

## THE LAND MARKET IN NORTH DAKOTA

October 1948 to March 1949<sup>1</sup>

by

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## Summary

Sales prices of farm land in three of the four counties dropped in both the fourth quarter 1948 and the first quarter 1949. In Morton county, however, prices increased to the highest levels of the last eight years. Volume of transfers was considerably below any comparable period since 1940.

Individuals made two-thirds of the sales and furnished 44 per cent of the credit. Forty-five per cent of the credit was supplied through state and county purchase contracts. Farmers bought 90 per cent of the tracts, and about 87 per cent of the farmer-buyers had previously been owner-operators. Ten per cent of the buyers planned to lease the land. The proportion of cash sales remained about the same, at 62 per cent. Buyers' equity in credit-financed purchases increased. Seven per cent of the tracts had been sold at least once during the preceding two years.

**Table 1 Index numbers of sales prices of farm land<sup>4</sup>, four North Dakota counties, annually 1945-48 and by quarters 1947-49 (1941=100)**

Year and quarter	County				All four counties <sup>5</sup>
	Morton	Stutsman	Traill	Ward	
1945.....	210	183	133	152	167
1946.....	264	208	138	181	192
1947.....	275	243	170	204	220
1948.....	299	287	189	234	248
1947:					
1st.....	277	228	177	206	219
2nd.....	249	237	161	199	208
3rd.....	312	257	149	186	217
4th.....	256	253	177	230	227
1948:					
1st.....	314	264	144	223	227
2nd.....	288	301	213	222	253
3rd.....	222	289	225	269	250
4th.....	325	282	188	218	248
1949:					
1st <sup>6</sup> .....	419	274	180	188	250

<sup>1</sup>This is the last report on current land market activities in four selected counties. (Purnell Project 108, North Dakota Agr. Exp. Sta., in cooperation with the Bureau of Agricultural Economics, USDA), based on voluntary transfers including county and state contracts for deed. Data were summarized on a quarterly basis, but much of the narrative is written in terms of the semi-annual period. A summary of this study, from its first year in 1941 to October, 1948, is included in N. D. Agr. Exp. Sta. Bul. 353, "Land Values and the Land Market in North Dakota," by Schickele and Engelking.

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<sup>4</sup>Excluding tracts sold by counties.

<sup>5</sup>Geometric mean in which each county has equal weight.

<sup>6</sup>Preliminary.

### Sale Prices

From October 1948 to March 1949, sales prices of farm land in three of the four counties averaged lower than during the preceding semi-annual period (Table 1). Morton county was the exception; sales prices there were the highest since 1940. The price index for all four counties for the fourth quarter of 1948 dropped to 248 (1941=100) but rose to 250 in the first quarter of 1949, as the result of the land price increase in Morton county.<sup>1</sup>

### Volume of Sales

The 302 transfers recorded during the period was the smallest number for any corresponding semi-annual period since 1940 (Table 2). Both the number and the acreage transferred was sharply lower in all counties. The volume of sales was 39 per cent less than during the same period of 1947-48 and 70 per cent less than during the peak semi-annual period in 1943-44.

**Table 2 Number of transfers in four North Dakota counties, annually 1945-48 and by quarters 1947-49.**

Year and quarter	County				Four Counties
	Morton	Stutsman	Traill	Ward	
	Number	Number	Number	Number	Number
1945.....	184	312	79	410	985
1946.....	267	436	86	334	1123
1947.....	189	432	84	284	989
1948.....	151	234	35	165	585
1947:					
1st.....	67	121	27	86	301
2nd.....	27	100	22	77	226
3rd.....	33	56	9	40	138
4th.....	62	155	26	81	324
1948:					
1st.....	55	62	6	50	173
2nd.....	25	40	13	35	113
3rd.....	15	40	7	39	101
4th.....	56	92	9	41	198
1949:					
1st.....	33	43	11	17	104

### Sellers

Individuals made approximately two-thirds of the sales in the four counties (Table 3). They sold 72 per cent of the tracts in the fourth quarter and 63 per cent in the first. Sales of state and county land, mainly on contract, represented about one-fourth of the total and occurred chiefly in Morton and Stutsman counties. Estates and corporations each accounted for five per cent of the sales in the six-month period. Traill county showed a high proportion of individual sellers because there were no sales of land by corporations or by the state or county.

<sup>1</sup>Preliminary geometric mean in which each county has equal weight. Sales by counties are excluded from price considerations.

### Buyers

Farmers bought more than 90 per cent of the land sold (Table 3). Owner-operators bought 78 per cent of the tracts in the fourth quarter and 73 per cent in the first. Other farmers, mainly tenants, made about 15 per cent of the purchases. Nonfarmers bought 10 per cent of the tracts. Of the buyers not intending to resell the land, 90 per cent planned to operate it themselves and the rest planned to lease.

### Financing

Cash sales comprised 62 per cent of all transfers of farm land compared with 60 per cent in the same period of the preceding year and 63 per cent in the corresponding period of 1946-47 (Table 3).

Buyers' equity in credit transactions was 36 per cent, compared with 32 per cent in the corresponding 1947-48 period.

Buyers' equity in contract sales, the majority of which were made by the state, averaged about 20 per cent of the purchase price. There were no contract sales in Traill county, however, so the equity of buyers averaged higher than in the other counties, even though this county had the highest percentage of credit sales.

Individuals furnished 44 per cent of the credit; "others"—principally the state and counties—supplied 45 per cent. Insurance companies loaned 10 per cent of the total credit and commercial banks 1 per cent. As in other years, there was a higher proportion of state and county purchase contracts during the winter.

### Resales

Seven per cent of the land transferred during the period had been sold at least once during the preceding two years; and 18 per cent had been sold one or more times since 1940. Stutsman county continued to have relatively more resales than the other counties.

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### VITAMIN B<sub>12</sub>

A dramatic event in human nutritional studies is isolation and identification of the new vitamin B<sub>12</sub>. Discovery of vitamin B<sub>12</sub> culminated a long search for the nutritional factor in liver effective in the treatment of pernicious anemia. The vitamin also is believed to play an essential role in the growth and development of the normal mammal, and appears particularly important in the utilization of protein. Vitamin B<sub>12</sub> is described as a red, heat-stable cobalt complex, containing phosphorus and some nitrogen. An outstanding property of vitamin B<sub>12</sub> is its content of the trace element, cobalt. Presence of cobalt in this new anti-anemia vitamin may explain why traces of cobalt have been suggested as essential in the treatment of anemia. Vitamin B<sub>12</sub> was recently isolated from liver, is highly effective in treatment of pernicious anemia, is believed essential for growth and development of the normal mammal, appears especially important in utilization of protein, and milk and milk products appear to be high in content of vitamin B<sub>12</sub>.—(Condensed from recent National Dairy Council digest.)

**Table 3. Summary of farm real estate sales, four selected North Dakota counties, 4th quarter 1948 and 1st quarter 1949**

ITEM	Morton		Stutsman		Traill		Ward		All four counties	
	4th qtr.	1st qtr.	4th qtr.	1st qtr.	4th qtr.	1st qtr.	4th qtr.	1st qtr.	4th qtr.	1st qtr.
	per cent	per cent	per cent	per cent	per cent	per cent	per cent	per cent	per cent	per cent
Kinds of sellers:										
Individuals.....	73	52	71	58	89	91	71	82	72	63
Estates.....	4	0	1	5	11	9	15	12	5	5
Corporations.....	2	0	5	9	0	0	2	6	4	5
State and counties...	21	48	23	28	0	0	12	0	19	27
Kinds of buyers:										
Owner-operators.....	87	79	74	66	100	56	73	88	78	73
Other farmers.....	9	9	14	24	0	33	18	6	13	17
Non-farmers.....	4	12	12	10	0	11	9	6	9	10
Intent of buyers:										
To operate.....	96	88	88	89	100	89	91	94	91	90
To lease.....	4	12	12	11	0	11	9	6	9	10
Proportion of tracts sold for cash	67	52	58	63	43	50	68	80	62	61
Buyers equity in encumbered tracts	39	22	28	33	53	52	29	44	34	39
Sources of credit:										
Individuals.....	\$ 6,200	\$11,000	\$76,590	\$21,010	\$ 6,000	\$25,165	\$32,500	\$ 5,000	\$121,290	\$62,175
FLB and LBC.....	0	0	0	0	0	0	0	0	0	0
Insurance Companies	6,500	0	6,000	17,435	0	10,000	0	0	12,500	27,435
Commercial Banks...	0	0	0	0	4,000	0	0	0	4,000	0
Others <sup>1</sup> .....	20,149	41,380	46,480	30,005	16,600	20,000	8,540	2,720	91,769	94,105
Total.....	\$32,849	\$52,380	\$129,070	\$68,450	\$26,600	\$55,165	\$41,040	\$ 7,720	\$229,559	\$183,715

<sup>1</sup>Principally state and county purchase contracts.