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### 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 2011 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.

$$\begin{array}{l} 1955 \text{ Index} \\ \text{-----} \times 2007 \text{ value} = \text{estimated 1955 value} \\ 2007 \text{ Index} \\ \\ 15.5 \\ \text{-----} \times \$3,500 \text{ per acre} = \$130 \text{ per acre, estimated 1955 value} \\ 416 \end{array}$$

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

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

INDEX NUMBERS FOR ALABAMA FARM REAL ESTATE VALUES (1977=100)<sup>1</sup>

Year	Index	Year	Index	Year	Index
1912	4.3	1946	8.9	1980	149
1913	4.3	1947	10.7	1981	176
1914	4.5	1948	10.9	1982	174
1915	4.3	1949	11.9	1983	165
1916	4.3	1950	11.3	1984	162
1917	4.5	1951	12.7	1985	154
1918	5.6	1952	14.0	1986	152
1919	6.2	1953	14.9	1987	149
1920	7.7	1954	14.2	1988	151
1921	6.4	1955	15.5	1989	160
1922	5.8	1956	16.5	1990	168
1923	6.2	1957	17.2	1991	164
1924	6.2	1958	18.1	1992	177
1925	6.7	1959	19.9	1993	189
1926	6.7	1960	20.7	1994	212
1927	6.3	1961	22.8	1995	239
1928	6.3	1962	22.7	1996	250
1929	6.2	1963	25.9	1997	257
1930	6.2	1964	27.7	1998	273
1931	5.6	1965	31.0	1999	288
1932	4.4	1966	33.4	2000	297
1933	3.8	1967	36.3	2001	310
1934	4.3	1968	40.8	2002	322
1935	4.8	1969	42.6	2003	333
1936	4.9	1970	44	2004	352
1937	5.0	1970	44	2005	388
1938	5.3	1972	53	2006	398
1939	5.3	1973	61	2007	416
1940	5.3	1974	77	2008	435
1941	5.4	1975	85	2009	407
1942	5.6	1976	94	2010	398
1943	6.0	1977	100	2011	388
1944	6.9	1978	105		
1945	7.8	1979	120		

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.

<sup>1</sup> 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 2009 index number is equal to the percentage change in Farm Real Estate Values times the 2008 index number plus the 2008 index number.