



Farmland Appraisal Services

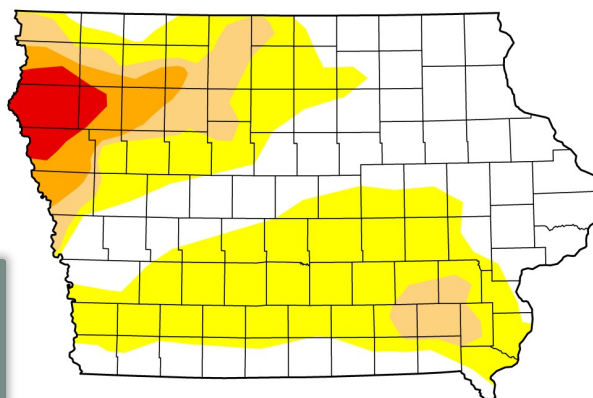
Provided by **Jim Rothermich, MAI, ARA, ALC** - Vice President

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 - JULY 2022

Greetings! Iowa needs rain! Unfortunately, extended forecasts show extremely hot weather with little to no rain. This isn't good for soybean yields which are determined in August. The rule of thumb I use is for every inch of rain, add three bushels per acre to the yield. Iowa needs rain to finish this crop.

U.S. Drought Monitor Iowa



July 26, 2022
(Released Thursday, Jul. 28, 2022)
Valid 8 a.m. EDT

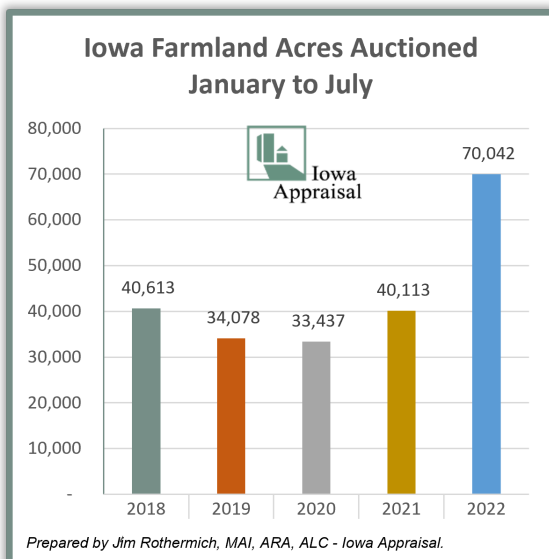
Intensity:
None
D0 Abnormally Dry
D1 Moderate Drought
D2 Severe Drought
D3 Extreme Drought
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:
Curtis Riganti
National Drought Mitigation Center



droughtmonitor.unl.edu



High prices continue driving land to auction. Year-to-date 2022 had a notable volume of land auctioned. Compared to the last four years, 2022 ranges from 75% to 109% higher in volume for the period January to July. What an opportunity for buyers! Farms are coming to the market that have not been offered to the public for generations, giving buyers once-in-a-lifetime opportunities. I expect this trend to continue into the fall with a significant amount of auction activity through the end of the year. Farm realtors are saying annual auction activity will likely surpass last year.

Mid-year auction data indicates aggressive market conditions over the last six months, and market conditions continue to be very strong. The statewide weighted average price for tillable farmland is \$181 per CSR2 point for the period January 1 through June 30, 2022, up 15% from \$157 per CSR2 point on December 31, 2021. The average price per acre for the same period increased from \$12,480 (with a weighted average CSR2 point of 79.3) to \$13,852 (with a weighted average CSR2 point of 76.5).

January 1 – June 30, 2022 Statewide – Iowa	
Tillable Acres	38,801
Wtd. Avg. CSR2	76.5
Avg. Price/Tillable Acre	\$13,852
Sale Price/CSR2	\$181
# of auctions	372

*Calculated over 38,801 acres, 372 auctions focused on vacant and/or minimal improvements tracts of 30 acres and larger with tillable acres at 80% and higher.

Continued on next page.





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MARKET COMMENTARY - CONTINUED

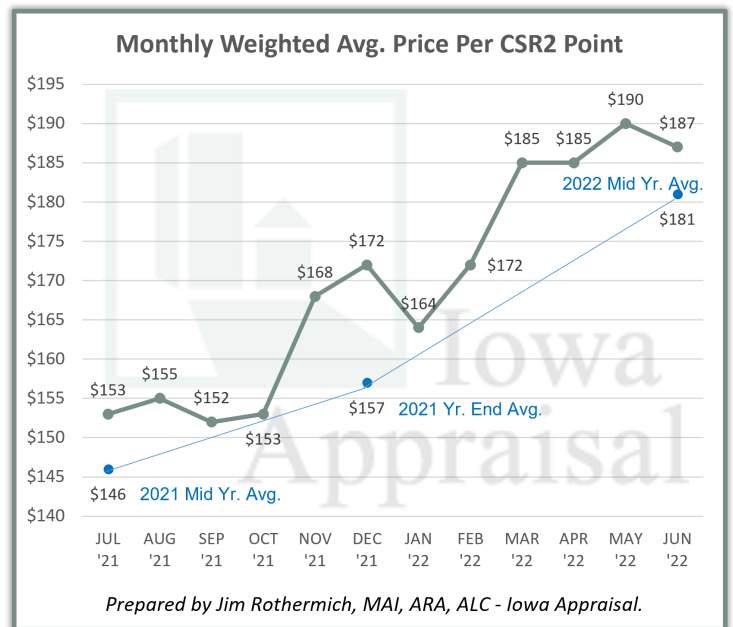
From June 30, 2021, to June 30, 2022, auction data indicates a 24% increase in price per CSR2 point. June 30, 2021, average price per CSR2 was \$146, and average price per tillable acre was \$10,971 (with a weighted average CSR2 point of 75.0).

Aggressive market conditions have been influenced by:

- Good crop prices,
- Global food shortage,
- Inflation (land is considered a hedge against inflation),
- Increased number of buyers looking for stable investment,
- Buyers have strong equity positions, and
- 80% of Iowa farmland carries no debt.

July auction results suggest the market is leveling with several “no sales” and several sales said to be a struggle to get sold. Here are some comments from auctioneers: “Marginal farms are taking more work to sell,” “Buyers are showing some caution,” “Managing seller expectations is a concern,” and “Good farms are still getting top prices.”

The dry, hot weather, extreme heat during pollination, and grain market volatility have made some buyers wary. Though market conditions have cooled slightly, I expect them to remain very strong. If crop yields exceed expectations and crop prices are above break-even, market conditions will respond accordingly.



Paul Neiffer from “The Farm CPA” podcast graciously invited me to speak about current land market conditions. I highly recommend listening; here is a link: <https://omny.fm/shows/the-farm-cpa-podcast/episode-62-jim-rothermich>

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	8/1/2022	\$7.36/bushel	Poet - Menlo, IA
Cash Price Soybeans	8/1/2022	\$14.67/bushel	ADM - Des Moines, IA
Cash Price Corn	8/2/2021	\$6.42/bushel	Poet - Menlo, IA
Cash Price Soybeans	8/2/2021	\$14.01/bushel	ADM - Des Moines, IA

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

Jim, “the Land Talker”



Auction results on next page.





Iowa Land Auction Results - July 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
07/01/22	Warren	Tillable	40	\$14,100	67.4	36.06	\$232
07/01/22	Warren	Tillable	114.43	\$13,100	76.2	103.82	\$189
07/01/22	Warren	Tillable	72.45	\$11,200	83.2	38.41	-
07/06/22	Fayette	Tillable-CRP	67.8	\$7,500	84	50.01	-
07/06/22	Dickinson	Tillable	160.18	\$11,300	75.5	148.41	\$162
07/06/22	Dickinson	Tillable	90	\$12,400	79.5	89.56	\$157
07/07/22	Black Hawk	Tillable	117	\$9,500	71.8	115.26	\$134
07/08/22	Boone	Tillable	77	\$10,700	82.4	72.57	\$138
07/08/22	Plymouth	Tillable	153.5	\$16,000	83.7	144.00	\$204
07/12/22	Cherokee	Tillable	120	\$12,100	83.3	113.27	\$154
07/12/22	Cherokee	Tillable	150.18	\$7,250	53.1	109.01	\$188
07/12/22	Woodbury	Tillable	212.72	\$7,650	60.1	181.72	\$149
07/12/22	Greene	Tillable	158.81	Undisclosed	83.4	148.24	-
07/12/22	Black Hawk	Tillable	61.23	\$12,800	89.5	54.50	\$161
07/12/22	Webster	Tillable	122	\$12,300	73.6	117.75	\$173
07/12/22	Jasper	Tillable	194.29	\$12,300	86.6	190.37	\$145
07/12/22	Jasper	Tillable	80	\$13,000	83.5	72.69	\$171
07/12/22	Jasper	Tillable	40	\$9,900	61.9	36.19	\$177
07/12/22	O'Brien	Tillable	80	\$20,100	94.8	79.00	\$215
07/13/22	Franklin	Tillable	70.37	\$12,500	87.7	70.37	\$143
07/13/22	Mitchell	Tillable	156	\$17,100	90.3	155.00	\$191
07/13/22	Floyd	Tillable	78	\$14,700	85.1	75.50	\$178
07/13/22	Floyd	Tillable	40	\$10,400	83.6	38.20	\$130
07/14/22	Howard	Tillable	79.00	\$12,300	53	72.00	\$255
07/14/22	Dickinson	Tillable	138.03	\$10,800	79	130.69	\$144
07/14/22	Sioux	Tillable	79.65	\$23,400	97	77.60	\$248
07/14/22	O'Brien	Tillable	157.22	\$25,250	97.4	152.82	\$267
07/15/22	Wright	Tillable	143.00	\$15,100	79.2	137.62	\$198
07/15/22	Worth	Tillable	73.86	\$9,643	84.8	71	\$118

Continued on next page.





Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
07/15/22	Monona	Tillable	192.93	\$14,500	90.5	176.95	\$175
07/15/22	Appanoose	Tillable	45.75	\$13,600	54.1	43.73	\$263
07/15/22	Wayne	Tillable	40	\$11,100	55.8	39.24	\$203
07/16/22	Ringgold	Tillable	221.5	\$5,000	48.3	143.00	-
07/18/22	Harrison	Tillable-Recreation	40	\$6,600	72.3	23.15	-
07/18/22	Pottawattamie	Development-Tillable	71.04	\$9,500	58.5	61.54	\$187
07/19/22	Marshall	Tillable-CRP	120	\$9,100	69.8	114.10	\$137
07/19/22	Audubon	Tillable-Wind Turbine	160.00	\$15,100	73.6	151.76	\$216
07/19/22	Audubon	Tillable-Wind Turbine	192.00	\$12,100	73.6	189.49	\$167
07/19/22	Wright	Tillable	80	\$13,200	73.1	79	\$182
07/19/22	Winnebago	Tillable	160	No Sale	78.3	154.45	-
07/19/22	Winnebago	Tillable	160	No Sale	65.3	154.45	-
07/19/22	Kossuth	Tillable	80	\$15,000	82.3	75.60	\$193
07/19/22	Kossuth	Tillable	79.58	\$15,400	80.3	76.33	\$200
07/19/22	Kossuth	Tillable	118.95	\$14,650	84.5	116.32	\$177
07/19/22	Kossuth	Tillable	43.27	\$8,600	58.8	40.92	\$155
07/19/22	Hancock	Tillable	74.5	\$15,750	79.6	73.94	\$199
07/20/22	Story	Development-Tillable	94.56	No Sale	85.3	94.86	-
07/20/22	Emmet	Tillable	156	\$14,800	83.3	155.80	\$178
07/20/22	Kossuth	Tillable	194.84	\$13,800	84.1	192.89	\$166
07/20/22	Jackson	Recreation-Tillable	151.93	Undetermined	45.6	73.00	-
07/21/22	Calhoun	Tillable	80	\$8,300	62.4	63.81	\$167
07/21/22	Adams	Tillable	156	\$9,000	71.7	143.19	\$137
07/21/22	Adams	Tillable	265	\$7,500	67.5	241.22	\$122
07/21/22	Adams	Tillable	156	\$7,900	70.7	145.03	\$120
07/21/22	Adams	Tillable	77	\$7,000	54.4	72.49	\$137
07/21/22	Adams	Tillable	239	\$5,600	54.2	214.60	\$115
07/21/22	Adams	Tillable	77	\$6,000	52.6	58.63	\$150
07/21/22	Adams	Tillable	150	\$9,700	69.9	140.28	\$148
07/21/22	Adams	Tillable	148	\$10,250	81.8	142.44	\$130
07/21/22	Adams	Tillable	144	\$8,400	66.4	136.20	\$134
07/21/22	Adams	Tillable	38	\$6,500	55.3	30.73	\$145
07/21/22	Humboldt	Tillable	90	\$11,800	82.9	81.04	\$158
07/21/22	O'Brien	Tillable	79.64	\$21,050	94.7	79.01	\$224
07/21/22	O'Brien	Tillable	82.04	\$18,000	94.1	78.51	\$200
07/21/22	Black Hawk	Tillable	40	\$19,600	88.2	39.00	\$228
07/21/22	Black Hawk	Tillable	237	\$17,700	87	222.27	\$217
07/21/22	Wayne	Tillable	158	\$6,100	40.2	155.97	\$154
07/21/22	Wayne	Tillable	156	\$7,100	50.8	146.59	\$149

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Iowa Land Auction Results - Continued

SALE DATE	COUNTY	LAND TYPE	SOLD ACRES	\$ PER ACRE	TILLABLE CSR2	TILLABLE ACRES	\$/TILLABLE CSR2
07/21/22	Wayne	Tillable	160	\$7,500	52	158.56	\$146
07/21/22	Wayne	Tillable	15	\$9,900	59.9	14.98	\$165
07/23/22	Mitchell	Pasture-Farmstead	40	\$10,000	-	-	-
07/23/22	Mitchell	Woods	32	\$4,300	-	-	-
07/23/22	Mitchell	Tillable	60	\$14,000	91.5	60.00	\$153
07/23/22	Mitchell	Tillable	165	\$7,800	70.8	145.72	\$125
07/23/22	Mitchell	Tillable	25	\$7,300	53.4	24.60	\$139
07/23/22	Mitchell	Development-Pasture	19	\$7,500	-	-	-
07/25/22	Shelby	Tillable	156	\$15,000	68	155.20	\$222
07/25/22	Hancock	Recreation-Old Quarry	12.82	\$4,850	-	-	-
07/26/22	Mills	Tillable	167.51	\$12,000	84.5	161.14	\$148
07/27/22	Dickinson	Tillable	159.7	\$18,700	87.6	149.51	\$228
07/27/22	Story	Tillable	116	\$20,000	83.3	110.00	\$253
07/27/22	Allamakee	Recreation-Tillable	117.39	\$9,894	62.7	42.73	-
07/27/22	Fayette	Tillable	152.39	\$12,500	84.6	146.22	\$154
07/28/22	Marshall	Tillable	267.79	\$14,250	86.3	267.38	\$165
07/28/22	Mitchell	Tillable	100	\$6,100	68.1	71.64	\$125
07/28/22	Clayton	Tillable-Recreation	222.6	\$8,000	47.5	143.46	-
07/28/22	O'Brien	Tillable	160	\$23,500	95.7	153.92	\$255
07/28/22	Sac	Tillable	319.39	\$13,300	82.5	287.43	\$179
07/28/22	Ida	Tillable	118.25	\$9,100	76.9	116.75	\$120
07/29/22	Decatur	Pasture	40	\$4,000	50	30.78	-
07/29/22	Decatur	Pasture	37.5	\$3,450	34.8	30.47	-
07/29/22	Decatur	Pasture	130	\$3,000	44.9	58.68	-
TOTAL			10,770			9,633	

Farmland Appraisal Services
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Iowa
Appraisal

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For Farmland Appraisal Services, *call the Land Talker!*

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