaska	Tillable	152.57	\$7,700	60.6	130.37	\$149
01/09/23	Mahaska	Tillable	37.88	\$9,800	61.4	37.3	\$162
01/09/23	Marion	Tillable-CRP	154.99	\$10,350	73.9	141.86	\$153
01/09/23	Marion	Tillable	78	\$10,100	81.7	70.8	\$136
01/09/23	Marion	Tillable-CRP	85.62	\$6,716	49.9	85.54	\$135
01/09/23	Marion	Tillable-CRP	50.26	\$10,300	84.5	48.9	\$125
01/10/23	Adams	Tillable	233	\$5,750	55.7	202.03	\$119
01/10/23	Winnebago	Tillable	80	No Sale	76.3	54.84	-
01/10/23	Winnebago	Tillable	108.62	\$7,825	63.1	106.1	\$127
01/10/23	Winnebago	Tillable	28	\$5,000	49.9	24.42	\$115
01/11/23	Buena Vista	Tillable-CRP	80	\$17,400	94.6	79	\$186
01/12/23	Tama	Tillable	197.11	\$16,300	82	192.87	\$203
01/13/23	Wright	Tillable	120	\$13,100	84.2	117.93	\$158
01/13/23	Wright	Tillable	116	\$12,500	84.3	113.93	\$151
01/13/23	Sac	Tillable	111	\$16,300	86.8	109.03	\$191
01/13/23	O'Brien	Tillable	40.57	Undisclosed	95	39.84	-
01/17/23	O'Brien	Tillable	75.12	\$15,500	93.5	72.18	\$173
01/17/23	Lucas	Recreation-CRP	320	\$4,315	30.5	47.42	-
01/17/23	Pottawattamie	Tillable	76.47	No Sale	76	70.62	-
01/17/23	Pottawattamie	Tillable	39	No Sale	72	38.32	-
01/18/23	Pocahontas	Tillable	80	\$13,800	81.5	78.26	\$173
01/18/23	Wayne	Expiring CRP-Tillable	146.42	\$7,100	47.1	132.23	\$167
01/18/23	Wayne	Recreation	93.58	\$5,200	53.1	12.69	-

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## Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
01/18/23	Wayne	Expiring CRP-Recreation	80	\$4,600	59.7	60.52	-
01/18/23	Montgomery	Tillable-Pasture	274	No Sale	65.9	188.74	-
01/18/23	Keokuk	Recreation-Tillable	40	\$6,525	62.6	17.19	\$243
01/19/23	Shelby	Tillable	33.46	\$13,300	48.7	33	\$277
01/19/23	Jasper	Tillable	142.79	\$12,000	67.4	142.79	\$178
01/19/23	Webster	Tillable	80	\$13,566	81.6	78.65	\$169
01/19/23	Greene	Tillable	40	\$13,566	77.8	38.58	\$181
01/19/23	Shelby	Tillable	95.03	\$10,000	75.9	79.37	\$158
01/21/23	Cass	Tillable	117.73	\$13,100	79.1	115	\$170
01/21/23	Cass	Pasture	34.43	\$6,200	-	-	-
01/20/23	Woodbury	Tillable	64.12	\$15,750	71.5	59.38	\$238
01/20/23	Woodbury	Tillable	79.57	\$11,400	45.2	75.96	\$264
01/20/23	Woodbury	Tillable	16.3	\$18,800	81.3	14.03	\$269
01/20/23	Wright	Tillable	83	\$11,300	79.9	83.21	\$141
01/20/23	Wright	Tillable	77	\$8,500	68.5	72.81	\$131
01/20/23	Wright	Tillable	63	\$10,400	84.5	63	\$123
01/23/23	Harrison	CRP	128	No Sale	48.9	120.51	-
01/23/23	Shelby	Tillable	79	\$13,500	62.9	78	\$217
01/23/23	Shelby	Tillable	150.92	\$11,850	66.5	145.67	\$185
01/24/23	Pottawattamie	Tillable	143	No Sale	73.5	142.2	-
01/24/23	Pottawattamie	Tillable	69	No Sale	74.9	62.77	-
01/24/23	Buena Vista	Tillable	89.57	\$15,650	93.6	88.2	\$170
01/24/23	Lyon	Tillable	80.6	\$18,100	67.8	78.6	\$274
01/24/23	Lyon	Tillable	80.71	\$20,000	67.6	77.22	\$309
01/24/23	Tama	Tillable	73.43	\$21,000	90.9	71.78	\$236
01/24/23	Palo Alto	Tillable	160	\$11,000	80.6	154.7	\$141
01/24/23	Benton	Tillable	136.3	\$17,100	92.6	134.74	\$187
01/25/23	Crawford	Tillable & Farmstead	160	\$13,400	66.4	143.2	\$225
01/25/23	Crawford	Tillable	200	\$12,100	69	179.12	\$196
01/25/23	Henry	Tillable	80.85	\$10,736	77.3	76.83	\$146
01/25/23	Cass	Tillable	32.2	\$13,400	88.2	28.28	\$173
01/25/23	Cass	Tillable	30.13	\$13,900	83.7	28.9	\$173
01/26/23	Cedar	Tillable	115.71	\$13,400	89.3	115.6	\$150
01/26/23	Story	Tillable	80	\$14,300	84.1	74.02	\$184
01/26/23	Dickinson	Tillable-2 Wind Turbines	160.8	\$14,900	85.3	154.6	\$182
01/26/23	Dickinson	Tillable	40.5	\$13,150	86	38.05	\$163

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## Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
01/26/23	Cass	Tillable-CRP	140	No Sale	66.6	123.43	-
01/27/23	Guthrie	Tillable	37	\$13,400	69.7	31.6	\$225
01/28/23	Lyon	Tillable	75.6	\$11,000	65.5	58	\$219
01/28/23	Lyon	Pasture	44.9	\$4,800	-	-	-
01/30/23	Harrison	Tillable	75.7	\$18,800	86	73.9	\$224
01/30/23	Harrison	Tillable-Pasture	223.15	\$9,200	64.6	150.26	-
01/30/23	Harrison	Tillable-Pasture	279.22	\$11,000	58.6	216.82	-
01/30/23	Lyon	Tillable	47.54	\$12,500	71.8	45	\$184
01/30/23	Lyon	Tillable	50.08	\$13,500	83.1	49.55	\$164
TOTAL			7,245			6,209	

## Farmland Appraisal Services

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