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South Dakota Agricultural Land Values and Cash Rental Rates: 1994

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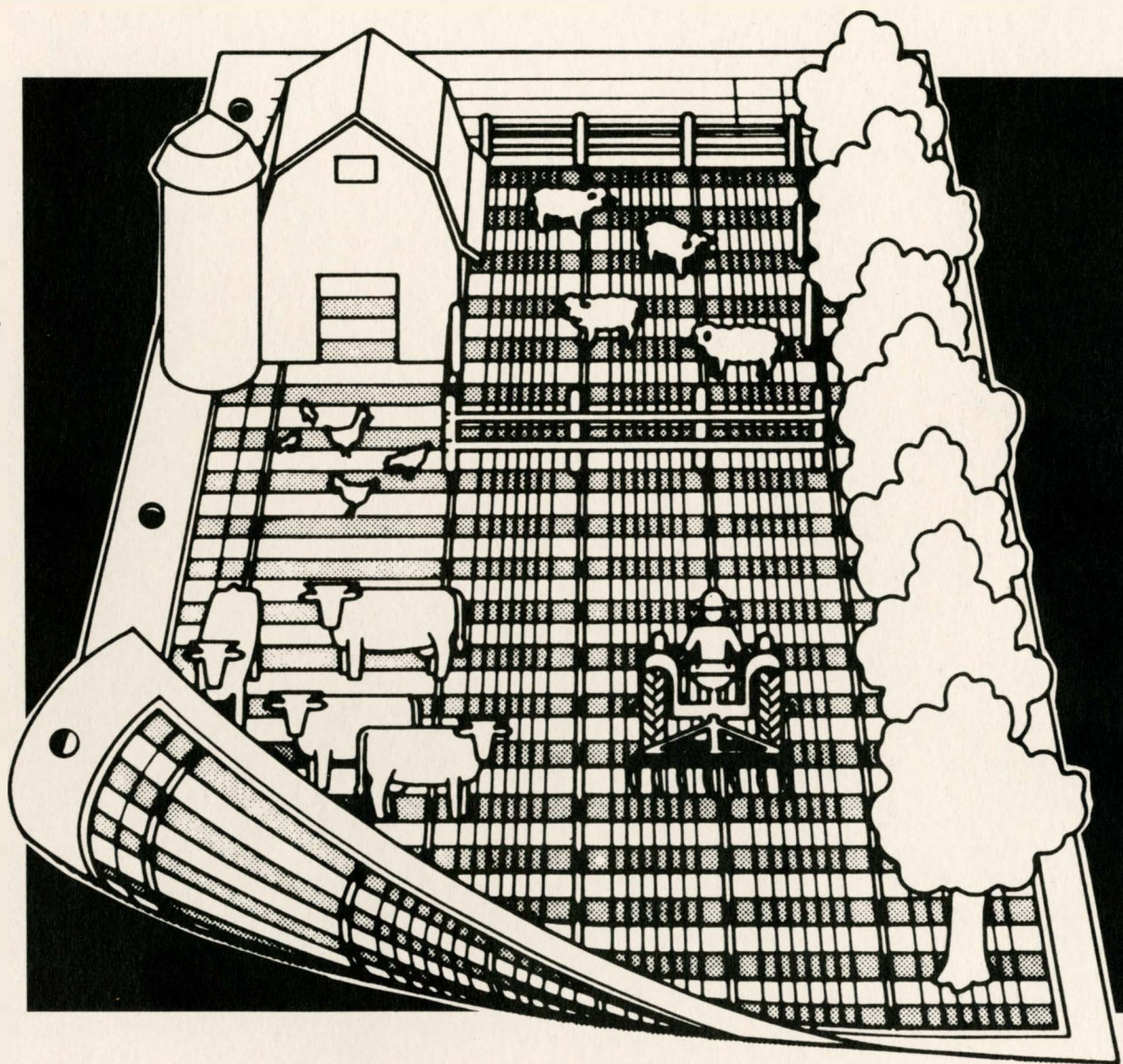
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South Dakota Agricultural Land Values and Cash Rental Rates: 1994

Results from the 1994 SDSU
South Dakota Farm Real Estate Market Survey



South Dakota Agricultural Land Values and Cash Rental Rates: 1994 Results from 1994 SDSU South Dakota Farm Real Estate Survey

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Dr. Larry Janssen, Ms. Karen Brovold, and Dr. Burton Pflueger

FOREWORD

Agricultural land values and cash rental rates in South Dakota are the primary topics of this report. This report is written for farmers and ranchers, landowners, agricultural professionals (lenders, rural appraisers, professional farm managers, Extension agents, and educators), and policymakers interested in agricultural land market trends. The report contains the results of the 1994 SDSU South Dakota Farm Real Estate Market Survey, the fourth annual SDSU survey developed to estimate agricultural land values and cash rental rates by land use in different regions of South Dakota.

We wish to thank our reviewers for their constructive comments on an earlier draft of this report. The reviewers are Dr. Richard Shane and Dr. Dillon Feuz of the SDSU Economics Department and Mary Brashier, Agricultural Communications Department, SDSU.

Karen Brovold, undergraduate assistant and co-author, conducted the many tasks associated with survey development, data entry and processing, and preparation of tables. We wish to thank Economics secretarial staff for developing and maintaining mailing lists and for developing most of the figures and charts included in this report.

General funding for this project is from the SDSU Agricultural Experiment Station. The John F. Kelley Fund provides student labor funds for this annual project.

Finally, we wish to thank all of the 228 respondents (lenders, appraisers, and Extension agents) who participated in the 1994 South Dakota Farm Real Estate Market Survey. Without their responses this report would not be possible.

South Dakota Agricultural Land Values and Cash Rental Rates: 1994

Results from the 1994 SDSU South Dakota Farm Real Estate Market Survey

Dr. Larry Janssen, Ms. Karen Brovold, and Dr. Burton Pflueger¹

SUMMARY

South Dakota's agricultural land values increased 3.5% in 1993, paced by strong increases in the central and north-central regions. Slight declines in agricultural land values were reported in the northeast and south-central regions, and no change was reported in the east-central region. The average value of agricultural land (as of February 1, 1994) varies from \$581 per acre in the southeast to \$100 per acre in the northwest. These are key findings from the SDSU 1994 South Dakota Farm Real Estate Market Survey.

In each region, per-acre values are highest for irrigated land, followed in descending order by nonirrigated cropland, hayland or tame pasture, and native rangeland. For each land use, per-acre land values are highest in the southeast region and lowest in western South Dakota.

Average nonirrigated cropland values vary from \$661 per acre in the southeast to \$331 per acre in the central region and \$169 per acre in the northwest. Average cropland values exceed \$840 per acre in some eastern counties. Average rangeland values vary from \$319 per acre in the southeast to about \$80-\$85 per acre in western South Dakota. Within each region, there are substantial differences in per acre values by land use and land productivity.

Average cash rental rates per acre differ greatly by region and land use. For example, nonirrigated cropland

average cash rental rates are between \$63 and \$73 per acre in a few counties of eastern South Dakota and are \$14.90 to \$17.90 per acre in western South Dakota. Average rangeland cash rental rates vary from \$20.30-\$20.90 per acre in the east-central and southeast region to \$5.40-\$5.60 per acre in western South Dakota.

From 1993 to 1994, cash rental rates for cropland decreased slightly in the east-central and south-central regions. Cropland cash rental rates were steady to \$1.00 higher in most other regions and increased an average of \$3.20 per acre in the north-central region. Hayland cash rental rates increased in all regions except the south-central and east-central regions. Rangeland rental rates increased in most regions from \$0.50 to \$1.50 per acre and held steady in the southeast and southwest.

Average cash rental rates per AUM (Animal Unit Month) for grazing land are fairly uniform across South Dakota, ranging from \$14.80 to \$17.00 per AUM. In most regions, this represents a rate increase of \$2.50-\$5.50 per AUM from 1988 to 1994.

The ratio of **gross cash rent to reported land value** is a measure of the gross rate of return to land before deduction of property taxes and other landlord expenses. This estimated gross rate of return is 7.5% for all agricultural land, 8.0% for nonirrigated cropland, and 7.0% for rangeland. From 1991 to 1994, there were minimal changes in estimated gross rate of return by region or by land use.

Respondents were asked to estimate net rates of return to agricultural land ownership, given current real estate values.

¹ Professor, undergraduate assistant, and associate professor of economics, South Dakota State University. Dr. Janssen has teaching and research responsibilities in agricultural policy, agricultural finance, and farmland markets. Dr. Pflueger is Extension farm financial management specialist.

Estimated net rate of return is 5.5% on all agricultural land, 5.8% on nonirrigated cropland, and 5.1% on rangeland.

From 1992 to 1994, there were minimal changes in estimated gross rates of return and net rates of return to agricultural land by region or land use. During this same period, the difference between gross and net rates of return to agricultural land ownership has been 1.8-2.1 percentage points. Most of the difference between gross returns and net returns are property tax payments.

According to respondents, farm expansion is the major reason to purchase farm real estate. Investment potential of farmland and low interest rates were the second and third most popular reasons. The major reasons that landowners are selling are retirement, estate settlement, financial and cash flow pressures, and favorable market conditions for selling. The major reasons for buying and selling have remained the same over the past 4 years of this survey.

Respondents indicated favorable commodity prices, lower interest rates, farm expansion pressures, competitive bidding, and buyer perception that farmland is a good investment as the major reasons for steady to increasing land values and rental rates. Lower interest rates and reduced debt servicing costs are major positive factors supporting increased land values. Livestock prices and grain prices, combined with federal farm program and disaster assistance payments, have helped maintain net farm income levels and land values.

In 1993, weather conditions in South Dakota were unusually wet in most areas of the state. The 1993 crop year was often cited as a major reason for increased land prices in the central and north-central regions where yields were excellent. However, production shortfalls due to prevented plantings, flooded fields, and poor yields in many localities of eastern South Dakota contributed to a steady land market in most areas and a "soft market" in some localities. Many renters attempted to renegotiate cash rental rates downward but experienced considerable resistance as landowners encountered increased ownership expenses, especially increased property taxes.

Most respondents projected stable to slightly increasing agricultural land values in 1994, with an average projected increase of 1.5%. Overall, projections of farmland value changes in 1994 are similar to those reported in 1993.

INTRODUCTION

Agricultural land values and cash rental rates in South Dakota are the primary topics of this publication. The 1994 estimates are based on reports from 228 respondents to the SDSU 1994 South Dakota Farm Real Estate Market Survey. Respondents are agricultural lenders, rural appraisers, realtors, professional farm managers, and Extension agricultural agents who know agricultural land market trends in their localities.

The 1994 SDSU Farm Real Estate Market Survey is the fourth annual survey developed to estimate agricultural land values and cash rental rates by land use (cropland, rangeland, tame pastureland, hayland, and irrigated land) in different regions of this diverse state. This publication is a response to numerous requests by farmland owners, renters, appraisers, lenders, and others for more detailed information on agricultural land markets in South Dakota.

Copies of the SDSU Farm Real Estate Market Survey were mailed to potential respondents in February and March 1994 requesting information on 1994 cash rental rates and agricultural land values as of February 1, 1994. A short discussion of response rates and respondent characteristics and of the estimation procedures is available in Appendix I of this report.

This report has a similar format to previous annual reports (Janssen and Pflueger, 1993, 1992, and 1991). New features are county level information on whole farm, cropland, and pasture land rents and values provided by the South Dakota Agricultural Statistics Service (SDASS) in a new report: *South Dakota 1994 county level land rents and values*. The SDASS report is based on telephone survey responses from 2,350 farm operators and is the first time that county level data on cash rental rates and values of rented land have been collected and reported.

The information provides an overview of agricultural land values and cash rental rates across South Dakota. It may or may not reflect actual land values or cash rental rates in specific localities or for specific properties. We caution the reader to use this information as a general reference, while relying on local sources for more specific details.

SOUTH DAKOTA FARMLAND VALUE TRENDS, 1970-1994

Farm real estate values in South Dakota behaved like a rollercoaster from 1970 to 1994. According to U.S. Department of Agriculture (USDA) data, South Dakota farm real estate values rapidly increased from 1972 to 1982, remained nearly stable until early 1984, sharply declined from early 1984 to early 1987, and increased 63% from early 1987 to early 1994 (Fig 1).

From 1987 to 1994, U.S. farm real estate values rebounded the most in the Northern Plains and Cornbelt regions of the country. Iowa, South Dakota, Nebraska, and Minnesota had the strongest recoveries. These states and regions also had the greatest percentage declines in farm real estate values in the early to mid-1980s (USDA, 1994).

In 1984, South Dakota farm real estate values (farmland and building values) peaked at \$363 per acre. They declined to \$238 per acre in 1987. By 1992, farm real estate values had rebounded to \$365 per acre. Since 1992, South Dakota farm real estate values continued to increase to \$370 per acre in 1993 and to \$388 per acre in 1994 (USDA, 1994).

Farm real estate values adjusted for changes in purchasing power (inflation-adjusted) increased rapidly from 1972 to 1979, were relatively stable from early 1979 to early 1984, sharply declined from early 1984 to early 1987, and increased 27% from early 1987 through early 1991. Inflation-adjusted land values have remained nearly con-

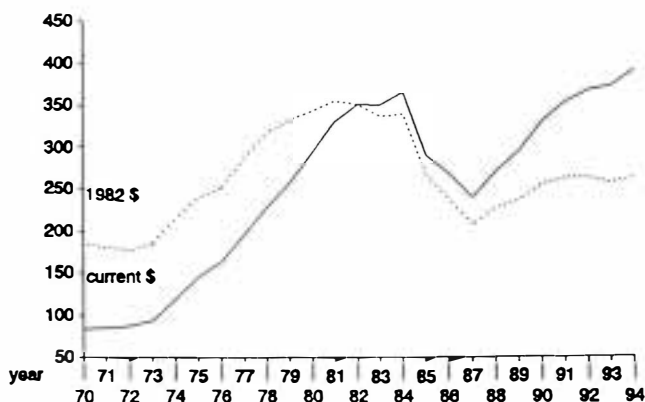
stant from early 1991 to early 1994 (Fig 1). Adjusted for inflation, South Dakota farm real estate values in early 1994 are comparable to farm real estate values in 1976 and are 74% of peak real values in 1982.

Farm real estate values in farm dependent states such as South Dakota are a barometer of current and expected returns in agriculture. The rollercoaster behavior of South Dakota farm real estate values is directly related to rapidly changing economic and financial conditions in the agricultural sector. During the agricultural export and finance boom, which occurred from 1972 into the early 1980s, farm real estate values increased rapidly. During the depths of the farm finance crisis (1984-1987), farm real estate values declined sharply.

Farm real estate values increased above the rate of inflation during the 1988-1991 period of favorable livestock prices, improved crop prices, and considerable federal support of farm incomes. During the past three years, South Dakota farm real estate values have increased at roughly the rate of inflation, reflecting offsetting strengths and weaknesses in the agricultural economy.

Lower interest rates and reduced debt servicing costs in relation to farm income are major positive factors that support increased land values. Favorable livestock prices and grain prices, combined with federal farm program payments, have also helped to maintain net farm income in South Dakota at relatively high levels, which provides additional support for increased land values. Production shortfalls, due to adverse weather conditions in 1992 and 1993 in several regions of the state, have led to "soft" markets in some localities. However, disaster assistance payments have reduced the downside potential.

Fig 1. South Dakota farm real estate values, 1970-1994.



1994 SOUTH DAKOTA AGRICULTURAL LAND VALUES AND VALUE CHANGES

Respondents to the 1994 South Dakota Farm Real Estate Market Survey were asked to estimate the per-acre value of cropland, hayland, rangeland, tame pastureland, and irrigated land in their county and the percent change in value from one year earlier. Responses are grouped by regional location with eight agricultural regions used in this report (Fig 2). The six regions in eastern and central South Dakota corre-

spond with USDA Crop Reporting Districts. In western South Dakota, farmland values and cash rental rates are reported for the northwest and southwest regions.

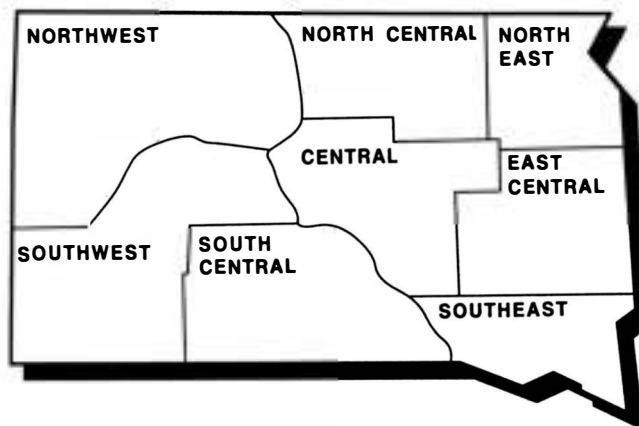
The average value per acre and percent change in value were obtained for each agricultural land use in each region. Regional and statewide all-land value estimates are weighted averages based on the relative amount and value of each land use in each region of South Dakota (Appendix I).

As of February 1994, the South Dakota all-land average value was \$265 per acre, an estimated 3.5% increase in value from one year earlier (Fig 3, Table 1). Respondents' estimated increase in land value of 3.5% is below the 5% increase reported by USDA, and the average per acre value in the SDSU survey is considerably lower.²

Regional differences in all-agricultural land values are primarily related to major differences in: (1) agricultural land productivity among regions, (2) per-acre values of cropland and rangeland in each region, and (3) the proportion of cropland vs. rangeland in each region.³

The all-land average values are highest in eastern South Dakota, with per-acre values ranging from \$581 in the southeast to \$498 in the east-central and \$396 in the north-

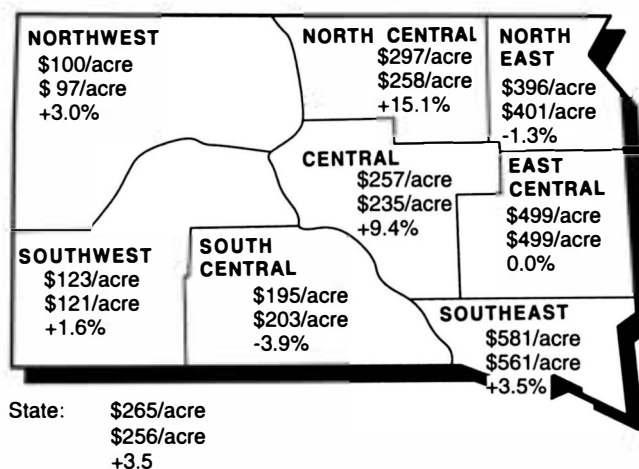
Fig 2. Agricultural regions of South Dakota.



east region. These three eastern regions contain the most productive land in South Dakota. Cropland and hayland are the dominant uses, 70%-74% of farmland acres depending on the region.

Agricultural land values in the three regions of central South Dakota are much lower than in eastern South Dakota. The average value per acre ranges from \$195 in the south-central region to \$257 in the central region and \$297 in the north-central region. Cropland and hayland are a majority of farmland acres in the central and north-central regions, while pasture and rangeland are 62% of agricultural land acres in the south-central region.

Fig 3. Average value of South Dakota agricultural land, February 1, 1994 and 1993, and percent change from one year ago.^a



^a Regional and statewide average values of agricultural land are the weighted averages of dollar value per acre and percent change by proportion of acres of each land use by region.

^b Top: Average per-acre value—February 1, 1994
 Middle: Average per-acre value—February 1, 1993
 Bottom: Annual percent change in per-acre land value

Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

² The estimated value of South Dakota's agricultural land (\$265 per acre) obtained from the SDSU survey is considerably lower than the USDA reported value of \$388 per acre. One major reason for this difference is that the USDA figures included the estimated value of all agricultural land and farm buildings. According to published USDA statistics, farm building values contributed 15% (\$55 per acre) of the total value of farm real estate in South Dakota in 1992. The other major reasons for different per-acre values are: (1) USDA reporters were asked to estimate the value of all agricultural land in their localities, while (2) SDSU survey respondents were asked to estimate the value of different types of agricultural land (cropland, hayland, rangeland, etc.) but were not asked to estimate the value of "all agricultural land" in their localities.

³ Most agricultural land in each region (78-86% of agricultural acres) is native rangeland or nonirrigated cropland, but the proportion in each use varies greatly by region. For example, native rangeland is the dominant land use in western South Dakota, while most agricultural land in eastern South Dakota is nonirrigated cropland. Most of the remaining agricultural land (14-22%) in each region is tame (improved) pasture or hay (alfalfa hay, other tame hay, or native hay). Irrigated land is primarily used to produce corn or alfalfa hay and is concentrated in the southeast region, near the Black Hills, or along the Missouri River.

Statewide, the estimated proportions of privately owned farmland by land use are: nonirrigated cropland, 39%; hayland, 9%; irrigated land, 1%; tame pastureland, 7%; and rangeland, 44%.

Table 1. Average reported value and annual percentage change in value of South Dakota agricultural land by type of land by region, 1991-1994.

Type of Land	South East	East Central	North East	North Central	Central	South Central	South West	North West	STATE
<u>All agricultural land</u>									
Average value, 1994	581	499	396	297	257	195	123	100	265
Average value, 1993	561	499	401	258	235	203	121	97	256
Average value, 1992	533	475	371	263	225	189	114	95	245
Average value, 1991	539	466	365	231	225	181	107	89	237
Annual % change 94/93	3.6	0.0	-1.2	15.1	9.4	-3.9	1.7	3.1	3.5
Annual % change 93/92	5.3	5.1	8.1	-1.9	4.4	7.4	6.1	2.1	4.5
Annual % change 92/91	-1.1	1.9	1.6	13.9	0.0	4.4	6.5	6.7	3.4
<u>Nonirrigated Cropland</u>									
Average value, 1994	661	590	488	382	331	289	218	169	425
Average value, 1993	655	595	497	326	305	302	197	163	411
Average value, 1992	616	574	460	342	300	287	196	167	398
Average value, 1991	623	554	450	294	300	272	185	153	382
Annual % change 94/93	0.9	-0.8	-1.8	17.2	8.5	-4.3	10.7	3.7	3.4
Annual % change 93/92	6.3	3.7	8.0	-4.7	1.7	5.2	0.5	-2.4	3.3
Annual % change 92/91	-1.1	3.6	2.2	16.3	0.0	5.5	5.9	9.2	4.2
<u>Rangeland (native)</u>									
Average value, 1994	319	283	228	184	190	149	85	80	131
Average value, 1993	283	276	232	169	175	157	89	76	127
Average value, 1992	271	267	209	163	159	145	80	74	119
Average value, 1991	268	271	205	147	163	137	74	69	114
Annual % change 94/93	12.7	2.5	-1.7	8.9	8.6	-5.1	-4.5	5.3	3.1
Annual % change 93/92	4.4	3.4	11.0	3.7	10.1	8.3	11.3	2.7	6.7
Annual % change 92/91	1.1	-1.5	2.0	10.9	-2.5	5.8	8.1	7.2	4.4
<u>Pasture (tame, improved)</u>									
Average value, 1994	371	335	251	200	224	194	109	93	227
Average value, 1993	326	333	249	194	194	193	104	98	216
Average value, 1992	328	306	257	194	190	176	100	88	210
Average value, 1991	315	325	252	170	199	163	92	94	206
Annual % change 94/93	13.8	0.6	0.8	3.1	15.5	0.5	4.8	-5.1	5.1
Annual % change 93/92	-0.6	8.8	-3.1	0.0	2.1	9.7	4.0	11.4	2.9
Annual % change 92/91	4.1	-5.8	2.0	14.1	-4.5	8.0	8.7	-6.4	1.9
<u>Hayland</u>									
Average value, 1994	489	409	279	235	237	204	137	124	240
Average value, 1993	435	398	275	188	205	204	140	121	223
Average value, 1992	416	336	237	179	197	193	135	119	207
Average value, 1991	461	358	252	169	190	197	126	122	211
Annual % change 94/93	12.4	2.8	1.5	25.0	15.6	0.0	-2.1	2.5	7.6
Annual % change 93/92	4.6	18.5	16.0	5.0	4.1	5.7	3.7	1.7	7.7
Annual % change 92/91	-9.8	-6.1	-6.0	5.9	3.7	-2.0	7.1	-2.5	-1.9
<u>Irrigated land</u>									
Average value, 1994	1043	790	683	568	537	483	447	425	650
Average value, 1993	979	765	583	547	504	510	485	494	635
Average value, 1992	985	844	641	450	456	497	436	460	615
Average value, 1991	942	665	563	433	454	472	480	383	574
Annual % change 94/93	6.5	3.3	17.2	3.8	6.5	-5.3	-7.8	-14.0	2.4
Annual % change 93/92	-0.6	-9.4	-9.0	21.6	10.5	2.6	11.2	7.4	3.3
Annual % change 92/91	4.6	26.9	13.9	3.9	0.4	5.3	-9.2	20.1	7.1

Source: 1994 and 1993 South Dakota Farm Real Estate Market Surveys

Weighted averages of dollar value per acre and percent change by proportion of acres of each land use by region.

The lowest average land values are found in the northwest (\$100 per acre) and southwest regions (\$123 per acre). More than 70% of agricultural acres in these western regions are in native rangeland and pasture.

Regional changes in agricultural land values this past year (early 1993 to early 1994) were related to the impact of weather conditions. Record precipitation occurred in 1993, resulting in excellent crop and range conditions in many counties of central and western South Dakota and extensive flooding, prevented planting, or inability to harvest crops in many counties of eastern South Dakota.

According to survey reports, agricultural land values sharply increased in the north-central region (+15.1%) and in the central region (+9.3%) (Fig 3, Table 1). Substantial increases in cropland, rangeland, and hayland values were indicated. Reporter comments indicated that weather conditions were "ideal" or "excellent," crop prices (especially wheat and sunflower prices) were favorable, and rental rates were increasing in many localities.

In eastern South Dakota, survey reports indicated slight declines in agricultural land values in the northeast (-1.3%), no change in the east-central region, and a 3.5% increase in the southeast. Some weakness in reported cropland values was the principal contributor to land value changes. Comments by many reporters indicated losses from difficult production conditions were partly offset by disaster payments, while reduced interest expense and favorable crop prices helped those producers who were able to plant and harvest their crops. Reporters from the southeast region indicated investor interest in cropland and hayland helped maintain or increase land values. Several reporters from Charles Mix and Douglas counties indicated minimal impact from flooding and very favorable crop production.

In western South Dakota, survey reports showed slight increases in agricultural land values in the northwest (+3.0%) and southwest (+1.6%) and slight declines in the south-central (-3.9%) region. Changes in these three regions are based on fewer survey reports. Comments from reporters in the northwest region indicated continuing strong demand for rangeland, while reporters from the southwest region commented on increased cropland values.

A comparison of 1994 agricultural land values with those reported in 1991 indicates land values increased in all regions of South Dakota over the past 3 years. Overall, the

largest percentage increases in land values occurred in the north-central, northwest, southwest, and central regions of South Dakota, where wheat and cattle are the most important agricultural enterprises (Table 1).

LAND VALUES AND VALUE CHANGES BY TYPE OF LAND AND REGION

Major differences in value changes by agricultural land use across regions also occurred. In each region, per-acre values are highest for irrigated land, followed by nonirrigated cropland, hayland or tame pasture, and native rangeland. For each land use, per-acre land values are highest in the southeast, followed by land values in the east-central region. The lowest average land values are found in the northwest and southwest regions (Figs 4, 5, Table 1).

Cropland Values

The weighted average value of South Dakota's nonirrigated cropland (as of February 1994) is \$425, a 3.4% increase from 1993. There was considerable regional variation in value changes. For example, substantial increases in cropland values are reported in the north-central, central, and southwest regions, while slight declines are reported in the northeast, east-central, and south-central regions.

The southeast region has the highest average cropland values (\$661 per acre), followed by cropland in the east-central and northeast regions (Fig 4, Table 1). These three eastern regions contain nearly 45% of South Dakota's cropland, and the major crops are corn, soybeans, wheat, and other small grains.

Wheat and other small grains are the predominant cropland uses in central South Dakota. Average cropland values in the north-central region are higher (\$382 per acre) than in central and south-central regions and over the past 3 years have increased more than in all other regions of the state. Average cropland values are somewhat lower in the central region (\$331 per acre) and south-central region (\$289 per acre).

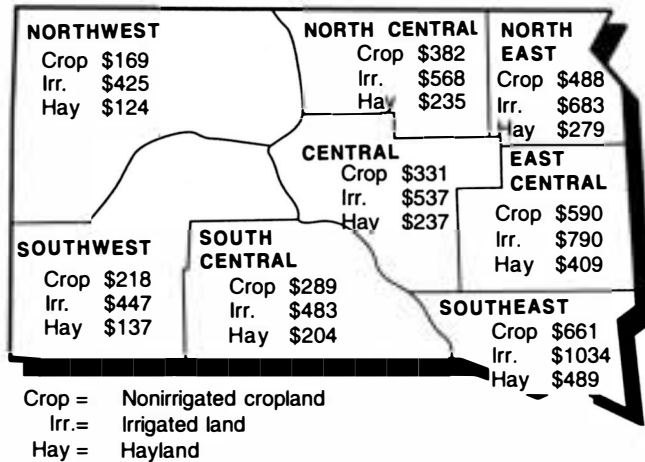
The lowest average cropland values (\$169 to \$218 per acre) are found in the northwest and southwest regions. The dominant cropland uses are spring wheat in the northwest

and winter wheat in southwest South Dakota. Average per-acre values of cropland in the northwest region are one fourth of average cropland values in southeastern South Dakota (Table 1).

Hayland Values

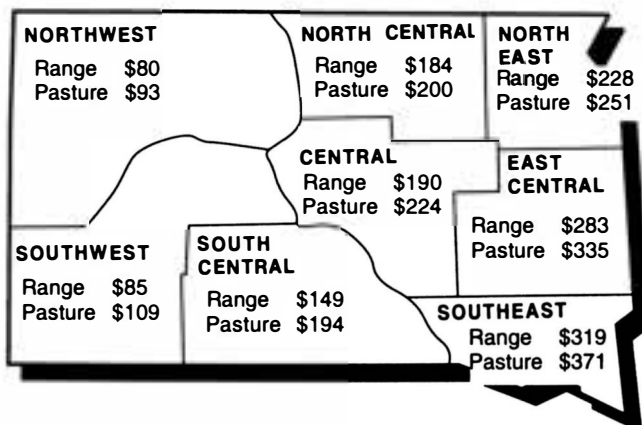
South Dakota hayland values averaged \$240 per acre as of February 1994, a 7.6% increase from one year earlier. Hayland values increased more than 10% from 1993 in the north-central, central, and southeast regions. Minor changes in hayland values were reported in the east-central, southwest, and northwest regions (Table 1, Fig 4).

Fig 4. Average value of South Dakota cropland, irrigated land, and hayland, by region, February 1994, dollars per acre.



Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Fig 5. Average value of South Dakota rangeland and tame pasture, by region, February 1994, dollars per acre.



Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Per-acre hayland values follow the same regional patterns as cropland values, with the highest values in the southeast (\$489 per acre) and lowest values in the northwest (\$124 per acre). Alfalfa and other tame hay is the most common hay harvested in eastern South Dakota, while native hay is more common in central and western South Dakota. Respondents from the southeast and east-central regions primarily reported alfalfa hayland values, while respondents in all other regions primarily reported all hayland values.

Since alfalfa hay commands a price premium over other hay, alfalfa hayland also commands a price premium over all hayland or native hayland.

Native Rangeland and Tame (Improved) Pastureland Values

In February 1994, the weighted average value of South Dakota native rangeland was \$131 per acre, while the average value of tame pasture was \$227 per acre (Table 1, Fig 5). Native rangeland is much more concentrated in the western and central regions of South Dakota, while tame pasture is concentrated in the eastern regions.

The statewide average change in value was +3.1% for rangeland and +5.1% for tame pastureland. Rangeland values increased above 8% in the southeast, central, and north-central regions and declined slightly in the northeast, south-central, and southwest regions. Reported values of tame pastureland increased in all regions except the northwest.

Rangeland average values are highest in the southeast and east-central regions (\$329 and \$283 per acre respectively) and lowest in the northwest and southwest regions (\$80 and \$85 per acre respectively). In the central regions of South Dakota, average rangeland values vary from \$149 to \$190 per acre, compared to \$228 per acre in the northeast region (Table 1, Fig 5). In each region, the average value of native rangeland was lower than the reported value of tame pastureland.

Within most regions, the average per-acre value of nonirrigated cropland is 1.8-2.4 times the average value of native rangeland. In all regions, per-acre average hayland and tame pasture values are considerably lower than nonirrigated cropland values and somewhat higher than native rangeland values. Hayland values are considerably higher than tame

pastureland values in the southeast and east-central regions, where alfalfa hay is the most common hay harvested.

Irrigated Land Values

Statewide average irrigated land values are \$650 per acre, a 2.4% increase from one year earlier. Average irrigated land values are above the statewide average in the southeast (\$1043 per acre), east-central (\$790 per acre), and northeast region (\$683 per acre). In all other regions, irrigated land values average \$425 to \$568 per acre (Table 1, Fig 4).

Reported values of irrigated land in the northwest and southwest regions were primarily for gravity irrigation. In all other regions, the value of irrigated land was reported for center pivot irrigation systems, excluding the value of the center pivot.

Reported values of irrigated land declined in the three regions (south-central, southwest, and northwest) west of the Missouri River. Increased values of irrigated land are reported in all other regions.

We caution the reader that data (especially percentage changes) on irrigated land values are less reliable than land value data on other agricultural land uses. Irrigated land is not common (less than 1% of land acreage) in most regions, and there are few sales of irrigated land tracts. Only 30% of all respondents were familiar with and able to provide information on irrigated land values.

REGIONAL LAND VALUES BY AGRICULTURAL LAND USE AND LAND PRODUCTIVITY

To this point, we have provided a statewide and regional summary of respondents' estimated value of average quality land in each agricultural land use. Respondents also estimated by land use the average value of both high productivity and low productivity land in their locality.

The 1994 average reported values by land use and productivity are summarized by region in Table 2. For example, cropland values in the southeast region range from an average of \$477 per acre for low productivity cropland to \$944 per acre for high productivity cropland. In the northwest region, cropland values range from an average of \$131

per acre for lower productivity cropland to \$208 per acre for higher productivity cropland.

Rangeland values in the southeast region vary from \$246 per acre for lower productivity rangeland to \$384 per acre for higher productivity rangeland. In the northwest region, the average value of low (high) productivity rangeland is \$54 (\$102) per acre. The regional differences in per-acre rangeland values reflect differences in livestock carrying capacity.

Within each region, substantial variation in land values exists for each land use. The greatest relative variation occurs for cropland in eastern South Dakota and for native rangeland in regions west of the Missouri River. In eastern South Dakota and in the north-central region, the average value of higher productivity cropland was 65% to 98% above the average value of lower productivity cropland. In all other regions the value of higher productivity cropland is 45% to 74% above the average value of lower productivity cropland. For rangeland, the average value of high productivity rangeland is 47% to 61% above the average value of low productivity rangeland in all regions east of the Missouri River and 75% to 87% above the value of low productivity rangeland in regions west of the Missouri River.

AGRICULTURAL LAND VALUES BY REGION AND COUNTY CLUSTERS

Overall, considerable variation in agricultural land values occurs within each region. In this section, we report February 1994 per-acre values of average quality, high productivity, and low productivity land by agricultural land use by region and county clusters within several regions (Table 2A). A county cluster is a group of counties within the same region that have similar agricultural land use and land value characteristics.

Three county clusters were identified in each of the following regions: southeast, east-central, northeast, north-central, and central. The greatest variation in land values occurs among county clusters in the southeast and east-central regions.

Average per-acre land values are similar within **three pairs** of county clusters in the two eastern regions: (1) Clay-Lincoln-Turner-Union and Minnehaha-Moody county

clusters; (2) Bon Homme-Hutchinson-Yankton and Brookings-Lake-McCook county clusters; and (3) Charles Mix-Douglas and Sanborn-Davison-Hanson-Kingsbury-Miner county clusters. For example, the per-acre value of average quality nonirrigated cropland is: (1) \$848 to \$893 per acre, respectively, in the Minnehaha-Moody and Clay-Lincoln-Turner-Union county clusters, (2) \$594-\$611 per acre in the Brookings-Lake-McCook and Bon Homme-Hutchinson-Yankton county clusters, and only (3) \$412-\$414 per acre in the western county clusters of these two regions (Table 2A).

Compared to 1993, reported values of average quality cropland held steady or slightly increased in all county clusters of the southeast and east-central regions. Rangeland and hayland values increased in all county clusters.

In the northeast region, average cropland values are similar in the Codington-Deuel-Hamlin and Grant-Roberts

county clusters and considerably lower in the Clark-Day-Marshall county cluster. However, rangeland and hayland values are similar in the Grant-Roberts and Clark-Day-Marshall county clusters and considerably higher in the Codington-Deuel-Hamlin county cluster. In Grant and Roberts counties, most cropland is located in the central and eastern sections where the elevation is lower and soils are more productive, while rangeland and hayland are generally located in the western upland (prairie coteau) sections.

Compared to 1993, reported values of agricultural land declined in the Grant-Roberts county cluster. Reported land value changes were mixed in the Codington-Deuel-Hamlin and Clark-Day-Marshall county clusters with modest increases in reported cropland and hayland values and decreases reported for rangeland and pasture.

Strong increases in agricultural land values were reported in all county clusters in the north-central region. Average

Table 2. Average reported value per acre of agricultural land by South Dakota region, by type of land and land productivity, February 1, 1994.

Agricultural Land Type and Productivity	South East	East Central	North East	North Central	Central	South Central	South West	North West
	-----dollars per acre-----							
Nonirrigated Cropland								
Average	661	590	488	382	331	289	218	169
High Productivity	944	730	635	494	381	362	268	208
Low Productivity	477	442	351	264	261	228	154	131
Rangeland (native)								
Average	319	283	228	184	190	149	85	80
High Productivity	384	329	266	228	229	193	112	102
Low Productivity	246	224	181	141	145	104	64	54
Pastureland (tame, improved)								
Average	371	335	251	200	224	194	109	93
High Productivity	446	386	281	248	260	244	146	118
Low Productivity	301	266	202	155	178	148	87	72
Hayland								
Average	489	409	279	235	237	204	137	124
High Productivity	577	460	330	275	266	252	178	147
Low Productivity	374	321	210	167	172	155	104	89
Irrigated Land								
Average	1043	790	683	568	537	483	447	425
High Productivity	1200	990	727	650	592	566	548	666
Low Productivity	882	655	570	441	458	383	360	241

Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU

land values reported in Brown and Spink counties were much higher than average land values reported in the Edmund-Faulk-McPherson and Campbell-Potter-Walworth county clusters. Most land in Brown and Spink counties is located in the James River valley and is more productive than most other agricultural land in the north-central region.

In the central region, the per-acre value of rangeland, pastureland, and hayland are highest in the Aurora-Beadle-Jerauld county cluster. Cropland values are highest in the Hughes-Sully county cluster. Increased land values were reported in all county clusters of the central region, with the greatest increases occurring in the James River valley (Beadle and Aurora counties).

Agricultural land values are not reported by county clusters in the northwest, southwest, and south-central regions.

The primary reasons are: (1) too few reports from any specific county groupings, or (2) average land values were not greatly different across county groupings. This survey is not designed to reflect the substantially higher nonirrigated farm/ranch land values adjacent to and in the Black Hills, compared to the plains areas of western South Dakota. Most of the irrigated land value reports from western South Dakota are from locations close to the Black Hills.

Overall examination of average land values by county clusters reveals the combined impacts of climatic factors (precipitation, growing degree days), soil associations, and land use on relative values of agricultural land across South Dakota. Federal agricultural programs also have a significant direct impact on cropland values via commodity program benefits. Federal disaster assistance payments also contributed to land market stability in eastern South Dakota.

Table 2A. Average reported value per acre of agricultural land by South Dakota region and county clusters, by type of land and land productivity, February 1, 1994.

Agricultural Land Type and Productivity	Southeast				East Central			
	All	Clay Lincoln Turner Union	Bon Homme Hutchinson Yankton	Charles Mix Douglas	All	Minnehaha Moody	Brookings Lake McCook	Sanborn Davison Hanson Kingsbury Miner
dollars per acre								
Nonirrigated Cropland								
Average	661	848	611	412	590	893	594	414
High Productivity	944	1055	827	502	730	1123	759	480
Low Productivity	477	611	442	320	442	642	420	330
Rangeland (native)								
Average	319	362	305	263	283	348	276	253
High Productivity	384	424	385	311	329	425	309	298
Low Productivity	246	286	239	195	224	257	214	212
Pastureland (tame, improved)								
Average	371	449	380	286	335	432	300	300
High Productivity	446	534	458	334	388	500	343	345
Low Productivity	301	361	308	217	266	298	228	258
Hayland								
Average	489	646	485	322	409	621	372	313
High Productivity	577	808	566	360	460	737	406	342
Low Productivity	374	523	348	225	321	471	281	255

The Conservation Reserve program (CRP) also has some impact on agricultural land values as it affects the availability of land used for agricultural production. South Dakota has nearly 2 million acres of cropland enrolled in this 10-year land retirement program. Unless the program is renewed, CRP contracts in the first two signup periods will expire in 1996, and most CRP contracts in South Dakota will expire in 1997, 1998, and 1999. CRP contract holders, primarily farmers and ranchers, will then have to make some major land use decisions for their CRP tracts.

Investment potential of farmland and low interest rates were second and third most popular reasons. Additional reasons include entry into farming, tract location, favorable crop/livestock prices, renters purchasing land from the landlord, or buying land for use as a hunting or wildlife area (Fig 6).

Retirement from farming was most often cited (44% of responses to this question) as the primary reason that landowners were selling farmland (Fig 7). Only 3% indicated farmland was sold because the landowner was exiting from production agriculture for different reasons. Combined, these two categories constitute 47% of all responses. Additional major reasons for selling farmland include estate settlement, financial and cash flow pressures, and favorable market conditions for selling agricultural land.

MAJOR REASONS FOR PURCHASE AND SALE OF FARMLAND

Respondents were asked to provide major reasons why buyers were purchasing and sellers were selling farmland in their localities. The most frequently cited reasons for purchase or sale have not changed during the 4 years that the SDSU Farm Real Estate Market Survey has been conducted.

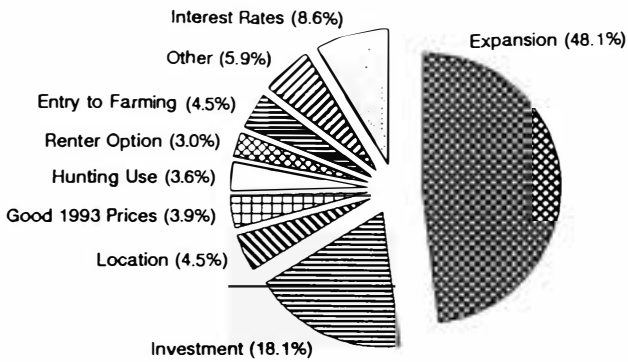
Farm expansion was the major reason (48% of responses to this question) that buyers were purchasing farmland.

Overall, farm expansion is the major reason for purchasing farmland while farm retirement or estate settlement are the major reasons for selling. These motives are consistent with the major reasons for agricultural land market transactions since the mid-1950s. Financial position remains an important, though secondary, motivational factor for many buyers and sellers in the South Dakota farmland market. Other motivations for purchasing and selling farmland may change the relative importance of various reasons over time.

Table 2A. Average reported value per acre of agricultural land by South Dakota region and county clusters, by type of land and land productivity, February 1, 1994, continued.

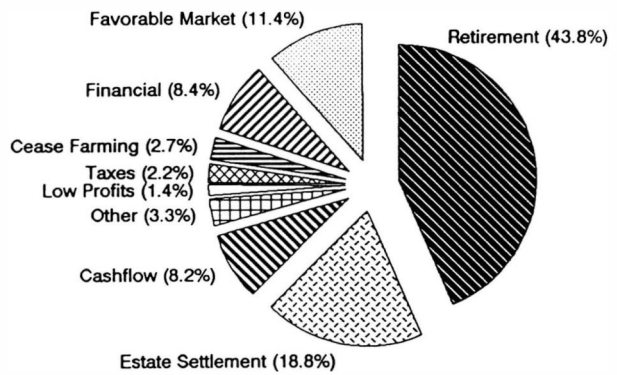
Agricultural Land Type and Productivity	Northeast				North Central			
	Codington		Grant Roberts	Clark Day Marshall	All	Edmund		Campbell Potter Walworth
	All	Deuel Hamlin				Brown Spink	Faulk McPherson	
-----dollars per acre-----								
Nonirrigated Cropland								
Average	488	522	534	434	382	516	242	325
High Productivity	635	651	688	553	494	686	305	400
Low Productivity	351	375	361	325	264	313	199	243
Rangeland (native)								
Average	228	249	204	202	184	233	161	153
High Productivity	266	283	236	242	228	308	180	175
Low Productivity	181	197	167	147	141	161	141	116
Pastureland (tame, improved)								
Average	251	284	205	221	200	245	176	178
High Productivity	281	310	231	252	248	333	201	207
Low Productivity	202	210	187	197	155	170	153	139
Hayland								
Average	279	318	243	261	235	305	191	197
High Productivity	330	372	291	298	275	367	217	220
Low Productivity	210	232	209	201	167	189	157	140

Fig 6. Reasons for buying farmland.



Source: 1994 Farm Real Estate Market Survey, SDSU

Fig 7. Reasons for selling farmland.



Source: 1994 Farm Real Estate Market Survey, SDSU

Table 2A. Average reported value per acre of agricultural land by South Dakota region and county clusters, by type of land and land productivity, February 1, 1994, continued.

Agricultural Land Type and Productivity	Central				South Central	South West	North West
	All	Aurora Beadle Jerauld	Buffalo Brule Hand Hyde	Hughes Sully	All	All	All
-----dollars per acre-----							
Nonirrigated Cropland							
Average	331	345	288	373	289	218	169
High Productivity	381	392	340	432	362	268	208
Low Productivity	261	285	228	275	228	154	131
Rangeland (native)							
Average	190	247	165	141	149	85	80
High Productivity	229	278	230	161	193	112	102
Low Productivity	145	200	119	109	104	64	54
Pastureland (tame, improved)							
Average	224	266	180	172	194	109	93
High Productivity	260	290	220	225	244	146	118
Low Productivity	178	214	143	150	148	87	72
Hayland							
Average	237	279	203	228	204	137	124
High Productivity	266	303	251	236	252	178	147
Low Productivity	172	223	154	124	155	104	89

Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Irrigation land values are not reported in this table, due to insufficient number of reports in most county clusters.

1994 CASH RENTAL RATES OF SOUTH DAKOTA'S AGRICULTURAL LAND

The cash rental market provides important information on returns to agricultural land. Nearly three fourths of South Dakota's farmland renters and three fifths of agricultural landlords are involved in one or more cash leases for agricultural land. A majority of cash leases are annual renewable agreements (Peterson and Janssen, 1988).

Respondents to the 1994 SDSU Farm Real Estate Market Survey were asked about average cash rental rates per acre for nonirrigated cropland, irrigated land, and hayland in their localities. Cash rental rates for pasture/rangeland were provided on a per-acre basis and, if possible, on a per-AUM (Animal Unit Month) basis. Cash rental rates by land use by region are summarized in Figs 8, 9, and Table 3. The same information is summarized by region and county cluster in Table 3A.

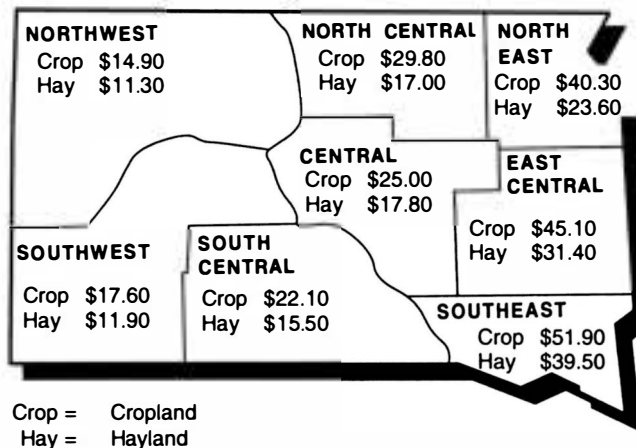
Cash rental rates differ greatly by region and land use. For each land use, cash rental rates per acre are highest in the southeast and east-central regions and lowest in northwest and southwest South Dakota. In each region, cash rental rates are highest for cropland and lowest for pasture and rangeland (Table 3, Figs 8, 9).

Cash Rental Rates, Cropland, Hayland, and Irrigated Land

Average cash rental rates for nonirrigated cropland range from \$14.90 to \$17.90 per acre in western South Dakota to \$45.10 per acre in the east-central region and \$51.90 per acre in southeastern South Dakota (Fig 8, Table 3). Average cash rental rates are highest (\$67.70 to \$68.40 per acre) in the Minnehaha-Moody and Clay-Lincoln-Turner-Union county clusters (Table 3A).

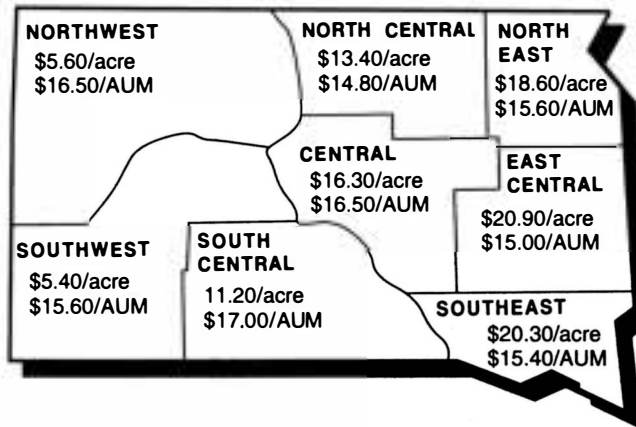
Cash rental rates for center pivot irrigated land in regions east of the Missouri River vary from an average of \$48.50 per acre in the central region to \$91.90 per acre in southeastern South Dakota. Many reporters indicated few irrigated tracts in their locality were cash leased and that their reports were based on few actual irrigated land leases. Due to insufficient number of reports, irrigation cash rental rates for 1994 are not reported in the south-central, southwest, and northwest regions of South Dakota.

Fig 8. Average cash rental rate of South Dakota nonirrigated cropland and hayland, by region, 1994, dollars per acre.



Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Fig 9. Average cash rental rate of South Dakota rangeland and pastureland by region, 1994, dollars per acre and dollars per AUM.



Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Table 3. Reported cash rental rates of South Dakota agricultural land by type of land by region, 1994, 1993, 1992, and 1991 rates.

Type of Land	South East	East Central	North East	North Central	Central	South Central	South West	North West
dollars per acre								
Nonirrigated Cropland								
Average 1994 rate	51.90	45.10	40.30	29.80	25.00	22.10	17.60	14.90
Range of 1994 rates	20-85	20-90	28-55	18-52	17-35	14-30	12-24	11-18
Average 1993 rate	51.80	47.10	40.30	26.60	24.20	22.80	16.60	14.60
Average 1992 rate	48.00	45.70	39.70	25.50	22.70	21.40	17.70	15.10
Average 1991 rate	49.30	43.20	38.50	24.50	23.20	22.20	15.90	13.50
Irrigated Land								
Average 1994 rate	91.90	71.70	66.00	53.80	48.50	**	**	**
Range of 1994 rates	60-125	50-90	45-100	38-75	35-80	**	**	**
Average 1993 rate	87.20	68.60	60.00	57.80	52.50	53.80	49.40	40.80
Average 1992 rate	85.20	70.00	69.20	58.50	48.30	50.40	46.50	48.10
Average 1991 rate	82.70	69.00	59.00	**	41.70	**	35.10	39.00
Hayland								
Average 1994 rate	39.50	31.40	23.60	17.00	17.80	15.50	11.90	11.30
Range of 1994 rates	15-90	15-90	10-45	10-30	7-32	8-20	4-22	5-16
Average 1993 rate	35.60	32.10	22.00	14.70	16.40	16.00	11.30	9.50
Average 1992 rate	33.30	25.90	20.00	14.20	15.60	15.60	11.40	12.10
Average 1991 rate	38.50	30.90	22.30	14.20	15.70	14.80	12.10	10.40
Pasture/Rangeland								
Average 1994 rate	20.30	20.90	18.60	13.40	16.30	11.20	5.40	5.60
Range of 1994 rates	10-30	14-30	12-25	8-20	10-25	5-15	2.5-8	4-8.5
Average 1993 rate	20.30	20.10	17.00	12.70	15.20	10.10	5.80	5.10
Average 1992 rate	18.00	19.60	16.50	12.00	13.50	9.50	5.30	4.90
Average 1991 rate	19.20	18.60	16.30	12.50	13.80	9.90	5.30	4.40
dollars per Animal Unit Month								
Average 1994 rate	15.40	15.00	15.60	14.80	16.50	17.00	15.60	16.50
Range of 1994 rates	15-17	12-18	12-18	12-20	12-20	14-20	12-19	12-20
Average 1993 rate	15.60	13.90	14.25	13.25	14.90	16.40	15.40	14.50
Average 1992 rate	15.40	14.50	12.50	13.10	15.50	15.90	14.00	15.00
Average 1991 rate	13.70	15.90	15.50	12.80	14.80	15.20	14.30	13.00

** Insufficient number of reports

Source: South Dakota Farm Real Estate Market Surveys, SDSU, 1994, 1993, 1992 and 1991

Table 3A. Reported cash rental rates of South Dakota agricultural land by region and county clusters, 1994 and 1993 rates.

	Southeast				East Central			
	All	Clay Lincoln Turner Union	Bon Homme Hutchinson Yankton	Charles Mix Douglas	All	Minnehaha Moody	Brookings Lake McCook	Sanborn Davison Hanson Kingsbury Miner
	-----dollars per acre-----							
<u>Nonirrigated Cropland</u>								
Average 1994 rate	51.90	68.40	46.90	32.30	45.10	67.70	42.60	31.30
Range of 1994 rates	30-85	30-85	35-85	30-40	20-90	50-90	30-60	20-50
Average 1993 rate	51.80	68.00	45.30	31.50	47.10	66.20	47.40	31.60
<u>Hayland</u>								
Average 1994 rate	39.50	55.50	33.30	22.50	31.40	51.10	29.40	25.00
Range of 1994 rates	15-90	18-90	20-90	15-32	15-90	20-90	20-40	15-40
Average 1993 rate	35.60	46.50	33.70	20.00	32.10	44.90	30.70	22.90
<u>Pasture/Rangeland</u>								
Average 1994 rate	20.30	24.30	20.00	17.70	20.90	23.20	19.30	20.50
Range of 1994 rates	10-30	15-30	18-25	10-20	14-30	20-30	14-25	15-27.5
Average 1993 rate	20.30	23.80	19.70	17.40	20.10	22.30	18.80	19.70

Table 3A. Reported cash rental rates of South Dakota agricultural land by region and county clusters, 1994 and 1993 rates, continued.

	Northeast				North Central			
	All	Codington Deuel Hamlin	Grant Roberts	Clark Day Marshall	All	Brown Spink	Edmund Faulk McPherson	Campbell Potter Walworth
	-----dollars per acre-----							
<u>Nonirrigated Cropland</u>								
Average 1994 rate	40.30	42.00	45.50	36.20	29.80	37.70	21.40	24.50
Range of 1994 rates	28-55	35-55	30-55	28-48	18-52	25-52	18-27	20-30
Average 1993 rate	40.30	41.90	45.00	34.70	26.60	34.20	20.00	21.50
<u>Hayland</u>								
Average 1994 rate	23.60	25.40	24.70	21.00	17.00	18.90	15.60	15.60
Range of 1994 rates	10-45	12.5-45	18-35	10-25	10-30	10-30	10-22	10-25
Average 1993 rate	22.00	21.80	26.00	18.10	14.70	16.60	13.10	12.90
<u>Pasture/Rangeland</u>								
Average 1994 rate	18.60	19.40	16.40	18.30	13.40	16.00	12.60	11.10
Range of 1994 rates	12-25	13.5-25	13-22.5	12-25	8-20	13-20	11-15	8-12
Average 1993 rate	17.00	18.10	16.30	16.30	12.70	14.80	12.00	9.90

Source: South Dakota Farm Real Estate Market Surveys, SDSU, 1994 and 1993.

Irrigated cropland rental rates per acre and rangeland rental rates per Aum are not reported in this table, due to insufficient number of reports in most county clusters.

Table 3A. Reported cash rental rates of South Dakota agricultural land by region and county clusters, 1994 and 1993 rates, continued.

	Central				South Central	South West	North West
	All	Aurora Beadle Jerauld	Buffalo Brule Hand Hyde	Hughes Sully	All	All	All
-----dollars per acre-----							
Nonirrigated Cropland							
Average 1994 rate	25.00	28.10	23.70	24.00	22.10	17.60	14.90
Range of 1994 rates	17-35	20-35	18-35	17-26	14-30	12-24	11-18
Average 1993 rate	24.20	26.00	23.50	23.20	22.80	16.60	14.60
Hayland							
Average 1994 rate	17.80	22.00	17.00	12.60	15.50	11.90	11.30
Range of 1994 rates	10-32	15-32	12-22	10-15	8-20	4-22	5-16
Average 1993 rate	16.40	19.00	15.90	12.90	16.00	11.30	9.50
Pasture/Rangeland							
Average 1994 rate	16.30	18.70	16.00	11.70	11.20	5.40	5.60
Range of 1994 rates	10-25	13-25	13-20	10-15	5-15	2.5-8	4-8.5
Average 1993 rate	15.20	17.60	14.80	11.40	10.10	5.60	5.10

Hayland cash rental rates in 1994 vary from an average of \$9.50 per acre in northwestern South Dakota to an average of \$39.50 in the southeast. Average cash rental rates for alfalfa hayland exceed \$50 per acre in the Minnehaha-Moody and Clay-Lincoln-Turner-Union county clusters.

Variations in reported cash rental rates are greatest in the eastern regions of South Dakota. For example, reported rates for nonirrigated cropland in the southeast region range from \$30 to \$85 per acre. Similarly, reported rates for alfalfa hayland in the southeast and east-central regions range from \$15 to \$90 per acre. In most regions, the lower cash rental rates for hayland are based on reports for native hayland and less productive tame hayland, while the medium-higher rates are quoted for good quality alfalfa hayland. Some hayland cash leases exceed \$70 per acre in several eastern counties where a commercial alfalfa hay market has developed.

From 1993 to 1994, average cash rental rates for cropland decreased \$2.00 per acre in the east-central region and \$0.70 per acre in the south-central region. Cropland cash rental rates were steady to \$1.00 higher in most other regions, and increased an average of \$3.20 per acre in the north-central region.

Average cash rental rates for hayland increased in all regions except the east-central and south-central regions (Table 3).

Cash Rental Rates, Rangeland and Pastureland

More than three eighths of South Dakota's 26 million acres of rangeland and pastureland acres are leased to farmers and ranchers. Several million acres of rangeland in western and central South Dakota are controlled by federal, state, or tribal agencies and are leased to ranchers using cash leases or grazing permits. However, a majority of leased rangeland and almost all leased pastureland are from private landlords (Cole, Janssen, and Beutler, 1992).

Most private landlords use cash leases for rental of rangeland and pastureland. Respondents were asked about 1994 cash rental rates per acre and per AUM on privately owned rangeland and pastureland in their localities.

Average cash rental rates reflect regional differences in productivity and carrying capacity of pasture and rangeland tracts. Average cash rental rates vary from \$5.40-\$5.60 per

acre in western South Dakota to \$20.30-\$20.90 in east-central and southeast South Dakota. The ranges of per-acre cash rental rates are \$2.50-\$8.50 per acre in western South Dakota and \$14-\$30 per acre in the east-central region (Fig 9, Table 3).

Animal Unit Month (AUM) is defined here as the amount of forage required to maintain a mature cow with calf for 30 days. An AUM is somewhat of a "generic" value and should be about equal across regions. Therefore, private cash lease rates quoted on a per-AUM basis should be roughly equivalent in different areas of the state unless there are major regional differences in forage availability, forage quality, and demand for leased rangeland. Rangeland rates per AUM in 1994 are fairly uniform across South Dakota, averaging \$14.80 per AUM in the north-central region to \$17.00 per AUM in the south-central region. Statewide, cash rental rates vary from \$12 to \$20 per AUM.

From 1991 to 1994, average cash rental rates per acre or per AUM for rangeland have increased in all regions of South Dakota. Cow-calf enterprises have generally been profitable in this time period, and this is a major reason for increased rental rates.

County Average Cash Rental Rates, Cropland and Pasture / Rangeland

A new feature in this report is county level information on whole farm, cropland, and pasture land rents and values provided by the South Dakota Agricultural Statistics Service (SDASS) in a new report: *South Dakota 1994 County Level Land Rents and Values* (Appendix II). The SDASS report is based on telephone survey responses from 2350 farm operators.

Based on SDASS data, 1994 county average cash rental rates for cropland and pasture/rangeland are shown in Figs 10 and 11. Overall, the county average rental rates reported in the SDASS survey are similar to the average cash rental rates reported by county cluster (Table 3A, SDSU Farm Real Estate Market Survey).

One major difference is that cropland cash rental rates reported in the SDASS survey include nonirrigated and irrigated cropland. This explains the relatively high cash rental rates reported in Butte County, where a considerable amount of cropland is irrigated.

Fig 10. Average cropland cash rent by county, South Dakota, 1994, dollars per acre.

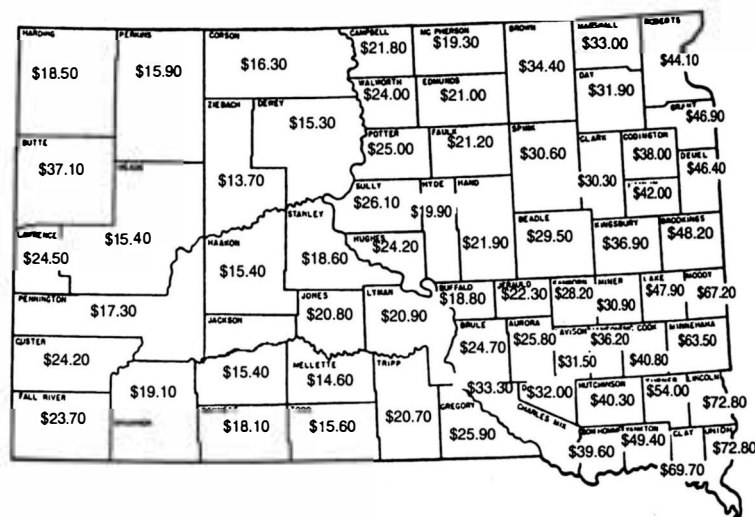
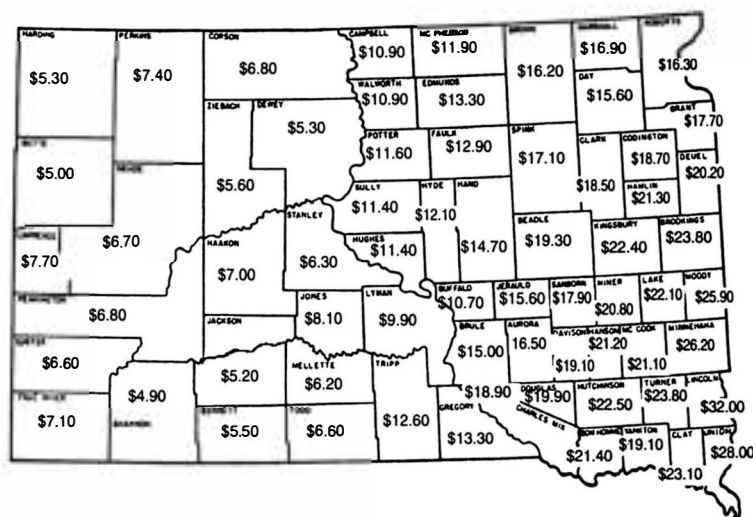


Fig 11. Average pasture/rangeland cash rent by county,



Average cash rental rates for cropland are between \$63 and \$73 per acre in Union, Lincoln, Clay, Minnehaha, and Moody counties. Average cash rental rates are between \$38 and \$54 per acre in Yankton, Bon Homme, Hutchinson, Turner, McCook, Lake, Brookings, Deuel, Hamlin, Codington, Grant and Roberts counties. In other counties east of the Missouri River, average cash rental rates are between \$18.80 and \$36.20 per acre. Average cash rental rates in most counties west of the Missouri River are between \$13.70 and \$25.90 per acre (Fig 10).

Average cash rental rates for pasture/rangeland are between \$20 and \$32 per acre in 12 eastern South Dakota counties, and between \$15 and \$19.90 per acre in another 17

counties of eastern, central, and north-central South Dakota. In most counties west of the Missouri River, average cash rental rates are between \$4 and \$10 per acre (Fig 11).

RATES OF RETURN TO SOUTH DAKOTA'S AGRICULTURAL LAND

Two approaches are used in the South Dakota Farm Real Estate Market Survey to obtain information on current rates of return to agricultural land.

First, respondents were asked to estimate the current **net rate of return** (percent) that landowners in their localities could expect, given current land values. Appraisers refer to the current annual net rate of return as the market-derived capitalization rate, which is widely used in the income approach to farmland appraisal. The net rate of return is a return to agricultural land ownership **after** deducting property taxes, maintenance, and other ownership expenses. Most respondents reported net rates of return to cropland, rangeland, or hayland ranging from 2.5% to 8.5%.

The statewide average estimated net rate of return on all-agricultural land declined from 6.6% in 1991 to 5.8% in 1992 and to 5.5% in 1993 and 1994. From 1991 to 1993, net rates of return to agricultural land declined in all regions of the state and for all land uses. Net rates of return were relatively stable from 1993 to 1994 (Fig 12, Table 4).

Average 1994 net rates of return were highest (5.8%) for nonirrigated cropland and lowest (5.1%) for rangeland. Average net rates of return to agricultural land varied from 4.9% in the southwest and south-central region to 5.9% in the northeast region.

Second, respondents reported cash rental rates and estimated the value of leased land by land use. From this information, we calculated the **rent-to-value** ratio for each response. This is a measure of the **gross rate of return** obtained by landlords, **before** real estate expenses (property taxes, insurance, maintenance, and related expenses) are deducted. For most respondents, the calculated rent-to-value ratio (gross rate of return) varied from 6.0% to 10.0% for

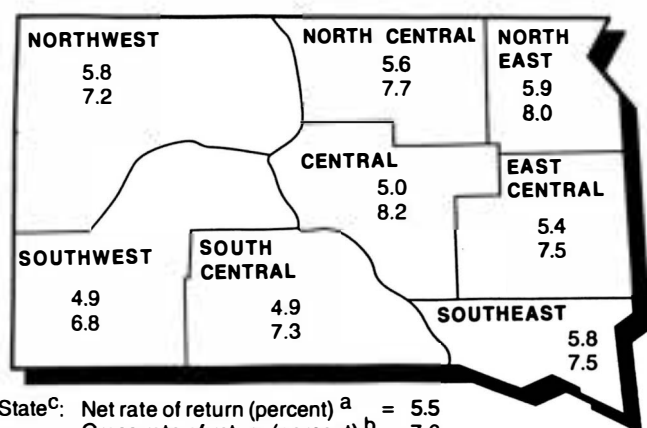
cropland, from 5.0% to 10.0% for rangeland, and from 5.5% to 10.5% for hayland.⁴

The statewide gross rate of return (rent-to-value ratio) to nonirrigated cropland and hayland is 8.0%, while the rangeland rent-to-value ratio is 7.0%. From 1992 to 1994, there were minimal changes in regional rent-to-value ratios for agricultural land. During this same period, the difference between GROSS and NET rates of return to agricultural land ownership has been 1.8-2.1 percentage points (Table 4, Fig 12). Most of the difference between gross returns and net returns is caused by property tax levies.

The current average net rate of return of 5.5% is considerably lower than farmland mortgage interest rates of 7.5% to 9.0%. This implies that relatively large downpayment requirements are necessary before farmland purchases can be expected to cashflow from net returns. Fortunately, a high percentage of current farmland purchases is financed with equity capital and most debt financed purchases have high downpayments. This cautious approach to debt financing will help most farmland buyers avoid another financial crisis.

⁴ The range of reported net rates of return and calculated rent-to-value ratios are shown for the middle 90% of responses for each land use. This represents the practical range of reported net and gross rates of return.

Fig 12. Estimated rates of return to agricultural land, state and region, 1994.



^a The net rate of return is the reporter's estimate of the percent rate of return to ownership (after payment of property taxes) given current land values. Appraisers often refer to it as the market capitalization rate.

^b The gross rate of return is calculated by dividing reporter's average gross cash rental rate by their reported land values and converting it to a percentage measure.

^c See table 4 for further details on estimated rates of return by region and type of agricultural land.

Source: 1994 South Dakota Farm Real Estate Market Survey, SDSU.

Table 4. Estimated rates of return to South Dakota agricultural land by type of land and by region, 1994, 1993, 1992, and 1991.

Type of Land-Statewide ^c	1994	1993	1992	1991	1994	1993	1992	1991
	GROSS rate of return (%) ^a				NET rate of return (%) ^b			
All agricultural land	7.5	7.6	7.6	7.7	5.5	5.5	5.8	6.6
Nonirrigated cropland	8.0	8.1	8.1	8.2	5.8	5.9	6.3	6.8
Rangeland and pastureland	7.0	7.1	7.0	7.2	5.1	5.1	5.3	6.3
Hayland	8.0	7.9	8.4	8.6	5.5	5.4	5.8	6.8

Region ^d	GROSS rate of return (%)				NET rate of return (%)			
	Southeast	7.5	7.7	7.7	7.9	5.8	5.7	6.2
East Central	7.5	7.8	7.7	7.7	5.4	5.3	5.8	6.4
Northeast	8.0	7.9	8.7	8.4	5.9	5.9	6.8	7.1
North Central	7.7	8.0	8.2	8.4	5.6	6.3	6.1	7.3
Central	8.2	8.1	7.8	8.1	5.0	5.5	5.3	6.4
South Central	7.3	7.1	7.2	7.3	4.9	5.0	5.8	7.5
Southwest	6.8	7.0	7.2	7.6	4.9	5.0	4.8	5.2
Northwest	7.2	7.4	7.2	7.1	5.8	5.3	5.7	6.3

Source: 1994 South Dakota Farm Real Estate Survey, SDSU

^aGROSS rate of return (percent) is calculated by dividing the average gross cash rental rate by their reported value of rental land.

^bNET rate of return is the reporters estimate of the percentage rate of return to ownership given current land values. Appraisers often refer to this measure as the market capitalization rate.

^cState level GROSS and NET rate of return estimates are calculated by weighting regional estimates by proportion of acres of each land use by region.

^dRegional level GROSS and NET rate of return estimates are calculated by weighting rate of return estimates for each land use by proportion of the region agricultural acres in each land user.

The 1994 regional and statewide GROSS and NET rates of return to all agricultural land are also reported in Figure 12.

RESPONDENTS' ASSESSMENT OF CHANGING FARMLAND MARKET CONDITIONS

In 1993, weather conditions in South Dakota were unusually wet in most areas. Respondents to the 1994 survey were asked open-ended questions about the impact of the unusual weather conditions on agricultural land values, rental rates, and rental practices in their localities.

Most comments from eastern South Dakota respondents indicated cash rents and land values were marginally affected by adverse production conditions. Some rental payments were adjusted due to prevented plantings. Many renters attempted to renegotiate cash rents downward but experienced considerable resistance from most landlords. Landowner resistance to decreased rents is partly based on rising property tax payments and ability to secure other renters. Several survey reporters indicated some cash rental rates were lowered or switched to share rental agreements in flooded lowland areas and on some other marginal cropland. However, more reporters indicated rental rates are increasing (especially for good quality cropland that did not flood) due to aggressive bidding by local renters.

Several respondents indicated good crop prices and low interest rates continue to make cropland an attractive investment, despite production losses on some cropland in 1992 and 1993. Federal disaster payments reduced losses of farm operators and provided support for maintaining cropland values. Furthermore, there is continuing investor interest in cropland in southeastern and east-central South Dakota.

Respondent comments from the north-central and central regions usually indicated land values and cash rents were increasing, due to optimism from excellent yields, reasonably good prices, and lower interest rates. Comments from several western South Dakota respondents were about increased rental rates for rangeland and concern that this trend could not continue.

Comments on upward revaluation of agricultural land for tax assessments came from respondents in most areas of South Dakota. The increase in property taxes paid per acre of agricultural land has been a major concern and factor in the farm real estate market in the past 2-3 years.

AGRICULTURAL LAND VALUE EXPECTATIONS FOR 1994

Respondents were asked about their expectation of changes in agricultural land values in 1994. Five eighths (63%) of respondents expected NO CHANGE in land values during 1994, and another 4% of respondents expected decreases in agricultural land values. A fourth of all respondents expected agricultural land values to increase from 1% to 5%. A twelfth of all respondents expected more substantial increases in land values of +6% to +10%. The average expected change in agricultural land values is +1.4%.

Many respondents commented that lower long-term interest rates, reduced yields on other investments, and favorable crop/livestock prices should stabilize or increase agricultural land values in the next 12 months. Many respondents from eastern South Dakota indicated another poor crop year could lead to downward pressure on land sale prices in their localities due to increased farm sales.

Overall, respondents' land market expectations for 1994 are similar to their expectations for last year. If respondents' expectations for 1994 are realized, we will see another year of stable to slight increases in agricultural land values and probable declines in inflation-adjusted farmland values.

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Appendix I

Survey Methods and Respondent Characteristics

The primary purposes of the 1994 South Dakota Farm Real Estate Market Survey were to obtain regional and statewide information on: (1) 1994 per-acre agricultural land values by land use and land productivity, and (2) 1994 cash rental rates by agricultural land use.

Copies of this survey were mailed to potential respondents about February 15 with a followup mailing on March 10. Potential respondents were persons employed in one of the following occupations: (1) agricultural lenders (senior agricultural loan officers of commercial banks, Farmers Home Administration, or Farm Credit Banks), (2) Cooperative Extension Service agricultural agents and farm management field staff, and (3) licensed appraisers (including members of professional rural appraisal and farm management societies). Some appraisers were primarily realtors, auctioneers, or professional farm managers.

The useable survey response rate was 38% of 605 persons contacted. The distribution of 228 respondents by reported occupation is shown in Appendix Table 1. Nearly 65% of Extension agents, 41% of agricultural lenders, and 25% of licensed appraisers contacted provided usable responses. The usable response rate of licensed appraisers was considerably lower because many appraisers are primarily involved with residential and commercial real estate.

Fifty-three percent of respondents were from the eastern regions of South Dakota, 28% were from the three regions of central South Dakota, and 18% were from western South Dakota. Most respondents were able to supply land value and cash rental rate information for nonirrigated cropland, rangeland, and hayland in their localities. However, only 30% of respondents provided data on irrigated land values and 25% provided data on irrigated land cash rental rates.

Regional average land values by land use are simple average (mean) values of usable responses. All-agricultural

land values, statewide and regional, and statewide average land values by land use are weighted by the relative number of acres in each agricultural land use. This approach has important implications in the derivation of statewide average land values and regional all-land values. For example, the three eastern regions of South Dakota with the highest average land values have nearly 45% of the state's cropland acres, 27% of all-agricultural land acres, and only 10% of rangeland acres. Consequently, the relative importance of various regions on statewide cropland, rangeland, and all-land values varies greatly by land use.

We believe this weighted average approach to statewide land values is preferable to a simple average (mean) of all responses. Our approach increases the relative importance of western South Dakota land values in the final computations and results in lower statewide average land values.

The weighting factors used to develop statewide average land values are based on estimates of agricultural land use for privately owned farmland in South Dakota. It excludes agricultural land (mostly rangeland) leased from tribal or federal agencies, which primarily occurs in the western and central regions of the state. The weighting factors were developed from county-level data on taxable agricultural acres, farmland use data from the 1987 South Dakota Census of Agriculture, and other sources.

Comparisons between land values from 1991 to 1994 (by land use and region) are based on summary statistics (mean, range, etc.) from each annual survey. Consequently, the percentage changes in land values reported in this publication are based on "actual" dollar values reported in each survey. This reported percentage change often differs from the percentage change estimated by each respondent. However, the respondents' perceptions of changes are a useful cross-check to their reports of specific dollar amounts.

Appendix Table 1. Selected characteristics of respondents.

Number of respondents = 228

Respondents:

<u>Reporting location</u>	<u>N</u>	<u>%</u>	<u>Primary Occupation</u>	<u>N</u>	<u>%</u>
Southeast	46	20.2	Banker/loan officer	127	55.7
East Central	44	19.3			
Northeast	31	13.6	Appraiser/realtor	57	25.0
North Central	23	10.1			
Central	26	11.4	Extension Agents	44	19.3
South Central	16	7.0			
Southwest	20	8.8		228	100.0
Northwest	22	9.6			
	<u>228</u>	<u>100.0</u>			

Response rates:

<u>Land values</u>	<u>N</u>	<u>%</u>	<u>Cash Rental Rates</u>	<u>N</u>	<u>%</u>
Dryland cropland	218	95.6	Dryland cropland	217	95.2
Irrigated land	68	29.8	Irrigated land	57	25.0
Hayland	177	77.6	Hayland	183	80.3
Rangeland (native)	202	88.6	Rangeland		
Pasture (tame)	148	64.9	per acre	181	79.4
			per AUM	74	32.4

Source: 1994 South Dakota Farm Real Estate Market Survey.

Appendix II 1994 County Level Land Rents and Values



SOUTH DAKOTA 1994 COUNTY LEVEL LAND RENTS AND VALUES

April 1994

INTRODUCTION

The National Agricultural Statistics Service (NASS) of USDA conducts an annual survey of farmers and ranchers to obtain value of land and rental rates in their localities. The survey is designed to provide state level land values and cash rents.

This year the South Dakota office of NASS has conducted an expanded survey to provide county level statistics on cash rents and land values. This additional data was funded by the South Dakota Legislature.

Appreciation is expressed to all survey participants who provided the data on which this report is based.

THE 1994 SURVEY

In South Dakota a sample of 450 operators was used to obtain data for state level rents and values. To provide county level information, an additional sample of 3,300 farm operators was drawn.

The survey was conducted by telephone during February and early March. There were 2,350 reports tabulated. The data published here are rounded averages of the reported values. They are not official estimates.

THE DATA

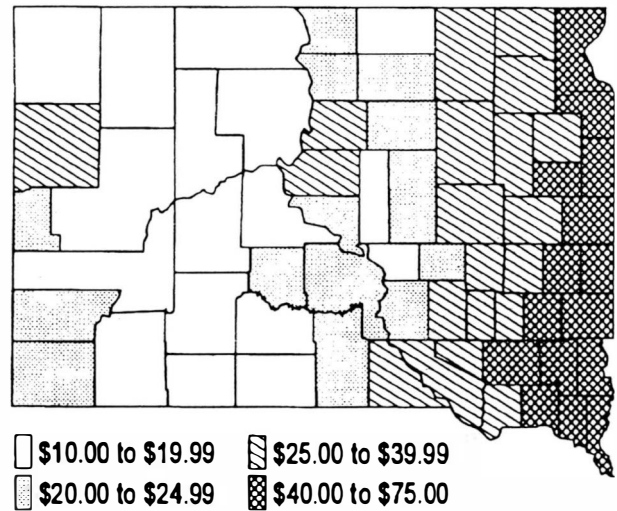
Information shown in this report includes number of reports, minimum and maximum rental rates, average rental rates, and average value of rented land. Also shown is the ratio of rent to rental property value (expressed in percent).

The minimum and maximum show the range in each county. This range is affected by the diversity of land in the county, such as amount of tillable land, availability of rental land, average size of farms, amount of irrigated land, etc. The rental rate as a percentage of the average value of the land is given to show the relation between the rents and the value of rented land.

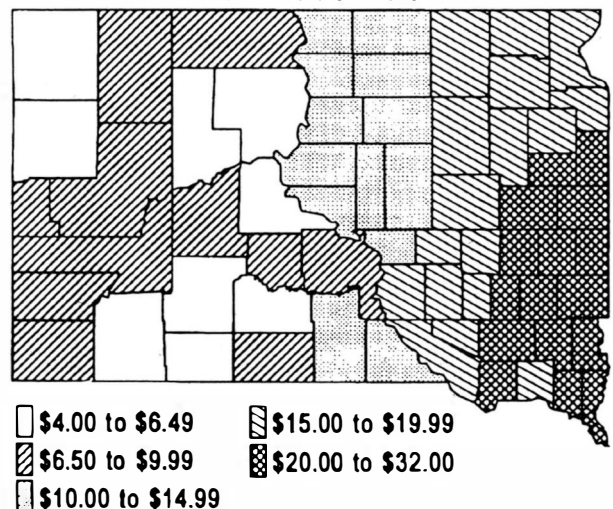
OTHER AGRICULTURAL LAND VALUE REPORTS

The Economic Research Service (ERS) of the USDA publishes state level estimates for land values, rental rates and rent to value percents. These data are not part of this county level report but are available upon request.

1994 CROPLAND AVERAGE RENTS
Dollars Per Acre



1994 PASTURELAND AVERAGE RENTS
Dollars Per Acre



WHOLE FARM CASH RENT

AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE, BY COUNTY, SOUTH DAKOTA, 1994

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	----- DOLLARS PER ACRE -----				PERCENT
BUTTE	9	3.50	80.00	29.50	331.00	8.9
CORSON	13	6.00	25.00	12.20	172.00	7.1
DEWEY	5	6.00	20.00	11.60	127.00	9.1
HARDING	7	3.00	20.00	8.90	103.00	8.7
PERKINS	16	6.00	20.00	11.60	151.00	7.7
ZIEBACH	10	4.50	15.00	8.70	122.00	7.1
BROWN	19	20.00	45.00	31.30	446.00	7.0
CAMPBELL	18	10.00	30.00	18.50	232.00	8.0
EDMUNDS	14	12.00	40.00	19.80	252.00	7.9
FAULK	16	11.00	30.00	19.60	242.00	8.1
MCPHERSON	16	14.00	25.00	18.50	226.00	8.2
POTTER	17	15.00	42.50	24.30	326.00	7.5
SPINK	16	18.00	37.50	27.00	366.00	7.4
WALWORTH	12	11.00	37.50	20.00	298.00	6.7
CLARK	13	20.00	40.00	27.20	353.00	7.7
CODINGTON	19	22.00	45.00	33.30	420.00	7.9
DAY	15	20.00	40.00	28.10	337.00	8.3
DEUEL	21	25.00	70.00	43.80	505.00	8.7
GRANT	12	33.00	60.00	44.60	556.00	8.0
HAMLIN	16	30.00	60.00	44.40	556.00	8.0
MARSHALL	17	10.00	45.00	27.70	358.00	7.8
ROBERTS	17	30.00	62.50	43.40	483.00	9.0
HAAKON	5	7.00	15.00	11.10	167.00	6.6
JACKSON	7	4.50	18.50	9.60	158.00	6.1
LAWRENCE	10	8.00	40.00	19.10	357.00	5.4
MEADE	9	4.00	40.00	13.30	229.00	5.8
PENNINGTON	1/	1/	1/	1/	1/	1/
STANLEY	8	6.00	20.00	13.90	172.00	8.1
AURORA	16	15.00	40.00	24.80	313.00	7.9
BEADLE	26	15.50	40.00	25.90	324.00	8.0
BRULE	22	15.00	32.00	21.00	297.00	7.1
BUFFALO	17	9.00	35.00	17.30	212.00	8.2
HAND	21	12.00	25.00	18.80	237.00	7.9
HUGHES	20	14.00	32.50	18.70	262.00	7.2
HYDE	16	10.00	18.00	14.50	198.00	7.3
JERAULD	29	13.00	25.00	19.40	260.00	7.5
SULLY	11	16.50	30.00	22.00	348.00	6.3
BROOKINGS	19	33.00	65.00	46.00	586.00	7.9
DAVISON	14	22.00	35.00	29.10	438.00	6.7
HANSON	13	22.50	40.00	33.80	472.00	7.2
KINGSBURY	21	22.00	50.00	33.70	450.00	7.5
LAKE	15	32.50	60.00	45.00	604.00	7.4
MCCOOK	14	25.00	60.00	40.90	599.00	6.8
MINER	25	17.50	40.00	28.30	365.00	7.7
MINNEHAHA	19	30.00	90.00	58.90	812.00	7.3
MOODY	15	36.00	90.00	62.70	881.00	7.1
SANBORN	17	13.50	32.50	24.60	328.00	7.5
BENNETT	5	7.00	25.00	12.90	167.00	7.7
CUSTER	6	5.00	20.00	10.20	157.00	6.5
FALL RIVER	6	3.00	50.00	14.30	165.00	8.6
SHANNON	4	10.00	21.00	16.50	184.00	9.0
GREGORY	12	20.00	35.00	24.60	350.00	7.0
JONES	9	6.00	18.00	11.50	226.00	5.1
LYMAN	10	10.00	25.00	17.60	264.00	6.6
MELLETTE	11	5.00	20.00	11.10	144.00	7.7
TODD	9	10.00	15.00	12.10	206.00	5.9
TRIPP	15	15.00	25.00	18.30	263.00	6.9
BON HOMME	23	25.00	57.50	37.30	530.00	7.0
CHARLES MIX	25	15.00	50.00	30.90	420.00	7.4
CLAY	26	50.00	100.00	68.90	865.00	8.0
DOUGLAS	21	25.00	40.00	31.10	417.00	7.5
HUTCHINSON	16	28.00	80.00	38.60	528.00	7.3
LINCOLN	20	50.00	100.00	74.40	989.00	7.5
TURNER	20	35.00	75.00	54.20	743.00	7.3
UNION	24	60.00	90.00	71.90	906.00	7.9
YANKTON	19	17.00	75.00	45.50	668.00	6.8

1/ INSUFFICIENT DATA.

CROPLAND CASH RENT

AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE, BY COUNTY, SOUTH DAKOTA, 1994

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	----- DOLLARS PER ACRE -----				PERCENT
BUTTE	7	15.00	55.00	37.10	452.00	8.2
CORSON	25	9.00	25.00	16.30	164.00	9.9
DEWEY	18	11.00	20.00	15.30	173.00	8.8
HARDING	13	10.00	30.00	18.50	157.00	11.8
PERKINS	20	8.00	25.00	15.90	177.00	9.0
ZIEBACH	23	6.00	20.00	13.70	173.00	7.9
BROWN	40	18.75	50.00	34.40	478.00	7.2
CAMPBELL	37	13.00	30.00	21.80	265.00	8.2
EDMUNDS	37	13.00	35.00	21.00	266.00	7.9
FAULK	36	10.00	35.00	21.20	251.00	8.5
MCPHERSON	36	14.00	32.50	19.30	220.00	8.8
POTTER	38	15.00	35.00	25.00	348.00	7.2
SPINK	39	20.00	40.00	30.60	376.00	8.1
WALWORTH	44	17.50	35.00	24.00	310.00	7.8
CLARK	31	20.00	50.00	30.30	352.00	8.6
CODINGTON	35	25.00	57.50	38.00	455.00	8.4
DAY	34	22.50	45.00	31.90	340.00	9.4
DEUEL	38	32.50	60.00	46.40	521.00	8.9
GRANT	34	30.00	65.00	46.90	630.00	7.5
HAMLIN	35	30.00	50.00	42.00	531.00	7.9
MARSHALL	36	22.00	60.00	33.60	401.00	8.4
ROBERTS	37	20.00	67.50	44.10	565.00	7.8
HAAKON	19	9.00	25.00	15.40	217.00	7.1
JACKSON	20	8.00	22.00	15.40	175.00	8.8
LAWRENCE	13	10.00	50.00	24.50	331.00	7.4
MEADE	8	10.00	32.50	15.40	218.00	7.0
PENNINGTON	6	8.50	25.00	17.30	273.00	6.4
STANLEY	14	10.00	35.00	18.60	271.00	6.9
AURORA	25	16.00	38.00	25.80	309.00	8.3
BEADLE	41	20.00	50.00	29.50	360.00	8.2
BRULE	33	16.00	32.00	24.70	337.00	7.3
BUFFALO	24	8.00	27.00	18.80	234.00	8.0
HAND	29	16.50	27.50	21.90	262.00	8.3
HUGHES	30	15.00	30.00	24.20	325.00	7.4
HYDE	26	15.00	25.00	19.90	234.00	8.5
JERAULD	36	15.00	30.00	22.30	276.00	8.1
SULLY	37	16.50	35.00	26.10	367.00	7.1
BROOKINGS	31	30.00	70.00	48.20	595.00	8.1
DAVISON	30	25.00	40.00	31.50	418.00	7.5
HANSON	28	22.50	45.00	36.20	460.00	7.9
KINGSBURY	33	25.00	50.00	36.90	478.00	7.7
LAKE	32	30.00	80.00	47.90	600.00	8.0
MCCOOK	32	25.00	65.00	40.80	569.00	7.2
MINER	35	20.00	45.00	30.90	376.00	8.2
MINNEHAHA	32	40.00	100.00	63.50	878.00	7.2
MOODY	34	45.90	90.00	67.20	883.00	7.6
SANBORN	25	17.50	40.00	28.20	352.00	8.0
BENNETT	26	15.00	22.50	18.10	243.00	7.4
CUSTER	5	10.00	50.00	24.20	274.00	8.8
FALL RIVER	6	8.00	50.00	23.70	183.00	12.9
SHANNON	17	15.00	25.00	19.10	212.00	9.0
GREGORY	24	17.50	37.50	25.90	344.00	7.5
JONES	23	9.00	40.00	20.80	302.00	6.9
LYMAN	32	10.00	27.50	20.90	341.00	6.1
MELLETTE	27	10.00	26.00	14.60	188.00	7.8
TODD	24	10.00	25.00	15.60	220.00	7.1
TRIPP	23	10.00	27.50	20.70	300.00	6.9
BON HOMME	41	30.00	45.00	39.60	550.00	7.2
CHARLES MIX	37	25.00	45.00	33.30	408.00	8.2
CLAY	36	45.00	100.00	69.70	887.00	7.9
DOUGLAS	38	22.50	42.50	32.00	394.00	8.1
HUTCHINSON	41	28.00	55.00	40.30	543.00	7.4
LINCOLN	40	57.50	97.50	72.80	976.00	7.5
TURNER	40	37.50	70.00	54.00	750.00	7.2
UNION	33	45.00	90.00	72.80	915.00	7.9
YANKTON	37	30.00	90.00	49.40	752.00	6.6

PASTURELAND CASH RENT
AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE,
BY COUNTY, SOUTH DAKOTA, 1994

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	----- DOLLARS PER ACRE -----				PERCENT
BUTTE	14	1.00	10.00	5.00	110.00	4.5
CORSON	23	4.00	13.00	6.80	102.00	6.7
DEWEY	20	3.00	8.00	5.30	97.00	5.5
HARDING	22	1.50	15.00	5.30	76.00	7.0
PERKINS	21	3.00	13.50	7.40	87.00	8.5
ZIEBACH	27	2.69	17.00	5.60	84.00	6.7
BROWN	30	10.00	27.50	16.20	234.00	6.9
CAMPBELL	33	7.35	15.00	10.90	132.00	8.2
EDMUNDS	34	9.00	21.00	13.30	194.00	6.9
FAULK	37	3.50	22.00	12.90	178.00	7.2
MCPHERSON	36	3.50	19.00	11.90	166.00	7.2
POTTER	33	8.00	19.50	11.60	180.00	6.4
SPINK	34	9.50	27.50	17.10	221.00	7.7
WALWORTH	35	4.00	16.00	10.90	149.00	7.3
CLARK	33	13.50	27.50	18.50	218.00	8.5
CODINGTON	33	10.00	25.00	18.70	245.00	7.6
DAY	33	8.50	25.00	15.60	215.00	7.3
DEUEL	35	13.00	35.00	20.20	276.00	7.3
GRANT	21	12.00	22.50	17.70	250.00	7.1
HAMLIN	34	15.00	40.00	21.30	286.00	7.4
MARSHALL	30	10.00	30.00	16.90	213.00	7.9
ROBERTS	25	10.00	30.00	16.30	229.00	7.1
HAAKON	21	2.00	15.00	7.00	124.00	5.6
JACKSON	23	3.00	8.50	5.20	96.00	5.4
LAWRENCE	17	4.00	12.50	7.70	223.00	3.4
MEADE	24	3.00	22.50	6.70	117.00	5.8
PENNINGTON	16	3.00	12.00	6.80	131.00	5.1
STANLEY	16	1.00	10.00	6.30	109.00	5.8
AURORA	27	10.00	21.50	16.50	240.00	6.9
BEADLE	43	15.00	25.00	19.30	266.00	7.3
BRULE	30	7.00	21.00	15.00	236.00	6.3
BUFFALO	26	5.00	15.00	10.70	140.00	7.6
HAND	31	10.00	20.00	14.70	184.00	8.0
HUGHES	31	5.00	17.00	11.40	179.00	6.3
HYDE	29	5.00	20.00	12.10	147.00	8.2
JERAULD	40	10.00	20.00	15.60	205.00	7.6
SULLY	31	5.50	20.00	11.40	193.00	5.9
BROOKINGS	26	10.00	45.00	23.80	323.00	7.4
DAVISON	29	11.25	25.00	19.10	279.00	6.9
HANSON	25	10.00	35.00	21.20	324.00	6.5
KINGSBURY	32	13.50	35.00	22.40	331.00	6.8
LAKE	28	15.00	35.00	22.10	347.00	6.4
MCCOOK	27	8.00	35.00	21.10	339.00	6.2
MINER	36	15.00	25.50	20.80	292.00	7.1
MINNEHAHA	28	11.00	40.00	26.20	417.00	6.3
MOODY	26	12.50	40.00	25.90	387.00	6.7
SANBORN	28	13.50	25.00	17.70	273.00	6.5
BENNETT	21	3.00	10.00	5.50	118.00	4.6
CUSTER	14	2.50	15.00	6.60	161.00	4.1
FALL RIVER	13	3.00	25.00	7.10	94.00	7.6
SHANNON	14	3.00	8.50	4.90	86.00	5.7
GREGORY	23	8.00	20.00	13.30	190.00	7.0
JONES	26	4.00	15.00	8.10	147.00	5.5
LYMAN	27	3.00	15.00	9.90	163.00	6.0
MELLETTE	28	4.00	15.00	6.20	109.00	5.7
TODD	30	3.00	15.00	6.60	147.00	4.5
TRIPP	27	6.75	20.00	12.60	204.00	6.2
BON HOMME	31	9.00	30.00	21.40	334.00	6.4
CHARLES MIX	31	8.00	28.00	18.90	261.00	7.2
CLAY	17	11.50	45.00	23.10	324.00	7.1
DOUGLAS	32	12.50	30.00	19.90	273.00	7.3
HUTCHINSON	34	15.00	35.00	22.50	308.00	7.3
LINCOLN	18	14.00	55.00	32.00	492.00	6.5
TURNER	28	10.00	35.00	23.80	374.00	6.4
UNION	19	10.00	40.00	28.00	407.00	6.9
YANKTON	30	10.00	40.00	19.10	323.00	5.9

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