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Farm Land Market Trends in South Dakota
1941-1953, Supplement to Bulletin No. 413: Land
Market Trends in South Dakota 1941-1950

Ray F. Pengra

Gabriel Lundy

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FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1953

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 Agricultural Research Service 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.

Department of Agricultural Economics
Agricultural Experiment Station
South Dakota State College
College Station, South Dakota

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FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1953

Total farm land acreage sold during 1953 in the eight counties (Beadle, Brookings, Brown, Clay, Faulk, Haakon, Hand and Spink) was the smallest in any of the thirteen years during which data have been secured. There was a slight increase in the acreage sold in Beadle County over the 1952 figure and in Spink County a slight decrease from the 1952 total. All other counties showed a marked decrease in acres sold. The most notable decrease was in Faulk County.

In both 1951 and 1952 farmers from other states purchased considerable acreages in Faulk County. Interest in oil appears to have quieted considerable as fewer instruments leasing or selling oil rights have been recorded within the past year than during the two previous years. There was a marked decrease in the acreage sold in Haakon County. This also may well be attributed to declining interest in oil.

The counties surveyed have disposed of practically all of the farm land acquired through foreclosure of Endowment School Fund loans as well as land acquired under tax delinquency statutes. Hand County sold the only tract of county owned land that was disposed of in any of the eight counties during 1953.

The State Department of School and Public Lands sold 50 tracts (5436 acres) in the eight counties during 1953. Insurance companies still hold title to a few tracts of farm land but the bulk of their holdings have been sold. The National Farm Loan Association as well as other corporations who acquired title to farm land through mortgage foreclosure have also disposed of nearly all of the land they formerly held.

Land sold by non-operators and estates was 63.8 percent of the land transferred during 1953 in these eight counties. Farm operators, on the other hand, purchased 64.9 percent of the land sold. There is therefore a definite trend toward an increase in the total land holdings by operating farmers.

Prices

Brookings and Clay Counties both showed a marked increase in the price per acre paid for farm land during the year 1953. Faulk is the only county in the prospective irrigation area that showed a higher price during 1953 than during any previous year since 1941.

Within the eight counties, 43.9 percent of the acreage sold, for which consideration is available, was sold for cash. For the cash and mortgage transfers the mortgage balance amounts to less than half of the purchase price. On the contract for deed sales the contract balance amounted to 78.0 percent of the purchase price. A large proportion of the contracts consisted of school endowment land sales on which only 30 percent down payment is required.

Individuals and the National Farm Loans Association were the chief sources of credit for the purchase of farm land. Insurance companies are re-entering the farm loan field to some extent in the state. They financed the purchase of 13,933 acres in 1953 in the eight counties.

There is no indication at present that the price of farm land within the prospective irrigation area is being influenced to any great extent by irrigation development.

Table I. Land Area of Counties and Acreage of Farm Land Sold in Selected Counties, South Dakota, 1941-1953

Land Area	Beadle	Brookings	Brown	Clay	Faulk	Haakon	Hand	Spink	Totals
1940 Census	807,040	512,640	1,073,280	257,920	638,080	1,161,600	919,040	963,840	
1941	47,048	17,508	58,129	7,555	29,099	74,835	78,164	55,718	368,056
1942	53,283	27,440	57,480	10,793	43,471	75,735	72,239	53,879	394,320
1943	62,307	35,364	79,821	11,009	52,449	94,330	68,112	75,801	479,193
1944	54,458	31,672	76,245	7,857	63,887	121,378	68,732	71,376	495,605
1945	63,058	32,744	92,225	5,253	47,211	82,616	56,477	75,480	455,064
1946	92,474	41,805	80,577	8,375	56,045	99,004	73,877	71,076	523,233
1947	70,002	28,453	80,827	10,517	53,434	164,864	68,218	62,549	538,864
1948	64,199	24,579	38,994	6,708	47,713	92,309	65,525	39,110	379,137
1949	29,840	18,471	31,767	5,751	22,630	41,437	38,540	18,549	206,985
1950	32,951	13,351	32,842	6,014	21,097	59,053	42,804	29,638	237,750
1951	36,070	16,974	36,837	4,072	26,467	33,098	54,992	32,205	240,715
1952	14,884	8,153	20,395	3,806	34,093	32,262	27,110	13,586	154,289
1953	15,189	7,899	19,176	3,077	10,406	23,880	19,682	13,332	112,641
Total	635,763	304,413	705,315	90,787	508,002	994,801	734,472	612,299	4,585,852
Percentage of Land Area Transferred									
1941	5.8	3.4	5.4	2.9	4.6	6.4	8.5	5.8	
1942	6.6	5.4	5.4	4.2	6.8	6.5	7.9	5.6	
1943	7.7	6.9	7.4	4.3	8.2	8.1	7.4	7.9	
1944	6.7	6.2	7.1	3.0	10.0	10.4	7.5	7.4	
1945	7.8	6.4	8.6	2.0	7.4	7.1	6.1	7.8	
1946	11.5	8.2	7.5	3.2	8.8	8.5	8.0	7.4	
1947	8.7	5.6	7.5	4.1	8.4	14.2	7.4	6.5	
1948	8.0	4.8	3.6	2.6	7.5	7.9	7.1	4.1	
1949	3.7	3.6	3.0	2.2	3.5	3.6	4.2	1.9	
1950	4.1	2.6	3.1	2.3	3.3	5.1	4.7	3.1	
1951	4.5	3.3	3.4	1.6	4.1	2.8	6.0	3.3	
1952	1.8	1.6	1.9	1.5	5.3	2.8	2.9	1.4	
1953	1.9	1.6	1.8	1.2	1.6	2.0	2.2	1.4	
Total	78.8	59.4	65.7	35.2	79.6	85.6	80.0	63.5	

Table II. Percentage of the Acreages of Farm Land Sold by Type of Buyer, Selected Counties, South Dakota

County	Total	Owner Operator	Other Farmer	Res. Non-Farmer	Non-Res. Non-Farmer
<u>1953</u>					
Beadle	100	33.1	26.5	27.0	13.4
Brookings	100	33.1	26.5	29.5	10.9
Brown	100	42.4	26.3	27.0	4.3
Clay	100	47.3	16.8	30.7	5.2
Faulk	100	43.1	13.9	10.8	32.2
Haakon	100	53.6	12.1	1.7	32.6
Hand	100	46.6	13.4	25.6	14.4
Spink	100	32.3	48.9	11.7	7.1
<u>1952</u>					
Beadle	100	39.2	20.1	22.4	18.3
Brookings	100	27.8	38.1	23.0	11.1
Brown	100	41.0	18.1	32.1	8.8
Clay	100	43.8	9.7	27.6	18.9
Faulk	100	18.2	16.6	4.4	60.8
Haakon	100	55.3	12.3	8.6	23.8
Hand	100	29.4	29.8	16.0	24.8
Spink	100	44.3	17.7	23.7	14.3

Table III. Percentages of Acreages of Farm Land Sold by Type of Seller, Selected Counties, South Dakota

County	Total	1953					1952								
		Owner Operator	Individual Non-Operator	Estate	Insurance Company	Commercial Banks	Other Corporations	States and Counties	Owner Operator	Individual Non-Operator	Estate	Insurance Company	Commercial Banks	Other Corporations	States and Counties
Beadle	100	12.3	45.4	29.6	2.0	1.0	1.0	8.7	13.9	56.3	11.0				10.9
Brookings	100	38.0	36.5	17.4	8.1				19.0	60.1	13.0	2.0			2.2
Brown	100	35.1	46.9	5.3	9.0				37.0	37.9	10.5	11.6		.8	
Clay	100	39.2	34.8	21.2					18.6	47.5	33.9				2.6
Faulk	100	22.8	52.6	21.5					15.8	74.5	6.6	.5		.5	4.3
Haakon	100	38.8	50.9	6.3					34.3	56.2	4.7				9.0
Hand	100	18.2	53.7	15.5					18.0	64.7	7.1	1.2			7.7
Spink	100	17.4	52.5	19.1	6.6				21.6	53.1	8.8		2.3		
Beadle	100	13.9	56.3	11.0					13.9	56.3	11.0				10.9
Brookings	100	19.0	60.1	13.0					19.0	60.1	13.0	2.0			2.2
Brown	100	37.0	37.9	10.5					37.0	37.9	10.5	11.6		.8	
Clay	100	18.6	47.5	33.9					18.6	47.5	33.9				2.6
Faulk	100	15.8	74.5	6.6					15.8	74.5	6.6	.5		.5	4.3
Haakon	100	34.3	56.2	4.7					34.3	56.2	4.7				9.0
Hand	100	18.0	64.7	7.1					18.0	64.7	7.1	1.2			7.7
Spink	100	21.6	53.1	8.8					21.6	53.1	8.8		2.3		

Table IV. Average Sale Price Per Acre of Farm Land Sold, Selected Counties, South Dakota, 1941-53, 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
1953	36.55	90.27	41.66	176.05	30.58	14.02	33.58	42.46

Table V. Farm Land Sale Prices 1941-53 as Percentages of 1941 Average Prices

	Beadle	Brookings	Brown	Clay	Faulk	Haakon	Hand	Spink	Index of the Purchasing Power of the Dollar as Measured by Wholesale Prices 1935-39 = 100
1941 Av. Sale Price	\$9.15	\$31.48	\$13.85	\$57.66	\$6.52	\$2.34	\$6.26	\$12.90	92.1
1942	121	102	118	103	121	112	112	114	81.4
1943	154	122	146	115	146	113	143	128	78.0
1944	165	138	169	129	154	108	155	144	77.4
1945	187	134	171	173	158	124	179	171	76.0
1946	218	157	189	166	204	212	231	181	66.4
1947	236	181	210	175	219	281	263	221	52.8
1948	294	192	274	218	282	363	347	258	48.7
1949	290	219	254	206	275	362	359	275	51.9
1950	287	252	245	255	318	409	407	249	49.9
1951	399	261	272	288	397	712	444	309	44.6
1952	379	266	300	274	361	575	559	374	46.8
1953	400	287	310	305	468	526	536	329	

Table VI. Source of Funds Furnished on Credit Sale, 1953

County	Total Sales		Individual		Insurance Companies		Commercial Banks		Federal Cr. Agency		Other Corp.		State and Counties	
	No.	Acres	No.	Acres	No.	Acres	No.	Acres	No.	Acres	No.	Acres	No.	Acres
Beadle	37	8,043	14	3,780	2	467			11	2,516			10	1,280
Brookings	27	4,979	3	469	14	2,866	1	75	9	1,569				
Brown	57	12,058	20	5,551	3	615	5	791	20	4,461			9	640
Clay	18	1,977	7	799	4	472	3	348	4	358				
Faulk	17	3,829	10	2,389			1	159	5	1,121			1	160
Haakon	18	11,525	3	2,766	5	5,723	1	320	5	1,756			4	960
Hand	35	11,035	11	3,833	5	3,070			10	3,136	1	151	8	845
Spink	34	6,856	16	3,299	3	720			10	2,483			5	354
Total	243	60,302	84	22,886	36	13,933	11	1,693	74	17,400	1	151	37	4,239