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Rick Gullickson, AFM (2023)
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Don Zacher (2021)

Committee Chairs:

Communication:
Paul Reisch, ARA
Newsletter – Curtis Brooks
Andrea Fox – Publicity
Website – Adam Nelson

Education: Travis Shaykett

Government Relations:
Paul Sickler AFM &
Jim Dunlap, AFM-ARA

Kjerstad Member Scholarship:
Brian Gatzke, ARA

Liaison: Don Zacher

Membership: Kim Larson

Mentor: Allan Husby, ARA

NE-SD Summer Meeting:
Dave Koenigshof

Nominating: Paul Sickler, AFM

SDSU Relationships:
Barb Hegerfeld
Education Liaison
- Ryan McKnight
Scholarship – Keith Newman
Student Involvement
-Rick Gullickson, AFM

Social: Jeff Barker, ARA

East River Breakfast:
Jordan Bauer

West River Breakfast:
Norm Edwards, ARA &
Justin Uhrig

Fishing / Hunting Social
Jeff Barker ARA

Auction Social
Terry Leibel
Jim Dunlap, AFM / ARA

Vocational Technical School
Relationship: Wade Buck

YPN: Ryan McKnight



American Society of Farm Managers & Rural Appraisers

THE MOST TRUSTED RURAL
PROPERTY PROFESSIONALS

SOUTH DAKOTA CHAPTER www.asfmra-sd.com

7/2021

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

DATES TO REMEMBER

August 12: West River Breakfast Meeting – Rapid City-*Cancelled*
August 12-13: Chapter Leaders Day – Virtual- *Moved to May 2022*
September 9: SDSU Real Estate Networking Event & Social-Sioux Falls
September 10: SDSU Real Estate Networking Event all day- Sioux Falls
September 15: SD ASFMR Hunting Social - Top Gun Lodge - Howard
September 16: SD ASFMR Half Day Education Seminar: Chamberlain
September 28: SD ASFMR West River Breakfast w/ Board– Spearfish
September 28: SD ASFMR Board Meeting – Spearfish Canyon Lodge
October 28-November 6: ASFMR Annual Conference - Las Vegas, NV
November 19: East River Breakfast Meeting - Sioux Falls
December 9: West River Breakfast Meeting – Rapid City
January 19: Evening Membership Meeting – Chamberlain
January 20: Full Day Education Seminar – Chamberlain
January 21: Half or Full Day Education Seminar – Chamberlain
March 27-29 Dairy Seminar; Sioux Falls

MEMBER ANNIVERSARIES

<u>Member</u>	<u>Join Date</u>	<u>Years</u>
Kent Rasmussen	8-15-1978	43
Perry Beguin	8-24-2001	20
Jesse Ball	8-27-2009	12
Donald Zacher	8-16-2017	4
Eric Hanson	8-16-2019	2

Thank you for your support!

PRESIDENTS MESSAGE

By: Brian Gatzke, ARA

SD Chapter members, friends, and guests,

Hard to imagine how post COVID life will be when all this started 18 months ago or more. We have radical ups and downs plus constant news about what is right and wrong.

Well, we survived a mask less Summer Education Week. Several of our members had the ability to attend the 1st post COVID ASFMRA event for Summer Education Week in Omaha. The event was great to network, learn, and build on the future. So many topics were discussed. My take away is inflation is here to stay, land and residential homes across the country have increased, and homes are selling with multiple bids.

Nationally, ASFMRA needs Subject Matter Experts for education topics and development of seminars for 4, 8, and other appraisal education events. If you have any interest, be sure to send them your area of focus and interest.

Our neighbor chapter ND and SD ASFMRA member Andy Gudajtes, ARA, developed and instructed a great ER appraisal class in Omaha. If any of you have an interest in the new method, be sure to encourage our chapters to work together. John Widdoss our long time chapter member again had a great seminar regarding trophy/lifestyle property and how to examine or think outside the box. How many times do we get caught with our ag lenses and forget about the true definition of highest and best use as it relates to market value? The other seminar for appraisers was valuation as it relates to investment standards along with the property method to write an appraisal report. Jenna McCarty of Nuveen from the Colorado Chapter did a great job and I would encourage her seminar for anyone.

ASFMRA has our national Leadership development meeting in Des Moines next month and it may stay in Des Moines in the future due to the sponsorship of Pioneer and the training by the WixTed Group. Leadership event has radically changed from the pre 2012 years of appraisers meeting the various federal agencies to now just an appraisal policy dialog for both the managers and appraisers who are along for the ride as it relates to policy. Leadership development is a great way to learn about presentation skills and ASFMRA development for leadership within a career.

It is great to see the rain and yet it is sad to see the dry conditions. It reminds me of the 70's when we had spot/strip rains also common with droughts. This also shows us the diversity of our great state.

Coming September in Oacoma is our chapter pheasant shoot event which is combined with a 4 hour CE education courtesy to Morton Buildings for recreation, homes, fancy garages into homes, and barn / shop / houses. Congrats to our Education and Social Committee for hosting this event. Later in September is our fall board meeting in Spearfish Canyon followed by a morning breakfast for all our chapter members to attend. For those who wish to take a fall break, this event location has room at the inn and you can view the fall colors.

See you at one of the events.

Thank you.

Brian

CHAPTER MEMBERSHIP UPDATE

We welcome our newest associate member James Shaeffer of Midwest Land Group in Humboldt. His passion for land and conservation led Jim to Midwest Land Group after 27 years as a CEO for a computer security company. Jim is thrilled his days now consist of walking landscapes to evaluate property potential and sharing his knowledge of national, state, and conservation-funded programs that can help landowners pay for habitat improvements. Jim and his wife, Vonda, have five children and seven grandchildren, and are active members of Crosswalk Community Church. Jim has held state-level positions with the Quality Deer Management Association and the National Wild Turkey Federation. He's also involved with Pheasants Forever, Ducks Unlimited, Delta Waterfowl, Safari Club International, and the National Rifle Association.

Summary of Current 113 Members / 88 accredited / associate / academic / retired:

1 ARA / AFM 12 ARA 12 AFM

55 Associate – 47 appraisers / 7 farm managers / 1 appraiser-farm manager

3 Academic (1 AAC/AFM) 5 Retired (1 ARA) 4 Affiliate 9 Student 12 Partner

We have 92 paying national members (accredited / associate / academic / affiliate / retired) compared to 86 as of October 1, 2020 so we are plus 6 relative to membership growth criteria for Patron Chapter.

SCHOLARSHIP WINNER

By: Keith Newman

Cole Christian has been selected as this year's recipient of the Chapter's \$1,000 scholarship for the 2021-2022 academic year.

Cole is working on an Ag Econ major, with Rural Real Estate, Ag Marketing, and Ag Business minors, with plans to graduate in the spring of 2022. Cole is originally from Sioux Falls, SD and plans to work as an Ag banker after he graduates from SDSU.



In his college career, Cole has been involved in FIRE club, Farmhouse fraternity as VP of finance and social chair, secretary of the investment club, State-A-Thon team leader, and SDSU Inter-Fraternity council as VP of recruitment and retention.

The scholarship was created to develop and support student interest in the rural appraisal, farm management and agricultural consulting professions and to encourage students to become American Society of Farm Managers and Rural Appraiser (ASFMRA) chapter members.

Upper level undergraduate students enrolled in the Ness School of Management and Economics at SDSU are eligible for this scholarship. A cumulative GPA of 2.5 minimum is required - along with a stated interest in considering rural appraisal, or is pursuing a minor in Land Valuation and Rural Real Estate.

EAST RIVER BREAKFAST

By: Jordan Bauer

An East River Breakfast meeting was held on July 16 at the All Day Café in Sioux Falls. There was a great turnout with fifteen people in attendance. Of those in attendance were four individuals from Midwest Land Group who are interested in joining ASFMRA. Paul Reisch was able to provide a summary of what ASFMRA has to offer and the benefits of membership.

Members in attendance: Jordan Bauer, Jim Dunlap, Brian Gatzke, Rick Gullickson, Jeral Gross, Paul Reisch, Kent Roe, Travis Shaykett, Don Threadgold, Jason Vaith, Jerry Warmann

Midwest Land Group Guests: Michael Gustafson, Jim Schaeffer, Lucas Schroeder, Sam Vedvei

There were several updates given during the meeting including Travis Shaykett providing some insight on upcoming education opportunities at education week in Omaha. The social hunting/fishing opportunity was presented and discussed with more details to follow once finalized.

The meeting was widely used to socialize and enjoy a nice breakfast with our fellow members and potential members. Stay tuned for next date/time/location of next ER breakfast meeting and hope to see you there.



MEMBERSHIP INVOLVED IN EDUCATION WEEK 2021

By Paul Reisch, ARA, Jim Dunlap, ARA, Tyler Radke, Andrea Fox

Fifteen South Dakota chapter members attended Education week in Omaha at the end of July.

Course/ Activity

- Management Education Committee Meeting
- Appraisal Education Meeting
- Sales Comparison Approach (A302)
- Alternative Investments: Agriculture as an Asset
- Ag Land Management 2 (ALM2)
- Valuation of Lifestyle and Trophy Properties

- Tuesday Morning AFM Session
- Midwest Labs Tour

- Practical Applications of the Equivalency Ratio
- Ag Land Management 3 & 4 & AFM Exam
- Ag Land Management 4 & AFM Exam

Members Attending

Matt Gunderson, AFM
Brian Gatzke, ARA , Andrew J. Gudajtes, ARA
Andrea Fox, Kent Roe
Jim Dunlap, ARA, Allan Husby, ARA
Matt Gunderson, AFM – Instructor
John Widdoss, ARA – Instructor
Jeff Barker, ARA, Brian Gatzke, ARA ,
Allan Husby, ARA, Paul Reisch, ARA
Ron Dunker, Matt Gunderson, AFM
Matt Gunderson, AFM –Coordinator
Terry Longtin, AFM
Andrew J. Gudajtes, ARA-Instructor
Tyler Radke
Austin Bunger

Paul Reisch: It was great to network Monday evening at the Bayer Crop Science social hosted by member Ron Dunker at the Nebraska Brewing Company with Executive Council members and members from other chapter throughout the country.

On Tuesday, I attended the inaugural offering of the Valuation of Lifestyle and Trophy Properties seminar written and taught by chapter member John Widdoss, ARA. As usual John did a great job of providing participants with useful information and creating thought provoking discussion.



Andrea Fox: I had the opportunity to take the Sales Comparison class and attend networking dinners. I enjoyed meeting new appraisers and getting their professional perspectives and advice on continuing education and career pathing. I would recommend this event to those wanting to stay current on industry changes and gain new connections and friendships

Jim Dunlap: I was there for one day & took the Alternative Investments course. It was a good course with good class discussion on funds and their participation with farmland as part of all of their investment portfolio. They also talked about how REITS have developed over the years in farmland as an investment. Brian Gatzke and Alan Husby were also in the class. Class numbers were good, and I heard numerous people of all ages talk about how good it was to be in class together again. Goes back to networking.

Tyler Radke: I had the opportunity to participate in the Farm Management 3 course taught by Ryan Kay. I really appreciate his time and expertise that he shared with us. The session was incredibly valuable and informative, and we covered a ton of ground on topics including general principles of farm management, tax regulations, government programs, futures and options trading, and how to better manage our clients' assets and best market their commodities. This session helped sharpen skills and provided some excellent tools for being an effective farm manager. I also valued the networking opportunities provided by the ASFMRA which added to an overall enjoyable week.

SD LAND & LENDING CONFERENCE INFO.



The Inaugural

South Dakota Land and Lending Conference

We're bringing together some of our most business-savvy, innovative minds—lawyers, brokers, lenders, appraisers, abstracters and more—to learn, grow and explore development possibilities in South Dakota.

Take advantage of engaging keynote speakers and panel discussions, breakout sessions and networking opportunities during this full-day summit.

Location

Denny Sanford Premier Center, 1201 Northwest Ave, Sioux Falls, SD 57104

Featuring



Brent Gleeson
Navy SEAL Veteran, Author,
and Leadership Consultant



Trista Curzydlo
C4 Consulting, LLC

Real Estate Panel

Past, Present, and Future of Development
and Brokerage in Sioux Falls – Moderated
by Bill Zortman

Chuck Sutton
Sutton Auction

Craig Lloyd
Lloyd Companies

Michael Bender
Bender Companies

Individual \$50 Student \$25

Scan here for event registration & up-to-date info:

Questions? Email ryan.mcknight@sdstate.edu for more info.

<https://www.sdstate.edu/ness-school-management-and-economics/south-dakota-land-and-lending-conference>



VALUTAION TOPIC OF THE MONTH



Rural Valuation Topic #RVT 8: Arm’s-Length Transactions

The Arm’s Length Transaction is a basic component of the concept or “notion” of Market Value. The phrase “willing buyer and willing seller” is a critical component of an arm’s length transaction and implies a transaction void of duress or undue influence, where “either party can walk away from the deal”.

Examples of what may be found through verification in a market:

Is the Transaction an Arms-Length Sale ?

	Seller Motivations	Buyer Motivations	Potential Market Impact Where Affirmative Statements May Be Needed
1	Normal	Normal	These transactions likely need no analysis, other than a statement that both buyer and seller motivations were typical. DOM would be one way to address exposure and marketability.
2	Retiring	Normal Investment	Simple acknowledgement
3	Debt Consolidation	Local or Out-of-State Buyers as Investment	If this seller motivation is a significant percentage of market-area sales volume, the resulting sales may be more reflective of "liquidation value". If those sales are lower than the non-debt consolidations transactions, some professional observation should be stated.
4	Debt Consolidation	Adjoining or Neighboring Buyer	Expansion, either adjacent to area operations, may show a motivation and price that can only be replicated by a few. Question to address: price a premium, neutral, or below other sales without this influence?
5	Liquidation	Normal, Auction	Method of sale typical for area and property type?
6	Liquidation	Normal Listing; typical exposure	Analysis of days on market (DOM), i.e., quick sale or extended marketing time with multiple offering price revisions?
7	Normal	First, Second, Third, ... etc., purchase by Out-of State Buyer with extensive non-ag/rural income sources or vertical integration into larger series of holdings	Object is potential for replication of purchase power and/or influence within a larger, vertically integrated business. Can this purchase compare to other stand-alone sales and achieve the same price level(s)?
8	Normal	1031-Exchange	Can price be replicated in the marketplace? Does comparison to other non-1031 Exchanges show any impact (paired sales analysis).
9	Normal	Homesite	Rural sales with this motivation can show the "unit of comparison" may be the overall gross sale price as a "site". Those "sites" may be small to several thousand acres, depending on location.

ASFMRA Recommendation: Each sale verification should include an affirmative statement addressing the “willing buyer and seller” concept and summarize the buyer’s motivation and seller’s reasons for listing and/or selling. In addition, the appraiser should state whether the motivation(s) had an impact on price.