

Bonanza Farming in the Red River Valley



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The Industrial Revolution was a transforming movement in world history but its ramifications spread far beyond mechanization and newly available manufactured goods. It created great cities in Europe and the New World and opened up career opportunities for farm boys (and girls) never before possible. But this revolution wasn't confined to urban factories and mills. In the third quarter of the nineteenth century, the Industrial Revolution arrived on the Plains in the form of large-scale, mechanized farms - so vast that managers of different sections communicated by telegraph - designed to fill the cars of the overextended railroads with much-needed cargo.

As so often happens in history, the convergence of several circumstances met in the Red River Valley of northeastern Dakota to create what would become known as the "Bonanza Farms". [show maps]

The course of the river, and the soil itself are the work of retreating glaciers some 9,000 years ago, which ground the rock and glacial debris into soil which, when combined with the silt of glacial Lake Agassiz, became as rich as any on earth.¹ The entire valley measures approximately 300 miles long by 50 miles wide.² It was not only extraordinarily fertile to a depth of from 12 to 20 inches, it was also flat, treeless, and

¹ Don McCollar, *Earthwatch: The Red River Valley*.

² Henry Van Dyke. *The Red River of the North*. P. 803.

without rocks. Such land could not be kept secret for long and settlement of the fertile valley began long before Dakota Territory was established (1861). There were non-Indian fur traders living in what would become Pembina (on the Dakota/Canadian border) as early as 1797, and farmers were planting wheat there by 1812 - nearly fifty years before the first settlers arrived in southern Dakota.³

The cool, northern climate of the region was ideal for wheat farming but there was a problem: despite a world-wide demand for number one hard spring wheat, the crude mills in nearby Minneapolis produced a highly perishable, discolored wheat, stripped of most of its nutrition, and speckled with particles of husk or bran. Even worse, it had a tendency to destroy the rollers used to grind the wheat - so it was not welcomed by millers. Then as now, no matter what the quality of their product, if farmers couldn't sell their product, it wasn't worth growing.⁴

In 1871 a process of grinding wheat with ceramic rollers rather than the traditional grindstones or steel rollers, was developed in the Minnesota town of St. Anthony Falls.⁵ It not only successfully ground the hard spring wheat grain but eliminated the impurities like bran, which absorbs moisture, and removed oil from the germ, which had caused rapid spoilage. This so-called "Minnesota Process" produced a wheat with a longer shelf-life and created a new demand for the hard number one.

³ T.D. Griffith. South Dakota. p. 40

⁴ <http://www.prairiepublic.org/features/BonanzaFarm/chapter4.htm>

⁵ William E. Lass. Minnesota: A History. p 160.

Suddenly spring wheat became highly coveted, along with the land which could grow it.⁴

1871 was also the year that the railroad arrived in the Red River Valley. The unique aspect of this event is that North Dakota was one of the few farm states in which the railroad *preceded* the farmer, thus accelerating both settlement and the inevitable rise in land prices.⁵ So now we had a product, transportation, and a means to process it.

The Northern Pacific threw its considerable weight behind promoting the virtues and benefits of the Red River Valley. After all, the federal government had given the railroad over ten million acres as an inducement to lay track in the region, an amount equal to nearly a quarter of the future state of North Dakota, and the largest portion allotted to any railroad in America.⁶ The future looked bright indeed for the Northern Pacific, which could not only profit from the sale of land, but also from hauling produce to the mills.

Unfortunately for the Northern Pacific, the Panic of 1873 rendered its stock worthless virtually overnight. But an ingenious scheme presented by the railroad's northern Dakota agent, James B. Power, saved the Northern Pacific and created an entirely new system of farming on a grand scale. To prevent the railroad's collapse, Power proposed that stockholders be given the opportunity to exchange bonds for land at the rate of \$110. With land selling for \$1.25 to \$10 per acre this offered a very

⁴ <http://www.prairiepublic.org/features/BonanzaFarm/chapter4.htm>
National Park Service. The Bonanza Farms of North Dakota.

⁵ Hiram M. Drache. The Day of the Bonanza, p. 219.

⁶ Janet Lysengen. The Centennial Anthology of North Dakota History, p. 2.

attractive solution for distressed bondholders, plus offered a way for the railroad to reduce its indebtedness.⁷

Power had actually been pondering the prospects for the fertile Red River Valley for some time. He believed that selling the land in small parcels - as had always been done - would take too long to save the railroad. His proposal was to create large-scale, showcase farms on which a hundred laborers and 200 mules could clear a thousand acres in the same time it would take an individual farmer to clear forty.⁸

His proposal was enthusiastically embraced and the first “Bonanza Farm” (so called because it implies a lucky strike, a get rich quick opportunity) was the Cass/Cheney farm: 11,520 acres owned by the president of the Northern Pacific and a board member. However, it was always known locally for its manager, Oliver Dalrymple, a Yale law graduate who despite recent losses in grain speculation, had proven success in large-scale wheat farming. Located twenty miles west of Fargo, the Dalrymple Farm made a profit almost from the beginning.⁹ By 1877 Governor Pennington was reporting that the Dalrymple farm was producing 30 bushels per acre, and 5,000 bushels per day was being shipped from nearby Casselton.¹⁰ The Dalrymple farm grew to 32,000 acres by 1885, yielding as much as 600,000 bushels of wheat per year. It employed 600 men at seed time and 800 at harvest, utilized 200 plows, 200 self-binding reapers, 30 steam threshers, and 400 teams of horses or

⁷ Drache. *The Day of the Bonanza*, p. 42 & 47.

⁸ *Prairie Public*. Chapter 4.

⁹ *Ibid.*

¹⁰ George W. Kingsbury. *The History of Dakota Territory*. p. 1030.

mules. In 1881 the Dalrymple farm was threshing so much wheat it filled three trainloads per day with 30,000 bushels of wheat each.¹¹

Soon other Bonanza Farms were established and at the peak in the 1880's there were 91 such giant operations on the northern plains, measuring from 3,000 to 75,000 acres each.

Northern Dakota farmers who had produced a thousand bushels of wheat in 1860, increased production to 170,000 bushels by 1870.¹² But with the advent of the Bonanza Farms, production skyrocketed. 1879 produced a harvest of one and three quarter million bushels of wheat from northern Dakota. During the decade of the eighties, production yields remained fairly steady at 20 bushels per acre, but the number of acres under cultivation increased from 120 thousand acres in 1880 to nearly three million acres just a decade later. In 1890 nearly 27 million bushels of wheat were shipped over the two railroads then operating in North Dakota.¹³

“From 1872 to 1880 wheat acreage in America jumped from 20,858,359 to 37,986,717, a 10 percent increase each year for eight years; seven million acres of the increase were in North Dakota.”¹⁴

Such phenomenal production was due not only to the increased acreage put into

¹¹ National Park Service. The Bonanza Farms of North Dakota. Drache. p. 121.

¹² David Boehm. Wheat Industry Yields Rich History.

¹³ National Park Service. The Bonanza Farms of North Dakota. National Agricultural Statistics Service, USDA. (North Dakota wheat production statistics, 1879-2008.

¹⁴ Drache. p. 207.

cultivation each year, but also to the adoption of new and improved machinery during a period of rapid innovations in farm technology. Bonanza Farms introduced bulk handling of grain in tanks, rather than sacks, and were the first to use self-feeders and blowers in threshing machines. Cyrus McCormick himself traveled by private railroad car to the Dalrymple farm to watch his first twin binders in action.¹⁵ Bonanza Farmers had the financing and the business acumen to take advantage of these new inventions far sooner than could independent small farmers.¹⁶

Bonanza Farms represented Big Business on the prairie. While the redemption of railroad bonds made it relatively easy to obtain the land, vast sums of capital were still required to buy the machinery, construct the dozens of necessary farm buildings, and pay for labor, board and housing. It was sometimes several years before a Bonanza Farm showed a profit, and unlike a smaller, self-sufficient family farm, all equipment, supplies, food, even the lumber for construction had to be brought in from the outside.

Investors were not knowledgeable nor particularly interested in agriculture. Even laborers weren't required to have any knowledge of farming, because they simply followed orders from professional management. Bonanza Farms were the agricultural equivalent of eastern factories, achieving greater efficiency by using masses of large-scale machinery and a large labor force.¹⁷

A farm unit equaled 6,000 acres under the supervision of one manager, and

¹⁵ John Stewart Dalrymple. *Oliver Dalrymple: The Story of a Bonanza Farmer* p. 41.

¹⁶ Drache. p. 210.

¹⁷ *Ibid.* p. 69.

each of these was further sub-divided into three 2,000 acre units, with its own cook camp, horses and machinery, blacksmith shop, foreman, and bookkeeper. In order to keep in touch with this far-flung empire, Oliver Dalrymple installed the first telephone in northern Dakota in 1876.¹⁸

The manager of a Bonanza Farm was therefore often more of a personnel director than a farmer. Strict military discipline was enforced, the men living in bunkhouses and observing behavioral rules that included no drinking, no swearing and - because of the high fire danger - no smoking. The daily routine was rigorous: workdays during harvest were thirteen hours long, but reduced to ten during seeding, haying and plowing. The recent economic downturn, however, kept men who needed employment on the straight and narrow. Sundays were always off, unless work had been delayed by weather during the week.

Because Dakota was sparsely populated, labor had to be imported, and the railroads helped by advertising for and transporting the men free of charge in the expectation of making a tidy profit come harvest-time. Workers came largely from two sources: seasonal workers coming up from the South, and mid-western cities. But lumberjacks from Wisconsin and Minnesota also represented a substantial part of this workforce. At harvest time it was not unusual to have 1,000 men on the payroll.¹⁹

Day workers earned 60¢ to 75¢ per day, but most workers were hired on a monthly basis, earning \$16 to \$25 per month, including board, room and washing. For

¹⁸ Dalrymple. p. 35.

¹⁹ Drache. p. 113.
Dalrymple. p. 44.

those lucky enough to be kept on over the winter, the rate went down to \$10 to \$15. Skilled workers, such as the head separator, or thresher, could earn \$4 per day. Foremen, of which there was one for each section, earned \$1,000 per year. Women, often the wives of foremen, were hired to do the cooking, cleaning and washing, could earn \$150 to \$200 per year, or \$3 per week for just the summer months, including room, board and washing.²⁰

Bonanza Farms were preferred over working on small farms because there was less pressure and responsibility as part of a large crew, and because the living conditions were better. Despite the more or less regimented lifestyle, there were none of the menial jobs expected of workers on small farms such as repairing machinery, tending livestock, pumping water or gardening. And best of all, the food was great! Bonanza Farms had a reputation for meals of both quality and quantity and understandably, food represented a substantial part of the annual budget.²¹

The most important employee on a Bonanza Farm was the bookkeeper. He earned from \$600-\$900 per year and often had his own little home and enjoyed privileges on a par with the manager. With a large investment in land and machinery it was imperative that strict supervision be maintained over expenses. By virtue of being able to place volume orders, for example, Bonanza farms always purchased equipment at wholesale prices, and with ever-expanding acreage under cultivation there was new

²⁰ Ibid. p. 110.

²¹ Op. Cit. p. 117.

equipment purchased every year.²²

The first Bonanza Farmer, Oliver Dalrymple succeeded to such an extent that he became something of a celebrity. He was interviewed regularly by newspapers and featured in the March and May issues of Harpers Magazine in 1880. The Dalrymple farm was the only starred place in North Dakota listed in Baedeker, prompting visits from European visitors and industrialists from the East, and it was not unusual to see private railroad cars parked on the farm's siding during the hunting season.²³

Foreign visitors and even a president of the United States beat a path to the Dalrymple Farm: "In 1879 President Hayes...inspected the Farms, met my father", wrote the son of Oliver Dalrymple in his 1960 biography, "and sat on the porch after dinner having an extra cup of coffee before going back to his private car. 'Mr. Dalrymple,' said the President, 'do you ever get tired of looking out over nothing but miles and miles of waving wheat?' Oliver Dalrymple answered, 'Does a sailor get tired of looking at the sea?'"²⁴

Although it was the Northern Pacific that started the whole movement, within a decade it was surpassed by James J. Hill's St. Paul, Minneapolis and Manitoba Railroad. By 1890, the renamed Great Northern Railway, carried 20.7 million bushels of wheat to the Northern Pacific's six million bushels.²⁵

²² Drache. p. 209.
Dalrymple. p. 43.

²³ Ibid. p. 50.

²⁴ Op. Cit. pp. 44-45

²⁵ National Park Service. The Bonanza Farms of North Dakota.

Because of the one-crop nature of the system, it is amazing that the Bonanza Farm era lasted as long as it did. Favorable rainfall during the “Dakota Boom” produced high crop yields while prices remained high, and expenses - especially labor - remained low. Even the fact that Dakota had no access to water transportation was overcome by the sheer volume of production, which allowed Bonanza Farmers to negotiate low transportation rates to the mills.²⁶ Also, the practice of annually clearing new land (the most expensive part of the process) increased the total production of wheat, even as the older acreage became depleted and produced fewer bushels per acre.

As time went on, and more of the land was consumed, the work force became more transient. Workers who had been kept busy between planting and harvest by clearing new land were no longer needed on a permanent basis. Thousands of workers roaming the Red River Valley during the summer months, created resentment among a local population already jealous of the economic and political clout of their huge neighbors.²⁷

At their peak there were only 91 Bonanza Farms among the thousands of family farms in Northern Dakota. However, the vast land tracts owned by absentee owners had a negative affect on immigrants seeking a strong community life as they pursued their fortune on the Northern Plains. An article in the *Minneapolis Journal* in 1893 complained that one Bonanza Farm with perhaps 7 families, or 35 permanent residents,

²⁶ Dalrymple. p. 207 & 209.

²⁷ Prairie Public. Chapter4.

occupied an area that should have supported 100 families of 500 people. It concluded that the Bonanza Farmer was not a “social animal”.²⁸

The end of the era came about when overproduction eventually exhausted the land. Contributing to its demise were a period of crop failure in the late 1880's, rising transportation and labor costs, and oppressive taxes. Investors saddled with unprofitable land, sold or rented parcels to smaller farmers and by the 1920s the Bonanza Farm era was over. It seems that the same single crop system that had doomed America's Southern Plantation system - in their case, overplanting of tobacco and cotton - also brought down the Bonanza wheat farmers of the northern plains. But the end did not have the same impact as the Southerners' spread westward with their slave economy intact, inflaming the issues which led to Civil War - or the widespread devastation which would plague the entire country during the dirty thirties. The difference was that investors never thought of the Bonanza Farms as a long-term commitment, and had no emotional connection to the land. When land prices and production simultaneously began to drop, the huge land-holdings were simply broken up and sold off.²⁹

The Great Dakota Boom in northern Dakota has slightly different dates than those in southern Dakota, and more closely align with the Bonanza Farm phenomenon (1879-1886). During that time the population of northern Dakota grew by 100,000 people, according to the State Historical Society of North Dakota. And despite the huge

²⁸ Drache. p. 214.

²⁹ Prairie Public. Chapter 4.
Drache. p. 211.

success and public notice paid to the Bonanza Farms, the average sized farm in North Dakota during this time remained 200-300 acres. Even as late as 1910, North Dakota had only 341 farms over 1000 acres.³⁰

But the legacy of the Bonanza Farms in North Dakota lives on. In the late 1950's North Dakota farms averaged 755 acres, nearly triple the national average.³¹ And to this day, North Dakota remains the number one producer of wheat in the nation, outdistancing its nearest competitor (Minnesota) by more than threefold.³²

The immediate and sensational success of the bonanza farms sometimes obscures the fact that they started as an experiment, and a risky one at that. The Northern Pacific had everything to lose and such mechanized farming had never been attempted on such a large scale.

The gamble paid off, bringing in many settlers and paying off the distressed investors in the Northern Pacific Railroad. The successor Great Northern Railway profited not only from hauling wheat, but from the shipments of goods purchased by the wheat farmers. It publicized the fertility of the Red River Valley and helped transform agriculture from a family-based, animal-powered endeavor in the 19th century to a technologically-centric business in the 20th century.³³

³⁰ Institute for Regional Studies. Bonanza Farms.
<http://www.fargo-history.com/early/bonanza.htm>

³¹ Drache. p. 218.

³² USDA. North Dakota 2007 wheat production - \$1,708,200

³³ NPS. The Bonanza Farms of North Dakota.

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