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LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1956

Supplement to Bulletin No. 413

Land Market Trends in South Dakota 1941-1950

by

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Brookings, South Dakota
in cooperation with
Farm Economics Research Division
Agricultural Research Service
U. S. Department of Agriculture

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FARM LAND MARKET TRENDS IN SOUTH DAKOTA 1941-1956

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 sixteen years, 1941-1956. 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 sales activity and prices during the development of the prospective irrigation of that area. Comparisons can easily be made with sales activity and 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 also 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 4141 acres or 2.8 percent of the total land sold in 1956 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 1956. In 1956 farmers bought 59.9 percent of the land sold within the eight counties included in this study. There was a net increase in the acreage held by operating farmers within the eight counties of 45,275 acres during the calendar year 1956.

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 year 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 during 1956 was only 367 acres more than was sold during 1955.

PRICES

Sale prices of farm land in Clay county show the greatest increase over the 1955 price but the 1954 and 1955 prices for Clay county were considerably below earlier prices and 1956 prices probably are more representative of land values in that county.

CREDIT

Individuals and the Federal Land Bank furnished the bulk of the funds needed to finance the purchase of farm land during 1956 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 sales in Brookings and Clay counties but do not appear to be loaning extensively in the central and western part of the state. In some cases local real estate agents are making farm loans and assigning the mortgages to insurance companies.

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, 1941-1956

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	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
1956	15,101	10,177	22,888	4,818	23,250	32,546	21,317	16,698	146,795
Total	689,649	333,193	770,253	102,959	546,174	1,076,823	797,316	663,162	4,997,529

Table 2. Percentages Farm Land Sold is of Total Land Area.
Selected Counties South Dakota 1941-1956

	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
1956	1.9	2.0	2.1	1.9	3.6	2.8	2.3	1.7
Total 1941-1956	85.5	65.0	71.8	40.0	88.4	92.7	86.7	68.8

Table 3. Percentages of the Total Farm Land Sold by Type of Seller, Selected Counties, South Dakota, 1956

County	Total	Owner- operator	Individual non-operator	Estates	Insurance company	Commercial banks	Other corporations	States and counties
Beadle	100	25	57	8	1	3	5	1
Brookings	100	20	63	17				
Brown	100	34	49	11	4		1	1
Clay	100	27	66	2			5	
Faulk	100	46	41	9		1		3
Haakon	100	21	70	3				6
Hand	100	39	44	10			3	4
Spink	100	11	71	13	1		2	2

Table 4. Percentages of the Acreages of Farm Land Sold by Type of Buyer, Selected Counties, South Dakota 1956

County	Total	Owner Operator	Other Farmer	Resident Non-Farmer	Non-Resident Non-Farmer
Beadle	100	50.	24	16	10
Brookings	100	27	28	17	28
Brown	100	36	20	35	9
Clay	100	27	18	18	38
Faulk	100	47	20	10	23
Haakon	100	41	9	12	38
Hand	100	45	20	12	23
Spink	100	43	20	15	22

Table 5. Average Sale Price Per Acre of Farm Land Sold,
Selected Counties South Dakota 1941-1956

	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
1954	38.01	84.59	43.13	142.64	28.03	12.95	29.40	42.96
1955	41.44	100.40	44.44	148.85	27.89	18.31	32.18	44.94
1956	38.89	99.88	47.46	178.63	30.09	18.41	35.02	47.00

Table 6. Farm Land Sale Prices 1941-56 as Percentages of 1941 Average Prices

	Beadle	Brookings	Brown	Clay	Faulk	Haakon	Hand	Spink	Prices Received by South Dakota Farmers All Com- modities
1941 Av.									100
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
1956	425	317	343	310	474	787	559	364	76

Table 7. Source of Funds Furnished on Credit Sales of Farm Land Selected Counties,
South Dakota 1956

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	31	6743	13	3070	3	640			12	2479	1	477	2	77
Brookings	40	7827	14	3006	11	2300	2	368	13	2153				
Brown	45	10722	18	5507	4	640	3	797	19	3618			1	160
Clay	11	1693	3	320	6	958			2	415				
Faulk	26	10997	14	6630					8	3728			4	639
Haakon	21	22263	8	13617	3	4392			5	3054			5	1200
Hand	29	10893	11	4115	2	1598			14	4780	1	320	1	80
Spink	35	8439	21	5211			1	480	8	2432			5	316

Table 8. Credit Financed Farm Transfers: Number of Sales, Acreage, Total Consideration, Amount of Encumbrance and Ratio of Encumbrance to Consideration, Selected Counties South Dakota 1956

County	number	Acres : Sold :	dollars	Consideration :	dollars	Amount of Encumbrance :	dollars	Ratio of Encumbrance	
								to Consideration	percent
Beadle	31	6743	268482		153722		57		
Brookings	40	7827	802115		622627		78		
Brown	45	10722	514683		314574		61		
Clay	11	1693	355870		180450		51		
Faulk	26	10997	325302		220648		68		
Haakon	21	22263	442369		332150		75		
Hand	29	10893	417620		287950		69		
Spink	35	8439	418509		274832		66		