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SOUTH DAKOTA CHAPTER
AMERICAN SOCIETY FARM MANAGERS & RURAL APPRAISERS
THE MOST TRUSTED RURAL PROPERTY PROFESSIONALS

11 / 09



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

DATES TO REMEMBER!

December 5-6 – Kjerstad Memorial Pheasant Hunt
January 20-22–Winter Education & Joint Meeting W/PAASD – Chamberlain
March 11 - West River Breakfast Meeting - 9 A.M.
Rapid City Marlin's Roadhouse Grill
March 19 - East River Breakfast Meeting - 9 A.M.
Sioux Falls Roll'N Pin
May 6-7 - Chapter Board Meeting - Brookings
May 7- SDSU Network Event - Brookings
July 12 thru 16 – ASFMRA Summer Education Week – St. Louis
November 1 thru 4 – Ag Pro Outlook / 81st ASFMRA Annual Meeting –
Orlando, FL

PRESIDENT'S MESSAGE

I realize this month's newsletter will be heavily weighted with highlights of the recent ASFMRA Annual Meeting. I guess I'll throw in my 2 cents worth as well.

Over the years that I've been involved with ASFMRA, and more specifically since I've become Accredited, served on a national committee, and been fortunate to attend several Annual meetings, I noticed the ebb and flow, ups and downs of our organization. Like many of you at times I was well satisfied with the leadership and what they were doing and at other times perhaps not so satisfied. I guess that's pretty normal for me and probably pretty normal of any member of a professional organization.

Over time I've observed several of our leaders and some of them I knew on a light first name basis. They all seemed to me to take their leadership positions very seriously and recognized the weight of responsibility they carried. I always felt that each was giving us, the members, the best he had of time and talents. I don't know, but suspect some of them did so with a reduced business income for a time because of their devotion to our society. When you have a chance, please don't be bashful about saying "Thanks for your service".

As I watched and to a slight degree worked with the Denver staff at this meeting, I came away feeling this is one of the best groups I've witnessed. They seemed well led, well organized, and focused on their many tasks.

Continued

I also express my opinion that out-going and in-coming national leaders are leading our organization in a good direction. One of the out-going gentleman mentioned that his focus had been on “membership, services and benefits to members” and that idea seemed entirely appropriate to me. Our in-coming President, Dick Edmunds, ARA, AAC, also commented on the ASFMRA Vision, Mission, Goals and Objectives. In case, like me, you haven’t reviewed these lately, please take a minute to review and reflect:

Vision, Mission, Goals & Objectives

Vision

Recognized as The Most Trusted Rural Property Professionals.

Mission

ASFMRA members protect and serve the rural property owner with trustworthy valuation, management, consulting and marketing services.

ASFMRA Goals

- **Grow Membership:**
- **Grow Course Revenue:**

Grow membership by 1% in 2009 Grow course revenue by 5% in 2009

Objectives

The general objective of the American Society is to promote, without profit to itself, the professions of rural appraisal, real property review appraisal and farm management by holding meetings for the exchange of ideas, conducting schools and other devices for disseminating information, as well as administering an accrediting program for the recognition of the professional advancement of individual members, building and maintaining a code of business and professional ethics, and by other means approved by the Board of Directors.

The American Society may, in addition to its general objective:

- Establish sound standards, principles, and procedures for farm management and rural appraisal.
- Maintain a high code of business and professional ethics.
- Provide meetings where appraisers and managers may learn from recognized authorities and each other.
- Conduct training and educational programs or seminars, workshops and schools in farm management, rural and review appraising, eminent domain and related areas.
- Administer an Accrediting program for its members.
- Publish a professional Journal.
- Publish a newsletter.
- Publish a farm management manual, a rural appraisal manual, and other publications.
- Provide an awards program to recognize those in the profession and related areas for their accomplishments.
- Inspire public recognition of the profession.
- Constantly strive to improve the standards and quality of services offered by members.
- Cooperate with, and support, all worthy agencies striving to improve American agriculture.

DENVER NATIONAL MEETING EXPERIENCES

by Paul Reisch, ARA

Jim Dunlap and I arrived in Denver late Monday afternoon in time for the national office tour and social. It was enjoyable to meet all of the staff and some of the Executive Council and national committee chairs at this event.

On Tuesday, Jim Dunlap (Appraisal Education / Accrediting) and Tom Jass (Management Education / Accrediting) attended their respective meetings. They will have articles on committee activities in next month's newsletter. Ted Risty and Geoff Oliver attended education classes. My son Nathan, who lives and works in Ft. Collins, and I enjoyed a day in Denver.

A two day snow storm began Wednesday evening. This caused the Pioneer Tour to be held indoors.

Rapid Fire Case Studies was an interesting Wednesday afternoon seminar on several topics. The Appraisal of Green Buildings presentation by Leonard Meador, AAC made those attending aware that this will be a major factor in value in the near future on many specialized livestock facilities and ag industrial buildings.



By mid-morning on Thursday, my focus had completely changed from a seminar attendee to “presenter”! FCS America colleague Cal Goding from Omaha was scheduled to give an ethanol industry presentation as part of the Thursday afternoon presentation “The Up Side of Down – Valuation Challenges in a Tough Economic Climate.” The seminar moderator and presenter for the dairy industry called Thursday morning from Detroit and informed Cal that he would not be able to get a flight into Denver to make the presentation. Cal asked me if I would fill in for the dairy appraisal portion of the program and that was the focus of the rest of my day.

It allowed enough time to put together about 5 pages of information for those attending addressing the current industry conditions, common units of comparison, dairy facility RCN's, and cost approach depreciation analysis for larger dairy facility sales for 2005-2008 and for the 2001-2003 period when the industry was also under stress.



Feedback after the presentation was positive and the experience provided me with the opportunity to meet and interact with several national ASFMRA leaders.

Continued

NATIONAL MEETING EXPERIENCES CONTINUED

At Friday morning's board of directors meeting, members were informed of many 2009 successes including financial as the organization had a net income of almost \$212,000.

Lobbyist Stephen Frerichs gave a Washington update to the members including the current status on the Section 1619 issue relative to aerial photo imagery. He stated that the current climate is "we hear you, feel your pain, but don't want to open the farm bill." There is a growing sense that they went too far with the privacy issue feeling pressure from others besides ASFMRA. We will have to live with what we have for now, but he is hopeful changes can be made in the 2012 Farm Bill. Mr. Frerichs indicated he did not think climate change would pass the Senate in 2010. He offered to attend chapter meetings, if invited.

Immediate Past President Jerry Warner provided information on RCIS and the opportunities they present for ASFMRA in education to the rural discipline, education on International Valuation Standards, and international networking.

JOHN WIDDOSS RECEIVES HIGH HONOR IN DENVER

John Widdoss received the 2009 Appraisal Professional of the Year at the 80th ASFMRA Annual Meeting in Denver. The award was sponsored by Rabo AgriFinance.

John's wife, mother, brother, sons, and grandsons were all able to be present to see John receive this prestigious award.

Judging Criteria For The Award:

- Impact on the appraisal profession
- Community involvement
- Respected by clients, peers, or colleagues appraisal designations
- Education
- Other memberships and involvement in service organizations



Highlights of John's Professional Activities:

- ASFMRA member for 28 years
- ASFMRA Instructor
- Past President of the ASFMRA
- Trustee-at Large for the Appraisal Foundation for 3 years
- Past Chair of the Education Coalition of the Appraisal Foundation (ECAFS)
- Earned the ARA designation in 1982
- Past President of the South Dakota Chapter
- Past recipient of "Excellence in Education" Award from the ASFMRA

RON ENSZ WINS COSTUME CONTEST AT EDUCATION FOUNDATION AUCTION

As usual, a highlight of the 80th ASFMRA Annual Meeting in Denver was the Education Foundation Auction held Thursday evening October 29th. The auction and social included a Halloween Costume theme. Ron Ensz participated as “just call me John”. During the reception period prior to the auction, Appraisal Professional of the Year John Widdoss also tried out the costume.



At the end of the auction, all those participating in the costume contest were recognized and were voted on by those in attendance with loudest applause. This led to six semi-finalists and finally two finalists. “Ron, alias John” was the winner and received a \$50 gift certificate at Office Depot!



The auction itself was a success with over \$25,000 raised at the silent and live auction activities. This included a successful \$1,600 bid from Ron Ensz for the Exotic Game Weekend Hunt on the Bierschwale Ranch in Kimble County, TX. The hunt is for one or two people and includes one trophy buck and an axis doe.

Continued

FOUNDATION AUCTION CONTINUED

The South Dakota Black Hills Gold raised \$550 with the silent auction necklace and money clip bringing \$200. The watch sold for \$350 at the live auction.

Bobbie's Traveling Sombrero (purchased at 2008 auction) was sold with \$100 cash attached to it. The Sombrero was sold three different times generating almost \$600.



A new feature at the end of the auction was bidding for the new Minnie Scholarship.

This scholarship will be awarded to an ASFMRA member to support attendance at the 2010 Orlando Annual Meeting of one of his / her children.

Nominations for the scholarship should be submitted to Executive Director Brain Stockwell. The successful bid on this scholarship was \$950.



Chapter member Ryon Rypkema is serving on the 2010 Foundation Auction committee.

EDUCATION COMMITTEE UPDATE

By Committee Chair Jim Hollenbeck

Plans are well underway for the January 20-22, 2010 joint PAASD/ASFMRA meeting at Cedar Shore Resort in Chamberlain. The South Dakota Chapter will be the primary sponsor for two courses, and co-sponsoring one course with PAASD. In total, there will be six different offerings over the three day event summarized below. This should be a good event with quality continuing education and the opportunity to pick up to 22.0 CE hours over the three days.

Wednesday – January 20	Thursday – January 21	Friday – January 22
<p>Appraising Distressed Commercial Real Estate: Here We Go Again. (7.0 CE) sponsored by SD ASFMRA and WY Appraisal Institute. Instructor: Rich L. Borges II, MAI, SRA, GRI</p>	<p>USPAP 7-Hour Update Course. (7.0 CE) co-sponsored by SD ASFMRA Chapter and PAASD. Instructor: Dennis Badger</p>	<p>Wind Powered Electric Generators and Their Impact on Land Ownership. (8.0 CE) sponsored by SD ASFMRA. Instructor: Terry Argotsinger, AFM, ARA</p>
<p>Valuation By Comparison: Residential Analysis & Logic. (7.0 CE) sponsored by PAASD and WY Appraisal Institute chapter. Instructor: Mark Smeltzer, SRA</p>		<p>Bulletproof Residential Appraisal Reports. (3.0 CE) sponsored by PAASD. Instructor: Craig Steinley, SRA</p>
<p>Registration for the courses is being handled by PAASD thru their website, or by contacting Bev Luke with PAASD at 605.716.9011. Advance registration ends January 10, 2010. For reservations at Cedar Shore Resort, call 605.734.6376. Room rates are \$70 if you mention “Prof Apprsr Assn of SD”. Deadline for special room rate is December 19, 2009.</p>		<p>Training Course for Supervising Appraisers and State-Registered Appraisers. (4.0 CE) sponsored by PAASD. Instructor: Craig Steinley, SRA</p>

In order to put on the “*Distressed Commercial Real Estate*” course, we had to affiliate with the Appraisal Institute via the Wyoming AI Chapter. This has been a timely and popular course around the country and should offer good insight into distressed commercial real estate not only for commercial appraisers, but also ag commercial appraisers, property managers, brokers, and lenders. We are advertising with this larger audience in mind.

The “*Wind Powered Electric Generators*” course will be very topical and timely for the state and regional real estate community. The course is posted on the National ASFMRA website. In addition, the following organizations will advertise the Chamberlain offerings to their memberships: SD Bankers Assn., South Dakota Association of Assessing Officers, Appraisal Institute chapters in adjoining states, and South Dakota Extension Service. We are also working on advertising with the SD Realtor Assn., South Dakota Wind Energy Assn., SD DOT, and state federal agencies including USFW and BIA.

Continued

EDUCATION COMMITTEE UPDATE CONTINUED

The chapter education committee met via conference call recently to discuss planning for the January 2010 Chamberlain education (above), Iowa summer meeting in Sioux City, Education Survey, Summer Tours, SDSU Breakfast meeting, and brainstorming for future education opportunities.

The Iowa chapter inquired with president Jass if the SD Chapter would be interested in participating in the Iowa summer meeting and tours scheduled for June of 2010. The chapter board discussed this during the October board meeting and decided that our chapter will promote the event with our membership, but won't actively be involved. The board decision was communicated to the education committee.

The committee also discussed attributes that make a given education offering successful. The following attributes for a successful course were developed from a brainstorming session:

- Current topic
- Relevant subject matter
- Good quality instructors
- Affordable registration fees
- Early advertising with broad coverage
- Location that offers good amenities and things to do
- Enough CE to cover bulk of renewal requirements during one event
- Proximity to national airport
- Noted that planning/coordination is easier for one long class/seminar versus multiple small classes or seminar (i.e. one 3 day course is easier to manage than three 1 day courses or seminars).

The SD Chapter is also considering involvement with the Ag Lenders Range Camp that will be in Butte County in June of 2010. A representative with the chapter education committee has been invited to a planning meeting in Rapid City in February. Initial thoughts for participation are conducting a land trends update during the range camp. We will keep you posted.

The Education Committee is asking for your participation in helping plan for future education opportunities.

[Click here to take the survey](#)

The education survey will consist of nine questions and a space to comment regarding member demographics and preferences regarding education. The survey format will be web based using an online service called "SurveyMonkey". National ASFMRA has graciously allowed us to use their SurveyMonkey account which allows unlimited number of respondents and more options for reporting and analysis. This is a first time trying the online route for gathering information from our membership...but it makes good sense given the convenience and fact that virtually everyone has access to the internet these days. Results of the survey will be shared during the membership meeting in January.

A link to the survey will also be posted on the [SD Chapter website](#) for future reference in case the newsletter or e-mail gets lost or deleted.

SDSU PLANNING HIGHLIGHTS EAST RIVER BREAKFAST MEETING

By Paul Reisch, ARA with the help of note taker Scott Heimes!

Chapter members Jesse Ball, Jeff Barker, Brian Gatzke, Scott Heimes, Jim Hollenbeck, Alan Husby, Larry Janssen, Tom Jass, Jay Knuppe, John McMahon, Paul Reisch, Ron Rucker, Paul Sickler, Jerry Warmann, and Jorge Vicuna were joined by Adam Nelson, FCS America Sales Specialist in attendance at the East River Breakfast meeting.

Brian Gatzke shared information with the members regarding the SDSU Northwest Corridor, west and north of the animal science complex. This project is designed to create income stream for the University to operate. The project will include new apartment complexes, new housing developments, businesses, and others. Concern in the Brookings community is absorption rates, effect on existing businesses, and tax base.

Jim Hollenbeck shared Education Committee activities (see separate newsletter article). Paul Reisch shared some of the National Meeting happenings (see other newsletter articles).

The SDSU Relationships Committee planning for 2010 and beyond highlighted the balance of the meeting. SDSU Relationships Chair Paul Reisch led the discussion and brainstorming of ideas. There was great participation and ideas to consider from those attending. Newer chapter members Jeff Barker, Jay Knuppe, and Larry Janssen volunteered to help with certain activities and thus are new committee members! Below are the ideas and outcomes that were generated at the meeting.



SDSU Breakfast Meeting Brainstorming:

- Week after finals for Breakfast Meeting captures more SDSU Academics.
- More participation from campus faculty- Department Heads could give update (5 min., maybe every 2 or 3 years), on what's going on in the college.
- Golf social.
- Ethanol Plants did a cross exchange of presentations between Ethanol, and Faculty. Then, they toured the new buildings on campus.
- A full day or 4 hour meeting, every 4 or 5 years.
- Do a case study.
- Traditional Ag Summer Ed Tour- would have to be later in Summer.
- Social is as important as Education
- Continuing Ed for Tours???? Questionable going forward
- Large Credit officer – speaker “economic times”
- State Regulators, ASB
- Piggy backing with other groups
- Start later (around 10:00 or 10:30) - Gives members from further away a better opportunity to attend.

Continued

EAST RIVER BREAKFAST MEETING

Outcome:

- 2010 – The SDSU Network Event will be held on May 7th with a later start (around 10:00 or 10:30). Jerry Warmann will give his presentation on the International Farm Management Conference he attended this past summer. We will ask select SDSU department heads and other representatives to give updates. Invite SDSU representatives to join us for a golf social in the afternoon.
- 2011- Education and SDSU Relationships committee representatives will meet together to discuss the content of a full day agenda incorporating some of the other ideas that were generated.

Statewide news release on our scholarship will be utilized to help promote student applications and make the public more aware of our chapter.

SDSU Career Days booth can be enhanced with table cloth (SD chapter designs) and some type of a drawing or raffle (suggestions - gift certificates, places to eat, or book store \$25)

Thanks to all who attended and participated in the discussion.

ASSESSMENT DISCUSSION HIGHLIGHTS WEST RIVER BREAKFAST MEETING

By Perry Beguin

The attendance was small but the West River Breakfast was a good meeting. Loy Matthes, Geoff Oliver, Russell Wyatt, myself, and Bev Luke from PAASD were in attendance.

Shannon Rittberger, who is the director of equalization for Pennington County, gave an excellent presentation on how the new income based formula for assessing agricultural land will be applied. Of particular interest to appraisers is the fact that the state is still requiring the county offices to track sales, even though the new formula is not based on sales.

Shannon also informed the group about changes on the Pennington County website which will help in researching sales and accessing property information.

There was some good discussion about the upcoming continuing education classes that will be offered at the winter meeting in Chamberlain. Wind energy seemed to be the most talked about offering, and Shannon said he may send someone from his office to that class.



The next West River Breakfast meeting will be 9:00 AM, March 11, 2010 at the same place Marlin's Road House Grill in Rapid City. The regularly scheduled January breakfast meeting is cancelled because it would be too close to the Chamberlain meeting.

KJERSTAD MEMORIAL PHEASANT HUNT

All proceeds 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: December 5th and 6th

Storm Dates: December 12th and 13th

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. 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. Also, campers are welcome at the farm. The shop even has an indoor bathroom!!!

Food: Everyone should plan to bring their own food for all meals. Typically, at lunchtime, we all 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 Scholarship Fund, send check payable to SD ASFMRA (memo line - Kjerstad Memorial Chapter Member Scholarship Fund) to Brian Gatzke, 222-Fifth Avenue, suite 101, Brookings, SD 57006.