

Estimates of Mean Per Acre Sales Price of Agricultural Land in the State of Georgia

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Data source:
Sales Ratio Division*
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Farmland prices in the State of Georgia more than doubled in real terms over the last twenty-five years 1977 to 200. Literature abounds with controversies regarding the real determinants of farmland prices. This report, however, showcases the main features of farmland price movements in the nine Districts of Georgia (figure 1).

Table 1 and table 2 show average nominal and real price per acre of Georgia farmland since 1977 (also see graph). The graph shows a slowly rising series with a downturn in 1990, sharp upturn beginning in 1994, another upturn beginning in 1997, and a sharp downturn in 1999. Tthe year 1994 marks the beginning of a steep rising trend in average farmland prices in both dollar and deflated terms. The average real price of Georgia farmland rose by 57 percent between 1996 and 1999. From 1999 to 2002, real price per acre of farmland declined across the state by about 29%.

Average real prices of farmland show a mild rise from 2002 to 2003. Average real farmland prices in 2003 ranged from \$1021 per acre in District 7 to \$ 6177 per acre in District 2.

As shown in Table 1, average per acre nominal price of farmland in the state ranged from \$1,527 in District 6 to \$12,420 in District 2. The high price of farmland in District 2 is most likely attributable to strong urban influences (e.g., purchase of farmland to hold for future residential or commercial development). The farmland price estimates in this report are based primarily on data collected by the State of Georgia, Department of Audits. The Gross Domestic Product (GDP) deflator inflation index used to adjust costs from one year to another is based on the inflation rate during the US Government Fiscal Year. NASA* (NASA 2002) has developed a convenient way to perform these calculations.

* NASA (May, 2003) Cost Estimation: Gross Domestic Product Deflator Inflation Calculator. Retrieved May 2003, from: <http://www.jsc.nasa.gov/bus2/inflateGDP.html>

Table 1. Average Per-acre Nominal Sales Price of Farmland, State of Georgia, 1977-2003⁽¹⁾

Year	State Average	Georgia Agricultural Statistical Districts ⁽²⁾								
		1	2	3	4	5	6	7	8	9
1977	611	693	845	584	686	475	483	556	668	520
1978	704	784	933	585	694	617	597	671	775	650
1979	703	775	970	604	663	577	619	718	707	601
1980	780	809	1085	645	738	659	709	804	859	643
1981	924	850	1509	756	809	765	798	886	905	772
1982	901	961	1286	711	827	818	724	838	891	788
1983	916	879	1368	744	902	814	776	831	806	843
1984	1087	971	1936	801	955	863	892	901	838	907
1985	1124	1075	2211	893	1016	805	879	833	860	841
1986	1265	1097	3068	946	1113	986	768	911	785	813
1987	1201	1297	2445	955	1165	1199	793	740	724	950
1988	1176	1517	2274	997	1355	1010	741	783	778	803
1989	1278	1545	2565	1308	1660	972	774	741	817	1080
1990	1146	1519	2613	1188	1074	997	852	748	739	827
1991	1090	1756	2593	1090	1095	916	866	718	855	807
1992	940	--	--	1810	1263	592	825	644	840	788
1993	1215	1644	4029	845	1207	1113	554	651	1015	725
1994	933	--	--	--	865	627	--	911	583	1229
1995	1532	--	--	--	1921	2029	--	1337	1190	647
1996	2581	2494	4484	2553	3195	2116	1156	1323	1171	2159
1997	2830	2549	6177	2352	3285	1902	2010	1021	1187	1966
1998	3734	3587	6781	3538	4722	3030	2360	1558	1658	1181
1999	4234	4567	9779	3293	4038	2545	3215	1528	1666	2936
2000	3566	4267	10481	3380	3979	2838	2058	1284	1421	2165
2001	3696	3927	8406	2816	4601	2314	2237	1797	1302	1927
2002	3187	4924	13034	3364	4159	2504	2058	1519	1616	1812
2003	3320	7414	12420	2969	4656	2916	1527	1867	1871	1965

1. Source: State of Georgia Department of Audits, Sales Ratio Division. Data compiled and analyzed by Dr. John C. Bergstrom, and Dr. Ivery D. Clifton, College of Agricultural and Environmental Sciences, The University of Georgia, Athens, GA 30602.

2. See Figure 1.

Blank cells () represent insufficient sales data for calculating averages.

Table 2. Average Per-acre Nominal Real (Inflation-adjusted) Sales Price of Farmland, State of Georgia, 1977-2002⁽¹⁾

Year	State Average	Georgia Agricultural Statistical Districts ⁽²⁾								
		1	2	3	4	5	6	7	8	9
1977	899	1019	1243	859	1008	699	711	818	982	764
1978	965	1074	1278	802	951	846	817	919	1062	890
1979	889	981	1228	764	839	730	783	909	895	761
1980	907	940	1261	750	859	767	824	935	999	748
1981	983	905	1605	804	860	814	849	943	963	821
1982	901	961	1286	711	827	818	724	838	891	788
1983	880	845	1315	715	868	783	747	799	775	811
1984	1006	899	1793	742	912	799	826	834	775	839
1985	1012	969	1992	804	915	726	792	750	775	758
1986	1109	962	2692	830	976	865	674	799	689	713
1987	1026	1109	2090	816	996	1025	678	632	619	812
1988	972	1253	1879	824	1120	835	612	647	643	663
1989	1014	1226	2036	1038	1317	772	614	588	648	857
1990	874	1159	1995	907	820	761	651	571	564	631
1991	807	1301	1921	807	811	679	642	532	634	597
1992	676	673	1038	1302	909	426	593	463	604	567
1993	856	1158	2837	595	850	784	391	459	715	510
1994	643	1739	--	458	596	432	259	628	402	847
1995	1035	1993	1924	874	1298	1371	440	904	804	437
1996	1709	1652	2970	1691	2116	1401	766	876	776	1430
1997	1837	1655	4011	1528	2133	1235	1305	663	771	1276
1998	2394	2299	4347	2268	3027	1942	1513	999	1063	757
1999	2680	2890	6189	2084	2556	1611	2035	967	1054	1858
2000	2215	2650	6510	2100	2471	1763	1278	798	883	1344
2001	2240	2380	5094	1706	2788	1403	1356	1089	789	1168
2002	1908	2949	7805	2014	2491	1500	1232	910	968	1085
2003	1953	4361	7306	1746	2739	1715	898	1098	1100	1156

1. Source: State of Georgia Department of Audits, Sales Ratio Division. Data compiled and analyzed by Dr. John C. Bergstrom and Dr. Ivery D. Clifton, College of Agricultural and Environmental Sciences, The University of Georgia, Athens, GA 30602.

2. See Figure 1.

Nominal values for farmland adjusted by the Gross Domestic Product implicit price deflator index to 1982=100.

Blank cells () represent insufficient sales data for calculating averages.

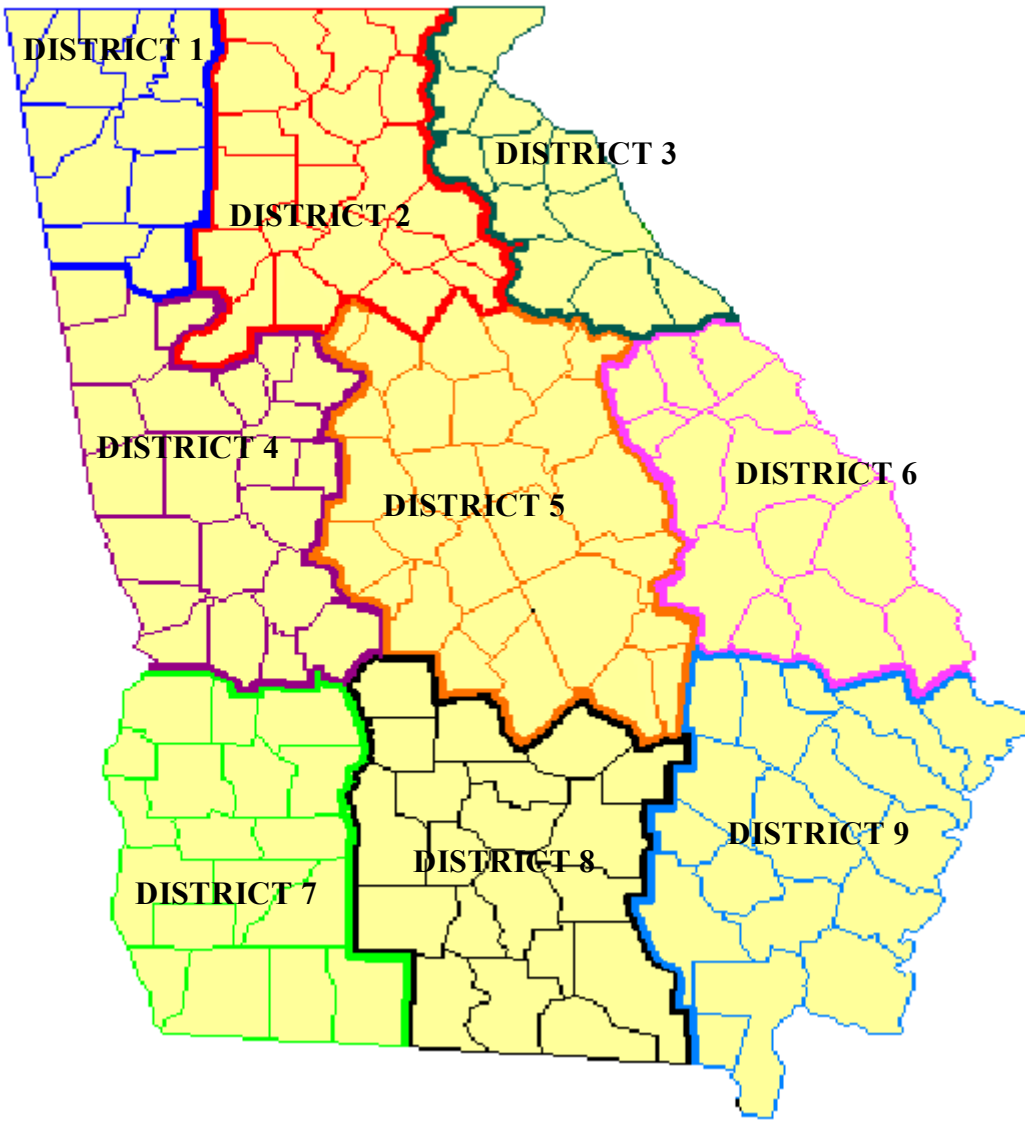


Figure 1. Georgia Agricultural Statistics Districts

Average Sales Price for Agricultural Land, State of Georgia, 1977-2001

