



# North Dakota Retail Sales Summary

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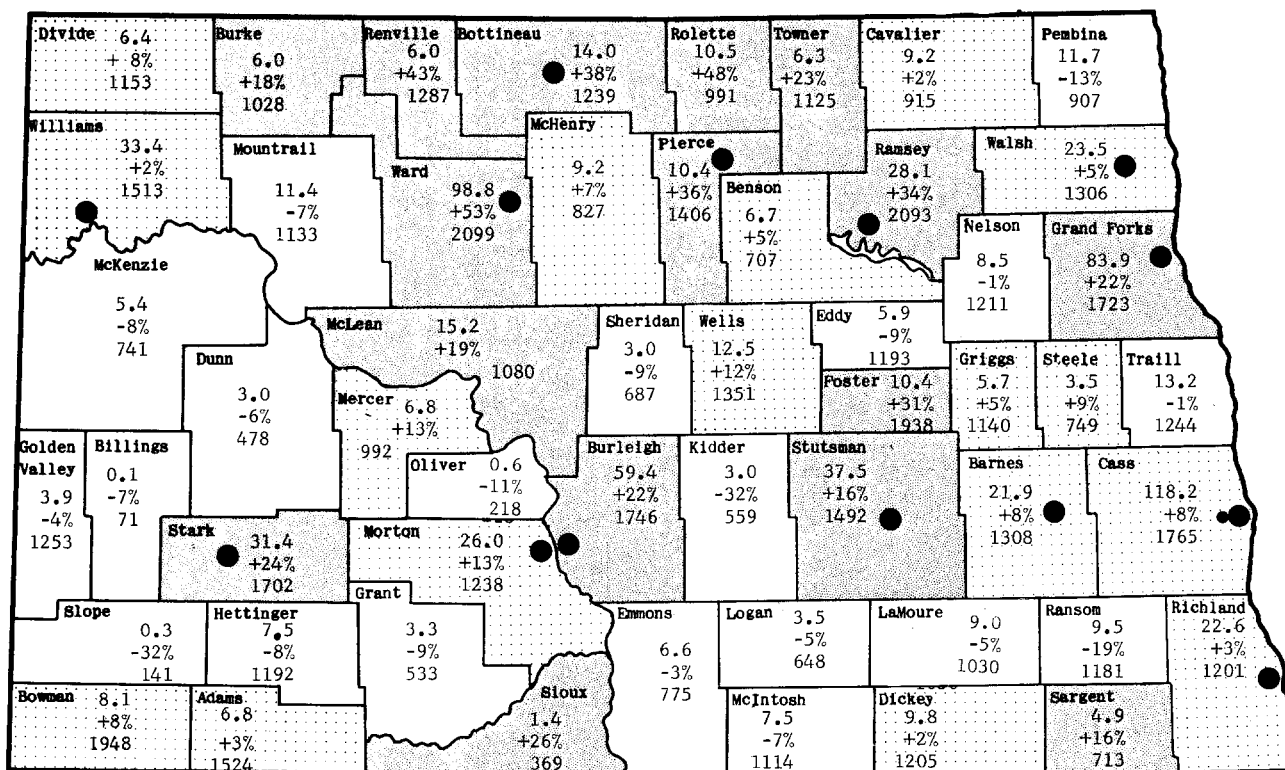
**T**WENTY NORTH DAKOTA COUNTIES showed less retail sales in 1963 than in 1958. However, total retail sales increased 14.2 per cent in the same period. This was below the United States increase of 22 per cent and the west North Central region increase of 16 per cent. The increased retail trade in North Dakota of 14.2 per cent compared favorably with bordering states. Percentage increases for these states were Minnesota 14, South Dakota 13 and Montana 12.

A county-by-county breakdown of North Dakota retail sales trends is included in this circular.

## RETAIL TRADE\*

The accompanying map shows the retail trade changes which have occurred in each county between 1958 and 1963 and the per capita retail sales by county in 1963. The top figure in each county is the retail sales in millions of dollars in 1963, the middle figure is percentage change in retail trade in the county from 1958 to 1963, and the bottom figure is per capita retail sales (total retail sales in 1963 divided by the total population reported in the 1960 census of population).

Retail Trade, Per Cent Change from 1958 to 1963 and Per Capita Retail Sales by County in North Dakota.



14.3  
8.4  
0.477

Legend:  
■ Increase greater than state average  
□ Increase less than state average  
□ Decrease in retail trade volume

Source: Census of Retail Trade, 1958 & 1963

Code  
\$ Millions retail trade in 1963 ----- 871.3  
Percent change from 1958 to 1963 ----- +14.2%  
Per capita retail sales in 1963 ----- 1378  
shown in dollars

\*Retail trade includes the sale of merchandise and related services by establishments primarily selling to customers for

There are many reasons why retail sales may change in a particular area. In this summary, factors considered are changes in population numbers, size of trading centers within a county, distance to urban areas (cities larger than 2500 population), and county wheat yields relative to state yields. Population changes will affect purchases of food, clothing and other expenditures for family living. The size of a trading center largely determines the goods or services available to the trade area. If desired supplies and services are not available within a county, people will travel greater distances to purchase these items.

Wheat is the major cash crop in North Dakota so changes in wheat yields are indicators of changes in gross farm income. Yields of other crops generally follow similar patterns. Gross farm income has a greater influence on retail spending in a rural county than in a county containing an urban area. Other factors such as age, education, and occupation of the family head, family size, total family income, farm price levels, and inflation or deflation influencing dollar volume of retail sales were not considered and probably account for some differences in retail trade volume. Local employment and population changes that do not appear in statistical reports also affect individual counties.

#### **RETAIL TRADE FROM 1958 TO 1963 DECLINES IN 20 COUNTIES**

Twenty counties had a lower dollar volume of retail sales in 1963 than in 1958. Eighteen of these counties lost population between 1950 and 1960 and it is assumed the trend continued through 1963. Only Mountrail and McKenzie showed population increases. All 20 counties are classified as rural. Eddy, Ransom and Traill are the only counties having towns over 2,000 population. These three counties are all relatively close to urban areas. Eleven counties are within 50 miles of an urban area and only one is not within 75 miles of an urban center. (Distance was measured from the county seat town to the closest urban area).

The 20 counties as a group showed an increase in wheat yields in 1962 and 1963 over 1957 and 1958 wheat yields. However, their increase in wheat yields was less than for the state as a whole, so farm income in these counties likely increased relatively less than in other counties in the state.

Per capita retail sales in all 20 counties were below the state per capita retail sales of \$1,378 in 1963. Eleven had less than \$1,000 per capita retail sales in 1963. Eight had per capita sales of less than 50 per cent of the state average. This indicates that a considerable number of purchases were made outside these counties, or else income and/or per capita spending were at a low level.

#### **RETAIL TRADE INCREASED FROM 1 TO 14.2 PER CENT IN 17 COUNTIES**

Seventeen counties increased dollar retail sales between 1958 and 1963 but were below the state increase of 14.2 per cent. Four of these, Williams, Bowman, Morton and Cass, gained population between 1950 and 1960. Except Bowman, all these counties contained urban centers.

Six counties in this group had urban areas, 7 were over 50 miles from an urban area, and 4 were within 50 miles of an urban area. These 4 had relatively low increases in sales (7, 5, 5 and 2 per cent).

This group of counties increased average per acre wheat yields in 1962 and 1963 compared with 1957 and 1958. However, the increase in yield was slightly below the state average increase, indicating these counties did not increase gross farm income as much as the state as a whole. In this comparison, these 17 counties were in a more favorable position than the 20 that lost trade.

Four of these counties had higher per capita retail sales than the state average in 1963. Two, Williams and Cass, contained urban areas. The other two, Bowman and Adams, were about 70 miles from an urban area and had towns of over 1,700 population. Five counties had per capita retail sales of less than \$1,000 in 1963. These 5 all bordered counties with urban areas and 2 of the county seats were within 50 miles of an urban center.

#### **RETAIL TRADE INCREASED MORE THAN 14.2 PER CENT IN 16 COUNTIES**

Sixteen North Dakota counties gained more than 14 per cent in retail trade between 1958 and 1963. Lowest percentage gain was 16 per cent in Sargent and Stutsman counties and the highest in Ward at 53 per cent. Ten lost population between 1950 and 1960. McLean lost 25.5 per cent of its population in that 10-year period while Ward gained 35.3 per cent in population.

Nine of these counties had towns of over 2,000 and three more had towns of populations over 1,000. Of the 4 counties that did not have towns of 1,000 population, 3 were over 60 miles from an urban area.

Eight of the counties contained urban areas, 3 were over 50 miles from an urban area, and 5 (Towner, McLean, Foster, Renville and Rolette) were within 50 miles of an urban area. Four of these latter named counties have towns of over 1,000 population.

These counties had excellent wheat crops in 1962 and 1963, with 10 exceeding the state average yields in both years. These 16 counties exceeded the state

average increase in yields from 1957 and 1958 to 1962 and 1963. When compared with state increases in wheat yields over the years, this group of counties increased yields more than the state average and at a higher rate than the other groups of counties.

Eight counties in this group exceeded the state per capita retail sales in 1963. Seven counties contained urban areas and the other, Foster, has a town of over 2,000 population.

The effect of population increase, crop yields, presence of an urban area and increase in off-farm employment on retail sales is evident in Ward county. Ward increased retail trade 53 per cent from 1958 to 1963. Population of the county increased 35 per cent between 1950 and 1960. The yield of wheat per acre in Ward was 6 bushels above the state average in 1962 and 4 bushels above in 1963.

The county contains an urban area, wheat yields in surrounding areas were excellent in 1962 and 1963, and defense spending (with increased nonfarm employment) in the area was much greater in 1963 than in 1958. Per capita retail sales were 50 per cent above the state average of \$1,378 in 1963.

Other counties have had high increases in retail sales. In many these increases can be attributed to the presence of a good trading center, growth of population, good crops and increased nonfarm employment. Other local factors no doubt determine the amount of retail trade that may be transacted in an area.

## RETAIL SALES BY URBAN AREAS

The U. S. Census of Business listed 15 urban centers in 1963 as shown in table 1. In 1963 these 15 urban centers accounted for \$493.1 million dollars of retail sales, or 64.6 per cent of the state total.

Retail trade in North Dakota increased 14.2 per cent from 1958 to 1963. Thirteen urban centers increased in trade volume 22.6 per cent, or 50 per cent above the state increase. Per capita retail sales in the urban areas were \$2,214 as compared with \$1,378 for the state.

Approximately one-third of the state's population lives in urban areas. The high per capita retail sales and the high percentage of total retail sales in the urban areas indicate that these areas are drawing considerable trade from surrounding territory.

Per capita sales were highest in 1963 in Devils Lake, Bottineau and Rugby. The population base of these urban areas is relatively low in proportion to their trade area's population, accounting for the high per capita sales. The per capita retail sales for Southwest Fargo is the lowest.

This urban area is largely residential. It is adjacent to a larger urban area which pulls considerable trade from Southwest Fargo and the surrounding trade area.

Fargo, Minot and Grand Forks had the most retail sales of the 15 urban areas. These are the largest cities in the state and account for almost 50 per cent of total urban area retail sales.

**Table 1. Retail Trade and Per Capita Sales for Urban Areas in North Dakota.**

| Urban Area             | 1963 retail sales (\$ million) | % change 1958 - 1963 | 1963 per capita* retail sales |
|------------------------|--------------------------------|----------------------|-------------------------------|
| 1. Devils Lake         | 24.9                           | +44.2                | \$3947                        |
| 2. Bottineau           | 9.4                            | **                   | 3587                          |
| 3. Rugby               | 9.3                            | +43.2                | 3127                          |
| 4. Minot               | 79.7                           | +47.7                | 2605                          |
| 5. Dickinson           | 24.7                           | +34.2                | 2478                          |
| 6. Grafton             | 14.5                           | +18.0                | 2469                          |
| 7. Valley City         | 17.9                           | +12.3                | 2292                          |
| 8. Jamestown           | 34.4                           | +25.5                | 2266                          |
| 9. Wahpeton            | 12.7                           | +10.0                | 2157                          |
| 10. Williston          | 25.1                           | + 7.2                | 2116                          |
| 11. Bismarck           | 57.4                           | +25.1                | 2076                          |
| 12. Fargo              | 95.1                           | + 5.1                | 2039                          |
| 13. Grand Forks        | 69.3                           | +19.8                | 2026                          |
| 14. Mandan             | 16.3                           | +34.1                | 1551                          |
| 15. Southwest Fargo    | 1.3                            | **                   | 553                           |
| Total 15 urban centers | \$493.1                        | +22.6***             | 2214                          |

\* 1963 Retail Sales divided by number of persons in city as reported in 1960 Census of Population.

\*\* Retail Sales not reported in 1958.

\*\*\* Bottineau and Southwest Fargo not included.

Source: Census of Business, Retail Trade, N.D., 1958 and 1963, and U.S. Census of Population, 1960.

## CONCLUSION

Most trade centers in North Dakota originated as market and trade centers for the surrounding farm population.

Accessibility seemed to be the primary factor determining the trade center for the farm home and business. The distance a farmer could travel by team and return home in one day largely determined the farmer's choice for a trading and market center. With the increased speed of transportation and communication, more distant trade centers have become available to the farm family.

Accessibility is no longer the only factor determining where a rural family will market its goods or buy supplies and services.

People living on farms, as well as farm numbers, have decreased the past 30 years. This decreases the business potential for consumer items for most small, rural towns.

Technical changes in agriculture have created a demand for new production items such as farm chemicals and larger, more specialized machinery and equipment. These items may not be available in the smaller trading center. If they are not, that retail trade is shifted to a larger trading center.

Traditional trade areas in North Dakota are changing, due to (1) increased ability of people to travel longer distances, (2) centralization of specialized goods and services and (3) decreasing number of rural residents.



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