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

9 / 2012



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

DATES TO REMEMBER!

October 17 – SDSU Career Days

October 18-19 – SD ASFMRA Dairy Seminar – Brookings, SD

Oct 28 thru Nov.2 – 83rd ASFMRA Annual Meeting – Indianapolis, IN

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

PRESIDENT'S MESSAGE

It's great to be busy and go on trips, but I think I might have overloaded on the trip part right now. I just got back from the Leadership Institute. It was a great experience and hope others will take the opportunity to attend in the future. The Chapter also sponsors this event through a \$500 Kjerstad Member Scholarship. I think we all get a little jaded about Washington and nothing gets done, but the process goes on. Some things change, some stay the same, and a lot goes nowhere. I have a report in this newsletter which gives an overview of what the experience is about.

At the end of the month we begin our trip to Italy, which we have been planning for quite some time. We are really looking forward to it. Someone asked me what I am most looking forward to seeing, and I think the biggest thing is just seeing how another part of the world lives. I've already been asked that I need to give a full report when I get back! Does a visit to Tuscany count as an Ag tour?

October is another busy month. Jay Knuppe just got done with the SDSU Scholarship Banquet and has things lined up for the Career Days at SDSU. Brian Gatzke has also put a lot of effort into the Dairy Seminar on October 18th & 19th. The numbers are climbing on attendance. This looks like a great program for those interested in this area of appraisal expertise.

The National convention begins October 29th, which I'm planning to attend as delegate. There is a good lineup of Rapid Fire case studies for appraisers on Wednesday, which includes a presentation by John Widdoss. On that same day, there is a good farm / production tour sponsored by DuPont Pioneer, which is the typical scheduling for that day.

PRESIDENT'S MESSAGE CONTINUED

Things are finally firmed up on the January class, Valuation of Intangible and Non-Financial Assets which is January 17-18 in Chamberlain. It has become more difficult to get some classes approved for Continuing Ed credits, but we finally got that issued cleared up. Again, thanks to Brian Gatzke for working on this issue.

I hope quite a few of you can participate in the October events.

CHAPTER PRESIDENT ALLAN HUSBY ATTENDS LEADERSHIP INSTITUTE

I was fortunate to be able to attend the Leadership Institute from September 9th to September 13th. Leading up to the day, I was getting apprehensive about deciding to attend, but am glad I did take in this event.

The 3 1/2 days are filled with informative meetings and good networking opportunities so this is not for someone expecting a vacation! Rather than try to go into all of the policies discussed from each speaker, I'll try to give you an idea of what an attendee will experience.

I arrived late on Sunday so missed out on sightseeing opportunities on Sunday afternoon for the appraisers, but had recently been to DC so had seen most of what they were able to see that day.



We stayed at the Westin in Alexandria, so we were on our way Monday morning by 6:30 AM to take the Metro to the Farm Credit Council building, which is near Union Station in Downtown DC. Merrill Swanson was the government relations committee appraiser rep. He did a great job of organizing our group together and getting us to the meeting on time.



Our first visit was with Bill Garber and Scott DiBiasco, Federal and State Government relations reps for the Appraisal Institute, basically their lobbyists. They updated the appraisal group on Farm Bill issues, Dodd Frank, Credit Review Issues. There is a frustration, which is typical, that these items are progressing very slowly.

Our next meeting was a taxi drive away to the Appraisal Foundation office. We met with David Bunton, President of the Appraisal Foundation, and James Park, Executive Director of the Appraisal Subcommittee.

They reviewed their functions and discussed some on how the Appraisal Institute leaving the Foundation has affected their work. It basically meant having to fill some positions on the boards as the Appraisal Institute members can no longer be on these boards. It was pointed out that they still work with these individuals but they no longer can be on the Boards.

Continued

LEADERSHIP INSTITUTE CONTINUED

That afternoon, we were back to the Farm Credit Council offices for a roundtable discussion with Chief Appraisers John Ross, for Valuation Services, Dept. of Interior, Brian Holly, Dept. of Justice, and John Turpin, Federal Highway commission. The message was there is plenty of appraisal work to be done and each has a different way of applying for that work. They are also looking more closely at the quality of the work.

George Barlow, Attorney for Office of the Nature Conservancy, also gave a presentation on appraisals for Conservation Easements.



Monday evening, the appraisers joined the Farm Managers on a dinner cruise which was sponsored by DuPont / Pioneer. I understand this was a first as far as appraisers being invited along. This was a great experience and thanks go out to DuPont / Pioneer.

All day Tuesday was spent in what was called an Advocacy Communication training session. This also was something that normally was just for Farm Managers. I was somewhat skeptical about going into this training, but it really turned out to be a good experience. Each individual made presentations during the day that were recorded on DVD and then given to the participants to show the progress during the day. It did give some good training, such as the 90 Second opener for presentations to groups.

Tuesday night was a dinner presentation by Stephen Frerichs, our lobbyist and Dennis Reymen and Merrill Swanson from our government affairs committee.

Wednesday morning was spent in joint meetings with the Farm Managers. These were discussion with various presenters with questions on policies and what is expected to come forward on the Farm Bill, etc. Mary Kay Thatcher, lobbyist for Farm Bureau, gave her slant on what she believed would be happening on the Farm Bill. She did leave the door open a little bit on the Section 1619 issue, but said it was still their policy position to leave 1619 as is. She said that policy starts with the State organizations, so if change is to be made, it has to start before states set their policy positions for the year.

Craig Jaegger, who works for the House Ag committee under Rep. Colin Peterson, gave a presentation on where the Current Farm bill is at in comparison to past bills and the proposed funding levels. Various commodity lobbyists gave presentations, but their presentations were also brief because some attendees and lobbyists were attending a "FARM Bill Now" rally which was organized to try to put pressure on Congress to pass a Farm Bill.

The group was supposed to meet in the House Ag Committee chamber with Frank Lucas, Chair of the House Ag Committee but he was unable to meet due to some votes taking place in Congress. His Ag aide met with us. The aide did leave the door open that they were willing to revisit the Section 1619 issue.

Continued

LEADERSHIP INSTITUTE CONTINUED

A short afternoon, after 3:00 PM, was left to make visits to our congressional reps. I had made arrangements to meet with Lynn Tjeerdsma, Senior Policy Advisor for Sen. John Thune. Lynn and I had some mutual acquaintances from our FMHA / ASCS days, including John McMahon. Sen. Thune also stopped in for a few minutes. We did discuss the Section 1619 issue and his message was the same, in that there were some possibilities for change.

The theme for the whole day was that all were frustrated over the Farm Bill and had some Farm Bill burnout. They were sick of discussing the Bill and it is very likely that it will be held off until after the elections and they will then have to start over.

Thursday morning was again back to meetings, with what I would call all meetings with lifetime bureaucrats. Rich Brown, FDIC, gave a perspective on rural banking and the land values. He said that rural banks are generally in good health and generally not over leveraged on land debts.

Joe Prusacki, NASS, actually gave probably the most entertaining presentation I have ever heard on Ag statistics.

To view more photos of the Leadership Institute, go to facebook.com/ASFMRA.

EAST RIVER BREAKFAST

Eight members broke bread together and discussed recent events in the agricultural industry including recent land activity. Members in attendance were Jeff Barker, Scott Heimes, Larry Janssen, John McMahon, Travis Shaykett, Paul Sickler, Jarrett Sievers, and Tyler Urban.



MINDY HUBERT DISCUSSES SMALL ACREAGES AT WEST RIVER BREAKFAST

Western South Dakota ASFMRA members met for breakfast at Marlyn's in Rapid City on Sept 13. We had a great crowd of members and guests. Present were Ryan Rypkema, Ron Ensz, Perry Beguin, Loy Matthes, Wade Buck, Norm Edwards, Dave Baker, and Mindy Hubert.



There was a good renewal of friendships and discussion of current items. We discussed the location of the Bakken natural gas pipeline and some of its concerns. It runs from Sidney Montana to Weld County Colorado and is scheduled to be completed in 2013.

Ron Ensz mentioned his affiliation with Clark and Associates Land Brokers, LLC for his real estate business and forming Ensz Appraisal, LLC for his appraisal business.

Ms. Mindy Hubert, SDSU Extension Small Acreage Specialist, gave a very interesting and well received presentation on consideration for buyers and sellers of smaller acreages. Some of the considerations:

- Carrying capacities of animals from livestock herds to chickens. This includes horses, cows, pigs, goats, sheep and kids.
- She provided considerations a potential buyer should know about needed buildings, weed infestation, fencing, property layout, and water quality, and
- Other considerations a buyer and seller of the rural and transitional property should be aware of in evaluating a property.

She also provided a handout of the upcoming Dakota Country Lifestyle which will be held at the Central States Fairground Sept 29 & 30. This will include a variety of programs of interest in country living. The website is www.DakotaCountryLifestyles.com for more info.

The next West River breakfast meeting is scheduled for November 8th to meet with Chapter Officers and Board Members as the semi-annual Chapter Board Meeting in Rapid City on November 7th.

CHAPTER SCHOLARSHIP PRESENTED AT SDSU

Members Jay Knuppe and Tyler Urban represented the chapter at the September 19th Ag-Bio Scholarship Banquet at the Student Union Volstorff Ballroom.

Austin Mann was announced as the recipient of the chapter's \$1,000 scholarship for the 2012-2013 academic year. Austin was chosen from those who submitted application / essays for the scholarship. He is an Agronomy major from Bloomfield, NE.



His extracurricular activities include FFA and he is one of the student CDE coordinators for the agronomy competition for the high school FFA members to compete on the state level. His career plans after graduation are to be a sales agronomist working directly with farmers.

Upper level undergraduate students enrolled in the College of Agriculture and Biological Sciences are eligible for the scholarship. A cumulative GPA of 2.5 minimum, or upper half of class ranking, is required – along with a stated interest in considering rural appraisal, farm management, or agricultural consulting as a career. The following preferences are also considered:

- Community service achievements and demonstrated leadership qualities,
- Completion of / or current enrollment in the Rural Estate Appraisal course (Econ 373 / Plant Science 373) and / or Farm and Ranch Management course (AgEd 271).
- South Dakota resident,
- Financial need.

The establishment of the scholarship continues to contribute to a strengthened chapter relationship with SDSU personnel and students.

STRONG INTEREST IN NORTH AMERICAN DAIRY VALUATION SEMINAR

Hosted by the South Dakota Chapter - ASFMRA

October 18 and 19, 2012

Meeting Location: McCrory Gardens Visitor Center, Brookings, SD

As of September 24th, 21 individuals had registered for at least some portion of the Dairy Valuation Seminar with several more expressing intent to attend in phone calls with SD ASFMRA Education Chair Brian Gatzke.

This event is co-promoted by the SD Department of Agriculture, SD Bankers Association, MN Chapter ASFMRA, WI Chapter ASFMRA, and ASFMRA.

Schedule:

Thursday, October 18

8:00 - 8:30 a.m. Registration

8:30 - 5:30 p.m. ASFMRA Dairy Appraisal Seminar (7 hours CE for Appraisers)

6:15 - 9:00 p.m. Social - Guest Lectures from Region Industry Specialists and Government officials, held at the NEW Children's Museum of South Dakota, lobby and meeting room (with hors d'oeuvres)

Welcome remarks by Brookings Mayor Tim Reed and Regional Economic Development Director Mr. Al Heuton. Guest Lectures:

- BelBrands-USA Cheese Company, Francine Moudry, expansion from France into the US and overview of International Markets for Dairy products and construction of Cheese plant in Brookings, SD.
- Special Guest SD Department of Agriculture and Governor's office Spokesperson, Expansion of Livestock industry and availability of space in the region.

Friday, October 19

8:30 - 5:30 p.m. Dairy Business Value Seminar - Topics covering what the investor, zoning, and finance manager needs to know.

- Dr. Alvaro Garcia – Profitability / Feasibility and Production
- Dr. Stephen Pohl - Infrastructure, Buildings, and Functional Designs
- Ms. Jeanne Goodman - SD DENR-Water resources and permitting topics
- Dr. Larry Janssen - history overview and trends with Real estate values and rents
- Mr. Todd Kays - CAFO and zoning local, state, region and national
- Mr. Richard Gilmore, ARA, FRICS - state of the state dairy industry in North America from ground up to supply / demand.

Plus additional topics covering Robotics, financial feasibility, and investor related topics with permits / zoning.

Continued

DAIRY VALUATION SEMINAR CONTINUED

Instructor: Richard Gilmore, ARA, FASA, FRICS, MRICS

Specialties: Agricultural Commercial Appraising, Dairy & Food Processing; Banking/Financial; Cold Storage Facilities/Packing House Facilities; Conservation/Scenic Easements/Development Rights Restrictions; Fruits/Orchards/Vegetables; Review Appraisal; Timberland/Forestry; Banking and Regulatory Consulting

Fees:

Package for Entire Event: \$400 member; \$490 non-member

Registration for separate days

Day 1 Thursday: \$280 member; \$350 non-member

Day 1 Evening Social \$40 per person

Day 2 Friday \$100 per person

Fee includes coffee / soda, noon meal, and evening hors d'oeuvres and the hotel shuttle on Thursday and Friday.

South Dakota Department of Agriculture is co-sponsoring, with promotion and publicity at the World Dairy Expo in Madison, WI, the first week of October. Sponsors to date include: MetaBank, SD Dept of Agriculture, ASFMRA, SD Chapter ASFMRA, Richard Gilmore Instructor, AgStar Financial.

Registration Deadline: October 10, 2012. A late fee of \$25 will be added after this date.

On site registrations welcome, but only cash or check will be accepted. Supplies may be limited.

Registration is available at the ASFMRA web site (www.asfmra.org). See ASFMRA website for details on shuttle from Sioux Falls airport, lodging, and optional hunting package.

FALL IN THE BLACK HILLS

Courtesy of Norm Edwards, ARA

