

The Land Market in North Dakota First Quarter, 1946¹

By
Robert L. Berger²
Reuben Engelking³

The Price of Land Doubled

The price of land in the four counties studied, excluding land sold by county governments, doubled in the last five years (fig. 1). The price index was 90 (1941 = 100) in the first quarter of 1941 and 182 in the first quarter of 1946.⁴ Strong price increases were shown this quarter in Morton and Ward Counties. Considerable State School land was sold in these counties, much of which was unbroken; however, other cultivated land was also much higher. The index of prices in Traill County this quarter decreased considerably, apparently because a poorer quality of land was sold. The price increase in Stutsman County was similar to recent quarters.

Land, other than county-owned land, with 60 percent or more crop-land sold this quarter for an average of \$21.76 per acre in Morton County, for \$20.30 in Ward County, and for \$14.43 in Stutsman County. Tracts with 40 to 59 percent cultivation sold for an average of \$15.82, \$17.89, and \$11.57 in the three counties respectively. Land with less than 40 percent cultivation averaged \$13.81, \$19.18, and \$13.00 in the three counties respectively (table 1). In general, these were sharp increases over last year. The largest increase in each county this quarter was on the land with less than 40 percent cultivation.

From 1941 to 1945, land in Morton County with 60 percent or more cultivation increased proportionally more in price than land with less cultivation. During the same period, land in Stutsman County with 40 to 59 percent cultivation increased the most; but in Ward County, there was little difference between the percentage increases on the three classes of land.

In each of the three counties, the proportion of land sold with less than 40 percent cropland has been increasing. In Ward and Stutsman Counties, the acreage as well as the proportion has been increasing since 1941. In Morton County this quarter, 55 percent of the land sold was of this type; in Ward County, 37 percent; and in Stutsman, 26 percent (table 2). In Morton Coun-

¹Progress 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.

²Agricultural Economist, Bureau of Agricultural Economics, U.S.D.A.

³Statistical Clerk, North Dakota Agricultural Experiment Station.

⁴Preliminary geometric mean in which each county has equal weight.

ty, 16 percent of the land sold had over three-fifths cultivation; in Ward County, slightly over one-half had this much cultivation; and in Stutsman County, 61 percent had three-fifths in cultivation.

Sales Volume at High Level

The number of recorded sales this quarter in the four selected counties in North Dakota was 50 percent above the average of 1941, but over 50 percent below the peak reached in the fourth

quarter of 1943 (fig. 1). Because of the marked seasonality of sales, the trend in volume is difficult to determine; however, the number of sales appear to be increasing again after a slump during the first three quarters of 1945.

Sales activity, measured by acreage sold as a percentage of land in farms (1940 U. S. Census), was highest in Morton and Stutsman Counties, where 2.0 percent and 1.9 percent, respec-

Table 1.—Average price per acre of noncounty sales by proportion of tract cultivated, three selected North Dakota Counties, annual 1941-45 and first quarter, 1946^a

County	Proportion cultivated	1941	1942	1943	1944	1945	1st quarter 1946 ^a
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Morton	60-100	6.70	10.75	11.83	17.62	16.03	21.76
	40-59	6.66	9.71	11.79	13.58	14.73	15.82
	0-39	4.76	8.03	8.03	9.41	9.01	13.84
	Average	6.10	9.14	10.08	12.24	12.11	15.71
Stutsman	60-100	8.63	10.35	12.84	13.61	15.11	14.43
	40-59	4.92	9.10	10.33	9.81	11.65	11.57
	0-39	4.11	6.21	6.46	7.60	8.82	13.06
	Average	7.21	9.55	11.32	11.80	13.06	13.69
Ward	60-100	12.45	12.59	14.41	17.44	19.01	20.30
	40-59	8.39	8.93	8.50	12.59	12.72	17.89
	0-39	5.49	5.15	6.28	8.18	8.96	19.18
	Average	10.81	11.31	12.41	15.60	16.26	19.66

^aPreliminary

Table 2.—Acreage sold by proportion of tract cultivated, three selected North Dakota Counties, annual 1941-45 and first quarter, 1946^a

County	Proportion cultivated	1941	1942	1943	1944	1945	1st quarter 1946 ^a
		Percent	Percent	Percent	Percent	Percent	Percent
Morton	60-100	23	24	18	21	21	16
	40-59	47	28	36	26	29	28
	0-39	30	48	46	53	50	55
	Total	100	100	100	100	100	100
Stutsman	60-100	64	74	63	61	56	61
	40-59	23	9	22	24	26	13
	0-39	13	17	15	15	18	26
	Total	100	100	100	100	100	100
Ward	60-100	71	76	71	75	66	53
	40-59	13	13	16	10	19	10
	0-39	16	11	13	15	15	37
	Total	100	100	100	100	100	100

^aNoncounty sales.

tively, of the land in farms was sold. In Traill County, 1.1 percent of the land was sold, and in Ward, 1.6 percent. The total acreage sold since 1941 amounts to 41.9 percent of the land in farms in Ward County, 36.9 percent in Stutsman, 27.2 percent in Morton, and 17.4 percent in Traill. Only three distress transfers were recorded this quarter, all were in Stutsman County.

Percent of Cash Sales Decreased

The percentage of cash sales, although still the largest proportion of all sales, has decreased in the last year. The percentage of contract for deed sales has increased and the percentage of sales involving mortgages has decreased. Of all purchases this quarter, 57 percent were entirely for cash, 34 percent were contracts for deed, and 9 percent

INDEX OF LAND PRICES AND NUMBER OF SALES,
4 SELECTED COUNTIES, NORTH DAKOTA,
1941-46

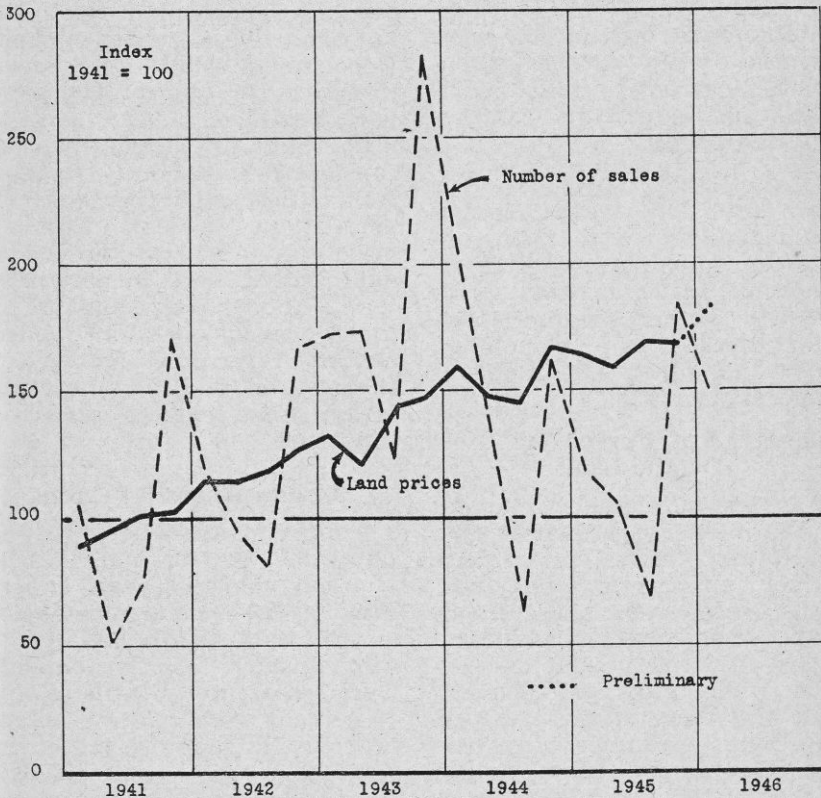


FIGURE 1

were purchases involving mortgages. A year ago, these percentages were 68, 18, and 14 percent, respectively.

In transactions involving mortgages, the average down payment this quarter was 48 percent. Forty-five percent of the sales involving new mortgages were encumbered for less than 50 percent, however, 6 percent were encumbered for over 75 percent of the consideration. Down payments on contract for deed sales averaged 24 percent of the consideration, and only 2 percent of these transactions were encumbered for less than 50 percent.

Eighty percent of the sales involving credit this quarter were financed with purchase contracts, 6 percent by seller mortgages, and 14 percent by other new mortgages.

Of the 19 new mortgages other than seller mortgages, individuals made four of the loans; insurance companies and commercial banks made one each; Farm Security Administration made five; private loan companies, four; and other miscellaneous corporations, four.

Farmers Are Purchasing Most Of The Land

Farmers purchased 86 percent of the tracts this quarter and non-farmers, 14 percent. Of these farmer purchasers, about four-fifths were owner-operators or part owners buying additional tracts. Tenants bought 14 percent of the tracts, and farmers' sons and farm laborers, 8 percent. The percentage of owner-operator buyers, while similar to that of the past two years, is above the average of 1943; conversely, the percentage of ten-

ant buyers is now below the average of 1943.

Although nonfarmers are buying about one-seventh of the tracts, 90 percent of these buyers are residents of the county or the adjoining counties.

Proportion of Sales by Individuals Decreased

Individuals are still making most of the sales, however the proportion of sales made by them the last year has decreased, and the proportion of sales by the state government has increased. Individuals, including estate sales, sold 54 percent of the tracts compared with 73 percent a year ago. The Bank of North Dakota and the State School Land Department sold 31 percent of the tracts this quarter, compared with 8 percent a year ago. The proportion of corporate sales continued to decline, changing from 9 percent a year ago to 5 percent at present. Approximately one-third of the individual sellers were owner-operators. About three-fourths of these owner-operator sellers continued farming, about one-fifth retired, and the others quit farming and entered other occupations.

Resales About 9 Percent

Approximately 9 percent of all sales this quarter were resales of tracts held two years or less. This is the same percentage as a year ago. Of the 29 resales this quarter, nearly one-half were resold in 6 months or less, 10 percent were held over 6 and not over 12 months, 28 percent were held over 12 and not over 18 months, and 14 percent occurred on land held over 1½ years and not over 2 years. Gross

profits from resales averaged 47 percent.

Land Market Since the Termination of the War

The termination of the war appears to have had little moderating effect upon the land market.

There has been an increase in the volume of sales and an increase in the price. The percentage of cash sales is decreasing. Close to one-tenth of all sales are resales indicating some speculative activity.

Host and Distribution Notes on Wheat Stem Sawfly

By
R. L. Post¹

The life history, hosts and distribution of the wheat stem sawfly² have been discussed in a previous issue of the Bimonthly Bulletin³.

A recent incomplete survey by the station has extended the eastern distribution of this pest to Nelson County. One infested wheat stem was found at Whitman and one wheat and four infested quack grass stems were discovered 25 miles east of Devils Lake. The infested stems were hard wheats in durum fields as there were high percentages of admixture. All varieties of hard red spring commercially grown were found rather heavily infested in the areas of general infestation. Further southeastern distribution of the wheat stem sawfly was not recorded. Examination of wheat fields and roadside grasses failed to reveal its presence in Barnes, Sargent, and Richland counties.

In late July, most extensive studies were made in the North Central Experiment Station cereal variety plots at Minot.

At the North Central Experiment Station in a field of hard wheat, 40% of the stems were infested in the 50 foot margin of the field. Fourteen per cent of the stems were found to be infested more than 100 feet inside the field. Twenty-four stems of volunteer hard red spring wheat were found throughout a field of oats on spring plowed wheat stubble. Seventy-one per cent of these wheat stems were infested with sawfly larvae. Infestation in hard red spring wheats was generally heavy except in Rescue which was only lightly infested; durum⁴ were only lightly infested.

On the western border of Bottineau County nearly 100% infestations of the hard wheat stems throughout the fields were recorded.

A survey of many durum wheat fields east of the Turtle Mountains in the northern tier of counties did not extend the distribution area of the sawfly.

Grasses were examined along the roadside adjacent to infested wheat fields and it was found that slender wheat, brome, western wheat, and quack were generally attacked.

There is no significant reduction of yield in infested stems. The loss caused by this insect is due to the sawfly larvae weakening the stems which cause the heads to fail to the ground prior to or during harvesting. Wind is the greatest agency in knocking the heads down. Excessive loss can be avoided by harvesting infested fields "on the green side," which will prevent extensive breaking and lodging.

A general discussion of the wheat stem sawfly is found in N. Dak. Extension Circular A-94.

¹Associate Entomologist Agr. Exp. Sta. & State Seed Dept.

²*Cephus cinctus* Norton.

³Munro, J. A. Wheat Stem Sawfly and Harvest Loss, N. D. Agri. Exp. Sta. Bimonthly Bulletin, Vol. 2 No. 4 (March-April, 1945) pp. 12-16.