



TIMELY INFORMATION

Agriculture & Natural Resources

DAERS 07-13

August 2007

INDEX NUMBERS FOR ALABAMA FARM REAL ESTATE VALUES

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Appraisers and accountants frequently need to place a value on farm real estate during some prior time period for tax purposes. Attached is a list of index numbers that may be used to estimate Alabama Farm Real Estate Values in prior years. 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. The index numbers from 1987 to 2007 were calculated from these published farm real estate values.

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 2007 for \$3,500 per acre.

$$\begin{array}{l} \text{1955 Index} \\ \text{-----} \times \text{2007 value} = \text{estimated 1955 value} \\ \text{2007 Index} \\ \\ 15.5 \\ \text{-----} \times \$3,500 \text{ per acre} = \$92 \text{ per acre, estimated 1955 value} \\ 587 \end{array}$$

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

$$\begin{array}{l} \text{1987 Index} \\ \text{-----} \times \text{1969 value} = \text{estimated 1987 value} \\ \text{1969 Index} \\ \\ 149 \\ \text{-----} \times \$500 \text{ per acre} = \$1,749 \text{ per acre, estimated 1987 value} \\ 42.6 \end{array}$$

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

Year	Index	Year	Index	Year	Index
1912	4.3	1944	6.9	1976	94
1913	4.3	1945	7.8	1977	100
1914	4.5	1946	8.9	1978	105
1915	4.3	1947	10.7	1979	120
1916	4.3	1948	10.9	1980	149
1917	4.5	1949	11.9	1981	176
1918	5.6	1950	11.3	1982	174
1919	6.2	1951	12.7	1983	165
1920	7.7	1952	14.0	1984	162
1921	6.4	1953	14.9	1985	154
1922	5.8	1954	14.2	1986	152
1923	6.2	1955	15.5	1987	149
1924	6.2	1956	16.5	1988	151
1925	6.7	1957	17.2	1989	160
1926	6.7	1958	18.1	1990	168
1927	6.3	1959	19.9	1991	164
1928	6.3	1960	20.7	1992	177
1929	6.2	1961	22.8	1993	189
1930	6.2	1962	22.7	1994	212
1931	5.6	1963	25.9	1995	239
1932	4.4	1964	27.7	1996	250
1933	3.8	1965	31.0	1997	257
1934	4.3	1966	33.4	1998	273
1935	4.8	1967	36.3	1999	288
1936	4.9	1968	40.8	2000	297
1937	5.0	1969	42.6	2001	310
1938	5.3	1970	44	2002	322
1939	5.3	1970	44	2003	333
1940	5.3	1972	53	2004	352
1941	5.4	1973	61	2005	454
1942	5.6	1974	77	2006	521
1943	6.0	1975	85	2007	587

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 2007 index number is equal to the percentage change in Farm Real Estate Values times the 2006 index number plus the 2006 index number.