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Iowa
Appraisal and Research
 CORPORATION

MAY 2019 IOWA LAND AUCTION RESULTS

This list includes auctions conducted by various auction firms throughout the State of Iowa not affiliated with Iowa Appraisal and Research Corporation. 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.

The Land Talker says:

Greetings! Rainfall has been relentless this month with several Iowa counties getting anywhere from 10-18 inches of rain. The latest crop progress report indicated Iowa has 76% of its corn crop planted and 32% of soybeans planted. Assuming no preventive plant or switching acres from corn to soybeans, Iowa has 3.26 million acres of corn and 6.39 million acres of soybeans yet to be planted. We are likely not going to get all those acres planted. Grain prices have reacted positively from the delayed planting. Slow auction activity during the spring and summer months will make it hard to gauge how the land market will react to this news. I am of the opinion there will be localized volatility. Iowa is better off than Illinois, Indiana, and Minnesota. Year-to-date, in 2019, the number of acres offered at auction is down 15% from same time period in 2018. Tight supplies of land for sale helps stabilize prices.

Below are the results of a late season online-only cash rent auction. Bidding closed May 3, 2019, for 1,009 acres in Monroe County, IA near the city of Lovilia. The farm was offered in 6 tracts: one-year term lease agreement; hunting rights reserved; each tract was charged with a buyer premium of 10% with a \$1,000 max per tract; fertility was said to be good as the land was adjacent to a large dairy; tract sizes ranged from 51.7 acres to 339.8 acres; CSR2 ranged from 38.1 to 70.9 with an weighted average CSR2 of 58.0; winning bids per acre ranged from \$166/acre to \$242/acre with a weighted average of \$212/acre; dollars per CSR2 point ranged from \$3.33/point to \$4.36/point with the weighted average of \$3.65 per point; and prices include buyer premium. Per the realtor, the results far exceeded the owner's and realtor's expectations. There were 47 registered bidders from five states with two winning bidders - one local and one from 85 miles away.

Tract #	Acres	CSR2	Rent	\$/CSR2 Point
1	189.24	58.30	\$207	\$3.56
2	339.80	70.90	\$236	\$3.33
3	195.93	38.10	\$166	\$4.36
4	174.29	63.80	\$242	\$3.79
5	58.25	43.70	\$179	\$4.10
6	51.70	44.00	\$176	\$4.01
Total	1009.21	58.00	\$212	\$3.65

According to the Iowa State 2019 cash rental survey, the average cash rent in Monroe County is \$176/acre and the 5-year average rent per CSR2 index point is \$2.38. USDA NASS indicates average 2018 corn yield in Monroe County at 167 bushels/acre and the 10-year average at 135.7 bushels/acre. Those are very strong rent prices for that type of land. As I have said in previous newsletters, stable to strong cash rents have kept land prices resilient. The above table is proof.

Talk to you in a month!
 Jim "the Land Talker"



**Give me a call
 if you need a farmland appraisal!**

515.777.7083

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- Agricultural Real Estate Appraisal
- Commercial Real Estate Appraisal
- Real Estate Appraisal Review

- Business Valuation
- Litigation Support
- Merger & Acquisition Advisory





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SALE DATE	COUNTY	LAND TYPE	GROSS ACRES	\$ PER ACRE	CSR2	TILLABLE ACRES
05/01/19	Kossuth	Tillable	96.7	\$8,600	82.7	96.7
05/01/19	Kossuth	Tillable	64.2	\$8,050	81	64.2
05/01/19	Kossuth	Tillable	69.3	\$8,000	81.4	69
05/01/19	Kossuth	Tillable	75.4	\$5,825	81.6	74.48
05/08/19	Guthrie	Tillable-CRP	74.56	\$5,150	59.8	74.56
05/16/19	Muscatine	Recreation	14.34	\$28,000 lump sum	n/a	0
05/16/19	Guthrie	Tillable-Pasture	155	undetermined	55	125
05/31/19	Mitchell	Tillable	92.23	\$8,150	75.7	90.23
05/31/19	Mitchell	Tillable	140.51	\$7,150	81.6	137.45
05/31/19	Mitchell	Tillable	20	\$8,000	81.7	19.75
Total			802			751

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Jim Rothermich, MAI – Vice President
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Experienced real estate appraiser specializing in the valuation of farmland and farm-related improvements.
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