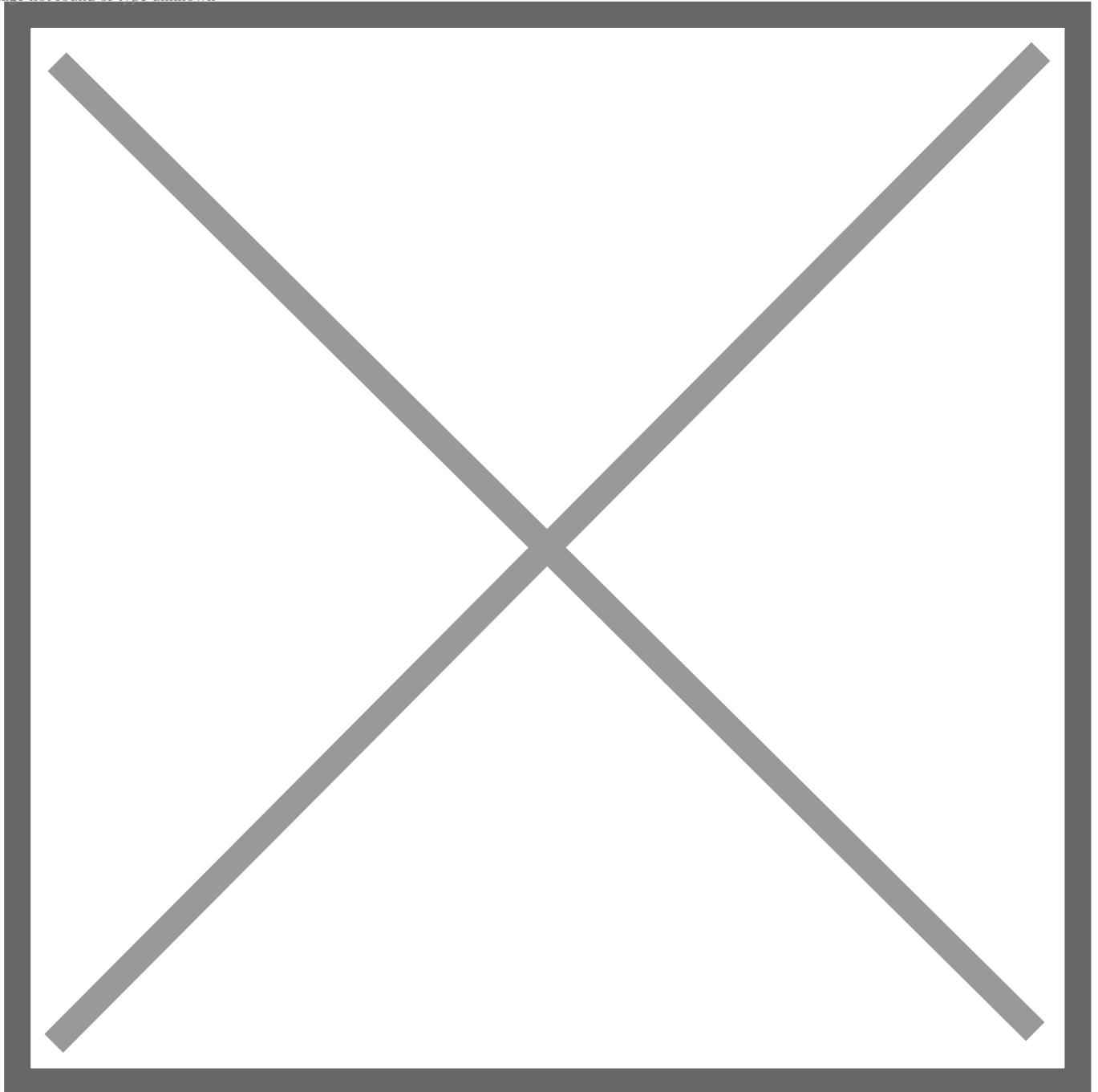


The Weekly Dirt on Iowa Land Auction Prices â€“ May 6-12, 2016

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Greetings! Land auctions in Iowa were down considerably from last week. There were a total of 160 acres offered at auction. Of those, 149 acres were tillable. I would describe last week's auctions results as "fairly stable."

There was one land auction in [Kossuth County](#). The farm sold for \$8,300/acre with a CSR/CSR2 of 72/81. 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 the scarcity is keeping the land market up despite low grain prices. It is still my opinion that if you are thinking of selling farmland, the sooner you bring it to the market the better.

Soybean prices went up sharply on May 10, 2016 after a USDA report showed a sharp reduction in global soybean inventories and stronger-than-anticipated demand for U.S. exports. Since March 1, soybean prices have risen 25 percent, or \$2.20/bushel, while corn prices are up only 4 percent, or about \$0.14/bushel. Given prospects for high priced soybeans and low priced corn, the financial incentive to shift intended corn acres to soybean acres has reached new highs. Based on crop budgets projected by Purdue Agricultural Economists, soybean farmers stand to earn \$116 more per acre than corn producers this year. This is one of the highest incentives to shift from one crop to another we have ever seen.

A weaker U.S. dollar has triggered expected higher demand from China., the largest export market for US soybeans. The rally also accelerated late last month when heavy rains threatened to delay the harvest in some regions in Argentina, the world's third-largest soybean producer. Since the report was issued, there have been indications that farmers across the country could shift up to three million acres from corn with the most acres expected to go to soybeans.

According to [Brad Hayes](#) of Peoples Company, there are only 126 farms for sale in Iowa that are at least 85 percent tillable. With 99 counties in Iowa, there is just over one farm per county on the market that is at least 85 percent tillable. With the recent run in soybean prices, we should see more stability, if not a small run, in Iowa farmland prices this summer.

Please check back next week to see what I will be discussing and be sure to look at our [April auction results](#).

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Talk to you soon!

Thanks.

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