

# Iowa Farmland Values: Tama and Benton County

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Continuing with the Iowa Farmland Values blog series, we will now be highlighting average farmland characteristics and production costs in Tama and Benton County. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

## TAMA COUNTY, IA

### 2019 AVERAGE FARMLAND VALUE

\$7,842 + 4.4% SINCE 2018

Average County CSR2

70.3

CSR2 Price Per Point Average

\$111.55



### CAP RATE

\$250 / \$7,842 → 3.19%

### AVERAGE CASH RENT PER ACRE

\$250



Average Corn Yield (2015-2019)

210

Rent Per Bushel of Corn Yield

\$1.19



Average Soybean Yield (2015-2019)

59

Rent Per Bushel of Soybean Yield

\$4.24

The average cap rate typically ranges from 2-6%, but is often around 3-4%. **FARMLAND** is a low cashflow business, but very high in appreciation. Overall, it's on par with the returns of the S&P 500, with far less volatility.

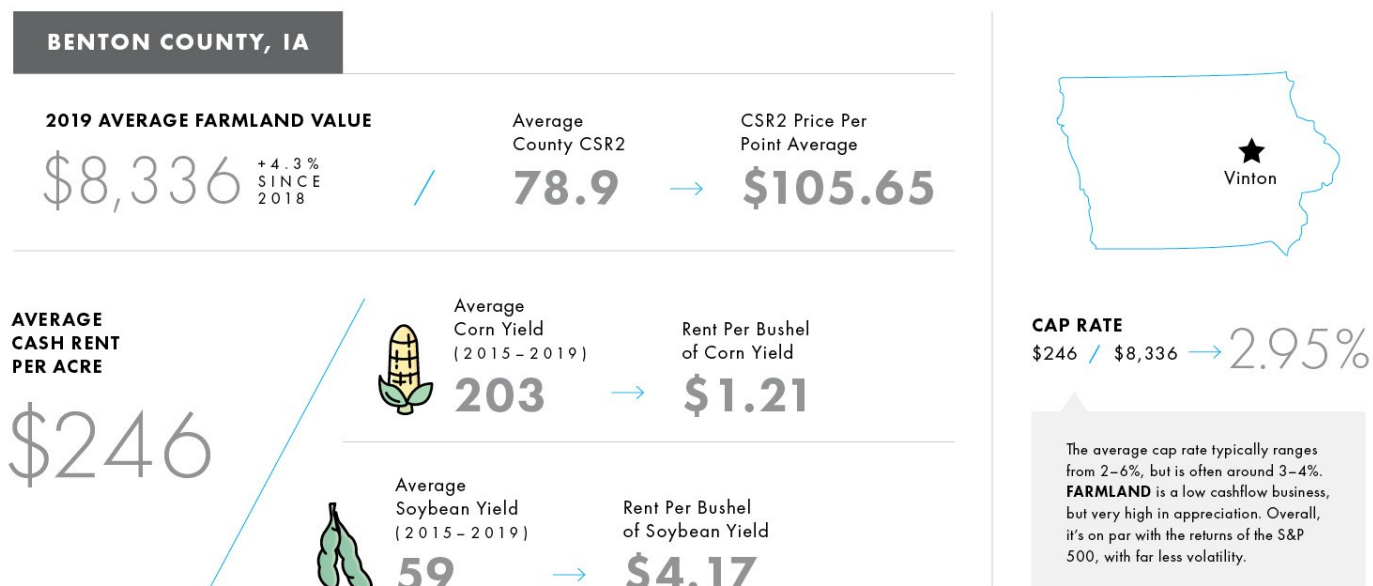
## Successful Sales in Tama County, Iowa

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
2/26/2020	Tillable	\$804,045	66.45	\$12,100	92.80	61.30	\$141
2/26/2020	Tillable	\$848,946	71.34	\$11,900	88.10	61.98	\$155
8/20/2020	Tillable	\$440,000	40.00	\$11,100	90.80	38.33	\$126
8/20/2020	Tillable	\$1,039,500	135.00	\$7,700	81.40	133.50	\$96
11/10/2020	Tillable/CRP	\$1,631,760	167.36	\$9,750	92.00	146.77	\$121

Of the 462,300 total acres in Tama County, the average Corn Suitability Rating 2 (CSR2) for the 406,984 acres of farmland within the county is 70.3 with an average 2019 farmland value of \$7,842 per acre, which is a 4.4% increase from \$7,510 since 2018. To determine the CSR2 price per point average, divide the average farmland value (\$7,842) by the Tama County CSR2 average (70.3), which equals \$111.55 per CSR2 point.

The average cash rent per tillable acre across Tama County is \$250 (\$209-\$290). The 2015-2019 average corn and soybean yield was 210 and 59 bushels per acre, respectively. The average rent per bushel of crop yield is calculated by cash rent divided by the average crop yield expected, which is \$1.19 for corn and \$4.24 for soybeans. Since beginning this blog series during the middle of September 2020, commodity markets have risen an additional 10-20% and corn and soybean futures are currently over \$4.00 and \$10.50 per bushel, respectively. One may still expect to spend approximately one-third of the per bushel revenue on cash rents.

The capitalization rate, or also commonly referred to as cap rate, is the rate of return on a real estate property based on the income that the property is expected to generate for the landowner. The cap rate can help evaluate and compare the risk of one property or market to another, where it depends on demand, available inventory within the area, and specific type of property. The cap rate for Tama County farmland is around 3.19%, or an expected return on investment of almost three and a quarter percent.



## Successful Sales in Benton County, Iowa

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/10/2020	Tillable	\$526,500	78.00	\$6,750	78.30	77.20	\$87
1/8/2020	Tillable	\$1,505,301	116.69	\$12,900	90.80	113.25	\$146
3/5/2020	Tillable	\$1,472,750	137.00	\$10,750	88.80	116.07	\$143
9/2/2020	Tillable	\$651,200	74.00	\$8,800	90.20	69.37	\$104
9/2/2020	Tillable	\$444,000	80.00	\$5,500	76.00	72.09	\$81

Of the [459,800](#) total acres in Benton County, the average [Corn Suitability Rating 2](#) (CSR2) for the [420,639](#) acres of farmland within the county is 78.9 with an average 2019 farmland value of \$8,336 per acre, which is a 4.3% increase from \$7,994 since 2018. To determine the CSR2 price per point average, divide the average farmland value (\$8,336) by the Benton County CSR2 average (78.9), which equals \$105.65 per CSR2 point.

The average cash rent per tillable acre across Benton County is \$246 (\$211-\$280). The 2015-2019 average corn and soybean yield was 203 and 59 bushels per acre, respectively. The average rent per bushel of crop yield is calculated by cash rent divided by the average crop yield expected, which is \$1.21 for corn and \$4.17 for soybeans. Since beginning this blog series during the middle of September 2020, commodity markets have risen an additional 10-20% and corn and soybean futures are currently over \$4.00 and \$10.50 per bushel, respectively. One may still expect to spend approximately one-third of the per bushel revenue on cash rents.

The cap rate for Benton County, Iowa farmland is around 2.95%, or an expected return on investment less than three percent.

To get in contact with someone about your Tama County or Benton County farm in Iowa, please call Matt Adams (515.423.9235; [matt@peoplescompany.com](mailto:matt@peoplescompany.com)) or Doug Bear (515.745.3192; [doug.bear@peoplescompany.com](mailto:doug.bear@peoplescompany.com)).

Tillable Acres for all the counties can be found [HERE](#).

[DOWNLOAD](#) Tama County Details

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