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SOUTHDAKOTACHAPTER

7/08

AMERICANSOCIETYFARM MANAGERS&RURALAPPRAISERS



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

DATESTOREMEMBER!

2008

August 14- West River Breakfast Meeting (9 A.M.)
Rapid City Marlin's Roadhouse Grill
August 15- East River Breakfast Meeting (8:30 A.M.)
Brookings Perkins Restaurant
August 15- Monsanto Test Plot Tour (10 to 11:30 A.M.) - Brookings
September 13-17- Leadership Institute - Washington, D.C.
September 17- SDSU Scholarship Banquet - Brookings
October 15- SDSU Career Day - Brookings
October 23-24- Board Meeting - Rapid City
November 11-14- ASFMRA National Annual Meeting in San Antonio, TX

2009

January 21-23- Winter Education & Joint Meeting w/ PAASD - Mitchell
July 18-25- International Farm Management Conference in Bloomington,
Illinois hosted by Illinois ASFMRA with the endorsement of the ASFMRA
Find out details at www.ifma17.org.
October 2009- South Dakota- Wyoming Educational Offering - Black Hills

PRESIDENT'S MESSAGE

Congratulations to our members Shawn Weishaar and Loy Mattheson adding the AR designation behind their names.

The southeast corner of South Dakota has had timely rains. The consensus is if we get an inch of rain in August we will have some very good crops for the harvest.

The Leadership Institute in Washington DC is September 13 to the 17th. Denver is requesting registration by August 1. Anyone interested in attending, contact one of your board members. Past participants have had many good things to say about the offering.

Omaha Education Week is past. There were several from our chapter who attended. I attended the golf outing and teamed up with Paul Reisch and Don Johnson (FCSEmployee from Omaha). The results were tie at 3 after 12 holes. Rain shortened the play, with all teams getting in 12 holes. After a scorecard playoff, our team was declared the winner.

Continued

PRESIDENT'S MESSAGE CONTINUED

Friday I attended the Nebraska Chapter meeting. Th Koenig, farm manager with Farmers National. He in welcome him to South Dakota and will be in contact Falls.

A commercial realtor spoke to the meeting about the town Omaha there are 1.2 million people and growth Omaha desirable for corporation to locate in Omaha

I joined them in the walking tour of the downtown Sislow, a wheat trader visited with us about the observation. Next was a tour of the Qwest center. events along with the kitchen was interesting and Mattress Factory.

The supervisor class is proceeding with the future supervisors. It will be offered at the winter meet the time that will be set for the supervisor class. Thursday and the Supervisory class on Friday morning

Board meeting is set for October 23 and 24 in Rapid

ey had 6 new members with one of them being Pat ormed them that he was moving to Yankton. We together to our next breakfast meeting in Sioux

growth of Omaha. In a 60-mile radius of down hof 10,000 residents annually. This makes . Their port had 4.2 million boardings in 2007.

area. First stop was at Con Agra where Scott mpany and took us to the trading floor for our Viewing the different areas for shows and athletic nformative. The tour ended with a lunch at the Old

rules from the State requiring the class for all ings in Mitchell. Our class offering will work around Likely our offering will be on Wednesday, USPAPo n g.

City.

TEN CHAPTER MEMBERS TAKE ADVANTAGE OF OMAHA OPPORTUNITY

Ten South Dakota chapter members were included in Summer Education Week held in Omaha, NE on July 14- education class, Ag Land Management, Part 1, an ins Book class and an RLI class on Land Investment Anal tournament, BBQ and a dinner cruise on the Missouri

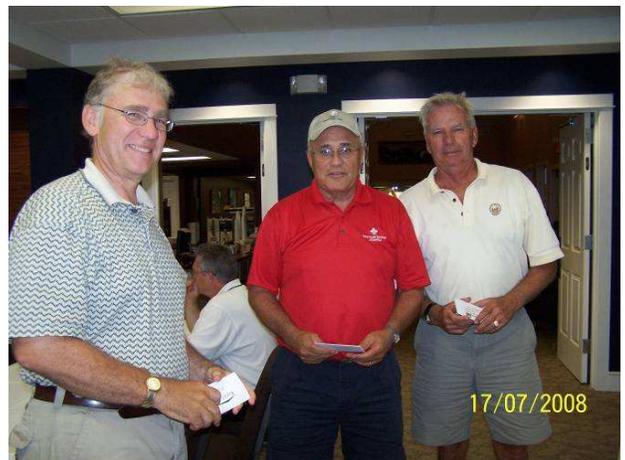
Paul Reisch and John Widdoss attended the instructor of the new Yellow Book class with Jim Dunlap and Br Farmers National AFM's Cooper, Jass, Kinker, and Si class. Paul Reisch and Jorge Vicuna attended the Th

While Jorge attended the Nebraska Chapter Property Assessment offering, Paul and President Rucker part Jorge joined them at the evening golf supper/soci Reisch, Ron Rucker) were announced as the golf tour \$50 gift certificate for merchandise at the golf cl

he over 210 people that attended the ASFMRA 18. The event featured the new management tractor workshop, the debut of the new Yellow ysis. The event also featured a tour, a golf River.

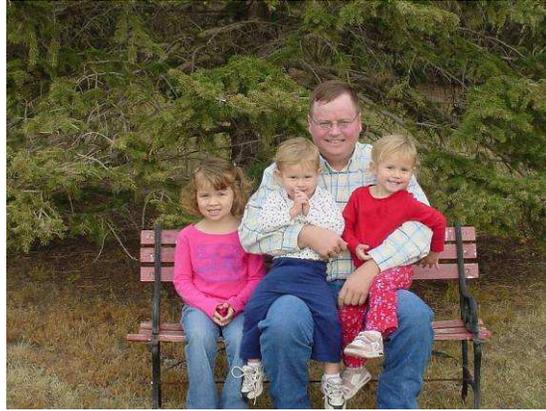
r workshop. John was a co-writer and co-teacher ian Gatzke participants in this class. Our ckler attended the Land Investment Analysis ursday morning Ethics class.

Acquisition and the Need for Environmental Site icipated in the Nebraska Chapter Golf tournament. al where the Farm Credit team (Don Johnson, Paul nament winners. Each team member received a ubhouse.



MATTHES & WEISHAAR JOIN ARANKS!

South Dakota chapter members Loy Matthes and Shawn Weishaar were two of the thirty appraisers who successfully passed the ARA Accreditation Exam held June 30–August 1, 2008, in Denver. Loy and Shawn have already received their accreditation and will be formally recognized at the San Antoniomeeting in November 2008. Both are eligible for the Kjerstad Memorial Chapter Member Scholarship available to those attending and receiving their accreditation at a national meeting.



The South Dakota chapter now has 17 individuals with accredited designations. This is 40% of the members services, and farm management careers.

the ARA (10), RPRA (2), or AFM (5) which are in rural appraisal, appraisal review

The SD Chapter Mentor Committee focus in the past working to attain ARA accreditation under the old rule one member remaining (Ron Ens) who has submitted the exam in October.

new year has been to work with those members through 2008. That process is ending with just one demonstration report who hopes to sit for

Beginning in 2009, associate members in rural appraisal will need to meet additional educational requirements. The Mentor Committee planning for 2009-2010 will include:

isal will need to meet additional educational requirements. The Mentor Committee planning for 2009-2010 will include:

- developing a better understanding of new requirements,
- surveying new members regarding their interest in pursuing accreditation, and
- assigning a mentor for those members planning to pursue accreditation to support development of a game plan to accomplish the goal.

Members who plan to pursue accreditation can contact additional information on accreditation and the Mentor

Committee Chair Paul Reisch to gain Mentor Committee functions.

ASFMRAGOVERNMENTAFFAIRSCOMMITTEEACTIVEONSEVER ALFRONTS

-submittedbyGovernmentAffairsCommitteeMember BrianGatzke

Topics previously never discussed or thought off from our committee include Section 1619 of the Farm Bill, on which many of you received ASFMRAs email notices, and consultant changes in Washington DC.

However, many of you may not be aware of other radical changes with NRCS/USDA easement valuation. The farm bill removes the requirement of appraising NRC easements valued based upon the Yellow Book standard and value an easement acquisition based upon the lower of three values that are subject to interpretation. Those values are determined by either a benchmark property in the market or market knowledge or what the landowner wants and removed the appraisal requirements.

Those members who have been participating with the NRCS for easement appraisals need to be concerned about this issue. Of these several thousand appraisals selected for review across the nation, only 13-15% of those reviewed actually passed the Yellow Book reviewers requirements. This implies that it was not administered properly at the federal and state level for forwarding the work to quality and experienced appraisers, and that people doing the work should not have bid on the jobs.

A change occurred this past month with our consultant/lobbyist in Washington DC. Mr. Macon Edwards is no longer with our group. He has done a outstanding job with us, but Washington DC changes and costs lead us to make changes.

ASFMRAs has hired a new Farm Manager consultant, Mr. Stephen Frerichs, to replace Macon Edwards. You will receive an update from ASFMRAs regarding this issue. If you attend the fall Leadership Institute in Washington DC this September, you will meet Mr. Frerichs.

ASFMRAs, AI, NAIFA, and ASA have all formed a coalition in Washington DC to have one voice for appraisal lobbyist activity as an Appraisal Coalition. The one voice is Mr. Bill Garber, Director of Government and External Relations Appraisal Institute, and Peter Barash, Government Relations Consultant of American Society of Appraisers. We are trying to focus as one voice and right now the main focus is quality and regulations. If you have questions about this activity, you are welcome to contact ASFMRAs.

ASFMRAs member Mr. David Gann is trying to work through Section 1619 of the Farm Bill and said it is very complex and complicated to understand. Please watch for these emails from ASFMRAs. If you attend the fall Washington Leadership meetings, you will have an opportunity to meet Bill Garber.

Section 1619 enforces a level of privacy of public information that will restrict appraisers from obtaining aerial, soils, FSA information, and mapping details of agriculture land. If any of you have questions about Section 1619, please call AgriData and visit with Mr. David Hagert at AgriData. You can reach him at 701-746-8580. If this is enforced, companies like AgriData will be out of business and we will go back to counting dots on a map.

Those of us in Agriculture and Commercial level appraisal work of tense residential appraisers at another level of experience and what happens in one area of appraisal discipline does not impact ours.

Continued

GOVERNMENT AFFAIRS COMMITTEE CONTINUED

However, it is guilty by association of being an appraiser, and blanket wide reforms are in process with more changes to come down from Washington DC. If you have been following the discussion at a national level and hear about the rapid decline in valuation of residential properties or mortgage fraud, appraisers are another level of targets such as the New York State Attorney General decision that has led to new bills being introduced in Washington DC and increased regulations and oversight of appraisers.

ASFMR has not been very active in member reporting of these events at a national level because it was believed this involves residential appraisers and not agriculture appraisers. However the Appraisal Institute and the National Association of Independent Fee Appraisers are actively following HB3221. AI and NAIFA have members focusing on Residential work. Likewise, we have members who are diversified into all facets of the disciplines. If you want to know these summaries, please email me at bgatzke4@brookings.net and I will forward to you the NAIFA and AI information. Expect to receive pages and pages.

INSTRUCTOR WORKSHOP IS GROW THE EXPERIENCE-submitted by Paul Reisch, ARA

On July 12-13, the ASFMR Education Committee conducted an instructor workshop in Omaha for both members who have been instructing for ASFMR and those considering doing so. Reasons for my attendance were professional growth regarding appraisal knowledge (i.e. learn better by teaching), possible future teaching career opportunities, and contributing to ASFMR at the national level.

The workshop was led by Appraisal Education/Accrediting Chair Brent Stanger, ARA and Management/Consulting Education/Accrediting Committee Co-Chair Leonard Meador. On Saturday, there was discussion on:

- the current status of course development and updates
- the process of becoming an instructor
- the process of conducting/administering a course and ways to improve that process
- current status and future vision of utilizing on-line learning and new technology to improve course/seminar experiences
- presentation skills and experiences

This discussion was a learning experience, particularly the input and experiences shared by experienced instructors including several past National Presidents.

On Sunday, the eight individuals looking at joining the instructor ranks had the opportunity to present to the audience of experienced instructors. All drew a random topic and were given 10 minutes to prepare a 5 minute presentation to the group and answer questions. The focus of the exercise was presentation skills, delivery, and ability to think on your feet.

The presentations were videotaped. Watching and critiquing yourself was a most humbling experience but we all survived and grew from the experience!

APPRAISAL EDUCATION/ACCREDITING COMMITTEE CONTINU ESTO BE BUSY

-submitted by National Education/Accrediting Committee Member Jim Dunlap, ARA

The Appraisal and Accrediting Committee met at Omaha on July 13, 2008 prior to the education offerings at the summernational meetings sponsored by the Nebraska Chapter. Most of the core course offerings have now been re-written, approved and either taught or are scheduled to be taught under the new AQB requirements for minimum education required for licensing.

The AQB has now approved our Highest and Best Use Course and it has been taught, as has the "Yellow Book" seminar, but additional work is required on several of these seminars with the changes in educational requirements. Some courses being reviewed and potentially modified include the Rural Residential, The Ag Lands in Transition and the Data Analysis Courses. All have been assigned to various committee members or other individuals that have agreed to work on specific subject matter.

Course approvals by various states has proved to be somewhat challenging, as several have created some additional "speed bumps" to the process. We are reworking on 4 or 5 problem states about this issue. The good news is that South Dakota is not one of these states. We have a good licensing program and our laws are compatible with the integrated education modules of the ASFMRA core curriculum.

In addition, potential new seminar topics were discussed. Any additional ideas would be appreciated, so please pass them on to me prior to the annual meeting in San Antonio. Accrediting exams were discussed. This has been a particularly heavy year for accrediting as many members that were close to completion and testing have been trying to complete this year before they are required to take additional course work under the new program. We have a few members that will be taking the exam for ARA this year and wish them well.

In addition, the committee is in the midst of re-writing the Accrediting Exams for the RPRA and ARA designation. At present, the RPRA exam has been completed and is being proofread and finalized. The ARA exam is still in the re-writing process. Overall, this has continued to be a very busy year for the committee and will continue to be busier than normal until all course material has been reviewed.

SMALL TOWN ADVENTURES - True Stories by Russell Wyatt

I went into the bank at Martintop to pick up an appraisal order and there was no one at his or her desks. I went and looked down the stairs and there was the bank president upon a ladder with a bucket of paint and a brush. Over in one of the other rooms were two lady loan officers with towels around their head and paint brushes in hand.

The bank president said, "The bids were too high and things were kind of slow so we decided to paint it ourselves"

How many banks would do this?

YELLOWBOOKSEMINARCHALLENGING&BENEFICIAL

-submitted by Jim Dunlap, ARA

Two South Dakota Chapter members, Brian Gatzke and Jim Dunlap, were among 38 individuals that attended the new Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) Course being offered for the first time since it was re-written. The course was re-written and taught by John Widdoss, ARA, of South Dakota and Scott Seely, ARA of Texas at the Omaha meeting.

This is now a three-day course and includes a 2-hour individual desiring to do appraisals requiring Yellow Book standards. These standards were originally published in 1971 to promote uniformity in the appraisal of real property among the various governmental agencies acquiring land voluntarily, through eminent domain or exchange. This course was re-written and the exam created by John and Scott for the ASFMRA Course to be in step with the 5th Edition of the Yellow Book.

Yellow Book has been re-written multiple times and was recently published in conjunction with the US Department of Justice as the current standard for federal land acquisitions. Some of you may say you do not need this course, since you do not do appraisal of real property for the South Dakota Game, Fish & Parks, or many of the many conservation groups that work with GF&P or any of the federal agencies in acquiring conservation lands, particularly where federal monies or grants are or may be involved, you will still be required to complete the appraisal under Yellow Book standards.

This course is designed to provide the appraiser with the regulations and methodology required under Yellow Book to appraise properties for direct voluntary purchase, exchange or eminent domain proceedings, and the unique problems not normally encountered in appraisals for sale, mortgage, insurance and other more typical purposes of appraisal. It is an intense three days with a difficult test, but well worth the time, cost and effort, and will benefit the competency of every appraiser, even if they do not intend to do Yellow Book appraisals.

SMALL TOWN ADVENTURES - True Stories by Russell Wyatt

I was asked to appraise a building that had recently been converted into a medical clinic.

I went in and introduced myself to a young receptionist I had never seen.

She said, "The doctor has gone to Rapid City and I am here just to answer the phone." She said, "Go ahead and make your inspection of the building."

I started making notes of the waiting room etc. and she said, "I need to go get the mail at the post office. Would you watch the phone a few minutes?"

I went ahead with my inspection. There were three rooms full of enough drugsto probably take me around the world and retire. No locks, everything wide open.

I completed the inspection and waited until she returned. She thanked me and I went on my way.

Talk about trusting people you don't know. They do it in Martin.

OMAHASUMMEREDUCATIONEXPERIENCES -submittedbyBrianGatzke

I participated in the advanced one day Ag Ware seminar and picked up some great tools. One of the tools in the database is an export feature into Excel spreadsheets for paired sales analysis and the flexibility of the new database for report writing and statistical data analysis. So many changes and improvements it was hard to comprehend it all. Like any software, new versions are not free of challenges but this is by far, the most successful release and user friendly version released by our South Dakota based corporation. wn

The following three days brought in the new Uniform Appraisal Standards for Federal Land Acquisition handbook (AKA Yellow Book) Seminar. This seminar is a must attend for anyone involved in federal government work. The challenge of all Yellow Book work is the complexity of understanding of the larger parcel and how the interrelated valuation models need to be considered with each project.

These appraisals are not for the light of heart and not for the people with inexperience. The instructors were our own John Widdoss, ARA, and Texas southerner Scott Seeley, ARA. Both of these individual have extensive experience and knowledge within instruction and personal involvement with complex projects. Our class was a mix of people who had little experience to a high level of knowledge with Federal review work. Those participating members included Mr. Art Clapp, ARA Department of Interior; Mr. Chris Greenwaldt ARA/RP R A chief appraiser for NRCS/USDA, and Mr. James "Nardie" Vine of Texas who has extensive experience in highly complex appraisals.

This class was challenging, but by far the best over the one and two day Yellow Book seminars. Taking a class with high level experienced appraisers lead to excellent examples for discussion topics on a wide variety of issues.

A topic of discussion during our class event was the changes in the Farm Bill and related activity in Washington DC. See previous article for detail on that discussion.

Another major topic of discussion during the class was how can an appraiser learn and gain experience. It came down to several factors.

1. Continue to gain knowledge through education.
2. Find a supervisor or mentor for assistance
3. Bid a project as a team with someone who has experience
4. Write a demoreport and ask an RPR to review your work.

Our lack of quality will lead to government intervention through regulations and it is up to each of us to improve our quality and knowledge.

“Manners are a sensitive awareness of the feelings of others. If you have that awareness, you have good manners, no matter what fork you use.”

Emily Post