

Illinois Land Trends

Q3 2021

A summary of annual trends in Illinois
farmland in 2020 and 2021.

Issued: December 8, 2021



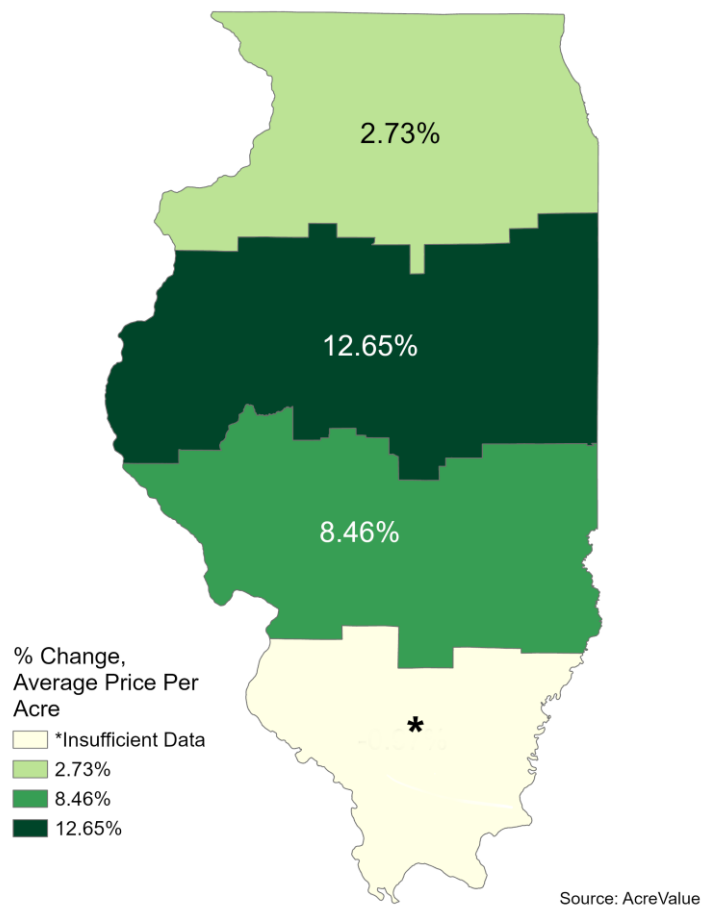
Introduction

At AcreValue and Ag-Analytics®, we are fascinated with American farmland. With each passing day, we see farms selling for ever higher prices - we just had to dive in and uncover state-wide trends in Illinois. To build your own custom reports, access and browse a comprehensive dataset of comparable sales records on AcreValue Premium! Check back often as we release reports for other states and issue updates.

Report Highlights

Prime farmland in the northern-central region of Illinois posted the strongest increases in average sales prices in 2021, jumping almost 13% from \$8,109/acre in 2020 to \$9,135/acre YTD in 2021. Meanwhile, statewide prices were up over 7%.

Statewide, 17.4% of transactions exceeded \$12,000/acre, and 6.73% of sales exceeded \$14,000/acre in 2021. Farmland with high quality soil saw the biggest increases, climbing over 12% on average.



Percentage Change in Average Sales Price of Selected Illinois Cropland, 2020-2021 YTD

Read the full report for more information on sale trends throughout the state, including detailed breakdowns by regions, soil classes, and sales price ranges.

Making the Report

This report is generated from a sample of curated farmland sales in Illinois for 2020-2021 YTD to provide a highly accurate perspective on recent market activity. The report focuses on cropland transactions with a history of at least 80% of acres planted to corn and soybeans (tillable).

We tap virtually every county database and courthouse in the state to gather a most comprehensive dataset of farmland sales records in the market. These records are then compiled and benchmarked to ensure quality and relevance. We filter to remove outliers, non-arm's length sales, foreclosures, and other non-representative sales, and then collate with spatial databases for soil, elevation profiles and production to provide a clear view of relevant market activity and breakdowns.

Unlike many other studies that rely solely on state level USDA data or self reported surveys, this report focuses on actual sales transactions. See the Appendix for detailed technical information on data filtering criteria.

Interested in accessing sales data for your own custom reports?

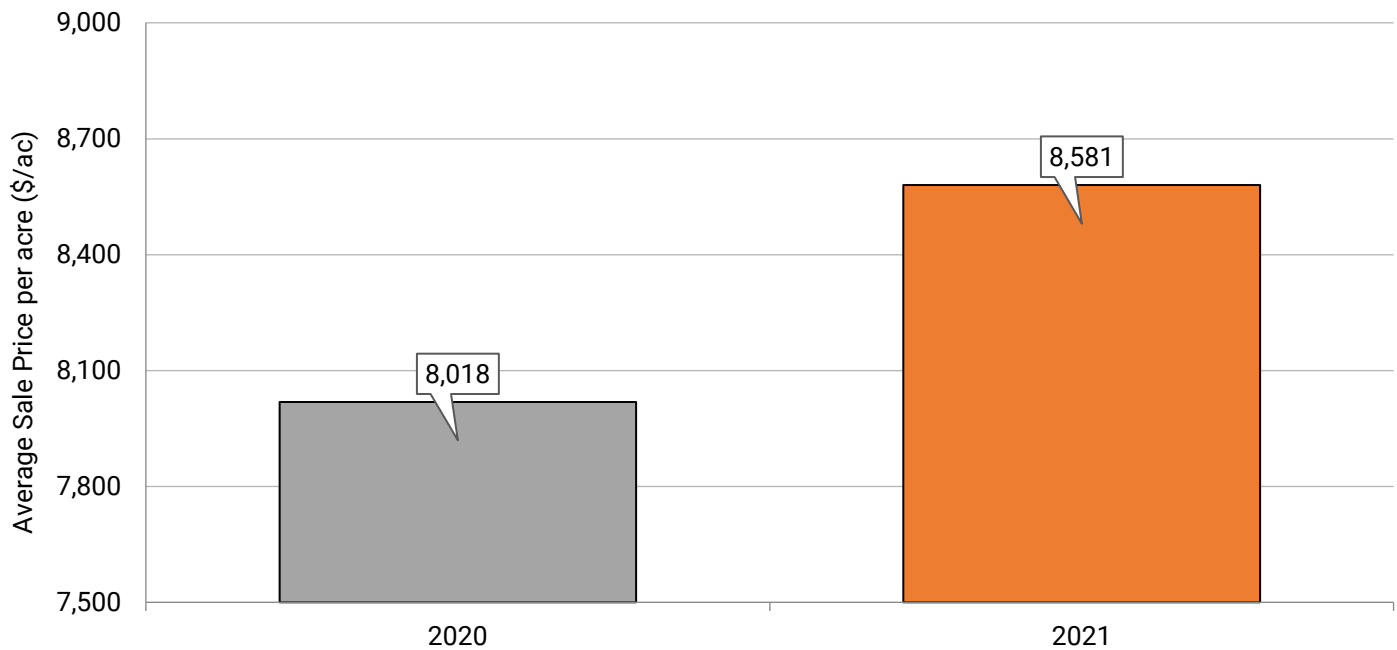
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Average Sale Prices in IL

Between 2020 and 2021 to date, overall Illinois farmland values increased by just over 7%. The average nominal transaction size in this report was \$738,001.

Figure 1: Average Sales Price of Completed Arms-Length Transactions in Illinois, 2020 and YTD 2021



Note: Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Properties with Class A, Class B, and Class C Soils, 2020 and YTD 2021 (January – November 11, 2021). Generated using 550 sales in 2020 and 431 sales in YTD 2021. Source: AcreValue

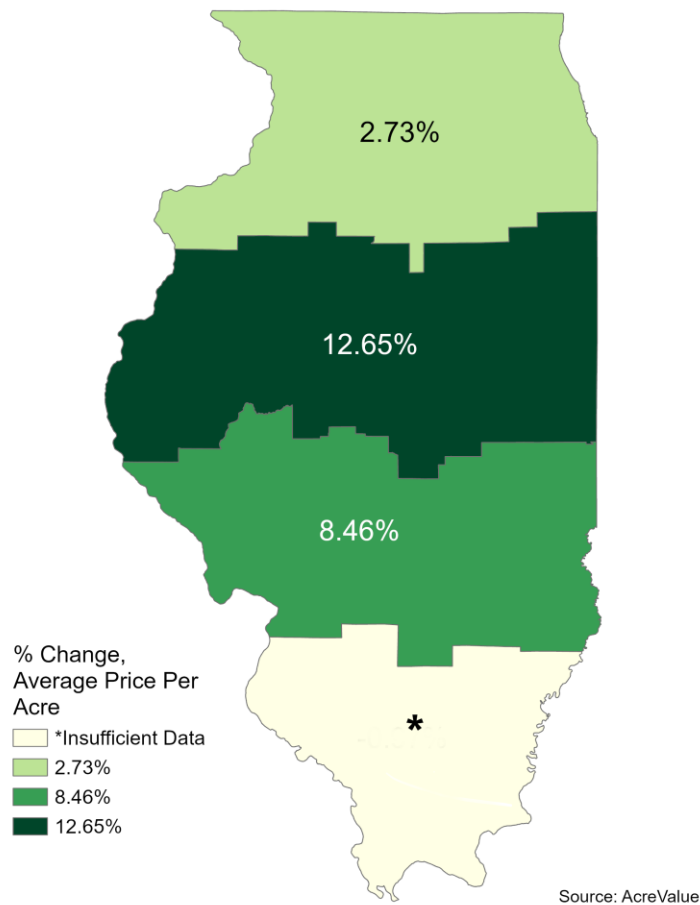
For comparison, the [USDA NASS Land Values 2021 Summary](#) reported slightly lower sales averages for Illinois in 2020 and 2021, and an overall increase of 8% in average statewide sales price, on par with our statewide results.

Next, we divide and analyze Illinois farmland sales into four regions: North, North-Central, South-Central and South. The North Central region experienced the highest year-over-year increase in average land price, jumping from \$8,109 to \$9,135/acre, or over 12%.



The South-Central region posted the second-highest increase in average land prices.

Figure 2: Change in Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Class A/B/ Soils, 2020 and 2021 YTD



Note: Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Properties with Class A, Class B, and Class C Soils, 2020 and YTD 2021 (January – November 11, 2021). Generated using 550 sales in 2020 and 431 sales in YTD 2021. Source: AcreValue

Table 1: Average Sales Price by Region (\$/acre)

Region	2020	2021	% Change
North	7,744	7,955	2.73%
North-Central	8,109	9,135	12.65%
South-Central	8,399	9,110	8.46%
South	7,346	7,275	--
Statewide	8,018	8,581	7.01%

Note: Average Sales Price of Arms-Length Transactions by Region, Properties with Class A, Class B, and Class C soils, 2020 and YTD 2021. Generated using 550 sales in 2020 and 431 sales in YTD 2021. Source: AcreValue

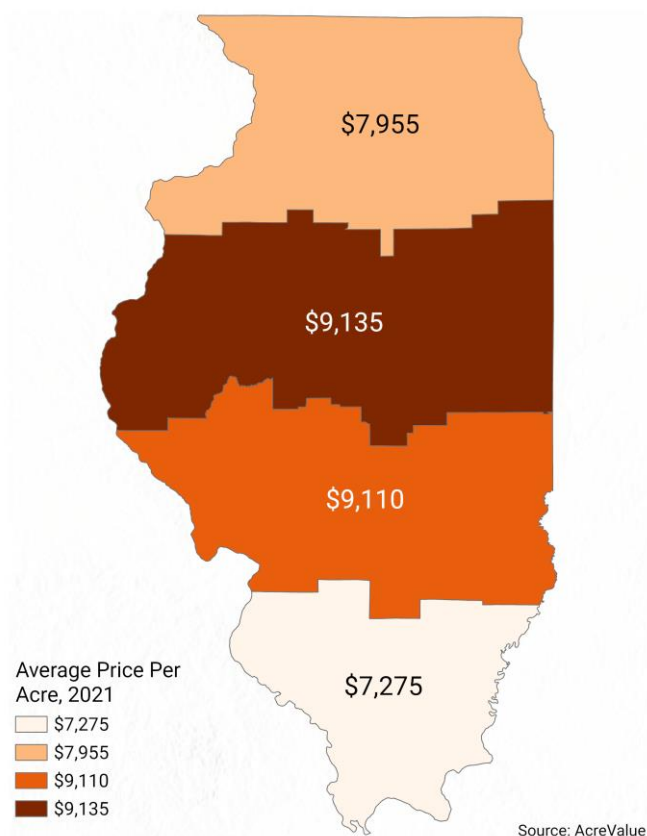
Table 2: Number of Representative Sales by Region

Region	2020	2021
North	180	151
North-Central	221	169
South-Central	124	79
South	25	32
Statewide	550	431

Note: Sample Size of Representative Arms-Length Transactions by Region, Class A, Class B, and Class C soils, 2020 and YTD 2021. Source: AcreValue

In 2020, the average price of farmland across the state was \$8,018/acre. The South-Central and North-Central regions had the highest average sales price, at \$8,399/acre and \$8,109/acre, respectively. The North region average sales price was \$7,744/acre. The South region experienced the lowest average sales price in the state at \$7,346*/acre.

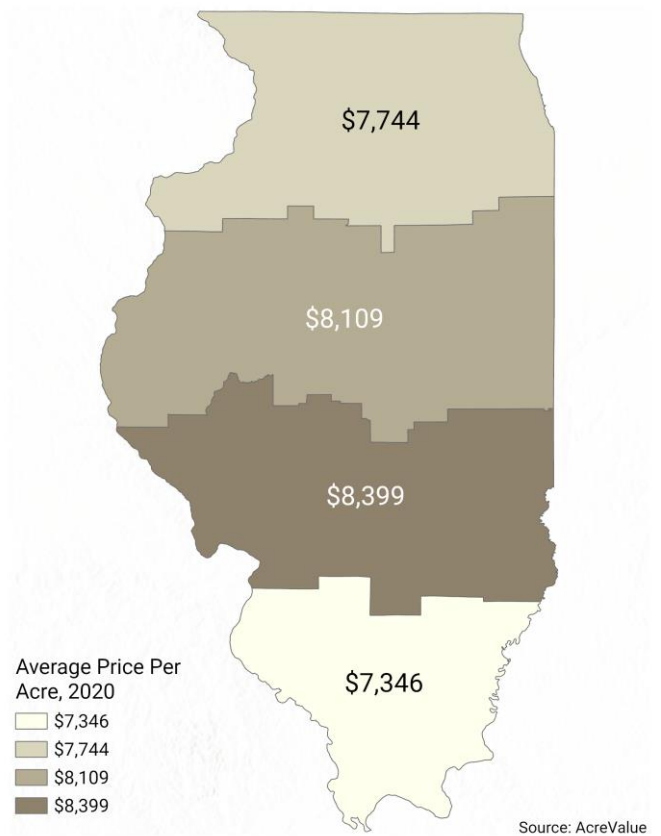
Figure 4: Average Sales Price of Completed Arms-Length Transactions in Illinois, YTD 2021 (n=431)



Note: Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Properties with Class A, Class B, and Class C Soils, YTD 2021 (January – November 11, 2021). Generated using 431 sales in YTD 2021. Source: AcreValue

**The South region estimates may not produce reliable results due to low number of transactions*

Figure 3: Average Sales Price of Completed Arms-Length Transactions in Illinois, 2020 (n=550)



Note: Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Properties with Class A, Class B, and Class C Soils, 2020. Generated using 550 sales in 2020. Source: AcreValue.

**The South region estimates may not produce reliable results due to low number of transactions*

In 2021, the average price of farmland across the state was \$8,581/acre. The North-Central and South-Central regions had the highest average sale prices, at \$9,135/acre and \$9,110/acre, respectively. The North region average sales price was \$7,955/acre. The South region experienced the lowest average sale price in the state at \$7,275*/acre.

Average Sale Price by Soil Class, 2020 to YTD 2021

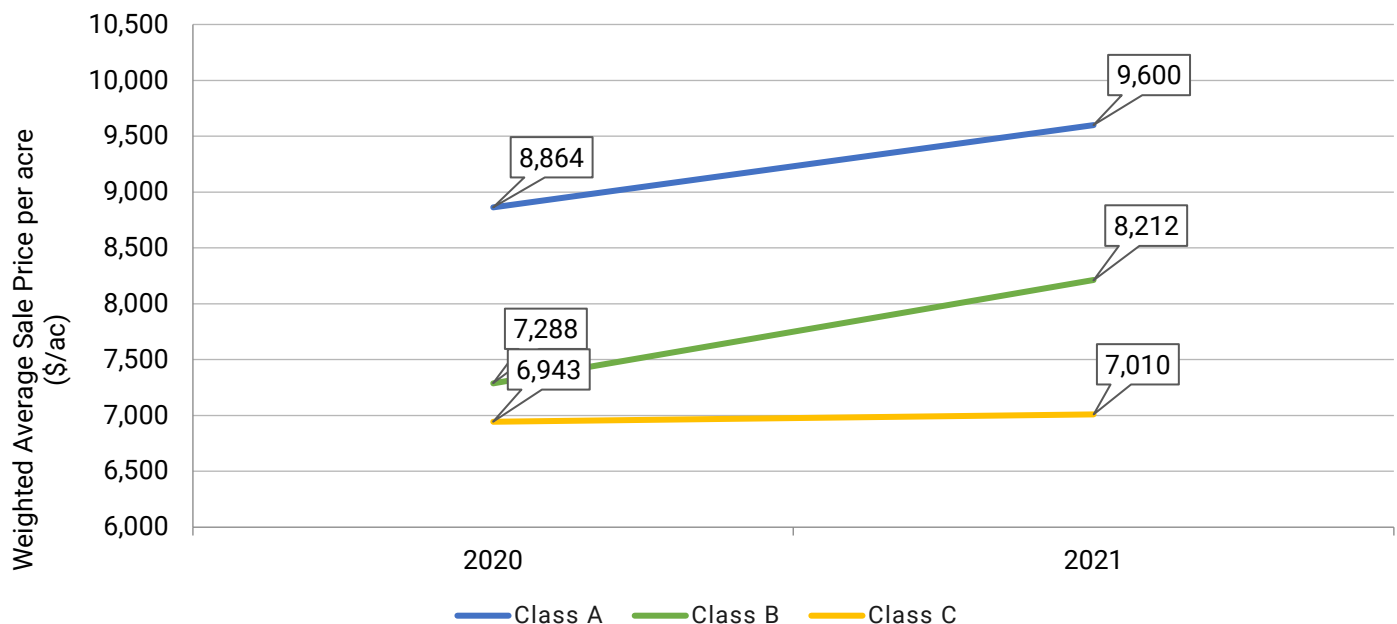
Next, we breakdown sales by soil productivity (PI). We use the Illinois Productivity Index (PI) as recommended by Bulletin 811. Class A soils exhibit a PI value of 133 to 147, Class B soils exhibit a PI value of 117 to 132, and Class C soils exhibit a PI value of 100 to 116. Parcels with a PI value less than 100 are not considered prime agricultural land and are not included in the scope of this report. Table 3 provides a breakdown of soil productivity classes used in the report.

Table 3: Soil Productivity Classes by PI

Classification	PI Index Range
Class A	133 – 147
Class B	117 – 132
Class C	100 – 116
Other	< 100

Classifying sales transaction records by soil productivity shows different trends for each category. The greatest price increase was in the properties with Class A and Class B soil productivities observing an 8.31% and 12.68% increase, respectively, while sales for Class C soils experienced a 0.96% increase between 2020 and 2021.

Figure 5: Average Sales Price of Completed Arms-Length Transactions in Illinois, 2020 and YTD 2021 (n=981)



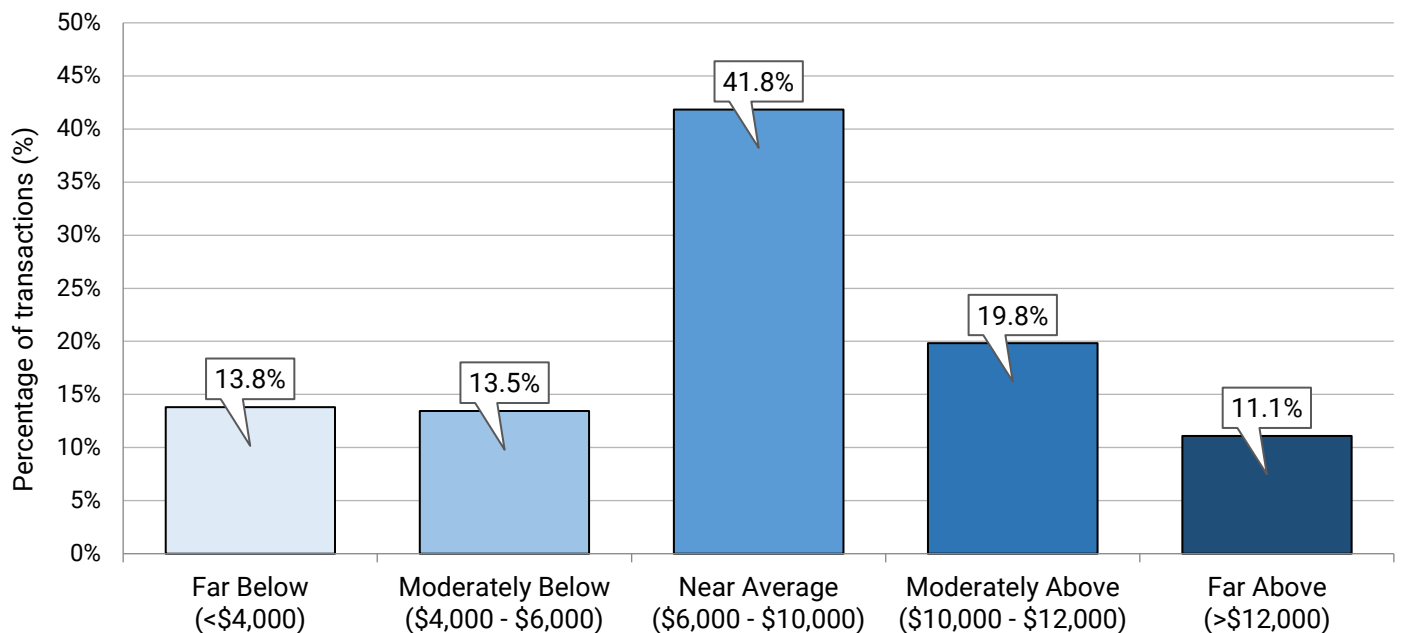
Note: Average Sales Price of Completed Arms-Length Transactions in Illinois, All Regions, Properties with Class A, Class B, and Class C Soils, 2020 and YTD 2021 (January – November 11, 2021). Generated using 550 sales in 2020 and 431 sales in YTD 2021. Source: AcreValue

Sale Price Range Breakdowns

Sale Prices Variation in 2020

Next, we examine the range of sale prices across the sample transactions in 2020. Figure 10 shows the percent of sales transactions across different sales price ranges in 2020. Approximately 42% of 2020 sales transactions were near the average, \$8,018/acre, or within \$2,000. Approximately 31% of sales transactions were above \$10,000/acre. 19.8% were between \$10,000/acre - \$12,000/acre, and 11.1% of transactions far above average (\$12,000/acre). About 4% of transactions exceeded \$14,000/acre. 27% of all transactions were below \$6,000/acre, with 13.5% of transactions moderately below average, and 13.8% of transactions far below average.

Figure 6: Percent of Completed Arms-Length Cropland Transactions in Illinois, Grouped by Different Sales Ranges (\$/acre), 2020 (n=550)

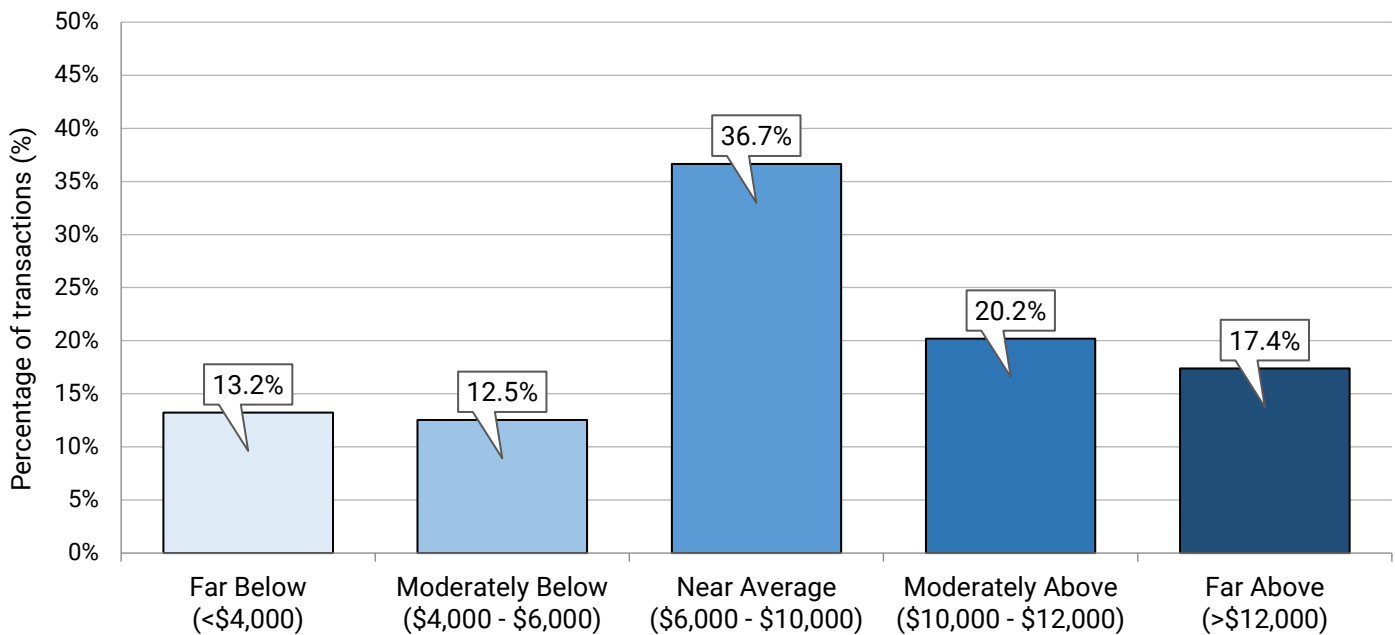


Note: Percent of Completed Arms-Length Cropland Transactions in Illinois, Grouped by Different Sales Ranges (\$/acre), 2020. All Regions, Properties with Class A, Class B, and Class C Soils. Generated using 550 sales in 2020. Source: AcreValue

Sale Prices Variation in YTD 2021

When we examine the collection of statewide sales for 2021 (through October 2021) across all Class A, B and C PI soil productivities, the average sales price was \$8,581/acre. Approximately 36.7% of these sales transactions were within \$2000 of the average. 20.2% of transactions occurred between \$10,000/acre - 12,000/acre (moderately above average) and 17.4% of transactions exceeded \$12,000/acre. On the very high end, about 6.7% of transactions were above \$14,000/acre, and 3.48% above \$16,00/acre. 25.7% were less than \$6,000/acre. Overall, there was a widespread in prices across the state and across soil types and regions, and a larger percentage of exceptionally high sales in 2021 than in 2020.

Figure 7: Percent of Completed Arms-Length Cropland Transactions in Illinois, Grouped by Different Sales Ranges (\$/acre), YTD 2021 (n=431)



Note: Percent of Completed Arms-Length Cropland Transactions in Illinois, Grouped by Different Sales Ranges (\$/acre), YTD 2021 (January – November 11, 2021). All Regions, Properties with Class A, Class B, and Class C Soils. Generated using 431 sales in YTD 2021. Source: AcreValue

Appendix

Our Data

This AcreValue Market Trend Report for Illinois was compiled and summarized from arms-length farmland sales in Illinois, excluding intra-family sales, foreclosures, and refinances. The data are then filtered to include only row crop land (at least 80% tillable, 80% corn and soybean history). This keeps the focus of the analysis on values for active farmland in Illinois while effectively removing non-representative parcels such as single-family residences, conservation easements and idle land.

To remove outliers, we then filter out sales less than 20 acres and more than 500 acres; PI values less than 100; and sales transactions below \$2000/acre and more than \$20,000/acre. Sales transactions were also removed when we could not match to a verified parcel. We believe this to be a reasonable sampling of the target market for analysis but make no claim as to whether all sales are captured, and note that it is an interim report which includes reported YTD information available to us at the time of writing.

This report is provided for information purposes only and should not be relied upon as a source of appraisal or valuation of any particular property. Where applicable, the map data provided in this report have been aggregated roughly latitudinally into regions and include 2-3 Illinois Crop Reporting Districts (CRDs) districts for each region. The motivation behind this aggregation is to help ensure sufficient sample sizes for a greater majority of the regional groups to facilitate both intra- and inter-regional statistics and comparisons.

Soil Productivity Index (PI)

In Illinois, the Productivity Index (PI) of soils is important when making farmland investments. PI helps characterize a property's soil production potential and determine a standardized land value. A property's PI index value is assigned based on several soil characteristics, including organic matter, subsoil, drainage, slope, and location.

