

# Auctioneers' Goal: Get The Best Price

BY EMILY NIEBRUGGE  
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For Tom Kuchta, who has been in the auction business for more than 40 years, auctioneering is about getting farmers the best price for their cattle.

Kuchta is currently an auctioneer and operations manager at Yankton Livestock Auction Market, and has been working towards those prices since he graduated high school.

"Growing up, I always wanted to be an auctioneer," he said. "Then, I went to Mason City to auction school. It teaches you the fundamentals and what to do and what not to do. The schooling is only for two solid weeks, and then when that's over, you have to go back home and practice."

Kuchta said he was fortunate enough to be able to start in the livestock auctioneer business in an actual livestock market. He said that doesn't usually happen.

"It's hard to get into it. Everybody wants to be an auctioneer, but it's hard to just practice auctioneering when you don't get a chance. It's like practicing and then you never get to play. With auctioneering, you have to get a chance to get in front of everybody. It's not easy," he said.

Auctioneer and field representative Greg Ryken also works at Yankton Livestock Auction Market. He said a typical day starts out at 6:30 a.m. with many phone calls.

"I answer a lot of questions about the markets and what the cattle are worth today and tomorrow, and what I think of the future and the next couple weeks or the next year," he said. "Then, basically, we line up the sale. I believe lining the sale up is very important on how you conduct it and bringing the most money to your customers, in preparing everything. After that, we start selling in the mornings until we run out of cattle."

When people bring their feeder



KELLY HERTZ/P&D

**Greg Ryken of Yankton Livestock Auction Market is shown working at the Chamber of Commerce Ag Gala in June. He said auctioneering is very much a people business. "The respect they give you and the chance to do business with them, I like to talk to them all," he said.**

cattle in to the auction, Kuchta said the auctioneers line up the buyers.

"They will come in and buy those cattle and background them," he said. "Backgrounding means they'll feed them hay, silage and some corn. They won't necessarily finish them — they'll feed them and background them. That's what the livestock feeder cattle market is all about."

When fat cattle sales begin in the morning, Kuchta said the packer buyers know what they want. There are

normally 7-10 fat cattle buyers in an auction, because there are so many different classes of cattle, he said.

"Some of them like the cattle really fat because they have a better place to go with them, like the restaurants. Some of them like cattle that are really lean. They want them because people don't like a lot of fat on their meat, so they have a different place to go with those," Kuchta said.

The packers buy the cattle by auction, they have orders, and send

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**TOM KUCHTA**

them to the packing houses, he said.

"Everything nowadays is pretty much put in a box. The farmers and the feed lot people have come accustomed to trying to feed them so they get fat at 1,300-1,500 pounds. The loins are in a box, the steaks, the roasts and the hamburger is all in a box. That's how they do it."

Ryken also started auctioning right after high school, after attending many sales as a kid.

"I went to the farm sales and cattle sales with my dad all summer long when I was a kid," he said. "We went to sale after sale after sale, and then when I went to high school, I thought it was something that I might like to do."

Right after high school, Ryken went to Billings, Mont., to auctioneer school. He said he started off by doing some auction sales for friends, and was then hired by Dick Payne, who was an auctioneer at the time.

"He and I worked together for probably about 20 years until he retired," he said.

Dan Koupal is an auctioneer at Yankton Livestock Auction Market as well, and said he enjoys the job. He believes the auction market is something people still appreciate.

"You're meeting new people all the time, and working with good people and selling cattle for the highest price we can," he said. "It's about making sure the customers are happy — you have different sorts of cattle and everyone wants the highest price for their stock."

Koupal said the benefit of the auctioning business is giving farmers the best way to market their product.

"If you have a few buyers fighting over one item, you can get the highest price," he said. "That's something people really appreciate. They like to bring their cattle here and they like to get the best price for them through auctioning."

After working for Yankton Livestock Auction Market for nine years, Ryken has noticed the biggest difference has been in the prices.

"When I started selling fat cattle here, they were bringing in about 64 cents," he said. "Today, they're bringing \$1.20. Calves were bringing 80 cents, now they're bringing \$1.80. The prices have literally doubled of what they're costing in the last eight or nine years."

Ryken said the quality of the cattle is much better than what he has seen in the past, in terms of genetics.

For Ryken, auctioneering is part of Yankton's heritage, and it's an occupation that has given him the chance to meet new people and friends.

"I love the people," he said. "The respect they give you and the chance to do business with them, I like to talk to them all. Auctioneering is something that has been going strong here for years. It's truly the real price discovery. If you really want to know what something is worth, put it in front of the auctioneers and they'll decide what it's worth."

## Center For Rural Affairs Helps Farmers, Tackles Issues

BY EMILY NIEBRUGGE  
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The Center for Rural Affairs (CRA) does more than just talk about current issues and policy.

Executive director Chuck Hassebrook said the organization is to working every day with small business and beginning farmers and ranchers to help them improve their operations.

Headquartered in Lyons, Neb., the organization works directly with beginning farmers and small businesses.

"Our programs have helped over 10,000 small rural businesses across Nebraska in a variety of ways," Hassebrook said. "We have helped by providing training with business management, sometimes by providing technical assistance and putting together a business plan, and in some cases by provided loans for small businesses."

The office in Hartington, Neb., focuses on the same issues. Wyatt Frass, rural opportunities and stewardship program assistant director, said the office opened in 1976 as a field office, working on specific projects with



Hassebrook

farmers in northeast Nebraska.

"One of the main focuses has been on resource conservation and helping new farmers to get

started," he said. "Our resource conservation has focused on energy and renewable resources — water and soil. The beginning farmer program has been about advising, running a matching program, getting information resources put together and just advising new farmers and ranchers about the resources available and the technique they can use for getting started."

A large part of the work from the main office has been policy — and small business — related. The CRA makes it a priority to stay involved with current policy issues and keep in contact with state representatives.

"When we work with policy, we often start out with analysis," Hassebrook said.

"We do our homework and we understand public policy. We talk with rural people to understand their concerns and how those policies are affecting them."

The CRA works on public policy in a couple different ways, Hassebrook said. Staff members meet directly with senators and representatives from all across the country to contact them and talk with them about issues. Then, members work to get their message out to the public and the policy makers all across the country.

The group also works closely with representatives in Washington.

"People in Washington see us as a national group, so when we work on federal policy, we're able to talk with the offices of senators and representatives from all over," Hassebrook said.

Frass has been working with beginning farmers for 20 years, and said at that time there was a demographic bulge happening where there were fewer young people and more senior farmers and ranchers.

"At that time, we said, 'The time is coming when a lot of people will be retiring

and we'll need people to replace them.' It's not 20 years in the future when that's going to happen. It's happening now."

Frass has noticed that the shift in land ownership is happening, and has been working more with the farmers and ranchers who own the land.

"Some are retired and some are absentee, and are looking for a way to transfer the ownership to the next generation for their business. We're working more with those senior landowners than we were before," he said.

Frass said it will be important to keep family farms strong, which is something he is working to help farmers accomplish.

"We need both sides of the coin to keep family farms and ranches active in the country," he said. "We need people who want to move on to the land and work it and run the business, and we need the people who own it to transfer their assets to the next generation and transfer their knowledge to the new generation so the new farmers don't make the same mistakes over and over again that the senior generations have."

The dry summer has also forced the office in Hartington to focus on helping farmers.

**CENTER | PAGE 19A**

## Estate

From Page 8A

of their kids has to get exactly the same amount," she said. "Often times, that doesn't work. We deal with machinery and those types of things too. Sometimes there's some joint ownership of machinery between the father and son, and we have to talk about those types of things."

Dale Strasser has been practicing law for 34 years, and currently works at Dale L. Strasser, PC, in Freeman.

When he first started working in estate planning, he said the main concern was to minimize 'death taxes,' which came in the form of federal estate tax and state inheritance tax.

"When I first started practicing, the exemption amount in the '70s was \$125,000. Anything over that amount, you paid an estate tax on," he said. "The state inheritance tax was a little bit different. The exemption amount continued to ratchet up several thousand dollars over a period of years, and there was a time in the mid-'90s where the exemption amount was right around \$600,000."

Strasser said when that exemption amount came, people thought it would cover 90 percent of the estate.

"For a lot of us, it did," he said. "A lot of the estates

weren't worth as much. Then, in the middle '90s, we saw a shift in our own practice that there was more of a concern for laws that were for long-term care. That had to do with catching those people who didn't have enough cash on hand to cover long-term care for an extended period of time. The concern we saw was that a lot of people were worried about having to sell their farm land to cover long-term care."

Diana L. Randall, an associate attorney who also works at Dale L. Strasser PC, said something new that farmers will have to pay attention to is real estate values.

"Real estate values have increased greatly over the past years," she said. "Currently, the estate tax is sometimes an issue."

The federal law currently allows individuals to pass \$5 million on their death, without having to incur a state tax, but that legislation is set to expire at the end of 2012, Randall said.

"It all depends on what Congress decides to do with that in November," she said. "Starting to plan ahead for that, people can tend to avoid the estate tax — minimize it to the greatest extent possible, which is something that a lot of farmers look in to. It hasn't been so much of an issue this year, because a husband and wife are each allowed up to \$5 million in assets before the tax is enforced. If that were to

change in the coming years, then it probably will become more of a concern again for farmers."

Woodward said although these are the main issues people deal with when they talk about estate planning, it's not just about assets when people die.

"I do estate planning for families to make sure they have a good power of attorney in place, so if they have a car accident or a farming accident or a stroke, they've got someone set up who can step in immediately and help pay the bills and take care of them," she said. "I always make sure people have a medical power of attorney too, so that if somebody needs to make healthcare decisions for them, they've got a legal document in place and a process that they've set up themselves, to make sure that whoever they want to make those decisions for them is the one is making the decisions."

The main problems people have always faced is taxes and getting their property to their kids, Archbold said.

"Over the 35 years that I've been doing this, I really haven't seen a lot of changes except in the sizes of the numbers," he said. "The people that we deal with are pretty down-to-earth, good people. They're thinking about the right things — we really haven't seen a lot of change in the basic thought process of the people."



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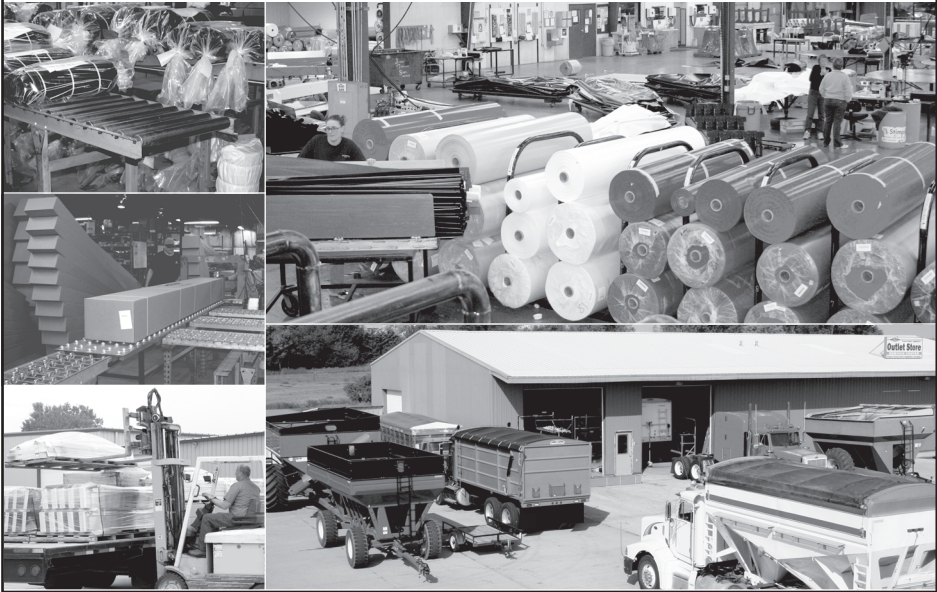
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