

## ASFMRA Education Week – *Managing in Tight Margins*

By Eric Skolness, AFM



**American Society  
of Farm Managers  
& Rural Appraisers**

THE MOST TRUSTED RURAL  
PROPERTY PROFESSIONALS

I was able to attend part of Education Week in Des Moines this summer and found it to be well attended by members of the Minnesota Chapter. The “*Managing in Tight Margins*” seminar was put together by ASFMRA volunteers that featured some prominent speakers and a panel discussion that included the following:

- Cortney Cowley, Ag Economist - Omaha Branch of the Kansas City Federal Reserve
- Kirk Weih, AFM – Hertz Farm Management
- David Englund, AFM – Farmers National Company
- Jim Knuth, Sr VP Farm Credit Services of America
- Amanda De Jong – State Executive Director USDA Iowa FSA

Overview - Ag producers continue to undergo financial stress due to the substantial drop in commodity prices over the past 5 years and this seminar addressed how professional farm managers and ag consultants can recognize financial stress in operations and what affects this can have on the farm operator’s ability to pay rents and/or produce a crop.

Takeaways:

- The farm sector is entering a fifth year of a downturn
- Supply and demand fundamentals continue to drive conditions in the farm economy
  - Prices are highly correlated with inventories
  - How long can high yields overcome low prices?
- The stabilization of land values is slowing producer cash rental adjustments.
- Current land valuations are causing a correlation disconnect between land rental rates and production agriculture revenues
- Higher margins are not permanent and last for short periods of time.
- Margins tend to normalize over time
- Ag credit conditions appear to be stabilizing for now
  - Ag lenders continue to tighten lending standards and work with farm borrowers
  - Higher family living and other expenses remain key risks to the outlook for ag lending and farm finances

I found this to be an informative session and gained further insight on the overall view of the ag industry outside of Glyndon, MN!

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I am pleased to announce two of our chapter members, Megan Klosterman and Tyler Walsh, will be attending [Leadership Institute](#) in September. I am confident Megan and Tyler will enhance their leadership skills, discuss key industry issues with policymakers and have the opportunity to meet influential government officials and key staffers on Capitol Hill... and encourage swift passage of the new farm bill before it expires!

In our previous newsletter I mentioned that we were working with the ASFMR National Office on getting an updated table-top display and table runner. You likely saw them at our summer tour in Duluth, but if not, here's what they look like and they turned out great!



Please contact our Chapter Administrator, Jeremy, if you have interest in using them at upcoming career fairs, college presentations or other related events.

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## Save the Date!!!

The 2019 Winter Meeting is scheduled for January 23-25. This year's meeting will be held in St. Cloud at the Best Western Plus Kelly Inn. The meeting is scheduled to kick off Wednesday afternoon with our keynote speaker, Michael Swanson, Ph.D., Wells Fargo Chief Agricultural Economist. Stay tuned for more details on the agenda. A few items to be discussed at this year's business meeting include proposed amendments to the Bylaws, new contract with REDIComps, and an increase in membership dues.

- As part of the Chapter Recognition program, we developed a New Mission Statement: "The Minnesota Chapter of the ASFMRA supports our skilled members through education, ethics, and networking opportunities in order to strengthen their trusted and reliable agricultural services."
- The ASFMRA proposed governance change will be voted on at the annual conference in Chandler, AZ. If you were unable to participate in the Governance webinars earlier this summer, you can access a recording of one of them here: <http://asfmra.adobeconnect.com/py19ssva7z9c/>. Share your thoughts and questions in the coming weeks as your chapter board will be having final discussions on this in September. More information on the governance changes can be found on the ASFMRA website.
- Congratulations to Minnesota Chapter members, Tyler Erickson and Darwin Thue, in obtaining their Accredited Farm Manager (AFM) designation on June 30, 2018! Tyler and Darwin are among 15 new AFM's in the society this year!



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To learn who rules over you, find out who you can't criticize.

*Voltaire*

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# 2018 MN & WI ASFMRA Joint Summer Tour Duluth, MN

*By Jerry Dee, ARA*

The MN and WI chapters held a successful tour in Duluth, MN June 13-15, 2018. The Holiday Inn Duluth was the headquarters for the tour and seminars. We had over 90 attend including spouses and guests. The tour was kicked off on Wednesday with a YPN event held at Canal Park.

The Thursday program consisted of UAAR review training with Mark Elder from AgWare as the instructor for the appraisal group.

The managers group had seminars with 4 speakers which included Ed Steigerwaldt, Forester, Lanette Dietrich from the State of MN NRCS office, Dr. Scott Wells form the U of MN Agronomy department, and Dr. Randel Hanson from UMD Land Lab.

We toured the Duluth Harbor on Thursday night with a dinner cruise aboard Vista Fleet.

The Friday morning program started with Kate Ferguson from the Port Authority who provided an excellent presentation on the maritime activities of the Port Authority.

The bus tour was of the Port Authority and harbor, Superior, WI terminals, St. Louis River estuary museum and lunch at Enger Park on top of the hill overlooking the Duluth harbor. The afternoon tour was at Cirrus aircraft. An impressive thunderstorm concluded our tour of Duluth.



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I believe in luck: how else can you explain the success of those you don't like?

*Jean Cocteau*

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## 2018 Chapter Leaders Day

by Jerry Dee, First Vice President  
Jeremy Bengtson, Chapter Administrator

The following report is a highlight from the 2018 Chapter Leaders Day in Denver, Co. August 2<sup>nd</sup>, & 3<sup>rd</sup>, 2018. Jerry Dee and Jeremy Bengtson attended the meeting as representatives for the Minnesota Chapter. A more in-depth report will be provided at the annual Chapter 2019 winter meeting.

The event covered a wide array of topics from education and chapter services, to chapter sustainability and member growth as the average industry professional age increases, and even touching on governance. I won't report on everything that was covered as many things were redundant to MN Chapter practices already in place.

1. Liability Insurance for Board members. There are a few Chapters (most notably in CA, TX) who buy a blanket policy for its D&O (Directors & Officers). National recommends exploring coverage.
2. Continuing Education.
  - a. V.A. persons are now approved for Denver Appraisal Courses
  - b. Appraisal Textbooks will be available at the end of 2018. Pre-orders being taken for \$109 ea.
  - c. On-line courses will become more available.
3. Chapter Bylaws.
  - a. Recommend a review of to be sure they align with current goals, mission, operating structures.
4. YPN.
  - a. Discussions around reviewing age bracket (up to 35), or using a person's tenure as a measure of YPN qualifications. No action or consensus, just roundtable discussions for now.
5. Land Value & Cash Rent Surveys.
  - a. Most chapters are either producing a magazine style report, or are heading in that direction.
  - b. Reports include sponsorships by members firms, or industry related businesses.
  - c. Chapters are reporting net revenue gains as high as \$60,000 annually.
6. Membership Growth Strategies.
  - a. Focus on young professionals.
  - b. Visiting Universities.
  - c. Reduce requirements to become certified, or make the process easier.
7. Governance.
  - a. Proposed changes posted on our chapter web page ([www.mnasfmra.com](http://www.mnasfmra.com))
8. Annual Conference.
  - a. Registration opens August 8, 2018.

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Takeaways are that first and foremost, the MN Chapter is seemingly ahead of the curve in many operational aspects. Several of the pain points with education, registrations (tracking), audits, advance planning, social media, member communications, and technology within both the Chapter and even at the National level that is unresolved, is in production at our Chapter level. Improvements to work on include our Land Value & Cash Rent surveys, Chapter Bylaws.

Chapter Admins seem to be a growing trend as well. Chapter Admins met on the side in Denver and are planning on holding informal quarterly or bi-annual webinar meetings. I received a lot of questions about the tech stuff we do, and am looking forward to learning more on how to better our Land Value & Cash Rent surveys, and more.



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"Character cannot be developed in ease and quiet. Only through experience of trial and suffering can the soul be strengthened, ambition inspired, and success achieved."

*Helen Keller*

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"If you wish to make a man your enemy, tell him simply, "You are wrong." This method works every time."

*Henry Link*

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Young  
Professionals  
Network

FUTURE LEADERS  
OF ASFMRA

## YPN Update

by Brian Field, ARA

The Young Professionals Network has been busy on both the chapter and national levels since the last newsletter. At the MN/WI joint Summer Tour a joint YPN social was held at the Canal Park Brewery. Approximately 20 YPN members attended and enjoyed networking. The event was made possible in part by funds received from the ASFMRA Education Foundation via Monsanto's sponsorship of the Early Career Award. A huge thank you goes out to Emily Henkes, the Wisconsin Chapter YPN representative for helping organize, and most especially for helping to oversee the event in my absence. Our YPN is growing, and that is wonderful to see! It shows that the Minnesota Chapter is healthy and strong.

Nationally, the annual YPN workshop was held at Education Week in Des Moines on June 24<sup>th</sup>. This year's format was a panel discussion entitled *Tomorrow's Leaders. Today.* The panel featured four senior ASFMRA members and one young entrepreneur from the Des Moines area. Panelists included Doug Hodge, ARA; Paul Moore, ARA, RPRA; Mark Peterson, ARA, AFM, AAC; Corey Prins, AFM; and Steven Brockshus, CEO of FarmlandFinder.com. The three topics focused on included the value of accreditation, client relations, and entrepreneurship.

All five panelists provided fantastic insight into what has helped make them successful in their careers, as well as offering some pitfalls to avoid—lessons they learned the hard way. Hopefully our YPN members will take advantage of the panelists' 20/20 hindsight and apply those lessons to their own career. I am positive that everyone in attendance was able to come away with multiple points that resonated with them personally.

Following the panel discussion the YPN social was held at the Riverwalk Hub in a private room overlooking the flooding Des Moines River. It was a wonderful venue, very conducive to networking and conversing with multiple folks. It was a great time and as always, the day was sponsored by Pioneer. At the social Lonnie Smith of Pioneer addressed the group regarding DuPont Pioneer's recent merger with Dow AgroSciences.

***NOW HIRING!!!*** If you are age 35 or younger and have a desire to get involved, have I got the spot for you! My term as national chair of the YPN Leadership Committee is expiring at the end of the year. I will also be rolling off of the chapter representative position. I guess that means I'm getting... more "seasoned"! I have very much enjoyed my tenure in these positions. Anyway, the MN chapter is in need of a motivated YPNER to take the reins. Appraiser or manager, associate or accredited, it doesn't matter. The YPN chapter rep position is a fantastic way to get your feet wet in service to our organization. If you are interested, please contact me and I will send you the full job description and answer any questions you may have. Step up and seize the opportunity!

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