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# Land Market Trends in South Dakota 1941-1955, Supplement to Bulletin No. 413: Land Market Trends in South Dakota 1941-1950

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LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1955

Supplement to Bulletin No. 413

Land Market Trends in South Dakota 1941-1950

by

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## FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1955

Data for this report were secured from the offices of the Register of Deeds in each of eight counties in South Dakota. These counties were Beadle, Brookings, Brown, Clay, Faulk, Haakon, Hand and Spink. Supplementary information was secured from the records of the County Auditors as well as from records available at the Agricultural Stabilization and Conservation offices in each of the counties included in the study. This report, as a supplement to Station Bulletin 413, furnishes a continuous record of farm land sales in each of the eight counties over a period of fifteen years, 1941-1955. Beadle, Faulk, Hand and Spink counties are within the prospective irrigation area in central South Dakota. These counties were selected in order to secure a record of farm land prices during the development of the prospective irrigation of that area. Comparisons can easily be made with sales prices in the other counties outside this area. Eventually a complete history of land prices during the entire development of that project will be secured.

In 1941, at the start of this study, counties had acquired title to considerable acreage of farm land through foreclosure of farm loans extended from state school endowment funds as well as considerable acreage acquired by the counties through delinquent tax statutes. With few exceptions county owned lands have been sold and returned to the tax rolls. The Federal Land Bank and insurance companies as well as other corporations had acquired title to farm land through foreclosure of loans they had extended on farm land. During

the early years of this study loaning agencies and counties were the chief sellers of farm land. Only 2119 acres or 1.4 percent of the total land sold in 1955 in these eight counties was sold by loaning agencies.

Farmers who plan to operate the land have been the chief buyers of farm land during the past two years. In 1954 farmers bought 66.9 percent of the land sold within the eight counties included in this study. In 1955 purchases by farmers had increased to 69.5 percent. There was a net increase in the acreage held by operating farmers within the eight counties of 139,569 acres during this two year period.

During the years 1950-1952 numerous gas and oil leases on farm land were filed in Faulk, Haakon and Hand counties. Sales of farm land during those years were no doubt influenced by this activity and may well account for at least part of the increase in acreage sold during those years. Within the past two years interest in oil has not been as pronounced as during the earlier years of this decade.

Total sales of farm land in the eight counties was higher in both 1954 and 1955 than in 1953. In all of the eight counties except Beadle there was a larger acreage sold in 1955 than in 1954. In Clay, Haakon and Hand counties the acreage sold in 1954 was less than that sold in 1953.

#### PRICES

Sale prices of farm land have shown considerable variation during the past two years. In Clay county average prices were lower in 1954 and 1955 than during the previous three years. A relatively

large proportion of the farm land sold in 1954 and 1955 in Clay county were estate sales and may not have been representative of the present value of all county land.

#### CREDIT

Individuals and the Federal Land Bank furnished the bulk of the funds needed to finance the purchase of farm land during 1955 in the eight counties. There were a number of sales to operating farmers who gave a mortgage on previously owned land and borrowed all of the purchase price of the newly acquired land. Insurance companies financed some of the sales in Brookings and Clay counties but do not appear to be loaning extensively in the central and western part of the state.

At the close of the 1930's South Dakota farmers were in serious difficulty due to the unfavorable weather and price situation. Many farmers had lost their farms due to mortgage foreclosure and counties had taken over a great many farms under tax delinquency statutes. In 1940 farm tenancy was at an all time high of 53 percent for the state. The more favorable demand and price situation of the 1940's made it possible for farmers to buy back the land they had lost through foreclosure and tax delinquency. By 1954 the tenancy percentage of the state had been lowered to 29.1 percent. Counties and corporations had disposed of nearly all the land to which they had formerly held title.

Table 1. Land Area of Counties and Acreage of Farm Land Sold in Selected Counties, South Dakota, 1941-1955

|                  | Beadle  | Brookings | Brown     | Clay    | Faulk   | Haakon    | Hand    | Spink   | Totals   |
|------------------|---------|-----------|-----------|---------|---------|-----------|---------|---------|----------|
| <b>Land Area</b> |         |           |           |         |         |           |         |         |          |
| 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  | 294,320  |
| 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  |
| 1954             | 20,006  | 8,928     | 17,805    | 2,484   | 16,429  | 21,958    | 14,507  | 16,337  | 118,454  |
| 1955             | 18,779  | 9,675     | 24,245    | 4,870   | 16,493  | 27,518    | 27,020  | 17,828  | 146,428  |
| <b>Total</b>     |         |           |           |         |         |           |         |         |          |
| 1941-1955        | 674,548 | 323,016   | 747,365   | 98,141  | 540,924 | 1,044,277 | 775,999 | 646,464 | 4850,734 |

Table 2. Percentages Farm Land Sold is of Total Land Area.  
Selected Counties South Dakota 1941-1955

|                 | Beadle | Brookings | Brown | Clay | Faulk | Haakon | Hand | Spink |
|-----------------|--------|-----------|-------|------|-------|--------|------|-------|
| 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   |
| 1954            | 2.5    | 1.7       | 1.7   | 1.0  | 2.6   | 1.9    | 1.6  | 1.7   |
| 1955            | 2.3    | 1.9       | 2.6   | 1.9  | 2.6   | 2.4    | 2.9  | 1.8   |
| Total 1941-1955 | 83.6   | 63.0      | 70.0  | 38.0 | 84.8  | 89.9   | 84.4 | 67.1  |

Table 3. Percent of the Total Farm Land Sold by Type of Seller, Selected Counties, South Dakota, 1954 and 1955

| County    | Total | 1954           |                         |         |                   |                  |                    | 1955                |                |                         |         |                   |                  |                    |                     |
|-----------|-------|----------------|-------------------------|---------|-------------------|------------------|--------------------|---------------------|----------------|-------------------------|---------|-------------------|------------------|--------------------|---------------------|
|           |       | Owner-operator | Individual non-operator | Estates | Insurance company | Commercial banks | Other corporations | States and counties | Owner-operator | Individual non-operator | Estates | Insurance company | Commercial banks | Other corporations | States and counties |
| Beadle    | 100   | 23.4           | 53.8                    | 16.0    | 1.6               |                  |                    |                     |                |                         |         |                   |                  |                    | 5.2                 |
| Brookings | 100   | 23.5           | 62.2                    | 13.0    | 1.3               |                  |                    |                     |                |                         |         |                   |                  |                    | 4.2                 |
| Brown     | 100   | 10.2           | 67.5                    | 10.5    | 7.6               |                  |                    |                     |                |                         |         |                   |                  |                    |                     |
| Clay      | 100   | 3.2            | 75.9                    | 20.9    |                   |                  |                    |                     |                |                         |         |                   |                  |                    |                     |
| Faulk     | 100   | 22.8           | 56.1                    | 16.5    |                   | 1.9              |                    |                     |                |                         |         |                   |                  |                    | 2.7                 |
| Haakon    | 100   | 4.5            | 76.5                    | 12.7    |                   |                  |                    |                     |                |                         |         |                   |                  |                    | 6.3                 |
| Hand      | 100   | 10.9           | 73.3                    | 9.7     |                   |                  |                    |                     |                |                         |         |                   | 2.2              |                    | 3.9                 |
| Spink     | 100   | 19.7           | 45.6                    | 24.0    | 3.0               |                  |                    |                     |                |                         |         |                   |                  |                    | 7.7                 |
|           |       |                |                         |         |                   |                  |                    |                     |                |                         |         |                   |                  |                    |                     |
| Beadle    | 100   | 19.8           | 52.0                    | 13.9    |                   |                  |                    |                     |                |                         |         |                   |                  |                    | 14.3                |
| Brookings | 100   | 27.2           | 53.7                    | 15.8    | 0.8               |                  |                    |                     |                |                         |         |                   |                  |                    | 2.3                 |
| Brown     | 100   | 17.8           | 68.9                    | 10.3    | 0.7               | 2.5              |                    |                     |                |                         |         |                   |                  |                    |                     |
| Clay      | 100   | 32.4           | 45.6                    | 22.0    |                   |                  |                    |                     |                |                         |         |                   |                  |                    |                     |
| Faulk     | 100   | 16.4           | 57.8                    | 19.3    | 3.9               | .7               |                    |                     |                |                         |         |                   |                  |                    | 1.9                 |
| Haakon    | 100   | 9.0            | 60.7                    | 26.5    |                   |                  |                    |                     |                |                         |         |                   | .6               |                    | 3.2                 |
| Hand      | 100   | 16.2           | 50.6                    | 14.1    |                   |                  |                    |                     |                |                         |         |                   |                  |                    | 17.0                |
| Spink     | 100   | 28.1           | 47.8                    | 16.7    |                   |                  |                    |                     |                |                         |         |                   |                  |                    | 6.5                 |



Table 4. Percentages of the Acreages of Farm Land Sold by Type of Buyer, Selected Counties, South Dakota 1954 & 1955

| County           | Total | Owner Operator | Other Farmer | Resident Non-Farmer | Non-Resident Non-Farmer |
|------------------|-------|----------------|--------------|---------------------|-------------------------|
| Percentages 1954 |       |                |              |                     |                         |
| Beadle           | 100   | 31.9           | 35.0         | 25.1                | 8.0                     |
| Brookings        | 100   | 31.3           | 41.3         | 19.8                | 7.6                     |
| Brown            | 100   | 38.3           | 32.2         | 22.5                | 7.0                     |
| Clay             | 100   | 73.9           | 3.2          | 17.2                | 5.7                     |
| Faulk            | 100   | 64.9           | 12.2         | 9.0                 | 13.9                    |
| Haakon           | 100   | 43.0           | 11.8         | 23.6                | 21.6                    |
| Hand             | 100   | 71.3           | 3.0          | 16.5                | 9.2                     |
| Spink            | 100   | 50.5           | 28.8         | 3.8                 | 16.9                    |
| Percentages 1955 |       |                |              |                     |                         |
| Beadle           | 100   | 36.0           | 24.6         | 23.0                | 16.4                    |
| Brookings        | 100   | 32.2           | 30.8         | 30.6                | 6.4                     |
| Brown            | 100   | 35.7           | 34.7         | 22.9                | 6.7                     |
| Clay             | 100   | 46.9           | 9.0          | 33.0                | 11.1                    |
| Faulk            | 100   | 60.1           | 19.4         | 7.9                 | 12.6                    |
| Haakon           | 100   | 58.2           | 10.3         | 9.7                 | 21.8                    |
| Hand             | 100   | 37.5           | 31.4         | 16.1                | 15.0                    |
| Spink            | 100   | 54.9           | 23.4         | 9.3                 | 12.4                    |

Table 5. Average Sale Price Per Acre of Farm Land Sold,  
Selected Counties South Dakota 1941-55

|      | Beadle  | Brookings | Brown   | Clay    | Faulk   | Haukon  | 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   |
| 1954 | 38.01   | 84.59     | 43.13   | 142.64  | 28.03   | 12.95   | 29.40   | 42.96   |
| 1955 | 41.44   | 100.40    | 44.44   | 143.85  | 27.89   | 18.31   | 32.18   | 44.94   |

Table 6. Farm Land Sale Prices 1941-55 as Percentages of 1941 Average Prices

|                        | Beadle | Brookings | Brown   | Clay    | Faulk  | Haakon | Hand   | Spink   | Prices Received by<br>South Dakota Farmers<br>All Commodities<br>1947-1949 = 100 |
|------------------------|--------|-----------|---------|---------|--------|--------|--------|---------|--|
| 1941 Av.<br>Sale Price | \$9.15 | \$31.48   | \$13.85 | \$57.66 | \$6.52 | \$2.34 | \$6.26 | \$12.90 | 43   |
| 1942                   | 121    | 102       | 118     | 103     | 121    | 112    | 112    | 114     | 55   |
| 1943                   | 154    | 122       | 146     | 115     | 146    | 113    | 143    | 128     | 63   |
| 1944                   | 165    | 138       | 169     | 129     | 154    | 108    | 155    | 144     | 63   |
| 1945                   | 187    | 134       | 171     | 173     | 158    | 124    | 179    | 171     | 66   |
| 1946                   | 218    | 157       | 189     | 166     | 204    | 212    | 231    | 181     | 80   |
| 1947                   | 236    | 181       | 210     | 175     | 219    | 281    | 263    | 221     | 104  |
| 1948                   | 294    | 192       | 274     | 218     | 282    | 363    | 347    | 258     | 107  |
| 1949                   | 290    | 219       | 254     | 206     | 275    | 362    | 359    | 275     | 89   |
| 1950                   | 287    | 252       | 245     | 255     | 318    | 409    | 407    | 249     | 95   |
| 1951                   | 399    | 261       | 272     | 288     | 397    | 712    | 444    | 309     | 113  |
| 1952                   | 379    | 266       | 300     | 274     | 361    | 575    | 559    | 374     | 100  |
| 1953                   | 399    | 287       | 301     | 305     | 469    | 599    | 536    | 329     | 90   |
| 1954                   | 415    | 267       | 311     | 247     | 430    | 553    | 470    | 333     | 87   |
| 1955                   | 453    | 319       | 321     | 258     | 428    | 782    | 514    | 348     | 78   |

Table 7. Source of Funds Furnished on Credit Sales of Farm Land Selected Counties, South Dakota 1955

| County    | Total sales |       | Individual |       | Insurance companies |       | Commercial banks |       | Federal credit agencies |       | Other corp. |       | State and counties |       |
|-----------|-------------|-------|------------|-------|---------------------|-------|------------------|-------|-------------------------|-------|-------------|-------|--------------------|-------|
|           | no.         | acres | no.        | acres | no.                 | acres | no.              | acres | no.                     | acres | no.         | acres | no.                | acres |
| Beadle    | 47          | 9690  | 11         | 2453  | 4                   | 1265  |                  |       | 19                      | 5053  |             |       | 13                 | 919   |
| Brookings | 45          | 7041  | 13         | 1916  | 15                  | 2400  | 3                | 399   | 14                      | 2326  |             |       |                    |       |
| Brown     | 66          | 16220 | 33         | 8488  | 2                   | 956   | 3                | 480   | 19                      | 5141  | 4           | 799   | 5                  | 356   |
| Clay      | 19          | 2304  | 7          | 803   | 7                   | 867   | 4                | 474   | 1                       | 160   |             |       |                    |       |
| Fauk      | 26          | 7172  | 20         | 5571  | 3                   | 639   | 1                | 161   |                         |       | 1           | 641   | 1                  | 160   |
| Haakon    | 23          | 19939 | 13         | 15676 |                     |       |                  |       | 8                       | 3383  |             |       | 2                  | 880   |
| Hand      | 56          | 17353 | 16         | 6820  | 2                   | 320   | 1                | 160   | 19                      | 6496  |             |       | 28                 | 3557  |
| Spink     | 42          | 7480  | 27         | 4718  |                     |       |                  |       | 4                       | 1264  | 1           | 618   | 10                 | 880   |

Table 8. Credit Financed Transfers: Number of Sales and Ratio of Credit Consideration  
Selected Counties South Dakota 1955

| County    | Total credit financed transfer |                  |                          |                                     |  |   |
|-----------|--------------------------------|------------------|--------------------------|-------------------------------------|--|---|
|           | Sales<br>number                | Acreage<br>acres | Consideration<br>dollars | Amount of<br>encumbrance<br>dollars | Ratio of encumbrance<br>to consideration | Ratio of encumbrance<br>to consideration<br>percent |
| Beadle    | 47                             | 9,690            | 390,128                  | 227,869                             | 58.4                                     | 58.4  |
| Brookings | 45                             | 7,041            | 742,375                  | 434,855                             | 58.6                                     | 58.6  |
| Brown     | 66                             | 16,220           | 726,415                  | 437,604                             | 60.2                                     | 60.2  |
| Clay      | 19                             | 2,304            | 322,750                  | 191,800                             | 59.4                                     | 59.4  |
| Faulk     | 26                             | 7,172            | 203,710                  | 154,340                             | 75.8                                     | 75.8  |
| Haakon    | 23                             | 19,939           | 384,700                  | 250,827                             | 65.2                                     | 65.2  |
| Hand      | 66                             | 17,353           | 583,203                  | 348,194                             | 59.7                                     | 59.7  |
| Spink     | 42                             | 7,480            | 363,615                  | 220,065                             | 60.5                                     | 60.5  |