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West River Breakfast
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Curriculum – Larry Janssen
Network Event
– Brian Gatzke, ARA
Scholarship - Jay Knappe
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Paul Reisch, ARA
www.asfmra-sd.com



SOUTH DAKOTA CHAPTER

11 / 2014

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

DATES TO REMEMBER!

December 11 - West River Breakfast Meeting – 9 A.M.

Rapid City Marlin's Roadhouse Grill

January 15-16–Winter Education & Joint Meeting W/PAASD - Chamberlain

March 20 - East River Breakfast Meeting- 9 A.M. - Sioux Falls Roll'N Pin

May 8 – SDSU Network Event - Brookings

June 2-5 – SDAAO Conference – Yankton

July 19-237 - ASFMRA Summer Education Week – Omaha, NE

September 14-18 - Leadership Institute – Washington, DC

October 26- 31 – 86th ASFMRA Annual Meeting – San Antonio, TX

CHAPTER MEMBER ANNIVERSARIES

| Member | Join Date | Years |
|------------------|------------|-------|
| Norm Edwards | 11-01-1979 | 35 |
| Jack Davis | 12-21-2001 | 13 |
| Ted Risty | 11-14-2003 | 11 |
| Tyler Urban | 12-21-2011 | 3 |
| Brad Johnson | 12-17-2012 | 2 |
| Franklin Hartway | 12- -2013 | 1 |

Thank you for your support!!

PRESIDENT'S MESSAGE

Thanksgiving greetings to all of you. November has brought us a mixture of weather across the state and gave us a reminder that winter is on the way.

After travelling across the state it appears the harvest of crops is mostly complete and it is good to see the recent upward bounce in prices for grains.

I spent a few days last week hunting the wily ringneck in central South Dakota. I have been taking a couple of Harding County ranchers with me the last eight to ten years and it is always entertaining to see the interaction of the grain farmers with the cow-calf ranchers.

The cow-calf deal is at all-time highs similar to the grain markets a couple of years ago. As one rancher said, prices are pretty good and we can about break-even now....followed up by the calf market is the next \$8.00 corn market. Always fun to get the east river and west river folks together.

Continued

PRESIDENT'S MESSAGE CONTINUED

Just read the SD Real Estate VIEW newsletter. Congratulations to Travis Shaykett on his upgrade to State-Certified General, well done. Also, the Chapter Member Anniversaries on the prior page shows that the Chapter includes a good mix as this month we have a 35-year member in Norm Edwards to a one- year anniversary with a good mix in between.

The next section identifies the continuing education courses in January in Chamberlain. Jeff Berg is an excellent instructor and I hope many of you register for the classes as well as the networking opportunities that are available at the winter meeting.

All for now. Happy Thanksgiving!

UPCOMING EDUCATION AT CEDAR SHORE RESORT IN CHAMBERLAIN

Thursday January 15, 2015 – Cost Estimating – Instructor Jeff Berg

This 1-day seminar will provide the student with a background in the cost approach and actual practice in estimating cost using Marshall Valuation Service. Discussions include land value, costs of improvements, profit, depreciation, contributory value of site improvements, indicated value and personal property or intangibles.

Thursday January 16, 2015 – Cost Approach Applications – Instructor Jeff Berg

This 1-day seminar sets forth up-to-date techniques for establishing market value by estimating the current cost to reproduce or replace the existing structure. Students will learn how to measure depreciation from market data, when use of cost approach is most and least applicable and how to establish value when using this approach. Discussion will cover physical curable, physical incurable short lived, physical incurable long lived, functional curable, functional incurable and accrued depreciation.

Class Time – 8 a.m. to 5 p.m. Both Days

Approved for 8 Hours of CE Credit With SD Appraiser Certification Program

Application will be made for RE Commission Credit

Early Registration Fee - \$225 per class – Includes Lunch and Snacks
Register at www.asfmra.org

Call 605-734-6376 for hotel reservations - Room Block under APPRAISERS by Dec. 15, 2014

For More Information:

Bev Luke – PAASD Executive Secretary - 605-716-9011 or bkluke@rushmore.com

Allan Husby - Education Chairman, SD Chapter ASFMRA - 605-881-8170 or aphusby@gmail.com

SD CHAPTER MEMBERS VISIT WITH FIRE CLUB MEMBERS AT SDSU

SD ASFMRA sponsored pizza and pop and presented the program at the November 20, 2014 FIRE (Finance Insurance Real Estate) Club meeting on the SDSU campus. Brian Gatzke, Jackson Hegerfeld, Barb Hegerfeld, Larry Janssen, Paul Reisch, and Paul Sickler represented the chapter. Academic member prospect Nicole Klein and the SD ASFMRA 2014-15 scholarship winner Brett Ziemer were also present. There were about 20 students including chapter members Megan Hauptert and Mandy Hoistad who listened to the presentation, which had a networking theme.

Paul Reisch moderated introductions. Appraisers, farm managers, and academics conveyed their involvement in those professions, their tie to ASFMRA, and what part networking played in their profession and ASFMRA relationship. Students conveyed major, hometown, years at SDSU, and current interest, if any, in the appraisal and farm manager professions.

Paul Reisch and Paul Sickler then reviewed an ASFMRA brochure provided to the students outlining the appraiser, farm manager, and agricultural consultant careers. Items addressed were what you do in the profession, skills needed, functions of the profession, education, experience, and potential earnings.

Brian Gatzke then covered the SEW (Summer Education Week) Student Career Day opportunity that will be held in Omaha on July 19-20, 2015.

Mandy Hoistad attended this opportunity in Des Moines last summer and shared her experience at the event. Brian also explained the SD ASFMRA Scholarship opportunity to the students.

The session ended with Paul Reisch explaining the student membership opportunity in ASFMRA at no cost while a student, and how students could apply. Paul again emphasized the important role of networking in enhancing the opportunity of getting into the professions and how student membership could aid this.

Several students visited with chapter members after the presentation with a few showing strong interest in the SEW, scholarship, and student member opportunities.



EAST RIVER BREAKFAST NETWORKING



The regularly scheduled East River Breakfast meeting was held on November 21st at the Roll'n Pin in Sioux Falls.

Members present included Jeff Barker, Jim Dunlap, Barb Hegerfeld, Tom Jass, Jay Knuppe, Paul Reisch, Ron Rucker, Paul Sickler, Don Threadgold, and Tyler Urban.

Paul Reisch, Jim Dunlap, Don Threadgold, and Barb Hegerfeld shared their experiences and impressions of the Tucson national meeting.

Paul Reisch shared the happenings at the FIRE Club event in Brookings the previous evening. He mentioned that the question was raised by a student that an Economics Department student not in the college of Ag-Bio (Ag Business or Ag Econ) would not be eligible for the SD ASFMRA scholarship. The group had some discussion about this and there was a consensus that the existing requirement that the scholarship winner come from the Ag-Bio College should be maintained.

Paul encouraged members to complete and return the committee interest survey recently sent out by President Elect Craig Sommers. Those present had general discussion about recent sales activity and land rental trends.

EDUCATION FOUNDATION SILENT AUCTION & LIVE AUCTION RESULTS

The South Dakota Chapter ASFMRA again donated Black Hills Gold jewelry to the Education Foundation fundraiser. Two of the items were in the silent auction with two sold at the live auction.

Silent Auction:

- Pendant & chain \$120 value sold \$200.
- Gold hoop earrings \$94 value sold \$100.

Live Auction:

- Pierced gold leaf earrings \$241 value sold \$325.
- Diamond leaf pendant & chain \$436 value sold \$350.

The Chapter spends around \$500 on the items and the return to the Education Foundation was \$975. The reported numbers after the live auction for the night were:

Silent Auction Total: \$7,000.

Live Auction Total: \$29,000.



CHAPTER MEMBER TROY SWEE RECEIVES AFM



SD chapter member Troy Swee was among nineteen farm managers who received their AFM, 14 appraisers who received their ARA, and 4 appraisers who received their RPRA designations at the Accreditation and Awards Ceremony in Tucson, AZ on Thursday October 30th.

No wonder he has such a smile on his face! Troy is a Farm Manager with Farmers National working out of Beresford, SD.

Congratulations to Troy!!!

ASFMRA accredited members lead today's agribusiness by meeting the complex needs of agriculture's changing environment. ASFMRA professionals offer expertise in biotechnology, environmental issues, changing technology, land, property, business valuation, market trends, and governmental involvement and regulations. Understanding and treating the land with respect is more than their job, it is their passion.

Those who have earned their professional designation proudly display a high level of competence and ethical fitness for the appraisal, consulting, and management professions. To earn accreditation, rigorous education and continuing education requirements must be met and extensive practical experience in the profession must be demonstrated.

Barb Hegerfeld commented "As a first time attendee to the conference, it was exciting to see those receive awards at the awards ceremony. Whether it be an accreditation or another award, it's a big accomplishment. From someone who is essentially at the beginning of their career, it is inspiring to see the hard work has paid off for so many, especially those that will be our mentors in the years to come."

Other honorees of note:

Jesse McDowell, AFM, ARA-Retired from Champaign Ill. was present to be honored for 65 years of membership. Jesse's father was one of the 16 individuals who founded the Society.

Virgil Holtgrewe, ARA from Estes Park, CO was present to be honored for 50 years of membership. Virgil ended his comments with this observation: "Old appraisers never die, they just lose their value!"

Illinois Farm Families received the Meritorius Service in Communication Award. Illinois Farm Families are passionate about showing consumers how we grown safe, healthy food for their families and ours. From their website www.watchusgrow.org. You're invited to come along as we open our doors. We're Illinois farm families and we would like to introduce you to the people who grow your food. Farming looks different today – and you may wonder how it all works. So we're opening our doors to give you a look at who we are, what we do and how we grow food for all our families. We host groups of moms from the Chicago area on our farms. They bring along their cameras and notepads and share with you, right here on Watch Us Grow, what they see, hear and learn on the farm.

TUCSON ANNUAL MEETING OBSERVATIONS

By Paul Reisch, ARA



The meeting was held at the JW Marriott Tucson Starr Pass Resort & Spa. This venue provided a picturesque setting for the conference.

Eight chapter members attended at least some portion of the week's activities... Jim Dunlap, Norm Edwards, Mark Elder, Brian Gatzke, Barb Hegerfeld, Paul Reisch, Troy Swee, and Don Threadgold.

The 2014 conference was a great opportunity for networking with new faces, renewing previous relationships, learn new information, and receive updates on our organization.

In addition to scheduled conference events, there were opportunities to tour area sites (both organized with the meeting or by yourself). Norm Edwards shared the following regarding a tour he attended.

I had the chance to attend the tour of the Kartchner Caverns State Park south of Benson, AZ. We left on a bus from the hotel complex and traveled east on I-10 to Benson and south to the Park which consists of a Discovery Center, camping facility and Guindani Trailhead. We went to the Discovery Center and after a short movie in the Theater we broke into groups and toured the cave. I went on the "Great Room" tour to see the area the bats spend their birthing season before returning to Mexico for the balance of the year.

The trip included a journey through several air locks to get to the interior of the cave which was real warm and had a relative humidity of around 98% . It was quite a contrast from the desert environment outside.

We saw a variety of geological formations and cave features in this carefully preserved and protected environment. One's access is restricted to the well-designed handrail bordered path.



There was several other features that were available for viewing at the Discovery Center including a giant sloth whose skeleton was found in the cave (see picture).

Continued

TUCSON ANNUAL MEETING OBSERVATIONS CONTINUED



There were also many opportunities to visit with other members from both our own chapter and others across the country.

The Wednesday Chapter Officer Workshop included a booklet with chapter success stories, chapter portal survey, membership reports, 2015 education schedule, 2015 meeting schedule, 2014-15 Executive Council contact information, and 2014-15 committee chairs / members.

SD chapter member Brian Gatzke, ARA is co-chair of the Government Relations Committee.

ASFMRA staff led discussions on ways for improved national / chapter interaction and communication and the items covered in the booklet.

Chapter Portal Survey Highlights:

ASFMRA National Priority Items Resulting From Survey Responses:

- Upload meeting information for Chapter Registrations
- Email all chapter members
- Download a Chapter Roster
- Access to Membership Information
- Email members attending an event
- National Meetings attendance roster

Chapter leader thoughts on additional support they would like from ASFMRA National:

- Help with marketing to state colleges and universities
- Work with chapters to create new education venues
- Assist with setting up and maintaining a Chapter website (micro site for chapters' likely coming by end of 2015).
- Provide a list of approved instructors and the dates they are available to teach at chapter level.
- Facilitate conversations and access to other chapter secretaries / administrators to share information.
- Provide a list of members that belong to my Chapter and are also a part of other chapters.

The SD chapter and other chapters who sponsored functions at the annual meeting were given repeated verbal recognition during the various events as well as visual recognition at the entrance of the main event conference room.



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TUCSON ANNUAL MEETING OBSERVATIONS CONTINUED

At the Wednesday October, 29th Board of Directors Meeting, SD chapter member Jim Dunlap, ARA was recognized for his three years of service as District VI VP.

2014-2015 ASFMRA President Fred Hepler, AFM, AAC emphasized trust of teams working in person as the root of effectiveness for the organization. Priorities:

- Build membership – new marketing efforts using YPN contacts as source for prospects.
- Expand Early Career Membership – promote YPN (Young Professional Network) thru web page and YPN leadership.
- Expanded database capability.
- Expanded educational offerings
- Look at possible governance change.



Fred conveyed that the new process for members to self-nominate themselves for committee membership worked well.

Friday's continuing education program had several speakers on various topics. For me, the Friday morning highlight was Iowa State University Extension Climatologist Elwynn Taylor's talk on "Climate, Agriculture, Society".

Some past climate observations made by Dr. Taylor:

- There was global warming concerns in the 1800's to 1910, global cooling concerns from 1940 to 1970, and now global warming concerns since the 1970's
- D.M. Gates stated in 1966, "The climate is changing. Climate has always changed and will always change. The question is "How much, how fast, how come?"
- A 100 year trend map in 1996 showed 20% more rainfall in most of South Dakota, southern Minnesota, and Iowa with 10-20% in much of eastern Nebraska.



There is a lot more to climate than temperature and rain.

- CO2 levels have increased from 310 to 390 ppm since 1960.
- We are mining energy instead of harvesting; i.e. using faster than renewal.
- If ocean goes back to no permanent ice, 70% of population will have to move.

SD chapter member Don Threadgold had an opportunity to visit with Dr. Taylor after his presentation.

Continued

TUCSON ANNUAL MEETING OBSERVATIONS CONTINUED

On Friday afternoon, Mark Dotzour of the Real Estate Center at Texas A&M University had an interesting presentation on “The Economic Outlook for Real Estate Investors and Decision Makers. Summary Highlights:

- Quantitative Easing Japanese Style
- Too Much Money Chasing Deals
- 10-Year Treasury Rate: European & Japanese Rates Much Lower
- Investment Environment – Corporate Earnings, Margin Debt, Consumer Confidence
- Housing Market

Details on these items can be found at www.asfmra.org / Meetings / Agronomics, Vision for 2015 / ASFMRA Annual Meeting / View Speaker Presentations / Community Documents.

Saturday morning’s program was an informative and interesting presentation on Unmanned Aerial Vehicle (UAV) development and use. The program began with a raffle drawing of breakfast tickets for some UAVs. SD chapter member Brian Gatzke was one of the lucky winners!

Dr. Deon van der Merwe of Kansas State University presented “Practical and Economic Advantages of UAV Employment in Rural Property Management”. What has changed?

- Data revolution – need for more data.
- Development of effective, affordable technology.

Types of aircraft

- Fixed wing – 100’s of acres, more efficient, < 5 cm pixels typical
- Rotor – 10’s of acres, ability to hover, < 10 cm pixels typical

Aerial perspective is a great advantage providing control over timing and frequency. Examples:

- Soybean leaves analysis / Irrigation field management.
- Grazing fields – pasture management / Vineyards – weed control.
- Goose / hail damage on soybeans / Locate tile drainage problem spot.



We then saw a demonstration of the types of aircraft by manufacturer, auctioneer, and appraiser followed by the auctioneer, two appraisers, and an Idaho farmer demonstrating how they use UAV’s in their business. Currently, there are regulatory challenges as the use of UAV’s for commercial use is illegal.

TUCSON MEETING DUPONT PIONEER FARM MANAGEMENT TOUR

By Jim Dunlap, ARA

The DuPont Pioneer Ag Tour was again a highlight of the annual meeting, with a unique perspective into the world of pecan's, for those of us from the Midwest, and provided a more complete perspective of the border issues facing ranchers on the border and insight into the challenges faced by Border Patrol.

Our first stop was Green Valley Pecan Company near Sahuarita, AZ south of Tucson. It is one of the largest growers & processors of pecans in the world and is a big exporter of pecans to Europe. We were treated to a breakfast and a video of the pecan processing plant before touring some of the orchards.



The amazing thing to me was how the pecans are handled so individually. The nuts are mechanically harvested, then the chaff, dirt and foreign material is mechanically separated from the nuts when they are first brought into the facility.

They are then hydrated by a machine to facilitate processing. Then, even though done mechanically, each nut is raised to a machine that fires a pin at the nut to crack the outside while not splitting the seed inside.

The exterior is then separated mechanically and again the nut and the hull and chaff are separated before being graded, and the nuts dried of the excess moisture they were initially subjected to in order to prevent problems with packaging and storage.

There is also a human review of the nuts prior to packaging, which reminded me of the “I Love Lucy” skit where she was inspecting candy moving along a belt line. That would be a challenging job, but very necessary, since a nut that is degraded to more parts than the two halves is worth less than a third of what the price of whole nuts bring on the market, so must be separated and sold to a different market. The machine settings and handling is very important and critical to good processing.

The other unique fact that impressed me was that they harvest and process a daily and weekly production based upon the capability of the processing plant. This does two things:

1. It leaves adequate time to clean, inspect and service the machinery, and
2. It segregates the production in such a way that allows them to track where that production came from and restrict the amount of nuts affected if there are any problems with the end product. Not many processors do this, favoring instead to work their plants 24/7 which can lead to other problems.

The tour of the groves included a demonstration of how grafting is done, what the nut looks like before it is totally mature, the composting they do and use to fertilize the groves, and how clean they need to keep the grove floor to expedite the harvest.

Continued

DUPONT PIONEER FARM MANAGEMENT TOUR CONTINUED

From the pecan operation, we continued south to the ZZ Cattle Ranch near the border at Nogales, AZ. We were met by several Border Patrol Agents who took us on foot to a rise that overlooked several valleys and the border, explaining how illegal immigrants cross, what the agents look for and how they go about stopping these immigrants.

They do use drones all along the border, some of which are actually flown by pilots in Grand Forks, ND, but they need to have agents in trucks, on horseback, and on four wheelers to make the actual arrest, which is where it gets interesting. Some of the traffic is not only immigrants, but are drug mules of the cartel. The latter pack firearms and until they try to make an arrest, it is difficult to separate which is which in the dark.



The ZZ Ranch is one of the highest activity spots on the border and several Border Patrol Agents have lost their lives there. This is very challenging and difficult terrain for the patrol and the commander of this section said that regularly the auditors in Washington DC are questioning why their cost of operation is so much higher than other sectors of the border, and why they need more vehicles than other sectors. Her response was that much of this region can only be accessed on horse or by foot, so the vehicles take an inordinate beating when pursuing illegal immigrants across the ranches of the region.

I also learned from them why the border fences were built. My take, up to this point, was that putting up fences was a waste of taxpayer money, since they can be breached. However, they are placing them around any built-up areas to force immigrant traffic to the more open areas through the ranch ground. This gives them anywhere from an hour to two hours to apprehend immigrants, as opposed to minutes once they reach a village or town. This makes perfect sense and is something I had not considered until seeing the lay of this land.

We were treated to lunch and more extensive information from the Border Patrol personnel and the rancher, Dan Bell, and his dad, plus an opportunity to walk through the house. The walk through included a story of the “iron wood” table and chairs in the dining room. This table was so heavy I was barely able to lift one corner of the table. The family in the 1930's took the iron wood tree to Tucson to be cut into planks, and were told by the saw mill they did not have any way to cut it.

The family had to buy the mill a diamond blade in order to have it processed to planks which they then made into the table and chairs. My wife commented on the weight of the table & chairs, saying they would have been handy when the kids were little...they certainly would not have moved them!

In one of the episodes filmed at this ranch and in this ranch house, someone died on that table in a shootout, and Dan’s father commented the area above the hearth in the adjoining room is the same as when the film was made. A very picturesque area of Arizona, and other than the border problems and danger associated with it, a desirable place to have a ranch.

Overall, the tour was very interesting and certainly provided a “new look” at border problems and issues.