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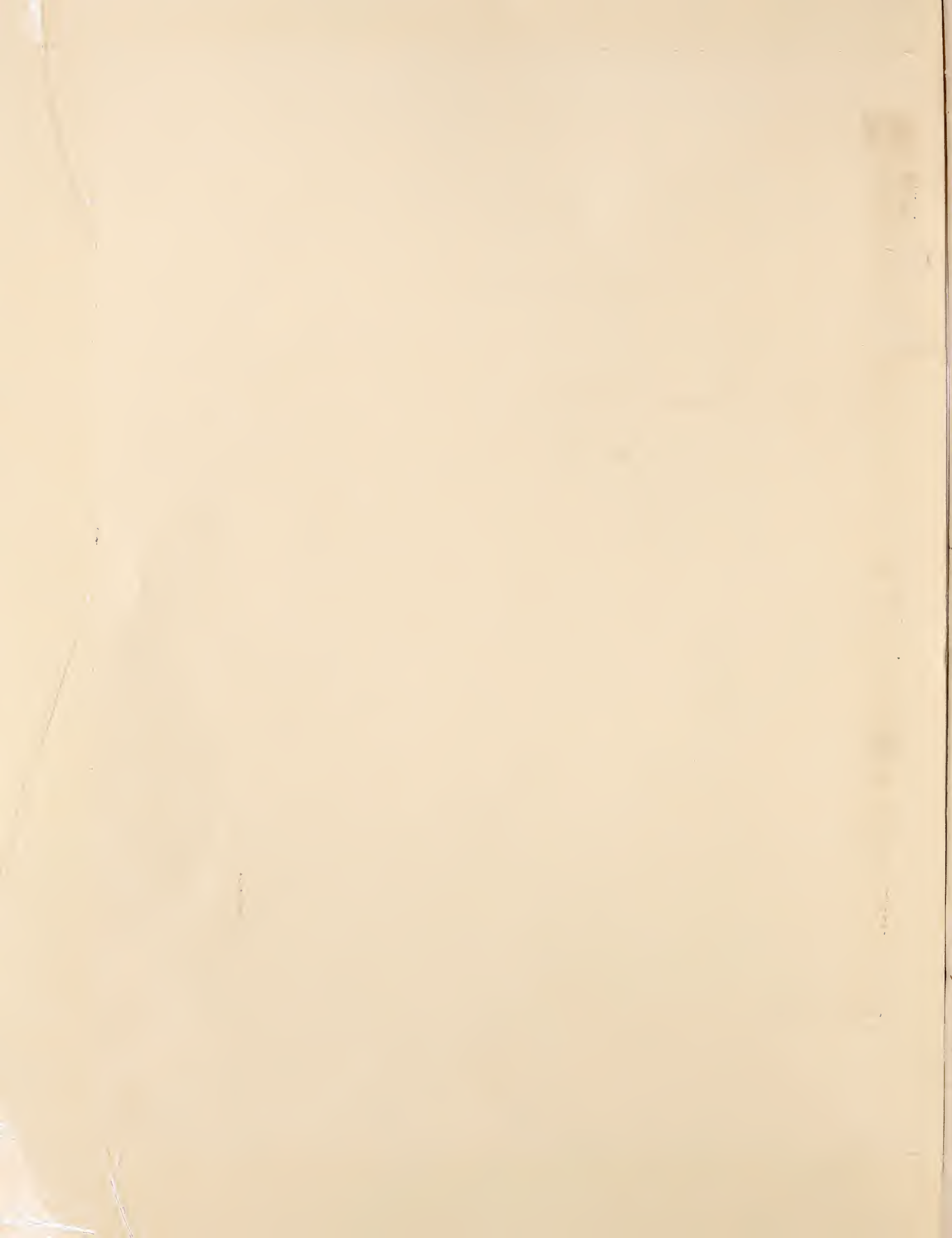
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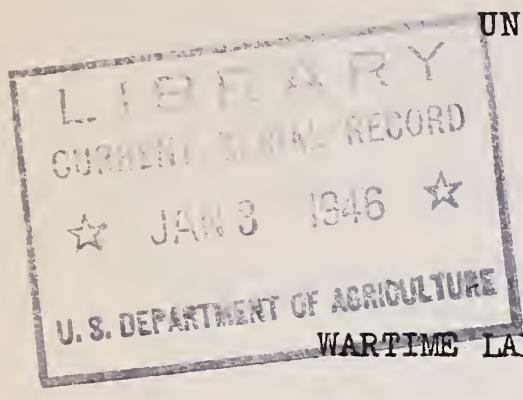
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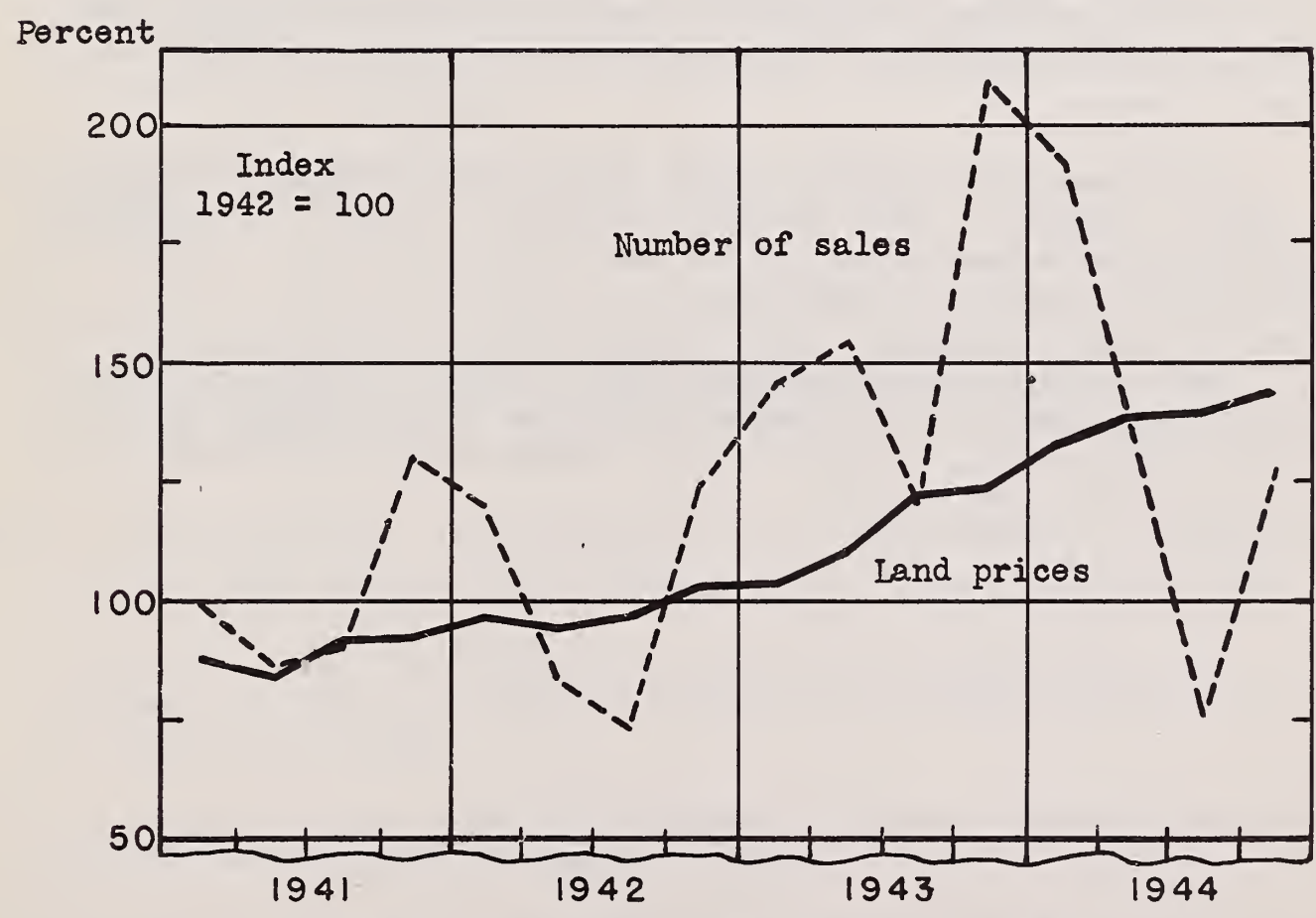
Research memorandum  
No. 317



UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics

WARTIME LAND MARKET TRENDS IN THE NORTHERN GREAT PLAINS

1941-44



Index of land prices and number of sales  
17 Northern Great Plains counties, 1941-44

May 1945

Lincoln, Nebraska

### Explanatory Note

The study upon which this report is based was started in 1941. Data for Montana and North Dakota were developed under cooperative agreements with the Montana Agricultural Experiment Station and the North Dakota Agricultural Experiment Station. Data for Brookings County, South Dakota and the Kansas counties were developed under informal cooperation with the Agricultural Economics Departments of the Agricultural Experiment Stations in those states.

Until now, the entire report of the study has not been published. However to show trends currently, 14 quarterly research memoranda have been prepared for administrative use. A list of these is given in the appendix.

This report was written by Lyman Wallin. Robert Berger, Glen Vergeront, Stanley Voelker, and John Porter participated in the field work, in the analysis of the data, and in the review of the manuscript.

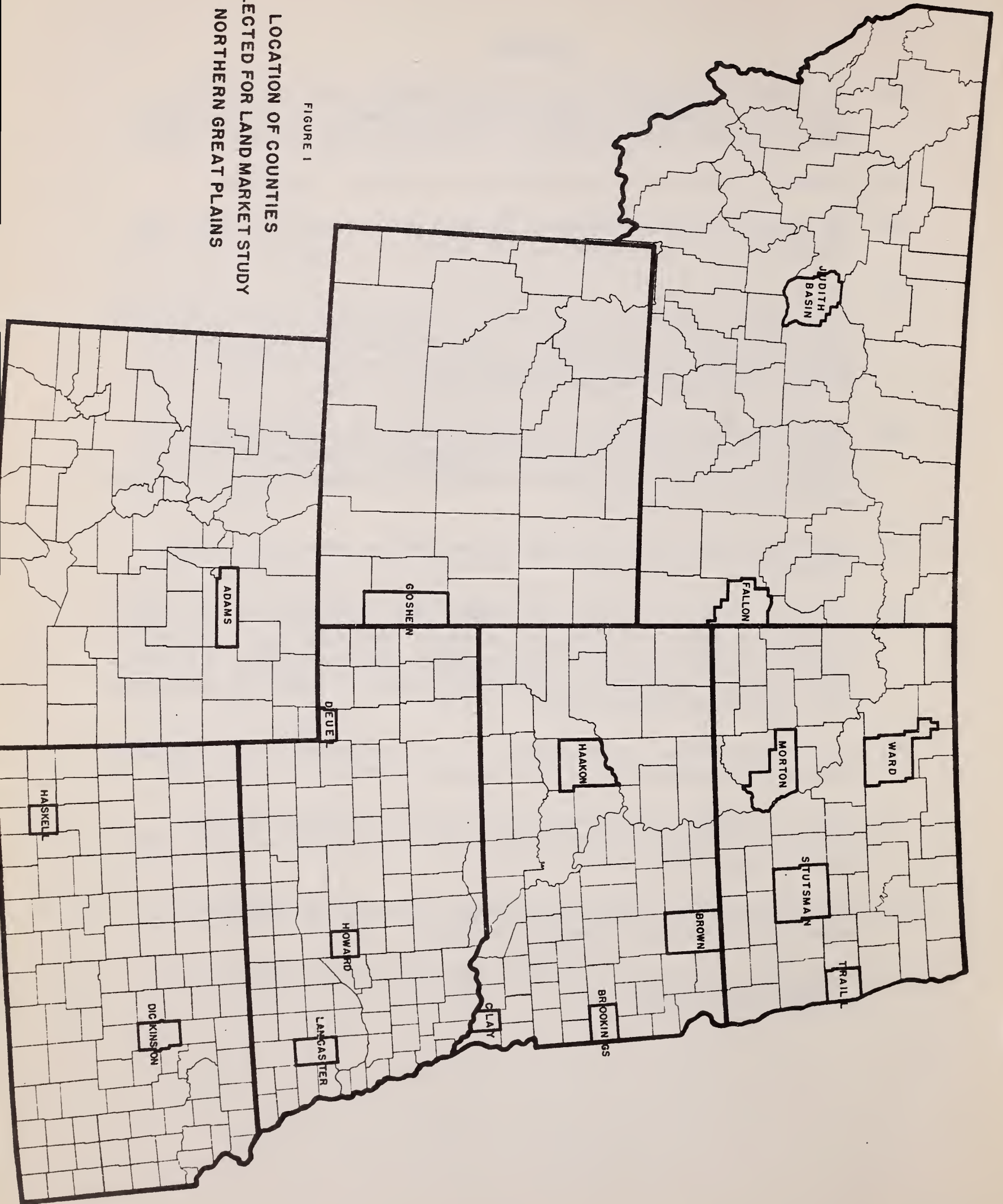
## SUMMARY

- (1) The index of land prices for the 17 counties rose 63 percent from the 1st quarter of 1941 to the 4th quarter of 1944. Nearly three-fourths of the total rise occurred during the last 2 years.
- (2) Prices of land more than doubled in 6 of the 17 counties.
- (3) The number of sales increased 62 percent from 1941 to 1943, then decreased, but the volume in 1944 was still 38 percent above 1941.
- (4) In the period 1941-44, 47 percent of the sales were by individuals, 6 percent by estates, 22 percent by corporations, and 25 percent by States and county governments. The proportion of sales by individuals and estates increased, whereas those by corporations and States and county governments decreased.
- (5) Owner-operators bought 56 percent of the tracts sold the last 3 years, tenants 23 percent, and nonfarmers 21 percent. The proportion of purchases by owner-operators increased; those by tenants and nonfarmers decreased.
- (6) Nonfarmers paid about the same price per acre for land as did farmers.
- (7) Purchase of farms for cash increased from 52 percent of all sales in 1942 and 1943 to 62 percent in 1944. Mortgage sales decreased from 27 percent in 1942 to 24 percent in 1943 and 1944. Contract-for-deed sales were 21 percent of the total in 1942, 24 percent in 1943, and 14 percent in 1944.
- (8) In a few counties, the average per acre indebtedness of encumbered sales in 1944 exceeded the average price of land sold in 1941.
- (9) Buyers incurred indebtedness of 2.1 million dollars for land purchase in 1941, 2.9 million in 1942, 4.6 million in 1943, and 3.7 million in 1944.
- (10) Six percent of all sales in 1943 and 7 percent in 1944 were re-sales of tracts held 24 months or less.
- (11) The number of distress transfers decreased from 1,119 in 1941 to only 159 in 1944.

\* \* \* \* \*

LOCATION OF COUNTIES  
SELECTED FOR LAND MARKET STUDY  
NORTHERN GREAT PLAINS

FIGURE 1



WARTIME LAND MARKET TRENDS IN THE NORTHERN GREAT PLAINS

1941-1944 1/

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INTRODUCTION

The land market is characterized by a large volume of sales and a sharp advance in land prices. This was also the characteristic of the period during and after World War I which was later followed by a period of widespread foreclosure and distress.

In the Northern Great Plains, cash farm income has nearly doubled since 1941 and agricultural commodity prices (U.S.) have increased about three-fifths. Accumulated savings in rural banks of the Northern Great Plains have more than doubled since 1941. At the same time, the regional average tax levy per acre on farm real estate has dropped to the lowest point in more than 25 years, the average rate of interest paid on farm-mortgage debt has reached an all-time low of 4.2 percent, and the total interest charge payable on outstanding farm-mortgage debt has dropped to the lowest it has been since 1910. These factors can be expected to further stimulate land prices.



This report is designed to present recent trends in the land market. These data should be helpful in determining the influence of the war upon the land market, and should aid materially in an understanding of the market.

The study is based on data collected from the following 17 counties: Adams County, Colorado; Dickinson and Haskell Counties, Kansas; Fallon and Judith Basin Counties, Montana; Deuel, Howard, and Lancaster Counties, Nebraska; Morton, Stutsman, Traill, and Ward Counties, North Dakota; Brookings, Brown, Clay, and Haakon Counties, South Dakota; and Goshen County, Wyoming.

The data were obtained from deed and mortgage recordings and contract-for-deed filings of farm real estate sales. Some unfiled contracts for deed were obtained directly from public land-owning agencies, but otherwise, no unrecorded contracts for deed were obtained. The report summarizes 10,800 voluntary land sales (deeds and contracts for deed), mortgages of record, and interviews with local people from 1941 through 1944.

The sample of counties was purposively selected to get a wide geographical distribution and to represent the region in such factors as the price of land, tenure and size of farm (fig. 1).

#### LAND PRICES

Prices of land in the 17 selected counties rose 63 percent from the 1st quarter of 1941 to the fourth quarter of 1944 (cover page). <sup>2/</sup> The trend was upward during the entire period, but the big increase in price did not begin in most counties until 1943. Nearly three-fourths of the total rise occurred during the last 2 years.

In 6 of the 17 counties--Adams, Fallon, Judith Basin, Haskell, Morton, and Stutsman--prices of land more than doubled during this 4-year period (fig. 2). In Lancaster, Howard, Deuel, Brown, and Ward Counties, prices of land increased from 50 to 100 percent. In the

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<sup>2/</sup> Land prices are expressed in terms of an index of which 1942 equals 100 percent. The index series for the North Dakota counties and Haakon County, S. Dak. were constructed from the quarterly average prices per acre of tracts containing various proportions of crop and grazing land. The index numbers for all other counties were constructed from quarterly average ratios of sales prices to assessed valuation according to the method described in "Index of Farm Real Estate Prices for Selected Counties in the Northern Great Plains States," Research Memorandum No. 18, February 1944. The average index series for the 17 counties was derived from the county series by giving each county the weight of one.

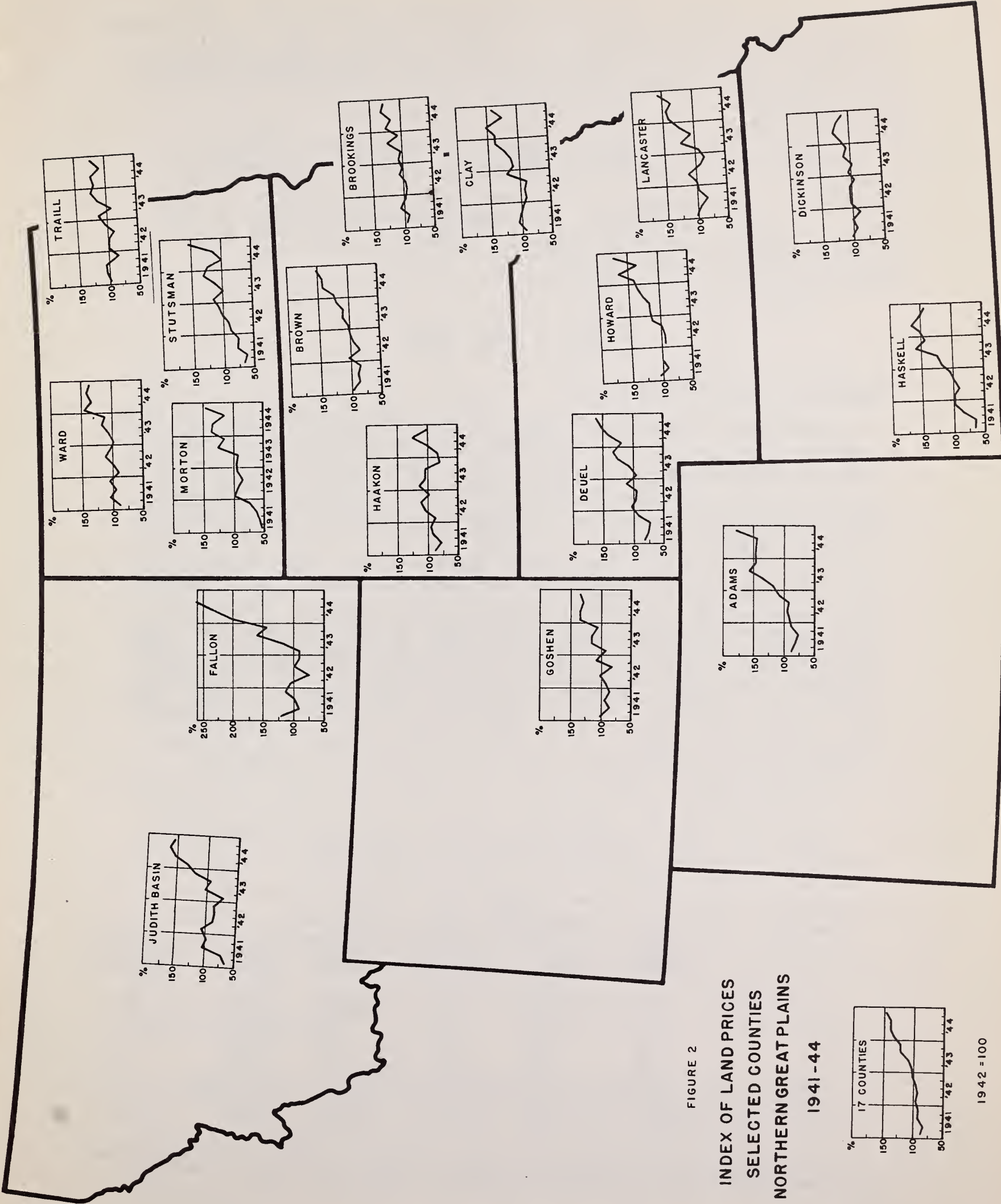


FIGURE 2  
 INDEX OF LAND PRICES  
 SELECTED COUNTIES  
 NORTHERN GREAT PLAINS  
 1941-44

1942 = 100

remaining 6 counties, they increased less than 50 percent. The 6 counties that show a rise of more than 100 percent are in the western and northern portion of the region. All counties which had small increases in price, except Goshen, Wyo., are in the eastern portion of the region.

The small rise in Haakon County, S. Dak., a range county, is chiefly due to the vast acreage of county land on the market at a relatively fixed low price. The small rise in Dickinson County, Kans. is largely unexplained, although in the past prices of land in this county have not fluctuated so widely as they have done in most other parts of the region.

### VOLUME OF LAND SALES

#### Trend in number of land sales.

The number of voluntary sales in the 17 counties increased from 2,147 in 1941 to 3,482 in 1943, then fell to 2,949 in 1944 (table 1). This was an increase of 62 percent from 1941 to 1943. Although the number of sales decreased during 1944, they were 38 percent above the 1941 levels. The decline in number of sales in 1944 occurred during the last 3 quarters, following the large volume of sales of the first quarter. The percentage increase since 1941 in number of sales has been generally greatest in the counties of the 4 eastern States and lowest in Montana, Wyoming, and Colorado. The number of sales in the 3 Western States had already reached a high volume by 1941, and the percentage increase by 1943 and 1944 was not so great there as in the eastern counties. In 5 of the 17 counties--Howard, Lancaster, Stutsman, Brookings, and Brown--the number of sales more than doubled from 1941 to 1943. The volume continued to increase in Howard and Brookings Counties from 1943 to 1944, but decreased in the other 3 counties.

Table 1.- Volume of sales by quarters, 17 selected counties, Northern Great Plains, 1941-44

Quarter	Year				Total	
	1941	1942	1943	1944	Number	Percent
1st	551	665	805	1,062	3,083	29
2d	429	462	854	757	2,502	23
3d	444	408	666	423	1,941	18
4th	723	687	1,157	1/ 707	3,274	30
Total	2,147	2,222	3,482	2,949	10,800	100

1/ Number of sales estimated in Fallon County the fourth quarter.

During the 4-year period, 29 percent of the sales occurred in the first quarter, 23 percent in the second, 18 percent in the third, and 30 percent in the fourth quarter. This seasonal pattern of activity occurring during the first and fourth quarters indicates that purchasers of land tend to wait until after harvest and until farm leases are about to expire before buying.

#### Trend in acreage of land sales.

The acreage of land sold increased from 551,985 acres in 1941 to 559,209 acres in 1942 and 830,027 acres in 1943, an increase of 50 percent. The acreage sold in 1944 fell to 714,366 acres.

In order to compare the sales activity of various counties, the acreage of land sold was converted to a percentage of total land in farms (1940 U.S. Census). The greatest activity occurred in Goshen, Morton, Judith Basin, Haakon, Stutsman, Ward, and Adams Counties, where from 20 to 38 percent of the total land in farms was sold during the 4-year period 1941-44. The lowest activity occurred in Dickinson, Lancaster, and Clay Counties, where the acreage sold amounted to 7.7, 10.6, and 10.6 percent, respectively. Sales activity by years and counties is shown in figure 3.

#### The use of contracts for deed in the sale of land.

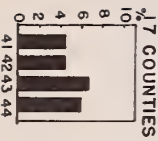
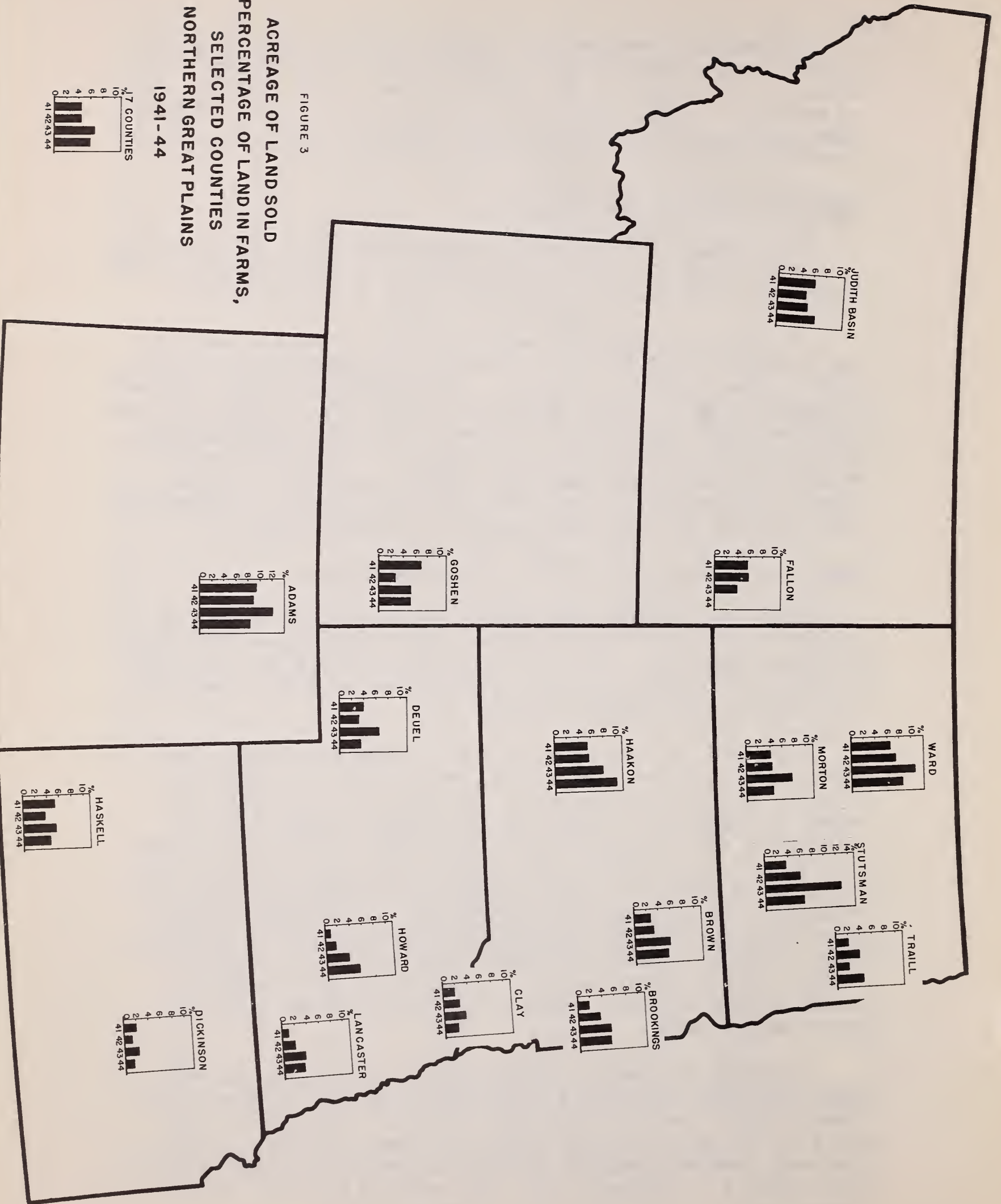
Known contract for deed sales accounted for 20 percent of all the transfers during the 4-year period 1941-44 and deed transfers for 80 percent. Contracts for deed were used in 21 percent of the sales in 1941 and 1942 and 24 percent in 1943. Their use then dropped to 14 percent in 1944.

Contracts for deed have been used widely by corporations, State credit agencies, and county governments to expedite the disposal of their land holdings. Mortgages are not offered by county governments. It has been the policy of many of these agencies to use contracts for deed when only a small down payment is obtained. In contracts, the title to the land vests with the seller until the terms of the contract have been met. For this reason, the sellers have extra protection, as personal tax and other liens against the buyer cannot be attached to the property. Buyers, however, generally assume a greater risk, as contracts usually carry a heavier burden of indebtedness and repayment schedules more difficult to meet than those commonly found in amortized mortgages.

Contracts for deed are diminishing in number, as agencies using them most either have liquidated their land holdings or now possess only a small area of land for sale. In addition, more sales are for cash and more buyers are financially able to meet the large cash down payment required in deed and mortgage sales. Down payments of contract sales have averaged about 20 percent as compared with 40 to 50 percent in mortgage sales.

ACREAGE OF LAND SOLD  
AS A PERCENTAGE OF LAND IN FARMS,  
SELECTED COUNTIES  
NORTHERN GREAT PLAINS  
1941 - 44

FIGURE 3



## SELLERS OF FARM LAND

The type of sellers has influenced the land market a great deal during recent years. At no time in the history of the Plains had so much land been offered for sale by county governments, State credit agencies, and corporations. During the drought and depression of the 1930's, these groups accumulated vast acreages. The supply of this land on the market has retarded price rises and has contributed greatly to the volume of sales activity. Some of these holdings have been sold rapidly because of public pressure against corporate and public ownership. Laws in some States limit the length of time corporations can hold land, and most of these groups did not wish to remain in the land-management field. At the same time, a strong demand for land by local farmers developed because of increased purchasing power.

During the 4-year period 1941-44, 47 percent of the sales in the 17 counties were by individuals (table 2). Corporations, including the Federal land banks and the Federal Farm Mortgage Corporation, accounted for 22 percent of the sales, county governments and State credit agencies for 25 percent, and estates for 6 percent. Sales by individuals equaled the total of sales by corporations and public credit agencies. The proportion of sales by owner-operators was 12 percent in 1943 and 14 percent in 1944.

In general, during this period, the proportion of sales by individuals and estates increased, and the proportion of sales by corporations and public land-owning agencies decreased.

Table 2.- Type of seller, 17 selected counties,  
Northern Great Plains, 1941-44

Year	Type of seller			
	: Individuals	: Estates	: Corporations	: State & county
	Percent	Percent	Percent	Percent
1941	46	3	22	29
1942	40	6	26	28
1943	45	7	22	26
1944 <sup>1/</sup>	53	8	20	19
4-year average	47	6	22	25

<sup>1/</sup> Fallon County sales, 4th quarter not available.

The number of sales by individuals increased from 951 in 1941 and 842 in 1942 to 1,546 in 1943 and 1,562 in 1944. Estate sales

increased approximately 4 times, from 64 in 1941 to 251 in 1943 and 236 in 1944. The number of sales by corporations ranged from 441 in 1941 to 775 in 1943 and in 1944 was 574. Sales by State credit agencies and county governments increased from 603 in 1941 to 910 in 1943, then dropped to a low of 546 sales in 1944. Sales by county governments and State credit agencies made in the Montana and the western Dakota counties, comprised from 15 to 80 percent of the total (fig. 4). Sales by corporations, in general, were heaviest in the eastern part of the region and in some western spring wheat counties.

#### BUYERS OF FARM LAND

Owner-operators have bought 56 percent of the tracts sold the last 3 years, tenants 23 percent, and nonfarmers 21 percent (table 3). In 1942, owner-operators bought 51 percent of the tracts and in 1944 60 percent. Purchases by tenants decreased from 27 percent in 1942 to 22 percent in 1943 and 1944, and purchases by nonfarmers decreased from 22 percent in 1942 and 1943 to 18 percent in 1944.

Nonfarmer buyers have been buying a larger proportion of the land in the Kansas, Nebraska, and Colorado counties than in the other selected counties (fig. 5). The heaviest concentration of nonfarmer buyers has been in those counties where prices of land are relatively high as compared with the counties where land is low in price. The high-priced land is in the eastern part of the region, and includes also the counties in Kansas, Nebraska, and Colorado. So far, cheap western and northern land has been bought chiefly by local operators.

Table 3.- Type of buyer, 17 selected counties,  
Northern Great Plains, 1942-44

Year	Type of buyer		
	Owner-operator <sup>1/</sup>	Tenant <sup>2/</sup>	Nonfarmer
	Percent	Percent	Percent
1942 <sup>3/</sup>	51	27	22
1943	56	22	22
1944	60	22	18
3-year average	56	23	21

<sup>1/</sup> Includes purchases by full owners and part owners.

<sup>2/</sup> Includes purchases by farm laborers and farm boys.

<sup>3/</sup> Estimated in Adams County, Colo. and the 4 North Dakota counties for those quarters for which data were not available.

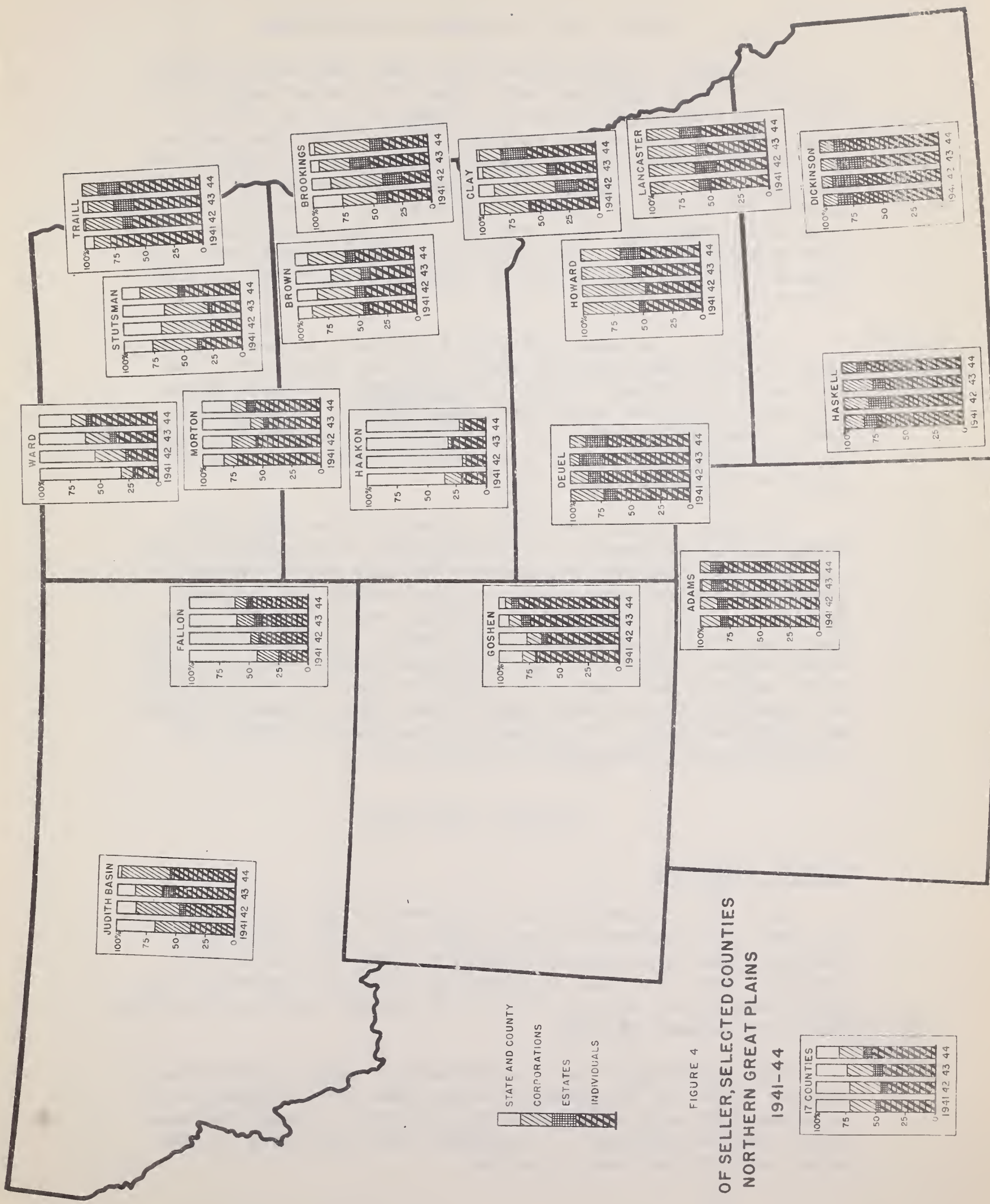


FIGURE 4  
 TYPE OF SELLER, SELECTED COUNTIES  
 NORTHERN GREAT PLAINS  
 1941-44



## PRICES PAID BY FARMERS AND NONFARMERS

Do nonfarmer buyers pay more for land than farmer buyers? Contrary to many opinions, there appeared to be no significant difference between prices paid by either of the two groups (table 4). In most of the counties, during the 2-year period 1943-44, the differences in average prices paid by farmers and nonfarmers were very small. In order to determine any difference in quality of land purchased by these two groups a ratio of price to assessed value was calculated in 12 of the 16 counties. Here, as with average price, there appeared to be no significant difference as to the prices paid by farmers or nonfarmers, except in Goshen County, Wyo.

In Morton, Stutsman, and Traill Counties, N. Dak., farmers appear to have paid more for their land than nonfarmers. But even here, the higher average price probably results from the purchase of improved tracts by farmer buyers. Nonfarmers in these counties more often buy land that has no buildings upon it. The improvement value on farmer-purchased tracts may account for the higher prices paid.

In Goshen County, nonfarmers appear to have paid about twice as much as farmers. This difference is accounted for by the fact that nonfarmers do not buy the cheaper, unimproved, range-land tracts. They usually invest either in irrigated farms or in good wheat-producing tracts, which demand a price many times that of range land. The ratio of price to assessed value does not adjust for the difference in this case, because it is believed that the poorer grades of land are overassessed as compared with underassessment of the higher grades of wheat and irrigated lands. No attempt has been made, however, to collect specific information on this point.

## FINANCING LAND SALES

### Type of financing.

Cash sales increased from 52 percent of all sales in 1942 and 1943 to 62 percent in 1944 (table 5). Sales financed by mortgages decreased from 27 percent in 1942 to 24 percent in 1943 and 1944. Recorded contract-for-deed sales increased from 21 percent of all sales in 1942 to 24 percent in 1943, then dropped to 14 percent in 1944.

The percentage of cash and encumbered sales by years indicates trends in financing, although these data exaggerate the importance of cash sales, as many unrecorded contract-for-deed sales were not obtained. A somewhat lower percentage of cash sales would be the true situation.

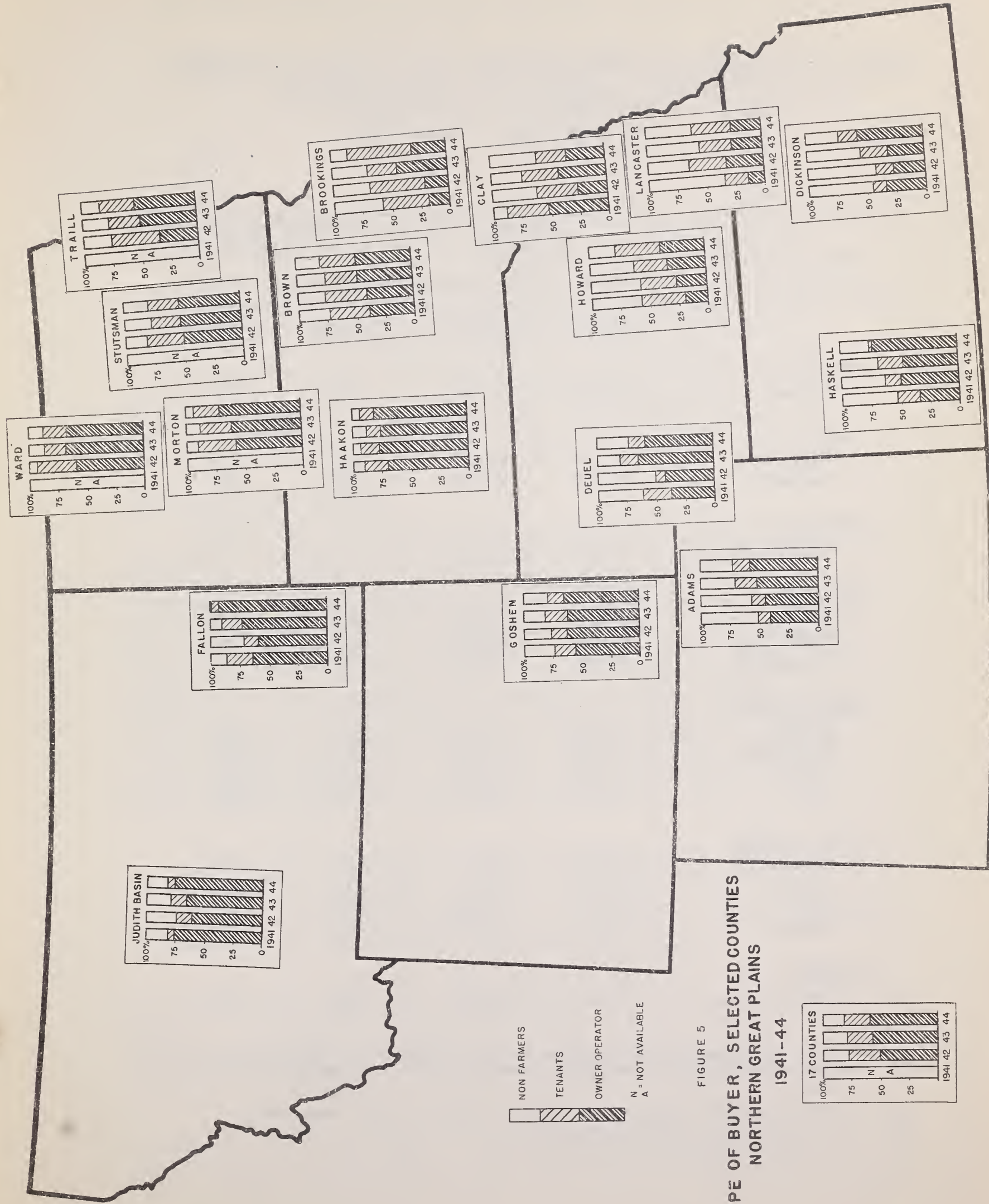


FIGURE 5

**TYPE OF BUYER, SELECTED COUNTIES  
NORTHERN GREAT PLAINS  
1941-44**

Table 4.- Comparison of prices paid and ratio of price to assessed value of land bought by farmers and nonfarmers, 2-year period 1943-44, selected counties, Northern Great Plains. 1/

State & county	Price per acre		Ratio of price to assessed value <u>2/</u>	
	Farmers	Nonfarmers	Farmers	Nonfarmers
	<u>Dollars</u>	<u>Dollars</u>	<u>Percent</u>	<u>Percent</u>
<b>COLORADO</b>				
Adams	21.07	21.68	172	165
<b>KANSAS</b>				
Dickinson	55.65	56.18	150	153
Haskell	30.45	27.05	247	251
<b>MONTANA</b>				
Judith Basin	8.47	10.40	89	79
<b>NEBRASKA</b>				
Deuel	25.57	28.89	187	176
Howard	28.82	32.40	132	144
Lancaster	66.36	67.14	130	130
<b>NORTH DAKOTA</b>				
Morton	9.06	8.45	( <u>3/</u> )	( <u>3/</u> )
Stutsman	9.30	7.02	( <u>3/</u> )	( <u>3/</u> )
Traill	35.83	26.62	( <u>3/</u> )	( <u>3/</u> )
Ward	10.79	11.92	( <u>3/</u> )	( <u>3/</u> )
<b>SOUTH DAKOTA</b>				
Brookings	39.28	35.56	103	94
Brown	21.75	19.77	115	111
Clay	72.59	71.18	115	116
Haakon	1.55	1.87	32	37
<b>WYOMING</b>				
Goshen	9.14	19.21	179	238

1/ Fallon County, Mont. omitted, because sales to nonfarmers were so few.

2/ A higher ratio indicates a higher price having been paid.

3/ Assessment data not available.

Table 5.- Method of financing land sales, 17 selected counties,  
Northern Great Plains, 1942-44

Year	Type of financing		
	Cash	Mortgage	Contract for deed
	Percent	Percent	Percent
1942	1/ 52	1/ 27	21
1943	52	24	24
1944	62	24	14

1/ Estimated for some counties when data were not available.

Between 1943 and 1944, the proportion of cash sales generally increased more in the counties in low-priced land areas and increased less in the counties in high-priced land areas of the eastern portion of the region (fig. 6). The percentage of sales financed by mortgages decreased considerably in Deuel, Haskell, and Adams Counties which are in the southwest winter wheat belt, and cash sales increased proportionately. These trends toward more cash sales indicate that farmers as well as nonfarmer buyers have more ready cash for the purchase of land.

#### Type of lender, 1943-44.

During 1944, individuals were the chief class of lenders; they financed 27 percent of all encumbered sales. Insurance companies were next in importance, financing 20 percent of the sales. County governments extended credit for 18 percent, Federal land banks for 14 percent, State credit agencies for 12 percent, commercial banks for 6 percent, and other corporations for 3 percent. During 1943, county governments were the chief class of lenders, financing 27 percent of all encumbered sales. Individuals were next in importance (table 6). The sharp increase from 1943 to 1944 in percentage of sales financed by individuals and insurance companies was due primarily to the reduction in land sales and their financing by the public credit agencies. For the most part, public credit agencies provided the credit by contract for deed.

During 1943, 72 percent of the encumbered sales were financed by purchase-money mortgages (including contracts for deeds), 10 percent by assumed mortgages, and 18 percent by new third-party mortgages. In 1944, 64 percent were purchase-money mortgages, 9 percent assumed mortgages, and 27 percent new third-party mortgages.

Buyers, who secure new third-party mortgages for the purchase of land, obtain credit from individuals more than from any other source. Individuals provided credit for 33 percent of the mortgage sales made in 1943 and 38 percent in 1944. Federal land banks and commercial banks were of about equal importance, each providing slightly over 20 percent of the new mortgages for the 2 years.

More than half of all old mortgages assumed by purchasers were Federal land bank mortgages. Purchase-money mortgages, that is, those supplied by the seller, were used most by public credit agencies and individuals (table 6).

TYPE OF FINANCING, SELECTED COUNTIES  
NORTHERN GREAT PLAINS

1941-44

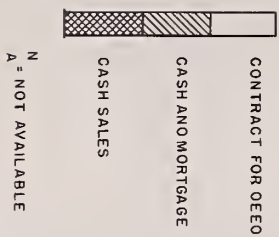


FIGURE 6

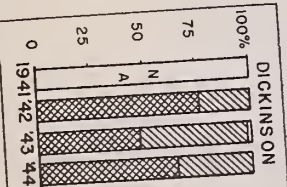
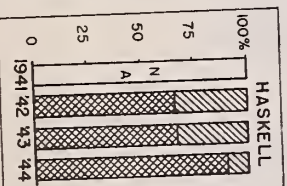
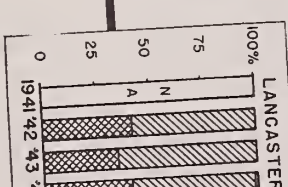
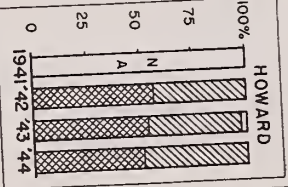
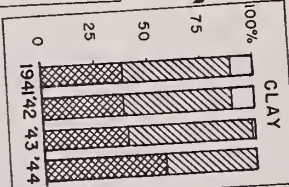
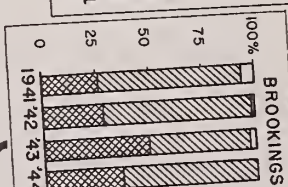
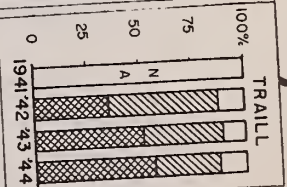
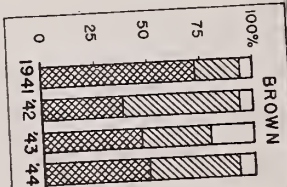
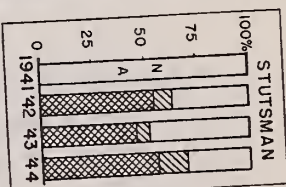
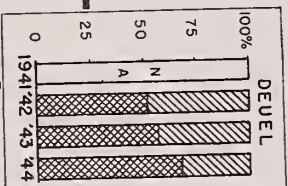
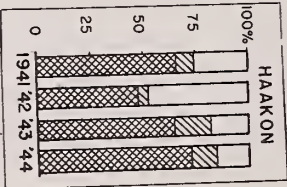
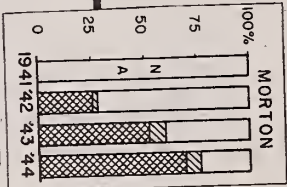
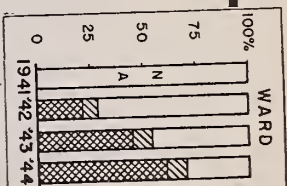
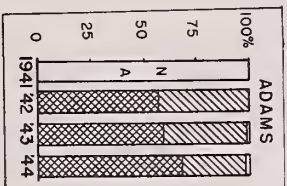
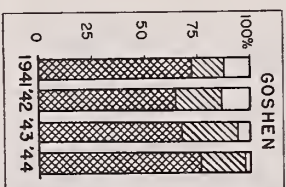
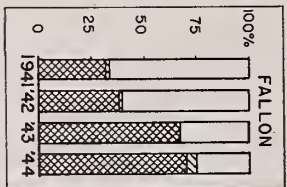
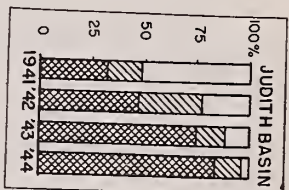
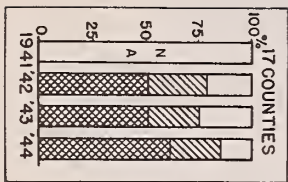


Table 6.- Class of lender by type of mortgage,  
17 selected counties, Northern Great Plains, 1943-44

Class of lender	Type of mortgage 1/							
	Purchase- 2/ money mortgage		Assumed mortgage		New third-party mortgage 3/		Average all types	
	1943	1944	1943	1944	1943	1944	1943	1944
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Individual	20	24	15	12	33	38	22	27
FLB & FFMC 4/	4	5	62	56	22	21	13	14
Insurance company	13	23	13	19	11	14	13	20
Commercial bank	1	0	1	5	22	20	4	6
Other corporations	1	1	5	7	12	7	4	3
State credit agencies	24	19	4	1	0	0	17	12
County governments	37	28	0	0	0	0	27	18
Total	100	100	100	100	100	100	100	100

1/ Based on prior liens.

2/ Includes all recorded contracts for deed.

3/ New credit provided by other than the seller.

4/ Includes a few mortgages by Joint Stock Land Banks and Farm Security Administration.

Average debt per acre and average price.

In a number of counties, average indebtedness per acre on encumbered sales in 1944 about equals the average price of all sales in 1941 (table 7). In Haskell, Judith Basin, Howard, Morton, Ward, and Brown, average prices of encumbered sales about equaled average prices of all sales. In addition, the average assessed value of the sales in 4 of these 6 counties indicated that about the same grade of land was transferred in 1944 as compared with other years. Assessment data were not available in the other 2 counties, Morton and Ward, N. Dak.; and it is therefore impossible to determine changes in quality of land. Nevertheless, it appears that the average buyer in these 6 counties in 1944, who used credit for land purchase, went in debt for about the price for which the land might have sold in 1941. If prices of land suddenly declined to 1941 levels, the equity of the average 1944 buyer of encumbered property would be wiped out.

Average indebtedness per acre on the encumbered sales in the remaining 11 counties also has increased greatly except in those counties where the increase in prices of land has been small. An accurate comparison could not be made in some of the 11 counties, because average prices of the encumbered sales exceeded the price of cash sales.

Forty-six percent of those who bought land on credit in the 17 counties in 1944 went in debt for 75 percent or more of the purchase price, and 42 percent went in debt for 50 to 74 percent of the purchase price. The down payment on sales financed by credit averaged only 37 percent.

Table 7.- Average price per acre of all sales and price and indebtedness per acre of encumbered sales, 6 selected counties, Northern Great Plains, 1941-44

Item & years	Selected counties					
	Haskell	Judith Basin	Howard	Morton	Ward	Brown
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>Average price per acre, all sales:</u>						
1941	17	8	17	6	8	14
1942	23	9	20	8	8	16
1943	28	7	27	9	9	20
1944	33	10	30	10	13	22
<u>Average price per acre, encumbered sales:</u>						
1941	(1/)	8	(1/)	(1/)	(1/)	16
1942	22	11	20	9	8	17
1943	28	6	30	10	9	22
1944	31	12	29	11	12	23
<u>Average indebtedness per acre:</u>						
1941	(1/)	6	(1/)	(1/)	(1/)	14
1942	11	9	12	7	6	11
1943	16	5	20	7	6	16
1944	15	7	18	8	8	15

1/ Mortgage data not available.

About 1 purchaser in every 7 buying land during 1944 went in debt for 75 percent or more of the purchase price. One buyer in 4 went in debt for 50 percent or more of the purchase price. Although this unfavorable aspect of the land market exists, the percentage of cash sales is increasing and the average down payment on encumbered sales is increasing slightly, both on a percentage and a per acre basis.

Estimated expenditure for land purchase.

Buyers spent an estimated 5.7 million dollars for land in the 17 counties in 1941, 7.1 million in 1942, 12.1 million in 1943, and 12.7 million in 1944 (table 8). Total expenditures for land increased 123 percent from 1941 to 1944. The expenditure for cash sales increased 170 percent, and the expenditure for encumbered sales increased 85 percent from 1941 to 1944. The difference was due to the declining proportion of encumbered sales and the increasing proportion of cash sales.

Table 8.- Estimated total consideration of all sales by type of financing and amount of encumbrance, 17 selected counties, Northern Great Plains, 1941-44 1/

Total consideration	Year				Percentage increase	
	1941	1942	1943	1944 <u>2/</u>	1941 to 1943	1941 to 1944
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
All sales	5.7	7.1	12.1	12.7	112	123
Cash sales	2.6	2.7	5.0	6.9	97	170
Encumbered sales	3.1	4.4	7.0	5.8	125	85
Gross indebtedness	2.1	2.9	4.6	3.7	122	76

- 1/ The per acre price of sales with full consideration was applied to sales for which full consideration was not known. The mortgage data for some quarters in some counties in 1941 and 1942 were estimated from the succeeding years' percentage.
- 2/ Data for 4th quarter 1944 not included for Fallon County.

The amount of gross indebtedness incurred upon land purchase was 2.1 million dollars in 1941, 2.9 million in 1942, 4.6 million in 1943, and then fell to 3.7 million dollars in 1944. These amounts represented both mortgages and contract balances of known contracts for deed, calculated for all sales. The increase in gross indebtedness was less than that of total expenditures for land, mainly because more land was bought for cash.

It is estimated that an amount approximately equal to 9 percent of the cash farm income in the Northern Great Plains was used to buy land in 1941. In 1944, despite a cash farm income of nearly double that of 1941, an amount equal to nearly 10 percent was used for land purchase.



RESALE ACTIVITY, 1943-44

Volume of resales.

The number of resales (properties held 24 months or less, in the 17 counties increased from 190 in 1943 to 211 in 1944, despite a decrease in volume of all sales in 1944. Resales accounted for 5.5 percent of all sales in 1943 and 7.2 percent in 1944 (table 9). Except in a few counties, resale activity has not been particularly heavy; partly because of the large supply of land owned by corporate and public landlords. Resales have been more numerous in the winter wheat area of western Kansas, western Nebraska, and eastern Colorado than elsewhere in the region. In Haskell County, resales accounted for 17 percent of all sales in 1943 and 18 percent in 1944, in Deuel County, 8 and 11 percent, and in Adams County, 12 and 19 percent, respectively. Judith Basin County, Mont. had 9 percent resales in 1943 and 11 percent in 1944. Prices of land in these 4 counties have doubled since 1941. In no other county did the number of resales exceed 9 percent.

Table 9.- Number of resales of properties held 24 months or less, 17 selected counties, Northern Great Plains, 1943-44

Year	Months between purchase and resale					Total	Proportion of resales to all sales
	6 or less	7 to 12	13 to 18	19 to 24	24 or more		
	Number	Number	Number	Number	Number	Percent	
1943	90	43	30	27	190	5.5	
1944	89	45	55	22	211	7.2	

Resale activity increased in 12 of the 17 counties between 1943 and 1944. The five remaining counties showing a decrease were Dickinson, Fallon, Brookings, Brown, and Haakon.

Approximately 45 percent of the resales during the 2-year period 1943-44 occurred within 6 months after the original purchase, 22 percent from 7 to 12 months, 21 percent from 13 to 18 months, and 12 percent from 19 to 24 months. On the average, a slightly greater time lapse occurred on resales in 1944 than in 1943.

Profits from resales.

Almost without exception, resale prices equaled or exceeded the price of the original purchase. The resales occurred mainly for the

taking of profits, although a few were for expediting sales by realtors. The average price increase for resales amounted to 30 percent in 1943 and 25 percent in 1944 (table 10).

Table 10.- Profits from resales held 24 months or less, 17 selected counties, Northern Great Plains.

Year	Volume <sup>1/</sup>		Consideration of resales		
			Original	Subsequent	Percentage
			purchase	sale	increase
	<u>Number</u>	<u>Acres</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Percent</u>
1943	78	19,001	320,544	416,959	30
1944	103	28,217	473,486	590,784	25

<sup>1/</sup> Includes only those tracts where the price of land was known.

#### VOLUME OF DISTRESS TRANSFERS

Not until 1943 and 1944 did the volume of distress transfers decline appreciably. There were 1,119 distress transfers (tax deeds, foreclosures, and assignments to avoid foreclosure) in the 17 counties in 1941, 920 in 1942, 338 in 1943, and only 159 in 1944. Distress transfers numbered only 39 the last half of 1944 as compared with 642 the last half of 1942. The volume of distress transfers was high during 1941 and 1942 because moratoria legislation in some States had delayed tax-deed action until that time.



## APPENDIX

### I. Tables

The following tables contain detailed land-market data, by counties, from which further analysis can be made.

Table 1.- Quarterly indexes of land prices, selected counties,  
Northern Great Plains, 1941-44

(1942 = 100)

Selected counties	1941				1942				1943				1944			
	1st	2d	3d	4th	1st	2d	3d	4th	1st	2d	3d	4th	1st	2d	3d	4th
<u>COLORADO</u>																
Adams	89	83	77	87	91	95	93	109	119	136	157	147	148	148	144	179
<u>KANSAS</u>																
Dickinson	103	94	100	89	102	103	103	95	105	98	111	107	117	128	122	110
Haskell	66	65	86	99	99	90	99	106	119	126	160	145	151	166	152	145
<u>MONTANA</u>																
Fallon	123	92	98	114	106	74	99	92	91	117	160	145	201	232	261	150
Judith Basin	65	71	106	99	107	89	87	88	72	103	96	121	134	153	162	155
<u>NEBRASKA</u>																
Deuel	82	77	74	93	104	98	96	111	97	107	127	133	121	141	153	160
Howard	106	91	99	--	94	94	98	115	118	119	128	135	141	165	137	171
Lancaster	102	96	83	98	100	107	93	86	95	123	108	126	141	145	137	156
<u>NORTH DAKOTA</u>																
Morton	53	57	63	73	99	93	87	105	106	103	126	117	137	134	115	147
Stutsman	67	62	79	77	89	92	102	107	116	99	112	130	123	100	115	154
Traill	98	104	105	84	99	98	90	105	115	92	117	126	121	124	110	124
Ward	88	103	95	105	90	98	112	104	99	107	118	114	145	134	141	138
<u>SOUTH DAKOTA</u>																
Brookings	97	93	108	99	96	96	107	101	108	102	124	108	126	118	131	129
Brown	99	88	89	85	103	85	96	100	103	112	111	121	125	143	144	151
Clay	95	107	102	98	92	94	90	123	112	114	126	140	140	152	126	142
Haakon	88	78	92	96	89	105	112	99	114	106	104	80	83	97	125	99
<u>WYOMING</u>																
Goshen	102	87	93	88	92	101	83	109	91	115	115	107	135	134	129	133
AVERAGE	88	84	91	92	97	95	97	103	104	110	122	123	133	139	139	143

<sup>1/</sup>The average index for 17 counties is a geometric mean in which each county index is given a weight of one. The average for the 4th quarter of 1941 computed by assuming the index for Howard County to be the average of the preceding and following quarters.

Table 2.- Volume of land sales, selected counties  
Northern Great Plains, 1941-44

Selected counties	Number of sales				Acreage sold			
	1941	1942	1943	1944	1941	1942	1943	1944
	Number	Number	Number	Number	Acres	Acres	Acres	Acres
<b>COLORADO</b>								
Adams	217	177	292	196	56,023	53,567	71,818	49,222
<b>KANSAS</b>								
Dickinson	85	60	106	67	11,938	7,480	13,154	8,308
Haskell	53	48	72	49	16,828	11,939	17,089	14,318
<b>MONTANA</b>								
Fallon	111	123	87	<sup>1/2</sup> 113	43,193	44,537	30,177	<sup>1/2</sup> 49,448
Judith Basin	163	97	133	141	50,121	40,496	42,363	52,517
<b>NEBRASKA</b>								
Deuel	46	32	53	38	10,980	9,223	18,208	10,108
Howard	21	44	70	99	3,433	6,007	13,167	18,320
Lancaster	44	84	153	143	5,430	10,517	18,930	17,778
<b>NORTH DAKOTA</b>								
Morton	173	200	302	214	45,890	48,938	83,747	51,668
Stutsman	203	284	613	336	45,840	75,734	162,317	82,550
Traill	53	80	54	93	11,994	21,679	12,157	25,140
Ward	395	393	579	517	73,704	81,896	116,488	93,027
<b>SOUTH DAKOTA</b>								
Brookings	65	115	151	153	10,004	18,768	25,976	25,533
Brown	138	165	323	279	29,418	32,080	58,904	56,237
Clay	46	53	73	60	5,180	7,131	9,075	5,639
Haakon	141	155	239	281	55,068	56,923	77,995	99,591
<b>WYOMING</b>								
Goshen	193	112	182	170	76,941	32,294	58,462	57,512
<b>TOTAL</b>	2,147	2,222	3,482	2,949	551,985	559,209	830,027	716,916

<sup>1/2</sup> 4th quarter estimated.

Table 3.- Number of land sales by type of seller, selected counties,  
Northern Great Plains, 1941-44

Selected counties:	1941		1942		1943		1944									
	Individ:	State & County:	Individ:	State & County:	Individ:	State & County:	Individ:	State & County:								
<b>COLORADO</b>																
Adams	165	12	40	0	133	13	26	0	237	29	24	2	157	22	17	0
<b>KANSAS</b>																
Dickinson	64	11	10	0	38	12	5	0	66	25	7	0	54	5	8	0
Haskell	38	6	9	0	24	7	8	0	47	7	18	0	39	4	6	0
<b>MONTANA</b>																
Pailion ✓	27	0	20	64	45	1	8	59	33	6	13	35	39	4	8	32
Judith Basin	61	0	49	54	35	4	31	13	68	14	31	20	77	2	58	4
<b>NEBRASKA</b>																
Deuel	28	5	13	0	20	3	4	0	39	10	4	0	26	7	5	0
Howard	10	1	10	0	16	1	19	0	35	5	30	0	49	17	33	0
Lancaster	20	4	17	0	32	13	29	0	77	14	62	0	76	26	40	0
<b>NORTH DAKOTA</b>																
Morton	96	0	17	24	103	3	40	48	134	12	32	124	117	16	27	54
Stutsman	68	5	75	49	70	1	114	89	152	21	226	214	157	21	106	52
Traill	38	0	7	4	41	6	23	1	31	9	12	2	63	18	12	0
Ward	70	4	37	24	98	7	102	182	203	28	119	229	284	28	65	140
<b>SOUTH DAKOTA</b>																
Brookings	24	6	19	16	28	18	51	18	75	25	40	11	58	17	72	6
Brown	54	7	59	16	63	13	47	26	123	22	85	93	138	22	89	30
Clay	26	1	17	2	8	9	24	6	25	6	39	3	35	13	11	1
Haskell	28	1	20	92	25	0	4	120	65	4	7	163	51	3	8	219
<b>WYOMING</b>																
Goshen	134	1	22	36	63	5	13	24	136	14	18	14	142	11	9	8
<b>TOTAL</b>	951	64	441	603	842	116	548	586	1,546	251	775	910	1,562	236	574	546

✓ 4th quarter 1944 not included.

Table 4.- Number of land sales classified by type of buyer, selected counties, Northern Great Plains, 1941-44

Selected counties	1941		1942		1943		1944	
	Owner- operator:	Non- farmer:	Owner- operator:	Non- farmer:	Tenant	Owner- operator:	Non- farmer:	Tenant
	Number	Number	Number	Number	Number	Number	Number	Number
<u>COLORADO</u>								
Adams	2/ 43	2/ 11	2/ 51	2/ 49	48	72	104	26
<u>KANSAS</u>								
Dickinson	2/ 12	2/ 4	15	32	22	45	32	9
Haskell	18	10	19	15	15	23	35	1
<u>MONTANA</u>								
Fallon	2/ 32	2/ 11	66	32	15	9	2/ 75	2/ 5
Judith Basin	2/ 67	2/ 4	50	21	16	27	105	9
<u>NEBRASKA</u>								
Deuel	17	11	11	13	8	10	22	5
Howard	4	8	9	15	20	27	36	36
Lancaster	5	7	19	22	36	58	31	38
<u>NORTH DAKOTA</u>								
Morton	--	--	2/ 54	2/ 10	73	31	132	40
Stutsman	--	--	2/ 46	2/ 16	107	100	138	69
Traill	--	--	2/ 19	2/ 13	12	10	45	25
Ward	--	--	2/ 154	2/ 18	91	62	296	89
<u>SOUTH DAKOTA</u>								
Brookings	9	20	20	31	31	39	39	70
Brown	2/ 27	2/ 24	55	34	86	74	123	79
Clay	2/ 8	2/ 5	12	18	20	17	18	14
Haakon	2/ 62	2/ 18	115	10	27	29	211	32
<u>WYOMING</u>								
Goshen	2/ 50	2/ 16	60	23	31	32	107	22

1/ Includes purchases by farm laborers and farm boys.

2/ Not all quarters included.



Table 5.-- Number of sales classified by type of financing, selected countries, Northern Great Plains, 1942-44

Selected countries	1942 <sup>1/</sup>			1943			1944		
	Cash sales	Mortgage sales	Contract for deed	Cash sales	Mortgage sales	Contract for deed	Cash sales	Mortgage sales	Contract for deed
	Number	Number	Number	Number	Number	Number	Number	Number	Number
<u>COLORADO</u>									
Adams	2/ 20	2/ 15	0	171	117	4	133	59	4
<u>KANSAS</u>									
Dickinson	31	10	0	51	54	1	43	23	0
Haskell	19	10	0	48	24	0	44	5	0
<u>MONTANA</u>									
Fallon	31	1	47	58	0	29	5/ 58	5/ 4	5/ 21
Judith Basin	19	12	9	100	18	15	119	18	4
<u>NEBRASKA</u>									
Deuel	12	11	0	30	23	0	26	12	0
Howard	16	12	0	38	30	2	51	48	0
Lancaster	23	32	0	54	99	0	59	82	1
<u>NORTH DAKOTA</u>									
Morton	3/ 20	3/ 1	3/ 44	160	25	117	149	15	50
Stutsman	3/ 55	3/ 9	3/ 37	261	33	290	184	49	103
Treall	3/ 9	3/ 13	3/ 3	26	19	5	54	29	10
Ward	4/ 47	4/ 14	4/ 149	260	61	258	322	45	149
<u>SOUTH DAKOTA</u>									
Brookings	33	81*	1	75	71	5	56	96	1
Brown	35	50	5	153	107	63	139	117	22
Clay	44	18	4	29	42	2	33	24	0
Haskell	61	5	60	155	41	43	205	31	45
<u>WYOMING</u>									
Goshen	51	16	11	116	45	10	132	34	4
TOTAL	(6/)	(6/)	(6/)	1,785	809	844	1,807	691	414

1/ Based on full consideration sales only, except Brookings County.  
 2/ 4th quarter only.  
 3/ 3d and 4th quarters only.  
 4/ 2d, 3d, and 4th quarters only.  
 5/ 1st, 2d, and 3d quarters only.  
 6/ Not comparable with totals for 1943 and 1944 because of missing quarters.

Table 6.- Number of sales by type of lender, selected counties,  
Northern Great Plains, 1943-44

Selected counties :	1943											1944																
	Type of lender						Type of lender					Type of lender					Type of lender											
	Individ.	FLB & LBC	Ins. : Cos.	Com. : Banks	Other : Cr. Ag.	State : Govt.	County : Individ.	FLB & LBC	Ins. : Cos.	Com. : Banks	Other : Cr. Ag.	State : Govt.	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	
COLORADO																												
Adams	91	9	5	7	6	0	44	9	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KANSAS																												
Dickinson	17	11	7	12	8	0	4	3	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Haskell	13	3	0	3	5	0	2	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MONTANA																												
Fallon <sup>1/</sup>	2	0	0	0	0	0	3	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Judith Basin	3	4	5	6	1	0	3	2	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NEBRASKA																												
Deuel	5	16	1	0	1	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Howard	13	8	7	0	4	0	18	11	9	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lancaster	18	33	37	6	4	0	12	25	34	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NORTH DAKOTA																												
Morton	20	15	0	3	0	62	17	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Stutsman	30	5	27	4	6	33	36	18	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Traill	5	4	5	4	2	3	16	10	8	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ward	34	10	20	4	8	52	38	8	11	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SOUTH DAKOTA																												
Brookings	7	18	23	10	1	5	9	21	44	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Brown	25	33	29	5	7	53	32	23	56	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Clay	9	9	23	3	0	0	6	6	9	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Haakon	1	1	1	0	0	39	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WYOMING																												
Goshen	29	14	2	0	0	10	25	6	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	322	193	192	67	53	257	274	145	207	62	31	126	188	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

<sup>1/</sup> 4th quarter 1944 not included.

Table 7.- Average price of all and encumbered sales and indebtedness per acre, selected counties, Northern Great Plains, 1941-44

Selected counties	Average price per acre of all sales				Average price per acre of encumbered sales				Average indebtedness per acre of encumbered sales			
	1941	1942	1943	1944	1941	1942	1943	1944	1941	1942	1943	1944
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>COLORADO</u>												
Adams	12	17	25	24	--	23	34	23	--	12	20	13
<u>KANSAS</u>												
Dickinson	52	53	49	65	--	43	47	64	--	28	25	34
Haskell	17	23	28	33	--	22	28	31	--	11	16	15
<u>MONTANA</u>												
Fallon	2	2	3	5	2	2	2	4	2	2	1	3
Judith Basin	8	9	7	10	8	11	6	12	6	9	5	7
<u>NEBRASKA</u>												
Deuel	21	20	23	28	--	22	23	37	--	11	11	18
Howard	17	20	27	30	--	20	30	29	--	12	20	18
Lancaster	50	52	58	76	--	52	59	72	--	32	39	45
<u>NORTH DAKOTA</u>												
Morton	6	8	9	10	--	9	10	11	--	7	7	8
Stutsman	6	8	8	11	--	--	9	13	--	--	7	10
Traill	26	29	30	34	--	--	30	35	--	--	19	22
Ward	8	8	9	13	--	8	9	12	--	6	6	8
<u>SOUTH DAKOTA</u>												
Brookings	30	33	35	40	33	36	37	43	23	22	22	27
Brown	14	16	20	22	16	17	22	23	14	11	16	15
Clay	59	56	66	82	60	55	67	87	41	36	42	48
Haskell	2	1	2	2	2	2	2	2	1	1	2	1
<u>WYOMING</u>												
Goshen	7	8	10	11	8	9	11	10	5	6	6	5

1/ Calculated by applying average price of cash sales and average price of encumbered sales with full consideration, to the total acreage of cash sales and the total acreage of encumbered sales.

II. List of quarterly land market research memoranda

Subject: Land Market Activity in the Northern Great Plains Region.

<u>Research Memorandum</u> <u>No.</u>	<u>Date</u>	<u>Author</u>
3	April 10, 1942	Edward J. Paul
5	June 12, 1942	Raymond J. Penn Edward J. Paul
7	August 12, 1942	Lyman W. Wallin Edward J. Paul
8	November 6, 1942	Lyman W. Wallin Edward J. Paul
9	February 13, 1943	Morris H. Taylor Edward J. Paul
10	May 15, 1943	Lyman W. Wallin Morris H. Taylor
11	August 11, 1943	Edward J. Paul Lyman W. Wallin
13	November 10, 1943	Robert L. Berger Edward J. Paul
17	February 11, 1944	Lyman W. Wallin Robert L. Berger
23	May 13, 1944	Glen V. Vergeront Lyman W. Wallin
24	August 12, 1944	Robert L. Berger Glen V. Vergeront
26	November 1944	Stanley W. Voelker Robert L. Berger
29	February 1945	John W. Porter Stanley W. Voelker

Subject: Index of Farm Real Estate Prices Selected Counties in the Northern Great Plains States.

Research Memorandum No. 18      February 1944      Stanley W. Voelker

