









Dianne Shoemaker, OSU Extension Field Specialist, Dairy Production Economics shoemaker.3@osu.edu

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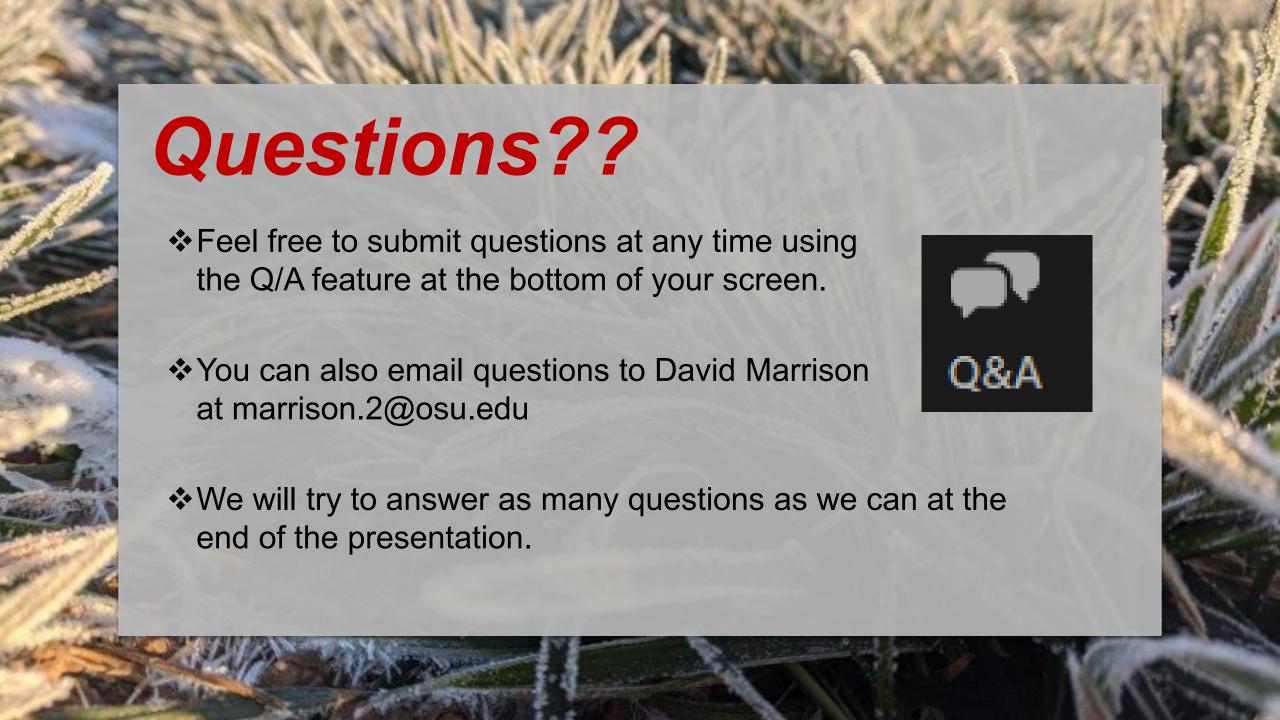
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Slides and a recording for today's presentation can be found at:

go.osu.edu/farmofficelive



Evaluation

Please help us continue to offer high quality programs by completing our evaluation upon competition of the webinar.

- The internet-based evaluation will start when you exit the zoom.
- Takes roughly 3 minutes
- *Responses will be completely private



Consolidated Appropriations Act, 2021 and COVID Relief Funding for USDA

\$11.2 billion in direct assistance

 $D_{ECEMBER}$ 21, 2020 RULES COMMITTEE PRINT 116-68 TEXT OF THE HOUSE AMENDMENT TO THE SENATE AMENDMENT TO H.R. 133 [Showing the text of the Consolidated Appropriations Act, In lieu of the matter proposed to be inserted by the Senate, insert the following: 1 SECTION 1. SHORT TITLE. This Act may be cited as the "Consolidated Appro-3 priations Act, 2021". 4 SEC. 2. TABLE OF CONTENTS. Sec. 1. Short title. Sec. 2. Table of contents. Sec. 3. References. Sec. 4. Explanatory statement. Sec. 5. Statement of appropriations. Sec. 6. Availability of funds. Sec. 7. Adjustments to compensation. Sec. 8. Definition. Sec. 5. Denmuon.
Sec. 9. Office of Management and Budget Reporting Requirement. DIVISION A—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND DRUATED AGENCIES ADDICIDITA DIVISION A—AGKICULTUKE, KUKALI DEVELOPMENT, FUOD AND DIVISION ACUR ORDER APPROPRIA-Title I—Agricultural Programs Title II—Farm Production and Conservation Programs Title IV—Domestic Food Programs Title V—Foreign Assistance and Related Programs Title VI—Related Agency and Food and Drug Administration

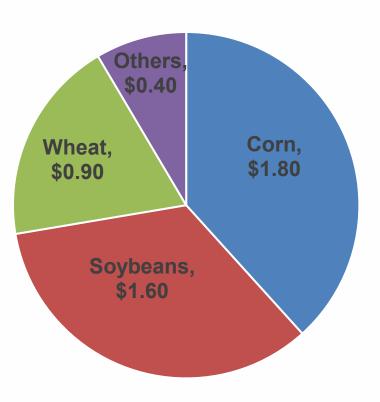
Crops

CFAP is back.

\$20/acre for eligible 2020 crops:

- Crops that qualified for CFAP-2
- "Price trigger crops" that meet minimum 5% price decline (barley, corn, sorghum, soybeans, sunflowers, upland cotton, wheat).
- "Flat rate crops" (no price decline or data) alfalfa, small grains, hemp, sugar beets....





Crops

- USDA may consider price differentiation factors among commodities such as specialized varieties, local markets and certified organic.
- Specialty crops can include crop insurance indemnities and disaster payments in 2019 sales or substitute 2018 sales when calculating eligible sales for CFAP.
- \$100 million for Specialty Crop Block Grant Program.
- Additional payments under CFAP 1 and 2 to producers affected by payment limitations, up to 80% of loss.
- May extend terms of marketing assistance loans to 12 months.



Livestock and poultry producers

- Depopulation losses from insufficient processing access, at 80% FMV and including depopulation costs not reimbursed.
- Cattle inventory payments based on differences b/w CARES Act, CCC and CFAP-2 payment rates x % factor (\$63/head fed cattle, \$25.50/head feeder cattle).
- \$1 billion to contract growers to cover not more than 80% of 2020 revenue losses.
- \$20 million for USDA animal disease prevention and response.
- Mandatory statutory trust for livestock dealers over \$100K in average annual purchases.
- Mandatory price reporting through 9/30/21.



Marketing and processing

- \$60 million grant program for meat and poultry slaughter and processing facilities to quality for federal inspection or . Cooperative Interstate Shipment (CIS) Program.
- Required report from USDA on improvements to CIS and loan and grant programs to increase meat and poultry processing capacity.
- \$100 million for Local Agriculture Market Program for impacts on local markets, including losses due to insufficient processing access.



Fuels

 Payments to producers of biofuels and biomass based diesel for market losses due to COVID.

Rural broadband

 Additional \$7 billion for broadband access and affordability for students, families and unemployed.

Fisheries

• \$300 million for Fisheries Disaster Assistance.

Timber

 \$200 billion for timber harvesting and hauling businesses with losses of 10% or more in gross revenue for 2020.

Other USDA funds

- \$1.5 billion for purchasing and distributing food to needy and for grants/loans for small and mid-sized processors and distributors for COVID response.
- Mandatory review to improve COVID food purchasing and distribution.

- \$75 million for Nutrition Incentive Program.
- \$75 million for Farming
 Opportunities Training and
 Outreach Program for
 socially disadvantage,
 veteran, beginning farmers.
- \$28 million to states for farm stress assistance programs.

Subtitle B- Agriculture Dairy SEC. 761 Supplemental DMC



Supplemental Coverage available January 2021 through December 2023



APH or PH: Annual Production History



The maximum calendar year production from 2011, 2012, or 2013.

Participating farms received annual "bumps"

Supplemental Production History is:

For farms with established PH of less than 5 million pounds

• 75% if the difference between:

2019 milk marketings

less

DMC production history

Total covered PH not to exceed a total of 5 million pounds



Funding

• Supplemental DMC Coverage funding available but unspecified amount through December 2023.

• \$400 million for Dairy Donation Program to facilitate the timely donation of eligible dairy products, prevent and minimize food waste.

Consolidated Appropriations Act (CAA), 2021 Farm Related Provisions



COVID Related Legislation - Significant Programs for Farm Businesses

Coronavirus Food Assistance Program (CFAP)

- Paycheck Protection Program
- Economic Injury Disaster Loan (EIDL) Advances

Employee Retention Credits





Consolidated Appropriations Act (CAA), 2021

 The CAA funds the government through September 30, 2021, implements COVID-19 relief provisions, and extends a number of expiring tax provisions. The \$2.3 trillion bill provides \$900 billion in COVID-19 relief.

Additional 2020 Recovery Rebates - "Economic Impact Payments" AKA "Stimulus Payments"

- The legislation provides for "additional 2020 recovery rebates for individuals."
- The additional recovery rebate credit is \$600 for "eligible individuals" or \$1,200 for "eligible individuals" filing a joint return.
- "Eligible individuals" are entitled to a \$600 credit for each "qualifying child".
- Phase-outs for filers with higher adjusted gross incomes.



Additional 2020 Recovery Rebates - "Economic Impact Payments" AKA "Stimulus Payments"

- These are advanced payments of a tax credit on your 2020 tax return.
- If the amount received is less than the amount qualified for based on your 2020 tax return, the additional amount is a credit on this return.
- If the amount received is greater than what you're entitled to based on your 2020 tax return, you do not have to pay back the difference.



- PPP reopened through March 31, 2021
- Allows borrowers to apply for a first-time or second draw loan
- Allocates \$284 billion for this reauthorized program and changes some of the rules retroactively.



- Qualified self-employed farmers who did not have employees and had less than \$100,000 of net income in 2019 were not originally eligible for the maximum forgivable PPP loan.
- The new legislation now allows for the PPP loan forgiveness based on gross income rather than net income.
- Farmers are now able to receive a PPP loan of up to \$20,833 (reduced by any loan already received) based on gross income of at least \$100,000.



- The Economic Aid Act provides a new loan calculation for selfemployed farmers based upon *gross* Schedule F income, rather than *net* Schedule F income.
- This new calculation can be used:
- (1) to apply for a First Draw loan
- (2) to request an increase to a First Draw loan (as long as forgiveness has not been received)
- (3) to request a Second Draw loan, if otherwise eligible.





• Borrowers who have not yet received forgiveness may request an increase in their loan amount if they returned all or part of a PPP loan or did not take the full amount of a PPP loan to which they were entitled.

- The PPP allows borrowers to spend proceeds on payroll costs and non-payroll costs of business mortgage interest, business rent payments, and business utility payments.
- This new legislation expands the allowable use of PPP loan proceeds.
 - Covered operation expenses Software, cloud computing, other human resources and accounting needs.
 - Covered property damage costs Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
 - Covered supplier costs Any costs that are essential to the recipient's operations at the time the loan was made plus any perishable goods.
 - Covered worker protection expenditure Personal protective equipment and adaptive investments to help the borrower comply with federal health and safety standards or any equivalent State or local guidance



• The legislation allows borrowers to choose a covered period anywhere between an eight-week and 24-week covered period for purposes of loan forgiveness. The covered period must begin on the date the proceeds are disbursed.



Paycheck Protection Program Loans – Covered Expenses Now Deductible

- Previously, the IRS and Treasury indicated that the expenses covered by PPP loans that were forgiven (or would be forgiven) would not be deductible. This new legislation now allows for these expenses to be deducted.
- Under the CAA, forgiven loan funds are excluded from gross income and expenses paid for with proceeds from forgiven loans are tax deductible.

Paycheck Protection Program Loans – PPP Second Draw Loans

- The Economic Aid Act authorizes the SBA to guarantee PPP Second Draw Loans under the same general conditions as PPP1.
- To be eligible for a PPP Second Draw Loan, the borrower must have received a PPP loan in 2020 and used all of the proceeds of that loan for permitted purposes.



Paycheck Protection Program Loans – PPP Second Draw Loans

- The new legislation establishes a PPP Second Draw Loan program that generally applies to businesses:
- With 300 or fewer employees and
- With gross receipts during any quarter in 2020 that were reduced by at least 25 percent from the gross receipts of the business during the same quarter in 2019. (Or had gross receipts for all four quarters in 2020 reduced by at least 25 percent compared to 2019.)

- Simplified forgiveness procedure for PPP loans up to \$150,000.
 - Retain records to prove compliance if audited by the SBA (4 years employment records; 3 years- other records)

• The legislation repeals the provision in the CARES Act requiring the SBA to reduce a borrower's PPP forgiveness by the amount of an EIDL Advance.

Economic Injury Disaster Assistance (EIDL) Advances

• The Act allows Economic Injury Disaster Assistance (EIDL) Advances provided as emergency grants under the CARES Act to be excluded from gross income while the corresponding expenses would remain deductible.

Employee Retention Credit (ERC)

- The legislation extends and expands the employee retention credit, allowing employers to remain eligible up until July 1, 2021.
- Previously, employers who received a PPP loan were ineligible to claim the ERC. The new legislation retroactively allows employers who receive PPP loans to claim the ERC and to treat payroll costs paid during the loan-covered period as qualified wages to the extent the wages are not paid for with forgiven PPP loan proceeds.

Employee Retention Credit (ERC)

- For the period January 1, 2021 & prior to July 1, 2021 the ERC percentage increases from 50 percent of qualified wages to 70 percent.
- Employers can count qualified wages up to \$10,000 per employee per quarter (instead of for all quarters) in calculating the credit.
- Employers qualify for the credit if their gross receipts for a calendar quarter are less than 80 percent of the gross receipts (previous rules <50%) of the corresponding calendar quarter in calendar year 2019.

New Net Operating Loss (NOL) Options

- The new legislation provides farmers new net operating loss options not otherwise available with the CARES Act.
- Farmers have the option to temporarily carry back Net Operating Losses 2 or 5 years with some caveats.



Temporary Allowance of 100% Deduction for Business Meals

• The new legislation allows for a 100 percent deduction for business meals where food or beverages is provided by a restaurant, for the 2021 and 2022 tax years.





TAX ISSUES

Reporting Income Form 1099-MISC Form 1099-NEC

go.osu.edu/1099-nec

9595	☐ VOID ☐ CORRE	CTED		
PAYER'S name, street address, city or foreign postal code, and telephon	or town, state or province, country, ZIP	1 Rents	OMB No. 1545-0115	
or foreign postar code, and telephon	e IIO.	20		Missellanssus
		\$	2019	Miscellaneous
		2 Royalties		Income
Z Builders				
123 Maple Avenue		\$	Form 1099-MISC	
Oaktown, AL 00000		3 Other income	4 Federal income tax withheld	Сору А
555-555-1212		\$	\$	For
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments	Internal Revenue
				Service Center
10-9999999	123-00-6789	\$	\$	File with Form 1096.
RECIPIENT'S name		7 Nonemployee compensation	8 Substitute payments in lieu of	For Privacy Act
Ronald Green		A 14	dividends or interest	and Paperwork
dba/Y Drywall				Reduction Act
Street address (including apt. no.)		\$ 5500.00	\$	Notice, see the
		9 Payer made direct sales of	10 Crop insurance proceeds	2019 General
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City or town, state or province, coun	try, and ZIP or foreign postal code	products to a buyer (recipient) for resale ►	\$	Certain
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Oaktown, AL 00000				Returns.
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	requirement	payments	attorney	
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15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income
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Form 1099-MISC

Cat. No. 14425J

www.irs.gov/Form1099MISC

partment of the Treasury - Internal Revenue Service

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Polling Question

Are you aware of the IRS change of reporting nonemployee compensation from the 1099-MISC to 1099-NEC?

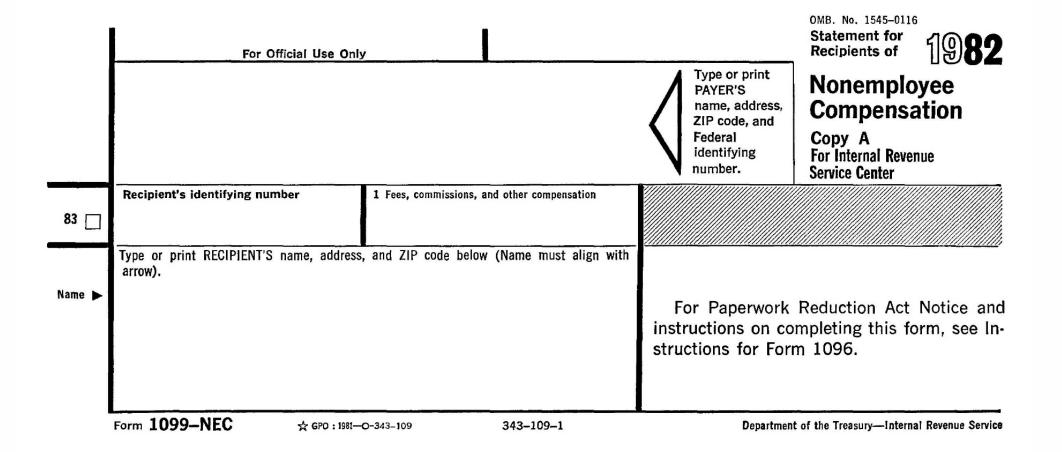
□Yes

□No

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Oaktown, AL 00000		3 Other income	4 Federal income tax withheld	Copy A
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PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments	Internal Revenue
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Form 1099-MISC Cat	. No. 14425J	www.irs.gov/Form1099MISC	Department of the Treasury -	Internal Revenue Service

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7171	☐ VOID ☐	CORREC	CTED		
PAYER'S name, street address, city or foreign postal code, and telephon		, country, ZIP		OMB No. 1545-0116	Nonemployee Compensation
				Form 1099-NEC	
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City or town, state or province, country, and ZIP or foreign postal code					Certain Information Returns.
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Account number (see instructions)		2nd TIN not.	5 State tax withheld	6 State/Payer's state no.	7 State income
			\$		\$
			\$		\$



When To Report on 1099-NEC

- 1. You made the payment to someone who is not your employee;
- You made the payment for services in the course of your trade or business (including government agencies and nonprofit organizations);
- 3. You made the payment to an individual, partnership, estate, or in some cases, a corporation; and
- 4. You made payments to the payee of at least \$600 during the year.



Ag & the 1099-NEC

- Examples include hiring neighbor to harvest, spray or plant crops or crop consultants, mechanics, accountants or veterinarians.
- ➤ Payment for parts or materials used to perform the service is included in NEC.
- ➤ Report if payment is at least \$600 to unincorporated businesses.
- Furnish statement to recipient and IRS by January 31 of each year.



9595	<u>ا</u> \	/OID	CORRE	CTED			
PAYER'S name, street addr or foreign postal code, and		te or province,	country, ZIP	1 Rents	OMB No. 1545-0115		
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				2 Royalties	<u> </u>	Income	
				\$	Form 1099-MISC		
				3 Other income	4 Federal income tax withheld	Copy A	
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PAYER'S TIN	RECIPIE	NT'S TIN		5 Fishing boat proceeds	6 Medical and health care payments	Internal Revenue Service Center	
				\$	\$	File with Form 1096.	
RECIPIENT'S name				7 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale	8 Substitute payments in lieu of dividends or interest	For Privacy Act and Paperwork Reduction Act	
Street address (including ap	t. no.)			9 Crop insurance proceeds	10 Gross proceeds paid to an attorney	Notice, see the 2020 General	
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					\$	Returns.	
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				\$		\$	

THE OHIO STATE UNIVERSITY COLLEGE of FOOD, AGRICULTURAL, and ENVIRONMENTAL SCIENCES

1099- MISC Still Used For:

- ➤ At least \$10 in royalties (box 2) or broker payments in lieu of dividends or tax-exempt interest (box 8)
- >At least \$600 in:
 - o Rents (box 1)
 - Prizes and awards (box 3)
 - Medical and health care payments (box 6)
 - Crop Insurance proceeds (box 9)
- ➤ To recipient by January 31
- To IRS by February 28 or in case of e-filed returns on March 31.



1099: Other Noteables

- What to do if contractor will not complete a W-9?
 - Withhold 28%
 - Marked "refused" on 1099
- Form-NEC has already been tweaked for 2021.

Request for Taxpayer **Identification Number and Certification**

Give Form to the requester. Do not send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information

	2 Business name/disregarded entity name, if different from above		
Print or type. See Specific Instructions on page 3.	Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check following severe boxes. Individual/scle progrietor or	Trust/estate	Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) Exemption from FATCA reporting
fic Ins	LLC if the LLC is classified as a single member LLC that is disregarded from the owner unless the own another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single is disregarded from the owner should check the appropriate box for the tax classification of its owner.	member LLC that	code (if any)
BC	☐ Other (see instructions) ►		(Applies to accounts maintained outside the U.S.)
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Par	7 List account number(s) here (optional) Taxpaver Identification Number (TIN)		
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nter acku- eside ntitie ntitie ntitie lote: lumb Par Inder . The Ser no	Taxpayer Identification Number (TIN) your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid prefit to a provided must match the name given on line 1 to avoid prefit to the provided must match the name given on line 1 to avoid prefit alien, sed proprietor, or disregarded entity, see the instructions for Part I, later. For other iss, it is your employer identification number (EIN). If you do not have a number, see How to get a ster. If the account is in more than one name, see the instructions for line 1. Also see What Name an err To Give the Requester for guidelines on whose number to enter. **Ell Certification** repeatities of perjury, I certify that: a number shown on this form is my correct taxpayer identification number (or I am waiting for a I m not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I interest or	or Employer	identification number

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments

Sign Here	Signature of	
Here	U.S. person ►	Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number. (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following

. Form 1099-INT (interest earned or paid

. Form 1099-DIV (dividends, including those from stocks or mutual

• Form 1099-MISC (various types of income, prizes, awards, or gross

• Form 1099-B (stock or mutual fund sales and certain other

transactions by brokers' . Form 1099-S (proceeds from real estate transactions)

. Form 1099-K (merchant card and third party network transactions . Form 1098 (home mortgage interest), 1098-E (student loan interest) 1098-T (tuition)

. Form 1099-C (canceled debt)

. Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding.

Form W-9 (Rev. 10-2018

7171	□ VOID	☐ CORRE	CTED		
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				OMB No. 1545-0116 2021 Form 1099-NEC	Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN		1 Nonemployee comper \$	Copy A For Internal Revenue	
RECIPIENT'S name			2 Payer made direct sa consumer products t	File with Form 1096. For Privacy Act and	
Street address (including apt. no			4 Federal income tax v	Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.	
City or town, state or province, c	ountry, and ZIP or foreign p	ostal code	5 State tax withheld	6 State/Payer's state no.	7 State income
Account number (see instruction	s)	2nd TIN not.	\$ \$		\$ \$
Form 1099-NEC Do Not Cut or Sep	Cat. No. 72590N arate Forms on	This Pag	w.irs.gov/Form1099NEC	Department of the Treasu Cut or Separate Forn	ry - Internal Revenue Service

More Information

- ➤ If fail to file correct information or by due date, may be subject to penalties.
- ➤ Producers can view the instructions for completing IRS Form 1099-NEC and 1099-MISC at:
 - https://www.irs.gov/pub/irs-prior/i1099msc--2020.pdf
- ➤ The 1099-NEC can be accessed at: https://www.irs.gov/pub/irs-pdf/f1099nec.pdf
- ➤ The 1099-MISC can be accessed at: https://www.irs.gov/pub/irs-pdf/f1099msc.pdf



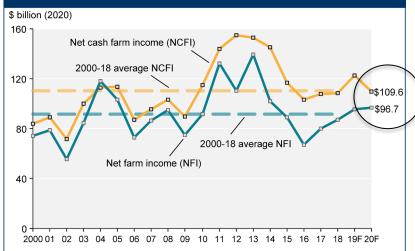
Income - Can it be Deferred until Next Year?

Income Item	Claimed or Deferred
Farm Bill Program Payments	Claimed in year received
(ARC/PLC) (WHIP)	
NRCS Cost-Share Payments	Claimed in year received
Coronavirus Food Assistance	Claimed in year received
Program (CFAP) Payments	
Prevented Planting Indemnity	Can be deferred if history of > 50% crop
Payments	sales deferred
Revenue Insurance Payments	Portion due to low prices must be claimed
	Portion from low yields can be deferred (?)



Crop Budget Outlook Land Value & Rental Rate Outlook

Net farm income and net cash farm income, 2000–20F

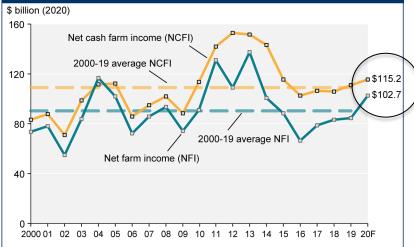


Note: F = forecast. Values are adjusted for inflation using the chain-type GDP deflator. 2020=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of February 5, 2020.

Net farm income and net cash farm income, 2000-20F

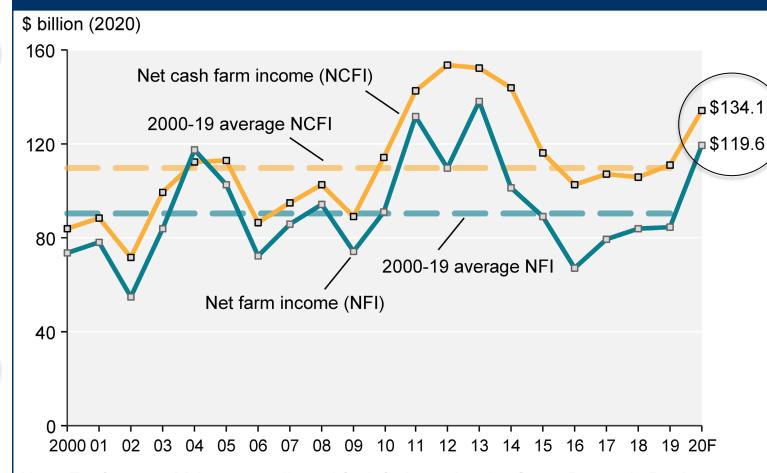


Note: F = forecast. Values are adjusted for inflation using the chain-type GDP deflator, 2020=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of September 2, 2020.

Net farm income and net cash farm income, 2000–20F



Note: F = forecast. Values are adjusted for inflation using the Gross Domestic Product chain-type price index, 2020=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of December 2, 2020.

THE OHIO STATE UNIVERSITY		ts 2000 acres, Co	es onservation Tillage	Corn/No-Til	RR Soyb	eans
COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES				Updated:		
ITEM	EXPLANATION	YOUR PROD.	PRICE PER UNIT	YIE	ELD (bu/A)1
RECEIPTS		NUMBERS		43	54	
Soybeans ¹			\$10.00 bu	433.60	542.00	650
ARC/PLC Payment (paid Oc	toher 2022) ²		\$10.00 Bu	12.75	12.75	12
Crop Insurance Indemnity	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			0.00	0.00	0
Ad Hoc Payment				0.00	0.00	0
Grower or Market Premium				0.00	0.00	0
TOTAL RECEIPTS				446.35	554.75	663
VARIABLE COSTS						
Seed ³	160000 seeds	160000	0.393 /1000	62.88	62.88	62
Fertilizer ⁴	/acre		seeds			
P2O5(lbs) 34.		52.0 53.6	0.46 lb	16.01	20.01	24
K2O(lbs) 49.		74.8 77.05	0.27 lb	13.50	16.88	20
Lime(ton)	0.25	0.25	25 ton	6.25	6.25	6
Chemicals ⁵ Herbicide				41.99	41.99	41
Insecticide				0.00	0.00	0
Fungicide	40.455			0.00	0.00	0
Hauling ⁶	\$0.155 /per bu	ishel		6.72	8.40	10
Fuel, Oil, Grease ⁷				9.26	9.26	9
Repairs ⁸				21.60	21.60	21
Crop Insurance ⁹				8.00	10.00	12
Miscellaneous ¹⁰				3.40	3.40	3
Hired Custom Work ¹¹				7.00	7.00	7
Hired Labor ¹²				0.00	0.00	0
Int. on Oper. Cap. 13	6 mo.		4.00%	3.64	3.79	3
TOTAL VARIABLE COSTS	-Per Acre			200.26	211.46	222
	-Per Bushel			4.62	3.90	3.
FIXED COSTS						
Labor Charge ¹⁴	1.1 hours		17.00 /hr	18.70	18.70	18
Management Charge ¹⁵	5% of gros	s income		22.32	27.74	33
Mach. and Equip. Charge ¹⁶				59.20	59.20	59
Land Charge ¹⁷				155.00	195.00	242
Miscellaneous ¹⁸				13.40	13.40	13
TOTAL FIXED COSTS				268.61	314.03	366
TOTAL COSTS	-Per Acre			468.87	525.50	589
	-Per Bushel			10.81	9.70	9
RETURN ABOVE VARIABLE COS		· ·		246.09	343.29	440
RETURN ABOVE VARIABLE AND	LAND COSTS			91.09	148.29	198
RETURN ABOVE TOTAL COSTS				-22.52	29.25	74
RETURN TO LAND				132.48	224.25	316
RETURN TO LABOR AND MANAGE				18.50	75.69	125
RETURN TO LAND, LABOR, AND	MANAGEMENT			173.50	270.69	367.

SOYBEAN PRODUCTION BUDGET (Roundup Ready) - 2021

13.40 268.61 314.03 366.45 **367.43** 468.87 525.50 589.12 **591.77**

132.48 224.25 316.03

246.09 343.29 440.48 458.41 91.09 148.29 198.48

75.69 125.88

173.50 270.69 367.88 385.82

200.26 211.46 222.67 224.34

433.60 542.00 650.40 670.00

446.35 554.75 663.15 **682.75**

62.88 62.88 62.88 **62.88**

12.75

0.00

0.00

0.00

24.01

20.26

6.25

41.99

0.00

0.00

10.08

9.26

21.60

12.00

3.40

7.00

0.00

3.93

3.42

33.16

59.20

9.06

74.03

195.00 242.00 **242.00** 13.40 **13.40**

12/6/2020

YOUR

BUDGET

12.75

0.00 0.00

0.00

24.74

20.87

6.25

41.99

0.00

0.00

10.39

9.26

21.60

12.00

3.40 7.00

0.00

3.96

3.35

34.14

59.20

8.83

216.41

90.98

332.98

143.82

18.70 **18.70**

No-Tillage Practices

		WHEAT PRODUCTION BUDGET (Grain and Straw) - 2021						2021		
Conservation Tillage Practices										
The Ohio State Univers	ITY		Reflects 20	000 acres, Co	onservatio	n Tillage	Wheat/Co	orn/No-Ti	II RR Soy	beans
COLLEGE OF FOOD, AGRICULTURAL AND ENVIRONMENTAL SCIENCES	L,									
							Updated			/31/2020
ITEM		EXPLAN	NOITA	YOUR	PRICE		YIE	ELD (bu/		YOUR
				PROD.	UN	IT				BUDGET
RECEIPTS				NUMBERS			58	72	86	92
Wheat (Grain Only) ¹					\$5.50	/bu	316.36	395.45	171 51	506.00
ARC/PLC Payment (paid Oc	tohor 202	2)2			\$3.50	/ Du	12.75	12.75	12.75	12.75
Crop Insurance Indemnity	toper 202	2)					0.00	0.00	0.00	0.00
Ad Hoc Payment							0.00	0.00	0.00	0.00
Grower or Market Premium							0.00	0.00	0.00	0.00
TOTAL WHEAT RECEIPTS							329.11	408.20	487.29	518.75
VARIABLE COSTS										
Seed		1,400,000	seeds	1,400,000	0.0310	/1000	43.40	43.40	43.40	43.40
Fertilizer ³						seeds				
N (lbs.)	63.5	82.6		109.4	0.357		22.68	29.51	36.34	39.06
P ₂ O ₅ (lbs)	28.8	36.0	43.1	46.0	0.433	/lb	12.44	15.56	18.67	19.90
K ₂ O(lbs)	14.4	18.0	21.6	23.0	0.258	/lb	3.71	4.64	5.57	5.94
Lime(ton)		0.25			25	/ton	6.25	6.25	6.25	6.25
Chemicals ⁴ Herbicide							14.65	14.65	14.65	14.65
Insecticide							0.00	0.00	0.00	0.00
Fungicide							0.00	0.00	0.00	0.00
Hauling ⁵	\$0.155	/per bushel					8.92	11.14	13.37	14.26
Fuel, Oil, Grease ⁶							6.67	6.67	6.67	6.67
Repairs ⁷							13.81	13.81	13.81	13.81
Crop Insurance ⁸							5.50	6.00	6.50	6.50
Miscellaneous ⁹							3.00	3.00	3.00	3.00
Hired Custom Work ¹⁰							14.60	14.60	14.60	14.60
Hired Labor ¹¹							0.00	0.00	0.00	0.00
Int. on Oper. Cap. 12		9	mo.		4.00%		4.24	4.56	4.89	5.02
TOTAL VARIABLE COSTS		-Per Acre					159.86	173.79	187 71	193.05
TOTAL VARIABLE GOOTS		-Per Bushe	el.				2.78	2.42	2.18	2.10
FIXED COSTS			-							
Labor Charge ¹³		1.35	hours		17.00	/hr	22.95	22.95	22.95	22.95
Management Charge ¹⁴		5%	of gross rev	venue			15.82	19.77	23.73	25.30
Mach. And Equip. Charge ¹⁵							33.79	33.79	33.79	33.79
Land Charge ¹⁶							155.00	195.00	242.00	242.00
Miscellaneous ¹⁷							10.70	10.70	10.70	10.70
TOTAL FIXED COSTS							238.25	282.21	333.16	334.74
L										
TOTAL COSTS (Grain Only)		-Per Acre					398.12			527.79
DETURN ABOVE VARIABLE O		-Per Bushe	1				8.07	7.12	6.62	6.56
RETURN ABOVE VARIABLE CO RETURN ABOVE VARIABLE A		СОЕТЕ					169.25	234.41 39.41	299.58 57.58	325.70 83.70
RETURN ABOVE TOTAL COST		100313					-69.01	-47.80	-33.59	-9.04
RETURN TO LAND							85.99	147.20	208.41	232.96
RETURN TO LABOR AND MAN	AGEMEN	NT					-30.24	-5.08	13.09	39.21
DETURN TO LAND LABOR AN								100.00		201 21

			CORN PI	RODUC	TION BUI	DGET-	- 2021			
			Conserv	ation Til	lage Prac	tices:	N-Source	- NH3		
THE OHIO STATE UNIV	ERSITY		Reflects 200	00 acres, 0	Conservation	Tillage	Corn/No-Till	RR Soybe	ans	
COLLEGE OF FOOD, AGRICU AND ENVIRONMENTAL SCI	LTURAL,									
AND ENVIRONMENTAL SCI	ENCES						Updated:			12/6/2020
ITEM	E	KPLANATI	ON	YOUR	PRICE PE	R	YIE	LD (bu/A)	1	YOUR
				PROD.	UNIT					BUDGET
				NUMBERS			140	175	210	215
RECEIPTS										
Corn ¹					\$3.80	/bu	532.30	665.38	798.46	817.00
ARC/PLC Payment (p		r 2022)²					12.75	12.75	12.75	12.75
Crop Insurance Indem	nity						0.00	0.00	0.00	0.00
Ad Hoc Payment Grower or Market Prer	nium						0.00 0.00	0.00	0.00	0.00 0.00
Glower of Market Fiel	illulli						0.00	0.00	0.00	0.00
TOTAL RECEIPTS							545.05	678.13	811.21	829.75
VARIABLE COSTS										
Seed (kernels) ³	28000	32000	34000	34000	¢2 25	/1000	91.00	104.00	110.50	110.50
Seed (kernels)	Seed Cost		34000	34000	\$260.00		91.00	104.00	110.50	110.50
Fertilizer ⁴	0000 0031	. i ci bag			Ψ200.00	, bag				
Starter Fertilizer							0.00	0.00	0.00	0.00
N (lbs.)	168.0	186.0	206.0	206.0	0.27	/lb	56.10	61.04	66.52	66.52
P ₂ O ₅ (lbs)	49.0	61.3	73.5	75.3	0.46	/lb	22.63	28.29	33.94	34.73
K ₂ O(lbs)	28.0	35.0		43.0	0.27		7.59	9.48	11.38	11.65
Lime(ton)	20.0	0.25		0.25		/ton	6.25	6.25	6.25	6.25
Chemicals ⁵ Herbicid	lo.	0.20		0.20	20	/1011	46.22	46.22	46.22	46.22
Fungicio							0.00	0.00	0.00	0.00
Insectic							0.00	0.00	0.00	0.00
Drying ⁶		% moisture	e at harvest	0.039	/cent/bu/po	oint	27.32	34.14	40.97	41.93
Hauling ⁷		/per bushel					21.71	27.14	32.57	33.33
Fuel, Oil, Grease ⁸	*******						11.00	11.00	11.00	11.00
Repairs ⁹							25.54	25.54	25.54	25.54
Crop Insurance ¹⁰							11.00	13.00	15.00	15.00
Miscellaneous ¹¹							5.10	5.10	5.10	5.10
Hired Custom Work 12							22.20	22.20	22.20	22.20
Hired Labor ¹³							0.00	0.00	0.00	0.00
Int. on Oper. Cap. 14		7	mo.		4.00%		6.85	7.45	7.90	7.93
ин. он орон опр.					4.0070		0.00	7.10	7.00	
TOTAL VARIABLE COST	rs		-Per Acre				360.50	400.84	435.10	437.88
			-Per Bushe	d .			2.57	2.29	2.07	2.04
FIXED COSTS										
Labor Charge ¹⁵		2.25	hours		17.00	/hr	38.25	38.25	38.25	38.25
Management Charge 16	3	5%	of gross rev	enue			27.25	33.91	40.56	41.49
Mach. And Equip. Cha							75.22	75.22	75.22	75.22
Land Charge ¹⁸	J-	Rent					155.00	195.00	242.00	242.00
Miscellaneous 19							20.50	20.50	20.50	20.50
TOTAL FIXED COSTS							316.22	362.88	416.53	417.46
TOTAL COSTS			-Per Acre				676.72	763.72	851.63	855.34
			-Per Bushe	1			4.83	4.36	4.05	3.98
RETURN ABOVE VARIA	BLE COST	S ²⁰					184.55	277.29	376.11	391.87
RETURN ABOVE VARIA		AND COS	TS				29.55	82.29	134.11	149.87
RETURN ABOVE TOTAL	COSTS						-131.67	-85.59	-40.42	-25.59
RETURN TO LAND		-					23.33	109.41	201.58	216.41
RETURN TO LABOR ANI	MANAGE	MENT					-66.17	-13.44	38.39	54.14

RETURN TO LAND, LABOR AND MANAGEMENT

88.83 181.56 280.39 **296.14**

	CORN BUDGET	- 2021	
Item	Input	Yield in bus	hels/acre
Receipts		175	210
Corn Price	\$4.25 /bushel	\$744.18	\$893.01
ARC/PLC +MFP		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$104.00	\$110.50
Fertilizer+Soil Ame	ndment	\$110.12	\$125.09
Chemicals (Crop P	rotection)	\$46.22	\$46.22
Fuel		\$11.00	\$11.00
Repairs		\$25.54	\$25.54
Crop Insurance		\$13.00	\$15.00
All Other		\$96.15	\$110.62
Tota	I Variable Costs / Acre	\$406.03	\$441.10
Fixed Costs			
Labor and Manage	ment	\$75.46	\$82.90
Machinery Cost		\$75.22	\$75.22
Land Rent		\$195.00	\$242.00
Tota	I Costs / Acre	\$772.21	\$861.72
Returns			
Return to Total Co	sts /	-\$28.03	\$31.29
Return to Varia	ble Costs	\$338.15	\$451.91
VERSIT Return to Land		\$166.97	\$273.29

	SOYBEAN BUDGE	T - 2021	
Item	Input	Yield in bus	hels/acre
Receipts		54	65
Soybean Price	\$11.40 /bushel	\$617.88	\$741.46
ARC/PLC +MFP		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$62.88	\$62.88
Fertilizer+Soil Ar	nendment	\$45.59	\$53.46
Chemicals (Crop	Chemicals (Crop Protection)		\$43.66
Fuel		\$9.26	\$9.26
Repairs		\$21.60	\$21.60
Crop Insurance		\$10.00	\$12.00
All Other		\$22.67	\$24.84
To	tal Variable Costs / Acre	\$215.66	\$227.37
Fixed Costs			
Labor and Mana	gement	\$49.59	\$55.77
Machinery Cost		\$59.20	\$59.20
Land Rent		\$195.00	\$242.00
	tal Costs / Acre	\$532.85	\$600.61
Returns			
Return to Total (Costs	\$85.03	\$143.72
Return to Var	iable Costs	\$402.22	\$514.09
Return to Lan	d	\$280.03	\$385.72

	WHEAT BUDGET	Γ - 2021	
Item	Input	Yield in busl	hels/acre
Receipts		72	86
Wheat Price	\$6.25 /bushel	\$449.38	\$539.25
ARC/PLC		\$0.00	\$0.00
Variable Cost	S		
Seed Cost		\$43.40	\$43.40
Fertilizer+Soil	Amendment	\$55.96	\$66.83
Chemicals (Cro	op Protection)	\$14.65	\$14.65
Fuel		\$6.67	\$6.67
Repairs		\$13.81	\$13.81
Crop Insurance	e	\$6.00	\$6.50
All Other		\$33.31	\$35.86
	Total Variable Costs / Acre	\$173.79	\$187.71
Fixed Costs			
Labor and Mar	nagement	\$45.42	\$49.91
Machinery Cos	st	\$33.79	\$33.79
Land Rent		\$195.00	\$242.00
7	Total Costs / Acre	\$458.69	\$524.11
Returns			
Return Above	Total Costs	-\$9.32	\$15.14
Return Abov	e Variable Costs	\$275.59	\$351.54
Return to La	and	\$185.68	\$257.14

Crop Enterprise Budgets 2021				
	Corn Soybeans Wheat			Wheat
Receipts		175/4.25	54/11.40	72/6.25
Crop Revenu	е	\$744.18	\$617.88	\$449.38
ARC/PLC +M	IFP	\$0.00	\$0.00	\$0.00
Variable Cos	sts	\$406.03	\$215.66	\$173.79

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H	ΔТІІ		١
1)

Return to Variable Costs	\$338.15	\$402.22	\$275.59
Return to Land	\$166.97	\$280.03	\$185.68

	Crop Enter	rprise Budget	s High Y	'ields 2021
--	------------	---------------	----------	-------------

		Corn	Soybeans	Wheat
Receipts		210/4.25	65/11.40	86/6.25
Crop Revenu	е	\$893.01	\$741.46	\$539.25
ARC/PLC +M	FP	\$0.00	\$0.00	\$0.00

Variable Costs	\$441.10	\$227.37	\$187.71
Variable Goote	Ψ11110	Ψ==1101	Ψισιιι

Returns

Return to Variable Costs	\$451.91	\$514.09	\$351.54
Return to Land	\$273.29	\$385.72	\$257.14

Farmland Values: Outlook

Supportive Fundamentals:

- Farm Income Up 43% in 2020
- Farmer equity positions remain relatively healthy (US D/A Ratio ~13.95)
- Prices/margin outlook for 2021 improved
- Interest rates lower
- ARC/PLC Payments in '20
- CFAP 1.0 and 2.0 in '20
- Land Supply Relatively Low
- Estate taxes mostly inconsequential
- Phosphorous regulations*
- Development pressure housing*

Suppressive Fundamentals:

- Lower/No ARC/PLC payments likely
- No ad-hoc payments?
- Farmer equity positions are healthy but weakening
- Livestock/Dairy income mixed

Mixed Fundamentals:

Mixed yields/margins in '20

Rental Rates: Outlook

Supportive:

- Farm Income Up 43% in 2020
- Farmer equity positions remain relatively healthy
- Prices/margin outlook for 2021 improved
- ARC/PLC Payments in '20
- CFAP 1.0 and 2.0 in '20
- CAUV/Property Taxes still on landowner minds

Suppressive:

- Lower ARC/PLC payments likely
- No ad-hoc payments?
- Farmer equity positions are healthy but weakening
- CAUV/Property Taxes lower in many counties

Mixed Fundamentals:

Mixed yields/margins in '20





Ohio Farm Custom Rates 2020 https://farmoffice.osu.edu/farm-mgt-tools/custom-rates-and-machinery-costs

Conventional Till Average Median Max Min Harvest Com / Plant Com 30" Rows / Acre \$20.00 \$50.00 \$10.00 (combine, grain cart, haul local to farm) / Acre \$33.90 \$34.50 \$55.00 \$22.00 Plant Com w/ Starter Fertilizer 30" Rows / Acre \$21.10 \$20.00 \$50.00 \$10.00 Harvest Soybeans / Harvest Soybeans / \$31.50 \$30.00 \$50.00 \$16.00 Plant Soybeans 15" or 30" Rows / Acre \$20.10 \$20.00 \$50.00 \$6.00 Harvest Wheat / Harvest Wheat /	Plant Com 30" Rows / Acre Plant Com w/ Starter Fertilizer 30" Rows / Acre Variable rate corn planting / Acre
Plant Com w/ Starter Fertilizer 30" Rows / Acre \$21.10 \$20.00 \$50.00 \$10.00 Harvest Soybeans / Variable rate corn planting / Acre \$22.00 \$20.00 \$38.00 \$14.00 (combine, grain cart, haul local to farm) / Acre \$31.50 \$30.00 \$50.00 \$16.00 Plant Soybeans 15" or 30" Rows / Acre \$20.10 \$20.00 \$50.00 \$6.00 Harvest Wheat /	Plant Com w/ Starter Fertilizer 30" Rows / Acre Variable rate corn planting / Acre
Variable rate corn planting / Acre \$22.00 \$20.00 \$38.00 \$14.00 (combine, grain cart, haul local to farm) / Acre \$31.50 \$30.00 \$50.00 \$16.00 Plant Soybeans 15" or 30" Rows / Acre \$20.10 \$20.00 \$50.00 \$6.00 Harvest Wheat /	Variable rate corn planting / Acre
Plant Soybeans 15" or 30" Rows / Acre \$20.10 \$20.00 \$50.00 \$6.00 Harvest Wheat /	
Fidili Soybealis 15 01 50 Rows / Acte	Diget Carbages 451 or 001 Days / As
	Plant Soybeans 15" of 30" Rows / Acre
Variable rate soybean planting / Acre \$20.20 \$20.00 \$35.00 \$14.00 (combine, grain cart, haul local to farm) / Acre \$31.50 \$30.00 \$50.00 \$22.0	Variable rate soybean planting / Acre
Drill Soybeans / Acre \$18.00 \$17.25 \$40.00 \$8.00 Added Charge GPS Mapping \$1.40 \$1.00 \$5.00 \$0.00	Drill Soybeans / Acre
Drill Small Grains / Acre \$17.30 \$17.25 \$27.00 \$8.00 Combine Com / Com \$29.00 \$30.00 \$40.00 \$15.00	Drill Small Grains / Acre
Combine Soybeans / Acre \$27.80 \$28.00 \$40.00 \$15.0	
No-Till Combine Small Grains / Acre \$28.40 \$28.25 \$40.00 \$15.00	No-Till
Plant Com 30" Rows / Acre \$20.10 \$20.00 \$50.00 \$10.00 Pick Ear Com / Acre \$30.00 \$30.00 \$40.00 \$20.0	Plant Com 30" Rows / Acre
Plant Com w/ Starter Fertilizer 30" Rows / Acre \$21.20 \$20.00 \$50.00 \$10.00 Grain Cart / Acre \$5.30 \$5.00 \$10.00 \$2.0	Plant Com w/ Starter Fertilizer 30" Rows / Acre
Variable rate corn planting / Acre \$22.30 \$20.00 \$38.00 \$14.00	Variable rate corn planting / Acre
Plant Soybeans 15" or 30" Pows / Acre \$20.10 \$20.00 \$50.00 \$6.00 Grain Storage - On Farm Average Median Max Mill	
Variable rate soybean planting / Acre \$20.50 \$20.00 \$28.00 \$14.00 Storage / Vear / Bushel \$0.047 \$0.050 \$0.12 \$0.00 \$0.0	Variable rate soybean planting / Acre
Variable rate soybean planting / Acre \$20.00 \$20.00 \$14.00 Storage / Year / Bushel \$0.19 \$0.16 \$0.60 \$0.0 Drill Soybeans / Acre \$18.00 \$16.85 \$30.00 \$8.00	
Drill Small Grains / Acre \$17.60 \$17.00 \$30.00 \$8.00 Grain Drying	-
Per Point of Moisture Removed / Bushel \$0.039 \$0.040 \$0.07 \$0.0	
Grass/Legume/Pasture Seeding	Grass/Legume/Pasture Seeding
Broadcast / Acre \$9.20 \$8.00 \$15.00 \$5.00 Grain Hauling	-
Grain drill / Acre \$16.70 \$17.50 \$25.00 \$8.00 Farm to Market / Bushel \$0.155 \$0.150 \$0.280 \$0.05	Grain drill / Acre
Average Miles - Farm to Market 25.2 22.0 63.0 3	
Field to Farm / Bushel \$0.102 \$0.100 \$0.150 \$0.05	
Average Miles - Field to Farm 13.3 10.0 50.0 5	

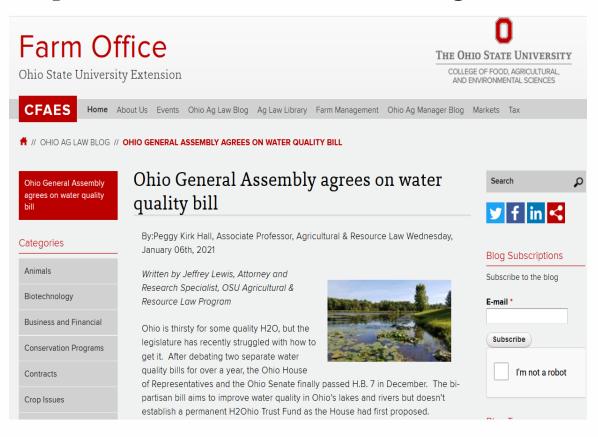


Ohio Legislative Update





Read more at https://farmoffice.osu.edu/blog



H.B. 7—Water quality

- Watershed planning and management program.
- Certification program for farmers
- ODA funding for equipment purchases, soil testing, technology, monitoring, NMP implementation.
- Public record exemption for NMPs
- (CAUV eligibility for biofuel production facility lands).

Revision of "petition ditch laws" – H.B. 340, effective March 18, 2021

- Streamlines county engineer and SWCD petition processes.
- Clarifies multi-county ditch processes.
- Sod or seeded strips to be 10 to 15 feet wide, with all acreage removed from taxable value.
- Specific factors to consider for determination of assessments and more guidance on petition approval factors.





Ohio Revised Limited Liability Company Act (takes effect 1/1/2022)

Most important changes:

- Elimination of member-managed vs. manager-managed and actual vs.
 apparent authority of each, to be determined by operating agreement or
 default rules.
- Statutory default fiduciary duties and standards of conduct for members and managers.
- Authorization of series LLCs. Multiple LLC formation minus administrative burdens, i.e., one filing as a Series LLC for separate series of assets and liabilities organized under the parent LLC.



B-corporations - S.B. 21, eff. March 24, 2021

- Allows a for-profit corporation to include
 "beneficial purposes" for its formation purposes
 - Defined as seeking to have a positive effect or reduce negative effects of artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific or technological nature for the benefit of interests other than its shareholders.
 - B-corps and directors are **not liable** to beneficiaries of the beneficial purpose and may consider beneficial purposes in determining the best interest of the corporation.

Also addresses:

- B-corp names
- Annual reports on beneficial purposes
- Derivative suitsbased onbeneficialpurposes



Ohio Farm Business Analysis and Benchmarking Program

Helping Ohio's farm families achieve financial success















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Whole Farm Analysis

Farm Financial Standards

farmprofitability.osu.edu

Enterprise Analysis

Costs of Production per acre, bushel, ton, head, and/or cwt.

Personalized Benchmark Reports

Annual Summaries

Northwest

Mary Wilhelm.137 419.782.4771



Clint Schroeder.307 419.722.0606

Southwest



North Central

Lucas

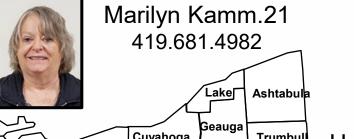
Clark

Green

Brown

Warren Clinton

Fulton



Muskingum

Perry Morgan

Athens

Meigs

Belmont

Monroe

Noble

Washington



Fairfield

Hocking

Vinton

Jackson

Gallia

Franklin

Pickawa

Ross

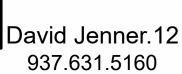
Scioto

Pike

Fayette

Adams

Highland



Preble

Butler

Hamilton

Northeast



Haley Shoemaker.306 234.575.9815



Christina Pfaff.58 330.581.1420

Central/Southeast



Trish Levering.43 740.815.2401

Dianne Shoemaker.3

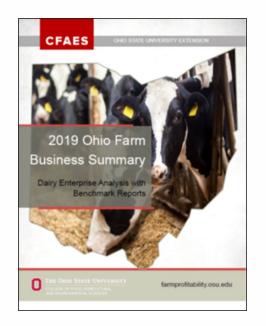
awrence

For More Information about Farm Business Analysis:

Visit:

http://farmprofitability.osu.edu/

https://farmoffice.osu.edu





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United States
Department of
Agriculture

National Institute of Food and Agriculture



AEDE and OSU Extension Winter Outlook Meetings

Climate and Grain Market Outlook, Ben Brown and Aaron Wilson

- Friday, January 22, 2021, 10:00-11:30
- Friday, February 19, 2021, 10:00-11:30
- March 11, 2021, 10:00-11:30

Register:

aede.osu.edu/programs/202021-agricultural-policy-and-outlooks





OSU Extension

February 15, 22 & March 1, 2021 6:30 to 8:30 p.m. via Zoom



February 10, 2021 from 7:00 to 8:30 p.m.

or

February 12, 2021 from 10:00 to 11:30 a.m.

Register at: https://go.osu.edu/farmofficelive

CFAES

