



TIMELY INFORMATION

Agriculture & Natural Resources

September 2005

DAERS 05-9

INDEX NUMBERS FOR ALABAMA FARM REAL ESTATE VALUES

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Attached is a list of index numbers that may be used to estimate Alabama Farm Real Estate Values. Index numbers from 1912 through 1986 were taken from various USDA publications. Beginning in 1987 USDA discontinued publishing the index numbers, but continued publication of dollar estimates of farm real estate values and annual percentage changes. The index numbers from 1987 to 2005 were calculated from these published percentage figures.

The following two examples show how to use the index numbers to estimate farm real estate values.

1. Estimate the 1955 value of farm real estate that sold during 2005 for \$2,000 per acre.

$$\begin{array}{l} 1955 \text{ Index} \\ \text{-----} \\ 2005 \text{ Index} \end{array} \times 2005 \text{ value} = \text{estimated 1955 value}$$

$$\begin{array}{l} 15.5 \\ \text{-----} \\ 388 \end{array} \times \$2,000 \text{ per acre} = \$80 \text{ per acre, estimated 1955 value}$$

2. Estimate the 1987 value of farm real estate that was purchased for \$500 per acre in 1969.

$$\begin{array}{l} 1987 \text{ Index} \\ \text{-----} \\ 1969 \text{ Index} \end{array} \times 1969 \text{ value} = \text{estimated 1987 value}$$

$$\begin{array}{l} 149 \\ \text{-----} \\ 42.6 \end{array} \times \$500 \text{ per acre} = \$1,749 \text{ per acre, estimated 1987 value}$$

INDEX NUMBERS FOR ALABAMA FARM REAL ESTATE VALUES (1977=100)¹

Y	I	Y	I	Y	I
1	4	1	6	1	7
1	4	1	6	1	8
1	4	1	7	1	9
1	4	1	8	1	1
1	4	1	1	1	1
1	4	1	1	1	1
1	5	1	1	1	1
1	6	1	1	1	1
1	7	1	1	1	1
1	6	1	1	1	1
1	5	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	1	1	1
1	6	1	2	1	1
1	6	1	2	1	1
1	5	1	2	1	1
1	4	1	2	1	2
1	3	1	2	1	2
1	4	1	3	1	2
1	4	1	3	1	2
1	4	1	3	1	2
1	5	1	4	1	2
1	5	1	4	2	2
1	5	1	4	2	3
1	5	1	4	2	3
1	5	1	5	2	3
1	5	1	6	2	3
				2	3

Source: The current source for Farm Real Estate Values is the Agricultural Land Values and Markets issue of Agricultural Resources, USDA, Economic Research Service. Prior to 1985 the source was Current Developments in the Farm Real Estate Market, USDA, Economic Research Service. For information on ordering Agricultural Resources, contact: Information Division, Room 237, USDA, 1301 New York Avenue, NW Washington, D.C. 20005-4789.

¹ Estimates were as of March 1, 1912-75; February 1, 1976-81; April 1, 1982-85; February 1, 1986; January 1, 1990-Present. Beginning in 1987, the index numbers were calculated from annual percentage changes of Farm Real Estate values reported in Agricultural Resources. Hence, the 1997 index number is equal to the percentage change in Farm Real Estate Values times the 1996 index number plus the 1996 index number.