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South Dakota Agricultural Land Values and Cash Rental Rates: 1995

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C 258

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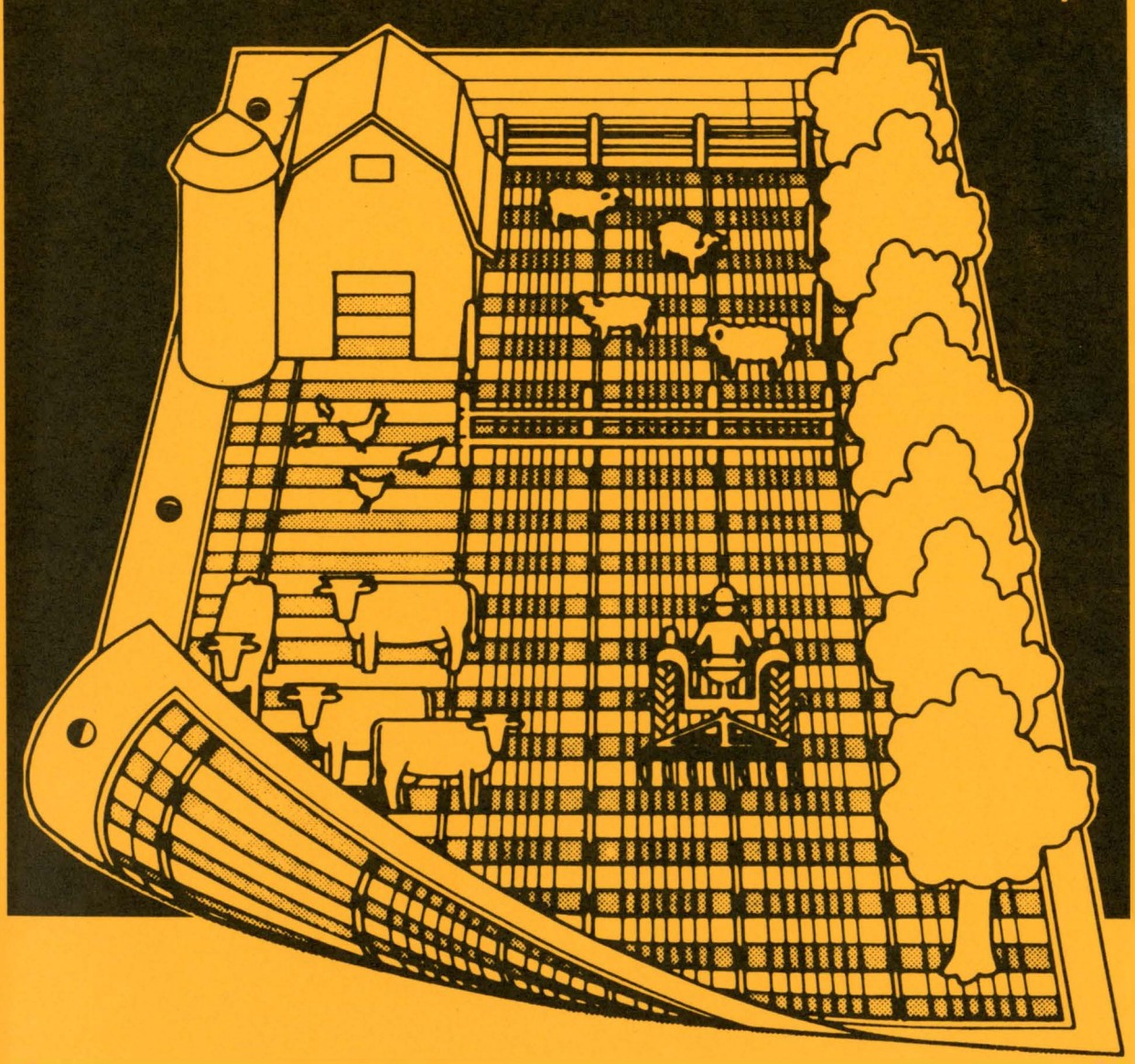
Results from the 1995 SDSU South Dakota Farm Real Estate Market Survey



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Contents

Summary 3
Introduction 5
1995 South Dakota Agricultural Land Values and Value Changes 5
Land Values and Value Changes by Type of Land and Region 8
- Cropland Values 8
- Hayland Values 9
- Native Rangeland and Tame (Improved) Pastureland Values 10
- Irrigated Land Values 10

Regional Land Values by Agricultural Land Use and Land Productivity 10
Agricultural Land Values by Region and County Clusters 12
Major Reasons for Purchase and Sale of Farmland 14
Positive and Negative Factors Affecting Farmland Markets in South Dakota 15
1995 Cash Rental Rates of South Dakota Agricultural Land 17
- Cash Rental Rates - Cropland, Hayland and Irrigated Land 17
- Cash Rental Rates - Rangeland and Pastureland 20
- County Average Cash Rental Rates - Cropland and Pasture/Rangeland 21

Rates of Return to South Dakota Agricultural Land 22
Agricultural Land Value Expectations for 1995 23
References 24
Appendices 25
- Appendix I. Survey Methods and Respondent Characteristics 25
- Appendix II. Farm Real Estate Values in South Dakota, 1950 - 1944 27
- Appendix III. South Dakota 1995 County Level Land Rents and Values 29

Figures

1. Agricultural regions of South Dakota 5
2. Average value of South Dakota agricultural land,February 1, 1995 and 1994, and percent change from one year ago 6
3. Average value of South Dakota cropland, irrigated land and hayland, by region, February 1995, dollars per acre 9
4. Average value of South Dakota rangeland and tame pasture, by region, February 1995, dollars per acre 9
5. Reasons for buying farmland 15
6. Reasons for selling farmland 15
7. Positive factors in land market 16
8. Negative factors in land market 16
9. Average cash rental rate of South Dakota nonirrigated cropland, and hayland, by region, 1995, dollars per acre 17
10. Average cash rental rate of South Dakota rangeland and pastureland, by region, 1995, dollars per acre and dollars per AUM 17
11. Estimated rates of return to agricultural land, state and region, 1995 24

Tables

1. Average reported value and annual percentage change in value of South Dakota agricultural land by type of land by region, 1991-1995 7
2. Average reported value per acre of agricultural land by South Dakota region, by type of land and land productivity, February 1, 1995 11

2A. Average reported value per acre of agricultural land by South Dakota region and county clusters, by type of land and land productivity, February 1, 1995 12

3. Reported cash rental rates of South Dakota agricultural land by type of land by region, 1995,1994, 1993, 1992, and 1991 rates 18

3A. Reported cash rental rates of South Dakota agricultural land by type of land by region and county clusters, 1995 and 1994 rates 19

4. Estimated rates of return to South Dakota agricultural land by type of land and by region, 1995,1994, 1993, 1992, and 1991 23

Appendix Table 1. Selected characteristics of respondents 26

C 258

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Results from the 1995 SDSU South Dakota Farm Real Estate Market Survey

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FOREWORD

Agricultural land values and cash rental rates in South Dakota, regional and statewide, are the primary topics of this report. This report is written for farmers and ranchers, landowners, agricultural professionals (lenders, rural appraisers, professional farm managers, Extension agents, and educators), and policymakers interested in agricultural land market trends. This report contains the results of the 1995 SDSU South Dakota Farm Real Estate Market Survey, the fifth annual SDSU survey developed to estimate agricultural land values and cash rental rates by land use in different regions of South Dakota.

We wish to thank our reviewers for their constructive comments on an earlier draft of this report. The reviewers are Dr. Richard Shane and Dr. Gene Murra of the SDSU Economics Department and Mary Brashier, Agricultural Communications Department, SDSU.

Laurel Venhuizen, graduate assistant and co-author of this report, and Rebecca Woodland, graduate assistant, conducted the many tasks associated with survey development, data entry and processing, and preparation of tables included in this report. We wish to thank Economics secretarial staff for developing and maintaining mailing lists, and for developing most of the figures and charts included in this report.

General funding for this project is from the SDSU Agricultural Experiment Station.

Finally, we wish to thank all of the 247 respondents (lenders, appraisers, and Extension agents) who participated in the 1995 South Dakota Farm Real Estate Market Survey. Without their responses this report would not be possible.

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South Dakota Agricultural Land Values and Cash Rental Rates: 1995

Results from the 1995 SDSU South Dakota Farmland Market Survey

Dr. Larry Janssen, Ms. Laurel Venhuizen, and Dr. Burton Pflueger[1]

Summary

South Dakota's agricultural land values increased 4.2% in 1994, paced by strong increases in the southwest, south-central and southeast regions. Slight declines in agricultural land values were reported in the north-central and east-central regions, and almost no change was reported in the central region. The average value of agricultural land (as of February 1, 1995) varies from $642 per acre in the southeast to $106 per acre in the northwest. These are key findings from the SDSU 1995 South Dakota Farm Real Estate Market Survey.

In each region, per-acre values are highest for irrigated land, followed in descending order by nonirrigated cropland, hayland or tame pasture, and native rangeland. For each land use, per-acre land values are highest in the southeast region and lowest in western South Dakota.

Average nonirrigated cropland values vary from $732 per acre in the southeast to $332 per acre in the central region and $185 per acre in the northwest. Average cropland values exceed $900 per acre in some counties of eastern South Dakota. Average rangeland values vary from $354 per acre in the southeast to $83 per acre in northwestern South Dakota. Within each region there are substantial differences in per-acre values by land use and land productivity.

From 1991 to 1995, agricultural land values increased in all regions of South Dakota. During this 4-year period, South Dakota cropland values increased an estimated 13.9% and rangeland values increased by 24.5%. The largest percentage increases in agricultural land values occurred in the southwest and south-central regions; the smallest increases occurred in the east-central and central regions.

Average cash rental rates per acre differ greatly by region and land use. For example, average cash rental rates for nonirrigated cropland are between $66 and $71 per acre in a few counties of eastern South Dakota and are only $15.80 to $17.30 per acre in western South Dakota. Average rangeland cash rental rates vary

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from $21.60 to $21.90 per acre in the east-central and southeast to $6.10 to $6.30 per acre in western South Dakota.

From 1994 to 1995, cash rental rates for cropland decreased slightly in the east-central, north-central, and south-central regions. Cropland cash rental rates were steady in most other regions. Hayland cash rental rates increased in the southeast and northeast regions and remained steady or declined in other regions. Rangeland rental rates increased about $1.50 per acre in the southeast and north-central regions, increased about $0.70 per acre in the east-central, southwest, and northwest regions, and held steady or declined in other regions.

Average cash rental rates per AUM (Animal Unit Month) for grazing land are fairly uniform across South Dakota, ranging from $13.60 to $17.30 per AUM. In most regions, this represents a rate increase of $2 - $5 per AUM from 1988 to 1995. However, cash rental rates per AUM appear to have peaked in most regions, and modest declines from 1994 to 1995 are reported in several regions.

The ratio of gross cash rent to reported land value is a measure of gross rate of return to land before deduction of property taxes and other landlord expenses. This estimated gross rate of return is 7.5% for all agricultural land, 7.8% for nonirrigated cropland, and 7.1% for rangeland. From 1992 to 1995, there have been minimal changes in gross rates of return by region or land use.

Respondents were asked to estimate net rates of return to agricultural land ownership, given current real estate values. The estimated net rate of return is 5.3% on all agricultural land, 5.8% on nonirrigated cropland, and 4.7% on rangeland. From 1992 to 1995, net rates of return declined nearly one-half percentage point. Most of the differences between gross and net returns are property tax payments.

According to respondents, farm expansion is the major reason to purchase farm real estate. Investment potential of farmland was the second major reason. The major reasons that landowners are selling farm real estate are retirement, estate settlement, financial and cash flow pressures, and favorable market conditions for selling farm real estate. The major reasons for buying and selling farm real estate have remained essentially the same over the past 4 years of this survey.

Respondents indicated that favorable crop production, investment potential of farmland, and high demand for farm expansion were major positive factors influencing agricultural land markets. Low crop and cattle prices, higher long-term interest rates, and uncertainty over future government programs were cited as major negative factors influencing farmland markets.

Most respondents projected stable agricultural land values in 1995. Approximately 25% of survey respondents expect modest increases in land values in 1995.

However, for the first time in survey history, more than 10% of respondents anticipated declining land values. Overall, projections of farmland value changes in 1995 are less optimistic than in previous years. ❑

South Dakota Agricultural Land Values and Cash Rental Rates: 1995

Agricultural land values and cash rental rates in South Dakota are the primary topics of this publication. The 1995 estimates are based on reports from 247 respondents to the 1995 South Dakota Farm Real Estate Market Survey. The respondents are agricultural lenders, rural appraisers, realtors, professional farm managers, and Extension agricultural agents who know ag land market trends in their localities.

The 1995 SDSU Farm Real Estate Market Survey is the fifth annual survey developed to estimate agricultural land values and cash rental rates by land use (cropland, rangeland, tame pastureland, hayland, and irrigated land) in different regions of the state. This publication is a response to numerous requests by farmland owners, renters, appraisers, lenders, and others for more detailed information on agricultural land markets in South Dakota.

The SDSU Farm Real Estate Market survey was mailed to potential respondents in February and March 1995 requesting information on 1995 cash rental rates and agricultural land values as of February 1, 1995. Response rates, respondent characteristics, and estimation procedures are in Appendix I.

Comparisons of the 1995 data are made to surveys from earlier years (Janssen and Pflueger, 1991-1994). At the request of many readers, this 1995 report also contains historical data (1950-1994) on South Dakota agricultural land values as reported by USDA (Appendix II).

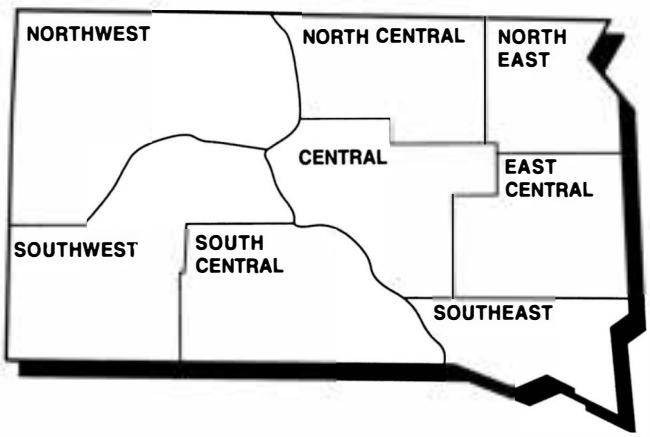
Also included is county level information on whole farm, cropland, and pasture land rents and values provided by the South Dakota Agricultural Statistics Service (SDASS) in *South Dakota 1995 County Level Land Rents and Values* (Appendix III). The SDASS report is based on telephone survey responses from 2,350 farm operators, and this is the second year that county level data on cash rental rates and values of rented land have been collected and reported.

The information in this report provides an overview of agricultural land values and cash rental rates across South Dakota. It may or may not reflect actual land values or cash rental rates unique to specific localities or specific properties. We caution the reader to use this information as a general reference while relying on local sources for specific details.

1995 South Dakota Agricultural Land Values and Value Changes

Respondents to the 1995 South Dakota Farm Real Estate Market Survey were asked to estimate the pe-acre value of cropland, hayland, rangeland, tame pastureland, and irrigated land in their county and the percent change in value from one year earlier. Responses are grouped by regional location with eight agricultural regions used in this report (Fig 1). The six regions in eastern and central South Dakota correspond with USDA Crop Reporting Districts. In western South Dakota, farmland values and cash rental rates are reported for the northwest and southwest regions.

Fig 1. Agricultural regions of South Dakota.



The average value per acre and percent change in value were obtained for each agricultural land use in each region. Regional and statewide all-land value estimates are weighted averages based on the relative amount and value of each land use in each region of South Dakota (Appendix I).

As of February 1995, the South Dakota all-land average value was $276 per acre, an estimated 4.2% increase in value from one year earlier and 16.5% above February 1991 estimates (Fig 2 and Table 1). Respondents' estimated land values are considerably lower than farm real estate (land and building) values reported by USDA, but the upward trend in reported values is similar.

Regional differences in all-agricultural land values are primarily related to major differences in: (1) agricultural land productivity among regions, (2) per-acre values of cropland and rangeland in each region, and (3) the proportion of cropland vs. rangeland in each region.[2]

The all-land average values are highest in eastern South Dakota, with per-acre values ranging from $642 in the southeast to $475 in the east-central and $428 in the northeast region. These three eastern regions contain the most productive land in South Dakota. Cropland and hayland are the dominant uses in each region with 70% - 74% of farmland acres.

Agricultural land values in the three regions of central South Dakota are much lower than in eastern South Dakota. The average value per acre ranges from $226 in the south-central region to $258 in the central and $281 in the north-central region.

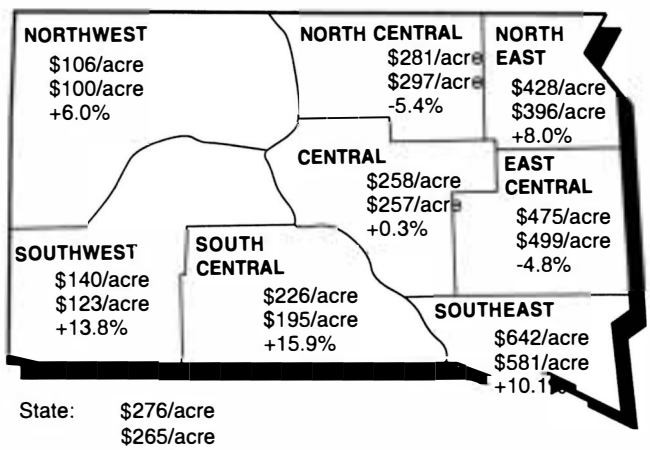
[2] Statewide, the estimated proportions of privately owned farmland by land use are: rangeland = 44%, tame pastureland = 7%, nonirrigated cropland = 39%, hayland = 9%, and irrigated land = 1%. Most agricultural land in each region (78% - 86% of agricultural acres) is native rangeland or nonirrigated cropland, but the proportion in each use varies greatly by region. For example, native rangeland is the dominant land use in western South Dakota, while most agricultural land in eastern South Dakota is nonirrigated cropland. Most of the remaining agricultural land (14% - 22%) in each region is tame (improved) pasture or hay (alfalfa hay, other tame hay, or native hay). Irrigated land is primarily used to produce corn or alfalfa hay and is concentrated in the southeast region, near the Black Hills, or along the Missouri River.

Cropland and hayland are a majority of farmland acres in the central and north-central regions, while pasture and rangeland are 62% of agricultural land acres in the south-central region.

The lowest average land values are in the northwest ($106 per acre) and southwest regions ($140 per acre). More than 70% of agricultural acres in these western regions are in native rangeland and pasture.

Regional changes in agricultural land values this past year (early 1994 to early 1995) were related to the impact of weather conditions in 1994 and the lingering impact of record precipitation in 1993. According to survey reports, agricultural land values increased by 10% or more in the southern regions of South Dakota. Substantial increases in cropland, rangeland, and hayland values were indicated in each of these regions. Decreases in cropland, hayland, and all-agricultural land values were reported in the east-central and north-central regions. Respondent comments indicated excellent rangeland conditions in the southwest and south-central regions were major contributing factors to increased

Fig 2. Average value of South Dakota agricultural land, February 1, 1995 and 1994, and percent change from one year ago.



Regional and statewide average values of agricultural land are the weighted averages of dollar value per acre and percent change by proportion of acres of each land use by region.

Top: Average per-acre value—February 1, 1995
Middle: Average per-acre value—February 1, 1994
Bottom: Annual percent change in per-acre land value

Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

Table 1. Average reported value and annual percentage change in value of South Dakota agricultural land by type of land by region, 1991 - 1995.

Type of Land	South East	East Central	North East	North Central	Central	South Central	South West	North West	STATE
All Agricultural Land									
Average value, 1995	642	475	428	281	258	226	140	106	276
Average value, 1994	581	499	396	297	257	195	123	100	265
Average value, 1993	561	499	401	258	235	203	121	97	256
Average value, 1992	533	475	371	263	225	189	114	95	245
Average value, 1991	539	466	365	231	225	181	107	89	237
Annual % change 95/94	10.1	-4.8	8.0	-5.4	0.3	15.9	13.8	6.0	4.2
Annual % change 94/93	3.6	0.0	-1.2	15.1	9.4	-3.9	1.7	3.1	3.5
Annual % change 93/92	5.3	5.1	8.1	-1.9	4.4	7.4	6.1	2.1	4.5
Annual % change 92/91	-1.1	1.9	1.6	13.9	0.0	4.4	6.5	6.7	3.4
Nonirrigated Cropland									
Average value, 1995	732	555	522	353	332	326	237	185	435
Average value, 1994	661	590	488	382	331	289	218	169	425
Average value, 1993	655	595	497	326	305	302	197	163	411
Average value, 1992	616	574	460	342	300	287	196	167	398
Average value, 1991	623	554	450	294	300	272	185	153	382
Annual % change 95/94	11.1	-6.0	7.0	-7.6	0.3	12.8	8.7	9.5	2.4
Annual % change 94/93	0.9	-0.8	-1.8	17.2	8.5	-4.3	10.7	3.7	3.4
Annual % change 93/92	6.3	3.7	8.0	-4.7	1.7	5.2	0.5	-2.4	3.3
Annual % change 92/91	-1.1	3.6	2.2	16.3	0.0	5.5	5.9	9.2	4.2
Rangeland (native)									
Average value, 1995	354	303	247	184	197	180	101	83	142
Average value, 1994	319	283	228	184	190	149	85	80	131
Average value, 1993	283	276	232	169	175	157	89	76	127
Average value, 1992	271	267	209	163	159	145	80	74	119
Average value, 1991	268	271	205	147	163	137	74	69	114
Annual % change 95/94	11.0	7.0	8.3	0.0	3.7	20.8	18.8	3.8	8.4
Annual % change 94/93	12.7	2.5	-1.7	8.9	8.6	-5.1	-4.5	5.3	3.1
Annual % change 93/92	4.4	3.4	11.0	3.7	10.1	8.3	11.3	2.7	6.7
Annual % change 92/91	1.1	-1.5	2.0	10.9	-2.5	5.8	8.1	7.2	4.4

Source: 1995 and 1994 South Dakota Farm Real Estate Market Surveys

Weighted averages of dollar value per acre and percent change by proportion of acres of each land use by region.

land values in those regions, while lingering impacts of 1993 flooding and extremely wet cropland conditions were reasons for land value declines in the east-central and north-central regions.

A comparison of 1995 agricultural land values with those reported in 1991 indicates land values increased in all regions of South Dakota over the past 4 years. Overall, the largest percentage increases in land values occurred in the southwest and south-central regions, which are dominated by cow-calf and winter wheat farms. The smallest percentage increases occurred in the east-central and central regions (Table 1).

Table 1 (continued)

Type of Land	South East	East Central	North East	North Central	Central	South Central	South West	North West	STATE
Pasture (tame, improved)									
Average value, 1995	385	346	262	218	214	214	117	102	237
Average value, 1994	371	335	251	200	224	194	109	93	227
Average value, 1993	326	333	249	194	194	193	104	98	216
Average value, 1992	328	306	257	194	190	176	100	88	210
Average value, 1991	315	325	252	170	199	163	92	94	206
Annual % change 95/94	3.8	3.3	4.4	9.0	-4.5	10.3	7.3	9.7	4.4
Annual % change 94/93	13.8	0.6	0.8	3.1	15.5	0.5	4.8	-5.1	5.1
Annual % change 93/92	-0.6	8.8	-3.1	0.0	2.1	9.7	4.0	11.4	2.9
Annual % change 92/91	4.1	-5.8	2.0	14.1	-4.5	8.0	8.7	-6.4	1.9
Hayland									
Average value, 1995	562	365	336	213	229	230	164	145	254
Average value, 1994	489	409	279	235	237	204	137	124	240
Average value, 1993	435	398	275	188	205	204	140	121	223
Average value, 1992	416	336	237	179	197	193	135	119	207
Average value, 1991	461	358	252	169	190	197	126	122	211
Annual % change 95/94	14.9	-10.8	20.4	-9.4	-3.4	12.7	19.7	16.9	5.8
Annual % change 94/93	12.4	2.8	1.5	25.0	15.6	0.0	-2.1	2.5	7.6
Annual % change 93/92	4.6	18.5	16.0	5.0	4.1	5.7	3.7	1.7	7.7
Annual % change 92/91	-9.8	-6.1	-6.0	5.9	3.7	-2.0	7.1	-2.5	-1.9
Irrigated land									
Average value, 1995	1144	740	793	535	485	455	487	366	657
Average value, 1994	1043	790	683	568	537	483	447	425	650
Average value, 1993	979	765	583	547	504	510	485	494	635
Average value, 1992	985	844	641	450	456	497	436	460	615
Average value, 1991	942	665	563	433	454	472	480	383	574
Annual % change 95/94	9.7	-6.3	16.1	-5.8	-9.7	-5.8	8.9	-13.9	1.0
Annual % change 94/93	6.5	3.3	17.2	3.8	6.5	-5.3	-7.8	-14.0	2.4
Annual % change 93/92	-0.6	-9.4	-9.0	21.6	10.5	2.6	11.2	7.4	3.3
Annual % change 92/91	4.6	26.9	13.9	3.9	0.4	5.3	-9.2	20.1	7.1

Land Values and Value Changes by Type of Land and Region

Major differences in value changes by agricultural land use across regions also were reported. In each region, per-acre values are highest for irrigated land, followed by nonirrigated cropland, hayland or tame pasture, and native rangeland. For each nonirrigated land use, per-acre land values are highest in the southeast region, followed by land values in the east-central region. The lowest average land values are found in the northwest and southwest regions (Figs 3 and 4, Table 1).

Cropland Values

The weighted average value of South Dakota's nonirrigated cropland (as of February 1995) is $435, a 2.4% increase from 1994. There was considerable regional variation in value changes. For example,

substantial increases in cropland values, varying from 8.7% to 12.8%, are reported in the southwest, northwest, southeast, and south-central regions, while declines in cropland values are reported in the east-central and north-central regions.

From 1991 to 1995, South Dakota cropland values increased an estimated 13.9%. Cropland values increased in all regions, with percentage increases of 20% or more in the northwest, southwest, and south-central regions. Cropland values in the east-central region are about the same as reported in 1991.

The southeast region has the highest average cropland values ($732 per acre), followed by cropland in the east-central and northeast regions (Fig 3 and Table 1). These three eastern regions contain nearly 45% of South Dakota's cropland, and the major crops are corn, soybeans, wheat, and other small grains.

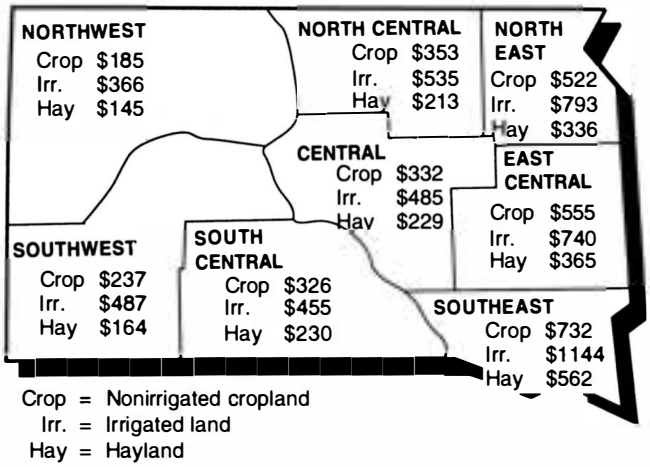
Wheat and other small grains are the predominant cropland uses in the central regions of South Dakota. Average cropland values in the north-central region are higher ($353 per acre) than in the central and south-central regions. Cropland values declined in the north-central region, after 3 prior years (1991-1994) of rapid increases.

The lowest average cropland values ($185 to $237 per acre) are found in the northwest and southwest regions. The dominant cropland uses are spring wheat in the northwest and winter wheat in southwest South Dakota. Average per-acre values of cropland in the northwest region are one fourth of average cropland values in southeastern South Dakota (Table 1).

Hayland Values

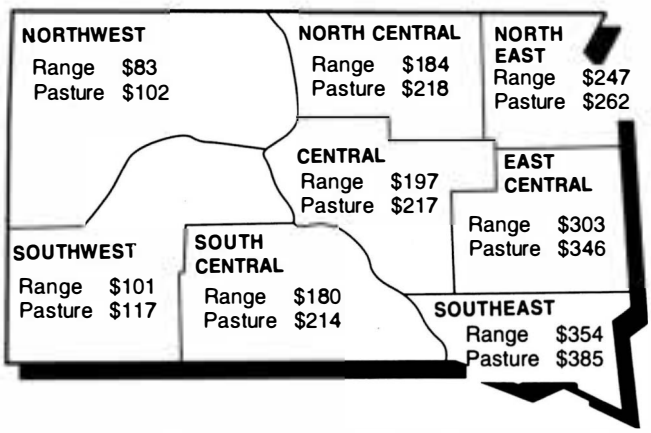
South Dakota hayland values averaged $254 per acre as of February 1995, a 5.8% increase from one year earlier and 20.3% increase from 1991. Hayland values increased more than 12% from 1994 in the same regions (southeast, south-central, southwest, and northwest) where the strongest increases in cropland values were reported. Similarly, regions with reported declines or minimal changes in cropland

Fig 3. Average value of South Dakota cropland, irrigated land, and hayland, by region, February 1995, dollars per acre.



Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

Fig 4. Average value of South Dakota rangeland and tame pasture, by region, February 1995, dollars per acre.



Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

values (east-central, north-central, and central) showed declines in hayland values (Table 1, Fig 3).

Per-acre hayland values follow the same regional patterns as cropland values, with the highest values in the southeast region ($562 per acre) and lowest values in the northwest region ($145 per acre). Alfalfa and other tame hay is the most common hay harvested in eastern South Dakota, while native hay is more common in central and western South Dakota. Respondents from the southeast and east-central regions primarily reported alfalfa hayland

values, while respondents in all other regions primarily reported all hayland values.

Native Rangeland and Tame (Improved) Pastureland Values

In February 1995, the weighted average value of South Dakota native rangeland was $142 per acre, while the average value of tame pasture was $237 per acre (Table 1 and Fig 4). Native rangeland is much more concentrated in the western and central regions of South Dakota, while tame pasture is concentrated in the eastern regions.

The statewide average change in value was +3.1% for rangeland and +5.1% for tame pastureland. Rangeland value changes varied from +11% or more in the southern regions of South Dakota to no change in the north-central region. Reported values of tame pastureland increased in all regions except the central.

From 1991 to 1995, rangeland values have increased 24.5% statewide, with percentage increases above 30% in the southwest, south-central, and southeast regions and only 11.8% in the east-central region. During the same period, reported tame pastureland values increased 15% with the greatest percentage increases in the south-central and southeast regions.

Rangeland average values are highest in the southeast and east-central regions ($354 and $303 per acre respectively) and lowest in the northwest and southwest regions ($83 and $101 per acre respectively). In the central regions of South Dakota, average rangeland values are clustered from $180 to $197 per acre, compared to $247 per acre in the northeast region (Table 1 and Fig 4). Across regions, the average value of native rangeland varied from 81% to 94% of the reported value of tame pastureland.

Within most regions, the average per-acre value of nonirrigated cropland is 1.7-2.4 times the average value of native rangeland. In all regions, per-acre average hayland and tame pasture values are considerably lower than nonirrigated cropland values and somewhat higher than native rangeland values.

Irrigated Land Values

Statewide average irrigated land values are $657 per acre, a 1% increase from one year earlier and 14.4% above 1991 reported values. Average irrigated land values are above the statewide average in the southeast ($1144 per acre), east-central ($740 per acre), and northeast ($793 per acre). In all other regions, irrigated land values averaged $366 to $535 per acre (Table 1 and Fig 3). Reported values of irrigated land in the northwest and southwest regions were primarily for gravity irrigation. In all other regions, the value of irrigated land was reported for center pivot irrigation systems, excluding the value of the center pivot.

Reported values of irrigated land increased in the southeast, northeast, and southwest regions and declined in all other regions. Compared to 1991, irrigated land values have increased above the statewide average increase of 14.4% in the southeast, northeast, and north-central regions and have declined or remained nearly steady (<+2%) in the three regions (south-central, southwest, and northwest) west of the Missouri River.

We caution the reader that data (especially percentage changes) on irrigated land values are less reliable than land value data on other agricultural land uses. Irrigated land is not common (less than 1% of land acreage) in most regions, and there are few sales of irrigated land tracts. Consequently, only 29% of all respondents were familiar with and able to provide information on irrigated land values.

Regional Land Values by Agricultural Land Use and Land Productivity

To this point, we have provided a statewide and regional summary of respondents' estimated value of average quality land in each agricultural land use. Respondents also estimated by land use the average value of both high productivity and low productivity land in their locality.

The 1995 average reported value by land use and productivity is summarized by region in Table 2. For example, cropland values in the southeast region range from an average of $552 per acre for low productivity cropland to $935 per acre for high productivity cropland. In the northwest region, cropland values range from an average of $138 per acre for lower productivity cropland to $224 per acre for higher productivity cropland.

Rangeland values in the southeast region vary from $267 per acre for lower productivity rangeland to $402 per acre for higher productivity rangeland. In the northwest region, the average value of low (high) productivity rangeland is $60 ($107) per acre. Regional differences in per-acre rangeland values reflect differences in livestock carrying capacity.

Within each region, substantial variation in land values exists for each land use. For example, in most regions the average value of high productivity cropland was between 61% and 69% higher than the average value of low productivity cropland. For rangeland, the average value of high productivity rangeland is 40% to 59% above the average value of low productivity rangeland in all regions east of the Missouri River and 67% to 78% above the value of low productivity rangeland in regions west of the Missouri River.

Table 2. Average reported value per acre of agricultural land by South Dakota region, by type of land, and by land productivity, February 1, 1995.

Agricultural Land Type and Productivity	South East	East Central	North East	North Central	Central	South Central	South West	North West
	dollars per acre							
Nonirrigated Cropland								
Average	732	555	522	353	332	326	237	185
High Productivity	935	698	658	449	396	417	283	224
Low Productivity	552	431	367	271	262	255	166	138
Rangeland (native)								
Average	354	303	247	184	197	180	101	83
High Productivity	402	363	291	213	225	223	129	107
Low Productivity	267	241	183	152	155	131	78	60
Pastureland (tame,improved)								
Average	385	346	262	218	214	214	117	102
High Productivity	433	398	300	255	242	255	146	131
Low Productivity	304	278	210	183	179	166	89	73
Hayland								
Average	562	365	336	213	229	230	164	145
High Productivity	704	437	370	247	252	298	190	172
Low Productivity	406	292	232	175	181	176	122	104
Irrigated Land								
Average	1144	740	793	535	485	455	487	366
High Productivity	1367	830	861	663	530	539	656	606
Low Productivity	951	640	549	478	404	349	368	247

Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU

Agricultural Land Values by Region and County Clusters

Overall, considerable variation in agricultural land values occurs within each region. In this section, we report February 1995 per-acre values of average quality, high productivity, and low productivity land by agricultural land use by region and county clusters within several regions (Table 2A). A county cluster is a group of counties within the same region that have similar agricultural land use and land value characteristics.

Three county clusters are identified in each of the following regions: southeast, east-central, northeast, north-central and central. The greatest variation in land values occurs among county clusters in the southeast and east-central regions.

Average per-acre land values are similar within three pairs of county clusters in the two eastern regions: (1) Clay-Lincoln-Turner-Union and Minnehaha-Moody clusters; (2) Bon Homme-Hutchinson-Yankton and Brookings-Lake-McCook clusters; and (3) Charles Mix-Douglas and Sanborn-Davison-Hanson-Kingsbury-Miner clusters. For example, the per-acre value of average quality nonirrigated cropland is: (1) $894 to $916 per acre, respectively, in the Minnehaha-Moody and Clay-Lincoln-Turner-Union clusters, (2) $576 to $658 per acre in the Brookings-Lake-McCook and Bon Homme-Hutchinson-Yankton clusters, and only (3) $433 to $458 per acre in the western county clusters of these two regions (Table 2A).

Compared to 1994, reported values of average quality cropland and hayland increased in all county clusters of the southeast region, decreased or held steady in county clusters of the east-central region, and slightly increased in all county clusters of the southeast and east-central regions. Rangeland values increased in all county clusters of these two regions.

In the northeast region, average cropland values are highest in the Grant-Roberts cluster and lowest in

Table 2A. Average reported value per acre of agricultural land by South Dakota region, county clusters, type of land, and land productivity, February 1, 1995.

	Southeast				East Central			
Agricultural Land Type and Productivity	All	Clay Lincoln Turner Union	Bon Homme Hutchinson Yankton	Charles Mix Douglas	All	Minnehaha Moody	Brookings Lake McCook	Sanborn Davison Hanson Kingsbury Miner
	dollars per acre							
Nonirrigated Cropland								
Average	732	918	658	458	555	894	578	433
High Productivity	935	1185	900	544	698	1233	750	515
Low Productivity	552	698	472	376	431	653	429	341
Rangeland (native)								
Average	354	391	346	299	303	407	304	277
High Productivity	402	437	394	353	363	496	369	328
Low Productivity	267	304	256	241	241	304	225	220
Pastureland (tame,improved)								
Average	385	433	386	329	346	494	343	318
High Productivity	433	506	429	361	398	575	398	359
Low Productivity	304	357	304	246	278	425	255	248
Hayland								
Average	562	755	577	351	365	675	365	318
High Productivity	704	988	744	400	437	883	440	376
Low Productivity	406	569	409	266	292	517	277	255

Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU

Irrigation land values are not reported in this table, due to insufficient number of reports in most county clusters.

the Clark-Marshall-Day cluster. Most cropland in Grant and Roberts counties is located in the central and eastern part where the elevation is lower and soils are more productive. Hayland values are comparable in the Codington-Deuel-Hamlin and Grant-Roberts clusters and considerably lower in the Clark-Marshall-Day clusters. Average per-acre value of rangeland and improved pastureland are about 10% higher in the Codington-Deuel-Hamlin cluster than in the other county clusters.

Compared to 1994, reported values increased substantially for all agricultural land uses in the Grant-Roberts cluster and increased for most land uses in the other northeast county clusters.

Land value changes in the north-central region are mixed. Substantial declines in cropland and hayland values were reported in the Brown-Spink cluster, and increased values were reported west of these two counties. Rangeland and tame pastureland values held steady or increased throughout this region.

Average land values reported in Brown and Spink counties are much higher than average land values reported in the Edmunds-Faulk-McPherson and Campbell-Potter-Walworth clusters. Most land in Brown and Spink counties is located in the James River Valley and is more productive than most other agricultural land in the north-central region. However, the James River Valley has also been subject to very wet conditions for cropland and hayland in 1993 and in 1994, which may explain the reported declines in value.

In the central region, the per-acre values of rangeland, pastureland, and hayland are highest in the Aurora-Beadle-Jerauld cluster. Cropland values are highest in the Hughes-Sully cluster.

Compared to early 1994, decreased cropland, hayland, and rangeland values were reported in the Aurora-Beadle-Jerauld cluster where farming conditions were the wettest, while increased values were reported west of these counties.

Table 2A. (continued)

Agricultural Land Type and Productivity	Northeast				North Central			
	All	Codington Deuel Hamlin	Grant Roberts	Clark Day Marshall	All	Brown Spink	Edmund Faulk McPherson	Campbell Potter Walworth
	dollars per acre							
Nonirrigated Cropland								
Average	522	532	637	409	353	460	288	348
High Productivity	658	670	812	517	449	604	367	406
Low Productivity	367	373	467	299	271	311	235	282
Rangeland (native)								
Average	247	273	237	235	184	230	180	146
High Productivity	291	319	292	262	213	267	209	165
Low Productivity	183	193	187	181	152	175	156	117
Pastureland (tame,improved)								
Average	262	291	265	240	218	264	198	182
High Productivity	300	332	335	264	255	319	228	207
Low Productivity	210	213	222	194	183	222	176	145
Hayland								
Average	336	387	387	263	213	250	216	167
High Productivity	370	429	431	287	245	285	258	194
Low Productivity	232	230	297	198	175	186	185	140

Agricultural land values are not reported by county clusters in the northwest, southwest, and south-central regions. The primary reasons are: (1) too few reports from any specific county groupings, or (2) average land values were not greatly different across county groupings. At present, this survey is not designed to reflect the substantially higher nonirrigated farm/ranch land values adjacent to and in the Black Hills region, compared to the plains areas of western South Dakota. Most of the irrigated land value reports from western South Dakota are from locations close to the Black Hills.

Examination of average land values by county clusters more clearly reveals the combined impacts of climatic factors (precipitation, growing degree days), soil associations, and land use on relative values of agricultural land. Federal agricultural programs also have a significant direct impact on cropland values via commodity program benefits.

The Conservation Reserve program (CRP) also has some impact on agricultural land values as it affects the availability of land used for agricultural production. South Dakota has nearly 2.0 million acres of cropland enrolled in this 10-year land retirement program. Unless the program is renewed, most CRP contracts in South Dakota will expire by 1999. CRP contract holders, primarily farmers and ranchers, will then have to make some major decisions concerning land use for their CRP tracts.

Major Reasons for Purchase and Sale of Farmland

Respondents were asked to provide major reasons why buyers were purchasing and sellers were selling farmland in their locality. During the 5 years the SDSU Farm Real Estate Market Survey has been conducted, the most commonly cited reasons for purchase and sale have not changed.

Table 2A. (continued)

Agricultural Land Type and Productivity	Central All	Central Aurora Beadle Jerauld	Central Buffalo Brule Hand Hyde	Central Hughes Sully	South Central All	South West All	North West All
	dollars per acre						
Nonirrigated Cropland							
Average	332	324	334	395	326	237	185
High Productivity	396	387	411	450	417	283	224
Low Productivity	262	270	264	278	255	166	138
Rangeland (native)							
Average	197	236	196	142	180	101	83
High Productivity	225	277	221	164	223	129	107
Low Productivity	155	174	164	103	131	78	60
Pastureland (tame,improved)							
Average	214	259	213	177	214	117	102
High Productivity	242	282	237	211	255	146	131
Low Productivity	179	207	174	144	166	89	73
Hayland							
Average	229	259	218	191	230	164	145
High Productivity	252	284	242	219	298	190	172
Low Productivity	181	216	173	131	176	122	104

Farm expansion was the most popular reason (45% of responses to this question) given for purchasing farmland. Investment potential of farmland and the location of the land tract were the second and third most common reasons. Some additional reasons for purchasing farmland include buying land for use as a hunting or wildlife area, renters purchasing land from the landlord, entry into farming, moving into the area for the country lifestyle, and low interest rates (Fig 5).

Retirement from farming was the most common reason (46% of responses to this question) given for selling farmland. Settling estates and financial reasons were the second and third most popular reasons. Additional cited reasons for selling farmland include favorable market conditions, cashflow pressures, low profitability, and high property taxes (Fig 6).

Overall, farm expansion is the primary reason for purchasing farmland, while retirement and estate settlement are the major reasons for selling. These motives are consistent with the primary reasons for agricultural land market transactions since the mid-1950s. Financial pressures remain an important, but secondary, motivational factor for many buyers and sellers in the South Dakota farmland market. Other reasons for buying and selling farmland may change in relative importance over time.

Positive and Negative Factors Affecting Farmland Markets in South Dakota

Respondents were asked to list major positive factors and negative factors affecting the farm real estate market in their localities. The factors asked for are those that help explain changes in amount of

Fig 5. Reasons for buying farmland

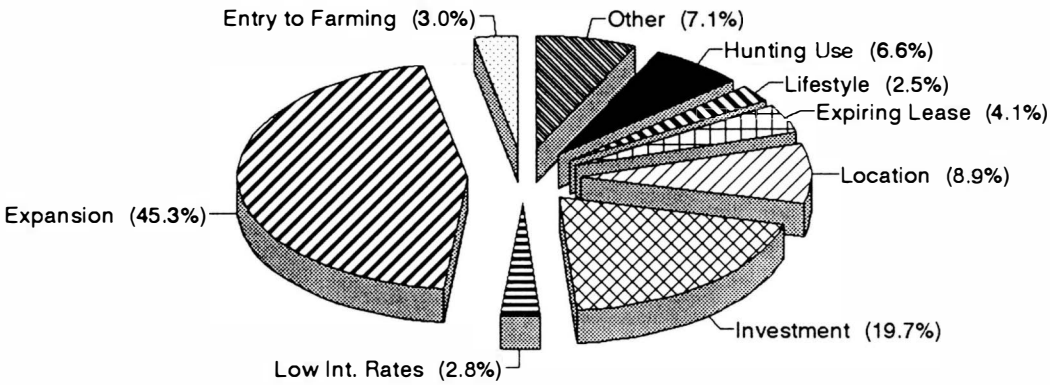
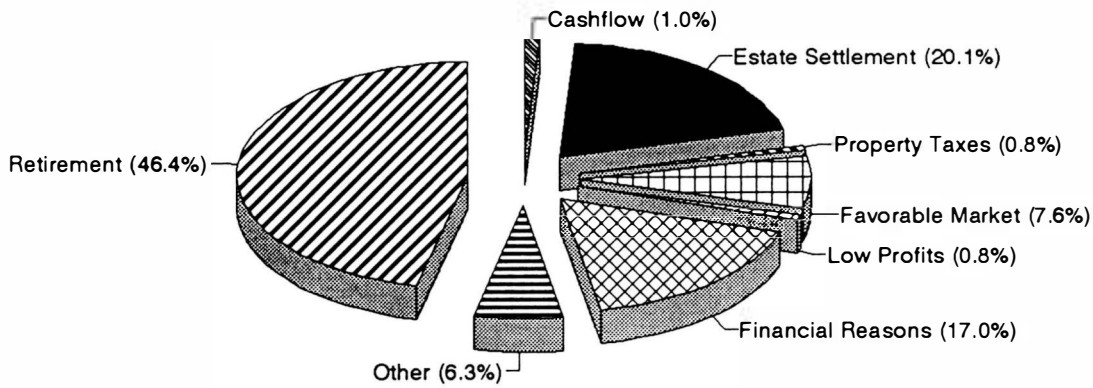


Fig 6. Reasons for selling farmland



farmland for sale, how much is sold, and the sale prices in the respondents' localities.

Good recent years of crop production was listed more often than any other positive factor (14.9% of responses) affecting farmland markets. The investment potential of farmland and the demand for land for expansion were the second and third most common response.

Many different responses were provided to this question and varied greatly by respondent location. Additional major positive factors include high demand for farmland, low interest rates, demand for land for hunting and/or recreation, government programs, the desire for a rural lifestyle, and high income potential from farmland (Fig 7).

Low crop and cattle prices (in 1994) were the major negative factor (38.1% of responses to this question) affecting farmland markets. Perceived high interest rates and uncertainty over future government programs were the second and third most common factors cited. Some additional negative factors include high property taxes, low profits from farmland ownership, high and rising input costs, poor weather, and a lack of available land (Fig 8).

Generally, good crop years in several regions of the state is the major positive factor, while low crop and cattle prices have the greatest negative impact on farmland markets.

The growing demand for alternative uses of farmland such as hunting, recreation, and lifestyle is becoming an important positive factor in the farmland market in many localities.

Negative factors are usually financially based, with high input costs, property taxes, interest rates, and uncertainty dominating. The key positive and negative factors vary greatly by location.

Fig 7. Positive factors in land market

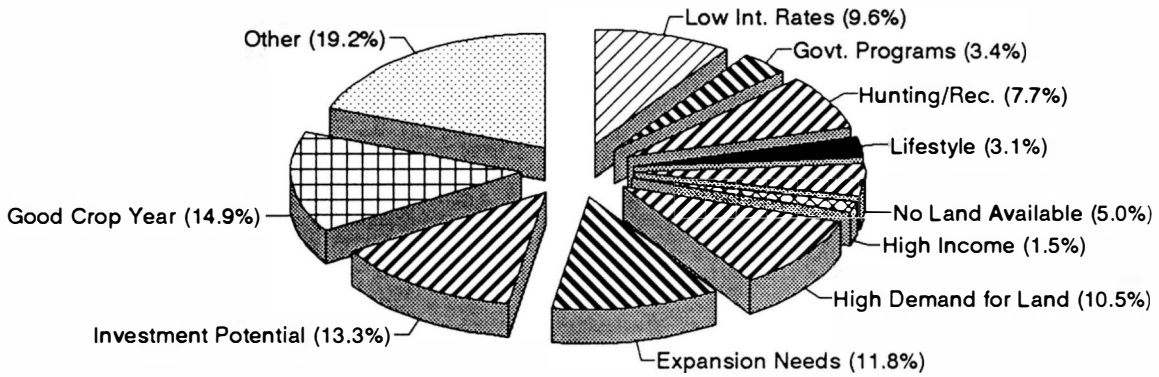
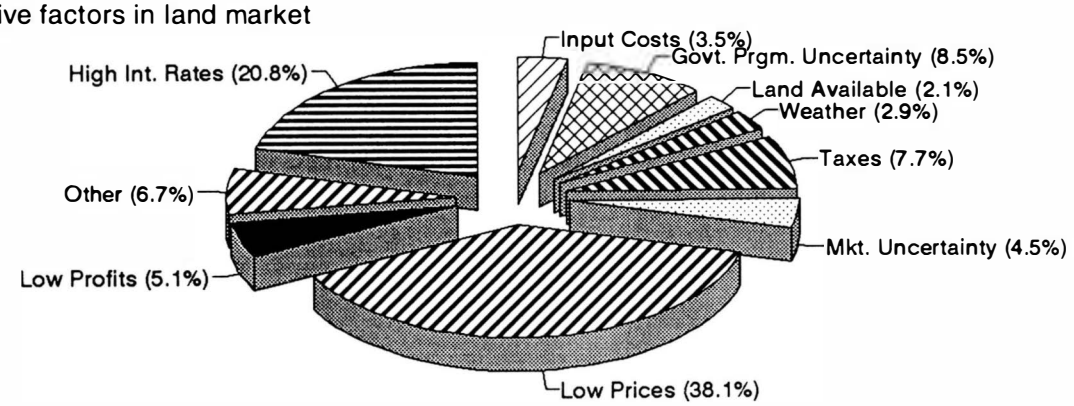


Fig 8. Negative factors in land market



1995 Cash Rental Rates of South Dakota Agricultural Land

The cash rental market provides important information on returns to agricultural land. Nearly three fourths of South Dakota's farmland renters and three fifths of agricultural landlords are involved in one or more cash leases for agricultural land. A majority of cash leases are annual renewable agreements (Peterson and Janssen, 1988).

Respondents to the 1995 SDSU Farm Real Estate Market Survey were asked about average cash rental rates per acre for nonirrigated cropland, irrigated land, and hayland in their locality. Cash rental rates for pasture/rangeland were provided on a per-acre basis and, if possible, on a per-AUM (Animal Unit Month) basis. A key addition to this survey were questions on cash rental rates for high productivity and low productivity land by different land uses. This addition makes the cash rental data collection comparable to questions asked about land values. Cash rental rates by land use by region are summarized in Table 3 and Figs 9 and 10. The same information is summarized by region and county cluster in Table 3A.

Cash rental rates differ greatly by region and land use. For each land use, cash rental rates per acre are highest in the southeast and east-central regions and lowest in northwest and southwest South Dakota. In each region, cash rental rates are highest for cropland and lowest for pasture and rangeland (Table 3, Figs 9 and 10).

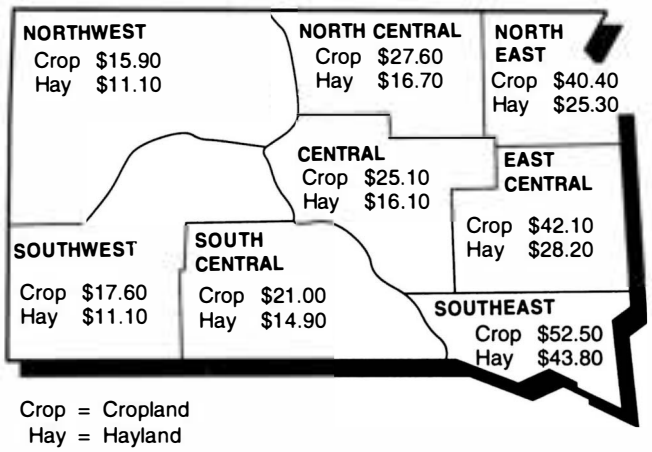
Cash Rental Rates - Cropland, Hayland, and Irrigated Land

Average cash rental rates for nonirrigated cropland range from $15.90 to $17.60 per acre in western South Dakota to $45.10 per acre in the east-central region and $52.50 per acre in southeastern South Dakota (Fig 9 and Table 3).

Average cash rental rates are highest ($66.70 to $70.20 per acre) in the Minnehaha-Moody and Clay-Lincoln-Turner-Union clusters. Typical cash rental rates exceed $50 per acre for lower productivity cropland and exceed $85 per acre for high productivity cropland in these county clusters (Table 3A).

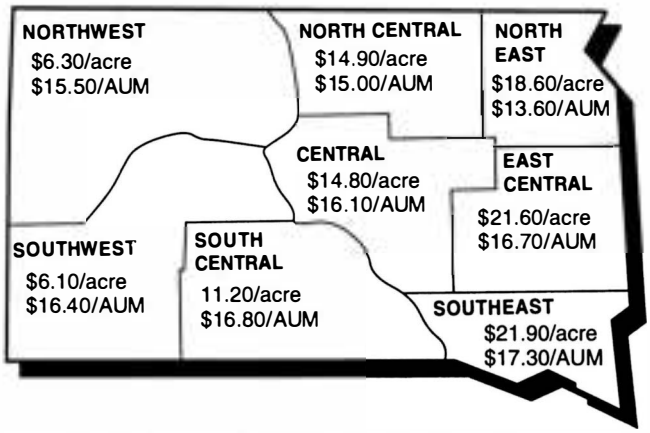
Within each region and county cluster, cash rental rate averages for low productivity cropland are considerably lower than typical cash rental rates for high productivity cropland. For example, reported cash rental rates in the southeast region vary from $40.40 per acre for lower productivity nonirrigated cropland to an average of $65.10 per acre for higher

Fig 9. Average cash rental rate of South Dakota nonirrigated cropland and hayland, by region, 1995, dollars per acre.



Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

Fig 10. Average cash rental rate of South Dakota rangeland and pastureland by region, 1995, dollars per acre and dollars per AUM.



Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

Table 3. Reported cash rental rates of South Dakota agricultural land by type of land by region, 1995, 1994, 1993, 1992, and 1991 rates.

Type of Land	South East	East Central	North East	North Central	Central	South Central	South West	North West
	dollars per acre							
Nonirrigated Cropland								
Average 1995 rate	52.50	42.10	40.40	27.60	25.10	21.00	17.60	15.90
High Productivity	65.10	54.50	54.60	37.00	31.30	25.60	22.20	21.10
Low Productivity	40.40	31.90	29.00	20.20	19.20	16.40	14.10	11.50
Average 1994 rate	51.90	45.10	40.30	29.80	25.00	22.10	17.60	14.90
Average 1993 rate	51.80	47.10	40.30	26.60	24.20	22.80	16.60	14.60
Average 1992 rate	48.00	45.70	39.70	25.50	22.70	21.40	17.70	15.10
Average 1991 rate	49.30	43.20	38.50	24.50	23.20	22.20	15.90	13.50
Irrigated Land								
Average 1995 rate	89.50	68.00	76.70	65.40	46.70	45.50	46.70	42.90
High Productivity	104.30	80.00	105.80	89.70	56.40	55.00	56.70	63.00
Low Productivity	75.00	55.00	56.70	45.90	33.60	38.70	38.30	26.40
Average 1994 rate	91.90	71.70	66.00	53.80	48.50	**	**	**
Average 1993 rate	87.20	68.60	60.00	57.80	52.50	53.80	49.40	40.80
Average 1992 rate	85.20	70.00	69.20	58.50	48.30	50.40	46.50	48.10
Average 1991 rate	82.70	69.00	59.00	**	41.70	**	35.10	39.00
Hayland								
Average 1995 rate	43.80	28.20	25.30	16.70	16.10	14.90	11.10	11.10
High Productivity	55.30	34.90	34.20	21.10	20.10	18.30	14.40	15.60
Low Productivity	34.30	21.90	18.50	12.10	12.40	11.90	8.70	7.80
Average 1994 rate	39.50	31.40	23.60	17.00	17.80	15.50	11.90	11.30
Average 1993 rate	35.60	32.10	22.00	14.70	16.40	16.00	11.30	9.50
Average 1992 rate	33.30	25.90	20.00	14.20	15.60	15.60	11.40	12.10
Average 1991 rate	38.50	30.90	22.30	14.20	15.70	14.80	12.10	10.40
Pasture/Rangeland								
Average 1995 rate	21.90	21.60	18.60	14.90	14.80	11.20	6.10	6.30
High Productivity	28.60	27.10	23.90	19.00	18.70	14.90	7.80	8.80
Low Productivity	15.70	16.20	13.30	10.80	11.30	8.50	4.40	4.10
Average 1994 rate	20.30	20.90	18.60	13.40	16.30	11.20	5.40	5.60
Average 1993 rate	20.30	20.10	17.00	12.70	15.20	10.10	5.60	5.10
Average 1992 rate	18.00	19.60	16.50	12.00	13.50	9.50	5.30	4.90
Average 1991 rate	19.20	18.60	16.30	12.50	13.80	9.90	5.30	4.40
	dollars per Animal Unit Month							
Average 1995 rate	17.30	16.70	13.60	15.00	16.10	16.80	16.40	15.50
High Productivity	21.70	21.20	16.00	20.10	19.10	21.00	19.30	18.80
Low Productivity	13.40	13.50	10.70	11.40	13.30	13.20	13.40	12.00
Average 1994 rate	15.40	15.00	15.60	14.80	16.50	17.00	15.60	16.50
Average 1993 rate	15.60	13.90	14.25	13.25	14.90	16.40	15.40	14.50
Average 1992 rate	15.40	14.50	12.50	13.10	15.50	15.90	14.00	15.00
Average 1991 rate	13.70	15.90	15.50	12.80	14.80	15.20	14.30	13.00

** Insufficient number of reports

Source: South Dakota Farm Real Estate Market Surveys, SDSU, 1995, 1994, 1993, 1992 and 1991

productivity cropland. In the northwest region, cash rental rates for lower productivity cropland average only $11.40 per acre while cash rental rates for higher productivity cropland are an average of $20.90 per acre (Table 3).

Hayland cash rental rates in 1995 vary from an average of $11.10 per acre in western South Dakota to an average of $43.80 in the southeast region. Average cash rental rate for alfalfa hayland is $67.30 per acre in the Clay-Lincoln-Turner-Union cluster and exceeds $40 per acre in the Minnehaha-Moody and Bon Homme-Hutchinson-Yankton clusters. Some hayland cash leases exceed $70 per acre in several of these eastern counties where a commercial alfalfa hay market has developed.

As with cropland, there are considerable differences in average cash rental rates of low and high productivity hayland. In most regions (except the southeast and east-central regions) the lower cash rental rates for hayland are based on reports for native hayland and less productive tame hayland, while the higher rates are often quoted for good quality alfalfa hayland.

Cash rental rates for center pivot irrigated land in the north-central and eastern regions of South Dakota vary from an average of $65.40 per acre in the north-central region to $89.50 per acre in the southeast region. Average cash rental rates for irrigated land in all other regions vary from $42.90 per acre in the northwest region to $46.70 per acre in the central and southwest regions. Many reporters indicated few irrigated tracts in their locality were cash leased and that their reports were based on few actual irrigated land leases.

From 1994 to 1995, average cash rental rates for cropland decreased $3.00 per acre in the east-central, $2.20 per acre in the north-central, and $1.10 per acre in the south-central regions. Cropland cash rental rates were steady to $1.00 higher in all other regions. Average cash rental rates for hayland increased in most regions except the east-central and central regions where declines were reported (Table 3).

Table 3A. Reported cash rental rates of South Dakota agricultural land by region and county clusters, 1995 and 1994 rates.

	Southeast				East Central			
	All	Clay Lincoln Turner Union	Bon Homme Hutchinson Yankton	Charles Mix Douglas	All	Minnehaha Moody	Brookings Lake McCook	Sanborn Davison Hanson Kingsbury Miner
	dollars per acre							
Nonirrigated Cropland								
Average 1995 rate	52.50	70.20	44.90	32.30	42.10	66.70	43.70	32.20
High Productivity	65.10	85.00	57.60	41.00	54.50	86.70	58.70	41.30
Low Productivity	40.40	54.40	34.10	24.00	31.90	50.60	30.60	24.80
Average 1994 rate	51.90	68.40	46.90	32.30	45.10	67.70	42.60	31.30
Hayland								
Average 1995 rate	43.80	67.30	42.10	22.00	28.20	49.20	28.60	24.50
High Productivity	55.30	84.60	53.70	27.50	34.90	63.30	36.10	30.60
Low Productivity	34.30	53.80	32.70	16.20	21.90	40.00	21.90	18.40
Average 1994 rate	39.50	55.50	33.30	22.50	31.40	51.10	29.40	25.00
Pasture/Rangeland								
Average 1995 rate	21.90	23.70	21.90	18.10	21.60	24.60	21.10	21.10
High Productivity	28.60	31.20	28.40	24.20	27.10	30.70	26.70	26.30
Low Productivity	15.76	17.00	15.10	13.70	16.20	19.30	15.50	15.50
Average 1994 rate	20.30	24.30	20.00	17.70	20.90	23.20	19.30	20.50

Source: South Dakota Farm Real Estate Market Surveys, SDSU, 1995 and 1994.

Irrigated cropland rental rates per acre and rangeland rental rates per Aum are not reported in this table, due to insufficient number of reports in most county clusters.

Cash Rental Rates - Rangeland and Pastureland

More than three eighths of South Dakota's 26 million acres of rangeland and pastureland acres are leased to farmers and ranchers. Several million acres of rangeland in western and central South Dakota are controlled by federal, state, or tribal agencies and are leased to ranchers through cash leases or grazing permits. However, a majority of leased rangeland and almost all leased pastureland are from private landlords (Cole, Janssen, and Beutler, 1992).

Most private landlords use cash leases for rental of rangeland and pastureland. Respondents were asked about 1995 cash rental rates per acre and per AUM on privately owned rangeland and pastureland in their localities.

Average cash rental rates per acre reflect regional differences in productivity and carrying capacity of pasture and rangeland tracts. Average cash rental rates vary from $6.10 to $6.30 per acre in western South Dakota and $21.60 to $21.90 in east-central and southeast South Dakota. The ranges of typical cash rental rates for low and high productivity rangeland vary from $4.10 to $8.50 per acre in the northwest region and from $15.70 to $28.60 per acre in the southeast region (Fig 9 and Table 3).

Animal Unit Month (AUM) is defined here as the amount of forage required to maintain a mature cow with calf for 30 days. An AUM is somewhat of a "generic" value and should be about equal across regions. Therefore, private cash lease rates quoted on a per-AUM basis should be roughly equivalent in different areas of the state unless there are major regional differences in forage availability, forage quality, and demand for leased rangeland.

Rangeland rates per AUM in 1995 are fairly uniform across South Dakota, averaging $13.60 per AUM in the northeast region to $17.30 per AUM in the southeast region. Statewide, cash rental rates vary from $10.70 to $21.70 per AUM.

From 1991 to 1995, average cash rental rates per acre of rangeland increased in all regions of South Dakota. From 1994 to 1995, cash rental rates for rangeland increased in most regions, held steady in the northeast and south-central region, and declined in the central region.

Table 3A. (continued)

	Northeast				North Central			
	All	Codington Deuel Hamlin	Grant Roberts	Clark Day Marshall	All	Brown Spink	Edmund Faulk McPherson	Campbell Potter Walworth
	dollars per acre							
Nonirrigated Cropland								
Average 1995 rate	40.40	42.80	44.70	33.10	27.60	35.42	22.80	26.30
High Productivity	54.60	56.40	61.00	44.10	37.00	50.50	29.60	33.20
Low Productivity	29.00	29.40	31.80	25.10	20.20	24.70	16.40	20.40
Average 1994 rate	40.30	42.00	45.50	36.20	29.80	37.70	21.40	24.50
Hayland								
Average 1995 rate	25.30	27.90	27.80	21.80	16.70	19.50	15.50	14.00
High Productivity	34.20	36.30	37.50	28.70	21.10	24.00	19.70	17.50
Low Productivity	18.50	21.10	19.60	16.30	12.10	13.70	11.90	9.80
Average 1994 rate	23.60	25.40	24.70	21.00	17.00	18.90	15.60	15.60
Pasture/Rangeland								
Average 1995 rate	18.60	19.30	16.90	18.30	14.90	17.70	14.00	11.50
High Productivity	23.90	23.50	21.40	24.60	19.00	22.20	17.60	14.90
Low Productivity	13.30	13.80	11.90	12.90	10.80	12.70	10.40	7.90
Average 1994 rate	18.60	19.40	16.40	18.30	13.40	16.00	12.60	11.10

This is the first time since the 1991-1992 period that any declines in per-acre rental rates for rangeland have been reported. Cash rental rates per AUM appear to have peaked in most regions, and modest declines are reported in several regions.

Cow-calf enterprises have generally been profitable in the 1991-1994 time period, but lower calf prices in late 1994 and in 1995 are greatly reducing profit potential. According to livestock outlook reports, lower calf prices (less than $75 /cwt for 500-600 lb calves) are likely to persist into 1997. This reduction in price and profit potential for a few years has not been factored into cash rental rates for rangeland.

County Average Cash Rental Rates - Cropland and Pasture / Rangeland

This is the second year that county level information on whole farm, cropland, and pastureland rents and values has been provided by the South Dakota Agricultural Statistics Service (SDASS). The latest report, *South Dakota 1995 County Level Land Rents and Values,* is reproduced as Appendix III. The SDASS report is based on telephone survey responses from 2350 farm operators.

Average cash rental rates for cropland are between $62 and $76 per acre in Union, Lincoln, Clay, Minnehaha, and Moody counties. Average cash rental rates are between $38.40 and $55.80 per acre in Bon Homme, Yankton, Hutchinson, Turner, McCook, Lake, Brookings, Deuel, Hamlin, Codington, Grant and Roberts counties. In other counties east of the Missouri River, average cash rental rates are between $17.50 and $36.50 per acre.

Average cash rental rates fall between $21.50 and $24.10 per acre in Lyman, Tripp, and Gregory counties and between $9.50 and $19.40 per acre in all other counties west of the Missouri River (Appendix III).

Average cash rental rates for pasture/rangeland are between $25.20 and $30.40 per acre in five east-

Table 3A. (continued)

	Central				South Central	South West	North West
	All	Aurora Beadle Jerauld	Buffalo Brule Hand Hyde	Hughes Sully	All	All	All
	dollars per acre						
Nonirrigated Cropland							
Average 1995 rate	25.10	26.10	23.80	26.00	21.00	17.30	15.80
High Productivity	31.30	32.80	29.20	33.10	25.60	21.70	20.90
Low Productivity	19.20	20.20	18.60	19.20	16.50	13.60	11.40
Average 1994 rate	25.00	28.10	23.70	24.00	22.10	17.60	14.90
Hayland							
Average 1995 rate	16.10	19.30	14.90	11.70	14.90	11.10	11.10
High Productivity	20.10	23.30	19.30	14.70	18.30	14.40	15.60
Low Productivity	12.40	14.70	11.60	9.10	11.90	8.70	7.80
Average 1994 rate	17.80	22.00	17.00	12.60	15.50	11.90	11.30
Pasture/Rangeland							
Average 1995 rate	14.80	18.50	13.80	11.30	11.20	6.10	6.30
High Productivity	18.70	23.00	18.50	13.30	14.90	7.80	8.80
Low Productivity	11.30	14.80	10.30	8.40	8.50	4.40	4.10
Average 1994 rate	16.30	18.70	16.00	11.70	11.20	5.40	5.60

ern South Dakota counties and between $20 and $23 per acre in another 12 counties of eastern South Dakota. Average cash rental rates are between $15.80 and $19.70 per acre in another 17 counties of eastern, central, and north-central South Dakota. Cash rental rates are between $10 and $14.50 per acre in the other 10 counties east of the Missouri River in the north-central and central regions and in Gregory, Lyman, and Tripp counties in south-central South Dakota. In all other counties west of the Missouri River, average cash rental rates are between $4.70 and $8.90 per acre (Appendix III).

Overall, the county average rental rates reported in the SDASS survey are similar to the average cash rental rates reported by county cluster for cropland and for rangeland (Table 3A, SDSU Farm Real Estate Market Survey). A comparison of 1994 and 1995 data shows modest increases in cash rental rates for cropland and rangeland in most counties. Declines are shown in a few counties, but no regional pattern is apparent.

Rates of Return to South Dakota Agricultural Land

Two approaches are used in the South Dakota Farm Real Estate Market Survey to obtain information on current rates of return to agricultural land.

First, respondents were asked to estimate the current **net rate of return** (percent) that landowners in their locality could expect, given current land values. Appraisers refer to the current annual net rate of return as the market-derived capitalization rate, which is widely used in the income approach to farmland appraisal. The net rate of return is a return to agricultural land ownership **after** deducting property taxes, maintenance, and other ownership expenses. Most respondents reported net rates of return to cropland, rangeland, or hayland ranging from 2% to 9%.

The statewide average estimated net rate of return on all-agricultural land declined from 6.6% in 1991 to 5.5% in 1993 and 1994 and to 5.3% in 1995. From 1991 to 1993, net rates of return to agricultural land declined in all regions of the state and for all land uses. Net rates of return were relatively stable from 1993 to 1995, except for declines in rates of return to rangeland (Table 4 and Fig 11).

Average 1995 net rates of return were highest (5.8%) for nonirrigated cropland and lowest (4.7%) for rangeland. Average net rates of return to agricultural land varied from 4.3% in the south-central region to 5.9% in the northeast region.

Second, respondents reported cash rental rates and estimated the value of leased land by land use. From this information, we calculated the rent-to-value ratio for each response. This is a measure of the **gross rate of return** obtained by landlords **before** real estate expenses (property taxes, insurance,maintenance, and related expenses) are deducted. For most respondents, the calculated rent-to-value ratio (gross rate of return) varied from 5.5% to 10.0% for cropland and from 4.5% to 10.0% for rangeland and hayland.[3]

The statewide gross rate of return (rent-to-value ratio) is 7.8% for nonirrigated cropland, 7.6% for hayland, and 7.1% for rangeland. From 1992 to 1995, there were minimal changes in regional rent-to-value ratios. During this same period, the difference between **gross** and **net** rates of return to agricultural land ownership has been 1.8-2.2 percentage points (Table 4 and Fig 11). Most of the difference between gross and net returns are caused by property tax levies.

The current average net rate of return of 5.3% is considerably lower than farmland mortgage interest rates of 9% to 10.5%. This implies that relatively large downpayment requirements are necessary before farmland purchases can be expected to cashflow from net returns. A cautious approach to debt-financing is required to help most farmland buyers avoid another financial crisis.

[3] The range of reported net rates of return and calculated rent-to-value ratios are shown for the middle 90% of responses for each land use. This represents the practical range of reported net and gross rates of return.

Table 4. Estimated rates of return to South Dakota agricultural land by type of land of land and by region, 1991 - 1995.

Type of land-statewide[c]	1995	1994	1993	1992	1991	1995	1994	1993	1992	1991
		GROSS rate of return (%)[a]					NET rate of return (%)[b]			
All agricultural land	7.5	7.5	7.6	7.6	7.7	5.3	5.5	5.5	5.8	6.6
Nonirrigated cropland	7.8	8.0	8.1	8.1	8.2	5.8	5.8	5.9	6.3	6.8
Rangeland and pastureland	7.1	7.0	7.1	7.0	7.2	4.7	5.1	5.1	5.3	6.3
Hayland	7.6	8.0	7.9	8.4	8.6	5.4	5.5	5.4	5.8	6.8
Region[d]		GROSS rate of return (%)					NET rate of return (%)			
Southeast	7.3	7.5	7.7	7.7	7.9	5.6	5.8	5.7	6.2	6.9
East Central	7.5	7.5	7.8	7.7	7.7	5.2	5.4	5.3	5.8	6.4
Northeast	8.1	8.0	7.9	8.7	8.4	5.9	5.9	5.9	6.8	7.1
North Central	8.1	7.7	8.0	8.2	8.4	5.5	5.6	6.3	6.1	7.3
Central	7.5	8.2	8.1	7.8	8.1	5.3	5.0	5.5	5.3	6.4
South Central	6.7	7.3	7.1	7.2	7.3	4.3	4.9	5.0	5.8	7.5
Southwest	6.5	6.8	7.0	7.2	7.6	4.8	4.9	5.0	4.8	5.2
Northwest	7.8	7.2	7.4	7.2	7.1	5.0	5.8	5.3	5.7	6.3

Source: *1995 South Dakota Farm Real Estate Survey, SDSU*

[a] GROSS rate of return (percent) is calculated by dividing the average gross cash rental rate by their reported value of rental land.

[b] NET rate of return is the reporters estimate of the percentage rate of return to ownership given current land values. Appraisers often refer to this measure as the market capitalization rate.

[c] State level GROSS and NET rate of return estimates are calculated by weighting regional estimates by proportion of acres of each land use by region.

[d] Regional level GROSS and NET rate of return estimates are calculated by weighting rate of return estimates for each land use by proportion of the region agricultural acres in each land use.

The 1995 regional and statewide GROSS and NET rates of return to all agricultural land are also reported in Fig 11.

Agricultural Land Value Expectations for 1995

Respondents were asked about their expectations of changes in agricultural land values in 1995. A majority (54%) expect no change in land values during 1995, and 16% expect declining farmland values.

This is the first time in the 5 years of this survey that more than 10% of respondents anticipated declining land values. One fourth of all respondents expected agricultural land values to increase from 1% to 5%. Five percent expect more substantial increases in land values of +6% to +10%.

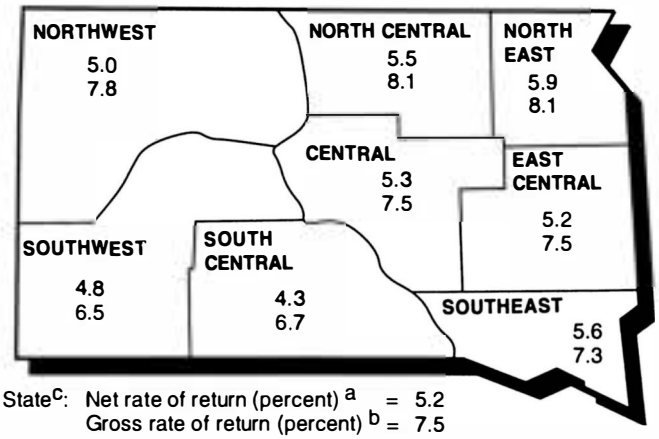
The average expected change in agricultural land values is only 0.5%, the lowest expected increase in the past 5 years.

Overall, respondents' land market expectations for 1995 are less optimistic than in previous years.

Many respondents commented that lower cattle prices, somewhat higher interest rates, and uncertainty about federal farm program provisions could lead to minimal changes or reductions in agricultural land values.

Since the survey was conducted, grain prices (especially wheat) have greatly increased from early summer prices of one year ago. However, prevented plantings or very late plantings have also occurred in many counties of eastern and central South Dakota. These changing conditions are likely to influence agricultural land markets during the next 12 months. ❑

Fig 11. Estimated rates of return to agricultural land, state and region, 1995.



State[c]: Net rate of return (percent) [a] = 5.2
Gross rate of return (percent) [b] = 7.5

[a] The net rate of return is the reporter's estimate of the percent rate of return to ownership (after payment of property taxes) given current land values. Appraisers often refer to it as the market capitalization rate.

[b] The gross rate of return is calculated by dividing reporter's average gross cash rental rate by his/her reported land values and converting it to a percentage measure.

[c] See table 4 for further details on estimated rates of return by region and type of agricultural land.

Source: 1995 South Dakota Farm Real Estate Market Survey, SDSU.

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APPENDIX I

SURVEY METHODS AND RESPONDENT CHARACTERISTICS

The primary purposes of the 1995 South Dakota Farm Real Estate Market Survey were to obtain regional and statewide information on: (1) 1995 per-acre agricultural land values by land use and land productivity, and (2) 1995 cash rental rates by agricultural land use.

Copies of this survey were mailed to potential respondents about February 15 with a follow-up mailing on March 20. Potential respondents were persons employed in one of the following occupations: (1) agricultural lenders (senior agricultural loan officers of commercial banks, Farmers Home Administration, or Farm Credit Banks), (2) Cooperative Extension Service agricultural agents and farm management field staff, and (3) licensed appraisers (including members of professional rural appraisal and farm management societies). Some appraisers were primarily realtors, auctioneers, or professional farm managers.

The usable survey response rate was 41% of 606 persons contacted. The distribution of 247 respondents by reported occupation is shown in Appendix Table 1. Nearly 69% of Extension agents, 43% of agricultural lenders, and 30% of licensed appraisers contacted provided usable responses. The usable response rate of licensed appraisers was considerably lower because many appraisers are primarily involved with residential and commercial real estate. Another 32 appraisers/realtors and lenders responded by indicating that their firm was not involved with agricultural real estate.

Forty-nine percent of the respondents were from the eastern regions of South Dakota, 32% were from the three regions of central South Dakota, and 19% were from western South Dakota. Most respondents were able to supply land value and cash rental rate information for nonirrigated cropland, rangeland, and hayland in their localities. However, only 29% of respondents provided data on irrigated land values and 23% provided data on irrigated land cash rental rates.

Regional average land values by land use are simple average (mean) values of usable responses. All-agricultural land values, statewide and regional, and statewide average land values by land use are weighted by the relative number of acres in each agricultural land use. This approach has important implications in the derivation of statewide average land values and regional all-land values. For example, the three eastern regions of South Dakota with the highest average land values have nearly 45% of the state's cropland acres, 27% of all-agricultural land acres, and only 10% of rangeland acres. Consequently, the relative importance of various regions on statewide cropland, rangeland, and all-land values varies greatly by land use.

We believe this weighted average approach to statewide land values is preferrable to a simple average (mean) of all responses. Our approach increases the relative importance of western South Dakota land values in the final computations and results in lower statewide average land values.

The weighting factors used to develop statewide average land values are based on estimates of agricultural land use for privately owned farmland in South Dakota. It excludes agricultural land (mostly rangeland) leased from tribal or federal agencies, which primarily occurs in the western and central regions of the state. The weighting factors were developed from county-level data on taxable agricultural acres, farmland use data from the 1987 South Dakota Census of Agriculture, and other sources.

Comparisons between land values from 1991 to 1995 (by land use and region) are based on summary statistics (mean, range, etc.) from each annual survey. Consequently, the percentage changes in land values reported in this publication are based on "actual" dollar values reported in each survey. This reported percentage change often differs from the percentage change estimated by each respondent. However, the respondents' perceptions of changes are a useful crosscheck to their reports of specific dollar amounts.

Appendix Table 1. Selected characteristics of respondents, 1995

Number of respondents = 247

Respondents:

Reporting location	N	%	Primary Occupation	N	%
Southeast	36	17.4	Banker/loan officer	131	53.0
East Central	44	17.8			
Northeast	35	14.2	Appraiser/realtor	70	28.4
North Central	33	13.4			
Central	30	12.1	Extension Agents	46	18.6
South Central	17	6.9			
Southwest	19	8.8		247	100.0
Northwest	26	10.5			
	247	100.0			

Response rates:

Land values	N	%	Cash Rental Rates	N	%
Dryland cropland	229	92.7	Dryland cropland	230	93.1
Irrigated land	72	29.2	Irrigated land	58	23.5
Hayland	192	77.7	Hayland	189	76.5
Rangeland (native)	210	85.0	Rangeland		
Pasture (tame)	171	69.2	per acre	200	81.0
			per AUM	75	30.4

Source: 1995 South Dakota Farm Real Estate Market Survey.

APPENDIX II

FARM REAL ESTATE VALUES IN SOUTH DAKOTA, 1950 - 1994

Year	Number of Farms	Land in Farms	Value of Land & Buildings			Building Value	Farm RE Debt
			Per Acre	Per Farm	Total		
	Thousand	Million Acres	Dollars	Thousand Dollars	Million Dollars	Million Dollars	Million Dollars
1950	67.1	44.9	31	20.9	1,405	325	88
1951	66.3	45.0	34	23.2	1,539	359	95
1952	65.5	45.2	39	26.7	1,750	411	103
1953	64.7	45.4	39	27.3	1,767	419	111
1954	64.0	45.5	38	27.1	1,735	415	119
1955	63.5	45.5	40	28.4	1,801	427	125
1956	62.5	45.5	40	29.3	1,833	431	137
1957	61.5	45.4	42	31.3	1,920	445	151
1958	60.4	45.4	46	34.4	2,076	477	160
1959	59.6	45.4	51	38.5	2,293	523	173
1960	58.4	45.6	51	40.1	2,340	517	227
1961	57.3	45.6	52	41.3	2,366	506	243
1962	56.2	45.6	55	45.0	2,529	524	269
1963	55.1	45.6	59	49.2	2,708	542	294
1964	53.5	45.6	62	52.6	2,813	543	329
1965	52.0	45.6	62	54.0	2,809	520	375
1966	51.0	45.6	69	61.3	3,125	550	423
1967	50.0	45.6	74	67.8	3,389	569	460
1968	48.5	45.5	80	74.9	3,635	578	499
1969	47.5	45.5	83	79.6	3,779	571	540
1970	47.0	45.5	84	81.3	3,822	543	571
1971	46.5	45.5	85	83.2	3,868	518	589
1972	46.0	45.5	87	86.0	3,958	518	624
1973	45.5	45.5	94	94.0	4,277	552	691
1974	43.0	45.5	119	120.3	5,415	682	761
1975	42.0	45.4	145	153.1	6,583	816	850
1976	41.0	45.2	163	175.4	7,368	892	951

Year	Number of Farms	Land in Farms	Value of Land & Buildings			Building Value	Farm RE Debt
			Per Acre	Per Farm	Total		
	Thousand	Million Acres	Dollars	Thousand Dollars	Million Dollars	Million Dollars	Million Dollars
1977	40.0	45.1	194	213.4	8,750	1,041	1,080
1978	39.0	45.0	227	255.4	10,214	1,185	1,246
1979	39.0	45.0	256	295.4	11,520	1,313	1,346
1980	38.5	45.0	292	341.3	13,140	1,459	1,644
1981	38.0	44.7	329	387.0	14,706	1,616	1,821
1982	37.5	44.5	349	414.1	15,530	1,735	2,012
1983	37.0	44.5	348	418.5	15,486	1,656	2,075
1984	37.0	44.5	363	436.7	16,154	1,759	2,112
1985	36.5	44.5	289	352.3	12,861	1,724	2,213
1986	36.0	44.5	267	330.0	11,882	1,787	2,059
1987	35.5	44.3	238	297.0	10,543	1,712	1,831
1988	35.0	44.3	269	340.5	11,917	1,813	1,613
1989	35.0	44.3	291	368.4	12,891	1,756	1,490
1990	35.0	44.3	328	415.2	14,530	1,652	1,359
1991	35.0	44.2	351	443.3	15,514	1,684	1,399
1992	35.0	44.1	365	461.0	16,133	2,442	1,435
1993	34.5	44.2	370	467.3	16,354	2,519	1,420
1994	34.5	44.2	388	497.0	17,150	2,917	1,459

Source: South Dakota Agricultural Statistics, 1993-1994, South Dakota Agricultural Statistics Service.

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* Farm real estate debt estimates are beginning year (January 1) estimated value and includes operator household debt from 1910-1989 and excludes operator household debt from 1990 to present. The estimated reduction in farm real estate debt was $67 million - a 5.3% decline.

APPENDIX III

SOUTH DAKOTA 1995 COUNTY LEVEL LAND RENTS AND VALUES

March 1995

INTRODUCTION

The National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA) in cooperation with the State of South Dakota conducted this second annual survey of farmers and ranchers to obtain cash rental rates and value of land in their localities. The survey is designed to provide county level statistics in three categories. Funding is provided by the South Dakota Legislature.

Appreciation is expressed to all survey participants who provided data on which this report is based.

THE 1995 SURVEY

We surveyed 2,950 South Dakota producers for this year's survey. Positive data was received from 2,350 farm/ranch operators.

The survey was conducted by telephone during February and March. All values relate to a January 1, 1995, date and are for non-irrigated agricultural land. The data published here are rounded averages of reported values from a sample of producers in each county. These are not "official estimates".

THE DATA

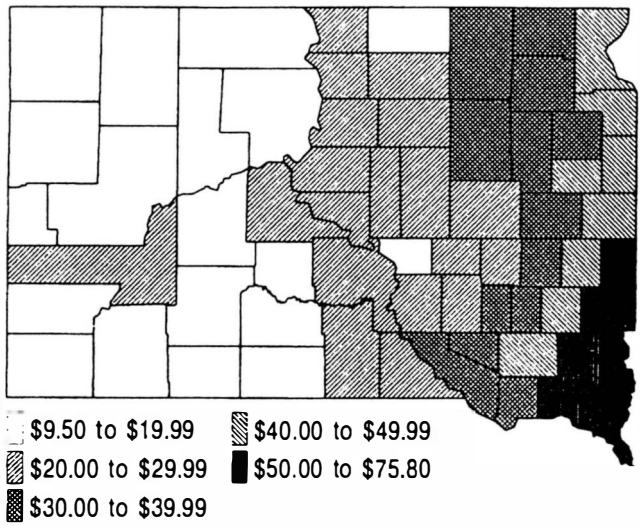
Information shown in this report includes number of reports, minimum and maximum rental rates, average rental rates, and average value of rented land. Also shown is the ratio of rent to rental property value (expressed in percent).

The minimum and maximum show the range in each county. This range is affected by the diversity of land in the county, such as amount of tillable land, availability of rental land, average size of farms, etc. The rental rate as a percentage of the average value of the land is given to show the relation between the rents and the value of rented land.

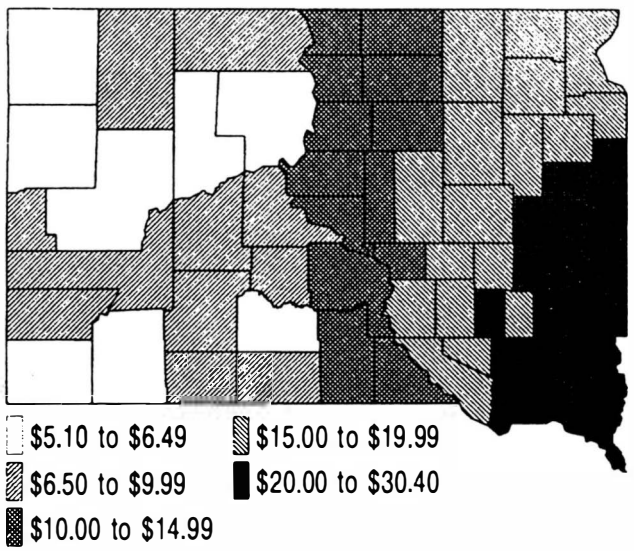
OTHER AGRICULTURAL LAND VALUE REPORTS

The Economic Research Service (ERS) of the USDA publishes state level estimates for land values, rental rates and rent to value percents. These data are not part of this county level survey but will be a separate survey conducted in June with the report being published sometime later. If interested, a copy will be available upon request.

1995 CROPLAND AVERAGE RENTS
Dollars Per Acre



1995 PASTURELAND AVERAGE RENTS
Dollars Per Acre



For additional information on this report and other reports please contact,

SOUTH DAKOTA AGRICULTURAL STATISTICS SERVICE,
P.O. BOX 5068, SIOUX FALLS, SD 57117-5068
(605) 330-4235

WHOLE FARM CASH RENT

AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE, BY COUNTY, SOUTH DAKOTA, 1995

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	DOLLARS PER ACRE				PERCENT
BUTTE	9	5.00	37.00	17.40	163.00	10.7
CORSON	9	7.25	20.00	12.10	147.00	8.2
DEWEY	9	3.50	18.00	11.70	180.00	6.5
HARDING	12	3.50	25.00	10.80	97.00	11.1
PERKINS	9	5.50	20.00	13.10	122.00	10.8
ZIEBACH	5	5.00	10.05	7.30	110.00	6.7
BROWN	19	20.00	50.00	32.90	465.00	7.1
CAMPBELL	21	14.00	30.00	18.50	244.00	7.6
EDMUNDS	20	15.00	35.00	21.40	272.00	7.9
FAULK	18	11.50	30.00	20.70	264.00	7.8
MCPHERSON	16	11.00	45.00	18.80	221.00	8.5
POTTER	17	14.50	35.00	26.70	359.00	7.4
SPINK	21	19.00	50.00	27.30	371.00	7.3
WALWORTH	16	9.00	38.00	21.90	316.00	6.9
CLARK	19	21.00	46.00	30.10	372.00	8.1
CODINGTON	22	25.00	50.00	36.20	469.00	7.7
DAY	17	14.00	40.00	26.50	338.00	7.8
DEUEL	21	30.00	55.00	43.10	489.00	8.8
GRANT	19	25.00	60.00	46.20	562.00	8.2
HAMLIN	19	23.75	60.00	41.70	554.00	7.5
MARSHALL	12	22.00	40.00	29.10	312.00	9.3
ROBERTS	17	20.00	55.00	40.40	531.00	7.6
HAAKON	10	5.00	30.00	12.20	155.00	7.8
JACKSON	8	7.50	20.00	10.80	161.00	6.7
LAWRENCE	12	5.00	25.00	12.50	368.00	3.4
MEADE	16	4.50	20.00	7.80	120.00	6.5
PENNINGTON	6	6.00	20.00	11.70	178.00	6.6
STANLEY	7	10.00	27.50	19.30	257.00	7.5
AURORA	22	15.00	32.00	23.20	294.00	7.9
BEADLE	22	17.50	45.00	26.40	330.00	8.0
BRULE	20	15.00	35.00	22.60	355.00	6.4
BUFFALO	23	10.00	20.00	14.20	184.00	7.7
HAND	23	15.00	33.50	20.70	241.00	8.6
HUGHES	13	10.72	35.00	22.40	271.00	8.3
HYDE	20	11.00	22.00	16.10	223.00	7.2
JERAULD	22	13.00	25.00	18.80	249.00	7.6
SULLY	18	12.00	32.00	25.60	372.00	6.9
BROOKINGS	12	26.25	55.00	44.10	573.00	7.7
DAVISON	10	25.00	45.00	33.30	452.00	7.4
HANSON	10	25.00	50.00	36.80	533.00	6.9
KINGSBURY	11	25.00	40.00	34.50	498.00	6.9
LAKE	17	30.00	65.00	42.20	543.00	7.8
MCCOOK	21	22.50	75.00	42.40	622.00	6.8
MINER	18	22.00	50.00	31.60	401.00	7.9
MINNEHAHA	11	50.00	90.00	66.40	1046.00	6.3
MOODY	12	50.00	80.00	64.20	876.00	7.3
SANBORN	18	20.00	35.00	25.90	330.00	7.9
BENNETT	11	8.00	25.00	17.80	220.00	8.1
CUSTER	11	5.00	20.00	9.20	245.00	3.8
FALL RIVER	8	3.00	25.00	7.40	103.00	7.2
SHANNON	4	4.50	18.00	9.10	167.00	5.5
GREGORY	15	15.00	40.00	24.50	374.00	6.5
JONES	14	6.50	20.00	12.90	234.00	5.5
LYMAN	10	12.00	35.00	21.60	354.00	6.1
MELLETTE	10	4.50	20.00	10.30	150.00	6.9
TODD	10	2.00	20.00	11.70	185.00	6.3
TRIPP	12	13.00	25.00	17.80	284.00	6.3
BON HOMME	14	30.00	45.00	39.10	578.00	6.8
CHARLES MIX	18	25.00	48.00	31.80	451.00	7.1
CLAY	14	60.00	85.00	72.10	888.00	8.1
DOUGLAS	15	22.50	35.00	28.50	423.00	6.7
HUTCHINSON	12	30.00	45.00	37.50	596.00	6.3
LINCOLN	11	50.00	82.50	69.30	1043.00	6.6
TURNER	18	40.00	70.00	49.70	751.00	6.6
UNION	13	50.00	100.00	73.50	1120.00	6.6
YANKTON	12	30.00	55.00	45.10	672.00	6.7

CROPLAND CASH RENT

AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE, BY COUNTY, SOUTH DAKOTA, 1995

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	DOLLARS PER ACRE				PERCENT
BUTTE	7	4.50	30.00	13.20	213.00	6.2
CORSON	24	10.00	25.00	18.20	183.00	9.9
DEWEY	18	7.00	35.00	15.30	193.00	7.9
HARDING	9	9.00	20.00	14.70	137.00	10.7
PERKINS	17	10.00	20.00	17.00	177.00	9.6
ZIEBACH	17	5.00	17.00	13.20	166.00	7.9
BROWN	36	12.50	50.00	35.70	515.00	6.9
CAMPBELL	40	13.00	32.00	22.30	277.00	8.0
EDMUNDS	36	15.00	30.00	22.70	289.00	7.8
FAULK	35	14.00	30.00	23.10	284.00	8.1
MCPHERSON	40	12.00	32.50	19.70	229.00	8.6
POTTER	33	17.50	40.00	28.70	392.00	7.3
SPINK	37	20.00	45.00	30.30	381.00	8.0
WALWORTH	35	12.00	32.00	24.10	332.00	7.3
CLARK	36	20.00	50.00	31.70	369.00	8.6
CODINGTON	34	22.00	55.00	38.40	484.00	7.9
DAY	30	15.00	45.00	32.20	358.00	9.0
DEUEL	32	25.00	70.00	46.50	512.00	9.1
GRANT	39	25.00	60.00	43.00	552.00	7.8
HAMLIN	42	30.00	55.00	42.70	545.00	7.8
MARSHALL	30	15.00	47.00	33.70	414.00	8.1
ROBERTS	27	20.00	75.00	43.20	567.00	7.6
HAAKON	18	12.00	30.00	17.80	195.00	9.1
JACKSON	25	6.00	25.00	17.00	204.00	8.3
LAWRENCE	13	8.05	35.00	18.90	408.00	4.6
MEADE	12	6.00	13.00	9.50	169.00	5.6
PENNINGTON	9	15.00	35.00	21.80	234.00	9.3
STANLEY	18	10.00	40.00	22.10	304.00	7.3
AURORA	32	20.00	32.00	25.80	331.00	7.8
BEADLE	33	17.50	40.00	29.20	352.00	8.3
BRULE	31	15.00	45.00	25.90	363.00	7.1
BUFFALO	29	9.00	25.00	17.50	226.00	7.8
HAND	37	15.00	40.00	22.20	272.00	8.2
HUGHES	35	12.50	50.00	24.30	331.00	7.3
HYDE	33	13.50	30.00	20.10	256.00	7.9
JERAULD	31	15.00	30.00	22.20	266.00	8.3
SULLY	38	17.00	35.00	28.00	392.00	7.1
BROOKINGS	25	25.00	70.00	48.60	592.00	8.2
DAVISON	32	20.00	45.00	32.20	448.00	7.2
HANSON	24	25.00	47.50	35.90	485.00	7.4
KINGSBURY	33	27.05	50.00	36.50	477.00	7.7
LAKE	37	30.00	60.00	45.10	583.00	7.7
MCCOOK	35	25.00	70.00	41.40	608.00	6.8
MINER	36	20.00	42.00	31.70	406.00	7.8
MINNEHAHA	33	40.00	85.00	62.70	941.00	6.7
MOODY	31	50.00	90.00	69.10	945.00	7.3
SANBORN	37	17.50	45.00	27.60	340.00	8.1
BENNETT	27	10.00	25.00	18.80	257.00	7.3
CUSTER	11	7.00	35.00	15.50	271.00	5.7
FALL RIVER	8	5.00	30.00	13.10	154.00	8.5
SHANNON	19	12.00	27.00	19.40	215.00	9.0
GREGORY	29	15.00	40.00	24.10	371.00	6.5
JONES	29	7.00	27.00	18.90	302.00	6.3
LYMAN	30	18.00	40.00	23.90	385.00	6.2
MELLETTE	30	10.00	25.00	15.90	192.00	8.3
TODD	27	4.00	23.00	14.60	207.00	7.1
TRIPP	33	14.00	30.00	21.50	307.00	7.0
BON HOMME	29	30.00	50.00	39.60	602.00	6.6
CHARLES MIX	33	25.00	62.50	35.10	468.00	7.5
CLAY	40	42.50	85.00	67.40	883.00	7.6
DOUGLAS	28	23.00	41.00	32.80	405.00	8.1
HUTCHINSON	35	20.00	60.00	41.80	575.00	7.3
LINCOLN	27	50.00	95.00	72.90	1023.00	7.1
TURNER	36	18.00	85.00	55.80	780.00	7.2
UNION	29	55.00	90.00	75.80	1133.00	6.7
YANKTON	33	35.00	100.00	51.20	692.00	7.4

PASTURELAND CASH RENT

AVERAGE CASH RENT AND AVERAGE VALUE PER ACRE, BY COUNTY, SOUTH DAKOTA, 1995

COUNTY	NUMBER OF REPORTS	MINIMUM RENT REPORTED	MAXIMUM RENT REPORTED	AVERAGE RENTAL RATE	AVERAGE VALUE OF RENTED LAND	RENT AS PERCENT OF VALUE
	NUMBER	DOLLARS PER ACRE				PERCENT
BUTTE	20	2.00	10.00	5.20	81.00	6.4
CORSON	22	2.00	17.00	7.90	109.00	7.3
DEWEY	23	2.50	15.00	6.00	97.00	6.1
HARDING	23	2.31	10.00	5.40	75.00	7.2
PERKINS	20	1.75	18.00	8.00	98.00	8.1
ZIEBACH	25	2.50	16.50	5.20	82.00	6.3
BROWN	29	10.00	27.50	17.50	262.00	6.7
CAMPBELL	39	4.80	17.05	11.50	153.00	7.5
EDMUNDS	34	9.00	22.00	14.10	211.00	6.7
FAULK	36	8.00	20.00	14.10	197.00	7.2
MCPHERSON	37	8.00	18.00	12.00	169.00	7.1
POTTER	28	7.00	18.00	12.60	204.00	6.2
SPINK	35	5.00	25.00	16.80	241.00	7.0
WALWORTH	25	3.50	16.00	10.80	170.00	6.4
CLARK	34	10.00	40.00	19.10	258.00	7.4
CODINGTON	33	11.00	27.50	19.80	294.00	6.8
DAY	22	10.00	25.00	16.10	215.00	7.5
DEUEL	30	10.00	50.00	21.50	267.00	8.0
GRANT	37	10.00	25.00	17.00	257.00	6.6
HAMLIN	37	10.00	40.00	20.90	297.00	7.0
MARSHALL	23	9.75	32.50	17.10	221.00	7.7
ROBERTS	25	10.00	35.00	16.20	261.00	6.2
HAAKON	26	4.25	15.00	7.00	111.00	6.3
JACKSON	28	2.00	18.00	6.90	107.00	6.4
LAWRENCE	16	3.00	20.00	8.80	196.00	4.5
MEADE	22	2.50	15.00	5.10	95.00	5.4
PENNINGTON	15	4.00	17.00	7.20	121.00	6.0
STANLEY	21	3.00	20.00	8.90	123.00	7.3
AURORA	33	11.00	25.00	18.30	257.00	7.1
BEADLE	34	10.00	25.00	19.30	275.00	7.0
BRULE	29	11.00	25.00	16.50	253.00	6.5
BUFFALO	28	7.00	17.50	11.50	144.00	8.0
HAND	37	10.00	26.00	15.80	205.00	7.7
HUGHES	29	8.00	20.00	12.00	183.00	6.6
HYDE	36	9.00	18.00	13.10	169.00	7.7
JERAULD	37	12.00	25.00	16.80	212.00	7.9
SULLY	29	7.50	20.00	12.20	206.00	5.9
BROOKINGS	21	12.50	30.00	21.30	322.00	6.6
DAVISON	33	13.00	35.00	20.10	318.00	6.3
HANSON	22	10.00	30.00	19.70	309.00	6.4
KINGSBURY	28	15.00	32.50	22.80	338.00	6.7
LAKE	31	12.00	30.00	21.70	319.00	6.8
MCCOOK	28	15.00	30.00	22.00	343.00	6.4
MINER	36	15.00	27.50	21.60	331.00	6.5
MINNEHAHA	22	15.00	40.00	26.20	409.00	6.4
MOODY	25	15.00	40.00	25.20	415.00	6.1
SANBORN	36	10.00	27.50	18.70	279.00	6.7
BENNETT	23	3.00	18.75	8.40	129.00	6.5
CUSTER	24	3.00	12.00	6.80	136.00	5.0
FALL RIVER	29	1.00	18.00	5.60	91.00	6.2
SHANNON	20	2.50	9.00	4.70	104.00	4.6
GREGORY	25	7.50	40.00	14.50	239.00	6.1
JONES	30	3.50	15.00	8.30	151.00	5.5
LYMAN	26	5.00	20.00	11.50	201.00	5.8
MELLETTE	33	3.50	10.00	5.70	121.00	4.7
TODD	35	4.00	17.50	7.10	138.00	5.2
TRIPP	32	9.00	24.00	13.80	218.00	6.4
BON HOMME	21	12.50	27.50	21.30	336.00	6.3
CHARLES MIX	33	7.00	30.00	18.70	296.00	6.3
CLAY	23	10.00	35.00	20.50	358.00	5.7
DOUGLAS	28	12.00	30.00	19.70	293.00	6.7
HUTCHINSON	31	10.00	30.50	21.20	342.00	6.2
LINCOLN	16	20.00	40.00	28.30	467.00	6.1
TURNER	24	10.00	40.00	25.60	401.00	6.4
UNION	18	15.00	45.00	30.40	415.00	7.3
YANKTON	23	10.00	35.00	21.00	319.00	6.6