

**Officers:**

President  
Terry Leibel  
  
President-Elect  
Paul Sickler, AFM  
  
Secretary  
Paul Reisch, ARA  
  
Treasurer  
Adam Nelson  
  
Past President  
Craig Sommers

**Directors:**

Jeff Barker, ARA (2019)  
Jim Dunlap, ARA-AFM (2020)  
Brian Gatzke, ARA (2018)  
Jay Knuppe (2018)  
Loy Matthes, ARA (2019)  
Don Threadgold, AFM (2019)

**YPN:** Barb Hegerfeld

**Committee Chairs:**

Membership: Kim Larson  
Social: Jeff Barker, ARA  
  
East River Breakfast  
Barb Hegerfeld  
  
West River Breakfast  
Norm Edwards, ARA  
  
Fishing Social  
Jeff Barker ARA &  
Don Threadgold AFM

Education  
Travis Shaykett & Jason Vaith  
  
SDSU Relationships: Brian  
Gatzke ARA & Allan Husby ARA  
Career Fair – Jaret Sievers  
Curriculum - Gatzke/McKnight  
Network Event–Ryan McKnight  
Scholarship – Keith Newman  
Student Involvement  
- Jordan Bauer

Assessors Conference  
Ron Ensz, ARA

Education Foundation Auction  
Ron Ensz, ARA

Government Relations  
Terry Leibel

Appraisal Review & Ethics  
Allan H, ARA

Mentor: Jim Dunlap, ARA

Kjerstad Member Scholarship  
Terry Leibel

Nominating Committee  
Craig Sommers

Communication  
Paul Reisch, ARA  
Newsletter – Paul Reisch  
Website – Adam Nelson



# American Society of Farm Managers & Rural Appraisers

THE MOST TRUSTED RURAL PROPERTY PROFESSIONALS

**SOUTH DAKOTA CHAPTER** [www.asfmra-sd.com](http://www.asfmra-sd.com)

12/2017

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

**DATES TO REMEMBER!**

January 17 –Property Rights Seminar & Annual Meeting - Chamberlain  
January 17 –Annual Meeting & Joint Pizza Social W/PAASD - Chamberlain  
January 18 –USPAP Update - Chamberlain  
March 8 - West River Breakfast Meeting – Rapid City  
March 16 - East River Breakfast Meeting – Sioux Falls  
June 6 – SD ASFMRA Board Meeting - – Kimball / Chamberlain  
June 6-7 – SD ASFMRA Fishing Social – Kimball / Chamberlain  
June 24 – 29 – Summer Education Week – Des Moines, IA  
August 2-3 – Chapter Leader Day - Denver  
October 29 - November 2 - 89<sup>th</sup> ASFMRA Annual Meeting – Chandler, AZ

**CHAPTER MEMBER ANNIVERSARIES**

Member	Join Date	Years
Geoff Oliver	1-22-1993	25
David Baker	1-13-2003	15
Jay Knuppe	1-01-2009	9
Wade Buck	1-28-2016	9
Adam Nelson	1-01-2010	8
Kim Larson	1-20-2014	4
Ron Dunker	1-23-2015	3
Jim Jansen	1-23-2015	3
Kevin Johannsen	1-24-2017	3

Thank you for your support!!

**CHAPTER MEMBERSHIP UPDATE**

We welcome two new associate members to our chapter. Austin Bunger has been a student member since June 2016. He has recently joined Farmers National Company and resides in Spencer SD hometown area. Tyler Radke also has recently joined Farmers National Company and resides in Mitchell SD.

Summary of Current 96 Members / 76 accredited / associate / academic:  
1 ARA / AFM 11 ARA 8 AFM  
53 Associate – 44 appraisers / 9 farm managers 3 Academic  
9 Student 2 Affiliate 4 Retired 5 Partner

## **PRESIDENT'S MESSAGE**

Greetings Fellow Members;

*(History of Agriculture Continued)*

President Roosevelt's "New Deal" did not end the great depression, but it did help some people survive it. The farm legislation of the 1930's had lasting impact, as farmers became dependent on the federal government for a significant portion of their livelihood. Farm subsidies, for good or bad, were here to stay.

During the 1930's, there was a significant outward migration from South Dakota. Many farmers & ranchers sold out, loaded their belongings on a truck or trailer and headed west for the "greener pastures" of the Pacific Coast. From 1930 to 1940, farms decreased from 84,300 to 72,500, and the state's population from around 693,000 to 643,000.

After intense heat in the summer of 1936, the rains began to return. The national economy began to thrive as the threat of a major war loomed in Europe and East Asia in the late 1930's. The production of armament for British allies and the US armed forces was a primary force in ending the Great Depression. In 1938 President Roosevelt asked Congress to appropriate a huge amount for national defense. The American industry received orders for munitions, planes, guns and tanks from the British and French. While this helped stimulate the economy, foreign policy was constantly being debated. Although the depression began to lessen, the shadow of the next traumatic event, another great war, gave people little cause for rejoicing.

*(More Next Time)*

Officially winter starts today. Apparently, it seems to be reasonably accurate this year, as we haven't had much winter weather yet. (Just when I was so sure the temperature was going to stay in the 50's till April.) What great weather for fall. Great for harvesting and grazing cattle on row crop stubble. We know the cold is coming, but I, for one, am hoping the ground will stay relatively snow free for a while so everyone can save the hay and forage reserves. Anyway, it is going to seem like a shorter winter.

Don't forget our annual meeting and education in Chamberlain coming up in January. Not far off, so you might want to think about getting signed up for "Why Haven't I Heard This Before" which will be instructed by John Widdoss. Also, on the same day, "The Future of the Appraisal Profession" is being offered by PAASD.

Don't forget our annual **General Membership Meeting** on Wednesday, directly following the continuing education. This is a "one time a year" meeting that we like to get as many members as possible to attend. We have some fairly significant items on the agenda to discuss, and we ask for everyone's input---this is YOUR professional organization.

And don't forget the **Joint Social** with PAASD on Wednesday night, after our General Membership Meeting. This is a "one time a year" opportunity to spend a little time with members of our sister organization. Although ag, commercial and residential appraisers obviously have differing methods, we are all still in the same business. No matter what end of the appraisal spectrum you are on, we all have the same purpose---to promote our profession. Networking with peers in your profession is never a bad thing, and just plain socializing with people you may have never met, can be a great thing.

Later;

Terry Leibel    Email: [midstateaprs@aol.com](mailto:midstateaprs@aol.com)

Hope you all have a Merry CHRISTmas!

## **GOOD TURNOUTS FOR BREAKFAST NETWORKING**

Both December breakfast meetings had good turnouts.

The December 8 East River Breakfast meeting in Sioux Falls had 12 members in attendance.....Jeff Barker, Austin Bunger Jim Dunlap, Barb Hegerfeld, Allan Husby, Tom Jass, Paul Joerger, Tamara Joerger, Tyler Radke, Paul Reisch, Travis Shaykett, and Paul Sickler.

The December 14 West River Breakfast meeting in Rapid City had 10 members in attendance.....Dave Baker, Mark Elder, Ron Ensz, Jerry Hulm, Loy Matthes, Kent Rasmussen, Justin Uhrig, John Widdoss, Russell Wyatt, and Don Zacher as well as guests Jay Widdoss and Betty Wyatt.



Chapter members enjoyed fellowship, shared appraisal and sales information / experiences. Those who attended the Savannah national meeting shared their perspective of that event.

## **ELECTIONS TO BE HELD JANUARY 17, 2018**

Nominating Committee Chair Craig Sommers and committee members Jim Dunlap and Allan Husby have secured nominations for the 2018 elections to be held on January 17<sup>th</sup> at the chapter membership meeting at Cedar Shores Resort in Chamberlain Mitchell beginning at 5:30 p.m.

### **Chapter Officer Nominations:**

- President – Terry Leibel
- President Elect – Paul Sickler
- Secretary - Paul Reisch
- Treasurer - Adam Nelson

**Board Member Nominations:** Brian Gatzke and Dave Koenigshof

**2017 Nominating Committee Member:** Keith Newman - Will join Past President Craig Sommers as Chair and a member to be appointed by President and / or board.

**Other nominations can be made at the meeting on January 17<sup>th</sup>.**

## **REGISTRATION OPEN FOR CHAMBERLAIN CONTINUING EDUCATION**

January 17 & 18, 2018 Go To The EDUCATION tab of [www.paasd.com](http://www.paasd.com)

Send a Check or Pay By Credit Card

Mail Checks to: PAASD, PO Box 7742, Rapid City, SD 57709

ASFMRA MEMBERS: ENTER asfmra IN THE COUPON AREA.

Lunch and Breaks Included Both Wednesday and Thursday

Class Location: Arrowwood Cedar Shore Resort— 605-734-6376

Chamberlain, SD (I-90 at Exit 260 — Oacoma Exit)

Room Block under “Professional Appraisers”

Questions? Call or email Bev Luke, Executive Secretary — 605-381-9415 or [bkluke@rushmore.com](mailto:bkluke@rushmore.com)

### **Wednesday January 17, 2018**

South Dakota Chapter of the ASFMRA Will Sponsor the 8-Hour Offering:

**Why Haven't I Heard This Before? Instructed by John Widdoss, ARA,MAI (Details Page 6)**

Approved by the SD Real Estate Commission for 4 required & 4 elective hours of Continuing Education

Early Registration: Members of PAASD and ASFMRA —\$150

Non-Members —\$175

After *January 2, 2018*, Add \$25

Sign-In: 7:30 a.m. Class: 8:00 a.m. to 5:00 p.m.

PAASD Will Sponsor the 7-Hour Offering:

**The Future of the Appraisal Profession In South Dakota: *Challenges and Solutions***

**John Brenan, Director of Appraisal Issues with The Appraisal Foundation**

**Panel Presentations moderated by Craig Steinley, SRA, AI-RRS (Details Page 7)**

Early Registration: Members of PAASD and ASFMRA —\$150

Non-Members—\$275 Non-Member fee\*\* includes one year membership in PAASD

After *January 2, 2018*: Add \$25

Sign-In: 7:30 a.m. Class: 8:30 a.m. to 4:30 p.m.

SD ASFMRA Annual Meeting begins at 5:30 p.m.

PAASD / SD Chapter of ASFMRA Joint Pizza Social begins at 6:30 p.m.

### **Thursday, January 18, 2018**

PAASD and the SD Chapter of ASFMRA Will Sponsor the 7-Hour Offering:

***The 2018-2019 National 7-Hour USPAP Update Course Instructed by: Craig Steinley, SRA, AI-RRS***

Early Registration: Members of PAASD and ASFMRA—\$175

Non-Members—\$300 \*\*fee includes one year membership in PAASD—a \$125 value

After *January 2, 2018*, add \$25

Sign-In: 7:30 a.m. Class: 8:30 a.m. to 4:30 p.m.

## **WHY HAVEN'T I HEARD THIS BEFORE?**

While the topic of property rights is basic and taught the first day of the first valuation class, something has been missed. Appraisers regularly report the “rights appraised” as fee simple, or sometimes appraisals are rejected by lenders, because the appraiser reported or appraised something other than fee simple when full rights did not exist. Properties have evolved over the years; therefore, it is rare to find property that does not have encumbrances for something. The seminar will also discuss the impact of the encumbrances in cases where there is a resulting change in the highest and best use of the property.

### Learning Objectives:

1. Understand that encumbrances are present in nearly every property and property type,
2. Demonstrate and understand where to locate the encumbrances recorded for any one property,
3. Demonstrate and understand the concept of “paired sales analysis” and research to determine if the encumbrance has an impact on market prices (encumbered v. unencumbered sale). Examples presented that show a differing impact on property and/or value depending on where an encumbrance (pipeline or powerline) cross a tract, i.e., through cropland v. pasture v. building site, v. irrigated, etc., a “second bite” with a second encumbrance parallel to or unrelated to the first easement.
4. Understand that easements add to, detract from, or have no impact on the whole property to which they are attached.
5. Understand how other attendees found and evaluated
6. Demonstrate and understand the importance of sale verification, i.e., as the number of encumbrances accelerate within any single property, verification of the details and way that is accomplished has an impact on the reliability and creditability of the data set,
7. Understanding your attention to the most rudimentary details affects your appraisal credibility and your client’s perception of your work product.

Prior to class students are **strongly encouraged** to complete the following and bring with them to class

- 1.) Find 2 sales encumbered by something other than the mortgage, encumbrance can be but not limited to; specific deed restrictions from prior owners or interested parties at the agreement of the landowner; Life estates; Utility and/access easements (*electric, telephone, roads, ditches, railroads, etc.*); Cell tower sites; Conservation easements or restrictions on development rights; Deed restrictions; Mineral right or other subsurface reservations; Other surface estate reservations, e.g., sand, gravel, building stone, etc.
- 2.) Find 1 sale unencumbered property near one of the two sales chosen above.
- 3.) Prepare a short conclusion as to the effect of the encumbrance.
- 4.) Attendees will need to bring 2 copies of the results, each copy should include deeds from the two sales along with the encumbrance, deed of the unencumbered sale, and short conclusion.

This portion of the class challenges the student with every day real life appraiser problems and will set this course above typical continuing education, but will be most rewarding to the student with participation!

# **THE FUTURE OF THE APPRAISAL PROFESSION IN SOUTH DAKOTA**

## ***Challenges and Solutions***

### *Morning Session*

John Brenan, Director of Appraisal Issues will speak on the current activities of the AQB and ASB, as well as TAF itself, and then on the very timely topic regarding evaluations and other 'light appraisal products' that can be performed by licensed and certified appraisers in a USPAP-compliant way.

### *Afternoon Session—PANEL I*

State Regulator – South Dakota Appraiser Certification Program - Overview of appraiser program statutes, rules and procedures regarding:

- Supervisory appraisers and state-registered appraisers
- Assessment of numbers of appraisers and supervisory appraiser and the areas they serve
- Midway to upgrade review process – benefits to trainees and supervisory appraisers
- Q&As regarding grounds for disciplinary action, allegation of non-compliance, complaints and investigations.

President of PAASD / Appraiser - Presentation regarding one appraiser's successful practice as a rural residential appraiser based on the good fortune of having a qualified supervisory appraiser willing to provide the training, guidance and direct supervision.

A Lender's Perspective on the shortage of rural appraisers and trainee/supervisor issues.

### *Afternoon Session—PANEL II*

Two Supervisory Appraisers, Both Members of the SD Appraiser Certification Program Advisory Council - Presentation regarding

- the decision to become a supervisory appraiser,
- how to maintain compliance with the requirements,
- what that commitment demanded, and
- the results of that decision / commitment.

Appraiser Specialist, USDA Rural Development Agency - Presentation regarding SD appraisal and appraisal review issues and challenges for a federal agency involved in lending in rural areas