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# Farm Land Market Trends in South Dakota 1941-1952, Supplement to Bulletin No. 413: Land Market Trends in South Dakota 1941-1950

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FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1952

Supplement to Bulletin No. 413

Land Market Trends in South Dakota 1941-1950

By

Ray F. Pengra and Gabriel Lundy

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This report is a part of a study of the farm land market in South Dakota, carried on cooperatively by the Department of Economics of the South Dakota Agricultural Experiment Station and the Bureau of Agricultural Economics of the United States Department of Agriculture represented by Virgil L. Hurlburt. Data were secured from the office of Register of Deeds and the County Auditor's office in each of the specified eight counties. Supplementary information was secured from the Agricultural Stabilization Offices for each county as well as from real estate dealers and various buyers and sellers of the land transferred.

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## FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1952

The total farm land acreage sold during 1951 in the eight counties of Beadle, Brookings, Brown, Clay, Faulk, Haakon, Hand and Spink shows an increase over the total similarly transferred in either 1949 or 1950, (Table I). Clay and Haakon show decreases; but in all the other six counties included in the study, there was a larger acreage transferred in 1951 than in either 1949 or 1950. The largest increase was in Hand County and included sales to non-residents of a relatively large acreage in the western part of the county. This part of Hand County is not included in the proposed irrigation area of the Oahe project. These non-resident buyers appear to be interested in securing range land.

Tax delinquent and foreclosed school lands acquired by these eight counties during the 1930's and early 1940's had been sold and returned to the tax rolls prior to 1951. Recently, the sale of school endowment land by the state has been quite extensive. A much larger acreage was sold in 1951 than in 1952.

Farmers bought considerably more than 50 per cent of the acreage sold both in 1951 and 1952 except for Faulk County during the later year when 65 per cent of the acreage changing hands was bought by non-farmers, (Table II). Individual non-farmers were the chief sellers of the land transferred, (Table III). Estate sales accounted for 17.5 per cent of the land sold in the eight counties in 1951, but only 8.4 per cent of the land sold in 1952. Insurance companies and the Federal Land Bank have disposed of almost all of their farm land holdings within these eight counties.

The total acreage sold in the eight counties during the year 1952 amounted to only 154,289 acres. This was the smallest acreage sold during

any of the twelve years for which data have been collected, except in Faulk County where there was more land sold in 1952 than during any other year since 1948. The buyers of much of the Faulk County land were out-of-state buyers. In Haakon County nearly as much land was sold during the year 1952 as in 1951.

There have been a large number of oil and mineral deeds filed in both Faulk and Haakon Counties during these last two years. The extent to which oil speculation is a factor in increasing the acreage transferred appears to be difficult to determine, since many of the buyers are interested in grazing lands and some out-of-state buyers have stocked the properties they purchased.

A relatively large percentage of the sales in Faulk County were in the western part of that county. Proposed irrigation areas in Faulk County lie only in the eastern part. Irrigation, therefore, could not be a factor in this large volume of land sales in western Faulk County.

#### Prices

The average sale price of all land sold in each county each year from 1941 through 1952 is listed in Table IV. In order to simplify comparisons between prices in the various counties, Table V was constructed to show the relationship between land prices in 1941 and the price for each of the following years. Land prices for 1941 are used as the base or as 100 per cent and prices for each year are figured as a percentage of the 1941 figure.

In Brookings, Brown and Clay Counties there has been a relatively similar upward trend in land prices during the 12 year period. Likewise

in Beadle, Faulk and Spink the change has been quite similar but the increase has been greater, especially in recent years, than in Brookings, Brown, and Clay. Since Beadle, Faulk and Spink Counties contain the bulk of the proposed irrigation area, the relatively greater increase in price in those three counties may be attributed to anticipated irrigation.

Hand County also has extensive acreages within the prospective irrigation area but in addition it is within the central South Dakota oil boom area. Haakon County in the western part of the state also has had a relatively large number of oil and mineral leases filed recently. Thus it would appear that the relatively greater increase in land sale prices within the counties of Haakon and Hand may well be the result of oil speculation.

Table I. Acreage of Farm Land Transferred in Selected Counties, South Dakota, 1941-52

Land Area	Total	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
		Census	1941-52	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
Beadle	807,040	620,574	47,048	53,283	62,307	54,458	63,058	92,474	70,002	64,199	29,840	32,951	36,070	14,884
Brookings	512,640	296,514	17,508	27,440	35,364	31,672	32,744	41,805	28,453	24,579	18,471	13,351	16,974	8,153
Brown	1,073,280	686,139	58,129	57,480	79,821	76,245	92,225	80,577	80,827	38,994	31,767	32,842	36,837	20,395
Clay	257,920	87,710	7,555	10,793	11,009	7,857	5,253	8,375	10,517	6,708	5,751	6,014	4,072	3,806
Faulk	638,080	497,596	29,099	43,471	52,449	63,887	47,211	56,045	53,434	47,713	22,630	21,097	26,467	34,093
Haakon	1,161,600	970,921	74,835	75,735	94,330	121,378	82,616	99,004	164,864	92,309	41,437	59,053	33,098	32,262
Hand	919,040	714,790	78,164	72,239	68,112	68,732	56,477	73,877	68,218	65,525	38,540	42,804	54,992	27,110
Spink	963,840	598,967	55,718	53,879	75,801	71,376	75,480	71,076	62,549	39,110	18,549	29,638	32,205	13,586
Total	4,473,211	368056	394320	479193	495605	455064	523233	538864	379137	206985	237750	240715	154289	
Per Cent of Land Area Transferred														
Beadle	76.9	5.8	6.6	7.7	6.7	7.8	11.5	8.7	8.0	3.7	4.1	4.5	1.8	
Brookings	57.8	3.4	5.4	6.9	6.2	6.4	8.2	5.6	4.8	3.6	2.6	3.3	1.6	
Brown	63.9	5.4	5.4	7.4	7.1	8.6	7.5	7.5	3.6	3.0	3.1	3.4	1.9	
Clay	34.0	2.9	4.2	4.3	3.0	2.0	3.2	4.1	2.6	2.2	2.3	1.6	1.5	
Faulk	78.0	4.6	6.8	8.2	10.0	7.4	8.8	8.4	7.5	3.5	3.3	4.1	5.3	
Haakon	83.6	6.4	6.5	8.1	10.4	7.1	8.5	14.2	7.9	3.6	5.1	2.8	2.8	
Hand	77.8	8.5	7.9	7.4	7.5	6.1	8.0	7.4	7.1	4.2	4.7	6.0	2.9	
Spink	62.1	5.8	5.6	7.9	7.4	7.8	7.4	6.5	4.1	1.9	3.1	3.3	1.4	

Table II. Per Cent of Acreage of Land Transferred, By Type of Buyer

	Owner Operator	Other Farmer	Res. Non-Farmer	Non-Res. Non-Farmer
<u>1951</u>				
Beadle	34.2	27.9	30.2	7.7
Brookings	25.4	34.4	27.3	12.9
Brown	40.8	27.6	24.2	7.4
Clay	59.2	23.1	15.6	2.1
Faulk	48.8	20.5	17.1	13.6
Haakon	81.3	7.7	4.2	6.7
Hand	39.7	17.3	10.1	32.9
Spink	38.7	14.2	30.5	16.6
<u>1952</u>				
Beadle	39.2	20.1	22.4	18.3
Brookings	27.8	38.1	23.0	11.1
Brown	41.0	18.1	32.1	8.8
Clay	43.8	9.7	27.6	18.9
Faulk	18.2	16.6	4.4	60.8
Haakon	55.3	12.3	8.6	23.8
Hand	29.4	29.8	16.0	24.8
Spink	44.3	17.7	23.7	14.3

Table III. Per Cent of Acreage of Land Transferred, By Type of Seller

	Owner Operator	Individual Non-Operator	Estate	Insurance Company	Commercial Banks	Federal Land Banks	Other Corporations	States and Counties
	<u>1951</u>							
Beadle	9.0	54.9	18.8	2.4	2.1		5.7	7.1
Brookings	11.7	69.3	17.2	1.8				
Brown	15.2	44.8	16.6	15.4		.9	1.5	5.6
Clay	24.2	26.6	40.6				8.6	
Faulk	35.7	41.6	15.7	1.2			.3	5.8
Haakon	24.3	33.6	24.2	.1			2.6	17.6
Hand	16.1	56.8	13.8	2.5			.5	10.6
Spink	7.9	59.0	15.3		1.0			13.8
	<u>1952</u>							
Beadle	13.9	56.3	11.0				7.9	10.9
Brookings	19.0	60.1	13.0	2.0			5.9	
Brown	37.0	37.9	10.5	11.6			.8	2.2
Clay	18.6	47.5	33.9					
Faulk	15.8	74.5	6.6	.5			.5	2.6
Haakon	34.3	56.2	4.7					4.3
Hand	18.0	64.7	7.1	1.2				9.0
Spink	21.6	53.1	8.8	6.5	2.3			7.7



Table IV. Average Sale Price Per Acre of Farm Land Transferred,  
Selected Counties South Dakota 1941-52, Inclusive

	Beadle	Brookings	Brown	Clay	Faulk	Haakon	Hand	Spink
1941	\$ 9.15	\$31.48	\$13.85	\$ 57.66	\$ 6.52	\$2.34	\$ 6.26	\$12.90
1942	11.08	32.21	16.33	59.55	7.91	2.61	7.00	14.74
1943	14.10	38.47	20.19	66.31	9.49	2.64	8.94	16.45
1944	15.09	43.58	23.45	74.25	10.03	2.52	9.69	18.60
1945	17.10	42.25	23.64	99.57	10.31	2.89	11.18	22.01
1946	19.98	49.39	26.23	95.70	13.27	4.95	14.47	23.34
1947	21.55	57.06	29.04	101.15	14.28	6.57	16.48	28.55
1948	26.86	60.50	37.91	125.85	18.37	8.50	21.75	33.22
1949	26.52	68.86	35.16	118.53	17.95	8.47	22.46	35.42
1950	26.27	79.29	33.97	147.21	20.72	9.58	25.49	32.15
1951	36.51	82.15	37.66	166.23	25.88	16.67	27.77	39.86
1952	34.65	83.83	41.53	157.90	23.52	13.46	35.02	48.31

Table V. Farm Land Sale Prices 1941-1952 as Percentage of 1941 Average Price

1941 Av. Sale Price	Beadle	Brookings	Brown	Clay	Faulk	Haakon	Hand	Spink	Index of the Purchas- ing Power of the Dollar As Measured By Whole- Sale Prices 1935-39=100
\$9.15	\$31.48	\$13.85	\$57.66	\$6.52	\$2.34	\$6.26	\$12.90	92.1	
1942	121	102	103	121	112	112	114	81.4	
1943	154	122	115	146	113	143	128	78.0	
1944	165	138	129	154	108	155	144	77.4	
1945	187	134	171	158	124	179	171	76.0	
1946	218	157	189	204	212	231	181	66.4	
1947	236	181	210	219	281	263	221	52.8	
1948	294	192	274	282	363	347	258	48.7	
1949	290	219	254	275	362	359	275	51.9	
1950	287	252	245	318	409	407	249	49.9	
1951	399	261	272	397	712	444	309	44.6	
1952	379	266	300	361	575	559	374	46.8	