

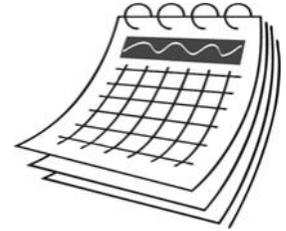


# American Society of Farm Managers and Rural Appraisers Iowa Chapter

The Iowa Chapter of the American Society of Farm Managers and Rural Appraisers works to inspire its members to professional competence, high ethical standards and educational excellence while enhancing networking opportunities and public awareness.

## Mark Your Calendars

- ASFMRA National Meeting: November 2-5, 2021—Las Vegas, NV
- USPAP: December 7, 2021—Nevada, IA
- ASFMRA Iowa Chapter Annual Meeting: February 2-3, 2022—Ames, IA
- ASFMRA/RLI Joint Spring Seminar: March 30, 2022—Ankeny, IA
- ASFMRA Education Week: July 2022 — Des Moines, IA



## President's Comments

Nathan Deters, AFM

Greetings Iowa Chapter Members:

It is good to have had some nice weather over the last few weeks. Harvest is getting started; the favorite time of year for everyone in agriculture.

The Iowa Chapter Board had a productive meeting this month. One of our main tasks at this meeting is putting together an agenda of speakers for our annual meeting (February 2 and 3, 2022). It's always fun, and a little challenging - brainstorming as a group. The board is excited about the speaker line-up we are putting together this year.

I would like to congratulate our members that have completed educational requirements and will be awarded the Accredited Farm Manager and Accredited Rural Appraiser designation this November at our Annual Meeting in Las Vegas.: **Kathy Pettinger, ARA, Colton Lacina, AFM and Jake Miller, AFM.**

Education leading to accreditation is one of the foundations of our organization, and I would like to add a note of encouragement to our newer members considering accreditation, both as farm managers and appraisers. The American Society has a roster of excellent classes and instructors that provide great educational opportunities to our members.

While classes do take commitment of time away from work and home, the experience of interacting with your peers and instructors from other parts of the country is invaluable. The course work is geared towards "real life" situations you will see in your day-to-day career, heavy on practicality and not theory. While it is hard to put a dollar value on the AFM or ARA designation, the professionalism it represents is what sets our organization apart. I'd encourage you to go to the accreditations sections of the [ASFMRA website](#) to learn more about the process.

I hope you all have a great fall.



# ASFMRA Member Focus

## Kathy Pettinger, ARA

Each issue of the ASFMRA Iowa Chapter newsletter will focus on one of our members. This month we introduce Kathy Pettinger. Kathy recently obtained her ARA designation.



### **Describe your experience and education related to the property professional field.**

I am an Iowa State University graduate with a Bachelor of Science Degree (College of Business) in Management Information Systems. I spent 15 years as a software engineer, mainly writing web-based programs before coming to Hertz. Since starting at Hertz, I have received my License as a Real Estate Salesperson for the State of Iowa and my Certified General Real Property Appraisal certification in 2017. Much of my coursework was taken through the ASFMRA and the Appraisal Institute. Since starting my appraisal journey, things have never been boring, as no assignment is the same as another. My concentration is on cropland, mixed use agricultural, and recreational properties. Approximately four years ago, I received my drone license and have enjoyed using this added technology as a way of providing additional support. And finally, I received my ARA this summer at SEW. What an amazing journey this has been and will continue to be.

### **Describe what led you to become a chapter member of the Iowa ASFMRA Chapter and why you remain a member.**

Quite honestly, becoming a member of the ASFMRA is highly encouraged by Hertz Farm Management. However, throughout the years, I am forever grateful for the time spent as a member. It has been a rewarding experience as I have networked with several fantastic people and gained educational knowledge from meetings as well as courses. Additionally, members of the society are always willing to help if I have questions on assignments that I may need additional guidance on. Becoming a member of ASFMRA has been one of my best life decisions.

### **Describe personal background items that would be of interest to fellow chapter members.**

In southwest Iowa is the small town of Anita. I grew up north of town on roughly 30 acres with my wonderful and hardworking parents, three sisters, and two brothers. We had dairy cattle until I was a sophomore in high school. I started walking beans when I was roughly 12 years old, babysat, and worked at the local newspaper throughout my school days. My husband, Mark, has been with Key Cooperative for over 28 years, so agriculture has always been a part of my life. Our immediate family includes three amazing children, their spouses, and five of the most adorable grandchildren ever: ranging in age 1 to 6. In my spare time, I enjoy being with my family, campfires, reading, hiking, quilting, and more recently, learning to play the piano.

### **Describe a couple memorable or unique experiences in your life.**

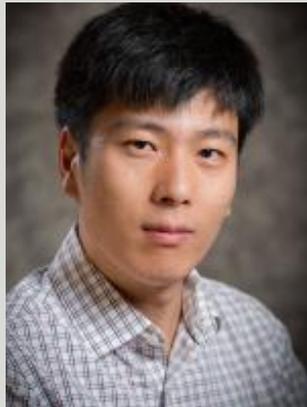
My decision to attend Iowa State was made in my early 30's as a mother of three. It was probably one of the most exciting and challenging times of my life. There were a lot of good things that happened to me at ISU. In my last two years there, two of my final classes were Tae-Kwon-Do I & II with Master Pak. Part of passing the class was to enter a sparing competition. I was nervous as heck but was honored to get second place in my green-belt division. That was an adrenaline rush and something I will always remember. Another memorable experience as a member of ASFMRA, was attending the Leadership Institute in Washington, D.C. What an amazing personal and educational opportunity that was.

### **Anything else you would like to share....**

If I could offer just one piece of advice ... don't be afraid to spread your wings and fly. There is a great big world out there and opportunities at every door. I never would have thought I would be in the appraisal profession; ten years ago, I didn't even know what it involved. But I am glad I took the chance and look forward to each new challenge.

# Iowa Farmland Owners Could See Large Tax Increase from American Families Plan

Kristine Tidgren and Wendong Zhang



All eyes are on Washington D.C. this month as congressional Democrats seek to pass a \$3.5 trillion legislative package. Although details are yet to be released, the package is expected to include many provisions proposed by President Biden in his “American Families Plan.” The potential legislation would provide new social programs to millions of U.S. households. It would be funded with significant tax increases.

Specifically, the AFP proposes increasing the top marginal tax rate for ordinary income, taxing some capital gain at ordinary income tax rates, subjecting more income to the 3.8% Medicare tax, and taxing

unrealized capital gain at death or upon gift. These changes would mean that some owners of property that has increased in value would pay tax at a rate as high as 43.4% when they sell the property or when they transfer it at death or by gift. The AFP also proposes taxing those who die with gain greater than \$1 million (\$2 million for married couples). So the first \$1 million would still receive a tax-free step up in basis, but the rest would receive the step up only after paying the tax.

A new [ISU study](#) led by Wendong Zhang and Kristine Tidgren examined the potential tax impacts of the AFP on Iowa farmland owners. They find that 53% of all Iowa farmland acres and 17% of all Iowa owners would be impacted by the new AFP tax at death or gift, based solely upon their farmland holdings. The average tax for these owners would be \$623,888. Furthermore, they estimate 62% of full-time farmer owners with an interest in 200 acres or more—comprising 79% Iowa farmland acres owned by them—would be impacted by the AFP tax at death or gift. The average tax for this group would be \$782,576 or 13% of the FMV of their farmland.

The findings are based upon a \$1 million capital gain exclusion from recognition (per owner) proposed to apply at the time of death or gift. The findings suggest that if the AFP were to remove the \$1 million exclusion, 93% of Iowa’s farmland would be impacted by the new transfer tax. If the exclusion were set at \$5 million, the data show that number would drop to 6%, with only .6% of owners impacted by the AFP tax.

The proposal does include a deferral for family-owned businesses that pass the business or farm to a family member who continues to operate it, which would result in a delay in payment of the tax, not an exemption from the tax. For those required to pay the tax, the proposal suggests a 15-year payment plan, but if they can’t cash flow that, they would have to sell. Without more detail, it is impossible to analyze the impact of a deferral provision. It does appear, however, that the tax would be assessed at death or gift, but the payment deferred until such time as the land is no longer farmed by a family member. The definitions of “farming” and “family owned and operated” would be key to determining the reach of any deferral provision.

It’s unclear at this time what, if any, of the proposals may pass a divided Congress. The Center for Agricultural Law & Taxation will post regular updates on their [website](#).

## Volunteer for an ASFMRA Committee!

The Iowa Chapter offers a variety of ways for our members to get involved. From volunteering on committees with one-day events like the scholarship and FFA committees, to stepping into a leadership role on our executive team. There’s something for everyone!

Please complete this short survey to let us know how we can get you plugged in! [Member Survey](#)

# USPAP Registration is Open

Date: Tuesday, December 7, 2020 from 8:00 AM to 5:00 PM

Location: Hertz Farm Management Office: 415 S 11th St, Nevada, IA 50201

Registration Fee: \$250 member, \$300 nonmember

Online Registration: <https://www.asfmra.org/education/education-calendar>

The underlying theme of all sections are USPAP requirements for ethical behavior and competent performance by appraisers. Discussion will focus on specific USPAP revisions and afford you the opportunity to apply this information through case studies and a review of frequently asked questions and responses of various USPAP topics. The material emphasizes the role of the appraiser, the appraiser's impartiality associated with this role, and helps clarify concepts such as scope of work and when USPAP applies. The special responsibilities of the appraiser with regard to impartiality are explored in detail.

## New Way to Give to the Education Foundation

The Education Foundation has established an endowed fund with the Community Foundation of Greater Des Moines. Using funds raised through the 75th Anniversary fund drive, the Board of Directors established a fund of \$25,000 in honor of Larry Trede.



The Education Foundation of Iowa Chapter ASFMRA Scholarship Fund is set up so others may make contributions to the fund. These contributions will qualify the donor for a 25% Iowa Tax Credit. No minimum gift is required to qualify for the credits. You can find out more details about these credits on the [Des Moines Foundation](https://www.desmoinesfoundation.org/) website.

Our representative from the Community Foundation of Greater Des Moines will be at the 2022 Annual Meeting and will share more information about this fund and how to contribute.

## ASFMRA Membership Due Changes

As a reminder, going forward the ASFMRA will be transitioning the membership dues payment date for all members to October 1. This transition will allow the ASFMRA to simplify its administrative and budgeting processes. Effectively, this means that:

- Members who currently have membership payment due dates in November through September will receive a prorated bill for their next due date.
- The prorated bill will cover the cost of ASFMRA National and Chapter membership until September 30, 2022.
- Members will receive a ASFMRA National and Chapter dues bill for October 1, 2022 that will cover the cost of membership until September 30, 2023.

## Friends of the Iowa Chapter



# Iowa Corn Keeps Agribusiness Professionals Informed

Members of ASFMRA rely on Iowa Corn to provide them with information and updates on the issues and activities that matter to their clients.



CARRIE SEIDEL

"Iowa Corn keeps its members informed about the issues that impact farmers' bottom lines," says Carrie Seidel, a farm manager with Hertz Farm Management and Iowa Corn member. **"Getting regular updates on issues like tax and ethanol policy helps me provide reliable information to landowners and farmers to prepare them for the future."**

"It's important that farm managers and appraisers understand what's happening in the corn industry," says John Airy, a farmer, auctioneer and real estate agent with Agri-Management Services. "The information Iowa Corn provides its members on a regular basis helps agri-business professionals speak the language of our farmer clients. That builds trust and goes a long way toward building lasting relationships."

## Getting involved provides value

Seidel and Airy also see value in participating in Iowa Corn events. "Attending the Iowa Corn Growers Association district policy roundtables gives me direct access, so I know what's on farmers' minds," says Seidel. "These

meetings give growers a seat at the table. It also provides me with an opportunity to share opinions about the issues that matter to my clients."

Airy, who is president of Linn County Corn Growers, says advocating for corn growers at every level is important. "Collectively, our voice is stronger when we work together," he says. **"With my Iowa Corn membership, I know I'm staying informed on important issues and I am confident they are working on my behalf for a stronger agriculture economy."**



JOHN AIRY

"I wear a lot of different hats. I rely on the Iowa Corn emails to alert me on the issues they are following and the actions they are taking," says Seidel. "This is a valuable member benefit because I share this information with my clients."

Seidel and Airy encourage their ASFMRA colleagues to join Iowa Corn as associate members.

**JOIN IOWA CORN**

Email Carrie Dodds, Director of Growers Services, at [cdodds@iowacorn.org](mailto:cdodds@iowacorn.org) for more information about becoming an associate member and getting involved with Iowa Corn. Join today at [iowacorn.org/join](http://iowacorn.org/join).

## We Need More Friends....

Every year the ASFMRA Iowa Chapter is generously supported by our "Friends" of the Chapter. We reach out to the same companies every year and are grateful for the support they provide our chapter. Donations from our Friends are used in large part to offset the costs of our Annual Meeting and make it more affordable to all of our members.

We would like to make sure we are contacting all vendors that our members regularly use. Please take a few minutes to fill out the linked form to let us know what vendors you frequently work with. Providing your contact at the company would be very helpful.

Contact [Traci Schermerhorn](#) if you have any questions. If you are interested in joining our Friends Committee and helping secure chapter sponsorships, contact [Morgan Troendle](#).

[ASFMRA Iowa Chapter Vendor Survey](#)

# Iowa and Illinois Chapters Meet in Davenport

Last month, the Iowa and Illinois ASFMRA Chapters held a joint summer meeting in Davenport, IA. It was the first in-person meeting for both of our chapters for quite some time, and people were excited to be together! This group packed in a day and a half of tours, education and a social.

Our members had the opportunity to tour the US Army Rock Island Arsenal. A barge came through while we were there so we got to watch the process first hand. After the tour, Wyffels Hybrid in Geneseo, IL hosted us for lunch and a presentation.



In addition to tours, our attendees had the opportunity to hear from some great speakers including Eric Snodgrass, Dustin Ahern, Willie Vogt, Dr. Gary Schnitkey, Dr. Chad Hart and Kirk Wesley.

Our keynote speaker was Chad Projacke. Chad started a crusade to clean up the Mississippi river at age 17. His hard work, vision, humor and leadership has resulted in 11 million pounds of garbage being cleaned out of America's rivers. His drive and tenacity are truly inspiring. You can learn more about Chad's not-for-profit, [Living Lands & Waters](#), on their website.

Iowa and Illinois members had the opportunity to network and relax aboard the Celebration River Cruise as they floated down the Mississippi river. It was a beautiful night to be outside and members really enjoyed catching up with each other. There was a great turnout of YPN members for their social.



This is the second time the Iowa Chapter has partnered with another state for a summer meeting. We hope to continue to do this in years when Education Week is not in Iowa.

## September and October Anniversaries

Congratulations to the following members celebrating anniversaries with ASFMRA!

Loyd Brown, AFM, ARA - 10/02/71  
James Jensen, AFM, ARA - 10/25/76  
Darrell Limkeman, AFM, ARA - 10/25/76  
Dick Coffman, AFM, ARA - 10/12/77  
Michael Nissly, AFM - 09/23/82  
Douglas Helvig - 09/21/84  
Mark Akers, ARA - 10/18/84  
Glen Smith, ARA - 09/06/85  
Terry Kestner, ARA, RPR - 10/10/89  
Roger Williams, AFM - 10/30/92

Lawain Biermann, AFM - 10/29/93  
Wayne Nobsch - 10/29/93  
Nathan Deters, AFM - 09/25/98  
Kraig Van Hulzen, ARA - 09/20/02  
Thomas Hertz - 10/01/05  
Matthew Mann, AFM - 09/01/07  
Ryan Roetman, AFM - 10/01/07  
Tyler Fitterer - 09/24/15  
Ken Kruger - 09/25/15  
Chad Kalaher - 10/22/15

Molly Zaver - 10/23/15  
Caitlin Klett - 10/20/16  
Peter Isaacson - 09/21/18  
Kyle Bell - 10/19/18  
Isaac Klemish - 10/24/18  
Michael Duffy - 09/25/19  
Lucas Pearson - 09/25/19  
Bradley Wink - 10/11/19  
Calen Noah - 09/04/20  
Scott Borcharding - 09/28/20

ASFMRA—Iowa Chapter

Traci Schermerhorn, Executive Director

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