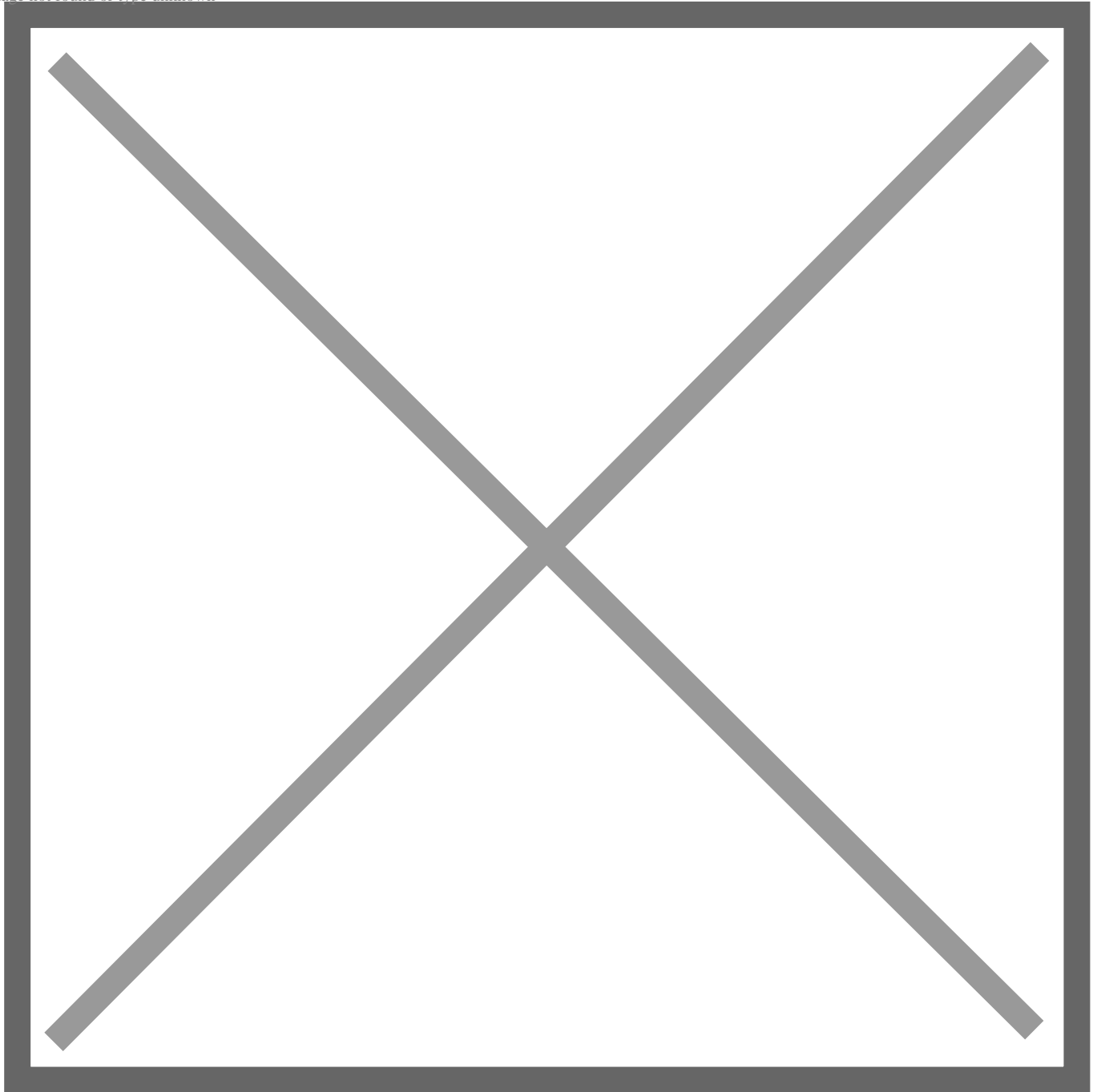


The Dirt Talk Weekly Iowa Land Auction prices, July 1st to July 7th, 2016

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Greetings! Very few land auctions are occurring in Iowa at this time. There were a total of 460 acres offered at auction, of those acres, 406 were tillable acres. Due to the 4th of July holiday, there were only two auctions last week. I would describe last week's auctions results as "good". A few of the highlights from last week:

- 320 acres sold in two tracts in Poweshiek County
 - Tract 1 sold for \$7,300/acre with CSR/CSR2 of 76/81
 - Tract 2 sold for \$7,100/acre with CSR/CSR2 of 73/74

The seller retained 2016 farm income

- 140 acres sold in Fayette County. The farm was offered in two tracts or in combination. The winning bidder bought the farm in combination for \$4,200/acre with CSR/CSR2 of 55.6/54.8. The farm was rented for \$220/acre with the buyer to receive 50% rent credit at closing.

I have analyzed a lot of sales this spring/summer that had leases in place. The Capitalization Rates on these sales are generally below 3.0%. I have also analyzed numerous sales where the land leases were below market.

The corn market has been down every day for almost 2 weeks; the soybean market is down as well. Both corn and soybean prices are below breakeven points, which will start affecting the land market.

We are now in a La Nina weather pattern which is calling for hot and dry weather in the corn belt. The corn belt got some much needed rain this week. Keep an eye on the grain market as hot dry weather will add volatility to the grain market.

The number of land auctions are down considerably all across Iowa for the next 30 days. There is a very limited amount of tillable land for sale and which is keeping the land market up despite low grain prices. In my opinion, if you are thinking of selling farmland, the sooner you bring it to market the better.

Please check back next week to see what I will be discussing. Please check out our June auction results. Please make sure and hit the “like” button on Facebook.

Talk to you soon! Thanks, Jim “the Land Talker”