

The Dirt on Iowa Land Auction Prices â€™“ November 13-19, 2015

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Greetings! Last week was a very active week for land auctions in Iowa. There were a total of 3,600 acres offered at auction. Of those acres, 3,169 were tillable acres. I would describe last week’s auctions as **VERY STRONG**. A couple of highlights from last week: On Friday, November 13, a 154-acre tract in Sioux County sold for a jaw dropping \$17,300/acre with a CSR of 73.3 and CSR2 of 99.2.

On November 18, 270 acres sold for \$12,200/acre, 120 acres sold for \$11,100/acre, and 164 acres sold for \$11,150 – all in Cedar County. The same auction also had 160 acres in Scott County that sold at \$11,000/acre. There were two farms that were true “no sales” last week. One farm was in Madison County and the other was in Tama County. One sale was for a tract that was in the CRP timber program and sold for \$4,200/acre.

This land market is defying logic with current grain prices. Though the Sioux County sale of \$17,300 is not the highest we have seen in that area, it is one of the highest prices we have seen since the peak in 2012/2013. This sale is not an anomaly; there have been several recent sales in the Sioux County area that have sold north of \$14,000/acre, even a \$15,500/acre sale.

Let us go back in history. The highest sale in Sioux County occurred on October 25, 2012, when an 80-acre parcel sold for \$21,900/acre. This topped the old record a year earlier – \$20,000/acre for an 80-acre parcel.

Note that the recent \$17,300/acre sale was for 154 acres. If this tract would have been 80 acres, would it of sold higher? Who knows?

Based on these sales, the land market appears to be down from the peak anywhere from 13.5 percent to 21 percent. With better than expected yields at harvest – in some areas 30-50 bushels of corn/acre – some counties getting nice ARC payments has stabilized and even increased the land market in Iowa.

With prices being this far down from the peak, farmers and investors are looking at this as a good time to buy. Farmland is still looked at as a better investment than T-bills and CDs. I have also heard that prices at large machinery auctions this past week have been described as strong to very strong.

I realize there is a lot of negative press about the current farm economy. Please be aware that if the information is over three months old, then it is out dated. You need to check back here every week to get the dirt on Iowa land auction prices.

[Check out our October land auction results!](#)

Talk to you soon!

[Jim Rothermich](#)

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