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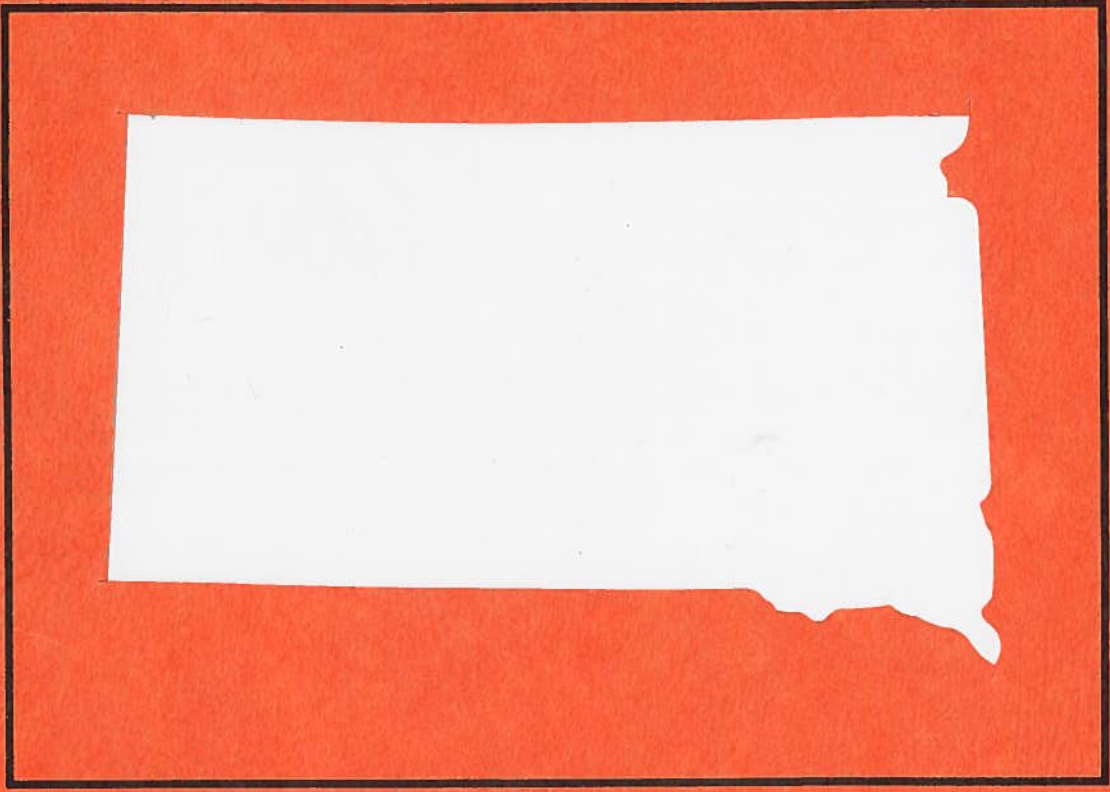
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ECONOMICS DEPARTMENT

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SOUTH DAKOTA CROPLAND
AND RANGELAND SALES

Statewide and Regional
1971 - 1987

by

Larry L. Janssen

Economics Department
Research Report 88-2

June 1988

*This research report is supported by the SDSU Agricultural Experiment Station Project H-115 on farmland markets.

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SUMMARY

This report examines statewide and regional trends in agricultural land use, tract size and sale price characteristics of farm real estate tracts sold in South Dakota. Statewide and regional information is presented on characteristics of tracts sold from 1971 through 1983 by their distribution of total, cropland and pasture/rangeland acres. Statewide and regional information is also presented on farm real estate sale price trends, from January 1971 through June 1987. Annual price trends are presented for all farmland and by land use classification (mostly cropland, majority cropland and majority pasture/rangeland acres). This information was developed from a computerized data base of more than 15000 farm real estate transactions provided by the Federal Land Bank of Omaha.

This report is a companion report to the report South Dakota Farmland Values and Sale Prices which emphasizes information on long term trends (1910-1982) in farmland values, statewide and by region, and recent (1975-1987) farmland sale price trends by region and county (Janssen, 1988).

*Dr. Larry Janssen is an Associate Professor of Economics at South Dakota State University. The author wishes to thank personnel at the Federal Land Bank of Omaha for their cooperation and assistance in providing the Economics Department with the computerized dataset of South Dakota farm real estate transactions which was used to examine recent trends in farm real estate sales from 1971 to 1987. Thanks very much to Dean DeVos and Mark Leddy, current and former undergraduate assistants, for preparing the tables and figures in this report. Also thanks to Mrs. Verna Clark for typing the tables and selected portions of text. Finally, thanks to the reviewers Dr. Richard Shane and Dr. Martin Beutler of the SDSU Economics Department for their constructive comments.

Statewide Farm Real Estate Sales Trends

Tremendous variation exists in tract size and agricultural land use characteristics for farm real estate sold in South Dakota.

Most tracts sold are purchased by local farmers and ranchers expanding their operation. Statewide, the average size of tract sold is 366 acres and is almost evenly divided between cropland acres and permanent pasture or rangeland acres. Nearly 69% of tracts sold are 40 to 249 acres in size but comprise only 26% of total acres sold. These tracts are predominantly cropland and are primarily located in eastern and central regions of South Dakota. Large tracts of 1000 acres or more account for only 5.7% of the total number of tracts sold, however, they consist of 42.7% of total acres sold. These tracts are predominantly rangeland or permanent pasture and are primarily located in western and central regions of South Dakota.

Statewide, 40% of the reported sales are mostly cropland tracts (85%-100% cropland acres), 35% are majority cropland acres (51-84% cropland acres) and 25% are majority pasture/rangeland tracts. Two-thirds of the mostly cropland and majority cropland tracts are located in eastern regions of South Dakota while 71% of the majority pasture/rangeland tracts are located in central and western South Dakota.

The statewide average sale price for all farm real estate increased from about \$100 per acre in 1971-1972 to \$205 per acre in 1975 to a peak of \$436 per acre in 1982. Average prices declined nearly 60% from 1982 to \$174 per acre in 1987. Price levels varied substantially by land use. For example; the average sale price of mostly cropland tracts increased from \$160 per acre in 1971 to a peak of \$672 per acre in 1982 and subsequently declined to \$319 per acre in 1987. By comparison, the average sale price of majority pasture/

rangeland tracts increased from \$60 per acre in 1971 to \$245 per acre in 1981 and subsequently declined to \$88 per acre in 1987.

Regional Farm Real Estate Sales Trends

Detailed information on tract size, land use and sale price characteristics are presented in a series of tables and figures for nine agricultural regions in South Dakota. Although tremendous regional variation exists in farmland sale characteristics, a common set of patterns occurs within and across regions of South Dakota. These patterns are:

- (1) Agricultural land use varies systematically by average tract size.

As size of tract sold increases, the proportion of rangeland and permanent pasture increases and the proportion of cropland decreases.

- (2) Average tract size increases from the southeast and east central regions to the southwest and northwest regions of South Dakota.

Average tract size differences across regions are inversely related to differences in agricultural land productivity.

- (3) Expansion of existing farm and ranch operations is the overwhelming reason for purchase of sale tracts. In each region, average size of tract sold is one-fifth to one-third of average farm size (acres) and most (60-75%) of the buyers are local farmers or ranchers expanding and consolidating their land base.

- (4) Distinct regional patterns exist in agricultural land use of tracts sold. Cropland is a majority of acres sold in all regions east of the Missouri River while permanent pasture and rangeland is a majority of acres sold in all regions west of the Missouri River. A majority of tracts sold in most regions contain cropland and

permanent pasture or rangeland.

- (5) Per acre sale price is directly related to the proportion of cropland and inversely related to the proportion of rangeland in tracts sold in all regions.
- (6) Agricultural land prices tend to move upward and downward together in all regions over time. However, per acre prices did not move uniformly (proportionally) together by region or by land use. The extreme differences in sale prices are illustrated in the following example. In the southeast region, the average sale price of mostly cropland tracts increased from \$228 per acre in 1971 to a peak of \$1136 per acre in 1981 and subsequently declined to \$477 per acre in 1987. By comparison, the average sale price of majority rangeland tracts in northwest South Dakota increased from \$37 per acre in 1971 to a peak of \$162 in 1981 and subsequently declined to \$48 per acre in 1987.

The location and land use impacts on average sale price reflects systematic differences in climatic conditions and soil types which underly differences in productivity. Differences in average per acre sale prices over time are greatly affected by current and prospective economic conditions - especially current and prospective agricultural price/cost conditions, yields, interest rates and inflation rates.

SELECTED CHARACTERISTICS OF SOUTH DAKOTA FARM REAL ESTATE
SALES, 1971 - 1987

INTRODUCTION

Tremendous variation exists in South Dakota farm real estate prices¹ by land use (cropland and pasture/rangeland²) and location in the state. Major regional differences occur in selected characteristics (tract size and land use) of farmland tracts sold in South Dakota.

Average prices per acre are typically 5 to 7 times higher in the southeast and east central regions than found in western South Dakota (see Figure 1.1 for location of regions). The average number of acres purchased is 8 to 9 times greater in western South Dakota than occurs in the east central and southeast regions. Conversely, predominantly rangeland tracts are sold in the western regions while predominantly cropland tracts are sold in the southeast and east central regions (Janssen and Haque, 1987, pp. 2).

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

¹The terms 'farm real estate' and 'farmland' and 'agricultural land' are used interchangeably in this report. Reported farmland sale prices include building values in cases (27% of sales) where farm buildings are present.

²The terms 'rangeland' refers to native grasslands grazed by livestock while 'pasture' refers to improved permanent pasture of tame grasses, grazed by livestock. Rangeland and pasture are combined and used interchangeably in this report.

between crop productivity, precipitation and land sale prices.

Farm real estate sale prices in South Dakota and surrounding states increased dramatically in the 1970's and sharply declined for several years after 1981-1982. South Dakota farmland prices increased fourfold from 1971 to 1982. Farmland sale prices per acre in mid-1987 are less than one-half of sale prices reported in late 1981 and early 1982. This is the first several year period of declining agricultural land prices since the 1920's and 1930's, and is the largest percentage decline for a five year period in the Twentieth century. Major changes occurred in both cropland, pasture and rangeland sale prices during this period. Recently reported data (1987) on farmland sales from several regions of the state indicate the downward spiral in per acre sale prices has slowed or stopped.

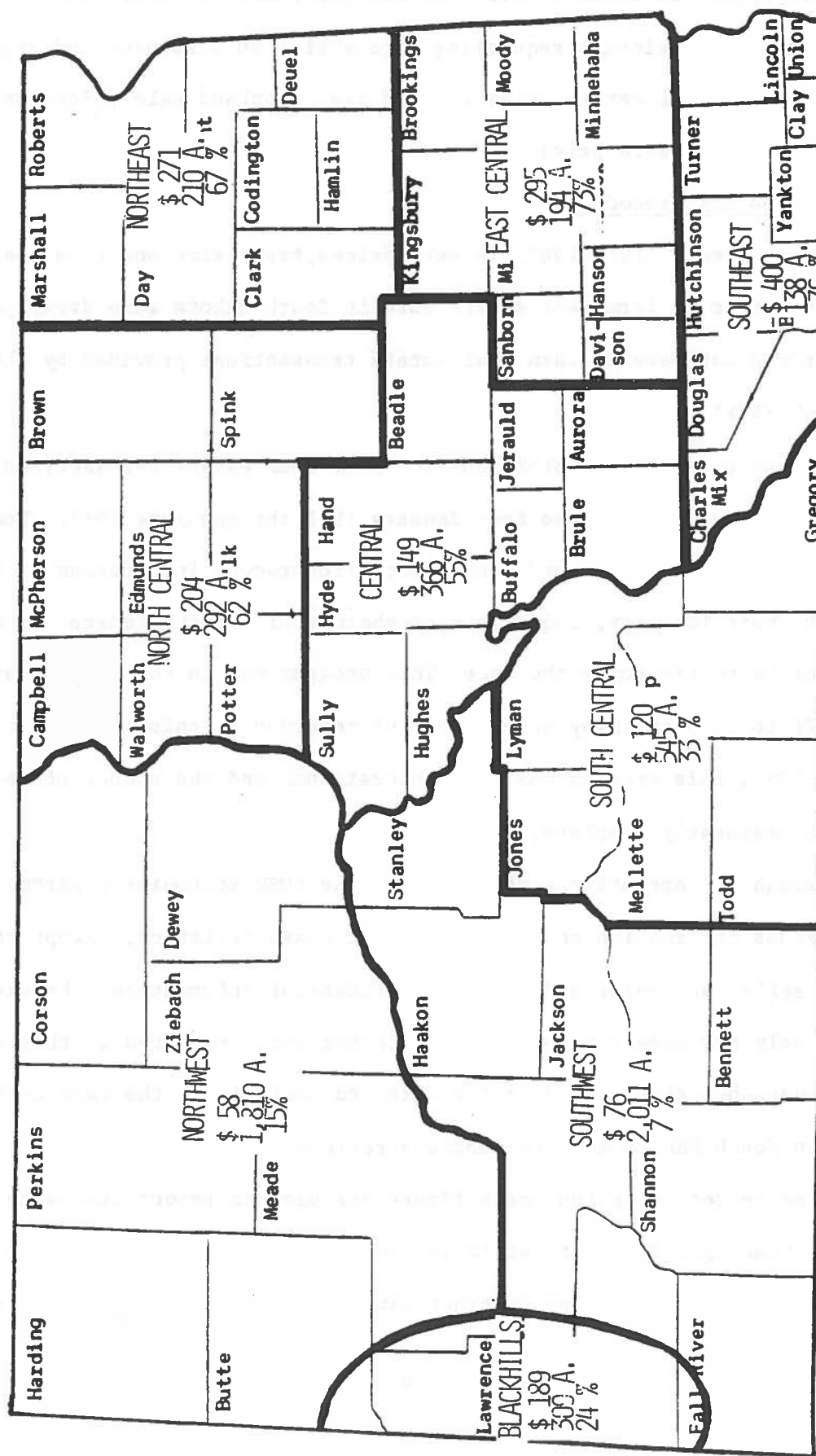
Purpose of Report

This report examines statewide and regional trends in agricultural land use, tract size and sale prices of farm real estate tracts sold in South Dakota from 1971 through 1987. Specifically, this report presents statewide and regional information on:

- (1) Characteristics of farm real estate tracts sold from 1971 through 1983 by their distribution of total, cropland, and pasture/rangeland acres.
- (2) Farm real estate sale price trends from January, 1971 through June 1987 for all farmland sold and by major agricultural land use (cropland and pasture/rangeland) categories.

Systematic patterns in land use, tract size and per acre sale price are shown within each region and across regions of South Dakota.

FIGURE 1.1, AVERAGE FARM LAND SALE PRICES BY AGRICULTURAL REGION OF SOUTH DAKOTA, 1987 (JAN.-JUNE).



Source: Compiled from the data bank of reported farmland sales, Federal Land Bank of Omaha.

Top: Average Sale Prices (Dollars per Acre) Jan.-June, 1987.
 Middle: Average number of acres per tract sold (Acres).
 Bottom: Cultivated acres as a percent of total acres sold.

This report is intended for farm managers, land owners, farm appraisers and related professionals requesting information on statewide and regional trends in farm real estate sales by land use, cropland sale prices and pasture/rangeland sale prices.

Data Sources and Procedures

Recent trends (1971-1987) in sale prices, tract size and land use characteristics of farm real estate sold in South Dakota were developed from a computerized database of farm real estate transactions provided by the Federal Land Bank (FLB) of Omaha.

The database consists of 15142 bonafide farm real estate transactions of 40 acres or more which occurred from January 1971 through June 1987. Loan officers in each Federal Land Bank Association record information on farmland sales in their locality, regardless of whether or not the Federal Land Bank was involved in financing the sale. This program was in the development stages from 1971 to 1975 and many sales were not recorded in this time period. From 1976 to 1987, this program was fully operational and the number of recorded sales is reasonably complete.

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

A common set of tables and a figure are used to report statewide and regional findings. In the first table, selected farm real estate sale tract characteristics are reported by tract size (total acres sold). These same

characteristics are reported in the second and third tables by amount of cropland acres (pasture/rangeland acres) contained in the sale tract. Annual farm real estate prices per acre (median and weighted average) are reported for all farmland and by agricultural land use categories in the fourth table. This table also contains annual data on average tract size, proportion of cropland sold and "practical range" of observed sale prices. Also a graph on farm real estate price trends by agricultural land use categories is presented for each region and for the statewide summary.

This information is presented statewide and for nine agricultural regions in South Dakota (Figure 1.1). The six regions in eastern and central South Dakota correspond with Crop Reporting Districts established by the U.S. Department of Agriculture. In western South Dakota, farmland sales information is reported for the northwest, southwest and Black Hills agricultural regions. Range livestock is the dominant agricultural activity in northwest and southwest South Dakota. Spring wheat is the major crop in the northwest region and winter wheat is the major crop in the southwest region. Agricultural activity in the Black Hills foothills is more diverse than found in the northwest and southwest regions and includes considerable irrigation development. Farmland sale prices in this region are also subject to a variety of localized nonagricultural influences.

STATEWIDE FARM REAL ESTATE SALES TRENDS

Background Information

South Dakota agricultural land use is quite diverse. Statewide, about 33% of the 43.8 million acres of land in farms is cropland and 60% is in pasture or rangeland. About 78% of the rangeland and almost all of the cropland is privately owned (USDC, U.S. Census of Agriculture, South Dakota,

1982). More than two-thirds of South Dakota's privately held agricultural land is owned by farm operators. Retired persons and persons engaged in nonfarm occupations each own about 15% of the remaining private land (Daugherty and Otter, 1983). The remaining permanent pasture and rangeland is owned and managed by Federal, state or tribal governments and is typically leased to ranchers but is not sold.

Almost 70% of South Dakota's cropland is used to produce hay, wheat, corn, oats or soybeans. The remaining cropland acreage is used to produce other crops (barley, rye, sunflowers, flax and many specialty crops), is fallowed or otherwise idled (U.S Census of Agriculture, South Dakota, 1982).

Average farm size in South Dakota has doubled in acreage from 1945 to 1987. Average farm size increased from 626 acres in 1945 to about 1000 acres in 1971 to 1250 acres in 1987. The smallest farms are found in the southeast and east central region counties where average farm size is 300 to 700 acres. In most western South Dakota counties, average farm and ranch size varies between 2000 and 6000 acres (USDC, 1982 and USDA, 1987).

Sale Tract Size and Land Use

Tremendous variation in tract size and agricultural land use exists for farm real estate sold in South Dakota. Statewide, the average size of tract sold from 1971-1983 is 366 acres, which is almost evenly divided between cropland acres and rangeland acres. However 68.8% of tracts sold are only 40 to 249 acres in size and comprise only 26.1% of total acres sold. These tracts are predominantly cropland and are primarily located in eastern and central regions of South Dakota. Large tracts of 1000 or more acres are only 5.7% of the total number of tracts sold, but consist of 42.7% of total acres sold (Table 1.1). These tracts are predominantly rangeland and are primarily

located in western and central regions in South Dakota.

A majority of tracts sold (53.9% of tracts sold consisting of 69.2% of total acres sold) contain both cropland and rangeland or pastureland. About three-eighths (37.9%) of reported sale tracts are essentially cropland tracts and contain no pasture or rangeland. (However, many of these tracts contain creeks and small acreages of wasteland or farm building sites.) The average size of these cropland tracts are 173 acres and consist of 18% of total acres sold. Only 8.4% of the reported sale tracts are strictly rangeland or pastureland tracts and contain no cropland. These tracts are typically larger than average in size (573 acres) and consist of 12.8% of total acres sold. Overall, the proportion of rangeland increases and the proportion of cropland decreases as the size of tract sold increases (Tables 1.1, 1.2, and 1.3).

Most tracts sold are purchased by local farmers and ranchers expanding their existing operation. Statewide, average size of tract sold (366 acres) is less than one-third of average farm size (1250 acres). Farm buildings are present on only 26.8% of tracts sold and less than one-half of these have housing on the tract. As expected, larger size tracts are more likely to have farm buildings located on the tract.

Farm Real Estate Sale Price Trends

Per acre sale prices and related characteristics are reported for all farmland sold and by agricultural land use categories. Statewide and in all regions of eastern and central South Dakota, three agricultural land use categories are shown:

- (1) Mostly cropland tracts - 85 to 100% cropland acres
- (2) Majority cropland tracts - 51 to 84% cropland acres
- (3) Majority pasture tracts - 51 to 100% pasture/rangeland acres

Table 1.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, South Dakota, 1971-1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	18.6%	3.7%	71.8	77.2	16.7%	16.5%
100 - 249 Acres	50.2	22.4	163.6	72.9	21.3	22.3
250 - 499 Acres	18.7	18.0	353.7	61.8	33.6	35.2
500 - 999 Acres	6.8	13.2	706.1	49.7	47.4	44.3
1000 - 1999 Acres	3.3	12.3	1379.4	35.5	63.0	48.6
2000 or More Acres	2.4	30.4	4694.8	23.3	75.8	58.0
Total All Sales	100.0%	100.0%	366.3	48.3%	48.5%	26.8%
Total No. of Sales	11,635					
Total Acres Sold		4,262,100				

Data Source Tables 1.1-1.3.

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

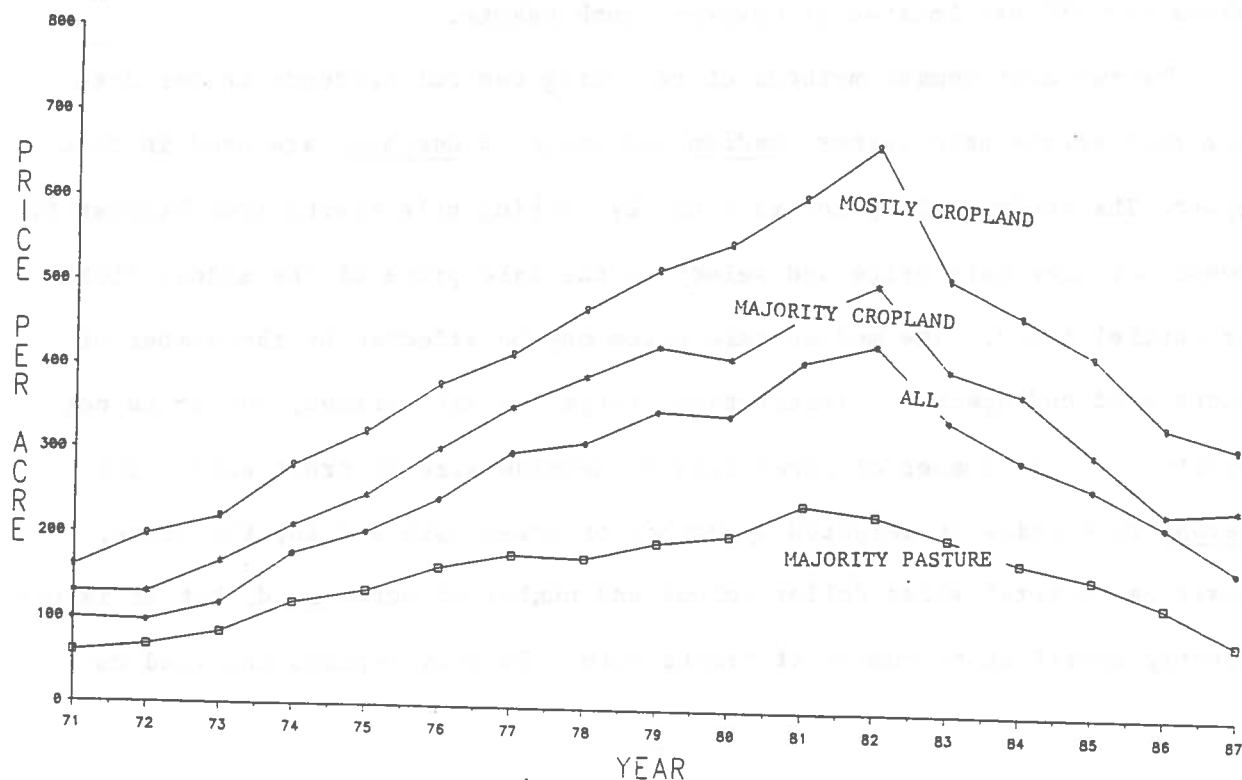
Table 1.2. Summary of Farmland Sale Tract Characteristics by Cropland Sold, South Dakota, 1971-1983

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	8.2%	12.8%	573.5	0.0%	99.2%	9.6%
1 - 99 Acres	27.5	9.4	124.7	51.4	43.4	19.0
100 - 249 Acres	47.8	31.1	238.6	62.6	32.5	27.7
250 - 499 Acres	12.2	21.6	648.4	50.9	46.0	42.6
500 - 999 Acres	3.0	11.3	1391.1	47.8	50.0	52.3
1000 or More Acres	1.3	13.8	3818.0	55.0	43.6	60.4
Total All Sales	100.0%	100.0%	366.3	48.3%	48.5%	26.8%
Total No. of Sales	11,635					
Total Acres Sold		4,262,100				

Table 1.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, South Dakota, 1971-1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	37.9%	18.0%	173.4	92.6%	0.0%	15.2%
1 - 99 Acres	37.0	19.1	189.1	73.2	21.8	33.0
100 - 249 Acres	13.2	12.1	335.8	50.6	46.3	30.3
250 - 499 Acres	5.4	8.6	582.1	38.0	59.8	34.7
500 - 999 Acres	3.0	9.1	1110.8	35.9	62.9	43.3
1000 - 1999 Acres	1.9	9.2	1782.5	21.3	77.8	42.3
2000 or More Acres	1.6	23.9	5540.9	12.9	86.4	56.5
Total All Sales	100.0%	100.0%	366.3	48.3%	48.5%	26.8%
Total No. of Sales	11,635					
Total Acres Sold		4,262,100				

Figure 1.2. FARM REAL ESTATE PRICES IN SOUTH DAKOTA BY LAND USE, 1971 - 1987.



Source and Explanation of Land Use - See endnotes to Table 1.4.

In western South Dakota, majority cropland tracts are redefined to include all tracts with 51 to 100% of cropland acres. This is done because there are insufficient numbers of mostly cropland tracts sold to prepare an annual summary.

Statewide, 40% of the reported sales are mostly cropland tracts, 35% are majority cropland tracts and 25% are majority pasture/rangeland tracts. A majority of the reported sales (56%) are in eastern South Dakota regions, 34% are located in north central, central and south central South Dakota and only 10% are located in the western regions of South Dakota. There is substantial variation in the regional proportions of tracts by agricultural land use. For example, 66% of mostly cropland and majority cropland tracts sold are located in eastern South Dakota, 30% are located in central regions of South Dakota and on 4% are located in western regions of South Dakota. However, only 29% of majority pasture/rangeland tracts are located in eastern South Dakota, 46% are located in central regions of South Dakota and 25% are located in western South Dakota.

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

Table 1.4. Farm Real Estate Sales Trends in South Dakota, 1971-1987,
by Land Use.

South Dakota - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Price \$/acre
1971	125	99**	45	413	428	70-250
1972	140	97*	32	550	431	73-300
1973	160	118*	37	578	386	89-316
1974	221	178*	44	473	432	126-425
1975	250	205*	48	431	671	150-500
1976	298	245	46	391	968	160-580
1977	329	301*	54	308	1030	200-740
1978	375	314*	51	305	1110	199-850
1979	400	353*	53	341	1241	213-995
1980	420	349*	49	344	1071	200-1000
1981	475	415	55	300	1307	250-1200
1982	500	436*	53	247	1076	227-1100
1983	409	347*	52	325	1262	211-1015
1984	365	301*	47	322	1289	180-815
1985	313	269*	51	273	773	150-700
1986	275	226*	54	271	1002	122-575
1987 ^f	250	174*	43	353	665	100-528

South Dakota - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Price \$/acre
1971	150	160**	94	217	188	97-300
1972	208	198*	94	175	173	100-370
1973	200	220*	95	216	132	133-400
1974	262	282*	93	226	159	160-535
1975	292	323	94	214	247	200-652
1976	389	381	94	198	344	231-800
1977	428	419	93	205	418	250-877
1978	495	474	93	191	439	263-1000
1979	525	522	93	227	484	300-1198
1980	572	554	94	219	437	300-1200
1981	625	610	95	199	565	325-1400
1982	654	672	94	156	471	348-1250
1983	564	516	94	196	542	313-1200
1984	500	473	94	187	513	250-991
1985	403	426*	93	165	327	245-801
1986	350	343*	93	173	457	200-650
1987 ^f	335	319	94	192	284	174-600

South Dakota - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	125	130**	70	225	160	80-210
1972	138	130**	67	271	168	85-237
1973	160	167**	67	262	173	110-300
1974	202	211*	67	350	189	143-350
1975	250	248*	68	329	274	175-434
1976	300	304*	68	293	387	200-505
1977	325	355*	69	257	396	225-625
1978	390	393*	70	243	413	237-723
1979	425	430*	69	277	468	260-856
1980	431	417*	68	263	346	250-851
1981	491	470*	69	265	428	295-910
1982	500	508*	69	224	351	300-959
1983	424	407*	70	303	403	250-875
1984	396	379*	68	267	413	233-739
1985	300	309**	70	243	239	200-600
1986	255	241**	69	261	317	161-472
1987 ^f	240	247**	70	237	208	139-438

South Dakota - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	79	60	85	1187	80	45-133
1972	80	68	87	1790	90	50-152
1973	100	84**	82	1843	81	56-159
1974	150	120	87	1220	84	87-250
1975	175	135*	79	959	153	90-278
1976	199	164	83	829	238	95-301
1977	219	180*	82	600	216	123-400
1978	233	177*	80	597	259	108-412
1979	250	197*	81	638	289	125-425
1980	255	207	83	632	288	127-527
1981	300	245*	80	527	315	150-600
1982	284	234*	83	442	257	148-602
1983	263	208*	83	572	317	119-525
1984	225	180	84	576	363	108-442
1985	200	162	80	479	208	90-363
1986	144	131*	82	475	232	63-381
1987 ^f	123	88*	85	743	177	55-284

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

categories, the median and average sale price per acre are about the same, but this is not the case statewide for all farm real estate sold in South Dakota (Table 1.4).

Statewide, the per acre median sale price of all farm real estate is considerably higher each year (+9% to 42%) than the average sale price (Table 1.4, columns 2 and 3). This relationship occurs because permanent pasture and rangeland command much lower prices per acre than cropland. Larger acreage tracts tend to have a much higher percent of permanent pasture and rangeland (Table 1.1). The statewide annual median and average per acre sale price are relatively close for mostly cropland and majority cropland tracts, but greatly differ for majority pasture/rangeland tracts. Henceforth, average sale prices are emphasized in this report.

Overall, the statewide average sale price for all farm real estate increased from about \$100 per acre in 1971-1972 to \$205 per acre in 1975 to a peak of \$436 per acre in 1982. Average prices declined nearly 60% from 1982 to \$174 per acre in 1987. The median sale price showed similar magnitudes of change in this time period.

The statewide average sale prices by land use showed similar trends during this 17 year period, but the price levels substantially varied by land use. For example, the statewide average sale price of mostly cropland tracts increased from \$160 per acre in 1971 to \$323 in 1975 to a peak of \$672 per acre in 1982 and subsequently declined to \$319 per acre in 1987. By comparison the average sale price of majority pasture/rangeland tracts (usually 80-90% of acres in permanent pasture or rangeland) increased from \$60 per acre in 1971 to \$135 in 1975 to \$245 per acre in 1981 and subsequently declined to \$88 per acre in 1987 (Table 1.4 and Figure 1.2). During the 1971

to 1987 time period the annual average sale price of majority pasture tracts was 38% of the annual average sale price of mostly cropland tracts.³ Most of this price differential is due to the changing regional composition of cropland and rangeland tracts and differences in average sale prices of cropland and rangeland tracts in each region.

Several other sale tract characteristics are included in Table 1.4 (and subsequent regional farmland sale price tables) to help readers place the average and median sale price data in context. For example, the contributory value of farm buildings and improvements was an estimated 5-9% of total sale price in most years examined.

Cropland acres are typically 93-95% of total acres in mostly cropland tracts and 68-70% of total acres in majority cropland tracts. Permanent pasture and rangeland are typically 80-85% of total acres in majority pasture/rangeland tracts. Each year average tract size is greatest for majority pasture tracts and least for mostly cropland tracts. There is considerable interyear variation in average tract size.

Sales activity indicates a typical rate of 1000 to 1300 farmland tracts sold per year. The number of reported sales from 1971 to 1975 are lower because the sales reporting system was not at "full speed" until 1976. Sales

³Farmland price relationship between majority pasture/rangeland tracts and mostly cropland tracts were estimated using the following regression equation:

$$X_p = bX_c$$

where X_p = Annual average per acre sale price of majority pasture/rangeland tracts sold in the i^{th} region
 X_c = Annual average per acre sale price of mostly cropland tracts sold in the i^{th} region
 b = beta coefficient of linear price relationship

The coefficient of determination (R^2), was between 0.95 and 0.99 in all equations except in the Blackhills region and all equations were statistically significant ($p = 0.01$). This equation was estimated for each region and statewide, using annual data from 1971 to 1987.

activity in 1985 was sharply lower due to adverse economic conditions (limited credit availability, fewer buyers and perception of continued steep price declines).

The "practical range" of per acre sale prices is provided as an indication of the tremendous variation in types of tracts sold and per acre prices paid. (Tracts with outlier sale prices per acre - top 10% and bottom 10% of reported sale prices per acre - are excluded in this measure). This measure can be used to examine the general movement of sale prices per acre over time and to compare with the level of median and average sale prices. Statewide, the practical range of annual sale prices is threefold to fourfold (from lowest to highest price) for farmland and for each land use category. Thus, variation in land productivity and other factors influencing sale price is substantial within each agricultural land use category.

REGIONAL FARM REAL ESTATE SALES TRENDS

Key Findings

Analysis of regional farmland sales data indicate tremendous variation in sale prices and tract characteristics across the state. However, a common set of patterns occurs within and across regions of South Dakota. These key findings are:

(1) Agricultural land use varies systematically by average tract size.

The proportion of rangeland and permanent pasture increases and the proportion of cropland decreases as size of tract sold increases.

(2) Although a wide variety of tract sizes are sold in each region, there is a definite pattern of increasing average tract size as one goes across the state from the southeast and east central regions to the southwest and northwest regions of South Dakota. Most of the difference in average tract size is inversely related to interregional variation in agricultural land productivity.

(3) Expansion of existing farm and ranch operations is the overwhelming reason for purchase of sale tracts. In each region, average size of tract sold is one-fifth to one-third of the average number of acres per farm or ranch and most (60-75%) of the buyers are local farmers or ranchers expanding and consolidating their land base. In all regions, except southwest and northwest South Dakota, the majority of tracts sold are less than 250 acres. In all regions, farm buildings are more likely to be present on larger size tracts. However, in many cases these buildings are not used as the primary headquarters of the farm or ranch business.

(4) Distinct regional patterns exist in agricultural land use of tracts

sold. Cropland is a majority of acres sold in all regions east of the Missouri River while permanent pasture and rangeland is a majority of acres sold in all regions west of the Missouri River (Figure 1.1). A plurality of tracts sold in the southeast and east central regions and a majority of tracts sold in all other regions contain both cropland and permanent pasture or rangeland.

- (5) Per acre sale price is directly related to the proportion of crop land and inversely related to the proportion of rangeland in tracts sold in all regions. The relative and absolute differential in average sale price of cropland vs. rangeland is greatest in the southeast region and is lowest in the central region.
- (6) Agricultural land prices tend to move upward and downward together in all regions over time. However, per acre prices did not move uniformly (proportionally) together by region or by land use. Peak prices were much more pronounced in the cropland intensive eastern and north central regions of South Dakota and occurred in 1981 or 1982. Peak prices occurred from 1979 to 1983 in the other regions of the state and were less distinct.

Southeast Region

The southeast region has the highest agricultural productivity and the largest number (and smallest average size) of farms in South Dakota. Average farm size (in 1982) is 412 acres and 80% of the acres are in cropland. Corn and soybeans are the principal crops raised (63% of cropland acres harvested in 1982). Oats and hay are other major cropland uses. Feeder livestock - cattle and hogs - are the major sources of agricultural product sales.

Average size of tract sold - 145 acres - is the lowest of all South

Dakota regions. Ninety two percent of all farmland tracts sold are 40 to 249 acres in size and very few tracts (0.2%) exceed 1000 acres. Approximately 76% of acres sold are cropland, while about 19% of acres sold are in pasture. About 48% of tracts sold are cropland only tracts, 49.3% are mixed cropland and pasture tracts, and 2.7% of tracts sold are entirely pasture or rangeland. Most tracts containing poasture have less than 100 acres of pasture and very few tracts (only 1.1%) have 250 or more acres of pasture (Tables 2.1 - 2.3).

Overall, average sale price increased from \$193 per acre in 1971 to \$404 in 1975 to a peak of \$958 in 1981. Average sale price decreased 58% from 1981 to \$400 per acre in 1987. Similar trends (at different price levels) were evident by land use categories, although peak prices were less pronounced for majority pasture/rangeland tracts. For example, the average sale price of mostly cropland tracts increased from \$228 per acre in 1971 to a peak of \$1136 per acre in 1981 and subsequently declined to \$477 per acre in 1987. By comparison, the average sale price of majority pasture tracts increased from about \$130 per acre in the early 1970's to above \$500 per acre from 1979 to 1982 and declined to \$157 per acre in 1987 (Figure 2.1 and Table 2.4). During this 17 year period, the annual average per acre sale price of majority pasture tracts was 48% of the annual average per acre sale price of mostly cropland tracts. A majority (55%) of the 2927 tracts sold are mostly cropland tracts, 35% are majority cropland tracts and 10% are majority pasture tracts.

East Central Region

The 10 county east central region (Figure 1.1) is similar in many respects to the southeast region. Average farm size is slightly larger (466 acres in 1982) and 79% of the farmland acres are in cropland. Corn is the major crop with over 40% of acres harvested, followed by oats, hay and

Table 2.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Southeast Region, 1971-1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	39.9%	19.5%	71.0	82.8%	12.0%	17.0%
100 - 249 Acres	52.1	58.2	162.5	79.0	15.7	32.3
250-499 Acres	6.9	16.0	337.7	65.3	30.4	46.1
500 - 999 Acres	0.9	4.0	669.0	62.3	34.7	63.2
1000 - 1999 Acres	0.2	2.3	1478.2	36.1	63.1	60.0
2000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	145.4	75.9%	19.1%	27.5%
Total No. of Sales	2,205					
Total Acres Sold		320,615				

Data Source Tables 2.1-2.3.

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

Table 2.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Southeast Region, 1971 - 1983:

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	2.7%	3.1%	165.5	0.0%	97.6%	21.7%
1 - 99 Acres	46.9	28.1	86.9	73.7	20.8	19.2
100 - 249 Acres	46.8	57.2	178.0	81.3	13.7	34.0
250 - 499 Acres	3.2	9.0	413.2	74.7	21.0	50.0
500 - 999 Acres	0.3	2.1	827.5	79.8	18.7	87.5
1000 or More Acres	0.1	0.5	1680.0	64.8	33.3	100.0
Total All Sales	100.0%	100.0%	145.4	75.9%	19.1%	27.5%
Total No. of Sales	2,205					
Total Acres Sold		320,615				

Table 2.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Southeast Region, 1971 - 1983:

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	48.0%	37.4%	113.3	94.0%	0%	18.9%
1 - 99 Acres	46.0	47.8	151.3	73.2	22.1	35.4
100 - 249 Acres	4.8	9.4	278.5	45.6	50.9	32.1
250 - 499 Acres	0.9	2.9	495.6	29.0	67.9	52.6
500 - 999 Acres	0.2	1.5	968.0	38.3	60.6	60.0
1000 - 1999 Acres	0.1	1.1	1745.5	10.3	89.7	0.0
2000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	145.4	75.9%	19.1%	27.5%
Total No. of Sales	2,205					
Total Acres Sold	320,615					

FIGURE 2.1, FARM REAL ESTATE PRICES IN SOUTHEAST SOUTH DAKOTA BY LAND USE, 1971-1987.

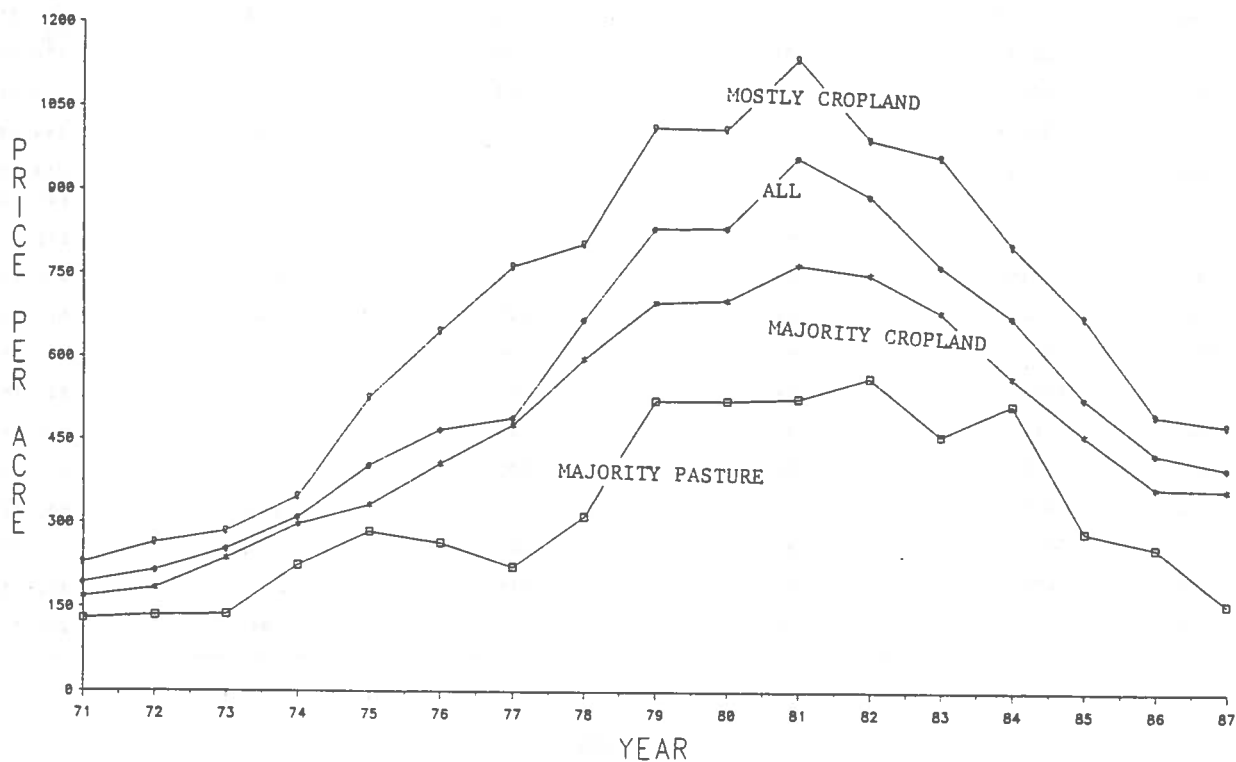


Table 2.4. Farm Real Estate Sales Trends in Southeast South Dakota, 1971-1987, by Land Use.

Southeast Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	197	193** ^e	77	165	94	113-303
1972	225	215*	78	165	151	125-343
1973	250	254*	79	171	111	150-401
1974	300	311**	77	175	118	188-536
1975	400	404*	75	161	122	205-718
1976	475	468*	73	150	166	250-950
1977	568	489	62	172	147	285-1051
1978	650	667*	75	135	203	350-1098
1979	823	831*	78	150	189	425-1300
1980	837	832	78	142	193	447-1350
1981	938	958	80	121	231	525-1550
1982	889	889	83	117	212	500-1397
1983	750	763*	72	126	245	409-1258
1984	650	671*	75	130	221	400-1110
1985	550	525*	70	123	141	243-895
1986	401	425*	76	125	251	250-701
1987	448	400*	76	138	132	200-671

Southeast Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	249	228* ^e	95	152	48	131-350
1972	275	264*	95	153	75	170-402
1973	275	286	94	162	51	175-458
1974	375	348**	94	145	59	194-595
1975	542	526*	93	135	58	259-825
1976	600	647*	94	114	73	348-1039
1977	785	763	94	110	72	371-1128
1978	825	803*	93	120	111	455-1145
1979	1000	1012	93	129	104	515-1406
1980	1000	1010	94	126	108	535-1408
1981	1140	1136	94	110	147	623-1613
1982	984	991	94	109	141	600-1479
1983	926	959	94	100	139	542-1375
1984	740	800*	94	105	118	500-1172
1985	625	671	94	102	79	375-1000
1986	500	495	94	115	142	302-750
1987	500	477	94	114	81	255-708

Southeast Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	165	168**	70	171	39	110-235
1972	200	183**	72	171	62	120-268
1973	240	237**	70	174	56	148-358
1974	269	298**	70	206	49	188-410
1975	338	333*	70	184	51	200-585
1976	394	407*	70	175	76	239-700
1977	475	477*	73	170	57	300-863
1978	522	596**	70	160	70	351-1098
1979	750	698*	71	184	67	425-1160
1980	625	702*	71	160	65	445-1197
1981	752	766*	72	137	66	514-1272
1982	700	748*	69	133	61	457-1300
1983	663	680*	71	156	72	424-1071
1984	550	562*	71	149	78	400-945
1985	473	458	72	151	36	231-800
1986	375	364	69	140	75	248-594
1987 ^e	363	361	70	182	39	200-600

Southeast Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	114	129**	62	215	7	NA
1972	151	135**	57	205	14	102-278
1973	165	137*	59	228	4	NA
1974	219	225**	56	201	10	142-749
1975	236	285**	64	189	13	155-436
1976	300	265**	69	196	17	196-638
1977	291	222*	83	428	18	138-798
1978	326	313*	82	133	22	183-830
1979	453	521*	64	141	18	196-847
1980	438	521*	63	173	20	318-1080
1981	545	525*	71	146	18	344-941
1982	479	562*	68	128	10	215-978
1983	400	457	72	172	34	259-705
1984	380	513*	73	193	19	203-750
1985	275	285	81	151	25	125-578
1986	265	257**	67	130	25	123-401
1987	150	157	85	166	11	122-341

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

soybeans. Feeder livestock - cattle and hogs- are also the major sources of agricultural product sales.

Average size of tract sold - 172 acres - is the second lowest among South Dakota regions. Almost 85% of tracts sold are 40 to 249 acres in size and very few tracts (0.1%) exceed 1000 acres. Approximately 75% of acres sold are cropland, while about 18% of acres sold are in permanent pasture or rangeland. Nearly 48% of tracts sold are cropland only tracts, 49% are mixed cropland and pasture tracts, and 3% are entirely pasture or rangeland. Most mixed land use tracts have less than 100 acres of pasture and very few tracts (1%) have more than 250 acres of pasture (Tables 3.1 - 3.3).

Overall, average sale prices of all farmland sold increased from about \$200 per acre in the early 1970's to peak average prices of \$711 in 1979 and \$699 in 1982 and subsequently declined to \$295 per acre in 1987. Similar trends (at different price levels) were evident for mostly cropland and majority cropland tracts. Average prices of mostly cropland tracts exceeded \$800 per acre in 1979, 1981 and 1982 while average prices of mostly cropland tracts were above \$600 per acre in 1979, 1982 and 1983. By early 1987, average sale prices of mostly cropland tracts were \$400 per acre and majority cropland sale prices were an average of \$247 per acre (Figure 3.1 and Table 3.4).

Very few majority pasture tracts were listed in the database prior to 1977 so earlier price trends are difficult to establish. Peak average prices above \$500 per acre occurred in 1979 and 1980 with declines to \$187 per acre in 1987. Typical land use of these tracts was 60-70% permanent pasture and average sale price was 58% of the annual per acre average sale price of mostly cropland tract from 1971 to 1987.

Table 3.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, East Central Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	24.4%	10.2%	71.7	79.6%	13.0%	18.7%
100 - 249 Acres	61.0	57.3	161.3	76.7	16.3	28.0
250 - 499 Acres	13.1	26.4	345.9	72.0	22.1	47.2
500 - 999 Acres	1.4	5.4	659.4	65.5	28.4	51.6
1000 - 1999 Acres	0.1	0.7	1280	55.9	42.9	50.0
2000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	171.7	75.0%	18.3%	28.6%
Total No. of Sales	2,197					
Total Acres Sold		377,151				

Data Source Tables 3.1-3.3.

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

Table 3.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, East Central Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	3.1%	2.6%	145.3	0%	97.6%	11.8%
1 - 99 Acres	33.2	18.4	95.1	68.1	24.5	20.7
100 - 249 Acres	55.8	59.3	182.5	78.8	14.5	31.3
250 - 499 Acres	7.2	16.6	393.8	81.0	12.6	50.9
500 - 999 Acres	0.7	3.1	779.0	76.0	18.6	33.3
1000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	171.7	75.0%	18.3%	28.6%
Total No. of Sales	2,197					
Total Acres Sold		377,151				

Table 3.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, East Central Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	47.9%	39.7%	142.2	91.1%	0.0%	18.3%
1 - 99 Acres	43.5	43.9	173.3	71.6	22.7	38.8
100 - 249 Acres	7.6	13.3	299.1	48.3	47.6	34.5
250 - 499 Acres	0.9	2.5	487.6	32.2	65.9	26.3
500 - 999 Acres	0.1	0.6	1200.00	31.5	66.7	50.0
1000 - 1999 Acres	--	--	--	--	--	--
2000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	171.7	75.0%	18.3%	28.6%
Total No. of Sales	2,197					
Total Acres Sold		377,151				

FIGURE 3.1, FARM REAL ESTATE PRICES IN EAST CENTRAL SOUTH DAKOTA BY LAND USE, 1971-1987.

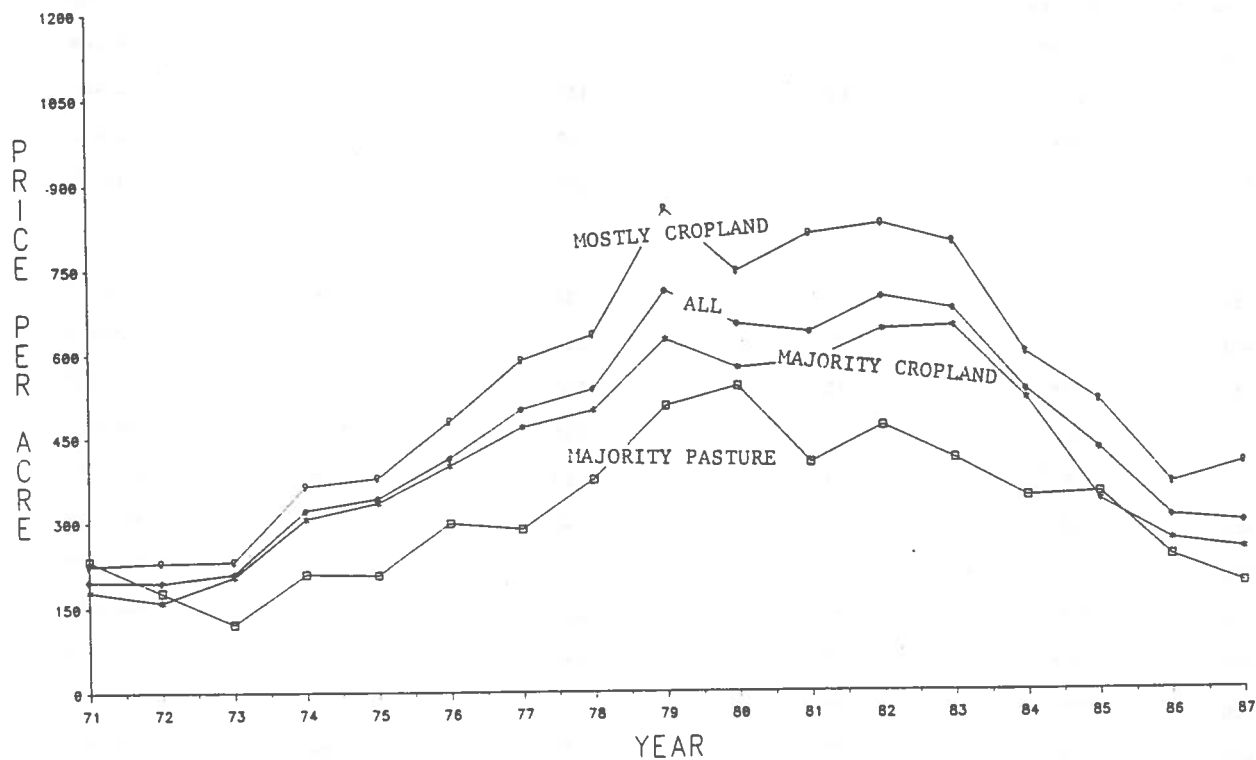


Table 3.4. Farm Real Estate Sales Trends in East Central South Dakota, 1971-1987

East Central Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent Percent Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	154	197** ^e	77	190	50	103-348
1972	175	195**	81	178	73	116-398
1973	175	210**	77	210	51	125-401
1974	300	323**	74	203	49	163-655
1975	308	343*	77	184	88	232-577
1976	409	414*	72	196	184	250-770
1977	500	500*	76	181	263	285-800
1978	530	536*	75	160	258	267-1000
1979	625	711*	77	165	261	347-1154
1980	627	651*	77	161	178	325-1136
1981	624	637*	72	179	281	334-1311
1982	650	699*	75	152	250	341-1245
1983	651	677*	75	156	214	323-1250
1984	500	532	75	148	227	300-949
1985	355	426	70	155	141	200-875
1986	275	306	71	150	259	165-580
1987 ^f	204	295	73	194	157	174-562

East Central Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	234	225* ^e	93	154	20	124-348
1972	205	229*	93	158	42	132-405
1973	189	232*	95	190	22	135-445
1974	352	365*	92	188	23	151-730
1975	352	379	95	153	36	249-700
1976	453	479	93	152	78	250-878
1977	550	588*	92	148	125	359-900
1978	635	633	93	135	115	340-1004
1979	760	856	93	160	113	460-1250
1980	800	745	93	146	93	400-1206
1981	846	810	94	150	130	394-1462
1982	776	828	94	134	118	422-1371
1983	835	795*	93	140	107	413-1359
1984	600	597	94	142	104	314-1038
1985	450	512	93	130	64	222-900
1986	325	364	93	131	123	213-613
1987 ^f	400	400	94	141	73	250-630

East Central Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	148	179** ^e	73	212	28	100-370
1972	154	160**	70	208	29	106-325
1973	180	205**	70	225	26	114-432
1974	285	307**	67	213	22	189-582
1975	312	335**	72	207	47	236-477
1976	400	400*	70	217	92	255-700
1977	434	468*	71	211	119	272-756
1978	488	498*	70	186	115	250-954
1979	564	624**	71	174	122	346-952
1980	515	573*	72	180	67	300-1013
1981	594	584*	71	200	105	355-1017
1982	632	641**	70	185	96	352-1062
1983	650	646**	72	163	81	375-1200
1984	494	516*	70	160	89	300-850
1985	302	355**	70	185	54	210-613
1986	240	264**	70	178	94	171-420
1987 ^f	271	247*	71	234	63	171-403

East Central Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	211	233*** ^e	83	245	2	NA
1972	315	177***	50	178	2	NA
1973	125	121**	64	220	3	NA
1974	215	209**	69	239	4	NA
1975	203	207	72	184	5	NA
1976	300	298*	68	305	14	219-398
1977	275	287*	63	207	19	225-588
1978	362	375*	58	156	28	223-1001
1979	388	505	61	146	26	260-1635
1980	450	540*	67	162	18	275-1586
1981	390	404*	69	212	46	290-1195
1982	391	469**	72	124	36	268-730
1983	313	411**	66	198	26	244-682
1984	307	343*	69	138	32	202-791
1985	225	338**	70	136	22	150-1170
1986	174	235**	76	138	37	87-927
1987 ^f	192	187*	62	238	18	97-438

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

A plurality (47%) of the 2984 tracts sold are mostly cropland tracts, 42% are majority cropland tracts and 11% are majority pasture tracts.

Northeast Region

Northeast South Dakota is a transition agricultural area dominated by small grain, corn and cattle enterprises. Average and median per acre farm real estate prices in this region are lower than those in the east central and southeast regions, but generally higher than prices paid in other regions of South Dakota. Average farm size (in 1982) was 625 acres and 74% of farmland acres were in cropland. Wheat, corn, hay, oats and barley are the major crops raised.

Average size of tract sold is 224 acres and 74% of tracts sold are 40 to 249 acres in size. Very few tracts (0.9%) exceed 1000 acres in size and these tracts are predominantly permanent pasture and rangeland. Nearly two-thirds of acres sold are cropland and 25% are in pasture. Forty percent of tracts sold contain no pasture or rangeland, 5% contain no cropland and 55% contain both pasture and cropland. Very few tracts contain 500 acres or more of cropland or rangeland. (Tables 4.1 - 4.3).

Overall, average sale prices increased from \$126 per acre in 1971 to \$274 in 1975 to a peak of about \$550 per acre in 1981 and 1982. Average sale price decreased 51% to \$271 per acre in 1987. Similar trends (at different price levels) were observed for tracts in all land use categories. The average sale price of mostly cropland tracts exceeded \$650 per acre in 1981 and 1982, while the average sale price of majority cropland tracts peaked at \$550 per acre in 1981. By 1987, average per acre sale prices were about half of the peak price (Figure 4.1 and Table 4.4).

Average sale price of majority pasture tracts was about \$85 per acre in

Table 4.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Northeast Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	15.4%	5.2%	75.5	76.0%	15.6%	14.9%
100 - 249 Acres	58.7	43.9	167.2	73.1	18.5	24.6
250 - 499 Acres	20.9	32.5	347.3	66.6	25.1	49.8
500 - 999 Acres	4.1	11.9	646.6	56.3	35.8	61.4
1000 - 1999 Acres	0.8	5.2	1395.6	31.4	62.6	66.7
2000 or More Acres	0.1	1.3	2987.5	27.1	60.5	100.0
Total All Sales	100.0%	100.0%	223.5	66.3%	25.4%	30.3%
Total No. of Sales	2,136					
Total Acres Sold	477,346					

Data Source Tables 4.1-4.3.

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

Table 4.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Northeast Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	5.1%	6.7%	289.8	0.0%	96.2%	10.0%
1 - 99 Acres	25.8	13.6	117.7	55.0	36.1	18.4
100 - 249 Acres	55.9	50.5	201.9	74.3	16.9	31.7
250 - 499 Acres	11.5	21.6	423.3	74.4	17.1	53.9
500 - 999 Acres	1.6	6.5	882.0	71.6	21.4	62.9
1000 or More Acres	0.1	1.1	2531.0	51.1	39.5	100.0
Total All Sales	100.0%	100.0%	223.5	66.3%	25.4%	30.3%
Total No. of Sales	2,136					
Total Acres Sold	477,346					

Table 4.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Northeast Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	40.0%	30.2%	168.6	88.9%	0.0%	16.5%
1 - 99 Acres	44.6	40.9	205.0	71.6	20.6	39.9
100 - 249 Acres	11.7	16.4	313.9	47.1	47.3	37.2
250 - 499 Acres	2.5	5.7	503.9	25.1	67.6	40.7
500 - 999 Acres	0.7	2.5	810.9	9.7	85.9	26.7
1000 - 1999 Acres	0.5	4.3	1856.2	19.0	74.5	6.4
2000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	223.5	66.3%	25.4%	30.3%
Total No. of Sales	2,136					
Total Acres Sold		477,346				

FIGURE 4.1, FARM REAL ESTATE PRICES IN NORTHEAST SOUTH DAKOTA BY LAND USE, 1971-1987.

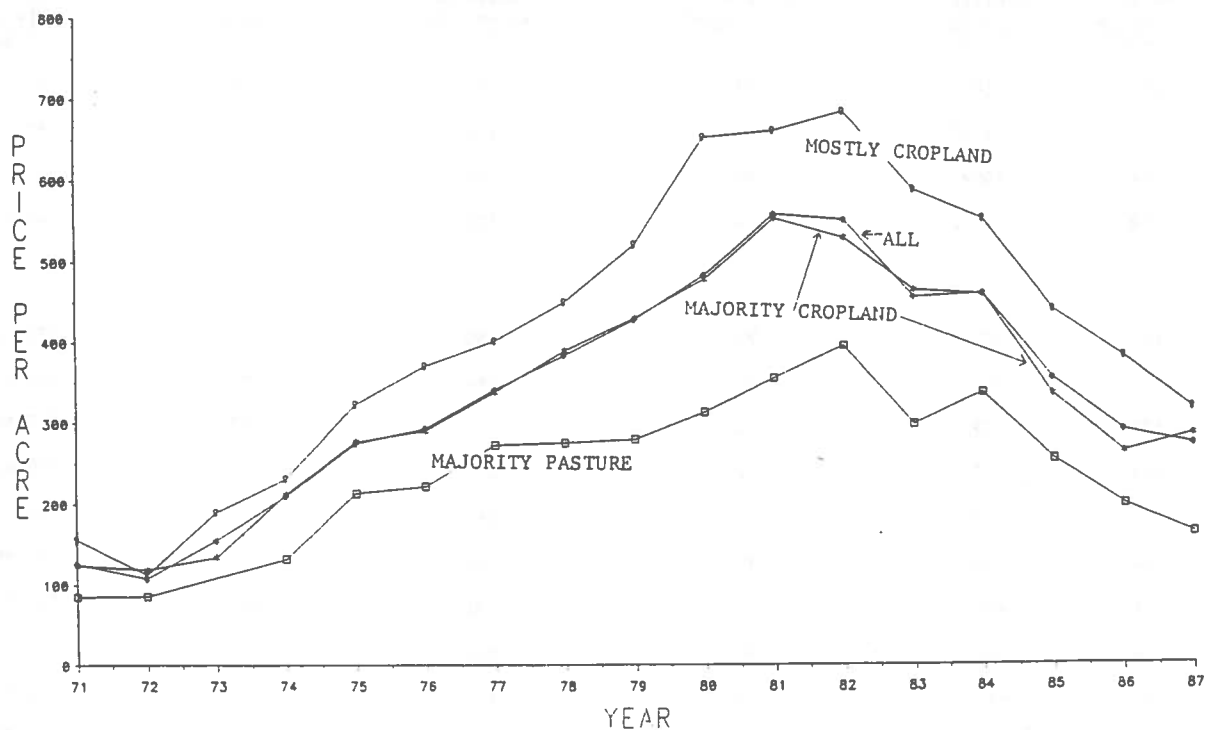


Table 4.4. Farm Real Estate Sales Trends in Northeast South Dakota, 1971-1987, by Land Use.

Northeast Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	133	126* ^e	66	227	78	77-200
1972	101	108*	56	238	59	75-159
1973	144	155*	77	205	51	115-227
1974	200	210*	73	244	86	125-295
1975	274	274* ^d	67	248	122	175-398
1976	291	292*	65	233	214	200-450
1977	326	339*	67	225	201	209-530
1978	375	381*	68	222	218	250-552
1979	400	425*	68	207	246	256-650
1980	500	480*	61	231	208	270-750
1981	531	555*	70	206	257	310-875
1982	502	548*	69	194	192	303-913
1983	462	452*	63	231	198	258-750
1984	464	457*	67	198	168	275-757
1985	350	352**	67	182	152	200-565
1986	301	288*	64	194	136	156-462
1987 ^f	254	271**	67	210	124	133-384

Northeast Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	150	156	93	164	36	91-209
1972	106	113* ^e	91	150	17	87-152
1973	188	190*	90	195	20	130-249
1974	238	231	94	195	27	143-318
1975	301	322	92	190	41	229-480
1976	375	369	93	164	69	248-526
1977	375	399	93	179	77	250-567
1978	424	447	92	179	78	300-602
1979	500	518	92	166	84	350-795
1980	594	649	93	195	79	440-883
1981	625	657	93	181	102	396-986
1982	625	680	93	166	71	407-1044
1983	589	584	92	163	75	392-877
1984	548	549	93	152	67	375-802
1985	410	437	93	147	67	301-630
1986	360	379	93	142	57	250-500
1987 ^f	300	315	92	179	56	212-450

Northeast Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	125	124** ^e	71	240	33	73-190
1972	118	119*	65	249	30	90-160
1973	131	134**	71	216	30	102-175
1974	200	212*	71	275	50	139-777
1975	265	276**	71	260	61	175-385
1976	290	289*	70	257	107	200-411
1977	325	336*	71	234	85	219-510
1978	365	387**	71	228	108	250-544
1979	400	427*	71	227	122	285-641
1980	483	475*	70	210	87	320-732
1981	500	550*	71	218	118	311-832
1982	472	526*	71	214	84	328-827
1983	443	461*	69	244	90	276-749
1984	448	456*	72	219	64	312-704
1985	301	332	68	201	58	199-557
1986	263	262*	69	215	55	178-396
1987 ^f	241	283*	71	228	40	150-338

Northeast Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	84	85* ^e	77	428	9	NA
1972	81	86*	64	338	12	65-100
1973	NA	NA	NA	NA	NA	NA
1974	150	132*	52	218	9	NA
1975	193	213**	68	327	20	158-324
1976	201	221*	71	289	38	165-307
1977	250	271*	67	296	39	171-450
1978	262	273*	64	308	32	199-474
1979	258	277*	74	231	40	191-374
1980	299	310*	73	348	42	215-548
1981	390	352*	77	237	37	269-542
1982	350	392**	68	201	37	250-684
1983	300	295	74	349	33	226-537
1984	286	334*	61	252	34	237-565
1985	212	253	64	229	27	150-376
1986	188	198	74	284	21	126-395
1987 ^f	150	162	73	241	23	113-253

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

1971 and 1972, peaked above \$350 per acre in 1981 and 1982, and declined to \$162 per acre in 1987. Typical land use of these tracts was 65% to 75% permanent pasture and rangeland with most of the remaining acres in cropland. From 1971 to 1987, the annual average per acre sale price of majority pasture tracts was 56% of the annual average per acre sale price of mostly cropland tracts.

A plurality (45%) of the 2710 tracts sold were majority cropland tracts, 38% were mostly cropland tracts and 17% were majority pasture tracts.

North Central Region

Average sale prices of farm real estate in the north central region are lower than those in any region of eastern South Dakota, but are higher than average sale prices in all other regions of the state. Substantial differences in sale prices and other tract characteristics exist between tracts located in the James River Valley and those located further west.

Average farm size was 1236 acres (in 1982) and 67% of farmland acres was cropland. Wheat is the dominant crop, followed by hay, corn, oats and barley. Cattle enterprises are dominant in this region and in all other regions of central and western South Dakota.

The average size of tract sold is 327 acres and nearly 74% of tracts sold are 100 to 499 acres in size. Very few tracts (0.9%) exceed 2000 acres in size and these tracts are predominantly rangeland. Overall, about 57% of acres sold are cropland and 39% are rangeland. Thirty six percent of tracts sold contain no pasture, 9% contain no cropland and 55% of tracts sold contain cropland and rangeland. Over 20% of cropland acres are purchased in tracts containing 500 or more acres of cropland. A similar distribution occurred for rangeland (Tables 5.1 - 5.3).

Table 5.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, North Central Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	11.8%	2.6%	70.6	67.0%	27.2%	13.3%
100 - 249 Acres	46.9	23.2	162.4	72.8	22.2	10.1
250 - 499 Acres	26.7	29.0	355.6	61.7	34.4	27.8
500 - 999 Acres	11.7	24.6	688.5	54.5	42.4	52.0
1000 - 1999 Acres	2.0	7.9	1303.0	45.3	51.4	63.2
2000 or More Acres	0.9	12.7	4423.6	28.9	70.2	77.8
Total All Sales	100.0%	100.0%	327.4	57.2%	39.2%	21.8%
Total No. of Sales	1,910					
Total Acres Sold		625,349				

Data Source Tables 5.1-5.3.

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

Table 5.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, North Central Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	8.8%	9.8%	362.9	0%	98.3%	8.2%
1 - 99 Acres	20.3	8.3	133.5	46.8	48.2	15.2
100 - 249 Acres	47.4	32.9	227.2	68.3	27.3	16.9
250 - 499 Acres	18.7	29.0	505.9	64.7	31.7	38.8
500 - 999 Acres	3.6	8.9	831.9	75.5	20.7	49.3
1000 or More Acres	1.2	11.1	3157.5	47.9	50.6	81.8
Total All Sales	100.0%	100.0%	327.4	57.2%	39.2%	21.8%
Total No. of Sales	1,910					
Total Acres Sold		625,349				

Table 5.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, North Central Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	36.0%	20.6%	187.4	93.0%	0.0%	8.2%
1 - 99 Acres	30.8	19.8	210.0	74.8	21.4	20.9
100 - 249 Acres	20.4	22.3	359.2	52.3	44.5	32.6
250 - 499 Acres	8.8	15.6	578.9	38.5	59.1	38.5
500 - 999 Acres	2.7	7.6	928.4	29.5	68.2	56.9
1000 - 1999 Acres	0.9	6.1	2233.8	37.0	61.6	58.8
2000 or More Acres	0.4	8.0	6247.6	12.8	86.7	75.0
Total All Sales	100.0%	100.0%	327.4	57.2%	39.2%	21.8%
Total No. of Sales	1,910					
Total Acres Sold		625,349				

FIGURE 5.1, FARM REAL ESTATE PRICES IN NORTH CENTRAL SOUTH DAKOTA BY LAND USE, 1971-1987.

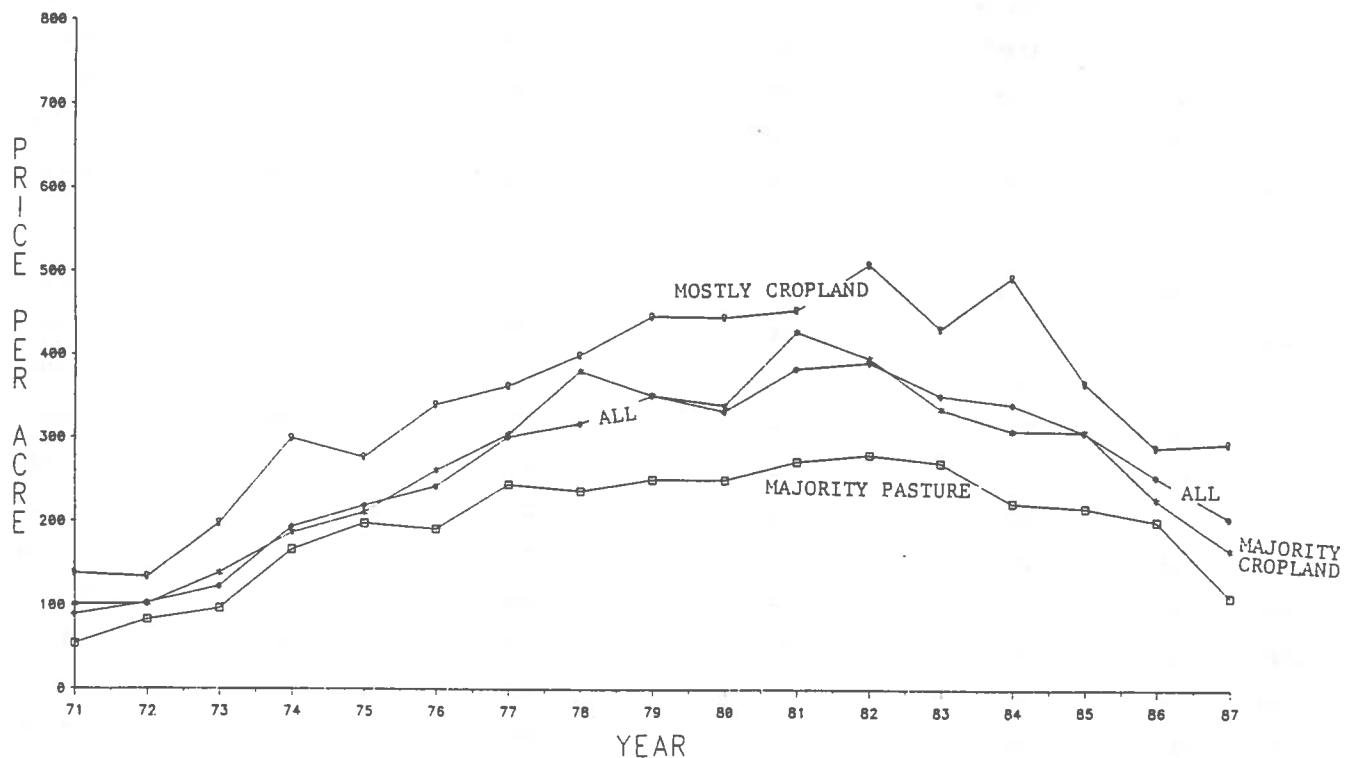


Table 5.4. Farm Real Estate Sales Trends in North Central South Dakota, 1971-1987

North Central Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	100	89* ^e	51	429	84	68-200
1972	102	103*	63	325	32	75-212
1973	135	123*	45	495	54	82-231
1974	189	194*	51	347	54	112-372
1975	222	219*	60	351	138	165-341
1976	250	242	46	364	187	163-400
1977	300	301*	62	312	174	204-465
1978	300	317*	57	286	175	207-500
1979	326	351*	63	292	208	212-567
1980	321	332*	50	336	177	200-577
1981	368	384*	59	349	188	239-601
1982	400	391*	63	283	164	230-705
1983	344	351*	65	245	261	228-650
1984	304	340*	65	256	212	200-649
1985	281	306	67	249	124	177-522
1986	250	253*	76	275	119	150-367
1987 ^f	176	204*	62	292	84	100-313

North Central Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	109	138* ^e	95	248	40	86-247
1972	115	134*	94	210	13	85-214
1973	200	198	94	319	13	135-277
1974	305	300	94	164	18	160-407
1975	275	277*	95	201	45	200-431
1976	300	340	95	191	72	226-450
1977	350	362	94	237	63	245-500
1978	355	399*	94	182	59	230-600
1979	400	446	94	215	79	250-625
1980	432	445	95	217	60	291-625
1981	425	454	95	253	72	300-700
1982	462	509	94	196	77	350-737
1983	404	431	95	196	117	295-682
1984	396	443	94	189	104	226-700
1985	366	366	93	222	52	228-654
1986	278	288	93	252	60	181-375
1987 ^f	258	293	95	282	34	161-403

North Central Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	94	101*	70	326	27	70-144
1972	99	102*	71	328	12	71-169
1973	125	139**	65	270	25	76-208
1974	181	187**	68	319	18	114-299
1975	203	211*	64	383	59	172-260
1976	238	261	67	349	57	175-361
1977	277	304*	67	325	67	225-442
1978	300	380*	70	259	62	230-460
1979	340	351**	67	340	74	222-500
1980	319	339*	68	306	58	224-453
1981	374	428*	70	406	55	300-600
1982	381	396*	66	329	54	234-678
1983	314	335*	67	261	88	241-500
1984	300	308**	66	324	56	199-530
1985	274	307	70	298	40	164-534
1986	219	226*	73	342	37	144-335
1987 ^f	156	166*	66	235	29	105-269

North Central Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	75	54* ^e	82	1017	17	44-175
1972	79	83*	60	534	7	NA
1973	93	97*	74	989	16	78-161
1974	153	167	68	559	18	97-285
1975	196	198*	60	494	34	145-278
1976	200	191	83	593	58	100-279
1977	230	244**	69	398	44	190-356
1978	236	236*	68	432	54	174-380
1979	250	266*	66	339	55	200-392
1980	250	276*	80	488	59	175-400
1981	272	293*	73	410	61	200-462
1982	280	254*	75	410	33	196-710
1983	270	269**	71	320	56	165-438
1984	222	242*	73	315	50	150-342
1985	216	213	79	229	33	157-285
1986	200	215**	64	227	21	106-354
1987 ^f	110	126**	73	388	20	80-288

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

Overall, average sale prices increased from \$89 per acre in 1971 to \$301 per acre in 1977 to above \$380 per acre in 1981 and 1982. Average sale prices remained above \$300 per acre into 1985, but declined to \$204 per acre in 1987. There was considerable interyear variability in the proportion of cropland and pasture acreage sold. A plurality (40%) of the 2435 tracts sold were mostly cropland tracts, 34% were majority cropland tracts and 26% were majority pasture tracts (Figure 5.1 and Table 5.4).

The average price of mostly cropland tracts was less than \$140 per acre in 1971 and 1972, but had increased above \$430 per acre from 1979 through 1984. Average sale prices appeared to stabilize around \$290 in 1986 and 1987. The average sale price of majority cropland tracts increased from about \$100 per acre in 1971 and 1972 to a peak of \$428 per acre in 1981 and had declined to \$166 per acre in 1987.

The average price of majority rangeland tracts increased rapidly from 1971 to 1977 and remained above \$200 per acre until 1986. The peak average price was \$293 per acre in 1981 compared to \$126 per acre in 1987. Typical land use of these tracts was 66-80% rangeland and 20-30% cropland. From 1971 to 1987, the annual average per acre sale price of majority rangeland tracts was 57% of the corresponding sale price of mostly cropland tracts.

Central Region

Agricultural activity in the 9 county central region is dominated by cattle, wheat and small grain enterprises (Figure 1.1). Average farm size is 1266 acres and land use is almost evenly split between cropland and permanent pasture. Wheat and hay are the major crops raised, followed by corn and oats.

Average size of tract sold is 465 acres and 72% of tracts sold are 100

to 499 acres in size. Tracts exceeding 1000 acres in size are 9.4% of total tracts sold and represent 42.4% of total acres sold. Permanent pasture and rangeland are about 54% of total acres of these larger tracts. Overall, about 55% of total acres sold are cropland and 42% of total acres sold are rangeland (Tables 6.1 - 6.3).

A majority (55%) of tracts sold contain cropland and rangeland, 34% are cropland only tracts, and 11% contain no cropland acres. Most of the tracts with 1000 acres or more of rangeland are predominantly rangeland while the larger cropland tracts are predominantly cropland.

Average sale prices in the central region are lower than those in the north central and eastern regions of South Dakota, but are higher than average prices in south central, southwest and northwest South Dakota. Average prices climbed rapidly from \$97 per acre in 1971 to \$226 per acre in 1975. From 1975 to 1986, farm real estate prices did not increase or decrease at the rate found in other regions of South Dakota. From 1980 to 1983, average sale prices in this region were \$307 to \$329 per acre. Average sale price declined to \$233 per acre in 1986 and plunged to \$149 per acre in 1987 (Figure 6.1 and Table 6.4). The 1987 plunge in per acre prices was characteristic of sale price trends in this region and in western South Dakota. The sharp decline in prices is related to a much larger number of tracts sold (including many acquired properties) than were sold in the previous two years.

From 1971 to 1987, a plurality (38%) of the 1573 tracts sold are mostly cropland tracts, 29% are majority cropland tracts and 33% are majority rangeland tracts. The price differential between mostly cropland and majority rangeland tracts was much lower than found in other regions of the state. Average annual per acre sale price of majority pasture tracts was 68%

Table 6.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Central Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	5.3%	0.8%	73.2	65.6%	32.7%	12.9%
100 - 249 Acres	44.7	15.7	163.6	67.8	29.2	13.8
250 - 499 Acres	27.7	21.3	358.3	65.0	32.0	21.1
500 - 999 Acres	12.9	19.8	713.0	58.1	40.1	38.0
1000 - 1999 Acres	6.0	16.9	1303.5	44.7	53.7	58.6
2000 or More Acres	3.4	25.5	3450.2	44.5	53.8	65.0
Total All Sales	100.0%	100.0%	464.7	55.4%	42.4%	23.3%
Total No. of Sales	1,165					
Total Acres Sold		541,356				

Data Source Tables 6.1-6.3.

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

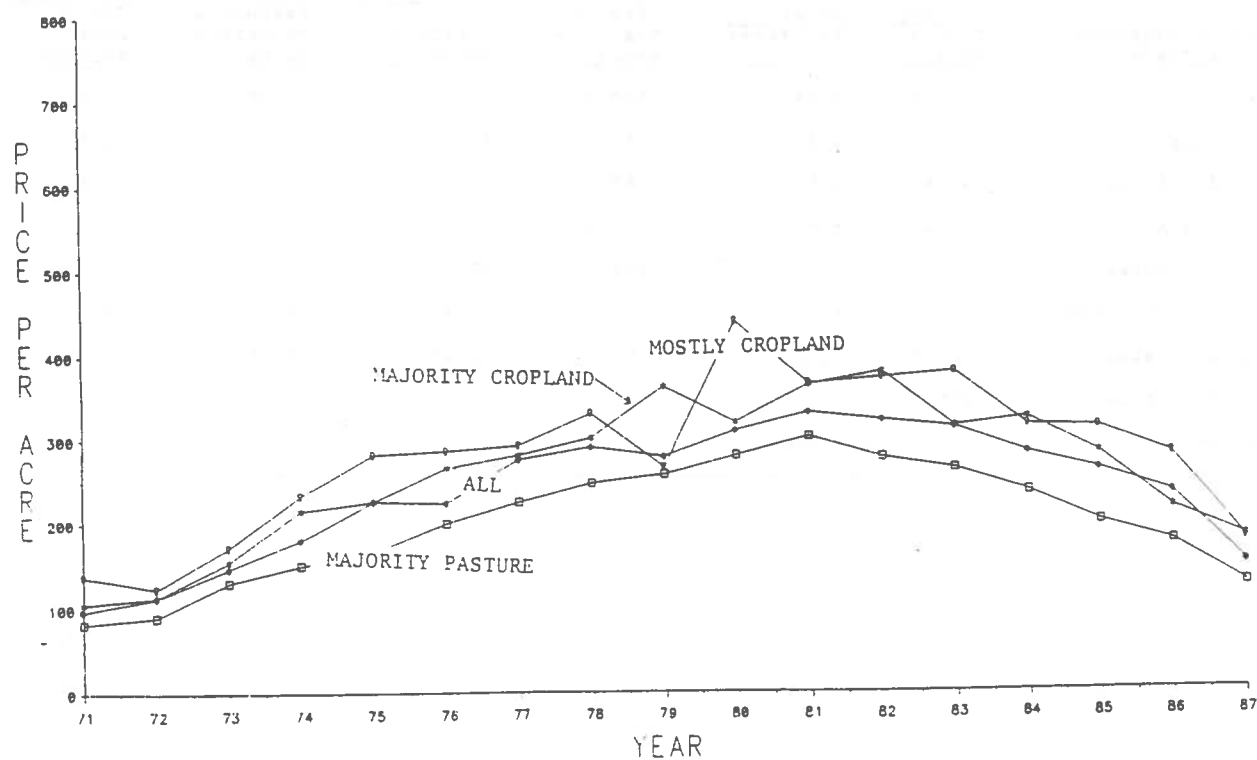
Table 6.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Central Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	11.2%	8.5%	350.9	0%	98.9%	7.6%
1 - 99 Acres	15.1	5.8	177.6	39.3	58.0	22.2
100 - 249 Acres	42.4	24.5	268.7	57.7	39.4	17.6
250 - 499 Acres	21.4	26.6	579.0	58.6	39.5	30.9
500 - 999 Acres	6.9	17.5	1184.1	57.6	40.8	45.0
1000 or More Acres	3.0	17.1	2642.2	77.8	19.3	65.7
Total All Sales	100.0%	100.0%	464.7	55.4%	42.4%	23.3%
Total No. of Sales	1,165					
Total Acres Sold		541,356				

Table 6.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Central Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	34.0%	22.3%	304.2	95.6%	0%	10.6%
1 - 99 Acres	28.0	13.6	226.7	74.4	23.2	24.8
100 - 249 Acres	19.2	14.6	351.8	52.2	45.6	26.8
250 - 499 Acres	9.7	13.9	666.5	46.1	52.3	31.9
500 - 999 Acres	4.9	13.6	1291.1	45.2	53.7	43.9
1000 - 1999 Acres	2.7	9.5	1663.3	21.6	76.8	51.6
2000 or More Acres	1.5	12.5	3762.8	14.1	85.5	66.7
Total All Sales	100.0%	100.0%	464.7	55.4%	42.4%	23.3%
Total No. of Sales	1,165					
Total Acres Sold		541,356				

FIGURE 6.1, FARM REAL ESTATE PRICES IN CENTRAL SOUTH DAKOTA BY LAND USE, 1971-1987.



Central Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	100	97* ^e	45	620	66	69-146
1972	110	112*	67	389	39	75-156
1973	150	146*	55	485	62	98-199
1974	196	180	41	754	77	127-259
1975	210	226	62	474	73	150-290
1976	249	224	42	692	84	150-327
1977	283	275	62	360	89	200-385
1978	300	288* ^d	60	319	64	204-418
1979	327	277	67	478	120	225-425
1980	330	307	50	402	104	217-478
1981	340	329	63	383	145	250-437
1982	348	319	47	294	89	210-450
1983	344	311*	57	380	147	220-429
1984	281	281*	55	345	189	198-400
1985	250	261*	59	262	81	169-382
1986	225	233	55	389	75	127-344
1987 ^f	154	149	55	366	69	90-270

Central Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	135	137* ^e	93	472	19	100-150
1972	118	123	98	261	14	85-164
1973	163	171	98	334	22	100-204
1974	223	233*	92	573	22	152-274
1975	250	281	95	375	28	200-305
1976	293	285	96	331	29	200-344
1977	300	291	94	331	36	236-402
1978	325	328	92	284	33	221-485
1979	346	264	93	513	54	269-416
1980	394	438	94	248	43	293-751
1981	375	364	97	358	64	300-449
1982	379	370	96	236	26	260-461
1983	375	377	96	265	68	312-452
1984	342	313	95	306	52	237-400
1985	297	311	94	238	31	197-397
1986	275	279	95	292	30	189-378
1987 ^f	175	177	93	416	23	122-334

Central Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	100	105**	64	314	26	75-125
1972	118	113**	67	477	18	73-159
1973	156	154*	68	281	22	124-196
1974	200	215*	63	453	28	163-263
1975	200	226*	71	415	23	152-298
1976	254	265	71	491	24	203-333
1977	295	280*	62	349	28	198-428
1978	300	299***	69	255	13	223-409
1979	350	360*	67	393	36	286-477
1980	345	317	69	317	26	217-431
1981	351	362	67	338	37	282-459
1982	369	377*	67	245	24	233-490
1983	322	312*	64	494	30	241-443
1984	313	322*	65	351	67	208-403
1985	272	281**	68	225	23	200-401
1986	225	215*	64	370	23	126-299
1987 ^f	169	180*	65	239	17	137-270

Central Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	82	79	79	1132	21	65-98
1972	90	93** ^e	62	420	7	NA
1973	130	132**	68	920	18	87-196
1974	150	146	87	1215	27	119-225
1975	166	187	64	663	22	136-229
1976	200	194	81	1186	31	135-300
1977	225	251*	72	412	25	184-364
1978	246	236*	81	430	18	153-479
1979	256	224*	78	518	30	170-348
1980	278	243	76	655	35	188-379
1981	300	268	76	456	44	206-424
1982	275	272	81	363	39	167-425
1983	262	258*	75	471	49	167-406
1984	235	220	76	377	70	161-308
1985	199	208	74	323	27	125-278
1986	175	152	78	525	21	110-307
1987 ^f	125	116	78	402	29	81-181

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

of the comparable sale price of mostly cropland tracts.

South Central Region

The six county south central region is located west of the Missouri River (Figure 1.1). Average farm size in this region is about 2300 acres and only 33% of agricultural acres are cropland. Cattle is the major livestock enterprise, while winter wheat and hay are the major crops raised. Significant amounts of grain sorghum, oats and corn are also raised.

Average size of tract sold is 477 acres and 70% of tracts sold are 100 to 499 acres in size. Nearly 10% of tracts sold contain 1000 or more acres and represent 45% of total acres sold. A majority of acres in sale tracts of 500 acres or more are rangeland or permanent pasture. For tracts of less than 250 acres, over 60% of total acres are in cropland. Fifteen percent of tracts sold contain no cropland, 25% contain no rangeland and 60% contain both cropland and rangeland (Tables 7.1 - 7.3).

Overall, average sale prices increased from \$82 - 88 per acre in 1971 and 1972 to more than \$250 per acre from 1981 to 1984. Average prices plunged to about \$120 per acre in 1986 and 1987. Most of the price decrease is due to changing economic conditions, but some of the price decrease is due to a lower proportion of cropland sold in 1986 and 1987 (Figure 7.1 and Table 7.4).

A plurality of the 1151 tracts sold (45%) during this 17 year period are majority rangeland tracts. The remaining tracts are evenly split between mostly cropland and majority cropland tracts. Peak average sale prices of mostly cropland tracts were between \$329 and \$368 per acre from 1980 to 1985. Peak average sale prices of majority rangeland tracts were between \$180 and \$237 per acre from 1979 to 1985. From 1971 to 1987, the annual average per acre sale price of majority rangeland tracts was 57% of the annual average

Table 7.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, South Central Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	7.2%	1.1%	75.1	65.7%	30.4%	6.3%
100 - 249 Acres	45.1	15.6	164.8	63.3	33.3	9.0
250 - 499 Acres	24.9	18.7	358.5	47.7	49.6	28.5
500 - 999 Acres	13.0	19.7	725.5	41.2	56.8	33.9
1000 - 1999 Acres	6.5	18.7	1362.7	32.1	66.4	39.7
2000 or More Acres	3.3	26.2	3805	22.2	76.9	69.0
Total All Sales	100.0%	100.0%	476.6	39.5%	58.5%	20.9%
Total No. of Sales	887					
Total Acres Sold		422,783				

Data Source Tables 7.1-7.3.

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

Table 7.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, South Central Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	15.4%	15.2%	467.8	0%	99.5%	6.6%
1 - 99 Acres	20.5	8.5	196.8	32.0	65.0	15.9
100 - 249 Acres	42.8	26.6	295.8	52.0	44.9	18.2
250 - 499 Acres	14.9	23.0	736.9	46.4	51.4	35.6
500 - 999 Acres	4.7	13.4	1384.4	49.6	48.8	56.1
1000 or More Acres	1.7	13.3	3762.3	42.0	57.1	53.3
Total All Sales	100.0%	100.0%	476.64	39.5%	58.5%	20.9%
Total No. of Sales	887					
Total Acres Sold		422,783				

Table 7.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, South Central Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	24.7%	11.2%	216.1	94.7%	0%	6.4%
1 - 99 Acres	26.8	11.2	198.9	72.9	24.3	17.2
100 - 249 Acres	21.9	13.5	295.1	43.4	54.4	21.1
250 - 499 Acres	13.2	14.7	531.5	31.7	66.4	32.5
500 - 999 Acres	7.3	14.7	951.7	25.4	73.2	40.0
1000 - 1999 Acres	4.3	16.7	1861.4	21.2	77.9	34.2
2000 or More Acres	1.8	18.0	4756.4	16.1	83.0	75.0
Total All Sales	100.0%	100.0%	476.6	39.5%	58.5%	20.9%
Total No. of Sales	887					
Total Acres Sold		422,783				

FIGURE 7.1, FARM REAL ESTATE PRICES IN SOUTH CENTRAL SOUTH DAKOTA BY LAND USE, 1971-1987.

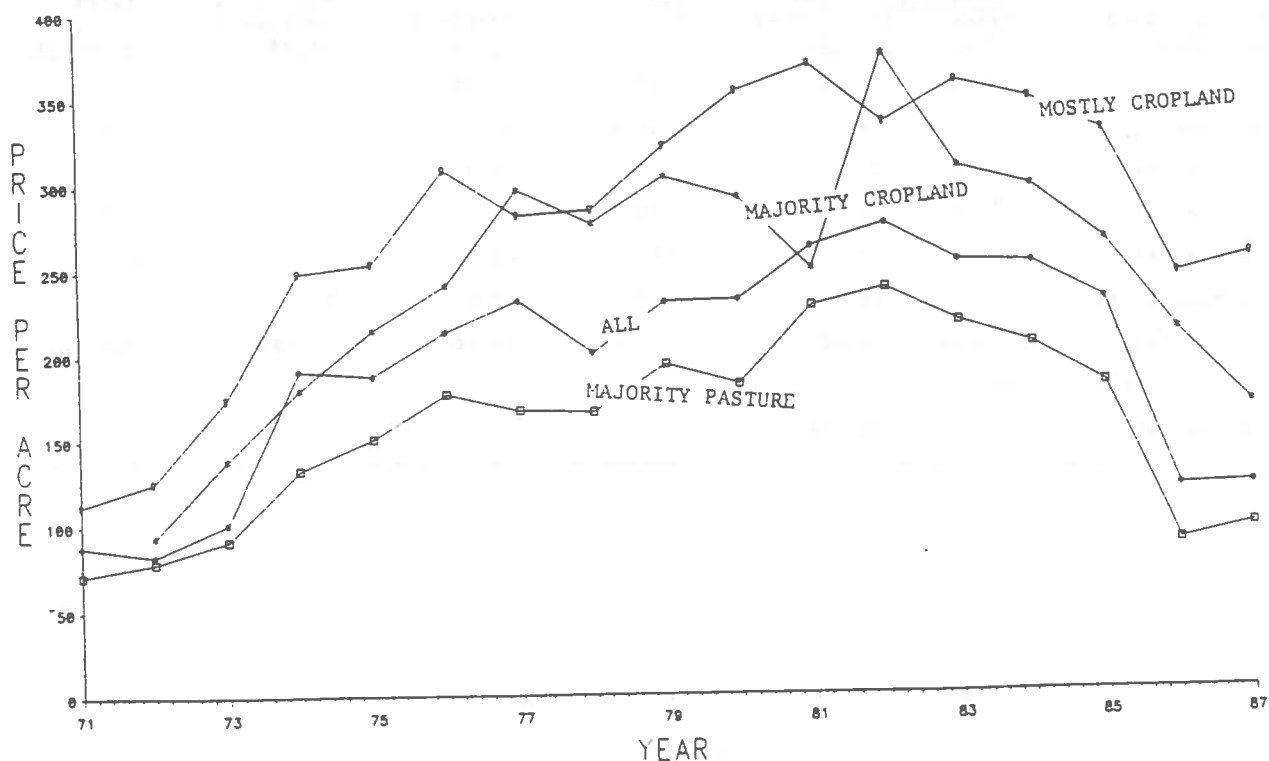


Table 7.4. Farm Real Estate Sales Trends in South Central South Dakota, 1971-1987, by Land Use.

South Central Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	88	88	49	319	22	56-151
1972	89	82	27	764	31	64-139
1973	110	101	31	743	27	75-193
1974	198	190	67	369	21	151-261
1975	202	187	46	391	66	120-303
1976	203	213	40	565	55	119-335
1977	250	231	52	305	66	150-329
1978	230	200	35	559	109	126-325
1979	266	230	36	569	110	160-395
1980	275	231	41	379	102	152-406
1981	301	262	52	381	94	188-422
1982	297	275* ^e	38	403	87	167-400
1983	275	253*	41	365	88	160-402
1984	250	252	46	372	119	159-402
1985	265	230	41	427	57	125-353
1986	144	119	27	457	61	61-283
1987 ^f	123	120	33	545	36	55-254

South Central Region - Mostly (85-100%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	105	112	95	198	14	58-218
1972	134	125	96	143	5	NA
1973	181	174	96	158	4	NA
1974	250	248	97	218	7	NA
1975	275	253	95	230	25	180-313
1976	300	308	93	276	13	230-368
1977	291	281	94	232	24	207-330
1978	288	284	96	254	22	216-399
1979	325	321	95	262	33	213-430
1980	327	353	95	208	29	255-450
1981	369	368	94	244	29	281-450
1982	312	334	95	194	23	186-445
1983	366	358	95	282	16	256-468
1984	325	348	95	306	29	250-444
1985	325	329	94	271	18	269-383
1986	250	244	97	183	17	125-330
1987 ^f	254	255	96	230	8	NA

South Central Region - Majority (51-84%) Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	NA	NA	NA	NA	NA	NA
1972	94	93	59	383	10	72-157
1973	130	138	73	422	8	NA
1974	181	179	65	479	12	152-259
1975	200	214	64	320	18	168-268
1976	225	240	58	651	16	150-379
1977	280	296*	65	277	19	191-371
1978	275	276*	66	447	29	164-341
1979	311	303*	68	380	28	199-425
1980	300	291	66	294	28	224-451
1981	302	249*	63	325	35	189-415
1982	325	374**	68	322	20	227-536
1983	312	308	68	215	26	200-465
1984	291	297	68	258	34	225-488
1985	281	265	70	413	12	200-410
1986	188	211	71	273	12	149-259
1987 ^f	135	167	73	343	7	NA

South Central Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	71	71	82	584	7	NA
1972	80	78	82	1196	16	62-118
1973	100	91	78	1069	15	64-142
1974	149	132	100	240	2	NA
1975	140	150	79	621	23	91-286
1976	150	176	83	657	26	96-258
1977	180	166	80	405	23	119-239
1978	178	165	81	730	58	101-253
1979	200	193	81	885	49	135-352
1980	200	181* ^e	80	542	45	125-305
1981	262	227*	72	577	30	160-350
1982	227	237*	79	548	44	142-348
1983	250	217*	75	478	46	100-350
1984	208	204	77	474	56	143-320
1985	159	180	76	524	28	115-326
1986	100	87	88	671	32	53-169
1987 ^f	85	96	78	733	21	51-146

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

sale price of mostly cropland tracts.

Southwest and Northwest Regions

Cattle and wheat are the dominant agricultural enterprises in western South Dakota. Over 80% of agricultural land use is rangeland and more than one-fourth of the rangeland are tribal trust, Federal or state public lands. Average ranch/farm size in these regions are about 4000 acres. Spring wheat and hay are the major crops raised in northwest South Dakota, while winter wheat and hay are the major crops raised in southwest South Dakota.

The average size of tract sold in the southwest region is 1813 acres, compared to 1353 acres in the northwest region. Nearly 42% of tracts sold in the southwest region and 37% of tracts sold in the northwest region exceed 1000 acres and contain more than 80% of total acres sold in each region. These larger size tracts have a higher proportion of rangeland than smaller tracts of less than 1000 acres. Cropland acres are a majority of acres sold on tract sizes of less than 250 acres, but are only about one-fourth of total acres sold in both regions (Tables 8.1 and 9.1).

Approximately 44% of southwest region tracts and 41% of northwest region tracts contain 500 acres or more of rangeland and permanent pasture. Less than 16% of sale tracts in both regions contain no rangeland or permanent pasture. Approximately 24% of southwest region tracts and 22% of northwest region tracts contain no cropland (Tables 8.2, 8.3, 9.2 and 9.3).

Overall, average sale prices in the southwest region increased from \$55 per acre in 1971 to about \$220 per acre in 1979, 1982 and 1983 and subsequently declined to \$76 per acre in 1987. There was considerable annual variation in the proportion of rangeland and cropland sold, although a majority of acres sold each year was rangeland (Figure 8.1 and Table 8.4). During this 17 year

Table 8.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Southwest Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	1.4%	0.1%	69.5	65.5%	21.3%	16.7%
100 - 249 Acres	21.8	2.0	164.1	53.0	45.1	8.7
250 - 499 Acres	19.4	4.0	370.0	54.0	44.1	24.4
500 - 999 Acres	14.9	6.2	751.9	38.8	59.7	31.7
1000 - 1999 Acres	20.9	16.5	1434.4	32.8	66.5	44.3
2000 or More Acres	21.6	71.2	5997.5	23.1	76.0	51.6
Total All Sales	100.0%	100.0%	1813.4	27.5%	71.5%	32.0%
Total No. of Sales	422					
Total Acres Sold		765,228				

Data Source Tables 8.1-8.3.

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

Table 8.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Southwest Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	24.4%	18.2%	1352.4	0%	99.8%	68.0%
1 - 99 Acres	8.1	2.9	651.8	10.0	89.7	29.4
100 - 249 Acres	23.7	8.6	661.3	24.0	74.8	26.0
250 - 499 Acres	22.0	20.1	1652.6	21.8	76.7	46.2
500 - 999 Acres	11.6	17.1	2672.0	27.0	71.8	53.1
1000 or More Acres	10.2	33.1	5884.3	48.9	50.3	53.5
Total All Sales	100.0%	100.0%	1813.4	27.5%	71.5%	32.0%
Total No. of Sales	422					
Total Acres Sold		765,228				

Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Southwest Region
1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
	15.6%	3.8%	443.9	96.1%	0%	18.2%
99 Acres	12.1	2.2	325.8	84.6	14.3	23.5
100 - 249 Acres	16.8	4.3	464.7	63.4	35.4	18.3
250 - 499 Acres	11.4	4.5	714.0	49.1	49.0	37.5
500 - 999 Acres	14.4	9.9	1238.5	40.0	59.9	39.3
1000 - 1999 Acres	12.6	11.8	1707.8	18.7	81.0	32.1
2000 or More Acres	17.1	63.5	6749.9	17.2	81.9	54.2
Total All Sales	100.0%	100.0%	1813.4	27.5%	71.5%	32.0%
Total No. of Sales	422					
Total Acres Sold		765,228				

FIGURE 8.1, FARM REAL ESTATE PRICES IN SOUTHWEST SOUTH DAKOTA
BY LAND USE, 1971-1987.

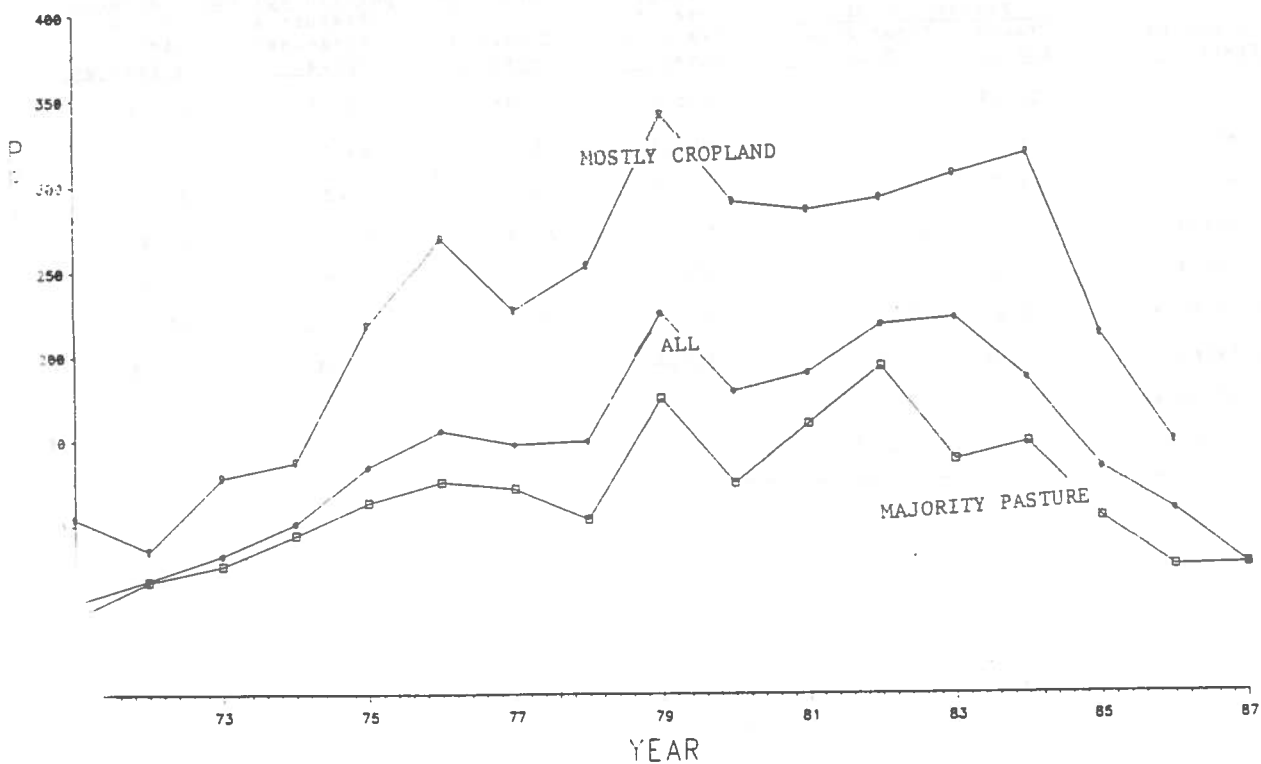


Table 8.4. Farm Real Estate Sales Trends in Southwest South Dakota, 1971-1987, by Land Use.

Southwest Region - Total Sales						
Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	80	55	17	1607	13	40-163
1972	67	68	11	3109	37	44-100
1973	76	82	22	3037	18	49-150
1974	105	101	18	2530	17	72-253
1975	152	134** ^e	30	1918	28	74-261
1976	188	155	29	1802	23	85-314
1977	150	147	25	1214	41	80-299
1978	150	149	31	1647	34	90-337
1979	230	225*	37	1051	42	86-445
1980	186	178	32	1410	46	95-350
1981	193	189	30	957	42	100-425
1982	231	218*	21	559	23	107-700
1983	170	222	44	1683	41	112-350
1984	255	186	27	1421	49	125-425
1985	160	133	31	756	33	64-346
1986	113	108	37	1300	39	50-208
1987 ^f	81	76	7	2012	10	44-124
Southwest Region - Majority Cropland Tracts						
Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	107	104	90	411	7	NA
1972	75	85	69	578	12	57-125
1973	115	128	60	1180	5	NA
1974	145	137	63	1086	7	NA
1975	200	218	78	1082	10	112-273
1976	276	269	80	877	10	129-325
1977	228	227	75	708	17	105-304
1978	300	253	86	1063	16	157-365
1979	345	341	86	834	16	206-468
1980	305	290	79	1248	17	168-446
1981	350	285	93	580	16	192-475
1982	254	292	66	459	7	NA
1983	290	306	80	1726	20	162-379
1984	325	318	80	560	27	220-425
1985	245	212	83	444	15	120-378
1986	146	148	73	1518	14	82-219
1987 ^f	N.A.	N.A.	N.A.	N.A.	0	N.A.

Southwest Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	59	47	94	3002	6	NA
1972	60	67	91	4324	25	36-93
1973	75	76	82	3751	13	44-121
1974	89	94	91	3540	10	72-114
1975	134	113* ^e	79	2382	18	69-248
1976	130	125	85	2512	13	77-220
1977	125	121	89	1572	24	75-220
1978	103	103	89	2168	18	71-191
1979	177	174**	83	1184	26	83-450
1980	152	124	90	1505	29	78-218
1981	134	159	88	1190	26	90-255
1982	173	193	92	603	16	103-661
1983	130	138	91	1643	21	98-200
1984	150	148*	85	2584	21	111-246
1985	107	104	86	1000	19	60-175
1986	86	75	87	1245	23	50-143
1987 ^f	81	76	91	2186	9	NA

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

Table 9.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Northwest Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	2.8%	0.2%	73.5	76.5%	20.6%	7.7%
100 - 249 Acres	23.5	2.9	165.7	60.2	37.9	11.0
250 - 499 Acres	20.7	5.7	370.2	48.5	50.7	15.6
500 - 999 Acres	16.1	8.9	755.7	37.1	62.2	25.7
1000 - 1999 Acres	17.5	18.5	1430.3	34.7	64.6	37.0
2000 or More Acres	19.4	63.8	4443.5	16.0	83.6	51.1
Total All Sales	100.0%	100.0%	1352.6	24.6%	74.9%	26.6%
Total No. of Sales	463					
Total Acres Sold		626,248				

Data Source Tables 9.1-9.3.

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

Table 9.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Northwest Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	21.8%	25.5%	1582.3	0%	99.9%	5.9%
1 - 99 Acres	11.4	4.1	484.2	12.9	86.7	15.1
100 - 249 Acres	29.2	18.0	836.6	18.8	80.7	25.2
250 - 499 Acres	20.1	21.6	1445.2	23.7	75.9	35.2
500 - 999 Acres	9.7	13.3	1857.8	36.4	62.4	53.3
1000 or More Acres	7.8	17.5	3050.9	61.0	37.8	50.0
Total All Sales	100.0%	100.0%	1352.6	24.6%	74.9%	26.6%
Total No. of Sales	463					
Total Acres Sold		626,248				

Table 9.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Northwest Region 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	13.8%	3.8%	373.5	93.0%	0%	7.8%
1 - 99 Acres	17.1	4.0	313.7	84.2	14.9	19.0
100 - 249 Acres	15.6	5.1	443.8	63.2	36.4	15.3
250 - 499 Acres	12.1	5.1	571.0	35.6	64.0	17.9
500 - 999 Acres	15.8	14.7	1261.3	43.9	55.8	39.7
1000 - 1999 Acres	11.8	15.8	1801.3	20.9	78.7	41.8
2000 or More Acres	13.8	51.5	5038.8	5.6	94.2	46.9
Total All Sales	100.0%	100.0%	1352.6	24.6%	74.9%	26.6%
Total No. of Sales	463					
Total Acres Sold		626,248				

FIGURE 9.1, FARM REAL ESTATE PRICES IN NORTHWEST SOUTH DAKOTA BY LAND USE, 1971-1987.

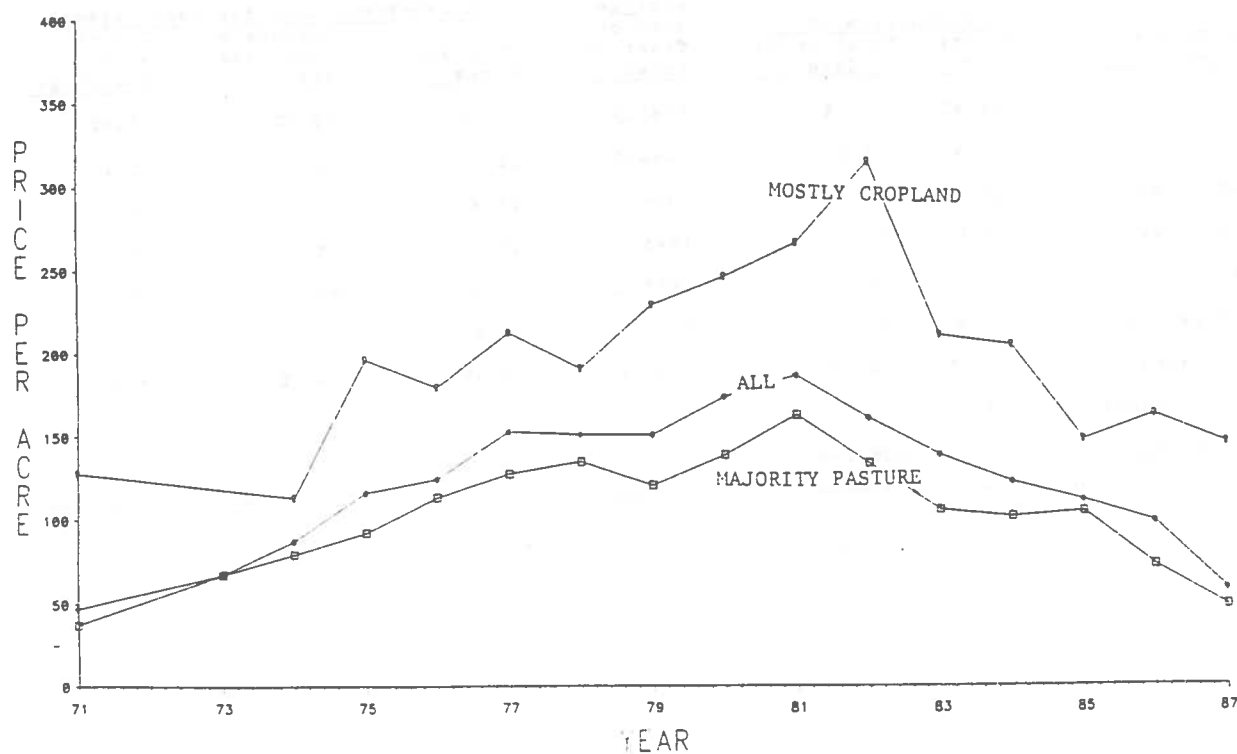


Table 9.4. Farm Real Estate Sales Trends in Northwest South Dakota, 1971-1987, by Land Use.

Northwest Region - Total Sales

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	74	47	18	1505	18	32-188
1972	NA	NA	NA	NA	NA	NA
1973	74	67	10	4284	12	35-107
1974	118	87	20	2922	8	NA
1975	156	116	23	1712	33	70-258
1976	126	124	25	1378	48	75-215
1977	170	152	31	955	40	110-299
1978	180	150* ^e	30	803	40	100-259
1979	190	150	28	1249	46	98-300
1980	200	173	34	1077	52	99-299
1981	203	186	29	1209	45	100-312
1982	190	160	20	940	43	104-337
1983	163	138	31	1312	59	62-260
1984	129	122	21	967	82	73-250
1985	129	111*	23	1042	36	60-233
1986	110	98*	35	617	44	46-213
1987 ^f	100	58*	15	1810	35	33-174

Northwest Region - Majority Cropland Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres Cultivated ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	140	128** ^e	82	324	10	70-298
1972	NA	NA	NA	NA	NA	NA
1973	NA	NA	NA	NA	NA	NA
1974	140	113	77	1072	5	NA
1975	200	196	72	679	19	125-266
1976	183	179	78	802	14	106-259
1977	200	212	85	480	23	150-315
1978	201	190	76	495	18	164-264
1979	240	229	73	832	19	179-322
1980	250	246*	80	794	23	197-355
1981	250	266*	72	770	16	174-400
1982	265	314	88	345	17	189-546
1983	198	210	78	840	29	139-427
1984	207	204	80	729	23	152-276
1985	160	147	75	402	15	78-386
1986	165	162	86	372	21	100-263
1987 ^f	150	145	85	488	13	104-175

Northwest Region - Majority Pasture Tracts

Year	Median Sale Price ^a \$/acre	Average Sale Price ^b \$/acre	Percent of Acres in Pasture ^c	Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d \$/acre
1971	41	37	91	2982	8	NA
1972	NA	NA	NA	NA	NA	NA
1973	74	67	90	4284	12	35-107
1974	54	79	96	6005	3	NA
1975	109	92	91	3115	14	67-199
1976	102	113	86	1616	34	73-171
1977	150	127	90	1596	17	97-200
1978	138	134	87	1055	22	86-272
1979	125	120	88	1542	27	90-275
1980	129	138	88	1302	29	86-250
1981	160	162	84	1451	29	95-295
1982	145	133	92	1330	26	90-206
1983	102	105	91	1769	30	60-182
1984	104	101	95	1060	59	72-225
1985	100	104	86	1499	21	60-200
1986	75	72*	85	841	23	39-129
1987 ^f	54	48*	91	2591	22	26-133

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

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

^bThe average sale price is calculated by weighting each sale price per acre by the number of acres sold per tract in each region.

^cPercent of acres cultivated is the total number of acres cultivated divided by total acres of farmland sold. Percent of acres in pasture/rangeland is the total number of acres of pasture or rangeland divided by total acres of farmland sold.

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

^eEstimated building values as a percent of total sale price of tracts:

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

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

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

^fFarm real estate sales from January-June, 1987.

period, the annual average per acre sale price of majority rangeland tracts was 51% of the annual average sale price of majority cropland tracts.

In the northwest region, average sale prices increased from \$47 per acre in 1971 to \$186 per acre in 1981 and subsequently declined to \$58 per acre in 1987 (Figure 9.1 and Table 9.4). During the 1971 to 1987 period, the annual average per acre sale price of majority rangeland tracts was 53% of the comparable sale price of majority cropland tracts. Average size of majority cropland tracts is typically one-third to one-half of the average size of majority rangeland tracts.

Black Hills Foothills Region

This region of South Dakota consists of agricultural land that is adjacent to or within the Black Hills. All of Lawrence county and portions of Fall River, Custer, Pennington, Meade and Butte counties are included (Figure 1.1). It is the only region of the state where a majority of land acreage is nonagricultural (forest, recreation and urban uses) and publicly owned. Most of the agricultural land in this region is privately owned and farm real estate sold in this region has considerably different characteristics than farmland sales in the rest of South Dakota. First, irrigation is present on some acres of a majority of tracts sold, although irrigated acres are usually 9 to 20% of total acres sold each year (Table 10.4). Secondly, local nonagricultural factors (potential recreation, residential, or commercial development) influences the sale prices of a majority of tracts sold.

Average size of tract sold is 424 acres and 77% of tracts sold are 40 to 499 acres in size. These smaller tracts have an average composition of 38-45% cropland and 53-60% rangeland or permanent pasture acres. Larger tracts exceeding 1000 acres are typically 84-88% rangeland and 10-14% cropland acres.

Table 10.1. Summary of Farmland Sale Tract Characteristics by Total Acres Sold, Black Hills Region, 1971 - 1983.

Size of Tract Sold-Acres	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
40 - 99 Acres	22.0%	3.4%	65.7	38.8%	60.2%	25.5%
100 - 249 Acres	31.6	12.5	168.0	44.7	53.6	39.2
250 - 499 Acres	23.2	20.4	372.5	43.6	53.8	51.7
500 - 999 Acres	12.8	22.8	754.7	27.1	72.0	59.4
1000 - 1999 Acres	8.0	25.7	1362.3	14.4	84.4	60.0
2000 or More Acres	2.4	15.2	2689.2	10.0	89.8	83.3
Total All Sales	100.0%	100.0%	424.1	27.2%	71.5%	44.4%
Total No. of Sales	250					
Total Acres Sold		106,023				

Data Source Tables 10.1-10.3.

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

Table 10.2. Summary of Farmland Sale Tract Characteristics by Cropland Acres Sold, Black Hills Region, 1971 - 1983.

Acres of Cropland in Sale Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	28.4%	21.4%	319.5	0%	99.0%	18.3%
1 - 99 Acres	20.4	7.7	159.1	33.1	66.4	25.5
100 - 249 Acres	40.0	46.6	494.1	31.2	67.4	61.0
250 - 499 Acres	8.8	14.5	700.8	46.7	50.6	86.4
500 - 999 Acres	2.4	9.8	1733.8	33.8	65.8	83.3
1000 or More Acres	--	--	--	--	--	--
Total All Sales	100.0%	100.0%	424.1	27.2%	71.5%	44.4%
Total No. of Sales	250					
Total Acres Sold		106,023				

Table 10.3. Summary of Farmland Sale Tract Characteristics by Pasture/Rangeland Acres Sold, Black Hills Region, 1971 - 1983.

Total Acres of Pasture/Rangeland in Tract	Proportion of:		Average Size of Tract in Acres	Land Use-Proportion for Each Category		
	Tracts Sold	Total Acres Sold		Cropland Acres	Pasture & Rangeland Acres	Tracts with Buildings
None	6.8%	2.2%	135.5	89.1%	0%	41.2%
1 - 99 Acres	38.0	11.9	133.1	61.0	36.5	40.0
100 - 249 Acres	26.0	16.8	274.6	37.5	60.5	44.6
250 - 499 Acres	12.8	16.6	548.1	33.5	66.0	43.8
500 - 999 Acres	8.8	18.9	911.6	15.8	83.9	50.0
1000 - 1999 Acres	5.6	20.9	1584.1	11.2	87.5	57.1
2000 or More Acres	2.0	12.7	2691.0	6.3	93.4	80.0
Total All Sales	100.0%	100.0%	424.1	27.2%	71.5%	44.4%
Total No. of Sales	250					
Total Acres Sold		106,023				

Data Source 10.1-10.3.

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

FIGURE 10.1, FARM REAL ESTATE PRICES IN THE BLACKHILLS REGION OF SOUTH DAKOTA BY LAND USE, 1971-1987

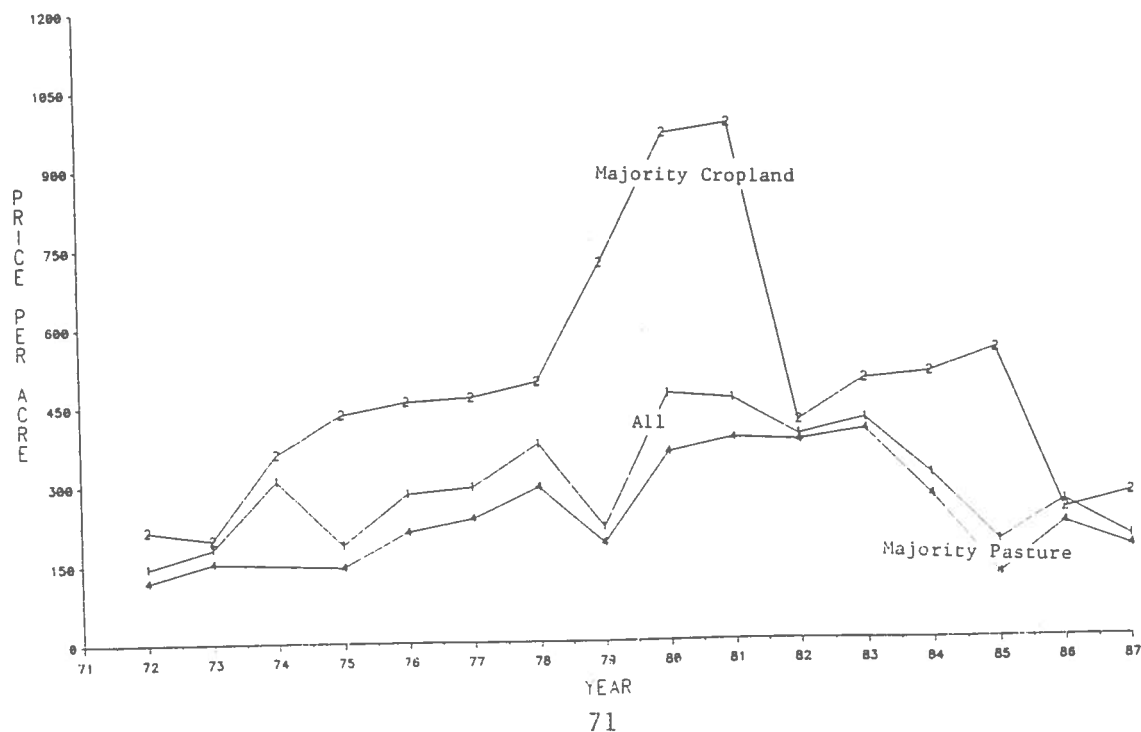


Table 10.4. Farm Real Estate Sales Trends in Black Hills Foothills Region of South Dakota, 1971-1987, by Land Use.

Black Hills Region - Total Sales

Year	Median Sale Price ^a	Average Sale Price ^b	Percent of Acres		Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d
	\$/acre	\$/acre	Cultivated	Irrigated ^c			\$/acre
1971	NA	NA	NA	NA	NA	NA	NA
1972	178	144** ^e	39	24	462	19	96-282
1973	178	180**	51	44	621	7	NA
1974	320	309*	51	24	374	8	NA
1975	366	187*	22	18	630	10	52-527
1976	400	284*	27	21	523	17	116-676
1977	406	295**	29	13	477	14	106-936
1978	375	376*	39	27	296	19	108-956
1979	533	216*	17	4	902	25	115-1297
1980	792	468**	25	20	250	21	168-1277
1981	656	457*	18	10	342	36	184-1857
1982	435	367**	32	14	268	27	163-1010
1983	400	416*	26	14	300	46	183-1368
1984	406	310**	21	10	293	29	85-875
1985	206	183**	28	16	433	21	82-836
1986	413	257**	19	9	364	26	61-1351
1987 ^f	248	189**	15	9	309	28	72-1054

Black Hills Region - Majority Cropland Tracts

Year	Median Sale Price ^a	Average Sale Price ^b	Percent of Acres		Average Number of Acres Sold	Number of Sales	Practical Range of Per Acre Sale Prices ^d
	\$/acre	\$/acre	Cultivated	Irrigated			\$/acre
1971	NA	NA	NA	NA	NA	NA	NA
1972	206	214*** ^e	72	60	201	12	112-282
1973	192	198***	59	47	667	4	NA
1974	339	359*	62	34	314	7	NA
1975	400	435*	69	76	179	5	NA
1976	462	458**	62	53	331	8	NA
1977	484	465**	73	39	290	6	NA
1978	481	494*	72	50	228	10	175-945
1979	735	716**	72	59	255	5	NA
1980	924	961*	76	75	238	7	NA
1981	1140	979*	79	70	154	10	373-1530
1982	396	413**	65	40	269	8	164-961
1983	444	491*	67	51	202	15	230-1413
1984	529	502**	63	55	189	7	NA
1985	485	545**	66	60	122	11	188-1036
1986	500	471***	73	51	138	9	NA
1987 ^f	351	271**	63	53	179	6	NA

Black Hills Region - Majority Pasture Tracts

<u>Year</u>	<u>Median Sale Price^a \$/acre</u>	<u>Average Sale Price^b \$/acre</u>	<u>Percent of Acres in Pasture^c</u>	<u>Average Number of Acres Sold</u>	<u>Number of Sales</u>	<u>Practical Range of Per Acre Sale Prices^d \$/acre</u>
1971	NA	NA	NA	NA	NA	NA
1972	132	118	70	910	7	NA
1973	150	153	60	560	3	NA
1974	NA	NA	NA	NA	NA	NA
1975	188	145	84	1081	5	NA
1976	327	211	87	694	9	NA
1977	328	235	86	617	8	NA
1978	360	294	82	372	9	NA
1979	250	186	86	1064	20	102-1471
1980	515	357	86	306	14	157-1248
1981	587	382	88	414	26	156-2000
1982	440	376	82	267	19	157-1050
1983	367	395	86	347	31	169-1462
1984	300	270**	87	334	21	85-790
1985	150	120	74	775	10	53-217
1986	240	215*	82	467	19	50-1392
1987 ^f	190	170**	88	348	23	49-2059

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

Agricultural land in the Black Hills region is primarily located in the foothills adjacent to the Black Hills. Major characteristics of farmland sales tracts are substantially different in this region than tracts sold in the Northwest and Southwest regions.

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

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

^c Percent of acres cultivated (irrigated) is the total number of acres cultivated (irrigated) divided by total acres of farmland sold in each region. Percent of acres in pasture/rangeland is the total number of acres of pasture and rangeland divided by total acres of farmland sold in each region.

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

^e Estimated building values as a percent of total sale price of tracts:

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

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

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

^f Farmland sales reported from January-June, 1987.

N.A. - Not Available.

Almost all tracts sold contained some permanent pasture or rangeland, while 28.4% of tracts sold contained no cropland (Tables 10.1 - 10.3).

The movement of average and median sale prices over time was more erratic in the Black Hills foothills region than in other regions of South Dakota. Average sale price was \$144 per acre in 1972 and trended upward to above \$450 per acre in 1980 and 1981. Since then average sale prices have erratically trended downward to \$189 per acre in early 1987 (Figure 10.1 and Table 10.4). From 1971 to 1987, the annual average per acre sale price of majority rangeland tracts was 44% of the annual average sale price of majority cropland tracts. However the number of sales in each land use category was relatively low in most years and the relationship between cropland and rangeland was not as stable as found in other regions of South Dakota.

Concluding Remarks

The presentation of regional farmland sales data highlights the diversity of agriculture in South Dakota. Difference in annual average sale prices by region and land use reflect systematic differences in farmland productivity. Differences in sale prices over time are greatly affected by current and prospective economic conditions - especially agricultural price/cost conditions, yields, interest rates and inflation rates. Credit availability restrictions at specific points in time may affect the number of potential buyers, the amount and price of real estate transferred.

Farm real estate parcels are heterogeneous and factors other than land productivity can influence the purchase (sale) price of specific tracts. These factors include the presence/absence of buildings and improvements and their local availability in relation to buyer demand, location and accessibility of tract, size of tract, property taxes, government program base

acres, and number of potential and active buyers of farmland in that locality. Since farmland markets are localized markets, one or more of these factors as well as variations in productivity can be important price determinants of specific tracts. For these reasons, data presented in this report and the companion report on South Dakota Farmland Values and Sale Prices should only be used as a general reference and should not be used to determine the value of a specific tract.

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