

# The Land Market in North Dakota Second Quarter - 1946<sup>1</sup>

By

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## Land Prices Continue to Rise

**T**HE price of farm real estate in four counties studied in North Dakota, excluding land sold by county governments, rose 21 percent during the 12 months ended July 1, 1946. The average price index in these four counties (1941 = 100) was 191.<sup>4</sup> Prices on July 1 were up 112 percent from the first quarter of 1941. The index of prices in Morton County this second quarter was 253; Stutsman County, 184; Traill County, 175; and Ward County, 165.

Average prices of land this second quarter, except in Traill County, were generally not so high as in the preceding quarter. Because of the sharp increase over the preceding quarter of the index in Traill County, the average of the four-county index continued to rise. Land in Morton County, other than county land with 60 percent or more cropland, sold this quarter for \$17.90 per acre; in Ward County, for \$19.40; and in Stutsman County, for \$13.21. Tracts with 40 to 59 percent cultivation on the average brought \$13.08, \$13.01, and \$15.50 in the respective counties. Land with less than 40 percent cultivation brought \$13.39, \$11.33, and \$10.62 in the three counties respectively. All land that was sold and recorded in Morton County during the 3 months averaged \$13.39; in Ward County, the average was \$16.48; in Stutsman County, \$13.30; and in Traill County, \$47.34. A few tracts in each county sold considerably above these averages. The three tracts bringing the highest price in Morton averaged \$28.63; in Ward County, they averaged \$38.80; in Stutsman County, \$31.87; and in Traill County, \$59.74.

Approximately three-fifths of the land sold in Morton County had less than 40 percent cropland; in Ward and Stutsman Counties, slightly over three-fifths had 60 percent or more cultivation. This is about the same condition as existed last quarter.

Approximately 6 percent of the sales this quarter were resales of tracts that had been bought less than 2 years ago. This is slightly fewer resales than last quarter and below the percentage of a year ago.

## Volume of Sales Increased

The number of sales this quarter in the four counties totaled 245, which is a little over 10 percent above the number in the corresponding quarter of

<sup>1</sup> Progress report in Purnell Project 108, North Dakota Agricultural Experiment Station in cooperation with the Bureau of Agricultural Economics, U. S. Dept. Agri., based on voluntary transfers in Morton, Stutsman, Traill, and Ward counties, including the unrecorded county and State contracts for deed.

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<sup>4</sup> Preliminary geometric mean in which each county has equal weight.

1945. There was the usual seasonal decline from the two previous quarters, when 381 and 310 tracts were sold respectively.

Sales activity, measured by the acreage sold as a percent of land in farms (1940 U. S. Census), was highest in Stutsman County, where the 97 sales comprised 1.7 percent of the land in farms. The 83 sales in Ward County were 1.4 percent of the land in farms, the 50 sales in Morton County were 0.9 percent, and the 15 sales in Traill County were 0.6 percent. There were 14 distress transfers in the four counties this quarter, 10 of which were in Ward County.

### Financing of Purchases

The percentage of cash purchases decreased again this quarter. Fifty-five percent of the sales were entirely for cash, compared with 71 percent in the corresponding quarter of 1945.

Contracts for deed made up 32 percent of the sales this quarter. This percentage was slightly below the preceding quarter but was nearly double what it was in the second quarter a year ago.

Mortgage sales were 13 percent of the total sales. Of the 32 sales with mortgages, 8 were purchase-money mortgages, 2 were assumed mortgages, and 22 were new third-party mortgages. Six of these new third-party mortgages were to individuals, 4 were to commercial banks, and 12 were to other corporations.

In transactions involving mortgages, the average down payment was 46 percent—the same as last quarter. Twelve of the mortgage-financed sales were encumbered for 50 to 74 percent of their purchase price, 3 were encumbered for over 74 percent,

and 4 were encumbered for less than 50 percent. Down payments on contract for deed sales averaged 22 percent, and in only 10 of the 78 cases did the down payment exceed 25 percent.

### Farmers Continue to Buy Most of the Land

Farmers again bought 85 percent of the tracts. Nonfarmers bought 15 percent. These are almost the same percentages as last quarter. Of these purchasers, 91 percent were owner-operators or part owners, 6 percent were tenants, and 3 percent were farmers' sons and farm laborers. Of the 31 nonfarmer buyers, only 2 were not residents of the county or the adjoining county. Relatively few tracts have been bought by people who might be considered absentee landlords. Practically all of the farmer buyers expect to operate the land acquired, whereas very few nonfarmer buyers expect to become farm operators.

### Individuals Increased In Importance as Sellers

Individuals, including estates, continued to be the most important sellers. Since the fourth quarter of 1943, the number of sales by individuals has exceeded sales by all other groups combined. There were 150 sales by individuals, which is approximately the same as in the second quarter of last year.

The number of sales by the States and counties combined was nearly double the number a year ago. Of the 81 government sales this quarter, only 22 were by county governments, compared with the second quarter of last year, when 19 of the 42 government sales were by the counties.

Corporations sold 14 tracts compared with 21 tracts in the second quarter a year ago. The number of sales by corporations has been generally decreasing since the end of 1943. Corporations now make up only 6 percent of the sales; States and counties make up 33 percent;

and individuals, 61 percent.

There was no change from the previous quarter in percentage of individual sellers that were owner-operators. One-third were owner-operators, and 86 percent of these expect to continue farming. The other 14 percent intend to retire.

## How Are the Great Plains Shelterbelts

### A Review

**E.** N. MUNNS, Chief, Division of Forest Influences, Forest Service, U. S. D. A., and Joseph H. Stoeckeler, Silviculturist, Lakes State Forest Experiment Station, St. Paul, Minnesota, have published an appraisal of the present condition of the Great Plains shelterbelts in the April, 1946, issue of the *Journal of Forestry*. This action program was supervised by the U. S. Forest Service from 1935 to 1942 under the name of the Shelterbelt Project or Prairie States Forestry Project. In 1943 the Soil Conservation Service took over the project. In 1944 some ten years after the beginning of the project the Forest Service made a random sampling of the area to determine their present condition.

The condition of North Dakota's shelterbelts were rated as follows in 1944:

Excellent .....	54.2%
Good .....	20.3%
Fair .....	14.1%
Poor .....	6.6%
Very poor .....	0.5%
Destroyed .....	4.3%

The weighted average condition in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas was as follows: Excellent, 58.1%; Good, 20.3%; Fair, 11.2%; Poor 6.6%; Very poor, 1.8%; Destroyed, 2.0%.

The Forest Service also rated the existing shelterbelts by states and county groups with similar rainfall and soil conditions. Site A is listed as favorable for trees, Site B mostly favorable for trees, Site C, mod-

erately difficult for trees. The conditions were rated according to the following schedule.

Class 1, excellent, survival mostly 81—100%.

Class 2, good, survival mostly 61—80%.

Class 3, fair, survival mostly 41—60%.

Class 4, poor, survival mostly 21—40%.

Class 5, very poor, survival under 20%.

In commenting on the reasons for variation in survival the authors state: "Usually the belts were best in growth and survival in areas of better rainfall, where soils were friable and sandy and consequently more favorable where the farm economy included the growing of intertilled crops, and where there was a high percentage of