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South Dakota Farmland Values and Sale Prices: Long Term and Recent Trends- Statewide, Regional, Selected Counties

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SOUTH DAKOTA FARMLAND VALUES AND SALE PRICES*

Long Term and Recent Trends
Statewide
Regional
Selected Counties

by

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SUMMARY

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This report examines selected agricultural land market trends in South Dakota at the state, regional and county level. Long term trends (1910-1987) in agricultural land values are presented for the state and its substate regions. Recent trends (1975-1987) in South Dakota farm real estate sale prices and related characteristics are presented at the state, region, and, where possible, county levels. This includes annual information for 51 counties in eastern and central regions of South Dakota.

Long term agricultural land value data is summarized from U.S. Census of Agriculture reports. Recent data is obtained from analysis of a computerized data base of farm real estate sales transactions provided by the Federal Land Bank of Omaha.

*Dr. Larry Janssen is an Associate Professor of Economics at South Dakota State University. The author wishes to thank personnel at the Federal Land Bank of Omaha for their cooperation and assistance in providing the Economics Department with the computerized dataset of South Dakota farm real estate transactions which was used to examine recent trends in farm real estate sales from 1975 to 1987. Thanks very much to Dean DeVos and Mark Leddy, current and former undergraduate assistants, for preparing the tables in this report. Also thanks to Mrs. Verna Clark for typing the tables and text. Finally, thanks to the reviewers, Dr. Tom Dobbs and Dr. Martin Beutler for their constructive comments.

Long Term Trends in Farm Real Estate Values

Farm real estate values have fluctuated considerably in the Twentieth Century throughout South Dakota. Average per acre farmland values increased from 1910-1920 in all regions of South Dakota with the highest rate of increases in eastern regions of the state. Farmland values declined substantially from 1920 to the early 1940's with the highest rates of decline in the central and eastern regions of South Dakota. By 1941 farmland values statewide were one-sixth of the peak value reported in 1920.

Farmland values began a steady upward trend from the early 1940's to the early 1970's and exploded during the agricultural export boom period. Statewide, farmland values were $12 per acre in 1941, $87 in 1971 and $349 per acre in early 1982. During this 40+ year period, farmland values increased at more rapid rates in central and western South Dakota, than in the State as a whole.

Farm real estate values and sale prices sharply declined from the early 1980's to 1987. In 1987, farm real estate values statewide were less than one-half of the peak values only five years earlier. This is the greatest five-year decline in South Dakota during this century.

Real (inflation adjusted) land values also declined for 20-25 years until the early 1940's. From 1945 to 1972, South Dakota agricultural land values doubled in real terms and doubled again from 1972 to 1981, but declined sharply (-57%) from 1981 to 1987. The peak in real values in 21 counties of eastern and central South Dakota occurred in the 1910-1920 period. In all other counties of South Dakota, peak real land values occurred in the 1978-1982 period.

Recent Trends in Farm Real Estate Sales

Tremendous regional variation exist in farm real estate sale prices across South Dakota. Average prices per acre were compared across counties by developing a percentage price index. The percentage index was set at 100 in Lincoln county where the highest average prices occurred. The percentage index of average per acre farmland prices from 1975-1987 varies from 14 and 17 in northwest and southwest South Dakota to 100 in Lincoln county. Only 10 counties in the southeast and east central regions have average farmland sale prices exceeding 50% of average farmland prices in Lincoln county. Farm real estate in all other counties of eastern and central South Dakota have percentage price indexes between 18% and 47% of average farmland sale prices in Lincoln county. A majority of the variation in farmland sale prices can be explained by variation in land quality and productivity.

Peak average farm real estate prices occurred in the early 1980's in all regions of South Dakota and varied from $180-$225 per acre in northwest and southwest South Dakota to more than $1100 per acre in Lincoln, Union, Minnehaha, Moody, Turner and Clay counties in eastern South Dakota.

Median sale prices per acre are generally higher than average sale prices per acre statewide and in some regions of South Dakota. Across the state and in several regions, larger size tracts tend to have a lower proportion of cultivated land and are sold for a lower per acre price. The median price tract typically is smaller and has a higher proportion of cultivated land and a higher per acre price than the average price tract.

Average size of tract sold increases from 100-140 acres in southeast South Dakota to over 1000 acres in northwest and southwest South Dakota. Conversely, the proportion of cropland sold exceeds 70% in most counties of

southeast and east central South Dakota but is less than 35% in western regions of South Dakota.

Within each region, there is tremendous annual variation in per acre sale prices among tracts sold. The practical range of the sale prices (excluding the top 10% and bottom 10% of per acre sale prices) is often more than fourfold - between the lowest and highest per acre sale prices.

Overall, South Dakota has tremendous variation in farmland values and prices across the state and within each region. This diversity reflects the differences in agricultural enterprises and land productivity across the state. South Dakotan's also have experienced tremendous variation in farm real estate values over time in all regions of the state. However, although the same set of economic forces influence land values in all regions, the magnitude of impacts differs.

I. INTRODUCTION

South Dakota agricultural land[1] prices have declined sharply for 5 consecutive years. Agricultural land values and sale prices per acre in mid-1987 are less than one-half of the amounts reported in late 1981 and early 1982. This is the first several year period of declining agricultural land prices since the 1920's and 1930's, and is the largest percentage decline for a five year period in the Twentieth Century. Recently reported data (1987) on farmland sales from several regions of the state indicates the downward spiral in per acre sale prices has slowed or stopped.

These trends are important because farm real estate represents 60-65% of the total value of farm business assets in South Dakota and is used to secure over 60% of farm debt. Changes in farmland prices and values have major impacts on: (1) the wealth and credit (collateral) base of farmland owners, (2) credit policies established by agricultural lenders, and eventually, (3) property tax assessments to support local governments.

Thus, agricultural land market trends are major indicators of the economic well-being of agriculture and rural communities. Many people--farm operators, landowners, prospective buyers and sellers of farm real estate, agricultural lenders, agribusiness managers, public officials, and others--have interest in and are affected by farmland market trends.

Purpose of Report

This report examines agricultural land market trends in South Dakota at the state, regional and, county level. Specifically, this report presents information on:

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[1]The terms "agricultural real estate", "farm real estate", "agricultural land" and "farmland" are used interchangeably throughout this report.

(1) Long term trends in agricultural land values in South Dakota and its substate regions (Crop Reporting Districts); and

(2) Recent trends (1975-1987) in South Dakota farm real estate sale prices and other characteristics at the state, regional and, where possible, county levels.

This report is intended for farm managers, land owners, farm appraisers and related professionals requesting information on substate regional and county farm real estate market trends in South Dakota.

Data Sources

Long term trends in agricultural land values are summarized from data published in (1) U.S. Census of Agriculture-South Dakota and (2) Agricultural Land Values and Markets and earlier Farm Real Estate Market and Developments reports.

Agricultural land value data are collected by the USDA through an annual survey of farm real estate professionals and agricultural lenders. Statewide estimates of per acre value and an index of changes in land values are published. The per acre values are adjusted to conform with benchmark land values obtained from the Census of Agriculture reports published every 4-5 years. The U.S. Census of Agriculture obtains land value estimates from all farm operators completing the questionnaire. This is the major source of county and regional agricultural land value data, but it is only available every 4-5 years (NCR-123, 1985).

Recent trends (1975-1987) in sale prices and other characteristics of farm real estate sold in South Dakota were developed from a computerized database of farm real estate sales transactions provided by the Federal Land

Bank (FLB) of Omaha.[2]

Through a cooperative agreement with the SDSU Economics Department, the FLB provides information on many sale tract characteristics, except for the name of seller and buyer and related confidential information. The data base is used only for research purposes, including those reported in this study. It is an invaluable source of data for detailed analysis of the farm real estate market at a statewide or substate (regional/county) level.

II. LONG TERM TRENDS IN SOUTH DAKOTA AGRICULTURAL REAL ESTATE VALUES

Statewide Trends

Farm real estate values have fluctuated considerably in the Twentieth Century in South Dakota (Figure 2.1 and Table 2.1). Average per acre farmland values increased from $39 in 1910 to an early peak of $71 in 1920. Values then declined for the next 21 years to a low of $12 in 1941. Farm real estate values then began a steady upward trend, reaching $87 in 1971. During the export boom period of the 1970s, land values "exploded", reaching a peak of $349 per acre in early 1982. The annual rate of increase in South Dakota farm real estate values was 4 to 5% from 1950 to 1971 and 12 to 14% from 1971 to 1982, with some year to year increases exceeding 25%.

Farm real estate values and sale prices have sharply declined since 1982. In 1987, farm real estate values were less than one-half of their peak value only 5 years earlier. This is the greatest 5-year percentage and absolute dollar decline in this century. The decline is even more dramatic if one views farm real estate values in terms of real purchasing power--with land

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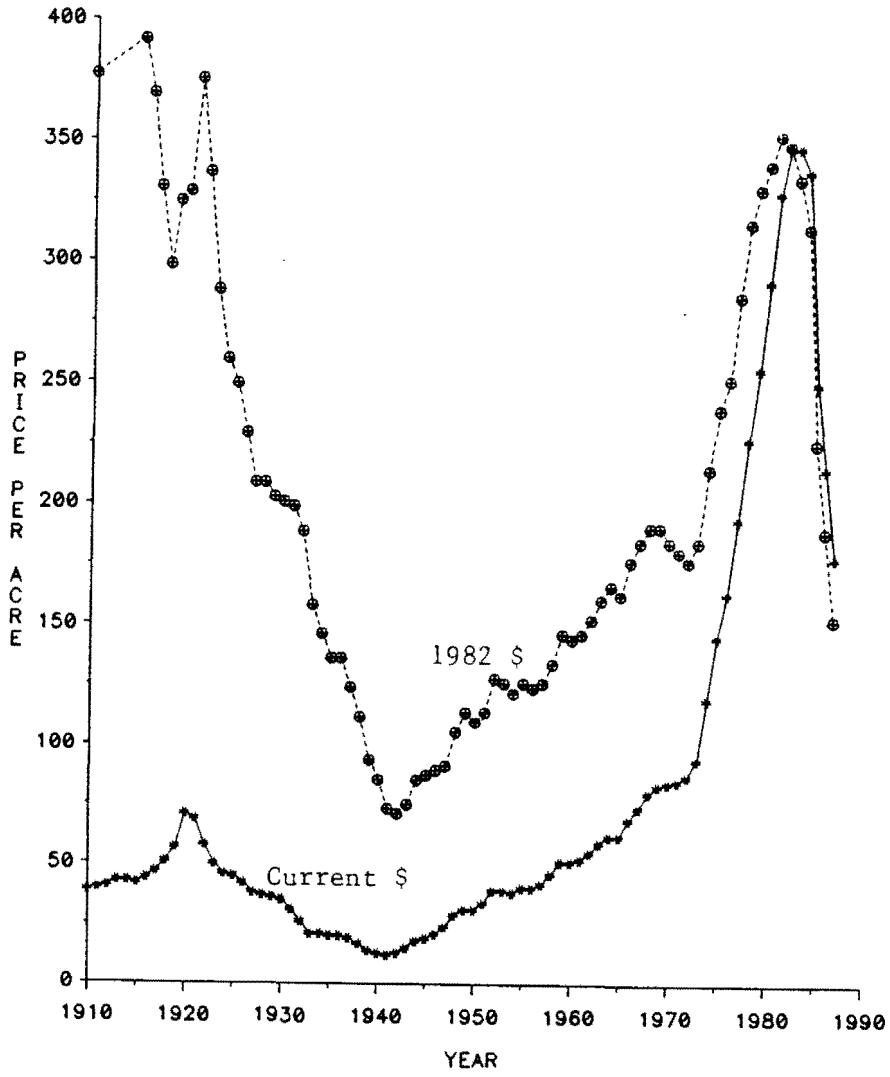
[2]Since January 1971, loan officers in each Federal Land Bank Association have recorded agricultural land transactions in their local areas. The FLB farmland sales collection program emphasizes bonafide sales of 40 acres or more, regardless of whether or not FLB was involved in the financing the sale.

Figure 2.1 South Dakota Farm Real Estate Prices, 1910-1987



Source: USDA, see Table 2.1 for references.

Table 2.1. South Dakota Farm Real Estate Value Trends, 1910-1987

Year[a]	Average value per acre		Year	Average value per acre	
	Current $	1982 $		Current $	1982 $[b]
1910	$39	$377	1965	$ 62	$162
1915	42	391	1970	84	184
			1971	85	180
1920	71	329	1972	87	176
			1973	94	184
1925	45	249	1974	119	215
			1975	145	239
1930	35	200	1976	163	251
			1977	194	286
1935	20	136	1978	227	316
			1979	256	331
1940	13	85	1980	292	341
			1981	329	353
1945	19	87	1982	349	349
			1983	348	335
1950	31	109	1984	338	314
			1985	250	225
1955	40	126	1986	215	188
			1987	178	152
1960	51	144			

Source: Clifton, I.D. and W.D. Crowley, Jr. June 1973. Farm Real Estate Historical Series Data: 1850-1970, ERS 520, USDA, Wash. D.C.

USDA, Agricultural Resource: Agricultural Land Value Outlook and Situation Reports, various issues.

USDA, Farm Real Estate Market Developments, various issues.

[a]Average value information is collected in the early months of each year and is usually reported as of February 1 or April 1.

[b]The GNP-PCE deflator (gross national product implicit deflator for personal consumption expenditures) was used to define farm real estate prices to constant (1982) dollars. The GNP-PCE deflator is a broad measure of inflation (deflation) in the private sector.

values adjusted for the effect of inflation. In real terms (1982 dollars), farm real estate values in mid-1987 have declined to 1962 levels.

Statewide, real values of farm real estate were higher from 1910 to 1915 than they have ever been since then. Real values (1982 dollars) declined from $391 in 1915 to $85 in 1940 and $87 in 1945. From 1945 to 1972, land values doubled in real terms, although real value increases did not occur each year. From 1972 to 1981, real land values doubled again, but declined sharply (-57%) from 1981 to 1987.

Explanation of Long-Term Farmland Value Trends[3]

A main determinant of farmland value trends over time is current and expected trends in farmland net returns (for which rental rates can be a suitable proxy). South Dakota farmland values and rents have moved, annually, in the same direction for 58 of the past 67 years (1921-1987). The ratio of gross cash rent-to-value varied from 5.7 to 7.6% from 1950 to 1984 and has been above 8% since then. Cash rents did not increase as rapidly as land prices in the 1970s and have not declined as rapidly in the 1980s.

During the 1970s, farmland rental rates were rapidly rising, reflecting rising exports and commodity prices. Farmland buyers bid up the price of farmland to the point that rates of return to farmland, in the year of purchase, were less than rates of return on other long term investments such as corporate bonds. Farmland buyers were essentially competing for the right to obtain expected future increases in net returns, with the additional returns used to help make the loan payments. When expected increases in net returns did not materialize in the early 1980s, market prices of farmland also

[3]A more detailed explanation of farmland value trends and appropriate literature review is available in Swinson and Janssen, 1985. Trends in South Dakota Farmland Markets - Long Term and Recent, pp. 9-13.

declined.

The recent decline in land values is related to the changing Federal economic policy mix (restrictive monetary policy, higher interest rates, lower inflation rates, increasing Federal budget deficits) and unfavorable export market developments.

Regional Trends

An examination of long term regional trends in agricultural land values in South Dakota from 1910 to 1982 reveals similarities but also regional diversity from statewide trends during this 72-year period. In the first half of the Twentieth Century, agricultural land values (current dollars) peaked in all regions by 1920, declined substantially during the next 20 years, increased steadily from 1940-1969, and rapidly increased from 1969 to 1982 (Table 2.2).

Tremendous regional differences in agricultural land values were present in all time periods. Agricultural land values were always highest in the southeast region and declined steadily as one moves north and west. Per acre values in the northwest region were 7-16% of agricultural land values reported in the southeast region from 1920-1959 and 20-29% of reported land values from 1964 to 1982.

In all time periods, agricultural land values in the southeast, east central, and northeast region are much higher than the statewide average; land values in the north central and central regions are usually close ($\pm$ 20%) to the statewide average, while reported land values in the rest of the state are considerably below the statewide average.

Regional diversity in land value changes over time are also evident (Table 2.2 and Figure 2.2). The earlier boom in agricultural land values

Table 2.2. South Dakota Agricultural Land Values Per Acre, 1910-1982. Average by State and Region, Current Dollars.

Year	State	REGION								
		South East	East Central	North East	North Central	Central	South Central	South West	West Central	North West
	Current Dollars									
1910	39	63	59	43	42	38	24	12.3	16.3	12.4
1920	71^{H}	181^{H}	162^{H}	98^{H}	63^{H}	72^{H}	44^{H}	16.1^{H}	19.2^{H}	13.7^{H}
1925	45	102	86	58	43	45	31	10.3	15.3	10.8
1930	35	90	76	47	32	31	20	11.8	15.5	9.1
1935	18.6	47	39	25	19.6	15.6	10.7	7.6	9.2	5.6
1940	12.8^{L*}	36^{L*}	33^{L*}	21^{L*}	11.7^{L*}	7.9^{L*}	5.8^{L*}	5.4^{L*}	4.6^{L*}	3.3^{L*}
1945	17.8^{l}	56^{l}	45^{l}	29^{l}	18.0^{l}	11.9^{l}	9.2^{l}	6.2^{l}	6.0^{l}	4.2^{l}
1950	31	96	74	46	30	26	18.8	11.8	13.0	9.9
1954	39	118	94	54	37	33	26	16.0	17.8	15.6
1959	52	136	117	66	50	45	37	25	25	22
1964	62	142	125	81	69	61	53	31	35	29
1969	84	194	159	114	99	89	71	38	47	42
1974	145	298	264	203	175	152	126	72	90	73
1978	256	565	508	359	283	254	199	126	156	139
1982^{h*}	349^{h*}	746^{h*}	652^{h*}	519^{h*}	367^{h*}	334^{h*}	244^{h*}	237^{h*}	237^{h*}	216^{h*}

Source: U.S. Department of Commerce, Bureau of the Census, U.S. Census of Agriculture reports 1982, 1974, 1964, 1959, 1950, 1940, 1930, South Dakota, Volume 1 and 1925, South Dakota, Part 1.

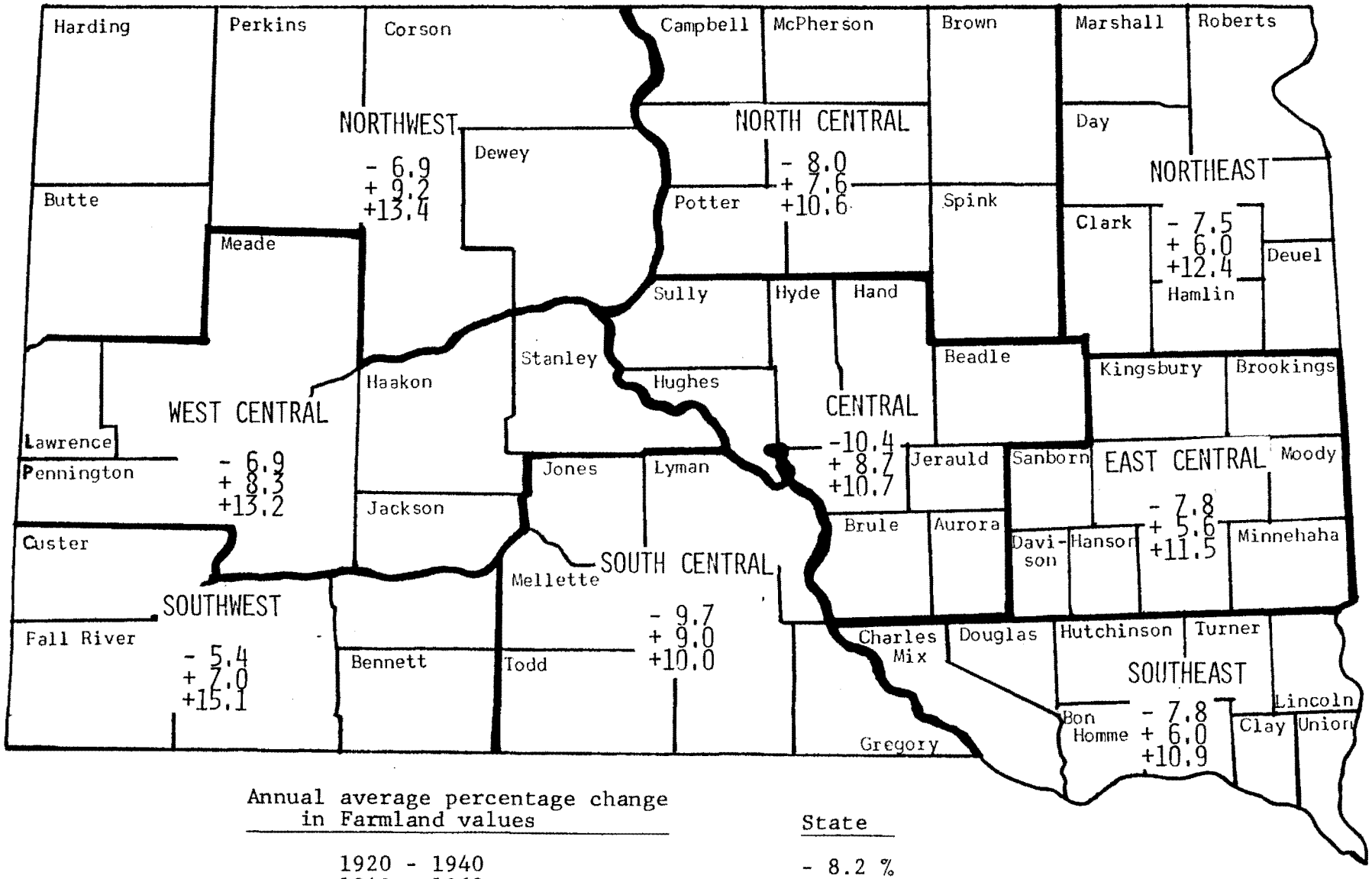
Note: Average agricultural land values of $20 per acre and above are rounded to the nearest dollar. Average land values below $20 per acre are rounded to the nearest 10 cents. Regional average land values are computed by summing appropriate county total land values in each year and dividing by the sum of land in farms.

Explanation: H = highest average land value from 1910-1940
h = highest average land value from 1945-1982
L = lowest average land value from 1910-1940
l = lowest average land value from 1945-1982

H*, h* = highest average land value

L*, l* = lowest average land value

Figure 2.2. Annual Average Percentage Change in South Dakota Farmland Values, Statewide and Regional, Selected time periods, 1920-1982.



Annual average percentage change in Farmland values	State
1920 - 1940	- 8.2 %
1940 - 1969	+ 6.7
1969 - 1982	+11.6

(1910-1920) was much more evident in the cropland areas of eastern South Dakota than elsewhere in the state. The boom was related to favorable crop prices in the "golden era" (1910-1914) of agriculture and to grain export market expansion in this period.

The initial decline of export marketings in 1920-21 and the subsequent farm economic depression were major factors leading to a 20-year decline in agricultural land values in South Dakota. The highest rates of decline occurred in the central and south central regions of South Dakota and the lowest rates of decline were in western South Dakota. The previous over settlement and later high rates of outmigration from the central regions are directly related to the higher rates of land value declines. The more recent settlement and economic development of the western regions are also related to the lower rates of land value decline in those regions.

Agricultural land values steadily recovered from 1940 to 1969. During this period, annual average percentage changes in agricultural land values were considerably higher in western and central regions of South Dakota than in eastern South Dakota.

Regional diversity is also evident in an examination of real (inflation adjusted) land value changes from 1910 to 1982 (Table 2.3 and Figure 2.3). In real terms, agricultural land values in all regions peaked in 1910 or 1920 and declined substantially to their low points in 1940 or 1945. Total percentage decline in real land values were greater in central and western South Dakota than in eastern South Dakota.

From 1945 to 1978, real land values increased substantially in all regions of South Dakota and continued to increase from 1978 to 1982 in the northeast region and in all regions of western South Dakota. From 1945 to

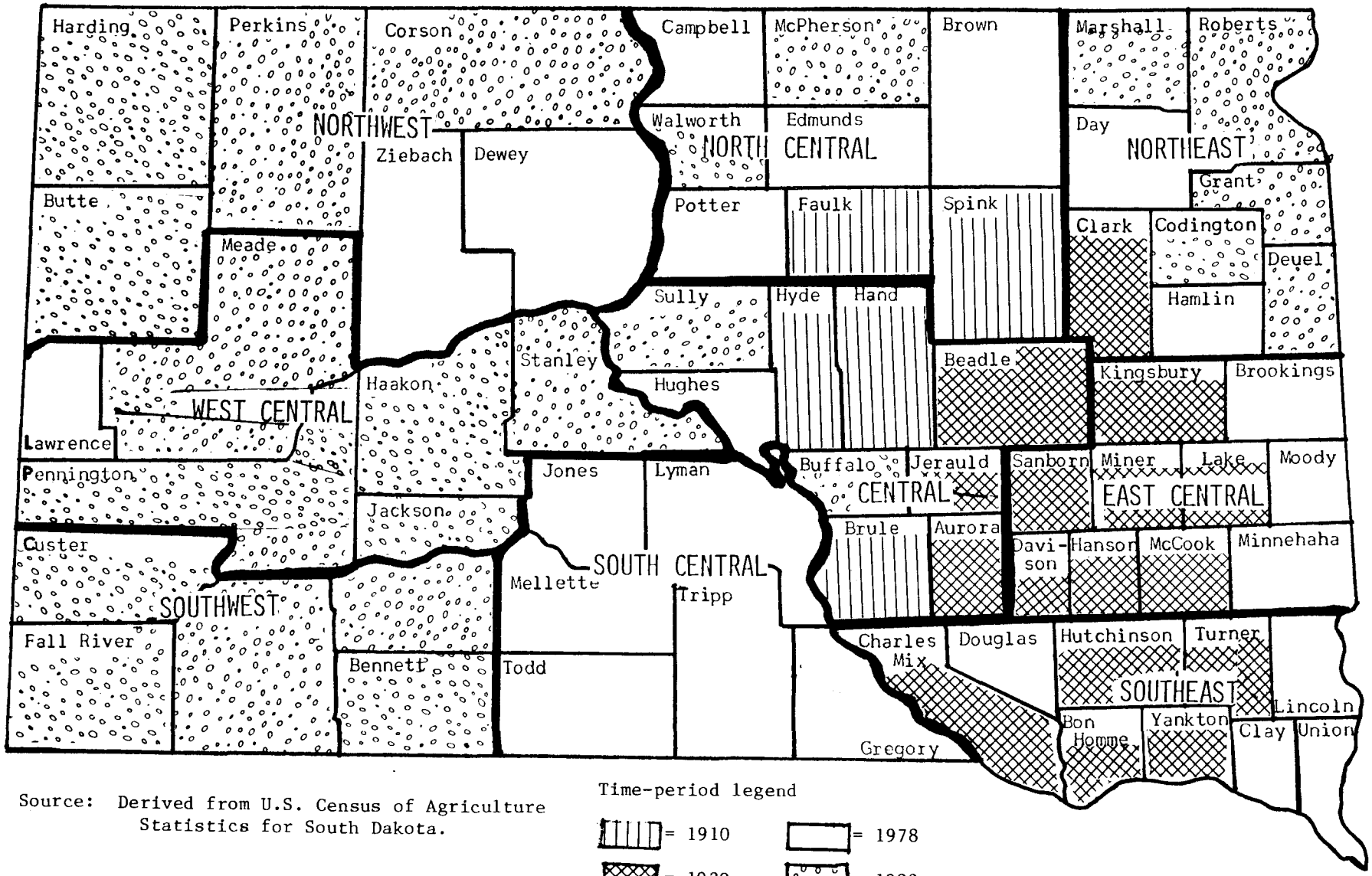
Table 2.3. South Dakota Agricultural Land Values Per Acre, 1910-1982. Average by State and Region, Constant Dollars (1982 = 100).

Year	State	REGION: South East	East Central	North East	North Central	Central	South Central	South West	West Central	North West
	Constant Dollars									
1910	373[H*]	611	573	412	401[H*]	371[H*]	231[H]	119[H]	158[H]	120[H]
1920	330	836[H*]	748[H*]	451[H]	293	334	203	74	150	63
1925	248	563	476	322	236	248	172	57	84	60
1930	201	516	435	271	183	177	114	67	89	52
1935	127	319	266	170	134	107	73	52	63	38
1940	84[L]	239[L*]	216[L]	136[L]	77[L*]	52[L*]	38[L*]	36[L]	30[L]	22[L]
1945	82[l*]	258[l]	208[l*]	135[l*]	83[l]	55[l]	42[l]	29[l*]	27[l*]	19[l*]
1950	112	341	263	163	106	91	67	42	46	35
1954	125	375	300	171	119	106	82	51	57	50
1959	148	391	336	191	144	129	105	73	73	63
1964	165	379	333	217	184	162	143	82	93	80
1969	192	445	365	262	227	203	164	87	108	97
1974	263	540	479	367	317	276	228	131	164	133
1978	359[h]	793[h]	713[h]	504	398[h]	356[h]	279[h*]	177	219	195
1982	349	746	652	519[h*]	367	334	244	237[h*]	237[h*]	216[h*]

Note: Constant dollar agricultural land values reported in this table are current dollar values reported in Table 2.2 divided by the GNP-PCE deflator (1982 = 100). The GNP-PCE deflator is an index of price level charges for U.S. private consumption expenditures and is the broadest measure of private sector inflation/deflation.

See Table 2.2 for reference source, current dollar land value data and for explanatory footnotes.

Figure 2.3 Time Period of Highest Real Value of South Dakota Farmland by County.



Source: Derived from U.S. Census of Agriculture Statistics for South Dakota.

1982, annual average real land value increases ranged from about 3% in eastern South Dakota to 5.8-6.8% in western South Dakota with a statewide average of 4.0%.

The peak in real (inflation-adjusted) land values occurred in 1910 or 1920 in 21 counties of eastern and central South Dakota. The real land value peak occurred in 1978 or 1982 in all counties west of the Missouri River and in counties on the eastern and northern edges of the state (Figure 2.3).

III. RECENT TRENDS (1975-1987) IN SOUTH DAKOTA FARM REAL ESTATE SALES

In this section, recent trends (1975-1987) in South Dakota farm real estate sales are presented statewide (Table 3.1) and by region (Tables 3.2-3.8). Farm real estate sale information is also presented for all counties (36 individual counties and 7 contiguous pairs of counties) in the six regions of eastern and central South Dakota. In each regional table, sale price data are first presented for the entire region and then for each county, alphabetically sorted, within the region (Tables 3.2-3.7).

County level data are not reported in western regions of South Dakota because of insufficient number of sales in some years for many counties. Farmland sales information is reported for northwest, southwest and Black Hills agricultural regions (Figure 3.1 and Table 3.8). Range livestock is the dominant agricultural activity in northwest and southwest South Dakota. Spring wheat is the major crop raised in the northwest region and winter wheat is the major crop in the southwest region. Agricultural activity in the Black Hills foothills is more diverse than found in the northwest and southwest regions and includes considerable irrigation development. Farmland sale prices in this region are also subject to a variety of nonagricultural influences.

The information reported in this section was developed from a computerized database of farm real estate sales transactions provided by the Federal Land Bank of Omaha. The database consists of 13,465 bonafide farm real estate transactions of 40 acres or more which occurred from January 1975 through June 1987.

The following conditions and limitations apply to the examination of recent farm real estate market trends:

(1) All reports are based on the author's own examination and analysis of the FLB data set.

(2) The dataset consists of verified sales and is reasonably complete after 1975, but may not account for all bonafide sales in each locality.

(3) County level sale price data are generally released only if 8 or more bonafide sales are recorded each year.

(4) Average sale price information reported each year can be influenced by changes in types of tracts sold each year--differences in soil productivity, land use and proportion of building values. These factors are more important sources of variation at the county level in central regions of South Dakota where the number of tracts sold each year is low.

A greater appreciation of the benefits and limitations of this dataset can be obtained from a statewide review and discussion of farm real estate sales trends (Table 3.1 and Figure 3.1).

Statewide Overview

The two most common methods of reporting central tendency in farm real estate sale prices per acre are the median sale price and the weighted average sale price. The median sale price is found by ranking sale tracts from highest to lowest per acre sale price and selecting the sale price of the middle (50th percentile) tract. The median sale price may be affected by the number of tracts sold and specific distribution (range) of sale prices, but it is not sensitive to the number of acres sold or average size of tract sold.

Table 3.1. Farm Real Estate Sales Trends in South Dakota, 1975-1987

SOUTH DAKOTA

Year	Median Sale Price[a]	Average Sale Price[b]	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	250	250*[d]	48	431	671	160-500
1976	298	245	46	391	968	160-580
1977	329	301*	54	308	1030	200-740
1978	375	314*	51	305	1110	199-850
1979	400	353*	53	341	1241	213-995
1980	420	349*	49	344	1071	200-1000
1981	475	415	55	300	1307	250-1200
1982	500	436*	53	247	1076	227-1100
1983	409	347*	52	325	1262	211-1015
1984	365	301*	47	322	1289	180-815
1985	313	269*	51	273	773	150-700
1986	275	226*	54	271	1002	122-575
1987[f]	250	174*	43	353	665	100-528

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by ranking sale tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale praice of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

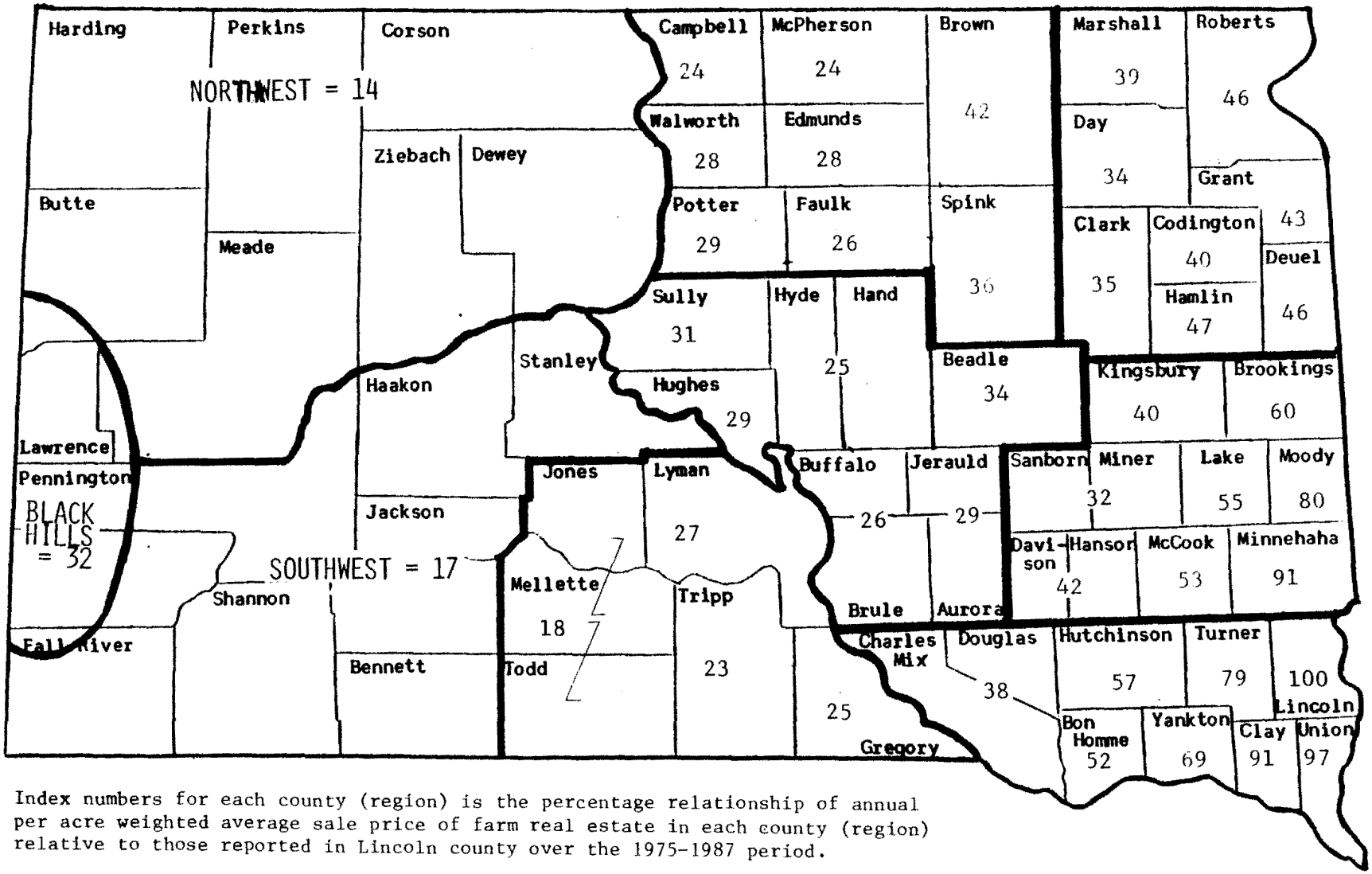
If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

[f]Farmland sales from January-June, 1987.

N.A. - Not available

Figure 3.1. South Dakota Farm Real Estate Price Relationships, 1975-1987



Index numbers for each county (region) is the percentage relationship of annual per acre weighted average sale price of farm real estate in each county (region) relative to those reported in Lincoln county over the 1975-1987 period.

Source: Derived from regression analysis of datasets provided by the Farm Credit Banks of Omaha.

The average sale price is weighted by number of acres sold and is, therefore, sensitive to total sales dollar volume and number of acres sold, but it is not directly sensitive to number of tracts sold. In many regions and counties the median and average sale price per acre are about the same, but this is not the case statewide in South Dakota.

Statewide, the per acre median sale price is considerably higher each year (+9% to +38%) than the average sale price (Table 3.1, columns 2 and 3). This relationship occurs because:

(1) Larger size tracts in all regions of South Dakota tend to have a lower proportion of cropland and a higher proportion of pasture/rangeland than smaller acreage tracts.

(2) Cropland generally commands a much higher per acre sale price than pasture/rangeland in all regions of South Dakota.

(3) Average tract size sold greatly increases and farmland sale prices greatly decreases as one moves north and west from southeastern South Dakota.

Because of these factors, the author suggests that the average sale price is the "best" central tendency measure of per acre sale price for most purposes.

Overall, the statewide average sale price more than doubled between 1975 and 1982, from $205 to $436 per acre and declined about 60% from 1982 to an early 1987 average price of $174 per acre. The median sale price showed similar magnitudes of change in this time period.

Several other sale tract characteristics are included in each table to help readers place the average and median sale price data in context. For example, the contributory value of farm buildings and improvements was an estimated 5-9% of total sale price in most years examined.

Statewide, the average size of tracts sold has varied from 271 to 431 acres and cultivated acres have varied from 43 to 55% of total acres of agricultural land sold in each year. Most of the annual variation in average

tract size is due to differences in types of tracts sold and is not due to major regional shifts in numbers of tracts sold.

Sales activity indicates a typical rate of 1000 to 1300 farmland tracts sold per year. The number of reported sales in 1975 are lower than reported sales in other years because the sales reporting system was not at "full speed" until 1976. Sales activity in 1985 was sharply lower due to adverse economic conditions (limited credit availability, fewer buyers and perception of continued steep price declines).

The "practical" range of per acre sale prices is provided statewide and by region as an indication of the tremendous variation in type of tracts sold and per acre prices paid. (Tracts with outlier sale prices per acre - top 10% and bottom 10% of reported sale prices per acre - are excluded in this measure). This measure can be used to examine the general movement of sale prices per acre over time and to compare with the level of median and average sale prices.

Farm Real Estate Price Relationships

Farm real estate price relationships between counties/regions during the 1975-1987 period indicate extensive and systematic variation across South Dakota (Figure 3.1). Farm real estate sale prices are highest in Lincoln and Union Counties. Farmland sale prices in Moody, Turner, Minnehaha and Clay counties are 79 to 91% of per acre average sale prices in Lincoln county. Average sale prices rapidly decline in the remaining counties of east central and southeast South Dakota and vary from 32% to 69% of Lincoln county average

farmland sale price.[4]

All counties in other regions of South Dakota showed average per acre farmland sale prices of less than 50% of those in Lincoln county. County farmland sale price relationships (relative to Lincoln county) in other regions are:

Northeast region = 34-47%
North Central region = 24-42%
Central region = 25-34%
South Central region = 18-27%

County sale price relationships were not estimated in western South Dakota. Percentage coefficients for the northwest and southwest region were 14% and 17%, while the Black Hills region coefficient was 32%.

The dramatic differences in farm real estate prices across South Dakota are primarily related to differences in land quality (soil productivity) and land use. An econometric study of South Dakota farmland market prices from 1976-1984 indicated that land tract variables reflecting land use and quality explained about 64% of the statewide variation in per acre sale price of 7202 credit-financed farmland tracts sold in this period (Janssen and Haque, 1987). Westin and associates (1973) examined nearly 2700 sales of unimproved agricultural land from 1967-1969 and found close relationships between crop

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[4]Farmland price relationships between counties were estimated using the following regression equation:

$$X_1 = bX_L$$

where X_1 = Annual average per acre sale price of farm real estate in ith county/region
X_L = Annual average per acre sale price of farm real estate in Lincoln county
b = beta coefficient of linear price relationship. For presentation purposes, the beta coefficient was multiplied by 100

The coefficient of determination (R^2, was between 0.95 and 0.995 in each equation and all equations were statistically significant ($p = 0.01$). This equation was estimated for each county/region using annual data from 1975 to 1987.

productivity, precipitation and land sale prices. Most of the county variation in farmland sale price (86%) is explained by variation in crop productivity and most of the county variation in crop productivity (84%) is explained by differences in precipitation. "However, only 54% of the variance of individual farm sales could be explained using regression equation involving climate, slope and soil-texture variables," (Westin, et al, 1973, p. 606).

Regional/County Farm Real Estate Sales Trends

Southeast Region

Farm real estate sales transactions in the Southeast region of South Dakota are characterized by:

(1) The greatest variation in county average farmland sale prices.

(2) The highest average (median) farmland sale prices among all regions of the state.

(3) The highest proportion of cultivated land and the smallest average size of tract sold.

The percentage index of farm real estate prices varies from 38 in Charles Mix and Douglas counties to 100 in Lincoln county (Figure 3.1). The sharp decline in farmland sales prices across counties is directly related to the change in land quality and decrease of precipitation as one moves westward across this region.

Average (median) sale price of farm real estate in the southeast region increased from $404 ($400) in 1975 to $958 ($938) in 1981 and declined to $400 ($448) in early 1987 (Table 3.2).

Average sale prices in Lincoln, Union, Clay and Turner counties are considerably above the regional average, while average sale prices in

Table 3.2. Farm Real Estate Sales Trends in Southeast South Dakota, 1975-1987, by Region and County.

SOUTHEAST REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	400	404*[d]	75	161	122	$205-718
1976	475	468*	73	150	166	$250-950
1977	568	489	62	172	147	$285-1051
1978	650	667*	75	135	203	$350-1098
1979	823	831*	78	150	189	$425-1300
1980	837	832	78	142	193	$447-1350
1981	938	958	80	121	231	$525-1550
1982	889	889	83	117	212	$500-1397
1983	750	763*	72	126	245	$409-1258
1984	650	671*	75	130	221	$400-1110
1985	550	525*	70	123	141	$243-895
1986	401	425*	76	126	251	$250-701
1987[f]	448	400*	76	138	132	$200-671

BON HOMME COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	338	322**[d]	75	150	11
1976	416	426***	75	134	12
1977	466	435*	77	138	14
1978	503	509**	69	153	14
1979	585	597**	75	151	18
1980	625	624*	84	135	16
1981	653	674*	78	107	22
1982	677	680	80	123	28
1983	604	531*	59	177	29
1984	559	550*	80	138	22
1985	390	365	80	112	10
1986	379	355**	66	155	11
1987[f]	366	357*	76	130	8

See footnotes at end of table

CLAY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	NA	NA	NA	NA	NA
1976	850	756	88	166	5
1977	755	720	82	133	18
1978	955	874*[d]	74	111	7
1979	1000	955	87	153	21
1980	938	1000	89	157	16
1981	1200	1262	92	108	23
1982	1325	1214	92	107	21
1983	1068	1128	87	91	20
1984	985	889	87	130	17
1985	803	709***	78	143	10
1986	590	547*	87	118	17
1987[f]	477	491	87	139	18

CHARLES MIX and DOUGLAS COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	218	227	71	219	27
1976	285	268*[d]	62	208	49
1977	300	223	34	321	31
1978	352	331	56	181	30
1979	400	431*	68	225	26
1980	469	471	67	206	29
1981	522	511	63	179	26
1982	500	535	68	152	24
1983	445	436	58	138	34
1984	466	393*	55	215	27
1985	310	309*	47	160	30
1986	271	283**	67	173	40
1987[f]	241	236*	67	173	36

See footnotes at end of table

HUTCHINSON COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	300	269**[d]	67	163	13
1976	504	487**	76	144	21
1977	545	542	83	133	20
1978	562	571*	86	129	24
1979	625	684*	77	134	21
1980	612	627	73	157	30
1981	638	700*	78	122	32
1982	652	656*	82	124	28
1983	625	590	74	114	51
1984	650	625**	82	103	48
1985	432	398*	69	116	22
1986	378	395*	79	108	61
1987[f]	441	414**	78	120	12

LINCOLN COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	650	655	83	150	16
1976	832	891	91	87	17
1977	935	925	86	116	25
1978	919	956	87	137	36
1979	1102	1161	84	134	39
1980	1200	1234*[d]	90	125	39
1981	1200	1209	87	112	48
1982	1200	1196*	92	119	39
1983	1150	1085*	77	122	41
1984	985	1018**	79	123	35
1985	750	793	86	108	21
1986	607	576*	85	118	35
1987[f]	553	612	94	155	13

See footnotes at end of table

TURNER COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	511	496*[d]	79	138	28
1976	568	566	82	124	27
1977	753	638	79	124	12
1978	720	707*	81	135	25
1979	888	914*	77	139	32
1980	888	899*	76	110	23
1981	1100	1139*	88	120	37
1982	1010	1035	83	105	35
1983	933	935*	82	124	34
1984	785	703*	79	107	33
1985	637	650**	75	84	26
1986	540	457*	77	112	46
1987[f]	494	552***	86	88	19

UNION COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	688	720**[d]	86	122	11
1976	898	859	84	133	15
1977	900	870	90	111	12
1978	942	974*	86	111	32
1979	1085	1156*	81	116	11
1980	1200	1184	87	130	23
1981	1333	1381	90	102	23
1982	1100	980	82	110	13
1983	1170	1082*	82	114	21
1984	940	968*	87	103	15
1985	700	704*	88	136	13
1986	550	575*	75	102	13
1987[f]	505	500	90	107	9

See footnotes at end of table

YANKTON COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	425	455*[d]	69	138	14
1976	493	494*	71	122	20
1977	495	512*	67	176	15
1978	550	580**	68	119	35
1979	855	1004	81	133	21
1980	800	817	64	102	17
1981	850	896*	66	113	20
1982	815	891*	84	95	24
1983	710	747	78	126	15
1984	522	570**	74	137	24
1985	625	592*	82	137	9
1986	379	441*	75	131	28
1987[f]	475	419*	61	145	17

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland states from January-June, 1987.

N.A. - Not available

Hutchinson, Bon Homme, Douglas and Charles Mix counties are substantially below the regional sale price average. In Lincoln county, average farmland sale prices increased from $655 per acre in 1975 to a peak of $1234 in 1980 and then decreased to a low point of $576 in 1986. In Charles Mix and Douglas counties, average farmland sale prices increased from $227 in 1975 to a peak of $535 in 1982 and then declined to $236 in 1987 (Table 3.2).

Most agricultural land sold in southeast South Dakota is cultivated. The proportion of cultivated land sold is highest in Lincoln and Union counties (usually 80-90% of total acres) and lowest in Charles Mix and Douglas counties (usually 58-67% of total acres sold).

The average size of tract sold in the southeast region is usually between 120 and 160 acres, varying from an average of 100-130 acres in Union county to an average of 160-220 acres sold per tract in Charles Mix and Douglas counties.

East Central Region

The agricultural economy of the east central and southeast regions of South Dakota is dominated by corn, soybeans, small grains, hogs, and cattle. Consequently, farm real estate sales transactions have similar characteristics in both regions.

County average sale prices in the east central region are extremely variable. The percentage index of farm real estate prices (relative to farm real estate sales prices in Lincoln county) varies from 91 in Minnehaha county to 32 in Sanborn and Miner counties. Most of the decline in farmland sale prices across counties are related to changes in land quality and climatic variables.

The average sale price of farm real estate in the east central region

increased from $343 in 1975 to $699 in 1982 and then declined to $295 per acre in 1987 (Table 3.3). Median sale prices followed a similar pattern, although the changes were not quite as dramatic. Average and median sale prices in this region are typically 20-25% lower than southeast regional sale prices, but are higher than those in all other regions of South Dakota.

In the early 1980's, peak county average sale prices varied from above $1100 per acre in Minnehaha and Moody counties to about $400 per acre in 1987 in Miner and Sanborn counties. By early 1987, county average sales prices had declined to $552 per acre in Minnehaha county and to $194 per acre in Miner and Sanborn counties. Average sale prices of farm real estate sold in Minnehaha, Moody, and Brookings counties are above the regional average, while average sale prices in Davison, Hanson, Kingsbury, Miner and Sanborn counties are considerably lower than the east central average.

The proportion of cultivated land in farmland sale tracts is similar in the east central and southeast regions -- typically 70-77% of total acres sold. Miner and Sanborn counties were the only counties in the east central region in which cultivated acres were less than 70% of total acres sold.

The average size of tract sold in the east central region is usually between 150 and 200 acres, varying from 100-130 acres in Minnehaha county to 180-250 acres in Miner and Sanborn counties.

Northeast Region

Northeast South Dakota is a transition agricultural region dominated by small grain, corn and cattle enterprises. Average and median per acre farm real estate sale prices in this region are lower than those in the east central and southeast regions, but generally higher than prices paid in other regions of South Dakota.

Variation in county average sale prices in this region is considerably lower than in the east central and southeast regions. The percentage index of farm real estate prices (relative to farm real estate sale prices in Lincoln county) ranges from 34-35 in Day and Clark counties to 46-47 in Roberts, Deuel and Hamlin counties (Figure 3.1).

Average sale price of farm real estate in the northeast region increased from $274 in 1975 to $555 in 1981 and then declined to $271 per acre in 1987 (Table 3.4). Median sale prices per acre followed a similar pattern and were usually within 5% of the average sale price. Average sale prices in this region did not accelerate as rapidly as those in the east central and southeast region during the boom period of 1976-1982 and did not decline as rapidly during the 1982-1987 period. For example, average sale prices were 67-69% of those in the southeast region in 1976-1977 and 1986-1987, but only 57-58% of southeast average farm real estate sale prices in 1980-1981.

Average sale prices in Grant and Codington counties are usually close to the regional average. Farm real estate sale prices in Deuel, Hamlin and Roberts counties are above the regional average, while those in Clark, Day and Marshall are below the regional average. In the early 1980's, peak county average sale prices were above $650 in Hamlin and Deuel counties and about $460 per acre in Clark county. The relatively low number of sales in several counties affects average sale prices, due to interyear variation in types of farmland tracts sold.

The average size of farmland tract sold in the northeast region is usually between 180 and 250 acres and the proportion of cultivated land is between 64 and 70%. Variation between counties in average number of acres per tract sold and proportion of cultivated land is lower in this region than in

Table 3.3. Farm Real Estate Sales Trends in East Central South Dakota, 1975-1987, by Region and County

EAST CENTRAL REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	308	343*[d]	77	184	88	$232-577
1976	409	414*	72	196	184	$250-770
1977	500	500*	76	181	263	$285-800
1978	530	536*	75	160	258	$267-1000
1979	625	711*	77	165	261	$347-1154
1980	627	651*	77	161	178	$325-1136
1981	624	637*	72	179	281	$334-1311
1982	650	699*	75	152	250	$341-1245
1983	651	677*	75	156	214	$323-1250
1984	500	532	75	148	227	$300-949
1985	355	426	70	155	141	$200-875
1986	275	306	71	150	159	$165-580
1987[f]	304	295	73	194	157	$174-562

BROOKINGS COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	370	365**[d]	80	166	17
1976	469	428*	61	259	23
1977	525	576*	77	205	55
1978	550	596*	80	168	52
1979	678	686*	85	198	46
1980	829	811	80	227	24
1981	894	780**	72	172	37
1982	780	744*	79	171	38
1983	775	731**	74	161	41
1984	578	592*	79	142	42
1985	353	413**	61	146	18
1986	325	311	72	122	25
1987[f]	329	333	78	169	29

See footnotes at end of table

DAVISON and HANSON COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	273	277*[d]	79	187	26
1976	308	340	75	220	36
1977	425	418	77	170	18
1978	375	392	60	240	13
1979	510	487*	76	203	18
1980	500	508*	80	173	14
1981	530	512	70	193	36
1982	500	498	66	165	15
1983	470	462	73	179	15
1984	425	456*	72	154	20
1985	312	314**	70	168	13
1986	250	235*	68	188	37
1987[f]	230	236**	81	220	10

KINGSBURY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	249	82	224	5
1976	333	333*[d]	72	219	26
1977	368	376*	73	226	25
1978	365	359	75	186	31
1979	551	563*	83	163	15
1980	425	454	83	185	22
1981	450	437	76	231	39
1982	400	445	78	164	21
1983	462	464*	84	204	16
1984	362	354*	79	182	19
1985	331	314	80	194	12
1986	248	254*	82	142	10
1987[f]	290	320*	80	162	18

See footnotes at end of table

LAKE COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	325	367	82	160	3
1976	455	435	93	138	8
1977	463	478	84	171	31
1978	604	586	86	160	20
1979	650	681*[d]	80	165	23
1980	758	748**	62	139	5
1981	791	745	82	158	16
1982	645	692	87	154	16
1983	650	578	78	139	17
1984	501	487*	82	161	13
1985	375	335**	76	182	9
1986	249	277**	70	171	36
1987[f]	288	277	74	255	8

McCOOK COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	345	361*[d]	80	182	13
1976	420	449	80	143	7
1977	475	451*	80	153	25
1978	487	507*	72	142	34
1979	531	548*	71	154	44
1980	685	664*	79	132	37
1981	734	768*	76	135	26
1982	675	706*	80	138	39
1983	600	658**	75	169	30
1984	451	452*	71	133	32
1985	238	275**	73	154	30
1986	270	284*	77	116	33
1987[f]	295	224*	68	301	18

See footnotes at end of table

MINER and SANBORN COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	248	254	61	220	10
1976	300	286*[d]	67	225	27
1977	289	284	66	235	38
1978	255	279**	63	188	35
1979	340	347*	64	186	37
1980	354	355	65	196	30
1981	372	380*	58	245	54
1982	353	400*	64	191	38
1983	312	353*	61	206	25
1984	300	308	62	177	30
1985	250	282*	49	183	17
1986	220	222	69	198	35
1987[f]	188	194*	59	246	31

MINNEHAHA COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	646	607*[d]	81	153	8
1976	715	665	83	125	35
1977	800	841**	79	135	38
1978	955	857	80	100	52
1979	1015	1264*	79	122	54
1980	1019	965*	79	105	38
1981	1123	1138*	78	100	48
1982	1100	1180*	82	100	43
1983	1085	1057**	78	105	45
1984	800	770	81	126	46
1985	750	723**	77	117	27
1986	438	467**	73	129	49
1987[f]	550	552	94	109	25

See footnotes at end of table

MOODY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	521	504**[d]	76	184	6
1976	540	558*	75	182	22
1977	616	632*	80	131	33
1978	725	789*	82	177	21
1979	800	806*	78	161	23
1980	1152	1196*	92	148	8
1981	1277	1153	86	157	25
1982	802	884*	70	156	40
1983	905	995*	81	138	25
1984	775	735*	77	145	25
1985	800	686	81	152	15
1986	343	395*	73	122	34
1987[f]	450	395***	79	147	18

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* - building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland sales from January-June, 1987.

N.A. - Not available.

Table 3.4. Farm Real Estate Sales Trends in Northeast South Dakota, 1975-1987, by Region and County.

NORTHEAST REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	274	274*[d]	67	248	122	$175-398
1976	291	292*	65	233	214	$200-450
1977	326	339*	67	225	201	$209-530
1978	375	381*	68	222	218	$250-552
1979	400	425*	68	207	246	$256-650
1980	500	480*	61	231	208	$270-750
1981	531	555*	70	206	257	$310-875
1982	502	548*	69	194	192	$303-913
1983	462	452*	63	231	198	$258-750
1984	464	457	67	198	168	$275-757
1985	350	352**	67	182	152	$200-565
1986	301	288**	64	194	136	$156-462
1987[f]	254	271**	67	210	124	$133-384

CLARK COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	234	229*[d]	73	226	16
1976	260	263*	68	271	37
1977	281	265*	72	238	34
1978	313	328*	70	219	38
1979	375	390*	76	220	31
1980	449	366	56	263	25
1981	438	466**	70	233	27
1982	416	462	75	247	17
1983	359	383*	68	207	29
1984	389	384*	70	211	21
1985	325	334*	70	206	21
1986	231	224	71	216	8
1987[f]	225	197*	62	202	13

See footnotes at end of table

CODINGTON COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	262	287*[d]	67	274	19
1976	307	336*	80	176	26
1977	302	316*	76	151	20
1978	394	381	73	183	26
1979	350	345*	66	205	24
1980	444	419*	67	198	16
1981	552	550	80	195	40
1982	500	541**	70	162	32
1983	437	447*	70	204	29
1984	475	446*	69	259	27
1985	392	295	58	198	20
1986	268	274*	69	217	20
1987[f]	214	318	61	188	22

DAY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	258	240**[d]	62	265	18
1976	244	236*	69	277	27
1977	293	293	73	240	12
1978	307	309**	66	225	21
1979	375	356*	73	219	31
1980	345	373*	59	211	16
1981	444	501*	74	255	18
1982	475	467***	71	183	29
1983	402	343*	64	203	11
1984	343	352*	64	153	14
1985	300	284**	66	170	19
1986	258	229**	60	228	14
1987[f]	241	224*	71	192	11

See footnotes at end of table

DEUEL COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	272	291**[d]	52	333	12
1976	300	310*	62	198	41
1977	390	372*	63	205	35
1978	424	387*	56	288	37
1979	477	501*	70	202	49
1980	548	536*	58	178	42
1981	625	629	60	228	45
1982	594	716	69	202	23
1983	575	440	43	305	29
1984	536	516*	61	156	20
1985	445	374**	77	187	10
1986	306	230	45	230	21
1987[f]	294	271	64	226	26

GRANT COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	265	279*[d]	79	185	15
1976	321	314**	70	245	14
1977	363	347*	60	210	31
1978	365	417*	70	202	28
1979	385	405*	54	232	34
1980	451	433	57	263	26
1981	543	532*	65	201	35
1982	465	533*	65	185	25
1983	550	522*	69	197	34
1984	625	532*	67	198	22
1985	375	381*	77	183	15
1986	375	341*	79	202	19
1987[f]	368	310	80	175	9

See footnotes at end of table

HAMLIN COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	265*[d]	81	235	15
1976	350	348*	72	208	17
1977	409	416*	80	215	26
1978	418	436*	81	211	24
1979	500	488*	80	172	27
1980	594	543	67	218	29
1981	533	612*	76	174	42
1982	558	656*	78	178	20
1983	475	494*	77	172	23
1984	428	429***	68	175	24
1985	353	383**	82	133	15
1986	301	400*	85	158	10
1987[f]	334	323*	85	185	9

MARSHALL COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	273	216*[d]	43	315	9
1976	225	250	36	273	23
1977	338	327*	58	332	14
1978	400	381	75	199	13
1979	375	428	59	234	16
1980	500	494*	55	460	12
1981	500	470	62	230	17
1982	446	419*	49	333	14
1983	382	428	57	372	18
1984	396	451	69	273	14
1985	327	371**	60	190	28
1986	313	308	48	192	13
1987[f]	262	260**	61	195	5

See footnotes at end of table

ROBERTS COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	354	384*[d]	78	195	18
1976	340	348	72	219	29
1977	375	356*	59	251	29
1978	425	417**	70	216	31
1979	428	457*	63	181	34
1980	553	564*	68	209	42
1981	625	580	71	174	33
1982	615	618*	78	156	32
1983	506	511*	73	211	25
1984	542	520*	66	159	26
1985	388	407**	65	176	24
1986	314	337**	71	144	31
1987[f]	262	267*	67	255	29

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland sales from January-June, 1987.

N.A. - Not Available.

the east central and southeast regions. However, there is more interyear variation in type of tract sold within each county.

North Central Region

Average sale prices of farm real estate in the north central region are lower than those in any region of eastern South Dakota, but are higher than average farmland sale prices in other regions of central and western South Dakota. Substantial differences in average price and other sale tract characteristics exist between counties in the James river valley (Brown and Spink counties) and other counties in this region. The percentage index of farm real estate prices (relative to farm real estate sale prices in Lincoln county) varies from 42 in Brown county, 36 in Spink county and 24-29 in all other north central counties (Campbell, Edmunds, Faulk, McPherson, Potter and Walworth counties).

Average per acre sale price of farm real estate in the north central region increased from $219 in 1975 to $391 in 1982 and declined to $204 in 1987. Average farmland prices were above $300 per acre from 1977 to 1985. In most years, median and average sale prices per acre were very close to each other (Table 3.5).

The average number of acres sold per tract in the north central region varied from 250 to 360 acres in most years. There was considerable interyear variation in the average proportion of cropland sold (57-67% in most years). The proportion of cropland (cultivated) acres was usually above 70% of total acres sold in Brown and Spink counties, but less than 50% in McPherson county.

In the early 1980's, peak county average sale prices exceeded $460 per acre in Brown and Spink counties, but were less than $350 per acre in McPherson and Edmunds counties. In early 1987, the county average sale price

Table 3.5. Farm Real Estate Sales Trends in North Central South Dakota, 1975-1987, by Region and County

NORTH CENTRAL REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	222	219*[d]	60	351	138	$165-341
1976	250	242	46	364	187	$163-400
1977	300	301*	62	312	174	$204=465
1978	300	317*	57	286	175	$207-500
1979	326	351*	63	292	208	$212-567
1980	321	332*	50	336	177	$200-577
1981	368	384*	59	349	188	$239-601
1982	400	391*	63	283	164	$230-705
1983	344	351*	65	245	261	$228-650
1984	304	340	65	256	212	$200-649
1985	281	306	67	249	124	$177-522
1986	250	253*	76	275	119	$150-367
1987[f]	176	204*	62	292	84	$100-33

BROWN COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	264	248*[d]	68	319	40
1976	295	337*	79	229	38
1977	400	387*	80	270	48
1978	400	388*	69	244	67
1979	450	473**	76	243	65
1980	445	439*	70	241	46
1981	495	537*	81	253	55
1982	503	496	75	231	56
1983	500	463*	79	200	78
1984	496	490*	79	218	73
1985	450	450	72	192	33
1986	325	326	81	224	37
1987[f]	224	256	78	332	30

See footnotes at end of table

CAMPBELL COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	200	191*[d]	60	269	7
1976	210	202	45	265	22
1977	240	249	64	179	9
1978	222	204	46	220	12
1979	288	240*	59	291	10
1980	195	203*	31	338	8
1981	282	246	33	208	10
1982	325	417	66	333	9
1983	275	261*	57	386	14
1984	200	214*	72	189	19
1985	248	262**	66	357	6
1986	200	193**	53	269	11
1987[f]	126	124	66	448	5

EDMUNDS COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	215	219*[d]	64	344	31
1976	245	244	63	254	21
1977	244	257*	50	251	28
1978	288	295*	61	283	29
1979	300	302**	49	315	25
1980	300	366	50	278	28
1981	306	330*	52	518	32
1982	319	320**	57	350	22
1983	300	301	62	195	34
1984	281	274	66	297	25
1985	251	249	76	293	18
1986	200	234**	76	537	7
1987[f]	156	156	60	256	5

See footnotes at end of table

FAULK COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	200	198*[d]	61	372	14
1976	204	205	48	350	22
1977	250	244*	50	324	17
1978	261	271*	57	314	20
1979	303	342*	66	375	27
1980	310	291*	35	917	19
1981	312	341*	55	619	19
1982	325	279**	47	283	13
1983	300	291**	61	306	17
1984	221	228*	53	308	18
1985	208	228	73	575	5
1986	218	230**	86	481	16
1987[f]	118	161	44	347	6

McPHERSON COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	184	185*[d]	40	497	23
1976	200	198	19	794	30
1977	235	258**	43	550	29
1978	220	227*	38	484	19
1979	225	253*	44	350	29
1980	217	264**	37	308	28
1981	255	345	39	416	17
1982	250	272	36	364	11
1983	250	264	45	355	28
1984	223	220	32	283	18
1985	210	204	31	207	17
1986	150	190**	60	193	6
1987[f]	133	145**	55	249	9

See footnotes at end of table

POTTER COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	260	235*[d]	58	215	7
1976	275	266	57	645	9
1977	317	302	78	300	11
1978	306	216	35	340	10
1979	356	333*	60	286	13
1980	338	322	75	214	14
1981	325	350	75	283	18
1982	365	251	44	334	14
1983	375	328	67	206	22
1984	302	318*	67	257	24
1985	328	298	63	288	17
1986	292	274	78	180	14
1987[f]	272	228**	60	194	10

SPINK COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	281	77	245	7
1976	300	317	65	226	22
1977	310	342	80	257	20
1978	312	314	63	227	10
1979	345	377	76	224	23
1980	416	411	72	217	22
1981	410	465**[d]	70	220	23
1982	446	465*	75	275	28
1983	392	384*	69	226	60
1984	350	351*	63	314	30
1985	352	356	84	208	19
1986	244	223	77	204	19
1987[f]	208	225**	80	181	15

See footnotes at end of table

WALWORTH COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	235	233	73	370	9
1976	284	277	64	255	23
1977	307	319	79	228	12
1978	266	267	65	219	8
1979	300	310*[d]	64	316	16
1980	282	294	53	345	12
1981	285	285	43	288	14
1982	401	387	74	258	10
1983	319	323	72	369	8
1984	162	200	36	211	5
1985	201	249	52	201	9
1986	278	234	67	277	9
1987[f]	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** - building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland sales from January-June, 1987.

N.A. - Not Available.

ranged from $256 in Brown county to less than $150 per acre in McPherson and Potter counties. The relatively low number of sales in several counties affects average prices in some years, due to interyear variation in type of tracts sold.

Central Region

Average sale prices in the central region are lower than those in the north central and eastern regions of South Dakota, but are higher than average sale prices in the south central, southwest and northwest regions. From 1975 to 1986, farm real estate prices in the central region did not increase or decrease at the rates found in other regions of South Dakota. In 1975-1976, average sale prices were about $225 per acre and increased to over $300 per acre by 1980 (Table 3.6). From 1980 to 1983, average sale prices of farm real estate in the central region were between $307-$329 per acre. Average sale prices declined to $233 per acre in 1986 and plunged to $149 per acre in 1987. The 1987 plunge in per acre prices was characteristic of sale price trends in this region and in western South Dakota. The sharp decline in prices is related to a much larger number of tracts (including many acquired properties) sold than in the previous two years.

The average size of tract sold in the central region varied greatly between years, but was usually between 320 and 480 acres. The proportion of acres cultivated was typically 50-63%, although in two years it was less than 50%. The number of sales reports per year varied more than in most other regions of South Dakota.

County average sale prices in the central region are highest in Beadle and Sully counties and lowest in Hyde, Hand, Buffalo and Brule counties. The percentage index of county average sale prices (relative to farm real estate

Table 3.6. Farm Real Estate Sales Trends in Central South Dakota 1975-1987, by Region and County

CENTRAL REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	210	226	62	474	73	$150-290
1976	249	224	42	692	84	$150-327
1977	283	275	62	360	89	$200-385
1978	300	288*[d]	60	319	64	$204-418
1979	327	277	67	478	120	$225-425
1980	330	307	50	402	104	$217-478
1981	340	329	63	383	145	$250-437
1982	348	319	47	294	89	$210-450
1983	344	311*	57	380	147	$220-429
1984	281	281	55	345	189	$199-400
1985	250	261*	59	262	81	$169-382
1986	225	233	55	389	75	$127-344
1987[f]	154	149	55	366	69	$ 90-270

AURORA and JERAULD COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	195	255**[d]	72	347	6
1976	264	277	60	306	16
1977	261	281	56	290	22
1978	265	284*	44	253	9
1979	312	375*	58	312	12
1980	325	313	38	382	14
1981	400	403*	61	231	22
1982	303	333	49	239	19
1983	294	266*	46	420	20
1984	237	241	41	319	51
1985	219	231	62	286	18
1986	194	190*	49	375	18
1987[f]	152	145	36	283	26

See footnotes at end of table

BEADLE COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	246*[d]	64	220	11
1976	275	291	76	223	10
1977	325	318*	68	299	23
1978	350	336**	61	218	18
1979	350	381*	62	193	35
1980	400	418**	66	241	21
1981	354	366	58	248	44
1982	390	405*	58	234	19
1983	350	373**	58	206	30
1984	355	363*	64	174	27
1985	278	348**	71	196	14
1986	223	210	60	246	10
1987[f]	158	161**	47	232	11

BRULE and BUFFALO COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	195	186	51	270	13
1976	264	148	15	980	10
1977	261	274*[d]	46	400	11
1978	265	253	59	320	4
1979	312	317*	54	337	7
1980	325	310	54	258	4
1981	400	299	47	371	12
1982	303	281	34	278	13
1983	324	272	52	673	10
1984	248	222	41	478	19
1985	250	255**	64	205	6
1986	188	193*	48	329	9
1987[f]	168	164	48	270	8

See footnotes at end of table

HUGHES COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	248	95	286	5
1976	293	245*[d]	46	802	7
1977	273	213	77	552	9
1978	238	219*	45	552	9
1979	328	290	75	633	26
1980	400	318	45	625	13
1981	365	335	78	387	16
1982	313	301**	46	306	14
1983	375	326	54	530	17
1984	312	324	53	425	23
1985	288	285	60	221	17
1986	287	303	76	238	5
1987[f]	275	273	98	213	5

HYDE and HAND COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	178	185*[d]	49	433	24
1976	215	213*	36	876	29
1977	258	269	59	452	16
1978	275	271	73	236	11
1979	300	242	41	574	23
1980	288	249	35	568	25
1981	300	295	65	600	35
1982	245	260	24	446	14
1983	292	286*	46	401	38
1984	259	281*	57	346	44
1985	199	210*	41	393	15
1986	201	192*	55	389	19
1987[f]	130	132	65	740	16

See footnotes at end of table

SULLY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	250	233	64	917	13
1976	274	270	63	850	12
1977	275	281	74	270	8
1978	341	336*[d]	73	413	13
1979	331	243	90	876	17
1980	325	325	76	299	27
1981	354	329	65	492	16
1982	375	361	90	303	10
1983	372	357	89	323	32
1984	342	315	83	409	25
1985	300	317	79	224	11
1986	319	311	56	574	15
1987[f]	310	278**	93	144	5

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland sales from January-June, 1987.

N.A. - Not Available.

sale prices in Lincoln county) varied from 34 in Beadle county to 25 in Hyde and Hand counties. Average per acre sale price declines since the early 1980's are greatest in Beadle, Aurora, Jerauld, Hyde and Hand counties and least in Sully and Hughes counties. The number of sales each year in central region counties are relatively low and there is substantial interyear variation in types of tracts sold.

South Central and Western South Dakota

The south central, southwest, northwest and Black Hills regions are located west of the Missouri River. Cattle, sheep, and wheat are the major agricultural enterprises in the south central, southwest and northwest regions, while irrigated crops are also important in the Black Hills region.

Compared to the rest of South Dakota, farm real estate sales in the south central, southwest and northwest are characterized by (1) lower average sale prices, (2) lower proportions of cropland sold, (3) higher average numbers of acres sold and (4) lower numbers of tracts sold.

The average sale price in the south central region increased from $187 per acre in 1975 to a range of $230 to $275 per acre from 1979 to 1985. In 1986 and early 1987 average sale prices plunged to about $120 per acre. Some of this abrupt decline was due to changes in the proportion of cropland sold. In most years from 1975 to 1985, the proportion of cropland sold ranged from 35 to 46%. In 1986 and 1987, however, the proportion of cropland was only 27% and 33%, respectively. The annual average number of acres sold per tract usually varied from 365 to 565 acres (Table 3.7).

County average sale prices in Tripp, Gregory and Lyman counties are usually above the regional average. Also, the average size of tract is lower and the proportion of cultivated land is higher in these counties than in the

region as a whole.

Trends in the northwest and southwest regions are more difficult to summarize due to (1) relatively low numbers of sales per year, and (2) major interyear differences in average size of tract sold and in the proportion of cultivated land sold. The major findings include:

(1) the peak average sale prices were about $220 per acre in the southwest region and $186 per acre in the northwest regions;

(2) the lowest per acre prices occurred in 1987, and were less than 40% of peak prices observed in the early 1980's. Some of the reduction from peak prices to 1987 prices is due to increased proportion of rangeland sold;

(3) the median and average sale prices were often not consistent between years;

(4) the proportion of cropland sold was usually 20-30% of total acres sold in the northwest region and 25-37% of total acres sold in the southwest region; and

(5) the average size of tract sold was above 1000 acres in most years.

Farm real estate sold in the Black Hills region has considerably different characteristics than farmland sales in the rest of South Dakota. First, irrigation is present on some acres of a majority of tracts sold, although irrigated acres are usually 9 to 20% of total acres sold each year (Table 3.8). Secondly, nonagricultural factors (potential recreation, residential, or commercial development) influences the sale prices of a majority of tracts sold. Consequently, the proportion of cropland is not as important an indicator of sale price levels as it is in other regions.

The average sale price increased from $187 per acre in 1975 to about $450 per acre in 1980-1981 and declined to $189 per acre in early 1987. However, year to year changes were great and highly irregular. Median sale prices were substantially above (20-60%) average prices per acre in almost all years. In most years, the practical range of sale prices was wider in this region than

any other region in South Dakota. Average tract size was usually between 250 and 500 acres.

Overall, the annual summary data reported for south central and western regions of South Dakota is not as consistent or reliable as data reported from the rest of the state. These problems are due to (1) the lower number of tracts sold and (2) the greater variation in size and type of tracts sold, compared to other parts of the state.

Table 3.7. Farm Real Estate Sales Trends in South Central South Dakota, 1975-1987, by Region and County.

SOUTH CENTRAL REGION

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	202	187	46	391	66	$120-303
1976	203	213	40	565	55	$119-335
1977	250	231	52	305	66	$150-329
1978	230	200	35	559	109	$126-325
1979	266	230	36	569	110	$160-395
1980	275	231	41	379	102	$152-406
1981	301	262	52	381	94	$188-422
1982	297	275*[d]	38	403	87	$167-400
1983	275	253*	41	365	88	$160-402
1984	250	252	46	372	119	$159-402
1985	265	230	41	427	57	$125-353
1986	144	119	27	457	61	$ 61-283
1987[f]	123	120	33	545	36	$ 55-254

GREGORY COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	239	193	52	245	14
1976	NA	NA	NA	NA	NA
1977	275	263*	62	221	17
1978	250	246	42	314	23
1979	306	226	24	656	28
1980	290	292	52	256	34
1981	333	294	45	269	25
1982	371	346	50	250	11
1983	250	290	50	203	17
1984	300	301*	58	235	24
1985	272	216	33	212	18
1986	131	126	25	318	15
1987[f]	196	105	32	200	6

See footnotes at end of table

LYMAN COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	255	202	36	481	19
1976	265	264	45	702	17
1977	262	252	45	337	10
1978	275	258*[d]	54	448	10
1979	330	294*	48	573	16
1980	296	256	54	264	12
1981	303	310	68	438	12
1982	273	264**	37	581	22
1983	312	282	48	482	12
1984	275	305	60	372	25
1985	300	278	52	560	13
1986	291	279	59	212	10
1987[f]	225	169*	55	543	13

TRIPP COUNTY

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	190	173	53	340	28
1976	189	199	44	243	22
1977	250	236	54	258	24
1978	230	214	41	457	49
1979	261	234	48	507	42
1980	261	240*[d]	44	382	38
1981	308	264	53	360	36
1982	312	342*	43	327	27
1983	315	282	42	308	37
1984	250	240	41	310	53
1985	219	210	38	432	20
1986	135	124	34	308	14
1987[f]	113	103	25	697	10

See footnotes at end of table

JONES, MELLETTE and TODD COUNTIES

Year	Median Sale Price[a] $/Acre	Average Sale Price[b] $/Acre	Percent of Acres Cultivated[c]	Average Number of Acres Sold	Number of Sales
1975	200	178	49	740	5
1976	160	174	33	909	15
1977	220	199	47	456	15
1978	152	179*[d]	30	590	26
1979	236	185	27	574	24
1980	210	170	25	681	18
1981	281	216*	47	516	21
1982	220	214	33	395	27
1983	200	198*	32	521	22
1984	171	206	35	753	17
1985	127	203	37	768	6
1986	114	96	22	758	22
1987[f]	64	72	12	627	7

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included.

[a]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[b]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[c]Percent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold in each county or region.

[d]Estimated building values as a percent of total sale price of tracts:

* = building values contribute 5.0 - 9.9% of average sale price

** = building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

This information is only reported for the regional summary table where sufficient numbers of annual sales reports exist for making useful comparisons. It's not reported for county-level data. In general, the range of sales prices are as wide at the county level.

[f]Farmland sales from January-June, 1987.

N.A. - Not Available.

Table 3.8. Farm Real Estate Sales Trends in Regions of Western South Dakota, 1975-1987.

BLACK HILLS REGION[a]

Year	Median Sale Price[b] $/Acre	Average Sale Price[c] $/Acre	Percent of Acres Cultivated	Percent of Acres Irrigated[d]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	366	187*[f]	22	18	630	10	$ 52-527
1976	400	284*	27	21	523	17	$116-676
1977	406	295**	29	13	477	14	$106-936
1978	375	376*	39	27	296	19	$108-956
1979	333	216*	17	4	902	25	$115-1297
1980	792	468*	25	20	250	21	$168-1277
1981	656	457*	18	10	342	36	$184-1857
1982	435	387**	32	14	268	27	$163-1010
1983	400	416*	26	14	300	46	$183-1368
1984	406	310*	21	10	293	29	$ 85-875
1985	206	183*	28	16	433	21	$ 82-836
1986	413	257**	19	9	364	26	$ 60-135
1987[g]	248	189**	15	9	309	28	$ 72-1054

NORTHWEST REGION (excluding Black Hills foothills)[a]

Year	Median Sale Price[b] $/Acre	Average Sale Price[c] $/Acre	Percent of Acres Cultivated[d]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	156	116	23	1712	33	$ 70-258
1976	126	124	25	1378	48	$ 75-215
1977	170	152	31	955	40	$110-299
1978	180	150*[f]	30	803	40	$100-259
1979	190	150	28	1249	46	$ 98-300
1980	200	173	34	1077	52	$ 99-299
1981	203	186	29	1209	45	$100-312
1982	190	160	20	940	43	$104-337
1983	163	138	31	1312	59	$ 62-260
1984	129	122	21	967	82	$ 73-250
1985	129	111*	23	1042	36	$ 60-233
1986	110	98*	35	617	44	$ 45-212
1987[g]	100	58*	15	1810	35	$ 33-173

See footnotes at end of table

SOUTHWEST REGION (excluding Black Hills foothills)[a]

Year	Median Sale Price[b] $/Acre	Average Sale Price[c] $/Acre	Percent of Acres Cultivated[d]	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices[e]
1975	152	134*[f]	30	1918	28	$ 74-261
1976	188	155	29	1802	23	$ 85-314
1977	150	147	25	1214	41	$ 80-299
1978	150	149	31	1647	34	$ 90-337
1979	230	225*	37	1051	42	$ 86-445
1980	186	178	32	1410	46	$ 95-350
1981	193	189	30	957	42	$100-425
1982	231	218*	21	559	23	$107-700
1983	170	222	44	1683	41	$112-350
1984	255	186	27	1421	49	$125-425
1985	158	133	31	756	34	$ 64-346
1986	112	108	37	1300	37	$ 50-208
1987[g]	81	76	7	2011	10	$ 44-124

Source: Compiled from the Databank of Reported Farmland Sales, Federal Land Bank of Omaha. All reported bonafide sales of non-irrigated cropland and pasture of 40 acres or more are included in each region. Irrigated cropland and pasture tracts of 40 acres or more are included in the Black Hills region because nearly half of the tracts sold include irrigated land.

[a]See Figure 3.1 for a map of the Black Hills, Northwest and Southwest regions in western South Dakota. The Black Hills region agricultural land is primarily located in the foothills adjacent to the Black Hills. Major characteristics of farmland sales tracts are substantially different in this region than tracts sold in the Northwest and Southwest regions.

[b]The median sale price is found by marking tracts from highest to lowest per acre sale price and selecting the sale price per acre of the middle (50th percentile) tract.

[c]The average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each county or region.

[d]Percent of acres cultivated (irrigated) is the total number of acres cultivated(irrigated) divided by total acres of farmland sold in each county or region.

[e]Practical range of per acre sale prices is the range of per acre sale prices of the middle 80% of farmland tracts sold each year. Outlier sale tracts (top 10% and bottom 10% of per acre sale prices) are not included in this range of sale prices.

[f]Estimated building values as a percent of total sale price of tracts:

* - building values contribute 5.0 - 9.9% of average sale price

** - building values contribute 10.0 - 19.9% of average sale price

If a * is not indicated, the building values contribute less than 5% of average sale price.

[g]Sales from January-June, 1987.

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