



Take Five

A five-minute summary of industry activities for members of the largest state agribusiness association in the nation
The Agribusiness Association of Iowa

Apply for AAI
Foundation's
Winton Etchen
Scholarship
Deadline is
April 25, 2008!

Application
Attached

USDA Awards
More Than \$5
Million in Water
Quality Grants

USDA Announces
\$36 Million in
Funding for 2008
Renewable Energy
& Energy Efficiency
Program

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APPLY FOR AAI FOUNDATION'S WINTON ETCHEN SCHOLARSHIP

AAI is now taking applications for the Winton Etchen Scholarship. The primary goal of this program is to prepare Iowa youth for a career in agriculture. This scholarship program is designed to provide college financial assistance to a resident of Iowa or a dependant of an AAI member who chooses to study agriculture. AAI Foundation offers one \$1,000 scholarship to a full-time Iowa State University freshman studying agriculture.

The AAI Foundation provides grants to advance education and science in the field of agronomy and agribusiness management. The goal is to identify and recognize outstanding students who plan careers in agriculture and/or a related field. Students who are legal residents of the State of Iowa and who are enrolled in agriculture related curriculums are eligible to apply. Applicant must be sponsored by a member of the Agribusiness Association of Iowa.

If you are interested in applying for the scholarship please fill-out the attached application, or if you know of an ISU student who fits the qualifications please feel free to pass this information onto him/her. The scholarship has a new deadline, the application **MUST** be postmarked by **April 25, 2008**. For more information go to www.agribiz.org

USDA AWARDS MORE THAN \$5 MILLION IN WATER QUALITY GRANTS

USDA Agriculture Secretary Ed Schafer has announced that the USDA is awarding \$5.2 million in grants to 14 universities and the EPA to conduct research aimed at improving and maintaining healthy watershed habitat and water supplies. Iowa State University has been awarded \$399,770. The program seeks to reduce pathogens, such as bacteria, viruses and protozoa, in waters derived from agricultural and rural watersheds, as well as maintain adequate water supplies for agricultural crop and livestock production and rural use.

2008 RENEWABLE ENERGY AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM ANNOUNCED \$36 million in funding available

Farmers, ranchers and rural small businesses have new opportunities to install energy efficiency upgrades and new renewable energy systems.

The USDA Rural Development has released its NOFA (Notice of Funding Availability) for this year's Section 9006 clean energy grant and loan guarantee program. The program rules are similar to last year's, with a few changes. Congress recently boosted total 2008 funding for this program from \$23 million to \$36 million in recognition of the value and demand for Section 9006.

Below are key changes for 2008:

Grants: For grants, the USDA is making \$15.9 million available for 2008 (though more may come later from unused loan guarantee allocations). The USDA has established two grant cycles this year, with application deadlines of April 16th and June 16th. 50% of the grant funding will be set aside for each cycle. Applications not funded in the first cycle will be reconsidered in the second cycle.

Loan Guarantees: USDA will review and decide applications for loan guarantees on a continuous basis, but must be received by USDA no later than June 16th. Applications for combined loan guarantee-grants will be reviewed bi-weekly and USDA also must receive those applications no later than June 16th. The USDA has provided funding resulting in \$205 million in loan guarantees (leveraging \$19.9 million from original Congressional funding).

On-Line Applications: Grant applicants have the option to submit applications online from www.grants.gov and submit their application electronically. (At the time of this writing, the application is not yet available). Loan guarantee applications can only be submitted in paper form.

Further Information: Further information on the program including frequently asked questions, official application forms and templates, checklists, tips, case studies, application instructions and regulations can be found at www.farmenergy.org. Or locally contact: State Director: Mark Reisinger, Rural Development State Office, 210 Walnut Street, Room 873, Des Moines, IA 50309-2196 Phone: 515-284-4663 Fax: 515-284-4821 E-Mail: mark.reisinger@ia.usda.gov



Take Five

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Special Review
Session Being Held to
Discuss the Issue of
the Valuation of
Agricultural Buildings
& Structures

NOTICE-SPECIAL REVIEW

The Administrative Rules Review Committee has scheduled the attached rule, promulgated by the Department of Revenue, for special review. That meeting will be held on Friday, April 4th, 2008 in Senate Committee room #22. The time has not been determined.

[At issue is the valuation of agricultural buildings and structures.](#)

701—71.3(421,428,441) Valuation of agricultural real estate. Agricultural real estate shall be assessed at its actual value as defined in Iowa Code section 441.21 by giving exclusive consideration to its productivity and net earning capacity. In determining the actual value of agricultural real estate, city and county assessors shall use the "Iowa Real Property Appraisal Manual" and any other guidelines issued by the department of revenue pursuant to Iowa Code section 421.17(18).

In determining the productivity and net earning capacity of agricultural real estate, the assessor shall also use available data from Iowa State University, the Iowa crop and livestock reporting service, the department of revenue, or other reliable sources. The assessor shall also consider the results of a modern soil survey, if completed.

The assessor shall determine the actual valuation of agricultural real estate within the assessing jurisdiction and spread such valuation throughout the jurisdiction so that each parcel of real estate is assessed at its actual value as defined in Iowa Code section 441.21. In order to determine a productivity value for agricultural buildings and structures, assessors shall make an agricultural adjustment to the market value of these buildings and structures by developing an "agricultural factor" for their jurisdiction. The agricultural factor for each jurisdiction shall be the product of the ratio of the productivity and net earning capacity value per acre as determined under subrule 71.12(1) over the market value of agricultural land within the assessing jurisdiction. The resulting ratio is then applied to the actual value of the agricultural buildings and structures as determined under the Iowa real property appraisal manual prepared by the department. *The agricultural factor shall be applied uniformly to all agricultural buildings and structures in the assessing jurisdiction.* As an example, if a building's actual value is \$500,000 and the agricultural factor is 50 percent, the productivity value of that building is \$250,000. See H & R Partnership v. Davis County Board of Review, 654 N.W.2d 521 (Iowa 2002).

Land classified as agricultural real estate includes the land beneath any dwelling and appurtenant structures located on that land and shall be valued by the assessor pursuant to rule 701—71.3(421,428,441). An assessor shall not value a part of the land as agricultural real estate and a part of the land as if it is residential real estate.

This rule is intended to implement Iowa Code sections 421.17, 428.4 and 441.21.

Administrative Rules Review Committee
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IOWA'S TURKEY PROCESSORS GIVE PRODUCERS ROOM TO GROW

Iowa turkey production increased between 1996 and 2006 and has the potential for more growth, according to a report on the industry produced by the Iowa State University economics department.

Of the top seven turkey-producing states, only Iowa, Minnesota and Arkansas increased production between 1996 and 2006. In 2006, Iowa raised 8.2 million turkeys and processed more than 14 million.

The Iowa turkey industry employed 1,960 workers and accounted for \$55.6 million in wages and salaries for processing and production in 2006. An additional 2,300 people were employed through indirect and induced activities. The industry accounted for more than \$810 million in total sales and \$253 million value-added activities in 2006.

"Iowa currently imports nearly 6 million turkeys a year from surrounding states to support the state's two processing facilities. Because of Iowa's processing capacity, feed price advantage and ability to utilize manure nutrients effectively, there is potential to grow turkey production in the state," John Lawrence, an Iowa State professor of economics, said.

Increasing Iowa turkey production by 5.6 million birds to more closely match processing capacity would be expected to increase economic activity by \$120 million and create 380 full-time jobs.

The report found that Iowa's cost of production for live turkeys is competitive with Minnesota, North Carolina, and Missouri, the top one, two and five turkey-producing states, respectively. Iowa has higher nonfeed costs than Missouri and North Carolina due to higher facility, heating and labor expenses. However, Iowa corn and soybean meal prices are lower than these two states, making it competitive on cost of production. Although feed prices have risen with the growing renewable fuels industry, so has the cost of transporting corn from the Midwest to corn deficit regions, increasing Iowa's feed cost advantage.

The turkey report is available on the Iowa State economics department web site at:
<http://www.econ.iastate.edu/outreach/menuAgOutreach.asp?code=5A>

Iowa Turkey
Production Increasing
& has Room for
More Growth