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SOUTH DAKOTA CHAPTER
AMERICAN SOCIETY FARM MANAGERS & RURAL APPRAISERS

5/05



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

DATES TO REMEMBER!

2005

- June 9-10 - Central Plains Dairy Tour – Brookings Area
- June 10 - ND Summer Meeting in Carrington
- June 12-15 - Ag Lender's Range Camp near Presho
- June 15-17 - Iowa / MN Summer Meeting & Tour - Clear Lake, IA
- June 29-30 - Nebraska Chapter Summer Meeting – Norfolk, NE
- July 14 - West River Breakfast Meeting (9 A.M.) –
Rapid City Rodeway Inn Restaurant
- July 22 - East River Breakfast Meeting - Sioux Falls
- 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

Next Chapter Board Meeting will be in Rapid City for two days in Nov. 16 to Dec. 9 time frame with dates to be finalized in near future.

2006

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

2nd Week February 2007 - ASFMRA Annual Meeting with ASAC and NAICC in Atlanta, Georgia

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

PRESIDENT'S MESSAGE

April showers bring May flowers, is a month late this year. Perry Beguin and I had the opportunity to drive across the state from west to east and east to west for the May 20th SDSU breakfast meeting and chapter board meeting. Green is the color due to the May rains across the state. Truly a pleasure to see water in dams that have been dry over the past few years.

Everything is relative to your own surrounding though as reminded to me by a member of the SDSU faculty. What is a blessing out west, was slowing down planting in the east. Talked to my eastern South Dakota dad, on May 29th and it seems crops are mostly in now, except for isolated areas.

Speaking of the SDSU breakfast, what an enjoyable event. This was the first one I've attended and I have a new appreciation for this function and those members involved with the planning and executing of the morning. For those of you who have yet to attend, try and get to it if at all possible. The chance to meet and put names with faces and learn a bit more about some of the SDSU folks was appreciated and fruitful. **Continued next page**

PRESIDENT'S MESSAGE CONTINUED -

After the breakfast meeting your board met and discussed a number of items. First Thanks to all of the committee chairs who attended and also to the board for sticking in and staying focused on a Friday afternoon, during a busy time.

Please take note of the calendar in this month's newsletter. There are a number of items that you as members have an opportunity to attend; each one offers some unique education and interesting tours. That, with the networking of others, provides valuable experiences. I understand time is precious, but if possible, try and attend some of these functions.

In closing, take time to enjoy the little things. As I read through Craig Sommers profile, I'm reminded of a story Craig told me involving his family and a drive around the country side. Craig tells it best, so I'll only ask you to have him tell you sometime the story about his son, cows, bulls and elephants. The beauty of it is that it's true, involves his family, he shared it with friends and it made me..... laugh.

SNOW STORM CAUSES CANCELLATION OF WEST RIVER BREAKFAST MEETING

The West River Breakfast meeting that was scheduled for May 12th was canceled due to the weather, a spring snow storm that dumped 8-12 inches of wet snow on the area, wonderful moisture! Breakfast Meeting Chair Perry Beguin announces that the next West River Breakfast meeting will be Thursday 9:00 AM, July 14, 2005 at the Rodeway Inn Restaurant, 2208 Mt. Rushmore Road, Rapid City, SD.

MANY EDUCATIONAL OPPORTUNITIES AVAILABLE TO MEMBERS IN JUNE

Chapter members have the choice of several events in the month of June to provide them knowledge that can help enhance success in their agriculturally related professions.

June 9-10: Central Plains Dairy Association Tour In Brookings Area

- Hilltop Dairy – Milk 1,380 cows thru 40 stall carousel parlor
- Sunrise Dairy – Operators from Netherlands with 450 cow dairy plus leased dry cow facilities.
- Crosswinds Dairy – Operators from Canada with 660 cow Jersey facility w/ January '04 startup.
- SDSU Dairy Research Farm - 110 registered Holsteins with a 26,000-pound rolling herd average and 40 registered Brown Swiss with a 22,000-pound average.
- Prairie Sky Farm – Family moved to South Dakota from Oklahoma in 1998 and bought this farm that includes hoop barn calf housing in 1999. Six of their eight children are involved in the operation.
- VeraSun Energy ethanol plant at Aurora
- Lake Norden Cheese Plant
- Jim Nichols Wind Turbine Farm

Registration cost is \$125. Got to www.centralplainsdairy.com tour link for more details. Registration form will be included in separate member e-mail distribution.

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MANY EDUCATIONAL OPPORTUNITIES CONTINUED

June 10: ND Summer Meeting Carrington, ND

Arnie Rummel from the North Dakota Bureau of Criminal Investigation will provide a four hour seminar on Meth concerns for appraisers, farm managers, and realtors. Following the meeting is the annual golf outing and steak fry.

Registration cost of \$60 for meeting, lunch, and continuing education. More detailed information including registration process will be included in separate member e-mail distribution.

June 12-15: Ag Lender' Range Camp at Judge Jessop Ranch near Presho

- Learn techniques to better evaluate the range resource.
- Learn how to integrate new technologies for ranching.
- Gain “hands-on” experience in plant identification, range site condition, stocking rates, etc.
- Tour working ranches
- Network with lending, appraisal, and range management professionals.

Registration cost of \$150 plus \$20 for continuing education credits. The SD Chapter is one of several sponsors. Chapter member Jim Vietor will provide attendees information on Lyman County value trends on Monday evening. More detailed information including registration process will be included in separate member e-mail distribution.

June 15-17: Minnesota & Iowa Chapter Summer Meeting at Clear Lake / Mason City, IA

- June 15 ASFMRA Cost Estimating Seminar - Jim Cannon, ARA instructor.
- June 16 Member Education Program including:
 - Agricultural Economy Outlook – Dr. Michael Swanson, Wells Fargo
 - High Land Values: Taxation and Estate Planning Concerns – Roger McEowen, Iowa State Ag. Law Associate Professor
 - Appraisal Breakout Session – Appraising Life Estates – Jeff Berg, ARA
 - Management Breakout Session – EQIP, TSP, CSP Issues/Concerns – Tom O’Connor, NRSC and Farm Leasing Concerns Today/Tomorrow – Panel Discussion
 - Ag Ventures Alliances – Don Hofstrand, Iowa State University
 - Corn/Soybean Commodity Outlook/Prices – Alan Kluis, Northstar Commodities
- June 17 Member Tour including Winnebago Industries, Windfarm, and Ethanol Plant.

Registration cost is \$185 for Cost Estimating Seminar and \$90 for Thursday/Friday programs with \$25 late fee after June 1st. More detailed information including registration process will be included in separate member e-mail distribution.

June 29-30: Nebraska Summer Meeting at Norfolk, NE

- Education Offering: Nebraska License Law Revisited – Wednesday morning.
- Four-man Scramble 18-hole Golf Tournament – Wednesday afternoon.
- South America Soybean Rust – Dean Getting, Syngenta – Wednesday evening.
- Nucor Steel Plant Tour – Thursday morning.
- Affiliated Foods Tour - Thursday morning.
- Cuthills Winery Lunch & Tour – Thursday afternoon.

More detailed information including registration cost and process will be included in separate member e-mail distribution.

CHAPTER STRENGTHENS SDSU RELATIONSHIPS AT MAY 20TH BREAKFAST MEETING

Twelve individuals with South Dakota State University affiliations joined thirteen members (Perry Beguin, Wade Buck, John Cole, Jack Davis, Ordean Eddy, Brian Gatzke, Scott Heimes, Allan Husby, Tom Jass, John McMahon, Paul Reisch, Ron Rucker, Paul Sickler) for breakfast on May 20th at the SDSU Alumni Center in Brookings.

Those attending from SDSU included:

College of Ag Bio - Dean Gary Lemme, Associate Dean Don Marshall

Economics - Department Head Dick Shane, Larry Janssen, Alan May

Extension - Director Gerald Warmann

Plant Science / Professional Soil Scientist Association of South Dakota members - C. Gregg Carlson, David Clay, James Doolittle, James Gerwing, Doug Malo,

SDSU Foundation - Elizabeth Rezek

After those in attendance enjoyed a great breakfast buffet by SDSU Catering Services, President Wade Buck welcomed and thanked those in attendance for coming.



SDSU Relationships Committee Chair Paul Reisch provided an update on chapter activities including:



- Acorn Scholarship – Committee interviewed five candidates screened by College of Ag Bio Associate Dean Don Marshall and selected Seth Zilverberg as our first scholarship recipient. The Acorn Fund currently has \$11,326 in cash and pledges.

Extension Director Gerald Warmann expressed his support by writing a check to increase this amount. The scholarship efforts have definitely increased chapter presence and relationships with SDSU representatives and students.

- Education Committee – Over 100 attended the 2004 Sioux Falls summer tour that included visits to Oak Lane Colony, Eros Data Center, Hematech, Alverson Farms, and Hefty Seed Company. The February 2005 Mitchell meeting included SDSU representative presentations from:
 - Dr. James Doolittle, SDSU Plant Science Department, on the Sun Grant Initiative.
 - Dr. Vance Owens, SDSU Plant Science Department, on current research dealing with production of biomass for energy, another way of adding value to forage crops.
 - Dr. Do Kyoung Lee, SDSU Plant Science Department, on current research on carbon sequestration.
 - Dr. Larry Janssen, SDSU Economics Department, on the South Dakota land market survey and land market trends over the past 10 years.

Ideas and resources for future education offerings were discussed.

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MAY 20TH BREAKFAST MEETING CONTINUED

- National Meeting Activities
 - 2004 Annual Meeting was held in Sacramento. Dr. John Cole and Dr. Larry Janssen were honored along with Dr. Bruce Johnson from the University of Nebraska-Lincoln as recipients of the Gold Quill Award. The Gold Quill Award is awarded each year to the authors of the most outstanding article published during the year in the *Journal of the American Society of Farm Managers and Rural Appraisers*. The three individuals co-authored “**Equity and Risk Associated with Share and Cash Leasing: A Nebraska and South Dakota Case Study**”. The article can be found on the www.asfmra.org website under members only, then member library, then journals.
 - 2005 national meeting will be held in Austin, TX on October 6-8. There will be no 2006 meeting with the next annual meeting a joint session in February 2007 with ASAC (American Society of Agricultural Consultants and NAICC (National Association of Independent Crop Consultants) in Atlanta, GA.
 - The National ASFMRA and Illinois chapter will jointly host the 2009 International Farm Management Congress from July 18-25 in Bloomington, IL. This Congress is held every two years and will be in Brazil in 2005 and in Ireland in 2007. The Congress consists of about two days of agricultural tours and about two days of educational sessions, white paper presentations and business.
- Membership – The chapter now has just over fifty members and is always looking for additional members including academic members.

Larry Janssen and Doug Malo updated those in attendance on the SDSU appraisal class just completed spring semester of 2005. Paul Reisch spoke to the class regarding appraisal profession as a career and from a lending perspective. The course will be offered again in the spring of 2007.

Larry Janssen reported that the annual land survey is available at <http://agbiopubs.sdstate.edu/articles/C270.pdf> and has gone to the publishers relative to the hard copy editions.

Those in attendance then listened to a very interesting power point presentation from Kenneth Rutledge, President and CEO, of Dakota Turkey Growers, LLC. See related article.

The meeting concluded with College of Ag Bio Dean Gary Lemme thanking the chapter for offering this on campus opportunity to interact and learn with related professionals.

The event was successful in improving public relations and sharing knowledge on how various SDSU extension and academic personnel can interact with our members and contribute in the future to our achieving our chapter mission through education and networking.



BREAKFAST MEETING ATTENDEES LEARN ABOUT DAKOTA TURKEY GROWERS

Kenneth Rutledge, President and CEO, of Dakota Turkey Growers, LLC presented a very interesting power point presentation at the recent May 20th SDSU Breakfast Meeting. Ken has 32 years experience in the poultry industry, most recently President of Iowa Turkey Growers prior to his current position.



Dakota Turkey Growers was formed out of necessity by 44 growers (Hutterite Colonies and one independent grower) from South Dakota, Minnesota, and North Dakota because of inadequate return for the \$120 million investment in turkey grower facilities. Studies in 2001 thru 2003 led to the decision to build a new modern turkey processing facility in Huron.



Both Aberdeen and Huron offered good financial packages for the plant. Factors in choosing Huron included biddable power between NWPS and Dakota Energy, meatpacking history, cultural diversity, and positive attitude.

The last ground up processing plant built in the United States was in 1985. This modern \$45 million plant will open in January 2006. It will include a 150,000 sq. ft. plant and 20,000 sq. ft. office building on 110 acres. Future plans include a convenience mart and truck stop.

The plant will have a safety focus and points of differentiation include:

- Landscaping – no trees
- Gas stunning
- Scald and vacuum systems
- Product handling
- Unique antimicrobial interventions
- Positive air movement
- Lighting systems
- Segregated Raw & Cooked Areas
- Segregated Slice Rooms
- Latest Equipment with ease of cleaning incorporated
- Automatic boot and hand washes
- Food safety training and certification

When the plant opens, there will be one shift with a 4 million bird capacity. Two shifts are projected by 2009 with an 8.5 million bird capacity. It will involve deboning processes and slicing machines on the 40 lb. tom turkeys with no whole turkeys. The plant will have 390 employees at start up with a \$12 million payroll. When at full production, there will be 1,000 employees with a \$30 million payroll.

Growers will realize value added income thru the processing plant that will pay competitive prices for the turkeys. The customers are quality producers and this will enhance the company's ability to succeed in co-manufacturing, food service, and niche branding efforts.

ADVISORY BOARD NEWS (COURTESY OF MEMBER JIM HOLLENBECK)

The Advisory Board met in Pierre on Friday May 20th. Highlights:

- Craig Sommers was introduced as new Council Member representing Institutional Appraisers.
- Gary Viken presented outgoing member Jim Hollenbeck with plaque for service.
- Updated on budget.
- Went over 2nd Draft of the SD Appraiser Program Rules (new wording for supervisory appraisers). No changes were recommended.
- An appraiser talked to council about issues concerning supervision of appraisers. The appraiser feels that there are some people acting as supervisors.....but not providing supervision. Basically, the so-called supervisor is signing the reports for a fee without any sort of mentoring or supervision of the trainee. The appraiser became aware of this while doing an appraisal for a lender where the lender gave him an appraisal completed by another appraiser. The appraiser would like stricter rules adapted regarding supervision of appraisers. Supervisor's work would need to be reviewed to ensure their competency and credibility to supervisor.

Discussed options for mentoring/supervising. Lynn Heiden's program in Nebraska has been a success.

Council had considerable discussion regarding this whole area of supervision, and difficulty for new appraisers entering the profession. The bottom line is that in order for changes to happen.....appraisers need to start registering complaints and turning in bad appraisers (including the so-called supervisors). Council feels that there are sufficient rules in place...it's a matter of turning in the "problems"...and then enforcing the rules consistently.

- Reviews / Complaint cases areb running behind last year.

| <u>2004</u> | <u>2005 (ytd)</u> |
|-----------------|-------------------|
| Upgrades = 14 | Upgrades = 2 |
| New Apps = 1 | New Apps = 1 |
| Complaints = 12 | Complaints = 3 |

- Appraiser Regulatory Network meeting in Omaha July 22, 2005
 - Sherry, Randy attended last year (very good meeting).
 - Those invited are: state regulatory agencies, course providers, appraisal associations
 - Sherry, Randy attending. Encouraging as many of the board that can attend.
 - \$1,000 budget for expenses.
 - Agenda to include AQB Criteria Implementation, ASB presentation on scope of work and 2006 USPAP changes, and Lender Regulatory panel discussion on making process better.
- Went over issue with a compromised electronic signature. Sounds like person allowed someone access to the elec signature, which was used later to sign an appraisal as supervisor. Council didn't feel that there was any problems or issues with rules / regulations as it wouldn't have been a problem if person wouldn't have given access to the signature.

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ADVISORY BOARD NEWS CONTINUED

- Went over age demographics of appraisers in SD.

| Age Group | No. of Appraisers | Percentage |
|------------------|--------------------------|-------------------|
| 18-29 | 21 | 6 |
| 30-39 | 53 | 14 |
| 40-49 | 103 | 27 |
| 50-60 | 127 | 34 |
| 60+ | 72 | 19 |
| Total | 376 | 100 |

This really highlights the future problems this state is facing.

- Aging appraiser population
- Fewer people coming in to the profession
- Qualifications/Experience is becoming harder to attain
- Fewer options for mentors and supervisors
- Courses becoming less available

This issue will be brought up at the July meeting in Omaha.

CHAPTER PROVIDES COMMITTEE CHAIR PLANNING AND TRAINING

Immediately following the May 20th Breakfast Meeting, nine of sixteen committee chairs were present with the chapter board to discuss committee planning and activation. President Buck presented a committee chair planning guide that addresses:

- Committee functions in relation to chapter mission and operations statement.
- Specific goals of the committee.
- Committee member responsibilities.
- Potential problems and solutions.
- Materials, supplies, resources needed.
- Steps to be taken.
- Record of implementation steps.
- Evaluation at project or year end.



Wade will e-mail the planning document to all committee chairs and requests that committee chairs complete the planning portion and return to him by July 1st. Chairs are encouraged to have conference calls to involve committee members in this process.

Wade also provided committee chairs with a copy of the 2004 summer meeting document to convey the concept and value of a planning document. He also reviewed the conference call guidelines and processes.

The goal is to see that planning is done, goals are set, and follow through is accomplished by involving all committee members. This was the consensus of board discussions last fall as the way to give members ownership in the chapter, keep them involved, and achieve the chapter mission. It was stressed that committee chairs get others involved and not just do everything themselves.

MEMBER PROFILE IS SOCIAL COMMITTEE CO-CHAIR CRAIG SOMMERS

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

I am a staff appraiser with Farm Credit Services of America, in Aberdeen. I've been with FCSA since July of 1986. I graduated from SDSU in May of 1984 with a degree in Ag Business. I started my career with USDA, FmHA in 1984 as a loan officer and started appraisal work that year.

Prior to that, my only experience in appraisal was at SDSU, through Dr. Larry Janssen. I remember trying to have my partner complete all the appraisal portion of Dr. Janssen's class as I figured I'd never be working in that profession!



All of my time is now in the appraisal profession. I complete real estate appraisals and personal property (chattel) appraisals for Farm Credit Services of America. About one third of my work is completing chattel inspections, appraisals and reports. Two thirds of my time is with real estate work and primarily in northeastern South Dakota, in seven counties around Aberdeen. My chattel appraisal work involves more travel time and extends from all of central and eastern South Dakota and into northwestern Iowa. I work with large cattle operations, very large dairy operations and large grain operations.

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've seen the commitment by friends and colleagues to the SD ASFRMA and decided it was an organization that I wanted to become involved with. Farm Credit Services of America supports my membership and encourages me to be an active participant in the organization. The members are a great resource when I need help, and are a great group of individuals.

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).

My hometown is Eden, SD. I graduated from Roslyn High School. I've lived in Brookings, Mitchell, Winner, Webster and finally Aberdeen for the past 17 years. My passion is outdoor activity and focuses on fishing, hunting and playing farmer (or maybe a rancher?) on a few acres that we own in Marshall County, near Fort Sisseton. My wife Melanie is a pharmacist at Avera St. Luke's Hospital in Aberdeen, and we have two boys, Dylan, 7 and Spencer, 13, who show a great interest in a fishing rod and a shotgun, which is a very good thing.

Describe a few memorable or unique experiences in your life.

I don't have a lot of unique experiences, just a bunch of normal ones! I find that anything that makes me laugh is a memorable experience. Life appears to be pretty short and I've found that the important things are the everyday occurrences that involve family and friends.