

SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

Winter 2013
Newsletter



The Aftermath of Atlas Blizzard:

A note from Secretary Lucas Lentzsch

This past year has seen some unfortunate livestock losses for our South Dakota farms and ranches. A significant amount of 2013 calf crop income was lost in eastern South Dakota from the late spring ice storm and blizzards. Western South Dakota also faced devastating herd equity and income losses from the fall blizzard.

As South Dakota ranchers recover from storm Atlas, financial assessment and evaluation is a big step in the process to move forward.

The South Dakota Department of Agriculture (SDDA) currently has financial counseling and programs available, but we also want to learn more about specific needs.

Surveys are currently being mailed to western South Dakota ranchers impacted by the blizzard and we urge you to respond. Answers to this survey will contribute to discussions during the upcoming legislative session. All responses to this survey are anonymous. If you are a farmer or rancher who would like to respond to this survey, please contact us at 605.773.5425 or agmail@state.sd.us. To find more information on Atlas Blizzard relief efforts, visit sdda.sd.gov



2014 Legislative Session

The Department will be bringing a few bills to this year's legislative session. The main one will continue funding for conservation efforts with the State Conservation Commission.

The Department is also working with the Animal Industry Board, the State Veterinarian, and various agriculture and animal groups on an animal cruelty bill. The proposed bill was crafted over the past year at the request of several groups and urging of several legislators. The intent of the animal cruelty bill is to put in place adequate regulations which still allow for standard animal care practices to continue.

The Governor has proposed \$460,000 of additional funding to offset previous expenditures out of the Rural Rehab Fund, thus protecting the fund for generations to come. This program has provided financial services to many producers and has helped grow agriculture in South Dakota. In addition to the funding for Rural Rehab, the Governor also proposed one-time monies for the South Dakota State University Swine Facility Construction.

The needs of different South Dakota regions are all important. It is the duty of SDDA to provide factual information to legislators concerning proposed legislation for their decision making process. The Department will continue supporting the interests of South Dakota agricultural producers and our number one industry. We are *your* Department of Agriculture.



Happy Holidays from your Department of Agriculture!

Every year, staff decorates a Christmas tree at the State Capitol. This year's theme was "Christmas in the Great Outdoors".

SDDA Winter Happenings

January 1-Offices closed for New Year's Day
January 22-Legislative Mountain Pine Beetle Briefing, Pierre
February 12-State Tree Farm Committee Meeting, Pierre
February 27-28 – SDACD Conservation District Official Leadership Training, Kings Inn Pierre

Looking Ahead:

June 26-27, 2014-5th Annual Governor's Ag Summit, Deadwood



Meet SDDA's Deputy Secretary



Trudy Wastweet joined the Department as Deputy Secretary in September 2013. "I've been meeting many of our ag leaders across the state and look forward to meeting more," said Wastweet. "The best way for me to do my job is to hear from our industry members at the ground level. I welcome invitations from all across South Dakota--to see our agriculture businesses, ranches and farms and visit directly with the folks who make this industry succeed."

A South Dakota native, Wastweet graduated from Lake Preston High School and earned her Bachelor of Science in Agriculture Education from South Dakota State University. She has been active in the agriculture community, serving on the Minnesota Ag in the Classroom Board of Directors and on the Legacy Committee of the Agriculture Future of America Alliance. Wastweet recently received the prestigious McCloy Fellowship in Agriculture from the American Council on Germany.

"Advocating for South Dakota's ag industry is my goal," said Wastweet. "Hearing the farmer and rancher's story is where that begins."

Agricultural Mediation & Counseling

In 1988, South Dakota legislature passed a law that established a Farm Loan Mediation Program under the South Dakota Department of Agriculture (SDDA). Mediation helps agricultural borrowers and lenders by bringing them together with a neutral person, called a mediator, who assists in resolving their financial disputes in a confidential setting. A request for mediation is required for agricultural credit cases if the amount of debt is greater than \$50,000 against agricultural land or property.

The goal of mediation is getting the borrower and lender to work together, discuss options and find the best solution for all involved. Mediation can be instrumental in avoiding litigation. In the past several years, the Mediation Program has expanded to include federal land dispute and oil and gas surface depredation issues. The primary focus of the Mediation Program continues to be agricultural credit.

Mediators facilitate the discussion between the borrower and creditor(s) through a mediation. Ag Finance Counselors work with borrowers to prepare for mediation. Finance Counselors provide assistance to producers in understanding their financial situation and making informed decisions. In Fiscal Year 2013, SDDA received 60 requests for mediation and had 23 cases proceed to mediation.

For more information, contact Kea Warne, SDDA Special Projects Coordinator at 605.773.2036.

Division Spotlight: Ag Development Bridging the Gap by Terri LaBrie, SDDA Finance Administrator

According to the United States Department of Agriculture's National Agricultural Statistics Service, the average age of the principal farm operator in the U.S. is approaching 60 years in age. The fastest growing group is those 65 years and older; and, not surprisingly, the majority of farm operators are between 45 and 64 years of age.

With this knowledge, there is concern for our next generation of farmers and ranchers and how they can get their start in the business. If a young person does not have parents or grandparents to help them with purchasing cattle, machinery, and land, it's almost impossible.

The importance of programs to help these young people is more important now than ever with rising land prices and input costs. The federal government has numerous programs available for operating lines and land purchases; however, federal funding has become more limited.

In July 2013, the South Dakota Department of Agriculture (SDDA) developed a Bridge Loan program to assist with the funding gap for USDA approved borrowers and has already closed over \$1.2 million in low-interest loans. "The bridge loan program worked very well with one of my customers," says Ben Johnson, ag loan officer at Home Federal Bank in Hartford. "Once borrowers are approved for financing and decide to pursue the bridge loan, they just need to release their information from the Farm Service Agency (FSA) to SDDA and they handle everything. It's a great program with little paperwork."

The temporary Bridge Loan follows FSA eligibility criteria and maximum dollar amounts of loans. The loan must meet the FSA conditions to be re-financed by FSA. "I would encourage anyone that has already been approved at FSA and is waiting on funding, to contact SDDA – they can help," says Johnson.

Another program that can assist with land purchase is the Beginning Farmer Bond. This is a tax-exempt bond program administered by SDDA that benefits qualifying beginning farmers with a lower interest rate and could potentially provide federal tax incentives to a contract seller under certain circumstances. The qualification criteria for a beginning farmer is different than FSA qualifications; providing an additional program to fill the gap where a potential borrower may not meet the FSA criteria.

Programs are in place to help our next generation to get their start in farming or ranching. If you are a land owner and considering retirement or transitioning out of your farming enterprise, consider assisting the next generation and give them the tools necessary to provide the food, feed, and fiber to the world.

For more information on the program, contact Terri LaBrie, Finance Administrator at 605.773.5436 or <https://sdda.sd.gov>