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SOUTH DAKOTA CHAPTER
AMERICAN SOCIETY FARM MANAGERS & RURAL APPRAISERS

7/05



*Enhancing Our Members' Ability to Succeed
in Their Rural & Agriculturally Related Professions!*

DATES TO REMEMBER!

2005

Sept. 8 - West River Breakfast Meeting (9 A.M.)
Rapid City Rodeway Inn Restaurant

Sept. 9 - East River Breakfast Meeting (9 A.M.)
Sioux Falls Front Porch Grill

Sept. 10-14 - Leadership Institute – Washington D.C.

Sept. 21-23 - Spearfish Conference w/PAASD, WY ASFMRA, WY AI

October 6-8 - ASFMRA Annual Meeting – Austin, Texas

Nov. 17-18 - Chapter Board Meeting – Rapid City

2006

February 15-17 - Winter Education & Joint Meeting w/ PAASD - Mitchell

2007

Feb. 14-17 - ASFMRA Annual Meeting w/ ASAC & NAICC in Atlanta, GA

July 18-25, 2009 – International Farm Management Conference in
Bloomington, Illinois co-hosted by national ASFMRA and Illinois ASFMRA

PRESIDENT'S MESSAGE

This message is treading dangerously close to the edge. The edge, by where I attempt to acknowledge some members, without forgetting others. So much like an appraisal report, that was my attempt at a disclaimer.

Let's start with an honorary member, Mac Haskell, congratulations to Mac and his new bride, who are to be married on the 27th of July. One of my favorite memories of an ASFMRA event took place during a supper meeting at Jerry and Marge Kjerstads. The memory involves Jerry and Marge's dog, Pringle I think, an old lawn mower tire and John Widdoss's car. One of the most priceless looks I've seen on an adult is when Mac decided to throw the tire **almost** over John's car. There was to be a fetching exhibition, however Pringle had to wait for the tire to return to earth, from the roof. Mac, thanks for the giggle then and best wishes in the future.

For those of you looking for Kathleen Peterson in the phone book, look under Colyer. Congratulations to Kathleen and her new husband. Kathleen is involved with membership in the SD Chapter. Good news that she takes membership personally and has added a new member to her family. Our well wishes to you and your husband Kathleen.

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PRESIDENT'S MESSAGE CONTINUED

Keep in mind September 21 – 23, in Spearfish. This is an opportunity to attend interesting courses and a chance to rub shoulders with other professionals, right here in South Dakota. I bring this up here in addition to the information elsewhere in the newsletter, to thank Ron Ensz. Ron has put in extra time and effort planning and organizing this event. While it isn't here yet, we know it will be a successful event. Please call Ron and offer your assistance if you can be of any help, either planning or attending and helping out.

Allan Husby, thanks for all your input on the Technology committee and the informative news letter article. There is a lot of good information there. I encourage all to read the article and thank Allan for his time. After reading the article you will realize he didn't just throw that together without some thought.

On a more personal note I owe a member a thank you. Jerry Kjerstad, thanks for making me as comfortable as I can be while holding a metal stick in my hand. Jerry and I golfed last Friday with several other business associates. Jerry was punished with my golfing presence in his foursome for nine holes. In his true professional manner, he never once made me feel inept. I do understand though, that Jerry's back is sore from carrying his foursome around the course.

As some of you know, the Sturgis motorcycle rally starts the first weekend in August. In closing, I want to issue a warning to member Jerry Chaffee. Jerry, I'm heading to the Oasis/Fireside, 1135 Main Street and I'm ready to sing! See you in Sturgis!

MEMBER PROFILE IS TERRY LEIBEL

Describe your experience and education related to the property professional field (appraisal, farm management, consulting, academic relation).

I have been a Certified General Appraiser since 1993. I originally got into the appraisal field in 1990, when I went to work for the Gregory County Director of Equalization, helping complete a reappraisal of the entire county. I was their field man, gathering information on all the buildings/structures throughout the county, both residential and ag.



In 1993, I went to work for Mid-America Appraisal Service, a subsidiary of Home Federal Bank, doing residential appraisals out of their Sioux Falls, Aberdeen and Pierre offices. In 1998, I started my own business and since then have done residential and agricultural appraisals throughout the central portion of the state.

Describe what has led you to becoming a chapter member of the South Dakota ASFMRA and why you remain a member, if a member for a number of years.

I believe, that as professionals, we must do strive to continually better ourselves. If we desire to have others perceive us as professionals and experts in our field, then we must first perceive ourselves that way. In my opinion, an important factor towards reaching that goal is the interaction that we have with our peers.

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MEMBER PROFILE CONTINUED

ASFMRA offers some of the best continuing education for ag appraisers that can be obtained anywhere. What is probably, to a certain degree, even more important, is the interaction/networking that we have with fellow professionals throughout the state by being a member of the South Dakota Chapter. As many members of our chapter have expressed the importance of this interaction, I also feel that it is so crucial in increasing our knowledge and competence in our field. On a more personal note, I feel that some of the acquaintances I have made, are also friends.

Describe personal background items that would be of interest to fellow chapter members (e.g. family, ethnic heritage, other communities lived, other jobs / careers, main hobbies or interests).

I was raised on the family farm in Gregory County. After high school, in 1976, I wanted to do anything but farm, so I went into the army, never to return to the farm life again. After four years, I came back to the farm. I farmed from 1980 until I went broke and decided to get a job with an actual pay check, so in 1990 I went to work for the county.

After being away from the farm, at least in terms of operating it, we purchased it back in 2001. The wife was thrilled with the prospect of trying to make the farm profitable again. As she stated, "didn't we do this before?" After convincing her that we did not have to rely on it for a living income and that it only had to support itself, we were back at it, this time having a local farmer custom farm it.

After the last three years of drought, and subsequent net loss three years in a row, it is, needless to say, slightly more difficult to convince her that it's our retirement. However, the good news is that since we bought it back, ag land values, as in any other county in the state, have been increasing dramatically, so it looks a whole lot better from an investment standpoint than from its income standpoint. Anyway, it is still "fun"; maybe this is the year it actually becomes profitable.

Personally, my wife is Jody, whom is also my co-worker; she takes care of the office including many of the other duties of running an appraisal business. Thus far, she still seems to be able to tolerate both living and working with me, which is amazing in itself. We have five children, all married and scattered throughout the eastern part of the state. We also have five grandchildren, which we see as often as possible. What fun they are! In our spare time, if we aren't on the river with the kids, we can occupy any free time with our yard.

Describe a few memorable or unique experiences in your life.

Professionally, it was a real shocker when I went from working for the county (assessing property for tax purposes) to working for the bank (appraising property for loan collateral). Talk about a 180 degree turn-around from continual negative feed back from the property owners to positive. It took me a while to adjust.

On a more personal side, one of the best learning experiences of my life was my four years in the military. What a growing up period. I have always been very pro-military and have always expressed to my own children the many advantages of serving their country. Actually, I have a son and a daughter in the National Guard. Let us never take for granted what the armed services mean to our country.

MEMBERS ENJOY LEWIS & CLARK OUTING & SOCIAL

Eight chapter members (Dunlap, Haskell, Heimes, Husby, McMahon, Rucker, Reisch, Vicuna) took advantage of the opportunity presented by member Terry Pellman to accompany him and observe up close the Lewis & Clark Rural Water pipeline construction.

Members watched an 85 metric ton excavator with a 7 yard bucket move lots of earth very quickly. The observed construction on 467th avenue just south of the Lincoln-Minnehaha county line involved 36” pipeline.



Some of the pipe further south near two planned 7.5 million gallon reservoirs will involve 54” inch pipe. In addition to excavation and pipe installation, the group observed the shrink wrap activity involved in sealing pipes together. On a good day, the workers can put in about 800 ft of pipe.



Terry Pellman explained that the 36” pipe involves 60 permanent easements and 40 ft temporary easements while the 54” pipe involves 70 ft permanent easements and 80 ft temporary easements.

Appraisals are coming in at 50% of fee simple value and Lewis & Clark is offering 70% of value to avert condemnation, if possible. In this area, ½ mile of 60 ft easement is costing about \$10,000 or \$2,750 per acre for about 3.64 acres.

More Lewis & Clark information will be shared in a separate e-mail.



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LEWIS & CLARK OUTING & SOCIAL CONTINUED

A dedicated foursome of Heimes, Husby, Reisch, and Rucker endured the hot, humid weather to enjoy 9 holes of golf at Hartford while the rest of the group traveled to Jim Dunlap's home for an early start to refreshments and helping Jim prepare for the evening supper.

The entire group came together in the evening for iced tea, beer, and fine wine to go with brats grilled by Jim and an assortment of other delicious food prepared by Shirley Dunlap. The evening gathering also involved a short discussion led by Allan Husby regarding the type of information desired by appraisers and managers from FSA offices. Allan is working with state officials in developing more consistent practice in what can be provided and the process to request the information.



We express a special thank you to Terry Pellman (Lewis & Clark Tour), Ron Rucker (golf preparations), and Jim / Shirley Dunlap (social & supper) for making this a great chapter event for members.

TECHNOLOGY NEWS BY TECHNOLOGY CHAIR ALLAN HUSBY

This is the first in, hopefully, a series of technology news columns by committee members for this year. The emphasis in the columns this year will be to provide information about various GIS and mapping programs along with GPS information that can be used with digital mapping. As an FSA employee, my column will be on ArcGIS 8.3 because that is what I have been provided and what I have some experience in using. I am still in the learning process and likely will always be learning something new.

ArcGIS is a very expansive program. It can be used in many ways for whatever there is data on a geographical basis. A related ARCGIS system, ArcIMS, is the underlying program for most Internet Map systems. My experience is with Arc Gis Desktop, Arcview & ARCmap. All FSA County Offices are in the process of converting from Arcview 3.3 to ArcGIS 8.3.

I am not going to go into a lot of the technical nature of the program at this time but provide an overview of what the program can provide for appraisers. The first thing that needs to be done is to acquire data to use in the system. I have access to the data from the various offices, but even for me that was probably the most difficult hurdle and then just getting started in how to use the data. The main source of data for non government appraisers is through 2 websites-NRCS Gateway- <http://datagateway.nrcs.usda.gov>, & Aerial Photography Field Office- APFO, <http://www.apfo.usda.gov/>. At this time, I am working with the State Office and our chapter to determine the specific data which appraisers should be able to access.

So far, I have found that I organize the data by counties and have that on one CD per County and that CD is available as a backup. To use the data, it needs to be on the hard drive of the computer. ArcGIS works with various "layers" of data, with the digital orthoimagery (aerial photography), as the underlying layer. Our program also has Street Maps run as an underlying layer so highway roads, can be labeled on the maps. The other layers I have used thus far are the PLSS (Section, Township, Range), the CLU(Common Land Unit that is the primary layer maintained by FSA), and Soils layer from NRCS.

As mentioned, I am just beginning, but have learned some useful tools. The primary ones are the calculations capabilities and labeling data fields to maps. Most layers have an attribute table that goes with the map data which stores items such as acres, crop or non-crop, type of soil, etc, depending on the layer. The CLU layer stores both crop and non-crop acres and that can be labeled to maps or simply calculated in a report. Selection of fields can be made by tract numbers or location or by drawing your own polygon. The selected tract can be across one section or several sections. Below is an example of displaying the selected data on a map and then the report that can be made from the data in the attribute table of the CLU layer with Street Maps and the PLSS layer in the background:



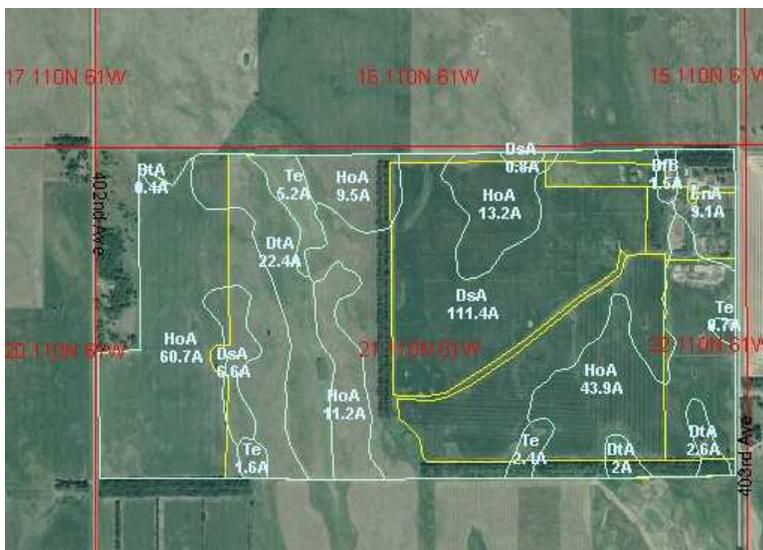
TECHNOLOGY NEWS CONTINUED

The report options can be selected to sum the data, average, count, standard deviation, or a minimum and maximum range depending upon what is needed from the data. The following report is just a sum of the total acres and crop acres:

TRACTNBR	CLUNBR	FSA ACRES	CALC ACRES
998	5	4.40	4.43
998	1	49.80	49.78
998	4	22	21.97
998	3	50	49.98
998	0	0	104.65
998	2	65	65.04
998	6	9.20	9.18
FSA_ACRES Sum			
200.40			
CALCACRES Sum			
305.03			

The data is quickly added and the report is quite easy to set up.

Probably the most useful step is to combine the CLU layer with the soils layer. My process is to Create a new layer with the selected tracts from the CLU layer. I then combine that selection with the soils layer to go through a process called “clipping” the soils layer to the selected CLU layer. The soils areas can then be calculated to the boundaries of the selected tract. The map below shows the soils and the calculated acres in each soil area:



The report that can be generated from the soils is probably the most useful and time saving step. In this case, the tract is in Beadle County and the soils layer does not have productivity indexes. This is the first County where I added a field to the attribute table to put in the productivity indexes as per the Assessor’s indexes. It took me about 2-3 hours to add this to the table. After that was set up , I don’t have to do that again for that County. From there, I set up a weighted tract rating for each soils tract by taking acres by the index. That provides the data for the average PI.

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TECHNOLOGY NEWS CONTINUED

The table below was Saved from Arc Gis to a .txt file so it has the commas between data.

Soil Symbol	ACREAGE	PI Rating	Weighted rating
<i>DFB</i>			
DfB	1.5	0.2520	0.4
<i>ACREAGE Sum</i>			
	1.5		
<i>DSA</i>			
DsA	6.6	0.5590	3.7
DsA	0.8	0.5590	0.4
DsA	111.4	0.5590	62.3
<i>ACREAGE Sum</i>			
	118.7		
<i>DTA</i>			
DtA	2.0	0.4900	1.0
DtA	2.6	0.4900	1.3
DtA	0.4	0.4900	0.2
DtA	22.4	0.4900	11.0
<i>ACREAGE Sum</i>			
	27.3		
<i>ENA</i>			
EnA	9.1	0.6270	5.7
<i>ACREAGE Sum</i>			
	9.1		
<i>HOA</i>			
HoA	11.2	0.8610	9.7
HoA	43.9	0.8610	37.8
HoA	60.7	0.8610	52.3
HoA	9.5	0.8610	8.2
HoA	13.2	0.8610	11.3
<i>ACREAGE Sum</i>			
	138.5		
<i>TE</i>			
Te	1.6	0.602	1.0
Te	2.4	0.602	1.4
Te	0.7	0.602	0.5
Te	5.2	0.602	3.1
<i>ACREAGE Sum</i>			
	9.9		
<i>ACREAGE Sum- Total Unit</i>			
	305.0		
<i>Wghted_rat Sum- total Unit</i>			
	211.0		
<i>Weighted Rating/Acreage= .6918 Average PI</i>			

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TECHNOLOGY NEWS CONTINUED

The program has limitless options, and what I've discussed is just the tip of the iceberg of possibilities. However, I think I should list out a few of the pros and cons that I know thus far:

Pros

- Quality looking maps that can be saved as .jpeg files and inserted in other documents
- Accurate calculation of both crop and non crop acres
- Entire unit can be analyzed together
- Once data is acquired, it is available when you're ready to work on an appraisal
- Can be used for mapping of subject and sales in one project and then used as a location map. Once calculated , the data is saved for future projects
- Accurate calculation of soils and also can be adapted to calculate a productivity index of the entire tract or just crop and non-crop separately.

Cons

- It takes some trial and error education in operating the program. It does take some computer savvy to work with the program. The output is excellent but takes some time to figure out the best way to label a map and set up a report.
- It is best to have a high end computer because the program is demanding in hard drive storage space and speed because of all the photos and layers.
- Cost- The only listing that I have seen for the ArcGis program is through ESRI (esri.com) and that is \$1500. If you are interested in the program, a good book to start with is "Getting to Know ArcGis Desktop" that is available through the ESRI.com site for \$59.95. It includes a 6 month trial CD of the ARCGis program. Before starting the trial period , I would acquire data for a particular county first , in order to work with a familiar area.
- Other cost – I'm trying to pin down costs for data, but if acquired through the NRCS Gateway,(<http://datagateway.nrcs.usda.gov>), it is \$50 per CD. You have to figure about one CD per county. The source for the CLU layer is <http://www.APFO.usda.gov>. CLU files for each county are only about 5-10 mb so I believe the whole State could go on one CD, which are also \$50/CD. However, I'm in the process of determining if this includes all data which appraisers should be able to access.

Comments from any members on their knowledge of GIS would certainly be appreciated . The goal is to share knowledge to educate all members. If you know of sources for GIS education for appraisers, I would appreciate hearing from you.

BRIAN GATZKE WILL REPRESENT CHAPTER AT LEADERSHIP INSTITUTE

The Leadership Institute sponsored by the ASFMRA and DuPont/ Pioneer will be held in Washington, DC September 10 to 14, 2005. Participants need to pay \$500 tuition plus their airfare. Recognizing benefits to the chapter, the Chapter Board budgeted to pay the tuition for a chapter member to attend. Interested board members are unable to attend in 2005 and Brian expressed his interest and willingness to attend. Brian can bring the lessons learned back to our chapter and his local community.

Benefits in attending include:

1. Expand personal background and knowledge of the government of the United States. Meet the people on the frontline who are responsible for passing laws that affect your personal and business life. Learn how to be active within that role and make your voice heard, letting the appropriate individuals know when you oppose as well as support a position dealing with the future of our country. It applies to your own local area of city, county, and state government agencies as well.
2. Provide the opportunity to personally meet and see the United States Congress and Senate in action. Where does it all happen? How does it happen? What does a lobbyist do? What role can a lobbyist play in influencing a vote? How can you plug into that lobbyist and/or senator or congressman to let your voice be heard on issues that are meaningful to you.
3. You can utilize that knowledge by being able to help lead your organization, utilizing your knowledge gained of the U.S. government as it reflects on issues that affect ASFMRA and all its membership.
4. It includes a special training session on Association Leadership. It is a working session and you will gain some real insight on how organizations operate. How to address problems, plan for the future of an organization, and be an effective team player inside an organization.

* Summary of Agenda -

On the first 1½ days the managers and appraisers have different agendas. On Saturday the farm managers are treated to a tour of Washington DC and a dinner hosted by Pioneer. On Sunday the managers travel by train to Dupont/Pioneer's international headquarters in Wilmington, DE. The managers receive a tour of the facility and a presentation on the history of DuPont family's impact on the United States.. Sunday evening is a dinner with the DuPont/Pioneer Global Ag Leadership Team. Monday morning is spent learning from these DuPont leaders. The farm managers return to Washington, DC by Monday afternoon for the continuation of the Leadership Institute.

The appraisers generally arrive on Sunday and tour Washington DC in the afternoon. Monday morning the appraisers typically visit the Appraisal Subcommittee offices, the Appraisal Foundation and other appraisal-related organizations of interest. Past appointments have included the Farmer Mac offices and the offices of the lobbyist for the Appraisal Institute, the American Society of Appraisers and the American Society of Farm Managers and Rural Appraisers.

The agenda for Monday evening through Wednesday evening is the same for the appraisers and the farm managers and is very tightly scheduled. Each morning begins with a breakfast meeting and speaker. Each day ends with a dinner and speaker afterwards. One hears from Congressmen, Senators, and lobbyists. One learns how the lobbyist system works.

2005 Fall Conference

September 21, 22 & 23, 2005
Holiday Inn, in Spearfish, South Dakota

Sponsors: AI- WY Chapter, ASFMRA- SD & WY Chapters, PAASD



Schedule of Events			
Date	Morning	Afternoon	Evening
Wednesday Sept. 21	Fannie Mae Forms	Fannie Mae Forms	
Wednesday Sept. 21		Appraising Ag Land in Transition	Fun & Games Host: ASFMRA
Thursday Sept. 22	Appraising Ag Land in Transition	Appraising Ag Land in Transition	
Thursday Sept. 22	Introduction to Income Capitalization	Introduction to Income Capitalization	Fun & Games Host: AI & PAASD
Friday Sept. 23	Frequent USPAP Violations: Residential	Frequent USPAP Violations: Comm/Ag	On Your Own
Saturday Sept. 24	Possible Golf Outing		

Appraising Ag Land in Transition: 12 hour course. Check the ASFMRA website at www.asfmra.org for information on the course. It appears almost all ag land is being affected by some type of transitional component - hunting, recreation, investment, conservation, etc - and this is a timely offering of this course. Contact Dani Smith at 307-775-6284 or dani_smith@blm.gov to register for this course.

Introduction to Income Capitalization: 7 hour course. Check the Appraisal Institute website at www.appraisalinstuture.org for more information on the course.

Frequent USPAP Violations: 4 hours each session.

More information coming in August mailing or contact your appraisal organization.

