



CSR2: Soil, Risk and the Big Picture

I'm not afraid of change. I just don't want to be around when it happens. So, when Iowa State University's task force came out with the new CSR2 classifications around 2013, my first reaction was "Why can't they just leave well enough alone?"

Then, I began to notice some trends.

Back before the last farmland value cycle, extreme Northwest Iowa was notoriously famous for farms selling for \$180 times the old "historic" CSR average while farmland sales in the rest of the State were bringing between \$105-\$125 per CSR average.

Closer to home, the similar farmland sales ratios in Howard County and parts of Chickasaw County were \$130+/CSR while the land in the rest of the Counties in North Central Iowa were bringing \$105-\$115/CSR. Was that because those operators were superior managers and making more money? Or, was there something else happening behind the scenes?

New ratings level the field

When the University rolled out the new generation of Corn Suitability Ratings, they also published the new average CSR2 rating on a county-by-county basis. Lo and behold, the countywide average for Sioux County jumped from 64.8 to 85.7! The countywide average for Howard County went up from 69.4 to 76.9. The countywide average for Chickasaw County went up from 69.4 to 77.2. The next closest increase in North Central Iowa was Winnebago County. It went up five CSR points. Worth County didn't change at all.

Was it a coincidence that the counties that experienced the largest increase from historic CSR to CSR2 were the same counties that had appeared over-priced before the change?

I was told by a knowledgeable NRCS soil technician to compare the direction of the index change

between the historic CSR to the current CSR2. If a soil type had production limiting factors that could be fixed—or at least minimized—the CSR2 average was probably higher than the CSR average. An example of a fixable production limiting factor is slow drainage. Most times, artificial tile drainage can fix that.

If the soil type had production limiting factors that can't be fixed, the CSR2 average was probably lower than the former historic CSR. An example of a production limiting factor that can't be fixed is a steep slope that is already severely eroded. There's no practical way to put the topsoil back on the top of the hill.

Another example of a production limiting factor that can't be fixed is peat soils. Yes. You can tile the peat bed, but you can't control how heavy the rainfall is going to be that's going to set on the peat bed and possibly cause moisture stress. You also can't control how late the last frost in the spring is going to be or how early the first frost in the fall is going to be.

Rating or risk assessment?

That's when I started thinking about CSR2 as a risk assessment factor. Wouldn't you pay more for land that's going to have a crop every year? If you were a lender, wouldn't you make a loan with bigger loan payments on a piece of land that always has a crop?

I own a little land on the edge of Mason City. About half of it used to be a waste water treatment lagoon. When the treatment lagoons were abandoned, the excavators did a really good job reclaiming the land. It has nice topography and a respectable layer of topsoil but, the soil technicians couldn't assign a CSR2 rating to that half of the land because it was altered land. That's why I didn't have to pay \$10,000+ per acre.

So far, I've had good crops, but the year is going to come where my crop is going to be mediocre while the fields with 80+ CSR2 averages are still going to have a good crop.

I eventually decided that the transition to the new CSR2s was like looking at a Monet painting. Claude Monet was a French impressionistic painter in the late 19th century and early 20th century. He was famous for painting water lilies floating on pools and for paintings of flower gardens. His paintings just looked like random splotches of colored oil paint thrown on a canvas if you were looking at the painting right up close to your face.

From a distance, though, the flowers and reflections in the pool looked like the real thing.

I became sold on the CSR2 index when I stepped back and looked at the big picture.



Claude Monet, Water Lilies and Japanese Bridge, 1899, Princeton University Art Museum, New Jersey, USA.

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