FARM BUSINESS MANAGEMENT

Index Numbers of Illinois Farmland Values

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Each year the National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA) releases estimated average farm real estate values by state (USDA NASS, Land Values 2026 Summary). 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			2009	240
1971	26.6	1990	76		
1972	28.1	1991	79	2010	254
1973	30.5	1992	83	2011	290
1974	38.8	1993	83	2012	334
1975	45.5	1994	90	2013	382
1976	57.2	1995	98	2014	403
1977	78.5	1996	102	2015	400
1978	87.5	1997	107	2016	393
1979	**100**	1998	115	2017	385
		1999	119	2018	392
1980	110			2019	384
1981	118	2000	122		
1982	109	2001	123	2020	383
1983	99	2002	126	2021	400
1984	99	2003	131	2022	442
1985	74	2004	138	2023	453
1986	66	2005	173	2024	468
1987	62	2006	193	2025	481
1988	68	2007	216	2026	498
1989	75	2008	245		

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:

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

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

   $$\$15{,}000 \times \frac{45.5}{498} \quad \begin{matrix}\text{(1975 index value)} \\ \text{(2026 index value)}\end{matrix}$$

   Equals $1,370 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:

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

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

   $$\$1{,}200 \times \frac{498}{45.5} \quad \begin{matrix}\text{(2026 index value)} \\ \text{(1975 index value)}\end{matrix}$$

   Equals $13,134 per acre.