

Land Market Activity in North Dakota First Quarter, 1945¹

By

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Farm real estate prices were at about the same level as they were last quarter. Sellers were the largest suppliers of credit, and individuals made the largest number of other new loans. Lending institutions made more sales than mortgages. The number of sales decreased somewhat with the most apparent declines in sales by the State of North Dakota and the county governments. Owner-operators, as a group, bought considerably more land than they sold. The number of resales increased somewhat and profits were substantial.

Farm Real Estate Prices

Farm real estate prices in the four North Dakota counties studied remained at the same level as last quarter, which was 67 percent above the 1941 average. The index (1941 = 100) was 199 in Morton County, 190 in Stutsman, 143 in Ward, and 141 in Traill (Table 1). The only tax-deed land sold this quarter was by the Stutsman and Ward county governments at an average price of \$2.04 and \$2.50 per acre, respectively. Sales of land, other than county tax-deed sales, averaged \$11.63 in Morton County, \$13.52 in Stutsman, \$17.59 in Ward and \$38.07 in Traill.

Land now sold by the county governments is chiefly grassland. Of the tax-deed land sold by Ward County in 1941, 39 percent had less than 40 percent cropland, while in 1944, 86 percent was in this class. In Stutsman County, 29 percent of the tax-deed land sold in 1941 had less than 50 percent cropland, but by 1944, 69 percent was in this class. The percentage of cropland on other than county tax-deed sales

has not changed materially during the same period.

Financing Farm Purchases

The proportion of cash sales is still increasing and the proportion of contract sales decreasing. The percentage of mortgage-financed sales is increasing slightly. Sixty-eight percent of the sales this quarter were cash sales, 18 percent were purchase contracts, and 14 percent were financed by mortgages. A year ago, these percentages were 60, 28 and 12 percent, respectively. Most of the contracts for deed were in Stutsman and Ward Counties, where there were some county tax-deed sales. The proportion of mortgage-financed sales ran highest in Traill County, and the proportion of cash sales, highest in Ward County.

The buyers' initial equities in mortgage-financed sales in Morton County averaged 51 percent of the purchase price, and in contract sales, 44 percent, which is considerably higher than usual for contract sales. In Stutsman County,

¹Progress report in Furnell Project 108, North Dakota Agricultural Experiment Station in cooperation with the Bureau of Agricultural Economics, U.S.D.A. based on voluntary transfers in Morton, Stutsman, Traill and Ward Counties, including unrecorded county and state contracts for deed.

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Table 1

INDEX OF FARM REAL ESTATE PRICES OF ALL SALES OTHER THAN COUNTY TAX-DEED LAND, FOUR SELECTED COUNTIES IN NORTH DAKOTA.

(1941 = 100)

Year and Quarter		Morton County	Stutsman County	Traill County	Ward County	Average ¹ 4 counties
1944	1st	208	164	126	147	159
	2d	204	133	130	136	148
	3d	175	153	115	142	145
	4th	229	191	127	139	167
	Annual	211	167	125	142	159
1945	1st ²	199	190	141	143	166

¹Geometric mean in which each county has equal weight.²Preliminary.

buyers' equities in mortgage-financed sales and contract sales averaged 45 and 14 percent, and in Ward County, 44 and 28 percent, respectively. Purchasers had an average equity of only 30 percent in mortgage-financed sales in Traill County. Of the sales that were credit financed in the four counties, the encumbrance amounted to 75 percent or more of the sale price in three-fifths of the sales and 50 percent or more in over four-fifths of the sales.

There were 77 mortgage-financed sales this quarter, three-fourths of which were purchase-money mortgages taken by the sellers, 22 percent were other new mortgages and 3 percent were assumed mortgages. Of the 17 new mortgages to other than the sellers, 7 were to individuals, 5 were to commercial banks, one was to the Farm Security Administration, one to an insurance company, and 3 to other types of corporate lenders.

Number of Sales

The number of voluntary sales this quarter was 42 percent less than that of a year ago. There were 424 sales the first quarter of 1944 and only 244 this quarter. In Morton and Stutsman Counties, the number of sales was about 50 percent less than a year ago, largely because there were fewer sales by the state and county governments.

The number of sales in Traill County decreased about one-fifth and in Ward County, about one-third.

Activity within Morton, Stutsman, and Traill Counties was approximately equal, where about 1.2 percent of the land in farms was sold. In Ward County, 1.8 percent of land in farms was sold.

There were 58 distress transfers this quarter compared with 28 a year ago. Distress transfers this quarter were chiefly tax titles taken by Ward County.

Types of Sellers and Buyers

Individuals and estates sold 73 percent of the tracts this quarter, which is the highest percentage of individual sales recorded thus far in the study. Of these sales, owner-operators sold about one-fourth, nonoperators about three-fifths, and estates about one-tenth. About 5 percent of the individuals could not be classified. County governments, corporations, and the State of North Dakota each sold approximately 9 percent of the tracts, which is a continuation of the downward trend of the last year. State sales decreased 64 percent from a year ago and county sales, 44 percent. There were 10 county tax-deed sales in Stutsman County and 15 in Ward County.

As in the past, farmers bought about four-fifths of the tracts sold

this quarter. Seventy percent of the farmer purchasers were owner-operators, 24 percent were tenants, and 6 percent were farm boys or farm laborers. Nonfarmer purchasers are chiefly residents of the sample counties or the adjoining counties, with only a few purchasers living beyond the adjoining counties.

There is still a substantial movement of land into the hands of part owners and owner-operators. Owner-operators were buyers of 119 tracts and were sellers of 48 tracts, which means that owner-operators, as a group, bought about two-thirds more tracts than they sold.

Number of Resales

Nine percent of all transfers this quarter were resales of tracts acquired within the 2 preceding years compared with about 4 percent for the corresponding period a year ago. Several tracts were held only a few days, and 39 percent were held less than 6 months. This would indicate the presence of some short-run speculative activity. Gross profits from the 7 resales, on which the full consideration was available, averaged 46 percent with an average time elapse of about 1 year.

CORN HARVESTING METHODS AND UTILIZATION IN NORTH DAKOTA

1943 Crop

Acreage harvested—1,126,000

Proportion of 1943 total corn crop that was:

	Percent
Harvested from standing stalks	
With mechanical corn picker	23.1
By hand	10.5
Cut and shocked	
Husked or snapped by hand	3.5
Husked with husker shredder	0.9
Fed as fodder corn (ears attached to stalk)	20.4
Cut and fed as green corn	2.3
Hogged and grazed	29.3
Cut for silage	
With field harvester	1.5
With stationary ensilage cutter	8.5

North Dakota farmers cut 418,000 acres of corn in 1943, of which 6.9 percent was cut by hand and 93.1 percent cut by machine. (From F.M. 49, United States Department of Agriculture, Bureau of Agricultural Economics, "Harvesting the Corn Crop," by A. P. Brodell and Harold R. Walker, April 1945.) (H.L.W.)