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

9/2017

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

**Directors:**  
 Jeff Barker, ARA (2019)  
 Jim Dunlap, ARA-AFM (2020)  
 Brian Gatzke, ARA (2018)  
 Jay Knappe (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 - Brian Gatzke  
 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

**DATES TO REMEMBER!**

October 4 – Ag-Bio Career Fair – Brookings  
 October 17 – SD ASFMRA Board Meeting – Deadwood  
 October 17 – West River Social - Deadwood  
 October 18 – SDSU Ag-Bio Scholarship Banquet - Brookings  
 October 18-20 – Yellow Book Seminar – Deadwood  
 October 23 - SDSU Extension Ag Lender Conference – Sioux Falls  
 October 25 - SDSU Extension Ag Lender Conference – Watertown  
 October 27 - SDSU Extension Ag Lender Conference – Rapid City  
 November 13-17 - 88<sup>th</sup> ASFMRA Annual Meeting – Savannah, GA  
**2018**  
 January 17-19 –Winter Education & Joint Meeting W/PAASD - Chamberlain  
 June 24 – 29 – Summer Education Week – Des Moines, IA  
 August 2-3 – Chapter Leader Day - Denver

**CHAPTER MEMBER ANNIVERSARIES**

Member	Join Date	Years
Jerry Hulm	10-11-1985	32
Jim Dunlap	10-7-1988	29
Dave Koenigshof	10-2-1998	19
Mark Elder	10-01-2005	12

Thank you for your support!!

**CHAPTER MEMBERSHIP UPDATE**

We welcome our newest members, student member Kara Schneider and Calvin Gerry Conroy from Rapid City.

Calvin is a state registered appraiser and has been an appraiser program specialist with Titles of Dakota Appraisal Services since November 2013. He graduated from Oglala Lakota College in June 1998 with a Bachelor of Arts history degree and is originally from Batesland, SD.

Total chapter members have increased by 4 since January 1, 2017.

Summary of Current 95 Members / 74 accredited / associate / academic:  
 1 ARA / AFM 1 ARA / RPRA 10 ARA 8 AFM  
 51 Associate – 44 appraisers / 7 farm managers  
 3 Academic 11 Student 2 Affiliate 4 Retired 4 Partner

## **PRESIDENT'S MESSAGE**

Greetings Fellow Members;

(History of agriculture continued)

From 1900 to 1920 the economic pressure on South Dakota farmers was temporarily relieved. Increased urbanization, accompanied by rising wages and employment meant that the greater share of farm produce was consumed domestically. For a short period, there was no worry about the changing effects on world prices. These were the golden years for farmers. Market prices for grain and subsequent land prices rose significantly.

Price stability ended with the outbreak of World War I. During the war years, a large number of farmers became affluent. Allied demands for food and cotton, then requirements of America's armed forces beginning in 1917, and immediate needs of postwar Europe (1918-1920) caused the price of crops and agricultural land to soar. The federal government even encouraged intensive planting with slogans such as "Plow to the fence for national defense". Planting and harvesting of crops was facilitated as draft animals on many farms were being replaced by the internal combustion engine, the tractor.

Beginning in 1918, grain was being grown in the more arid sections of the Great Plains. Ignoring the effects of plowing up traditional grassland, farmers engaged in blatant over-cropping. By farmers wanting to squeeze maximum productivity out of the land, marginal soils were over-plowed and over-grazed and, of course, eventually decreased the land's productivity.

Lulled by a false sense of security, many farmers pushed their financial horizons. Land, equipment, and buildings were mortgaged to buy more land and equipment. Land prices rose to 160 percent of the pre-war average. While farmers enjoyed their new economic status, along with ranchers, they were still being manipulated by out-of-state corporate grain and railroad interests. The price of wheat and buying conditions were still determined by a corporate grain monopoly in Minneapolis. At the same time railroad freight rates remained high. Farmers who attempted to pay off mortgages had to contend with higher interest rates. In many communities, the farmer was almost completely at the mercy of the local banker whom he was dependent on for operating capital.

(More next time)

Fall is here and harvest beginning. The abundance of crops to harvest is obviously going to vary from good to considerably less than good, with some areas having virtually nothing. The recent rains have been a good boost of optimism, for those who were blessed enough to get them. Unfortunately, there are those areas that haven't, but it's South Dakota, so that's not a surprise to anyone.

Lots of stuff happening in September and a lot more will be going on in October. In September, three of our members went to the Leadership Institute in Washington, three of our chapter members visited SDSU classes, and we had both East River and West River breakfast meetings. In October, coming up we have Ag-Bio Career Fair and Scholarship Banquet at SDSU, Board meeting and West River Social, the Yellow Book Seminar in Deadwood, and SDSU Extension Ag Leaders Conferences. A very busy time of year. Will see some of you soon.

Later;

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

## WEST RIVER BREAKFAST NETWORKING

By Norm Edwards ARA

It was a smokey morning on September 14, 2017, when West River members of the South Dakota Chapter of the American Society of Farm Managers and Rural Appraisers met at Marlins Family Restaurant and the Windmill Truck Stop in Rapid City, SD.

It was a good crowd of about a half dozen members present and we had a lively discussion of the current topics and sales in the area and pending trends and concerns.

The members present at this meeting were Loy Matthes, Perry Beguin, Justin Uhrig, Jerry Hulm, Joe Doran and myself Norm Edwards.



We had a general discussion of members and plans for the near future and besides the pending retirement of a valued member of our group Mr. Rasmussen from AXA Equitable AgriFinance.

The pending arrangements for the Yellow Book coming up October 18-20, 2017 dominated the discussion. Loy shared a list of 29 persons who have already signed up for the course and he anticipates that that could easily double. There seems to be a wide spread interest in the Subject and the application to Rural Properties in the Area.

With the Chapter board meeting scheduled the day before the seminar, the Chapter is considering a Social for all attendees the evening before at the Lodge facility for a chance to meet and greet our leaders and open it up to anyone attending the Yellow Book presentation or local members of our organization. This notion seemed to be generally agreeable to the group. Loy went over his discussions with the Staff at the Lodge and it sounds like these scheduling details can be worked out.

We had a discussion as to the need for a copy of the Uniform Appraisal Standards for Federal Land Acquisitions 2016 Version. The DOJ web site to download the new version of the "Yellow Book" is [www.justice.gov/file/408306/download](http://www.justice.gov/file/408306/download).

Joe Doran explained how the Pennington County Assessor's office appraises Rural Buildings and land for evaluation purposes. It was interesting and helpful and it might be beneficial for our Chapter to have the successor of Marshall Swift be offered an opportunity to attend our winter meeting in Chamberlain. We had a discussion as to the new Logo for ASFMRA and we had a variety of opinions as to the new design and its appeal. Change is always challenging.

## **EAST RIVER BREAKFAST NETWORKING**

By Paul Reisch, ARA



Eight members gathered Friday morning September 15, 2017 for the East River Breakfast meeting at Denny's Restaurant Flying J Travel Plaza in Sioux Falls.

The members present at this meeting were Rick Gullickson, Tom Jass, Paul Joerger, Tamara Joerger, Paul Reisch, Paul Sickler, Timothy Sletten, Don Threadgold, and Jerry Warmann.

After lively discussion on area and personal happenings in members' lives, the group had brief discussion on the August Chapter Leaders Day in

Denver and the status of enrolment in the Yellow Book class the chapter is sponsoring in Deadwood on October 18-20, 2017. Paul Reisch then provided the group on his Leadership Institute experience in Washington, D.C. on September 10-14, 2017.

## **SOCIAL IN CONJUNCTION WITH BOARD MEETING & YELLOW BOOK SEMINAR**

SD ASFMRA is sponsoring the Yellow Book seminar with instructor John Widdoss to be held at The Lodge in Deadwood on October 18-20. As of September 27, we have 40 registered (26 members, 14 non-members) for the Yellow Book course.

The SD ASFMRA Board of Directors is holding their fall meeting at The Lodge in Deadwood on Tuesday October 17.

***A social for Yellow Book participants, SD board members, and all SD chapter members will be at "The Lodge at Deadwood" on Tuesday, October 17th from 5-7 p.m. with drinks and appetizers. All South Dakota members are invited to attend the social on Tuesday, October 17th even if they are not taking the class on the following days.***

We hope many will join board members and others taking the course from other states for this networking opportunity.

## **YELLOW BOOK ATTENDEE REMINDER ON COURSE MATERIALS**

**Course Materials:** NOTE---You are responsible for purchasing the "Yellow Book". If you have not done so, you can purchase an electronic version through The Appraisal Foundation or download the enhanced version from DOJ at [www.justice.gov/file/408306/download](http://www.justice.gov/file/408306/download). You are responsible for bringing a financial calculator. You may use one on your phone or mobile device during class but not for the exam. Student materials will be provided on Wednesday A.M. during registration for those who have registered in advance but you are responsible for the purchase and acquisition of the "Yellow Book".

## **CHAPTER MEMBERS VISIT SDSU CLASSES**

**By Student Involvement Chair Jordan Bauer**

Jordan Bauer, Seth VanDuyn, and Kevin Johannsen spoke to Professor Elijah Kosse's Farm and Ranch Management Class and Professor Ryan McKnight's Small Business Management class at SDSU on September 21st. Student Involvement Committee Chair Jordan Bauer lined up arrangements with Ryan McKnight and Elijah Kosse.

In each class, Professor McKnight and Professor Kosse introduced the chapter members and they gave a short introduction regarding their background and employment. Approximately 150 students were present between the two classes.

Jordan gave a quick overview of ASFMRA, the SD chapter, memberships, and opportunities that ASFMRA provides. Students were encouraged to become student members (no cost) and start to network with industry professionals.

Jordan also talked about the opportunity to network at Summer Education Week 2018 in Des Moines, IA and shared his experience of attending this event 2 1/2 years ago.

Seth VanDuyn spoke about Farmers National and what it takes to be an Accredited Farm Manager. He gave them examples of what his day to day looks like, who his customers are, and what Farmers National looks for in potential employees.

Jordan followed with some of the same format talking about Farm Credit Services of America and what it takes to become a Certified General Appraiser.

Questions were answered as students were provided handouts regarding ASFMRA student sign-up, YPN, SEW brochure and scholarship information.

Jordan, Seth and Kevin strongly encouraged the students to be proactive and look for opportunities to network and make yourself known (student membership), not just a name on a resume. They were encouraged to attend SEW for job and internship opportunities.



## **ASFMRA MEMBERS ATTEND LEADERSHIP INSTITUTE IN WASHINGTON DC**

**By Paul Reisch, ARA and Darwin Thue**

Thirty-one members (12 appraisers, 19 farm managers) from 11 states took advantage of this learning opportunity sponsored by Dupont Pioneer September 10 thru 15, 2017 in Washington, DC. The agenda is common for the appraisers and farm managers much of the week but there are some differences at the beginning and the end of the program.

Participants stayed at the Hilton Alexandria Old Town and learned the metro system that combined with considerable walking was the means to get around. They also became well versed in going through security at government office buildings.

### **Appraisers Only**

Monday Morning: Had briefings at the Department of Interior (DOI) with John Ross (Office of Valuation Services-OVS) Nick Hufford (General Services Administration-GSA), Brian Holly (Department of Justice-DOJ), and Karen Gross (Internal Revenue Service-IRS).

OVS and OAS are being consolidated into the Appraisal and Valuation Services Office (AVSO). AVSO will have Federal Lands Division, Indian Trust Property Valuation Division, Land Buy Back Program Valuation Division, and Division for Minerals Evaluation. DOI manages 500 million acres of surface land, about one-fifth of the land in the United States. The Land Buy Back program has developed and is using a mass appraisal process. There are contracting opportunities for fee appraisers with professional designations and new Yellow Book course encouraged. OVS has an apprentice appraiser program with four positions focused on recent graduates. It is a 3-year program with commitment to continue government service for 4 additional years.

Public Building Services of the GSA builds, repairs, and renovates buildings, has over 100 childcare centers, and donates or sells real estate for federal agencies. It manages 350 million sq. ft. of buildings nationwide that require market rent appraisals every 4 to 5 years. When disposing of real estate, an on line auction process is often used. There acquire interest in the property before establishing an end date to the auction. After bidding has started, an end date is then set that is extended 24 hours each time there is another bid.



Continued

## **LEADERSHIP INSTITUTE CONTINUED**

Brian Holly from DOI emphasized the updated Yellow Book and encouraged appraisers to take the course. The Yellow Book was completely reorganized following the USPAP outline. Brian noted that the appraisal concepts learned in training courses originally come from federal court decisions. Items noted in doing Yellow Book work included:

- fully understand property rights being appraised,
- make sure appraising the larger parcel,
- before and after highest and best use analysis and values,
- use market value definition found in Yellow Book,
- adequate time on market part of definition so exposure time / estimated marketing time not needed,
- call the difference between before and after values the difference, not just compensation, and
- do the fundamentals.

Publication 561 Determining the Value of Donated Property provides procedures for fee interest and conservation easement appraisals. Appraisals should be no more than 60 days prior to the date of donation. In conservation easement appraisals, do not use NRCS easements as comparable sales.

### Appraisers & Farm Managers

Sunday Evening: Most members arrived in Washington in time for a nice supper at the Charterhouse located along the river. It was a nice environment to get to know others attending the program.

Monday Afternoon: Met at USDA South Building with Robert Johnson, USDA Chief Economist and Acting Under Secretary for Farm and Conservation Programs. This is a consolidation of the FSA, NRCS, and RMA programs. Rachel Antak and Ryan Cowen provided an overview of NASS programs. Jimmy Bramblett briefed the group on changes to the Conservation Stewardship Program. There is an emphasis to going back to technical expertise and local landowner decision making.



Monday Evening: ASFMRA President-elect Dave GaNun, ARA and Dupont Pioneer representative Lonnie Smith provided opening comments.

ASFMRA Farm Manager and Appraiser lobbyist Stephen Frerichs covered Wednesday and Thursday morning plans. Dennis Reyman, ARA and George Baird, AFM shared Government Relations survey results.

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## **LEADERSHIP INSTITUTE CONTINUED**

Tuesday: Attendees participated in an intensive communications and advocacy training with the Wixted Group. Insights were gained regarding:

- What is an advocate?
- Presentation goal, audience, message (10 to 12 words), and the You brought to the presentation.
- 90 Second Opening Statement – Thank You, Common Ground, Main Message, Credentials, Organization, and Let's begin...
- Circling the Communication Wheel – Question, Answer, Bridge, Main Message & Proof Points.
- Communication is visual, verbal, and vocal.
- Advocacy Communication Meet & Greet: Thank you, introduce with credentials, build common ground, emphasize main message, provide data, examples or story to support position, and call to action (make your Ask).
- Leveraging the Media & Local Outreach



Everyone had the opportunity to develop and practice these techniques including being taped and watching oneself on camera. In the Thursday wrap up session, several participants conveyed it has the best personal development training they have had.

Tuesday Evening: After a nice supper at the hotel, participants had a trolley tour of the Washington DC sights including walking 30 minute stops at the Jefferson Memorial, Roosevelt / King Memorials, and Lincoln / Korean War / Vietnam War Memorial sites.

Wednesday Morning: Had briefings at Farm Credit Council Building with Todd Van Hoose (FCC President), Senate Republican and Democratic Agricultural Committee Staff, and commodity representatives (National Corn Growers Association, Cotton Council, American Soybean Association, U.S. Rice Federation, National Association of Wheat Growers).

Continued

## LEADERSHIP INSTITUTE CONTINUED



Todd Van Hoose stated the Washington environment was the most unusual and unpredictable since he has been in Washington. There are 153 extremely Democratic districts and 137 extremely Republican districts in the House of Representatives. This totals two thirds of the 435 total districts. These representatives have limited incentive to compromise so continued gridlock is expected. Change to this dynamic is unlikely without redistricting.

Senate Agricultural Committee staff emphasized bipartisanship is still present on this committee with difference more geographic than by political party. Budget constraints will limit new funding and programs. Staff are optimistic that a new Farm Bill can be passed prior to September 30, 2018

Wednesday Afternoon: Participants spent the afternoon visiting the offices of their representatives and senators.

Thursday Morning: House Ag Chairman Mike Conway met with participants at the Longworth House Office Building. He recently completed 45 listening sessions around the country with 302 participants. The nutrition program is 80% of the farm bill. It is important to keep nutrition with the commodity programs as separation likely means defeat of both.



The group also met at the FCC building with Mary Kay Thatcher of the American Farm Bureau Federation. She also mentioned the importance of keeping nutrition with the commodity programs as only 34 of the 435 house districts are over 50% rural with agriculture in them. Dairy and cotton have the poorest safety nets. The challenge is finding funding for new programs to address these.

### Appraisers Only

Thursday Afternoon: Appraisers had a roundtable discussion at the The Appraisal Foundation (TAF) office with TAF President Dave Bunton, Appraisal Sub Committee Executive Director James Park, and American Banker Association / Independent Community Banker Association representatives. Bankers have strong concerns about an appraiser shortage in certain geographic areas. Most of the concern is on residential housing in the rural community (towns and acreages). Dodd Frank regulations have banks focused on protecting themselves legally, which contributes to the appraisal cost / timeliness challenges.

Certified General / Certified Residential licenses have declined 3% (91,058 to 88,313) from 2007 to 2017. Licensed appraisers have declined 74% (30,286 to 7,799) from 2007 to 2017. This aligns closely with the Federal Housing Administration change in 2008 that certified licensed appraisers complete the appraisals for FHA work. Many licensed appraisers left the industry rather than upgrade to a certified license.

Continued

## LEADERSHIP INSTITUTE CONTINUED

### Farm Managers Only

Thursday afternoon: The farm managers boarded a bus after lunch and departed for Chesapeake Farms, which is a 3,300-acre farm on the Chesapeake Bay in Maryland that is comprised of tillable farmland and wildlife habitat. Our travel was delayed an hour and a half as we waited on the interstate for responders to remove a semi-tractor and trailer that had flipped over.



Once we arrived and were checked in, we met at Trey Hill farm to learn about farming in the Northeast. Trey talked about challenges with "Green farming" and water quality concerns and has been very active in partnering with the special interests groups to work on improving water quality in the Bay Area.

Trey has a majority of his farmland with cover crops to help control chemical exposure. His entire farm and several staff homes are powered by solar energy that is located and owned on the farm. We rounded out the day with dinner / supper at Watermans Crab Shack on Chesapeake Bay.

Friday: We met for breakfast at the Farmhouse on location at Chesapeake Farms and from there toured some soybean plots on the farm with Lonnie Smith, the Chesapeake Farms farm manager and other Pioneer representatives. They explained some of the new traits and technologies that Pioneer is working with to improve yields and quality of future soybean production.

We wrapped up our stay by sporting clay shooting at different locations on the farm. We left Chesapeake Farms around 11am for the Ronald Reagan airport for our return flights home.



## **SD CHAPTER MEMBERS SHARE LEADERSHIP INSTITUTE THOUGHTS**

**By Paul Reisch, ARA, Darwin Thue, and Matt Gunderson**

Appraiser Paul Reisch and Farm Managers Matt Gunderson and Darwin Thue recently attended the ASFMRA Leadership Institute in Washington DC.

Paul Reisch: I have thought about attending different times over the years. Taking time to do so was always a draw back. However, anxiety regarding making hill visits was the biggest factor in not attending in the past. With some strong prodding from Brian Gatzke, I decided to register this year.

It was a challenging experience but interesting and provided valuable personal growth. Brian Stockman asked me Tuesday evening if the advocacy training was fun. I answered that I wasn't sure about fun but it was interesting, worthwhile, and provided personal growth.

The hill visits with the SD legislators was kind of like appraisal testimony in court. The thinking about doing so ahead of time caused more anxiety than the actual doing so. I was fortunate to have Congresswoman Noem, Senator Rounds, and Senator Thune present along with aides for my visits. Darwin attended the Noem and Thune visits with me.

One definitely develops new understandings of how our federal government works and an appreciation of our country's history through visits to the historical buildings and memorials. I encourage others to take advantage of the opportunity in future years.

Darwin Thue: I wasn't sure prior to the trip whether I was excited to go or not. Having never been to D.C. or the Northeast, it really wasn't something that was on my bucket list to do. Since that trip, I have to admit that I would go back without question or hesitation and would encourage anyone that has the opportunity to attend this conference to "just do it".

The experience was enlightening and the area is very impressive to say the least. From the various departments and organizations to the representatives and senators and their staffs, we were met with a thankful interest in our organization and the concerns we had. It gave confidence that many of the folks on The Hill are there to make a difference - especially in the area of agriculture. They have a tough job to fight for sustaining agriculture interests when a very small part of the constituency in rural America is comprised of Ag production. It was a great trip and an incredible learning experience.

Matt Gunderson: I would just add our appreciation to Lonnie Smith and Pioneer for an excellent, thought provoking week. I would encourage anyone who has not gone, to please consider going.

