

The Land Market in North Dakota 1941-1945¹

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THE PRICE OF LAND

The price of land, as measured by an average index of four counties, has risen 68 percent from 1941 to 1945. (table 1). The price has risen 94 percent from the first quarter of 1941 to the fourth of 1945 (fig. 1). This is an average rise of about 1.5 percent per month. In comparison, the rise for the U. S. for a comparable period is about 1 percent per month.

In Traill County the price of land increased about one-third from 1941 to 1945, in Ward, over one-half, in Stutsman the price nearly doubled and in Morton it more than doubled. Although the rise has been less during the past year than in the prior 3 years, there are no indications that the peak has been reached. The rise in the fourth quarter of 1945 was in excess of 1 percent per month.

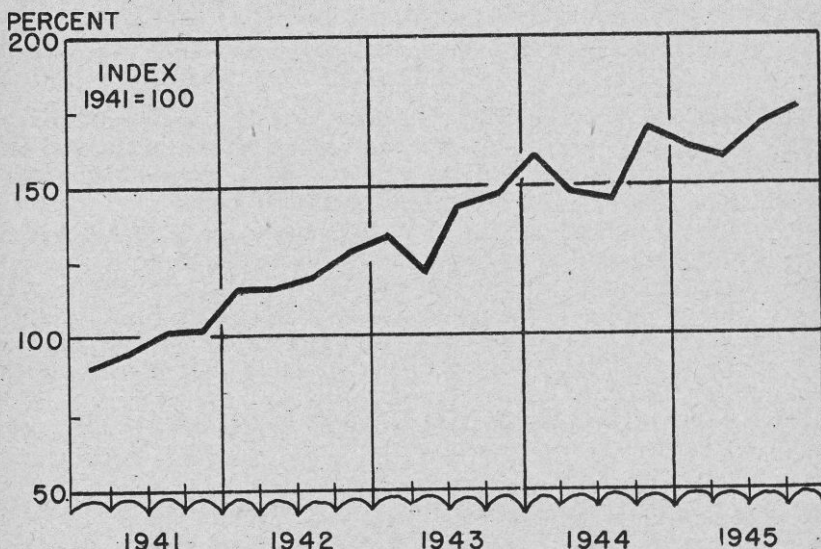


FIG. 1.—The rise in index of price of land in four North Dakota counties.

¹ Progress report in Purnell 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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Land price data were also collected for Dunn and Stark Counties.¹ Data for these two counties, however, are not included in the 4-county index because that would weight the index unduly with western counties. The price in Dunn County was nearly twice as high in 1945 as in 1941, and in Stark County, 2½ times as high.

Table 1.—Index of land prices in 6 selected counties, 1941 to 1945¹

County	1941=100					
	Year					
	1941	1942	1943	1944	1945	4th quarter 1945
Morton	100	152	172	211	218	235
Stutsman	100	133	158	167	183	192
Traill	100	105	123	125	129	136
Ward	100	101	112	142	153	154
Four-county average index ²	100	121	139	158	168	175
Dunn ³	100	124	144	152	194
Stark ⁴	100	139	154	223	249

¹ Excludes sales of county tax deed land.

² Geometric mean in which each of the 4 counties, Morton, Stutsman, Traill and Ward, has equal weight.

³ Preliminary.

⁴ From Credit Bulletins, Dickinson Credit Bureau, Dickinson, North Dakota.

VOLUME OF TRANSFERS

The number of tracts sold increased from 824 in 1941 to 1,548 in 1943 then decreased to 985 in 1945 (table 2). The volume in each of the 4 counties was at its peak in 1943 except in Traill where the greatest number of sales occurred in 1944. The volume of sales was large in part

because corporations, and county and state governments sold land acquired during the drought and depression years.

The number of distress transfers decreased from 640 in 1941 to 80 in 1944 and 107 in 1945. The increase in distress transfers from 1944 to 1945 occurred in Stutsman and Ward Counties.

Table 2.—Number of tracts sold in 4 selected counties, 1941 to 1945.

Year	Counties				
	Total	Morton	Stutsman	Traill	Ward
	Number	Number	Number	Number	Number
1941	824	173	203	53	395
1942	957	200	284	80	393
1943	1,548	302	613	54	579
1944	1,160	214	336	93	517
1945	985	184	312	79	410
Total	5,474	1,073	1,748	359	2,294

¹ From Credit Bulletins, Dickinson Credit Bureau, Dickinson, North Dakota.

TYPE OF SELLER

Of 5,361 sales during the period 1941-45, 42 percent were by individuals, 26 percent by county governments, 20 percent by corporations, 7 percent by state credit agencies, and 5 percent by estates (table 3). The peak in number of sales by county governments and corporations was in 1943. The volume of sales by corporations in 1945 was 19 per-

cent as large as in 1943, and by county governments, 41 percent as large. Sales by individuals increased from 1941 to 1944 then decreased slightly. Prior to 1944, sales by individuals comprised about one-third of the total volume compared with over one-half during 1944 and 1945. Many sales have been made by estates during the period of higher land prices from 1943-45.

Table 3—Type of seller, Morton, Stutsman, Traill and Ward Counties, 1941 to 1945

Year	Total	Type of seller				
		Indi- viduals	Estates	Corpora- tions	State credit agencies	County govern- ments
	Number	Number	Number	Number	Number	Number
1941	740	272	9	136	75	248
1942	928	312	17	279	50	270
1943	1,548	520	70	389	96	473
1944	1,160	621	83	210	34	212
1945	985	543	63	73	110	196
Total	5,361	2,268	242	1,087	365	1,399

¹ Not all sales classified in 1941 and 1942.

TYPE OF BUYER

Farmers have been the buyers in a very high proportion of the land sales. From 1943 to 1945 farmers were the buyers in 83 percent of the sales and non-farmers, in 17 percent (table 4). During the last three quarters of 1945, however, the proportion of non-farmers increased to 26 per-

cent. Most of the non-farmer buyers live in or near the county where the land is purchased. About three-fourths of the farmer buyers already owned some land at the time of purchase and the remaining one-fourth were tenants, farmer's sons and farm laborers.

Table 4—Type of buyer, Morton, Stutsman, Traill and Ward Counties, 1943 to 1945

Year	Type of buyer	
	Farmer	Non-farmer
	Percent	Percent
1943	83	17
1944	86	14
1945	76	24
Average	83	17

TYPE OF FINANCE

Over one-third of all sales in the period 1943-45 were sold under contract for deed, 10 percent were mortgage financed and 55 percent were sold for cash (table 5). There was a marked decrease in the number and proportion of contracts for deed from 1943 to 1944 and an increase in the proportion of cash sales. The use of contracts for deed declined as the county governments and corporation sales declined after 1943. The

percentage of cash and mortgage financed sales and contracts for deed changed very little from 1944 to 1945.

Sellers of land furnish most of the credit used to finance sales. Interest charges on mortgages range from 3 to 7 percent with 4 to 5 percent being the most common rates. Many of the mortgages were for a period of 5 years and hardly any exceeded 10 years.

Table 5—Type of finance, Morton, Stutsman, Traill and Ward Counties, 1943 to 1945

Year	Type of finance		
	Cash	Mortgage financed	Contract for deed
	Percent	Percent	Percent
1943	47	9	44
1944	61	12	27
1945	61	11	28
Average	55	10	35

Wm. Wiidakas, corn breeder at the North Dakota Agricultural Experiment Station, reports that in 1945 about 31.5% of all of the corn planted in North Dakota was planted to hybrids. He found that the Nodak strains of hybrid corn developed by this Station showed the following percentage increases in yield in 1945 above the yield obtained from the open-pollinated Haney strain of Minn. 13 corn; namely, Nodakhybrid 501, 6%; Nodakhybrid 302, 15%; Nodakhybrid 301, 27%; Nodakhybrid 201, 19%; and Nodakhybrid 203, 9%. In addition to greater yields these new hybrids possessed desirable maturity qualities, greater resistance to lodging and to the corn diseases, and more desirable stalk and ear characteristics. The Station is releasing enough foundation single cross seed in 1946 to plant 3000 acres; these single crosses will be used for the production of double cross hybrid seed corn which will be available for commercial planting in 1947.