

Iowa Farmland Values: Calhoun and Webster County

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Continuing with the Iowa Farmland Values blog series, we will use the 2020 Farmland Value Survey to highlight average farmland characteristics and production costs in Calhoun and Webster County. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

CALHOUN COUNTY, IA

2019 AVERAGE FARMLAND VALUE

\$9,335 + 3.2% SINCE 2019

Average County CSR2

82.2

CSR2 Price Per Point Average

\$113.56



CAP RATE

\$229 / \$9,335 → 2.45%

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.

AVERAGE CASH RENT PER ACRE

\$229



Average Corn Yield (2015-2019)

198

Rent Per Bushel of Corn Yield

\$1.16



Average Soybean Yield (2015-2019)

57

Rent Per Bushel of Soybean Yield

\$4.02

1 2019 ISU Land Value Survey conducted by the Center for Agricultural and Rural Development (CARD)

2 Iowa State University Extension and Outreach File C2-10 in Ames, Iowa

Successful Sales in Calhoun County:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
10/29/2020	Tillable	\$696,000	80.00	\$8,700	84.2	76.87	\$108
10/29/2020	Tillable	\$637,000	70.00	\$9,100	84.9	69.03	\$109
10/29/2020	Tillable	\$792,000	80.00	\$9,900	78.9	76.36	\$131
10/16/2020	Tillable	\$864,000	80.00	\$10,800	86.6	80.00	\$125
8/27/2020	Tillable	\$1,264,000	160.00	\$7,900	84.3	149.33	\$100

Of the [366,800](#) total acres in Calhoun County, the average [Corn Suitability Rating 2](#) (CSR2) for the [351,082](#) acres of farmland within the county is 82.2 with an average 2020 farmland value of \$9,335 per acre, which is a 3.2% increase from \$9,043 since 2019. To determine the CSR2 price per point average, divide the average farmland value (\$9,335) by the Calhoun County CSR2 average (82.2), which equals \$113.56 per CSR2 point.

The average cash rent per tillable acre across Calhoun County is \$229 (\$202-\$257). The 2015-2019 average corn and soybean yield was 198 and 57 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 \$1.16 for corn and \$4.02 for soybeans. Since beginning this blog series during the middle of September 2020, commodity markets have continued to rise with current cash corn and soybean prices over \$5.00 and \$13.30 per bushel, respectively. One may still expect to spend approximately 35-45% 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 Calhoun County, Iowa farmland is around 2.45% or an expected return on investment of just shy of two and a half percent.

WEBSTER COUNTY, IA

2019 AVERAGE FARMLAND VALUE

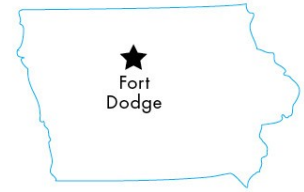
\$8,798 +1.7% SINCE 2019

Average County CSR2

75.1

CSR2 Price Per Point Average

\$117.15



★
Fort Dodge

AVERAGE CASH RENT PER ACRE

\$220



Average Corn Yield (2015-2019)

198

Rent Per Bushel of Corn Yield

\$1.11



Average Soybean Yield (2015-2019)

54

Rent Per Bushel of Soybean Yield

\$4.07

CAP RATE

\$220 / \$8,798 → 2.50%

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.

1 2019 ISU Land Value Survey conducted by the Center for Agricultural and Rural Development (CARD)

2 Iowa State University Extension and Outreach File C2-10 in Ames, Iowa

Successful Sales in Webster County:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
4/02/2021	Tillable	\$520,000	60.00	\$8,666	73.7	57.02	\$124
1/28/2021	Tillable	\$310,320	40.00	\$7,758	69.8	38.79	\$114
1/8/2021	Tillable	\$1,119,480	117.84	\$9,500	82.9	114.69	\$118
9/16/2020	Tillable	\$599,040	74.88	\$8,000	82.1	74.37	\$98
9/16/2020	Tillable	\$601,280	75.16	\$8,000	82.8	70.19	\$99
9/16/2020	Tillable	\$622,000	77.75	\$8,000	82.5	77.41	\$97

Of the 459,600 total acres in Webster County, the average Corn Suitability Rating 2 (CSR2) for the 409,293 acres of farmland within the county is 75.1 with an average 2020 farmland value of \$8,798 per acre, which is a 1.7% increase from \$8,650 since 2019. To determine the CSR2 price per point average, divide the average farmland value (\$8,798) by the Webster County CSR2 average (75.1), which equals \$117.15 per CSR2 point.

The average cash rent per tillable acre across Webster County is \$220 (\$191-\$245). The 2015-2019 average corn and soybean yield was 198 and 54 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 \$1.11 for corn and \$4.07 for soybeans.

The cap rate for Webster County, Iowa farmland is around 2.50% or an expected return on investment around two and a half percent.

To get in contact with someone about your Calhoun or Webster County farm in Iowa, please call Doug Bear (515.745.3192; Doug.Bear@PeoplesCompany.com) or Matt Adams (515.423.9235; Matt@PeoplesCompany.com).

[DOWNLOAD](#) Calhoun County Details

[DOWNLOAD](#) Webster County Details