

Each year the National Agricultural Statistics Service of the USDA releases estimated average farm real estate values by state. The estimates are based on surveys of farmers from selected geographical areas. The surveys follow strict statistical guidelines. Estimated values maybe revised the following year based on additional information. Revisions may also be made based on data from the 5-year Census of Agriculture. The methodology and timing of the study has changed over time, but the statistical information provides some insight as to the changes in farm real estate values from year to year.

The farm real estate value data (includes farmland and farm buildings) is used to construct index numbers of Illinois farmland values. This index can be used to estimate a current or past value using purchase price or appraisal. The online index tool will help you with the calculations on the next page as well as having the option to use cropland values as well. The tool can be found at: <https://farmland.illinois.edu/tools-and-data/> (Farmland Index Construction Utility).

Index Numbers of Illinois Farmland Values

Date	Index numbers (1979=100)	Date	Index numbers (1979=100)	Date	Index numbers (1979=100)
1970	26.4	1989	75	2007	216
1971	26.6			2008	245
1972	28.1	1990	76	2009	240
1973	30.5	1991	79		
1974	38.8	1992	83	2010	254
1975	45.5	1993	83	2011	290
1976	57.2	1994	90	2012	334
1977	78.5	1995	98	2013	382
1978	87.5	1996	102	2014	403
1979	100	1997	107	2015	400
		1998	115	2016	393
1980	110	1999	119	2017	385
1981	118			2018	392
1982	109	2000	122	2019	392
1983	99	2001	123		
1984	99	2002	126	2020	398
1985	74	2003	131	2021	425
1986	66	2004	138	2022	479
1987	62	2005	173	2023	501
1988	68	2006	193		

How to Use Index Numbers of Illinois Farmland Values

1. Index numbers can be used to **estimate** what farmland values were in past years. Some people use this to establish a basis in farmland.

To **estimate** farmland values from past years use the following formula:

$$\text{Current land value} \times \frac{\text{Past year's index}}{\text{Current year's index}}$$

Example: Current land values are \$15,000 per acre. What was the value of this land in 1975?

$$\begin{array}{r} \$15,000 \times \frac{45.5}{501} \end{array} \begin{array}{l} \leftarrow (1975 \text{ index value}) \\ \leftarrow (2023 \text{ index value}) \end{array}$$

Equals \$1,362 per acre.

2. Index numbers can be used to **estimate** current values of farmland.

To estimate farmland values from past years use the following formula:

$$\text{Past land value} \times \frac{\text{Current year's index}}{\text{Past year's index}}$$

Example: I paid \$1,200 per acre for land in 1975. What is an estimated value of this land today?

$$\begin{array}{r} \$1,200 \times \frac{501}{45.5} \end{array} \begin{array}{l} \leftarrow (2023 \text{ index value}) \\ \leftarrow (1975 \text{ index value}) \end{array}$$

Equals \$13,213 per acre.