

The Dirt on Iowa Land Auction Prices â€™“ January 15-21, 2016

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Greetings!

Land auctions in Iowa continue to pick up. There were a total of 1,622 gross acres offered at auction last week. Of those acres, 1,379 acres were tillable. I would describe last week auctions as stable.

A few of the highlights: A 73-acre tract in Cerro Gordo County sold for \$9,625/ acre with a CSR/CSR2 of 80.8/89.1 and 80 acres in Boone County sold for \$8,050/acre with a CSR/CSR2 of 75.4/80.6. This tract was sold with a lease in place at \$282/acre.

In Benton County, 196 acres with a CSR/CSR2 of 81.4/83.1 sold for \$8,450/acre. There were two auctions identified last week as “no sales,” yet were successfully negotiated after the auction.

One of the things I have been commenting about is the stability of land prices, even when grain prices and net farm income is down from previous years. [Farm Credit Services of America \(FCS\)](#) recently released data indicating that land auctions are half of what that were in the peak year of 2012.

The data indicates that, in the FCS of America service territory, there were 5,885 auctions in 2012 – a peak year with 3.7 percent of auctions resulting in “no sales.” In 2015, the data indicates that of 2,960 auctions,

4.2 percent were identified as “no sales.”

Considerably fewer farms, almost half as much, are coming to the market as we see an upward movement in the percentage of “no sales.” This supports my comments about why the land market is not going down, as one would think, given grain prices are considerably lower than they were in the peak.

Huge amount of pent up demand for farmland + limited amount for sale = stable land prices, even with low grain prices. I would expect to see this trend to continue into 2016.

Check back next week as I will be talking about a recent cash rental auction in Buchanan County, and share the results of a couple of sale-lease back farm deals. This will give you a handle of what the cash rental market is doing to date.

Peoples Company has the resources to make you successful. One of those resources is the Land Investment Expo, January 29, in West Des Moines, Iowa.

Keynote Speakers for the 2016 event include:

U.S. Secretary of Agriculture Tom Vilsack, Iowa Governor Branstad and Iowa Senator Joni Ernst, along with renowned political insider odd-couple James "The Ragin' Cajun" Carville and Mary Matalin; real estate economist Dr. Mark Dotzour; The Gartman Letter editor and publisher Dennis Gartman; Agri-Trend Group CEO Rob Saik; American cannabis farmer Ben Zaitz; and University of Illinois Professor of Land Economics Dr. Bruce J. Sherrick, among others.

Attendees of the sold out event will gain a global perspective while taking in a ground-level view of a one-of-a-kind, ag conference in the heart of American agriculture. Learn more at LandInvestmentExpo.com. Please check out our December auction results. Follow [@TheLandTalker](https://twitter.com/TheLandTalker) on Twitter. And please make sure and hit the [“like” button on Facebook](#).

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