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A HISTORIC LOOK AT ILLINOIS FARM REAL ESTATE VALUES

Each year the National Agricultural Statistics Service of the USDA releases estimated average farm real estate values and cash rents 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.

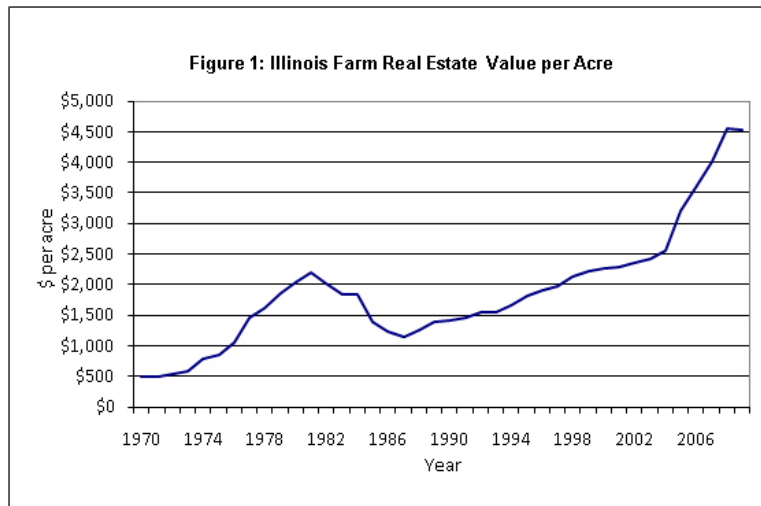
Average Illinois Farm Real Estate Value

The average Illinois farm real estate values from 1970 through 2009 are listed in Table 1 and graphically in Figure 1. The average farm real estate value for Illinois in 2009 was \$4,530 per acre, the second highest on record. This includes the value of all land and buildings. The figure was 0.4 percent lower than the 2008 average of \$4,550 per acre. The 2009 decrease marked the first year there has been a decrease since 1987. Since 2000, Illinois farm real estate values have increased 100 percent.

Table 1. Illinois Farm Real Estate Values, 1970 through 2009, and Percent Change from the Previous Year.

Year	Value per acre	Percent change	Year	Value per acre	Percent change	Year	Value per acre	Percent change
1970	\$490	na	1985	\$1,381	-25.1%	2000	\$2,260	1.8%
1971	491	0.2%	1986	1,232	-10.8%	2001	2,290	1.3%
1972	527	7.3%	1987	1,149	-6.7%	2002	2,350	2.6%
1973	590	12.0%	1988	1,262	9.8%	2003	2,430	3.4%
1974	788	33.6%	1989	1,391	10.2%	2004	2,560	5.3%
1975	846	7.4%	1990	1,405	1.0%	2005	3,210	25.4%
1976	1,062	25.5%	1991	1,459	3.8%	2006	3,590	11.8%
1977	1,458	37.3%	1992	1,536	5.3%	2007	4,020	12.0%
1978	1,625	11.5%	1993	1,548	0.8%	2008	4,550	13.2%
1979	1,858	14.3%	1994	1,670	7.9%	2009	4,530	-0.4%
1980	2,041	9.8%	1995	1,820	9.0%			
1981	2,188	7.2%	1996	1,900	4.4%			
1982	2,023	-7.5%	1997	1,980	4.2%			
1983	1,837	-9.2%	1998	2,130	7.6%			
1984	1,845	0.4%	1999	2,220	4.2%			

Source: USDA Agricultural Land Values and Cash Rents Statistical Bulletin



Since 1970, average farm real estate values have declined only six times as compared to the previous year. Those years were 1982, 1983, 1985, 1986, 1987 and 2009. There have been four years when farm real estate values increased over 20 percent, in 1974, 1976, 1977 and 2005. The largest increase was in 1977 when values rose 37.3 percent.

From 1994 through 1999, average farm real estate values increased between 4.2 % and 9% annually. From 2000 to 2004, farm real estate increased between 1.3% and 5.3%. Since 2004, the increase in farmland values has averaged 12.4%.

The farm real estate value data is used to construct index numbers of Illinois farmland values. The index can be found at the *farmdoc* website: http://www.farmdoc.illinois.edu/manage/land_value.asp

Submitted by: Bradley L. Zwilling, Extension Specialist and Farm Business Analyst for Farm Business Farm Management (FBFM)