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SOUTHDAKOTACHAPTER
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10/08



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

DATESTOREMEMBER!

2008

November 11-14-ASFMRANationalAnnualMeetingin SanAntonio,TX
November 22-23-KjerstadMemorialPheasantHunt
December 11-WestRiverBreakfastMeeting(9A.M.)
RapidCityMarlin's RoadhouseGrill
December 19-EastRiverBreakfastMeeting(9A.M.)
SiouxFallsRoll'N PinRestaurant

2009

January 21-23-WinterEducation&JointMeetingW/ PAASD-Mitchell
May - ChapterBoardMeeting&SDSUBreakfastMeeting-Br ookings
July 18-25-InternationalFarmManagementConferenc einBloomington,
Illinois hosted by Illinois ASFMR A with the endorse ment of the ASFMR A
Find out details at www.ifma17.org.

October 2009-South Dakota-Wyoming Educational Off ering-Black Hills

PRESIDENT'S MESSAGE

The board met in Rapid City last Thursday and Friday. We spent a good amount of time visiting about the committees and education.



Continued

PRESIDENT'S MESSAGE CONTINUED

The incoming President will be forming his committee the work of your chapter makes it stronger and keep head up a committee, your support of our chapter will

be for his two year term. Your participation in it running. Should you be asked, to work on or I be greatly appreciated.

Our annual meeting is set for Mitchell on January 2 program class will be offered on Friday morning the Details will be coming in the next few days. Our PAASD.

2 after the class offerings that day. The supervisor or 23rd. We plan additional classes in the afternoon. classes will be advertised with the fliers from

The class offerings in the fall of 2009 with Wyoming working hard to get all the instructors and meeting individuals for assistance in putting together all forth a good deal of time and effort to date, so we have a great education opportunity in the Hills in

gare getting lined up. Loy Matthes is the person locations in place. Loy will be contacting the piece to make the classes successful. Loy has put en ask to assist, please respond favorable and we will 2009.

We are moving forward with PAASD on the legislation estate appraisals. Barry Wilfahrt will be the lobby based on membership numbers. Additional information Dunlap for his work with PAASD and his efforts as a

to prohibit improper influence regarding real ist gain this year and we will share in the expenses will be in the next newsletter. We thank Jim Lobbyist for our chapter.

San Antonio is the site of our national ASFRMA meeting receiving their appraisal designations. We understand and may also be getting the ARA designation. Congrat and working getting all completed for this recognition.

ing. Loy Matthes and Shawn Weishaar will be and that additional members are setting for the examination ation to these members for their dedication

November 22 and 23 are the dates for the hunt. You memorial chapter membership scholarship fund. Emphasis \$20,000 level through future fundraising activities support the \$1,000 scholarship. Again, your support our profession.

r financial support will go to the Kjerstad will be on getting our SDSU fund to the s. We are close to that level and getting there will rt will help provide the chance for others to join

As I look at a calendar, Thanksgiving will be in the with family, so enjoy and do reflect on our many bl

epast before the next newsletter. That is times spent essings afforded us from our work and our country.

RON ENSZ IS NEW WEST SD CHAPTER ARA!

The newsletter editor just received news this evening as he was going to press that Ron Enszen passed the ARA exam this week in Denver.

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Ron will receive his accreditation and will be formally recognized at the San Antonio national meeting next month along with fellow chapter members Loy Matthes and Shawn Weishaar.

The South Dakota chapter now has 18 individuals with the ARA (11), RPRA (2), or AFM (5) accredited designations.



CHAPTER HAS PRESENCE AT SDSU CAREER DAYS

SDSU Relationships Committee members were in attendance at the SDSU AG-Bio Career Days in Brookings on October 15th.



Committee goals for this event:

- Increase student awareness of the property economics professions of appraisal, farm management, and agricultural consulting.
- Increase student awareness of the ASFMR and South Dakota Chapter.
- Increase student awareness and interest in the Chapter's Acorn Scholarship.

The ASFMR office in Denver provided the committee booth for the event and brochures promoting the professions and organizations.

Jim Hollenbeck and Tom Jass represented the chapter at the afternoon session. Brian Gatzke and Paul Sickler were in attendance at the evening session.

These members visited with students and provided additional information on how students could learn more about the scholarship and apply for the scholarship online at www.asfmra-sd.com.

Those in attendance felt we accomplished the committee goals. In addition, we made good contacts with SDSU personnel regarding our scholarship process and the potential for future property economics curriculum. Overall student numbers seem sonpar with last year... however our booth location wasn't as good as last year... consequently, booth traffic was down slightly the first half of the day... but picked up later in the day.

Chapter members enjoyed visiting with the young people and telling our story. President-elect Tom Jass had this to say, "Form may be the most notable item was the warm *h* displayed by SDSU personnel. As I've spent more time on campus through Chapters sponsored activities the staff relationship has grown to be quite positive and friendly. I also met one student who is either a pre *ty* good actor or might actually have interest in one of our professions. All in all it was a very nice day and I enjoyed promoting our Chapter and professions."

WORLD'S SHORTEST AND BEST FAIRYTALE

Once upon a time, a guy asked a girl "Will you marry me?"

The girls said, "NO!" And the guy lived happily ever after, and went fishing and hunting a lot, and drank beer whenever he wanted.

THE END

VARIETY OF DISCUSSION AT EAST RIVER BREAKFAST MEETING

Members present include Allen Husby, Jorge Vicuna, Jeff Barker, John McMahon, Mike Cooper, Tom Jass, Pat Koenig, Jim Dunlap, Jay Knuppe, Jim Hollenbeck, and Scott Heimes

The discussion included upcoming course offerings, the SDSU career day, Jim Dunlap's AQB board meeting, and upcoming supervisor review rule amendments.

The upcoming classes in Mitchell will include US P and Review class. Allan Husby suggested as part of the tech portion of the class that someone from the NRC could demonstrate how to use their web-based soil program.



Supervisor review rule amendments discussed include:

- the review appraisal to accompany the trainee on 25 non-residential field inspections, and 50 residential field inspections.
- the possible penalties for the review appraiser if the trainee fails or the infractions of the trainee are severe enough to require the review appraiser to have to also attend classes.

The group also shared recent real estate sales and nosales. The farm managers indicated most cash rent leases were signed earlier this summer. Most of the leases being signed now are crop share releases.

SDSU SCHOLARSHIP WINNER SEEKING SUMMER 2009 INTERNSHIP

Jim Jansen was the recipient of the SDASF MRA Chapter's SDSU \$1,000 scholarship for the 2008-2009 academic year. Jim has had the opportunity to meet and interact with some chapter members at the September Scholarship Banquet and the recent SDSU Career Days. Jim has indicated he does plan to join the chapter as a student member in the near future.

The primary purpose of the chapter scholarship is to develop and support interest in the rural appraisals, farm management, and agricultural consulting professions. This year's recipient has indicated such an interest as shown by the following communications shared this past month with the newsletter editor:

My name is Jim Jansen and I am the 2008-2009 SDSU recipient of the ASFMRA-SD Chapter Scholarship. Being the scholarship recipient, I attend South Dakota State University majoring in Agribusinesses. I am currently looking for an internship for summer of 2009 in eastern or Ag Finance. I have a background in production agriculture and am a very versatile individual. If anyone would like a current copy of my resume to see my work history/skills or have questions please contact me at:

Jim Jansen
1907 8th St. Apt. 108
Brookings, SD 57006-1671

Cell: 402-640-0612
jjansen4289@jacks.sdstate.edu

It would be great if a chapter member could work out an internship arrangement with Jim for the summer of 2009.

KJERSTAD MEMORIAL PHEASANT HUNT

All proceed to go to Kjerstad Memorial Chapter Member Scholarship Fund.

The scholarship focus:

- A lasting memorial of Jerry's contribution to our chapter.
- A means to generate funds that can allow expansion of chapter support for members in accord with the chapter mission of *Enhancing Our Members' Ability to Succeed in Their Rural & Agriculturally Related Professions!*

Dates: November 22nd and 23rd **Storm Dates:** December 6th and 7th

Location: Bill Huber farm near Norris (southwest of Murdo)

Cost: \$50 per gun / day. Hunt one or both days.

1st day hunt: Start time will be around 11:00 AM MST. T. This should give everyone enough time to get to the hunting destination.

Those of you coming from the east can drop down at Murdo, mile marker 192, and come in from White River. Those coming from the west will drop down at Kadoka, mile marker 150, and come in from Norris. Ron Ensz will prepare detailed directions to anyone wanting them. The Huber Farm is about one hour from both Kadoka and Murdo.

2nd day hunt: Start time will be 9:00 to 10:00 MST. Everyone will have a drive home so hunters can plan to leave when they feel they need to.

Accommodations are available in Kadoka at the "America's Best Value Inn" at Kadoka. Ron Rosknecht has reserved some rooms - \$55/night. Contact Ron if you need a room. Also, camps are welcome at the farm. The shop even has an indoor bath room!!!

Food: Everyone should plan to bring their own food for all meals. Typically, at lunchtime, we will throw food on the table and share. Nothing is planned, at this point, for the Saturday evening meal. This may change, but for now, plan to have your own food or eat in Kadoka.

Shells: Bring more than you think you may need as there are no stores in the immediate area.

Hunters do not need to be Chapter members. If a member wants to invite a guest or two to join the hunt, the more the merrier and the more money we make.

Please RSVP to Ron Ensz at ron.ensz@kjerstadrealty.com if you plan to hunt. The more we know the better we can plan. Also, feel free to contact Ron with any questions you may have.

If you are unable to attend, but wish to support the Member Scholarship Fund, send check payable to SD ASFMRA (memoline - Kjerstad Memorial Chapter Member Scholarship Fund) to Allan Husby 51217th NE, Watertown, SD 57201.

GOVERNMENT RELATIONS COMMITTEE NOVEMBER 2008 REPORT TO COUNCIL

KEY ISSUES

- Very successful Leadership Institute and introductory narrative by Stephen Frerichs completed 9/13-9/17.
- Continue to be active with resolving the problems caused by Section 1619 of latest "Farm Bill". See narrative
- Continue to monitor appraisal related legislation with AI, ASA and NAIFA as it is proposed

COUNCIL ACTION REQUESTED

- Continued support for LI and assistance with expansion of the program
- Continued support for Section 1619 issues.
- Funding as in the past for LI and necessary Washington, DC visits, as deemed appropriate (would like some guidance here).

NARRATIVE REPORT

Leadership Institute September 13-17, 2008

The Leadership Institute was held in Washington D.C. September 13-17. It was attended by 22 managers and appraisers from 11 different states. This premier educational event has been sponsored by Pioneer/DuPont for 16 years with Doug Reeves detailing and passionate leadership. We met with our elected officials from both the House and Senate including Collin Petersen, D-Minnesota, Chair of the House Ag Committee.

Stephen Frerichs, Ag Vantage, LLC, Alexandria, Virginia positioned our meetings on Tuesday to focus on the Hill and Politics and Wednesday on the Budget and Rule Making. Stephen's relationships with political staff in Congressional offices and professional staff at USDA allowed us to position our primary issue of correcting the unintended consequences of Section 1619. Congressmen and staff shared insights with us including:

1. The Adjusted Gross Income certification required to receive Farm Program Payments will need to be signed by a CPA or other qualified tax preparer.
2. Section 1619 was written to protect the privacy of producer that is being threatened by environmental groups.
3. The Chairman of the House and Senate Ways and Means Committees procured \$10 million for the Farm Bill, which directly funded Nutrition, by extending fees on customs inspections for 6 years (not considered a new tax).
4. The ACRE component of the Farm Bill will require producer to document farm yields for the period 2004-2008. Staff is still reviewing the ability to use RMA crop insurance yields for this purpose. It is critical USDA approve the use of prices for 2007 and 2008 in determining the initial national average price component in the income equation. This may mean a difference in payments of over \$200 per acre to Midwest farms in future years.
5. The Congressional Budget Office August 2008 baseline project the marketing year average price for corn in 2006-\$3.04 per bushel, 2007-\$4.35 per bushel, 2008-\$5.69 per bushel, 2009-\$4.35 per bushel, and 2010-\$4.06 per bushel.
6. The food versus fuel debate is very emotional and very local on the Hill.

We look forward to introducing Stephen Frerichs to our members at the Leadership Institute Alumni meeting in San Antonio November 20. Continued

LEADERSHIP INSTITUTE CONTINUED

Section 1619 was the big topic of the week while at DC. This came up in large group discussions withle also able to schedule some smaller group meetings w access to a lot of important ears in a short period issue with very strong political support.

the ASF MRA Leadership Institute in Washington, gislators as well as staffers. Stephen Frerichswa s ith key players on this issue. In short, we had of time. This is viewed by all as a farmer privac y

We believe we made some headway in getting most to follow-up with more detail, which we are in the pro involved that appraisers were not a target of the bystanders. Nevertheless regaining access to needed

list to our concerns and we promised to cess of doing. We were assured by many of those ew privacy protections but rather innocent data is going to be a uphill climb.

This was our message in a nutshell: Appraising wit

hin the confines of 1619 will:

1. Take more time. The need for release of informatio nsignatures alone will be time consuming.
2. Cost the client more. Time is money.
3. Be of greater burden on the FSA offices. We could get this information from other sources previously.
4. Be much more difficult to get proper analysis of co mparable sales. It is unlikely that unknown buyers will grant permission for FSA data.
5. Slow down the lending process while they wait for the appraisal. 6) Will likely result in less accurate market value estimates.

The information we need access to should not be con sidered downers specific, but information that affects the value of the real estate. It is the fo llowing:

- Direct and Counter-Cyclical Program (DCP) Contract Base Acres.
- Payment yields for DCP
- DCP cropland and cropland acres
- Copies of aerial photography with field (CLU) bound aries
- Conservation Reserve Program (CRP) acres
- Highly erodible land (HEL) delineations
- Wetland classifications

The above information is used to determine value. change based on operator decisions, by and large th The information is not related to the operator or o

While field boundaries and CRP acres might e information needed is static and land specific. wner but the land.

We continue to be the lead group on this issue as F position. As time goes by, this issue will only become a bigg We feel that we made considerable headway without Stephen has been willing to step into this issue an people. All congressional staffers involved told u due to other priorities and particularly the electi affecting the field offices at this point in time a

arm Credit Council has still not determined their er hindrance, without some resolution. discussions with key individuals at the LL. d his contacts have enabled us to reach the right s that nothing would happen for a number of months ons. We need to keep the pressure on as this is nd soon will be a real hindrance to proper sales an alysis.

We are hopeful that we will be able to move this is addressing access or a technical correction to the

sue forward resulting in either a routine letter bill itself. Please stay tuned.

Respectfully Submitted By: Dennis Reyman, AFM, ARA and Dave GaNun, ARA

TRIP TO WASHINGTON, DC

By Jim Dunlap, ARA-Advisory Council Member

As I start my second term on the SD Advisory Council the AQB (Appraisal Qualifications Board) and SRAG (State Regulators Advisory Group) in Washington DC October 3rd as part of my participation on the South Dakota Appraiser Advisory Council. Prior to attending, I was in contact with the AQB regarding our Chapter's desire to have South Dakota State University put together an under graduate program of real estate that will have sufficient course content to provide a graduate with at least part of the new core curriculum required AQB for licensing. by

AQB Meeting:

One of the topics the AQB was focusing on at this meeting was their program of working with universities that provide a graduate level course of study in appraisal, either a masters or doctorate program. They are anticipating working with 6-10 programs in this first effort, and will provide a liaison to the university at the AQB's expense to ensure course content complies with the new education requirements.

I requested that I speak to the AQB regarding the potential of them providing similar guidance on undergraduate courses and the need to focus on that level of college studies was well received both during and after the meeting by members of the AQB, I was told the current graduate program would provide a more focused means for the AQB to begin providing this type of service to the profession.

Once this was up and running, they would turn their attention to providing the same guidance for undergraduate programs. In the meantime, if an undergraduate program desired to go forward before this was available, they indicated the AQB will be publishing a "whitepaper" with the requirements college courses will need to focus on to end up where we desire to go with the SDSU course.

David Bunton of the AQB discussed several other topics at this meeting which were of interest to all attendees. Among them was the fact that FHA will be requiring State Certified Residential or Certified General appraisers to complete their appraisals. They have identified 29 states as having sufficient licensed individuals in these two categories to go forward with this new requirement and will give the remaining state programs 12 months to get their licensed individuals certified if they desire to do HUD and FHA work. More on this can be found at www.fhscrollingdowntowhatisNewforappraisers.com and clicking on the appraisal tab and D

A look into the success of the new National Uniform Exam for licensing was provided indicating this 165 question exam currently has 9 different exam possibilities that can be given. It is the desire of the AQB to add 900 new questions per year for the next 3 years to the database of exam questions, and use that to refine the exam even further than it is currently.

Generally the exam was felt to be fair, even though the current passing rates were alluded to as being low. Their take on the low exam pass rate was that almost all of the exams have been given to people who were retrained under the previous course curriculum. Therefore, the pass rate is expected to improve dramatically when persons trained under the new requirements begin to take this exam later this year.

Continued

TRIP TO WASHINGTON, DC CONTINUED

Another interesting statistical review was provided on the number of licensed individuals and given rather quickly, so bear with my not taking, revocations/surrenders and suspensions. This was since you get the general trend of the statistics. The National Appraiser Registry now has about 121,276 appraisers, which is an increase of about 10,000 appraisers over last year. There were 1,374 revocations of licenses; 495 voluntary surrenders or suspensions or warning action taken over the past year. By my calculations, this means that 1,374 licenses; 1,394 suspensions issued and 9,774 er shades some sort of licensing problem during the past year.

With approximately 400 South Dakota licensees, our program has about 2 percent complaint or problem cases per year... **much better than the national average**. Part of our program's success is due to the efforts of Sherry Bren, the SD Appraisal Program Executive Director, who works diligently to provide our appraisers a clear and concise program, without undue or excess regulation found in many other programs.

The differences in the various state programs was clarified during the ARRO, (Association of Appraiser Regulatory Officials), meeting on program administration. Presented by North Carolina, we found many of the appraisal boards had full time enforcement individuals that not only took in complaints, but conducted investigations and/or reviews and took a number of these to hearings.

Generally in South Dakota our department reviews the work product and files in question if the level of complaint warrants this, with only the worst of work product even approaching preparing a file for hearings. Again, I was very happy to be from God's country in South Dakota, and that our program does not proceed in this manner.

The ARRO meeting on the three days following the AQ work product and files in question if the level of complaint warrants this, with only the worst of work product even approaching preparing a file for hearings. Again, I was very happy to be from God's country in South Dakota, and that our program does not proceed in this manner.

This was presented by an investigator from Kentucky B meeting on Friday was focused on board many other programs were being run, what is forward and back, but provided a remote control to each participant so that after each segment was taught, he would question the crowd, and we would individually answer the question on the remote. This in turn was fed to his computer projected on the large screen as a bar chart of yes/no, or multiple choice answers to the question. This was not only very instructive as to our grasp of USPAP, but became rather entertaining when about 10-15 percent of the crowd began to wait until he started to provide the answer before they locked in their vote. The result was a last minute extreme change to the bar charts which were rather funny to watch.

From my perception, this trip provided not only an opportunity to address the AQBA about our SDSU partnership project of undergraduate courses study, but attended a very informative conference of AARO (Association of Appraisal Regulatory Officials) on the regulation of the appraisal profession. The best way to sum up these days was that it reminded all participants that we had been appointed or hired to serve our state's programs in a variety of ways, which is a huge responsibility to our licensees. We are much more than a "Cop" overseeing the appraisal industry of our state. Because of the manner in which our state program has been and continues to be administered, we have had fewer complaints than the national average, and have had two consecutive inspections of our program procedures and follow up by the ASC with no problems noted.