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Relationships between Land Sales Figures, Soils, and Crop Yields as a guide for agricultural land evaluation

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DEUEL COUNTY

Farm sales data were supplied by Oliver Hanson, County Director of
Equalization, and compiled by George Winckler and staff of the South
Dakota Department of Revenue, Pierre, Lowell Schmidt, Commissioner.
Soil map drawn from field data supplied by V. F. Koopman, Soil Con-
servation Service.

Many factors affect the prices paid for agricultural
land.

One set of factors—including distance to market,
kind of roads, size of farms, characteristics of land
ownership, cultural patterns, and the skill and re-
sources of the operator—do not lend themselves read-
ily to analysis. Another set of factors—the kind of soil
and the ability of soils to produce crops and grass—
can be measured and related to land sale figures.

Data from recent land sales of unimproved agri-
cultural land (Table 1) provide basic data to which
data on soils and productivity can be related. The
three kinds of soils and yield data available on a coun-
ty basis to relate to land sale figures include: (1) the
County Soil Map (Figure 1); (2) The County Land
Inventory (Table 3); and (3) The Crop and Grass
Yields (Table 5).

THE LAND SALE FIGURES

The sale figures for unimproved agricultural land
in the county for the years 1967, 1968, and 1969 sup-
plied the basic data, along with climate and agroe-
nomic data, for the Soil Map Area values given in
Table 1. The procedure was to group the sales for each
map area of Figure 1. The resulting values, which are
shown in Table 1, then represent the average sale
price of all farms or ranches in each of these map areas
for the years 1967, 1968 and 1969.

The data are from bona fide transactions repre-
senting voluntary sales at market value. All sales cov-
ered by warranty deeds and contracts for warranty
deeds meeting the "willing buyer, willing seller" con-
cept were used except the following:

1. Sales between members of the immediate family and/or
where the stated consideration includes the words "love and

DEUEL COUNTY, SOUTH DAKOTA



affection," interpretation of the words "immediate family"
shall be from grantor or grantee to father, mother, brother,
sister, son, daughter, nephew, niece or grandchild.

2. Sales between affiliated companies or corporations and
to or from an officer of said company or corporation.

3. Sales by sheriff or other court officials which includes
forced sales, auction sales (10-6-33), foreclosures, bankruptcies
and condemnations.

4. Sales of cemetery lots.

5. Sales where life estates are retained.

6. Sales of minerals or timber *only*, or right to mine or cut.

7. Sales which include release of damage or satisfaction of
indebtedness as part of the recited consideration.

8. Sales involving a trade or exchange of property.

9. Sales including personal property unless value can be
determined and subtracted from selling price.

10. Sales to or from the United States of America or any
federal agency, *except* sales by Veterans Administration and
Federal Housing Authority or Farmers Home Administra-
tion.

11. Sales to or from any state, county, city, town, school
district, special improvement district or other municipal body,
or any other political subdivision or agency of either.

12. Sales to or from any railroad, telephone, electric, gas,
pipeline or other utility company.

13. Sales to or from any church, lodge, parochial school,
benevolent, fraternal, educational institution or any other
legal tax exempt organization.

14. Sales to or by administrator. Sales can be used in some
instances with written authorization from Department of
Revenue. Executors, guardians, receivers or trustees in bank-
ruptcy, decrees and referees.

15. Sales conveying an unspecified, undivided or fractional
interest in property.

16. Transactions involving the consummation of contracts
executed prior to the study period. Sales to be used will be
from the three (3) years preceding the legal assessment date
from each study.

17. Conveyances made to correct deeds previously executed
unless the correcting deed makes a change in the legal descrip-
tion.

R 50 W

R 49 W

R 48 W

R 47 W



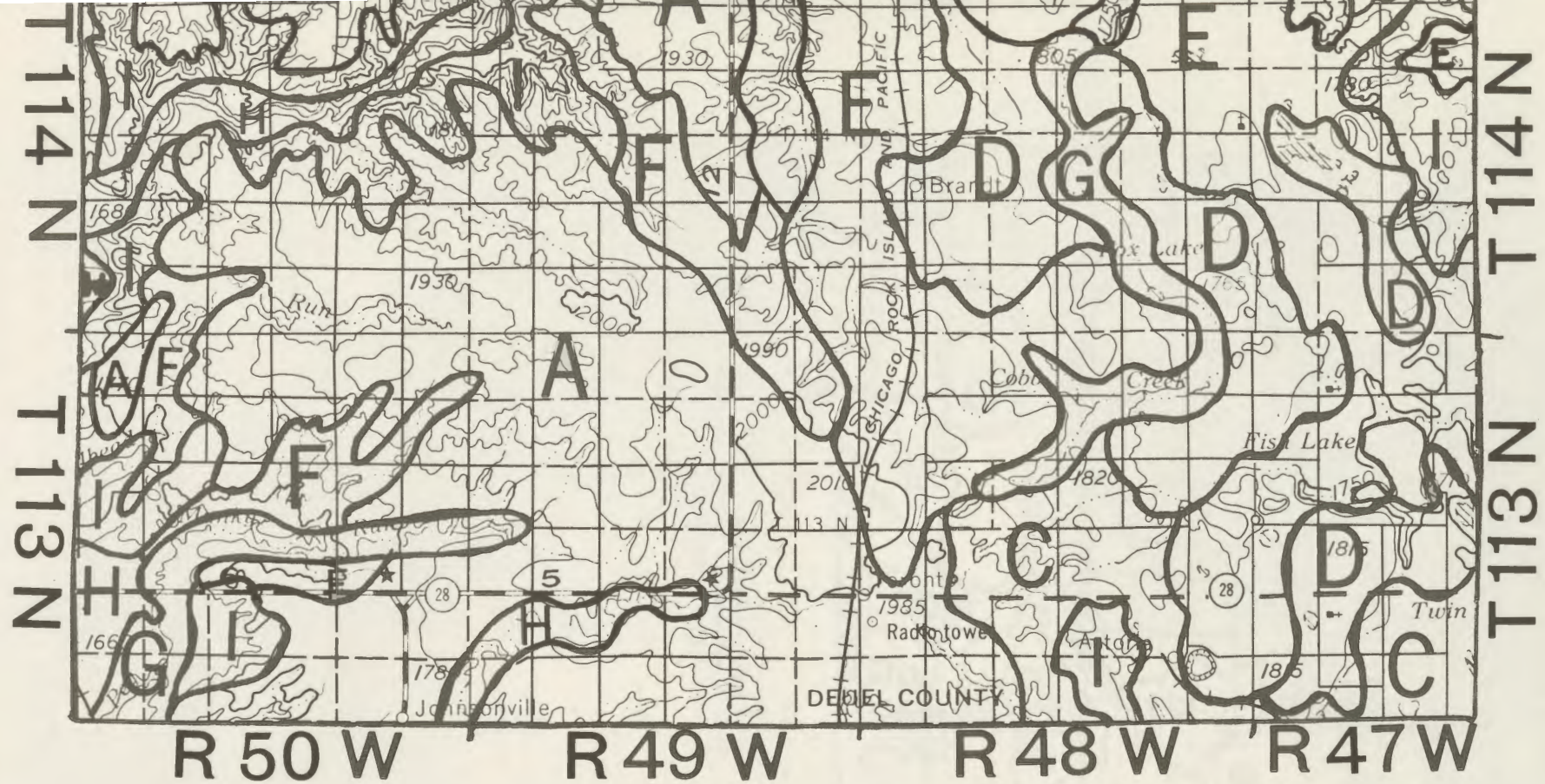


DEUEL COUNTY

- A. Deep silty soils on broad ridge tops and smooth sideslopes.
- B. Deep loamy soils on gently undulating areas.
- C. Deep friable loamy soils on gently undulating areas.
- D. Deep silty soils on gently sloping uplands.
- E. Deep clay loam soils on undulating uplands.
- F. Deep loamy soils on undulating to rolling uplands.
- G. Somewhat poorly drained bottomland soils.
- H. Loamy soils having gravelly and sandy substrata.
- I. Loamy soils on hilly areas or steep slopes.

Figure 1. General Soil Map.

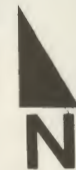




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Figure 1. General Soil Map.



18. Transactions involving real estate in more than one county, unless values are listed separately for each property.

19. Quit claim deeds. However, these are good in some instances, namely: Lead, S.D.; tax deeds; mortgage releases; and deeds showing exactly the same name for grantor and grantee.

20. When property changes its classification because of its new use (Example: agricultural to residential), when two (2) or more classes of property were sold as one parcel and only one stated consideration was shown; when a small parcel was sold out of a larger parcel where only one assessment previously existed.

21. Sales of property with physical change necessitating change in assessed value should not be used. Lots shall be used for one (1) year if the improvement was made after the sale.

THE SOIL MAP

A general soil map of the county is shown in Figure 1. Each map area is identified by a letter symbol described in the accompanying legend. The map areas are called soil associations which means that usually several soils are grouped together to make up the map unit. The soil associations divide the county into major physiographic areas. The acreages of the Soil Map Areas are given in Table 2.

THE LAND INVENTORY DATA

The second kind of data relating to Land Sale Figures available on a county basis is the Land Inventory. In these data the individual soils have been grouped into higher categories called Land Use Capability Subclasses. The basis for grouping is the degree and kind of limitation the soil has for agriculture (Reference: Land Capability Classification, USDA Handbook 10, 1962). The acres of land in the capability subclasses are shown in Table 3.

The inventory data shown in Table 3 come from the Conservation Needs Inventory (Basic Statistics of the National Inventory of Soil and Water Conservation Needs 1962) or, if available, from the detailed county soil survey. The inventory acreage usually is less than the total county acreage, since water areas, urban areas, and Federal land are not included.

THE CROP AND GRASS YIELDS

Crop and grass yield predictions (for average management) made for the soils of South Dakota by state and federal agencies have been for many years part of the basic data for published soil surveys. The use of the computer has facilitated the grouping of these data into yields by capability subclasses. The procedure was to select the dominant crops for the area of the state represented by the county. Yields for the four or five principal crops for subclasses of the first four capability classes were summarized and a crop rating determined based on the relative ability of the soils in each subclass to produce crops. The land subclass having the highest yields of the important locally grown crops was given a rating of 100% and the other subclasses rated down from this. This is how the crop ratings of Table 5 were developed.

The next step was to develop pasture or range ratings for the non-crop subclasses of classes 5, 6 and 7.

Because class 8 is non-agricultural land no productivity ratings for it were developed. Land in class 4 is equally suited for crops or pasture so the crop rating and the grass yield for the subclasses of class 4 were used to derive a "balance point" ratio. For example, if the comparative crop rating for the subclasses of class 4 was 50 and the grass yield on these same subclasses was 5000 pounds, the ratio of $50:5,000=.01$. The grass yields of the subclasses of classes 5, 6 and 7 then were multiplied by this ratio to arrive at the ratings for these subclasses. These pasture or range ratings, shown in Table 5 are in balance with the crop ratings of the subclasses of the first four land classes.

INTEGRATION OF LAND SALE FIGURES, SOIL MAP, LAND INVENTORY AND YIELD DATA

The Land Sale figures (Table 1) multiplied by the acreages of the map areas (Table 2) results in a county value (Table 4). This value represents the conditions prevailing in 1967, 1968 and 1969 qualified by the statements discussed in the above paragraph on "Land Sale Figures."

The yield data on crops and grass were summarized by land subclass and put on a comparative rating basis for land subclasses (Table 5). Crop and grass yields were brought into balance by use of a "balance point factor."

A dollar rating called a **Conceptual Dollar Value (CDV)** can be calculated for the land subclasses, Table 5. The CDVs are so-called because these are dollar values for the land subclasses which are conceptual units of classification. The CDVs are a reflection both of the Land Sales Figures and the Crop and Grass yielding abilities of the land. They were determined for the county as follows: The land subclass with a 100% crop or grass rating was called "x." A computer then solved for "x" so that the sum of the products of the land subclasses and "x" or a percentage of "x" (depending upon the yield rating) equalled the county value as determined by the Land Sale Figures.

The CDVs actually apply best for the central part of a county. The CDV's are based in part on land sale figures which reflect climate and climate changes gradually rather than abruptly at county lines. Therefore, the CDVs of adjacent counties should be noted to achieve smooth value transitions. The range of the CDVs in Table 5 represents the range of township CDVs in the county, which permits smooth transitions with adjoining counties.

USING CDVs AS A GUIDE FOR AGRICULTURAL LAND EVALUATION

Soil types making up a farm or ranch are placed into the appropriate land subclass. The acreages of each of the land subclasses then are multiplied by the CDV of the subclass to arrive at a dollar value for each subclass. These values are totaled for a first approximation value of the farm or ranch.

The accompanying state map shows the relationship of agricultural regions and land sales figures.

Deuel County, South Dakota

Table 1. Map Area Values From Land Sale Figures

Map Area	Dollars		Dollars	
	Per Acre	Map Area	Per Acre	Map Area
A	107	F	85	
B	105	G	80	
C	100	H	79	
D	95	I	71	
E	94			

Table 2. Acreages of Map Areas

Map Area	Acres
A	95,227
B	3,840
C	7,680
D	16,640
E	127,227
F	39,680
G	11,520
H	25,600
I	76,160

Table 3. County Land Inventory

Land Sub-class	Acres	Land Sub-class	Acres
1	45,568	4e	35,869
2c	-	4w	-
2e	175,733	4s	-
2w	30,457	5w	6,768
2s	4,739	6e	4,512
3c	-	6s	-
3e	61,351	7e	-
3w	7,672	7s	17,145
3s	8,573	8*	5,187

*Class 8 land is included in land inventory but, since it is essentially non-agricultural land, no yields are shown for it in Table 5.

Table 4. County Value from Land Sale Figures and Soil Map Acreages

Map Area	Acreage	Sale Figure	County
		Value Dollars/Acre	Value (Dollars)
A	95,227	107	10,189,289
B	3,840	105	403,200
C	7,680	100	768,000
D	16,640	95	1,580,800
E	127,227	94	11,959,338
F	39,680	85	3,372,800
G	11,520	80	921,600
H	25,600	79	2,022,400
I	76,160	71	5,407,360
Total			36,624,787

Table 5. Comparative Crop and Grass Ratings* and Conceptual Dollar Values (CDVs)

Land Sub-class	Crop Rating %	Grass Rating %	Conceptual Dollar Values and Range**
1	100	-	115 (105-130)
2c	-	-	-
2e	90	-	104 (95-117)
2w	78	-	90 (82-101)
2s	91	-	105 (96-118)
3c	-	-	-
3e	75	-	86 (79-98)
3w	73	-	84 (77-95)
3s	63	-	73 (66-82)
4e	57	57	66 (60-74)
4w+	66	66	76 (69-86)
4s	48	48	55 (50-62)
5w+	-	64	74 (67-83)
6e	-	31	36 (33-40)
6s	-	28	32 (29-36)
7e	-	29	34 (30-38)
7s	-	22	25 (23-29)

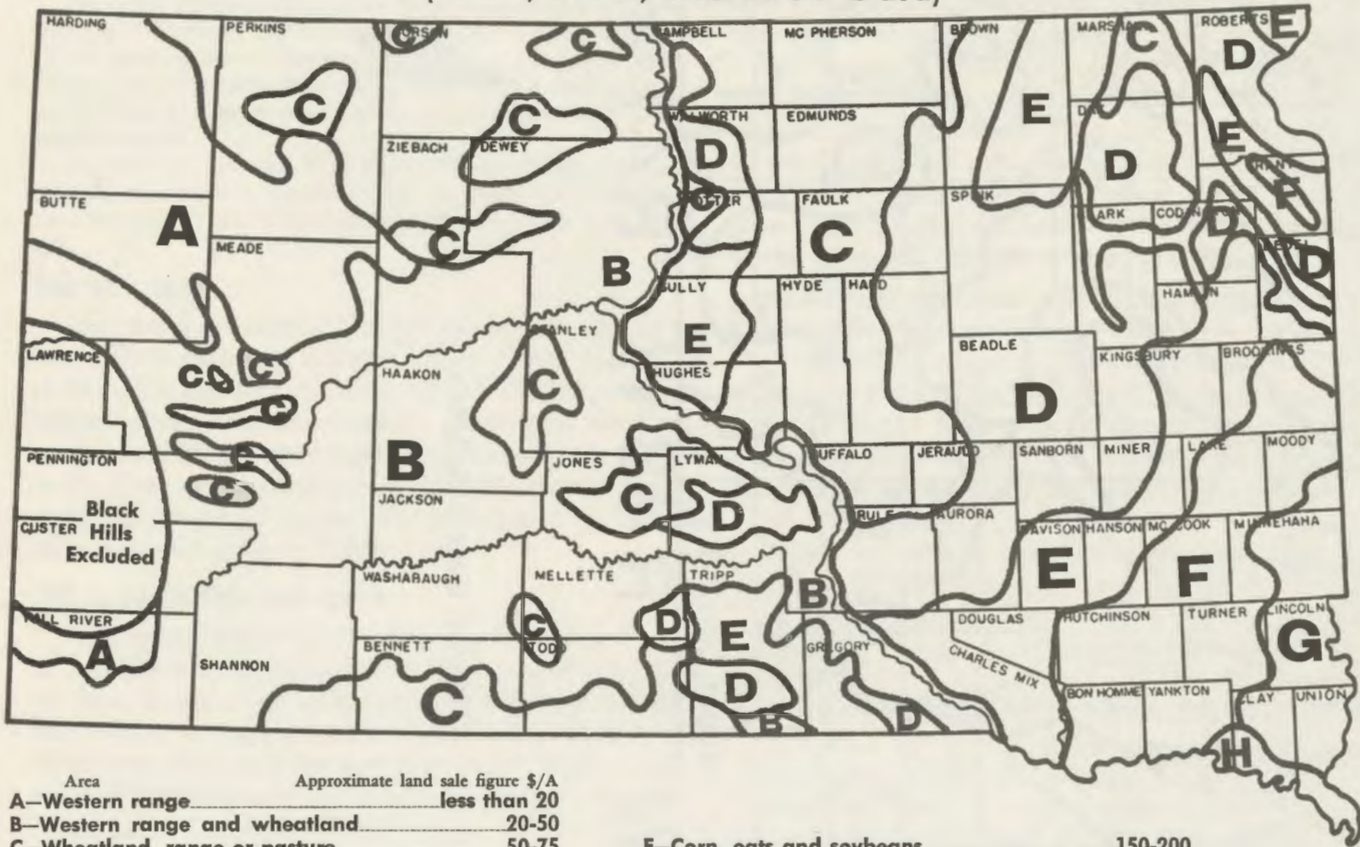
*Yield data were from soil series. Data were summarized for land subclass by computer.

+Although these wetlands are productive for grass, seasonal inaccessibility of sites and stock trampling may reduce ratings.

**Range represents the range of township CDVs in the county calculated to permit smooth value transitions with adjoining counties.

Agricultural Areas and Land Sales Figures, Generalized.

(1967, 1968, and 1969 Data)



Area	Approximate land sale figure \$/A
A—Western range	less than 20
B—Western range and wheatland	20-50
C—Wheatland, range or pasture	50-75
D—Mixed grains and general	75-100
E—General agriculture	100-150

F—Corn, oats and soybeans	150-200
G—Corn, soybeans	more than 200
H—Missouri River bottomland	200-500