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

10 / 2012



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

DATES TO REMEMBER!

Nov. 7 – Chapter Board Meeting – Rapid City

Nov. 8 - West River Breakfast Meeting - 9 A.M.

Rapid City Marlin's Roadhouse Grill

Nov. 16 - East River Breakfast Meeting - 9 A.M.

Sioux Falls Roll'N Pin

January 17-18–Winter Education & Joint Meeting W/PAASD - Chamberlain

July 14-180 - ASFMRA Summer Education Week – Omaha, NE

PRESIDENT'S MESSAGE

Well, I'm back from my trip to Florence and Rome, Italy, which was an excellent experience!

I'm including one picture which kind of sums up the lifestyle and visit to Florence. This picture is taken out of the flat / apartment which we rented with another couple for the week. It was built around 900 AD.

What you are seeing are approximately 12' wide streets which are shared with small cars, scooters, bikes, and people. Below right is a coffee shop (excellent cappuccino!). Cars, bikes, etc. will go by those people at the tables. The guy in the blue is standing in front of a gelato shop.

The upper right is a tent over the seating for a well-known restaurant in Florence, Quatro Leoni, (or 4 Leoni). I had one of the best steaks at that place I've had anywhere. The blue sign with arrow is a one way sign. Our taxi dropped us off right in the open intersection. Each street from that corner has a different name, so it is an interesting experience navigating the streets, even walking!

As mentioned, we had a great time, other than me developing a case of pneumonia over the last couple of days! I'm finally over the coughing!



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PRESIDENT'S MESSAGE CONTINUED

So now it's back to work and my President's role for another few months. Last week, I attended the Dairy Seminar in Brookings, which Brian Gatzke has reported on in this newsletter. I thank Brian for all his work on this project. It was a risk because it was hard to know what type of attendance there would be, but it was an interesting experience. It pulled together some experienced dairy appraisers, local leaders, dairy processors, etc. It opened people's eyes to how truly global this industry is and all the factors that go into the market that influence the value and trend of the dairies of all sizes.

Another thank you goes to Jay Knuppe and the volunteers who represented our chapter at SDSU career days.

I'm not done traveling yet as I will be leaving for the National Convention on the 30th. I've been asked to sit in on the panel for Chapter workshop which discusses what is working and not working for Chapters. It will be good to get the word out on our Chapter as we truly have a history of a lot of accomplishments. There are several others attending from our Chapter and two are using the Kjerstad scholarship.

When I get back, we have our board meeting in Rapid City on November 7th and 8th. It is planned to meeting with the West River Breakfast group on the 8th. Let myself or any board member know if there is any business which you would like the board to discuss.

It's been a hectic fall so far but some great experiences!

CHAPTER HAS PRESENCE AT SDSU CAREER DAYS

By Jay Knuppe, SDSU Relationships Chair

Chapter members attended the SDSU Ag Bio Career Days on October 17th. Our Chapter was represented this year by Paul Sickler, Jesse Ball, and Jay Knuppe.



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 ASFMRA and South Dakota Chapter.
- Increase student awareness and interest in the Chapter's SDSU Scholarship.

We talked to an estimated 30 students throughout the day. Many of the students had questions about ASFMRA and how to become a farm manager and / or appraiser. They

were also encouraged to apply for the ASFMRA SDSU scholarship for next year.

The Denver office had provided some good career description brochures, along with the display materials, and quite a bit of the brochures were used by the end of the day.

Travis Machmiller was the winner drawn for our \$50 SDSU Bookstore gift card. The card will be mailed to Travis. All things considered we had a good day. It seems like there is a gradual improvement in awareness both of students and faculty of our careers and we are achieving our committee goals.

DAIRY VALUATION SEMINAR PROVIDES PARTICIPANTS VALUABLE INFO

About thirty individuals gathered in Brookings, SD on Thursday October 18th to discuss key issues affecting the dairy industry and share how they approach dairy facility valuation. Participants were primarily from Minnesota and South Dakota but included appraisers from Colorado, Idaho, Iowa, Michigan, Nebraska, Oklahoma, and Ontario Canada.

The seminar was sponsored by the South Dakota Chapter of the ASFMRA with co-promotion by the SD Department of Agriculture, SD Bankers Association, MN Chapter ASFMRA, WI Chapter ASFMRA, and ASFMRA.

Instructor Richard Gilmore from Massachusetts challenged participants thinking regarding:

Do traditional approaches to value and analysis keep pace to a rapidly changing industry?

Will record slaughter of cows and depressed conditions in California, New Mexico, and Texas affect Midwest dairy facility values?

Does Fleckvieh, the second largest breed in the world, have a future place in U.S. dairy industry?

How do large world food and dairy companies, the value of the dollar, and dairy operations such as low cost New Zealand model affect world prices and U.S. export market?

How do economy of scale and cost of production affect the future of small sized dairy operations?

Over the lunch hour Rusty Hartke from Gorter's Dairy Equipment, Pipestone, MN presented participants with information regarding robotic milking and feeding. Robotic milkers cost more but provide owners with reduced labor costs, increased production from lower producing cows, and more flexibility in their schedules.



The group enjoyed an ice cream bar social in the afternoon courtesy of the SDSU Dairy Department.

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DAIRY SEMINAR CONTINUED



On Thursday evening participants enjoyed supper at the NEW Children's Museum of South Dakota and listened to Ms. Francine Moudry, Bel Brands Project Director, share information about Bel Brands and what led to their decision to build a new cheese plant in Brookings, SD.

Mr. Jon Farris, Deputy Secretary, SD Department of Agriculture also shared insights in philosophy regarding efforts to promote livestock expansion in the state.

On Friday October 19th bankers, zoning officers, and dairy operators joined the appraisers to learn more information on various topics effecting SD dairy operations and facility valuation. About 40 people were in attendance. Speakers included:

- Dr. Alvaro Garcia, SDSU Dairy Extension – Profitability & Production
- Dr. Stephen Pohl, SDSU Ag Extension - Dairy Buildings for A-Z
- Todd Kays, 1st District Executive Director- Assoc. of Local Governments - Zoning and Land Use-CAFO's
- Dr. Larry Janssen, SDSU Economics - Lunch & SD-Land Value/Rental Survey
- Ron Duvall, SD-DENR - State Water Permits
- Kent Woodmansey, SD-DENR – State CAFO permits
- Jason Michel, Valley Queen, Marketing – Local / US Dairy Product & Valley Queen recent years' expansion / future plans.



Different speakers spoke to the need for 60,000 to 100,000 additional dairy cows to meet future needs of Bel Brands, Hull, IA, Davisco, and Valley Queen cheese demands.



Brookings (37), Grant (202), and Moody (162) Counties have recently identified sites for possible dairy facilities that meet county zoning regulations, are not over a shallow aquifer, are near rural water, 3-phase electricity, and county / state road system, and have a buildable lot area of at least 40 acres.

The sites have been identified as good, better, and best sites.

Landowners are being contacted regarding interest in applying for certified sites with transferable permits.

Thank you to Ag Star Financial, Ag United, Dairy Net, Dairy Star, MetaBank, and United Development for helping sponsor the seminar. Thank you to Education Chair Brian Gatzke for his work in planning, organizing, and putting on the seminar.

MEMBER PROFILE IS JOHN HERRITY

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

I was raised on a diversified farm 5 miles east of Elk Point. I attended Black Hills State University from 1986- 1992. I spent the next 12 years as a construction project manager in Elk Point and Dakota Dunes as a partner in a company I founded, along with my brother, by the name of Herrity Construction Inc. The company directly built and managed the construction of approximately 300 homes during that time.

In 2003 I became a State Registered Appraiser working under Neil Helvig of the Helvig Agricultural Service Company doing mostly narrative farm appraisal reports. Neil was an excellent mentor and a good friend. Although he passed away in 2008, I continue to work, appraising farms, on a contract basis for his son Doug.

I now own Herrity Appraisal Services and am Broker / Owner of Herrity and Associates Real Estate located in Elk Point, specializing in sales of farm and acreage type properties. I also occasionally work as a ring man for the Brock Auction Co. in LeMars, Iowa.



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.

My mentor, Neil Helvig, was a past Iowa chapter president of the ASFMRA and spoke highly of the organization and its educational offerings, which eventually led me to join the South Dakota chapter.

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).

In 1991 while attending Black Hills State University, I travelled to Alaska to spend the summer working on a salmon fishing boat, I knew after that first summer that Alaska salmon fishing would be a part of my life. In 1995 I purchased my first boat and permit. I have spent 5 - 6 weeks in Alaska every summer since and now own several boats and permits in the Bristol Bay salmon fishery. We harvest sockeye salmon with gill nets set off small boats. Look for Bristol Bay Salmon fishing on utube.

Describe a few memorable or unique experiences in your life.

I have many fond memories of the past 22 summers in Alaska. Definitely the most memorable is not the fondest of memories. I was travelling from Dillingham, Alaska to Naknek with a boat I had purchased the previous winter. While making the 90 mile crossing, the boat's transmission failed (in the middle of the Bering Sea) and I spent the next three days stranded on anchor in a storm, with no cell phone service and a faulty VHF radio.

Finally, the anchor line broke and the boat thankfully drifted to shore. After firing a flare gun at a passing plane, they called 911 and I was rescued by the Alaska State Troopers via a super cub they had landed on the beach next to me. I was never so happy to see another person. I later hired a salvage company to retrieve the boat. That is the super-condensed version of the story and one of the most unique experiences of my life.

SD CHAPTER - KJERSTAD MEMBER SCHOLARSHIP

Objectives:

1. Encourage potential members to join our chapter and help them with initial ASFMRA education.
2. Encourage members to attend and learn the benefits of the networking and education that take place at national events.
3. Broaden the experience of chapter members, which will in turn, strengthen our chapter member networking opportunities and develop future leadership for the chapter.
4. Encourage members to pursue accreditation and support them in this endeavor.
5. Recognize the member's achievement in gaining his accreditation.
6. Build member loyalty to the chapter.

Funding for this program is handled outside of the normal chapter operating / budgeting process. A separate money market account is dedicated for this program and the scholarships are paid from this account. Chapter fundraising projects and interest accrual on the account pay for the scholarships.

Scholarship opportunities for members under this program include:

- **\$500 scholarship for Leadership Institute attendance** -- Priority for the scholarship - Chapter President, board member, member who has never attended, member who has attended. Interest to be communicated to Chapter President by August 1st.
- **Pay member registration fee for first time national meeting attendance** - The member planning to attend their first national meeting would inform President and Treasurer.
- **Pay up to two \$500 scholarships annually to attend the National Meeting for members who have attended the National Meeting in the past.** Those intending to attend a National Meeting would state their intent to do so to the President and Treasurer. Then, those submitting their intent will be in a drawing for one of the two scholarships. The scholarship would be for members that are not reimbursed their costs by their employer. The scholarship would be limited to the same winner once every three years if several are entered in the drawing.
- **\$500 scholarship for first education course that is a part of accreditation track after becoming a new member.** - Member would inform President and Treasurer of intent to attend. Scholarship paid to member upon confirmation of course enrollment and adequate funds. If inadequate funding, will be reimbursed in future when adequate funding secured.
- **\$500 scholarship for accreditation education for those committed to achieving accreditation.** - Any current member can provide written intent for the upcoming calendar year by December 1st to Chapter President. The written intent will convey the member's status regarding educational requirements and his / her personal timeline to achieve completion of educational requirements, demo report, and sitting for the exam. Scholarship approval will be communicated to a member by March 31 of the calendar fiscal year. The member can be paid \$500 toward the cost of a class still needed within 3 years of scholarship approval.
- **Pay for cost of the accrediting exam** - Payable upon application as communicated by member to President and Treasurer. The cost of exam would be paid on a one time only basis.
- **Pay member registration fee when receiving accreditation at national meeting.** The member planning to attend would inform President and Treasurer.

Scholarships related to accreditation address only 1 accreditation per member. I.E. – Would not cover ARA, AFM, RPRA and / or AAC all for one member over time. The Kjerstad Member Scholarship Committee will administer the scholarship. Committee members are President, Past President, President-Elect, Treasurer, and one at large member appointed by the President. The at large member is appointed at the beginning of each president's new term.