



Center for
Farmland Research
at the University of Illinois

Illinois Farmland Turnover Analysis

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Abstract

This report documents Illinois farmland transactional activity through time and across location from 2003 through 2025. Using arm's-length sales identified from Illinois property transfer declarations (PTAX-203) along with USDA Census data on farmland acreage, the analysis finds that farmland turnover is structurally low, averaging 1.56% annually, with an implied average holding period of approximately 64 years. The findings highlight geographic difference, seasonal transaction patterns in the first and fourth quarters, and declining parcel sizes alongside rapid value appreciation. The results emphasize the persistently thin nature of Illinois farmland markets and the limited annual open-market supply.

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Introduction

The rate of turnover in farmland markets is important both to industries involved in real estate transactions and to operators with incentives to expand.

Fundamental features of the asset class that make it possible to attract capital also depend on some basic levels of liquidity or access to both purchase and sales opportunities. Measuring turnover, however, is not as straightforward an exercise as might be imagined. Although property transfer records are typically public, electronic accessibility varies by county and state and there is little standardization of definitions and methods of disclosure. More importantly, unambiguously defining “farmland” and what qualifies as a representative market sales present methodological challenges. Farms are typically classified by both land type and land use, and parcels that meet agricultural use definitions for taxation purposes may in practice function as development tracts or lack commercial farm utility. In addition, factors that allow unambiguous identification of “arm’s-length” transactions are rarely fully evident in historic sales records.

Illinois has substantially modified its own real estate transfer recording system over time and now has a reasonably detailed and accessible collection of post-sale transfer declarations commonly referred to as the PTAX-203 records. Prior to being electronically available, the TIAA Center for Farmland Research and the University of Illinois maintained an annual update from physically archived media from the State of Illinois reaching back into the 1980s. Various form revisions and tax-related disclosure modifications resulted in distinct data regimes, creating different sets of information to use for controlling characteristics such as price per acre, parcel size, and classification as bare farmland, improved farmland, or farm-related property that is not cropland. To maintain consistency with historical records, this study examines farmland sales from 2003 through 2025, recorded as of January 1, 2026. Because this timeframe spans a transition in the state's reporting systems, pre- and post-2011 data require slightly different sample

treatments to ensure uniformity. Additionally, to accurately calculate turnover rates against a gradually shrinking agricultural land base, U.S. Census of Agriculture data were utilized to construct a temporal baseline of total farmland at both the state and county levels.

Illinois is one of the most productive agricultural states in the country, accounting for a substantial share of Corn Belt production and encompassing more than 26 million acres of highly productive farmland. Its agricultural and land market characteristics are also broadly representative of the larger Corn Belt region and thus the results are likely representative of other similar regions. Despite its scale and economic importance, relatively little farmland changes hands in any given year, and a meaningful share of those transfers occurs within multigenerational farm operations or among related entities through non-public transactions that may not reflect fully open-market price discovery processes.

National Context

To place these Illinois figures in a broader national context, data from the United States Department of Agriculture (USDA) Economic Research Service (ERS) confirm that low turnover is a defining characteristic of U.S. farmland markets more broadly. According to the 2024 Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey, approximately 43 million acres representing about 5% of U.S. total farmland is expected to transfer ownership during the next five years, excluding land already held in or expected to be placed into wills and trusts. Of these transferring acres, only about 23 million acres are expected to be sold to non-relatives in arm's-length transactions, while roughly 20 million acres are expected to be transferred to relatives or conveyed through gifts and similar arrangements. These figures suggest that only a small fraction of U.S. farmland enters the open market in any given year, underscoring the structurally constrained supply conditions that characterize farmland markets.

As a result of the small fraction of the total that sells each year, even modest changes in turnover rates can generate disproportionately large changes in measured market activity. For example, an increase in annual turnover rate from 1.5% to 2.0% would represent a 33.3% increase in transaction volume. Thin-market conditions tend to support prices during market downturns by limiting the quantity of farmland available for sale, while stronger market environments are often associated with somewhat greater participation by sellers. Consistent with USDA and state-level evidence, surveys of agricultural bankers reported in the Federal Reserve Bank of Chicago's AgLetter have repeatedly noted limited transfer activity across the Seventh Federal Reserve District, findings that closely align with the constrained supply conditions observed elsewhere (Federal Reserve Bank of Chicago 2024, 2025).

Methodology

To construct a consistent definition of market-relevant farmland transactions, data from the Illinois property transfer record system were screened using several eligibility criteria. The resulting sample includes parcels between 10 and 1,281 acres, thereby excluding most rural residential and lifestyle properties while retaining commercially meaningful farm operations up to two full sections. Transactions exceeding this acreage threshold were reviewed individually to avoid excluding economically relevant observations, and a limited number of these larger sales were retained when they could be verified as arm's-length, market-based transactions. These verified large transactions were rare, with sales exceeding 1,281 acres averaging fewer than one per year over the entire sample period.

Transactions were further screened using price-per-acre thresholds to reduce the influence of data errors, development-oriented parcels, and other non-representative sales. Some recorded transfers reflected only nominal consideration, often as little as one dollar, and were commonly associated with

trust reorganizations, estate planning activities, or internal ownership restructurings which are required to be disclosed if involving related parties. Although legally recorded as sales, these transactions do not represent open-market price discovery and were therefore excluded from the sample. Transfers between relatives or affiliated business entities were likewise removed to ensure that the resulting dataset reflects arm's-length transactions broadly accessible to market participants.

The PTAX-203 transfer declaration forms were revised during the sample period to improve reporting definitions and disclosure requirements related to related-party transactions, and to document new features over time in other markets including residential and commercial. Although the revised forms improved the detail and quality of reported information, the changes did not fully disambiguate the complexity in identifying non-arm's-length transactions, as well as sales involving alternative forms of consideration, seller financing concessions, or embedded transfers of personal property. To preserve consistency, Figure 1 presents annual Illinois farmland turnover rates from 2003 through 2025 using data harmonized across form versions to the extent possible. The 2011 transition point, during which both reporting systems were uniquely available, is retained to facilitate comparison across the two data regimes.

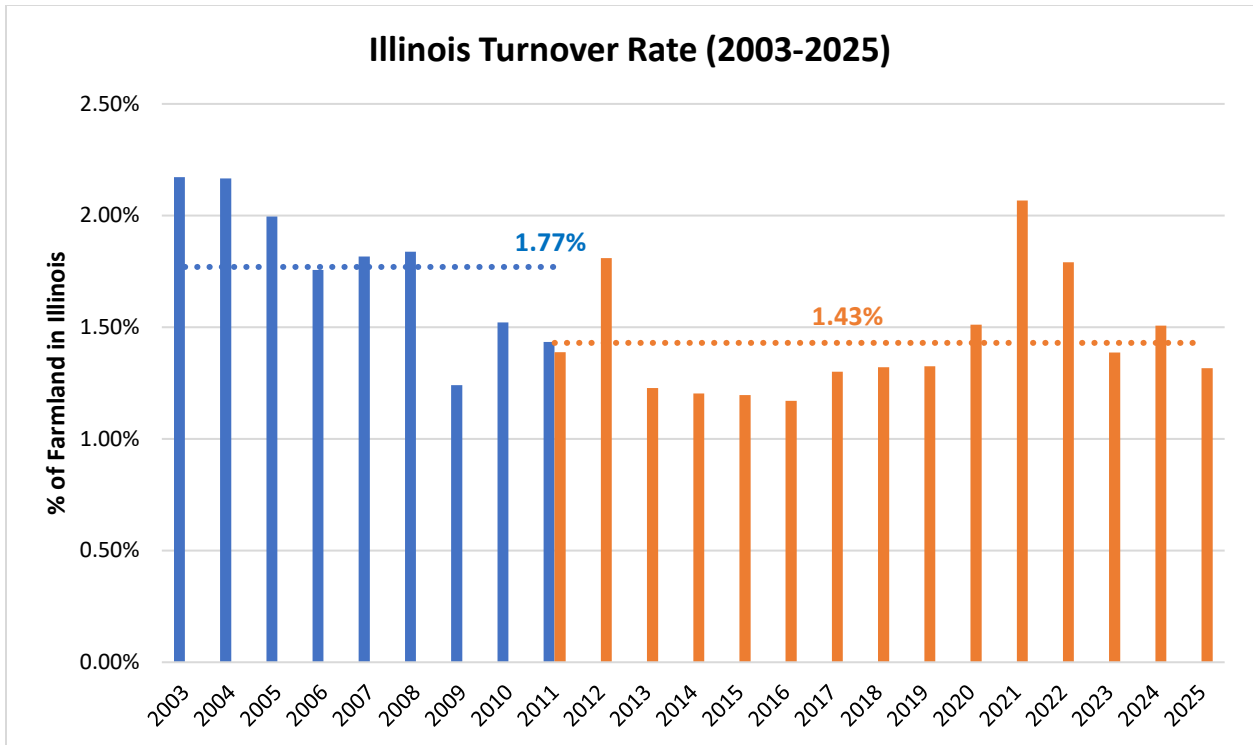


Figure 1. Illinois annual farmland turnover rate from 2003 to 2025
(Source: IDOR PTAX-203 and authors' calculations)

Farmland turnover rates in Illinois are structurally low throughout the entire period with an average annual rate of 1.77 percent of total land in farms from 2003-2011, and 1.43% from 2012 through the initial measurement of 2025 (the latter of which may increase slightly as reporting is completed). In the early portion of the sample, annual turnover rates exceeded 2% only in 2003, and 2004 coinciding with periods that experienced relatively stronger price appreciation.

In the second portion of the sample, turnover exceeded 2.0 percent in 2021 following the period of improved crop margins, historically low borrowing costs, and elevated government support payments from the pandemic period which strengthened farm balance sheets and provided strong liquidity.

Holding Periods

The turnover rate can be used to infer an average holding period by simply inverting the ratio to determine how long it would take for a complete turnover on average. Across the entire sample shown the average annual turnover rate is 1.561%, implying an average holding period of roughly 64 years. Although individual ownership patterns vary, the statewide farmland base turns over slowly and incrementally.

The implied holding period of approximately 64 years is further reinforced by the structure of farmland ownership in the United States. Results from the USDA's 2024 Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey indicate that nearly 40% of U.S. farmland is rented, with approximately 79% of rented acres owned by non-operating landlords. These owners frequently include retired farmers, heirs, trusts, and family entities, and a substantial share of farmland changes ownership through inheritance, gifts, and other family-based transfers rather than open-market sales. Consequently, only a small fraction of farmland becomes available through arm's-length transactions, further explaining the significantly low turnover rates observed in Illinois and other agricultural land markets.

Geographic Variation

Table 1 reports the total farmland acreage in Illinois by county, which serves as the base for calculating annual county-level turnover rates. Illinois farmland is concentrated heavily in central and northern counties, where production agriculture dominates the landscape. Iroquois, LaSalle, McLean, and Champaign counties each contain more than one-half million acres of farmland, underscoring the scale of the agricultural land base in these regions. In many of these areas, ownership is multigenerational and closely tied to ongoing operating farms, reinforcing the stability of the land base. However, turnover is not uniform across

the state. Differences in farm size, ownership structure, urban influence, and local market conditions contribute to meaningful regional variation in transaction activity.

Table 1. Illinois Land in farms by county (2022 Census of Agriculture)

County	Acres	County	Acres
Adams	423,666	Lee	377,886
Alexander	62,494	Livingston	606,271
Bond	161,590	Logan	380,340
Boone	124,244	McDonough	277,887
Brown	163,236	McHenry	184,403
Bureau	455,336	McLean	597,397
Calhoun	106,067	Macon	259,085
Carroll	261,931	Macoupin	458,695
Cass	156,808	Madison	264,765
Champaign	545,674	Marion	246,697
Christian	350,778	Marshall	206,667
Clark	249,166	Mason	324,668
Clay	227,457	Massac	127,131
Clinton	276,216	Menard	155,670
Coles	214,931	Mercer	251,455
Cook	10,281	Monroe	197,346
Crawford	234,709	Montgomery	379,349
Cumberland	161,892	Morgan	283,082
De Kalb	353,524	Moultrie	197,600
De Witt	180,145	Ogle	351,824
Douglas	217,560	Peoria	278,241
Du Page	819	Perry	174,088
Edgar	325,023	Piatt	228,142
Edwards	117,890	Pike	481,175
Effingham	281,772	Pope	77,364
Fayette	328,888	Pulaski	99,694
Ford	279,456	Putnam	51,822
Franklin	174,342	Randolph	254,611
Fulton	435,773	Richland	214,131
Gallatin	174,434	Rock Island	144,843
Greene	319,730	St. Clair	287,115
Grundy	188,601	Saline	159,177

Hamilton	223,423	Sangamon	464,740
Hancock	417,260	Schuyler	207,067
Hardin	34,138	Scott	104,741
Henderson	199,669	Shelby	359,447
Henry	449,705	Stark	162,962
Iroquois	669,168	Stephenson	305,770
Jackson	291,160	Tazewell	344,083
Jasper	246,336	Union	140,501
Jefferson	232,182	Vermilion	445,066
Jersey	161,192	Wabash	118,306
Jo Daviess	309,287	Warren	279,691
Johnson	108,064	Washington	326,641
Kane	146,717	Wayne	302,602
Kankakee	322,007	White	258,774
Kendall	129,224	Whiteside	335,899
Knox	440,387	Will	241,269
Lake	32,226	Williamson	103,673
La Salle	603,762	Winnebago	167,697
Lawrence	186,482	Woodford	277,669
Illinois Total		26,292,041	

(Source: USDA 2022 Census of Agriculture)

Figure 2 shows the geographic distribution of sales varies across the state. The reported rates reflect total qualifying farm sales, as defined in this study, divided by USDA measures of land in farms for each county. Because turnover is expressed as a percentage of total farmland acres, counties with relatively small agricultural land bases may exhibit elevated rates when one or two large transactions occur in any given year.

The county-level map reveals substantial geographic heterogeneity. Urban fringe counties surrounding Chicago display very low agricultural turnover, reflecting limited remaining farmland and continued development pressure. The turnover rate of 2.7% in Cook County (primarily occupied by Chicago) is an artifact of the exceedingly small overall acreage in the county, second lowest in the state following DuPage. In these areas, agricultural sales represent only a small portion of total land market activity.

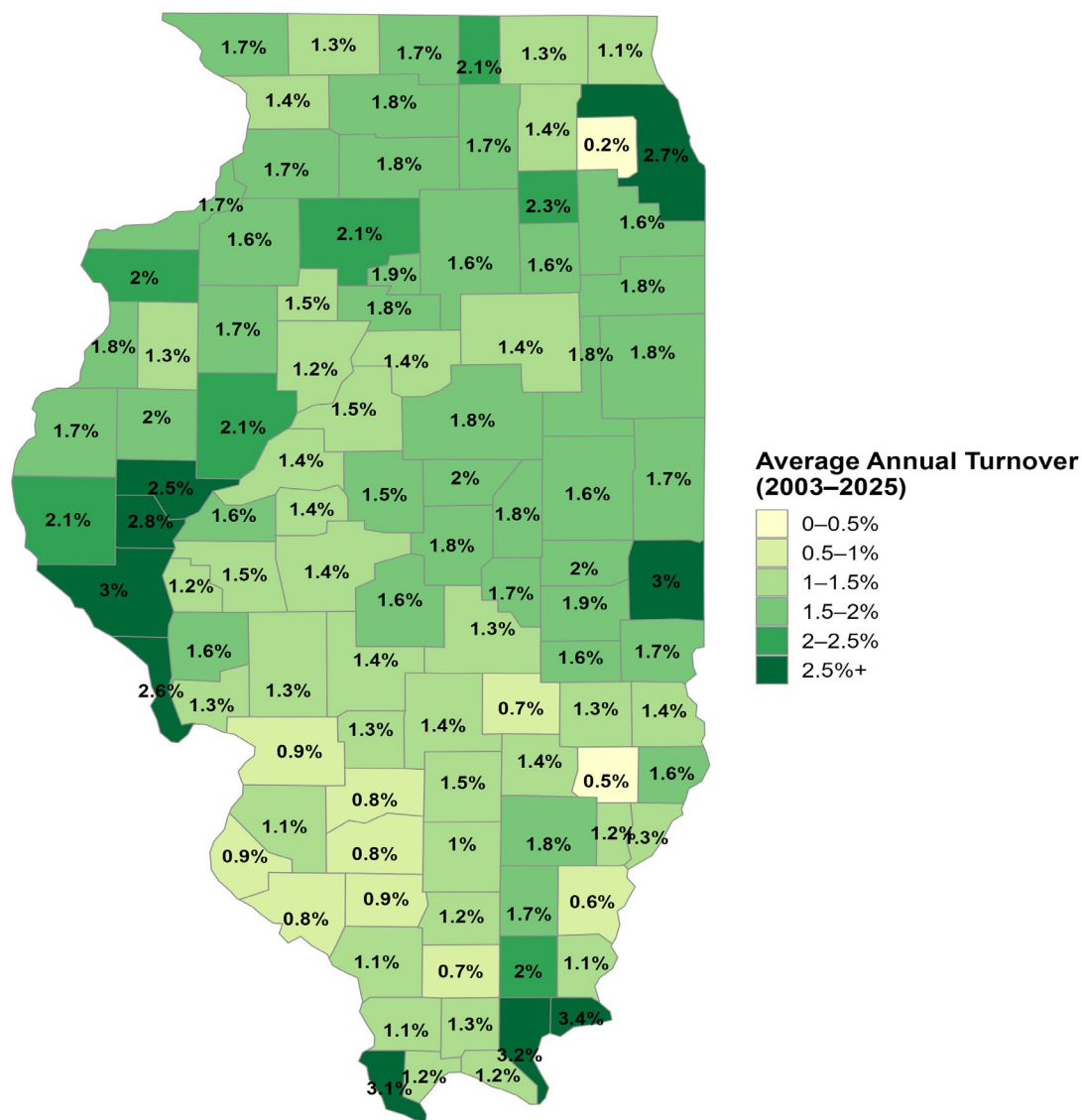


Figure 2. Illinois farmland turnover rate at county level from 2003 to 2025
(Source: IDOR PTAX-203, Census of Ag, and authors' calculations)

In contrast, portions of Western Illinois exhibit slightly higher turnover rates, especially in areas west of the Illinois River and northeast of St. Louis. Although these counties are predominantly agricultural and relatively high productivity, the relationship does not uniformly drive higher turnover across the state; for instance, across the highly productive central corridor, turnover rates generally cluster near the statewide average, typically between 1.3% and 1.6%. Supply remains tightly constrained, and when high-quality tracts enter the market, competition can be intense.

Overall, the spatial pattern reinforces that Illinois farmland operates as a collection of localized markets rather than a single integrated statewide pool. Soil productivity, ownership history, infrastructure access, and proximity to urban influence all shape turnover behavior and local liquidity conditions.

Seasonal and Transaction Trends

Annual turnover rates exhibit gradual long-term fluctuations associated with broader macroeconomic and agricultural conditions, while also reflecting recurring seasonal patterns tied to the crop production cycle. Figure 3 presents the same data delineated into quarterly buckets to highlight the clear seasonal dynamics in transaction activity.

The first and fourth quarters of each year consistently contain the highest transaction volumes, while the second and third quarters remain comparatively subdued. This pattern is remarkably consistent throughout the full sample period with the overall annual fractions of acres sold by quarter as follows: Q1 = 31.0%, Q2 = 23.9%, Q3 = 17%, and Q4 = 28.1%.

The concentration of activity in the fourth quarter reflects both post-harvest timing and year-end tax considerations. Sellers frequently seek to close transactions before December 31, while buyers position acquisitions ahead of the upcoming planting season. First-quarter activity often captures closings tied to late-year

listings or transactions negotiated during the winter months but before annual planting commences. This quarterly rhythm remains remarkably consistent with a seasonal structure that persists across economic cycles including periods of commodity expansion and margin compression. Even in high-activity years such as 2021, the concentration of transactions in the fourth and first quarters remains evident.

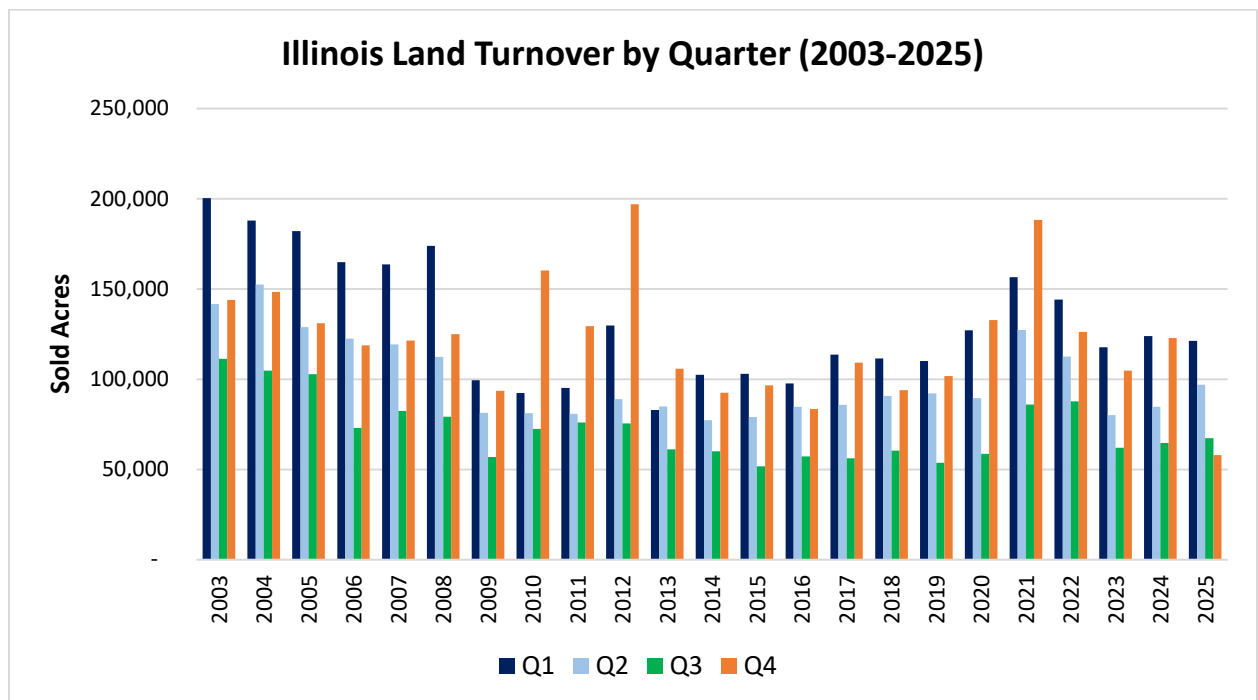


Figure 3. Illinois land quarterly turnover from 2003 to 2025
(Source: IDOR PTAX-203 and authors' calculations)

Beyond turnover frequency, features of individual transactions provide additional insight into how ownership evolves over time. Figure 4 displays acres per parcel from 2003 through 2025, reporting the mean, median, and interquartile range of transaction sizes.

Throughout the period, the median parcel size has remained remarkably stable

at approximately 40 acres which is a common size due to the commonly split fractions of even sections of 640 acres. The mean parcel size has gradually declined, moving from roughly 66 acres in the early 2000s to slightly below 50 acres by 2025. A slight drop occurred around 2017, when average parcel sizes contracted a bit more, before partially rebounding in 2021 and 2022 during the period of stronger farm incomes and elevated market activity.

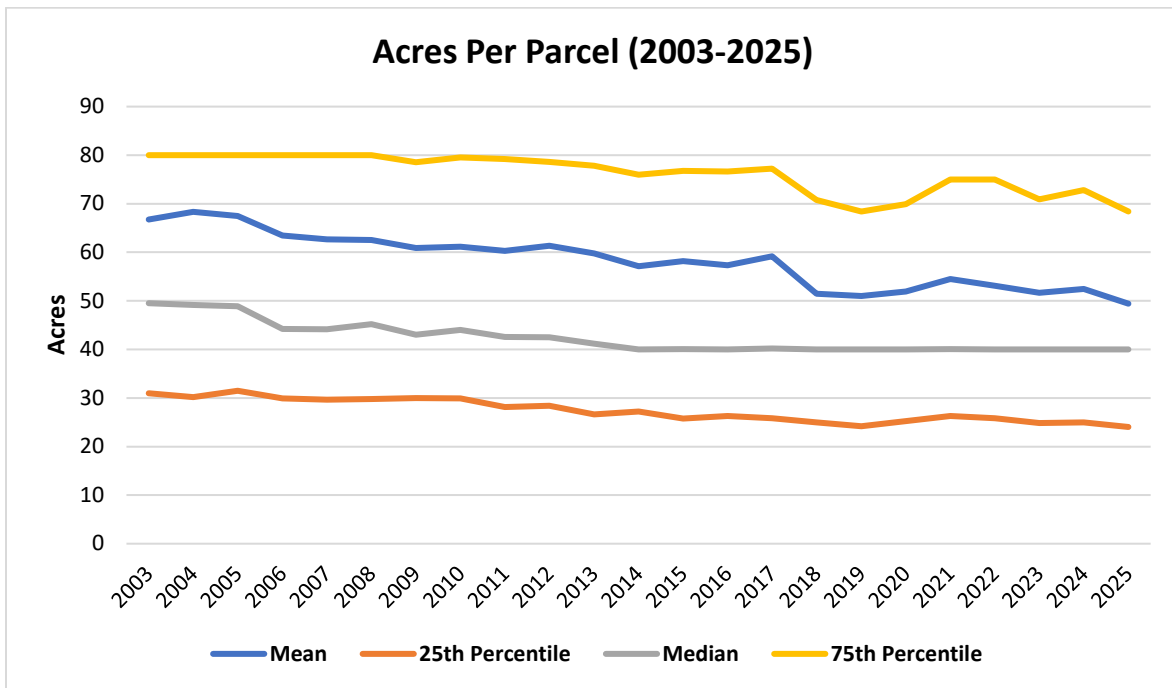


Figure 4. Acres per parcel from 2003 to 2025
(Source: IDOR PTAX-203 and authors' calculations)

Figure 5 presents weighted average price per acre from 2003 through 2025. From 2003 through 2020, weighted prices rose steadily from roughly \$2,500 per acre to just over \$6,000, reflecting improving commodity markets, farm income growth, and generally supportive financing conditions. The acceleration beginning in 2021 marked a clear break from the prior trend. As inflation climbed to multi-decade highs and farm margins strengthened, land values increased

sharply, surpassing \$8,000 per acre in 2022 and nearing \$10,000 by 2025. Importantly, these averages are for all different soil productivity ratings across the state and vary dramatically with typical productivity features across the state.

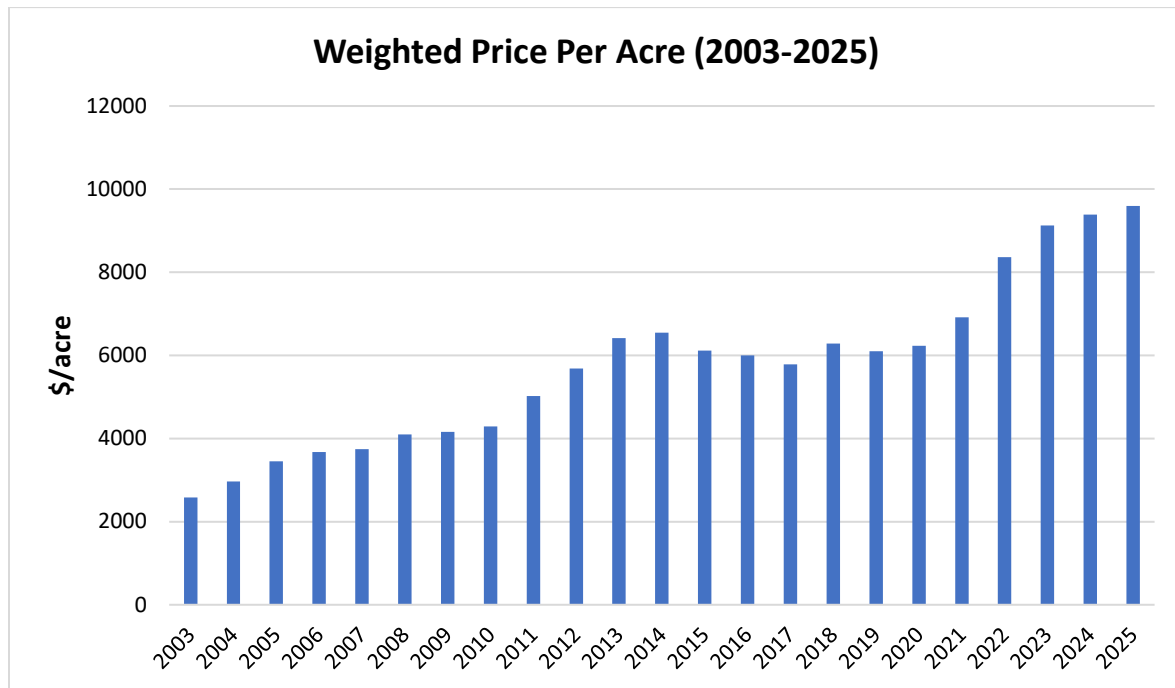


Figure 5. Weighted price per acre from 2003 to 2025
(Source: IDOR PTAX-203)

Summary

In summary, Illinois farmland markets exhibit a relatively consistent pattern of turnover that is in concert with most other regions of the corn belt, but at levels that would be regarded as low compared to other forms of real estate. Even through multiple economic cycles including commodity expansions, margin compression, financial market stress, and the recent inflation surge, the volume of land changing hands has fluctuated within a relatively narrow range when measured against the total supply. Year-to-year variations in transactional volume still represent large differences in the number of sales per year as small

changes in small fractions represent large relative changes, but the overall rate remains mostly rangebound from around 1% to 2%.

Looking forward, farmland markets may experience evolving dynamics associated with broader demographic transitions. The American Farmland Trust estimates that nearly 300 million acres, representing approximately one-third of U.S. agricultural land, could transition to new ownership over the next two decades as the current generation of landowners ages, and as the Baby Boomer generation passes land to the next generation (American Farmland Trust 2022). A substantial share of these acres is expected to continue transferring through inheritance, trusts, gifts, and other family-based arrangements rather than through open-market sales. Nevertheless, the magnitude of the anticipated intergenerational transition may modestly expand the volume of farmland available through arm's-length market transactions as generations that are further removed from direct participation in agricultural production activities are potentially less tied to longer-term holding of the asset. Recent USDA evidence from their most recent TOTAL survey is consistent with these findings as well (USDA NASS 2026).

Finally, it is important to note that given the large total value of the asset class, a relatively small turnover rate may still be sufficient to allow accurate pricing with respect to market fundamentals and thus should not be viewed as either a problem or a source of market distortions.

References

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