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West River Breakfast  
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Technology  
Adam Nelson

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Career Days – Jay Knuppe  
Curriculum – Larry Janssen  
Network Event  
– Brian Gatzke, ARA  
Scholarship - Jay Knuppe  
Student Involvement- Jesse Ball

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Terry Leibel

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Government Relations  
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**Newsletter Editor:**  
Paul Reisch, ARA  
[www.asfmra-sd.com](http://www.asfmra-sd.com)



## **SOUTH DAKOTA CHAPTER**

8 / 2014

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

### **DATES TO REMEMBER!**

Sept. 4 – IRS Seminar – Sioux Falls, SD  
Sept. 8-12 - Leadership Institute – Washington, DC  
Sept. 19 - East River Breakfast Meeting - 9 A.M. - Sioux Falls Roll'N Pin  
Sept. 24 – SDSU Ag-Bio Scholarship Banquet  
October 10 - West River Breakfast Meeting – Time & Location TBD  
October 10 – Time & Location TBD  
October 15 – SDSU Ag-Bio Career Fair  
Oct. 27- Nov. 1 – 85<sup>th</sup> ASFMRA Annual Meeting – Tuscon, AZ

### **2015**

January 15-16–Winter Education & Joint Meeting W/PAASD - Chamberlain  
June 2-5 – SDAAO Conference – Yankton  
July 19-237 - ASFMRA Summer Education Week – Omaha, NE  
Oct. 26- 31 – 86<sup>th</sup> ASFMRA Annual Meeting – San Antonio, TX

### **CHAPTER MEMBER ANNIVERSARIES**

Kent Rasmussen	8-15-1978	36
Perry Beguin	8-24-2001	13
Jesse Ball	8-27-2009	5

Thank you for your support!!

### **CHAPTER MEMBERSHIP UPDATE**

We welcome Michael Norgaard, AFM of Marshall, MN to our chapter. Mike is an Accredited Farm Manager and real estate salesperson with Northwestern Farm Management Company. Mike grew up on a grain and livestock farm in Southwestern Minnesota. Mike has previous experience as a crop consultant and managed an Agronomy Retail Facility for Cenex Harvest States Cooperative prior to his Farm Management career. He obtained a BS in Crops and Soils Resource Management from the University of Minnesota College of Agriculture Food and Environmental Science.

#### **Summary of Current 74 Members:**

3 Academic 5 Student 2 Affiliate 4 Partner 1 Honorary  
1 ARA/AFM 10 ARA 6 AFM 42 Associate – 36 appraisers / 6 farm managers

## **PRESIDENT'S MESSAGE**

Wow, that month flew away rather quickly! By the calendar and the planets and the stars and according to the Old Farmer's Almanac, **the autumnal equinox** brings the fall season to the Northern Hemisphere on September 22nd at 10:29 P.M. EDT....but in our minds, summer is basically over. School and college have started or will start soon. This is the first year, since 1992, one of our kids is not starting a year of school/college.....seems a little strange. Some of you are just sending your first off to school while some of you are getting photos of your grandkids being sent off to school. Nice mix of ages in our Chapter membership.

I see Kent Rasmussen is celebrating 36 years, Perry Beguin 13 years, and Jesse Ball 5 years as Chapter members. Congratulations!

I had the opportunity to spend a couple of days at Dakotafest in Mitchell. I enjoyed seeing all the big equipment and visiting with the folks attending. I was looking at a piece of equipment that I hadn't seen before and the salesman asked me if I had any questions...my response....what is this? It was a mulching type tillage machine. The optimum speed for use is 16 mile per hour. Do you realize that some of the small town main street speed limits are 15 miles per hour? Anyway, a couple of interesting and humid days spent in eastern South Dakota.

Be sure to check the dates and other articles in the newsletter. I enjoyed the West River Breakfast and want to thank Russell and Betty Wyatt for hosting at their house in Hot Springs. Will visit with you again next month.

## **ETHICS FOR LIFE (FROM THE FEBRUARY 2006 PRAIRIE BEACON)**

Keep a good sense of humor.

Turn the rumor mill around. If you hear anxiety-producing rumors, respond with: "Let's get to the good news!"

Keep your appearance neat.

Never let your guard down.

Set high performance standards for yourself and don't compare yourself to others in your work area.

Develop a *proper* mental attitude about every aspect of your job.

Think "I get to go to fun" and not "I have to go to work".

Don't be a clock-watcher. Come to fun a little early and stay a little late.

Start working harder than ever to hold on to your job, giving your best all of the time.

Keep your work area neat and tidy.

Be a *straight arrow*, since your ethics and morals reflect on your company or organization.

Be nice.

Always look for ways to develop win-win opportunities in every situation.

Build others up and never tear anyone down just to build yourself up.

## WEST RIVER AUGUST 21 BREAKFAST NETWORKING

By Norm Edwards, ARA

We had a great day for our meeting at the Russell and Betty Wyatt Residence on the outskirts of Hot Springs on Pine Haven Road. Loy Matthes, Ron Ensz, Perry Beguin and myself joined by Russell, Betty and their assistant Toni.

The Wyatts served us a great healthy breakfast and then we cleared the table and had discussion of current developments in the area including the new pelleting plant being built at Oral which is about to come into operation and how it will help with the great amount of alfalfa this year and its effective movement this fall.

Ron Ensz was at the Farm Fest in Mitchell and was impressed with the new tillage material and the price tag (\$700 to 800 Thousand) was impressive also. A small drop in Commodity prices sure make these investments look big to most of us.



We talked about the Educational Opportunities in the near future and the upcoming IRS seminar seemed interesting. There was little activity on conservations easements, but recent sales in the southern hills were discussed and may shed some interesting light on the appraisal problems in these cases. There was also some limited discussion on the upcoming program for our chapter.



We had a real interesting discussion of Real Estate activity in the area and trends and outlooks. There seems to be a lot of people wanting to sign on as trainees to get their needed field time, but a reluctance of established appraisers to take them on.

We had a good discussion of the location of our next meeting and with the chapter board meeting out this way at that time we decided to meet in conjunction with them at a yet to be decided place.

We discussed Easement sales, Ranch Properties North of Belle, and a big sale coming in Lyman County. We had some discussion on the procedures for filing a complaint on a market evaluation that was not well supported and documented.

After the meeting Russell showed us his John Deere Collection of models that was really impressive. There still seems to be a good assortment of Bikers on the roads through the hills the weather has been inductive to touring except for the short showers.



## FCS AMERICA SD CHAPTER MEMBERS ENJOY NW WYOMING TRIP

By Paul Reisch, ARA

Farm Credit Services of America appraisal staff from South Dakota gained an appreciation of the challenge and diversity of work of their Wyoming counterparts (Emily Lucke, Steve Gleason, Lyle Spence) by attending a staff meeting in the Buffalo – Worland area of northwest Wyoming on August 11-13, 2014. SD chapter members in attendance were Jesse Ball, Jim Hollenbeck, Jay Knuppe, Amanda Leighton, Adam Nelson, Keith Newman, Paul Reisch, Jaret Sievers, Craig Sommers, Tyler Urban, Jason Vaith, Jim Vietor, and Joshua Whetham.

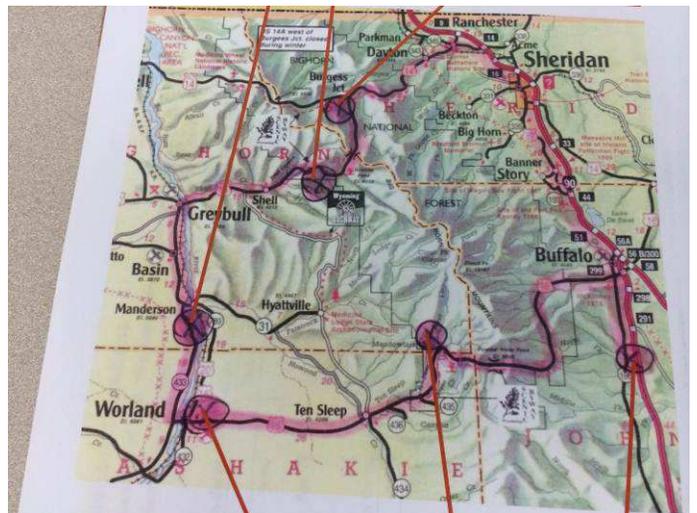


We stayed at the TA Ranch south of Buffalo, Wyoming. The TA was the site where the invaders took cover in the Johnson County War between the open range cattle kings and homesteader ranchers and people of the city of Buffalo. The original ranch house where the invaders hunkered down still stands; yours truly slept in it.

On Tuesday August 12<sup>th</sup>, the crew rode a bus over three hundred miles across the Big Horn Mountains twice and through area with an average rainfall range of 7 to 30 inches.

The tour included visits with:

- A rancher running a 450 cow operation involving irrigated cropland at the headquarters base, deeded and BLM winter range, National Forest permit summer range, and summer Grazing Association pasture across 35 air miles and 50 miles by livestock trailing routes.
- A farmer running an integrated operation of 19 pivots on irrigated cropland of sugar beets, edible beans, malt barley, and feed (corn silage, hay) as well as a cow-calf operation (included National Forest permit summer range) and wintering up to 4,000 cows.



Continued

## WYOMING TRIP CONTINUED

The stops gave the corn and bean East River appraisers a fresh perspective of appraisal challenges with:

- Complex legal descriptions
- Water rights issues
- Access limitations
- Grazing permit analysis and requirements.

FCS Appraiser Lyle Spence in Worland Wyoming was a great tour guide leading the discussion of land values from the perspective of his paper titled:

### **What's Land Worth Out There, Anyway?**

On a fairly frequent basis the phone rings, and someone asks, "What's farm and ranch land worth in Western Wyoming?" Few places on earth have greater diversity in physical property features and value than Western Wyoming. Wide differences in land types and characteristics are found on properties in very close proximity to one another. In such an area, the question, "What's Land Worth?" is impossible to answer.

My reply usually is: "Well, some of it is *Priceless*, some of it is *Valueless*, and I'll bet the land you're asking about is *Somewhere In Between*."

You see there are tracts of land in Western Wyoming that were homesteaded in the last 100 years or so, some of them in the last 50 years, which have never changed hands except by inheritance. They have never been sold. Never even "priced" on the market, and are not likely to be. Those properties have a combination of features that make people want to hold onto them, and are indeed *Priceless*.

On the other end of the value spectrum, roughly 70% of the Western Half of the State of Wyoming is still owned by the Government, because during the various homestead eras no one took up a claim on any of that land. It was impossible. The property did not possess the physical features that would allow anyone to make a go of it. No one took that land when it was free. It is in that sense *Valueless*.

The challenge is in valuing the rest of Western Wyoming, which is *Somewhere In Between*. The secret is to have a careful look at the physical features of the property, and correlate them with the origins of property value.

If a property is likely to be purchased as a place to carry on a farm or ranch business, either as a family enterprise or as an investment by an absentee owner, it will likely be valued on the basis of income economics. Some key property features are probably:

- **Soils & topography** as they affect productivity and ease of operation.
- **Climactic zone**, including length of growing season, season of use, annual precipitation, duration and severity of winter and summer.
- **Water** for irrigation and consumption, and just as important the date priority, volume and dependability of the irrigation water right.
- **Grazing rights** on public lands that might be operated with the property.
- **Access to markets** for farm and ranch inputs and farm and ranch products.
- **Property size**, considering both the minimum scale of an economically viable business on the small end, and the amount of purchasing power needed to carry the transaction on the large end.

Continued

## WYOMING TRIP CONTINUED

...And a host of other property features that have a direct impact on the utility, productivity and economic viability of a property with agricultural highest and best use. When these property features are strengths in a given property, each of them usually adds a certain increment to property value. That kind of economic value is quantifiable.

If a property is likely to be purchased primarily as a place to live, or as a place for seasonal retreat, recreation or lifestyle, more variables enter the equation, and the stakes get higher. The value of those properties is derived from how they make the owner feel when they are there. “Feelings” are hard to quantify into value. Some of the key property features are probably:

- **Scenic views** from the property, or better yet, on the property. Beauty is in the eye of the beholder, and the value of a view is hard to measure. But most people know a good view when they see it.
- **The physical presence of water** on the property, in addition to the right to use that water for irrigation or consumption. Value rises incrementally if the water is clear, runs all year, runs through an aesthetically pleasing setting, has fish in it, the fish are large, and the owner has exclusive use of the stream.
- A desirable **vegetative cover**, which may include forage for recreational livestock, and may include trees and other types of plants that improve the aesthetic qualities of the property or create a certain type of wildlife habitat. Elk habitat generates a progressive impact on value described above for fish.
- **Access to the property**, both physical and legal. Practical access often becomes more of an issue in areas with the greatest aesthetic value.
- **Seclusion**, which in a sense is the opposite of access. The market desires a balance. Property owners want to be able to get to their property, and when they arrive want the place to themselves.
- **Climactic zone**, including season of use, annual precipitation, duration and severity of winter and summer.
- **Soils & topography** suited to the highest and best use of the property, which may include growing things, but might also include building structures.
- Availability and cost of obtaining of **Utilities**, if it is going to be a year round or seasonal residence.
- **Proximity** of the property to other attractions, which may be scenic or recreational, or may be centers of employment, transportation and commerce.

...And a host of other property features that affect the desirability of the property as a place to live, retreat or recreate. Very few settings have all of these features. Some of them are in conflict with one another, and a balance is the ideal state. When these property features are strengths in a given property, and are in balance, each of them usually boosts property value. **When several of these features are combined in any one property, each successive feature tends to have a multiplying effect, rather than an additive effect on property value.** Considering the subjectivity of many of the variables, value estimates by equally qualified people can vary widely, and none of them are wrong, for everyone has an opinion of value.

So while it is impossible to answer with precision the question, “**What’s Land Worth Out There?**” it is possible to describe the framework of value influences on any given property. After a conversation of a few minutes, questioners can often begin to form their own conclusions. At least they can decide if it is closer to the *Valueless or Priceless* end of the spectrum.

## **CHAPTER MEMBERS ENCOURAGED TO ATTEND ASFMRA ANNUAL MEETING**

The 85<sup>th</sup> ASFMRA annual meeting & trade show and Agronomics, Vision for 2015 will be held in Tucson AZ October 27 through November 1, 2014. AgroNomics, Vision for 2015 is THE conference for individuals interested in understanding the impact of technology, economics, and data on rural land management and land valuation.

AgroNomics brings together the most highly accredited rural property professionals and industry experts from around the country to provide you the opportunity to:

- Network with the best and the brightest land experts
- Gain insights into utilizing cutting-edge technology
- Recognize the impact that technology could have on how you manage and operate your business today and in the future
- Understand how policy, regulations, investment decisions and even the weather impact land values
- Find out how data analysis can provide insight into trends, helping you to make more intelligent and fact-based decisions
- Obtain education and CE credits – to acquire and maintain your specialized accreditations.

Details on the above and registration can be found at [www.asfmra.org](http://www.asfmra.org). Early registration deadline is October 6, 2014. The meeting is a great educational learning opportunity and provides unprecedented networking with other rural property professionals. All chapter members are encouraged to attend.

Kjerstad Member Scholarship opportunities are available as follows to help with expenses.

- **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.

**Chapter members interested in either the first time national meeting attendance or the opportunity for members who have attended in the past should inform President Ron Ensz and Treasurer Paul Sickler by October 1<sup>st</sup>.**

Membership Chair / Newsletter Editor Paul Reisch would appreciate being informed by all chapter members who are planning to attend the national meeting.

## **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 1<sup>st</sup>.
- **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 1<sup>st</sup> 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.