



Join us for the next **FARM OFFICE LIVE**

December Topics:

- **USDA NASS Update with Special Guest Cheryl Turner**
- **2022 Dairy Margin Coverage Signup and Supplemental Coverage Opportunity**
- **Meat Processor/Federal Program Updates**
- **State and Federal Legislative Updates**
- **Farm Tax Update**
- **Looking Ahead to 2022**
- **Q&A**

Register or watch replays at
go.osu.edu/farmofficelive

Register once and receive links to join future programs

*Each session includes timely updates and Q&A time on topics of interest.
Email your questions or suggested topics to strawser.35@osu.edu.*



OSU Extension's Farm Office Team

Peggy Kirk Hall
David Marrison
Dianne Shoemaker
Barry Ward

December 15, 7-8:30 pm
December 17, 10-11:30 am

Save the date!
We will be back Jan. 19, 7-8:30 pm
Jan. 21, 10:00 – 11:30 am

*Farm Office is your farm's
ag law and farm management
resource center.*





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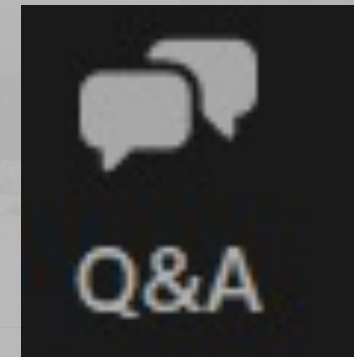


**Slides and a recording for today's presentation can
be found at:**

go.osu.edu/farmofficelive

Questions??

- ❖ Feel free to submit questions at any time using the Q/A feature at the bottom of your screen.
- ❖ You can also email questions to David Marrison at marrison.2@osu.edu
- ❖ We will try to answer as many questions as we can at the end of the presentation.



Evaluation

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

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





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**United States Department of Agriculture
National Agricultural Statistics Service**

Cheryl Turner

State Statistician- USDA/NASS Great Lakes Region

614-728-2100

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2022 CENSUS OF AGRICULTURE

YOUR VOICE. YOUR FUTURE. YOUR OPPORTUNITY.

THE AG CENSUS COUNTS



United States Department of Agriculture
National Agricultural Statistics Service

nass.usda.gov/AgCensus

Who am I?

Cheryl.turner@usda.gov

- 30+ years with USDA-NASS
- State Statistician since 2013

Communication

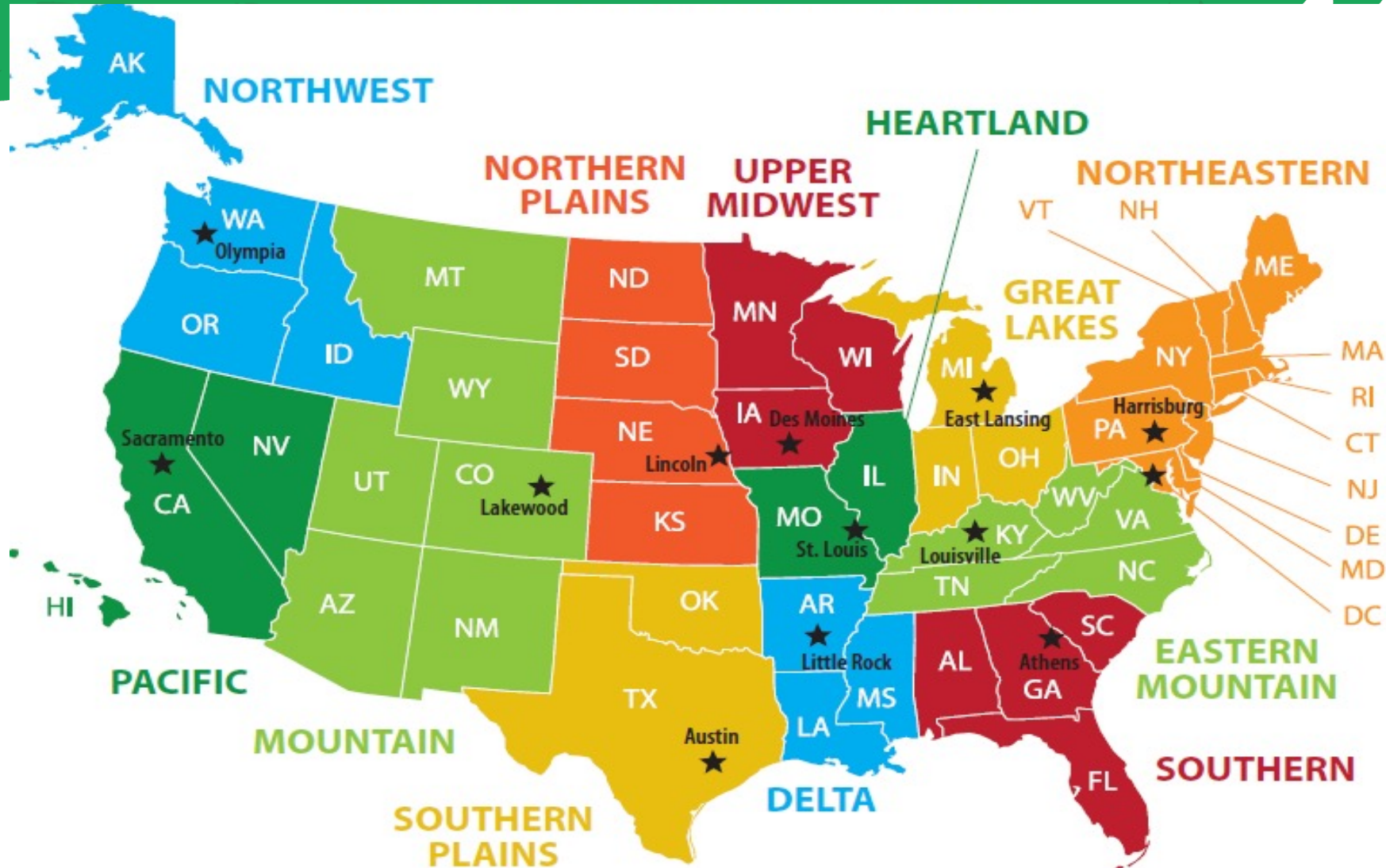
Outreach

Recruiting

Who is NASS?

As the statistical agency for USDA, NASS provides *timely, accurate, and useful statistics* in service to U.S. agriculture.

NASS Today



What we do ...

- Collect, assemble, process, and disseminate U.S. agricultural data
- Conduct hundreds of national, regional, state, and local surveys
- **Conduct detailed agricultural census every 5 years**
- Publish hundreds of national reports annually
- Partner with state ag departments, universities, and others
- Conduct research to advance statistical science



United States Department of Agriculture
National Agricultural Statistics Service

What types of surveys??

- Acreage and yield
- Livestock surveys
- Economic surveys
- County Estimate surveys
- Floriculture surveys
- Fruit and Vegetable surveys
- Organic surveys
- **Census of Agriculture**
- And many more ...



United States Department of Agriculture
National Agricultural Statistics Service

We maintain confidentiality.

- Your individual data is protected by law from any court or legislative action
- Aggregated data can not be published in any form that would lead to the disclosure of individual data
- Your data is protected by
 - U.S. Code, Title 7, chapter 55, Section 2276
- Additionally, DR 1042-42, 7a states
 - Information in all reports will be withheld from unauthorized disclosure and publication until the day and hour of public issuance.



United States Department of Agriculture
National Agricultural Statistics Service

NASS does not ...

- Set policy
- Regulate activities
- Permit influence
- Disclose individual reports
- Favor any group above others



United States Department of Agriculture
National Agricultural Statistics Service

History

The first **Census of Agriculture** was conducted in **1840** in **26 states** and the District of Columbia.



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National Agricultural Statistics Service

180 Years Later

NASS conducts the Census of Agriculture in:

- all 50 states
- Puerto Rico
- Guam
- U.S. Virgin Islands
- Commonwealth of Northern Mariana Islands
- American Samoa

That's data for more than 3,000 U.S. counties and 30,000 zip codes.



United States Department of Agriculture
National Agricultural Statistics Service

Census of Agriculture

A complete count, taken every five years, of America's farms and ranches and the people who operate them.



United States Department of Agriculture
National Agricultural Statistics Service

Census of Agriculture

- The most complete agricultural data available.
- The only source of uniform, comprehensive and impartial agricultural data for every county in the U.S.
- Information on land use and ownership, producer characteristics and demographics, production practices, income and expenditures, and more.



United States Department of Agriculture
National Agricultural Statistics Service

Farm Defined

Any operation/place where **\$1,000 or more** of agricultural products were produced and sold, or potentially sold, during the calendar year.



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National Agricultural Statistics Service



YOUR VOICE



United States Department of Agriculture
National Agricultural Statistics Service

nass.usda.gov/AgCensus

Your Voice

- By participating in the Census of Agriculture, you help show the nation the value and importance of U.S. agriculture.
- This is your opportunity to tell how American agriculture provides food, fuel, and fiber to the world.
- By responding to the census, you have the power to influence decisions that will shape American agriculture for years to come, including:
 - transportation and marketing locations
 - farm services, programs, and policies
 - production practices and new technologies



United States Department of Agriculture
National Agricultural Statistics Service

A photograph of a sweet potato field. In the foreground, several large, reddish-brown sweet potato tubers are piled on a mound of dark brown soil. Behind them, rows of green sweet potato plants with large, heart-shaped leaves stretch across the field. In the far background, a line of trees and a small red barn are visible under a cloudy sky.

YOUR OPPORTUNITY



United States Department of Agriculture
National Agricultural Statistics Service

nass.usda.gov/AgCensus

Your Opportunity

- NASS is currently building the Census mailing list. This is your opportunity to make sure you are counted!!!
 - I will be at trade shows with post cards that you can fill out to make sure you receive a Census.
 - Online forms can be filled out at <https://www.agcounts.usda.gov/static/get-counted.html>.
 - Your local FSA office can help you – or they can direct you to me at
 - Cheryl Turner
 - Cheryl.turner@usda.gov
 - 614-307-7284



United States Department of Agriculture
National Agricultural Statistics Service

Your Opportunity

- Your response to the Census of Agriculture makes a difference!
- To ensure that the best tools and reports are available, we need accurate information from ALL farmers and ranchers no matter how large or small your operation.
- Respond early and avoid follow-up contacts.
- *Your response is required and protected by federal law.*



United States Department of Agriculture
National Agricultural Statistics Service

A man with a beard and a baseball cap is holding a large black plastic crate filled with ripe, bright orange oranges. He is standing in an orchard with many green trees and more oranges visible in the background. The man is wearing a blue and yellow plaid shirt over a white t-shirt. The text "BE COUNTED" is overlaid in white on a green rectangular background.

BE COUNTED

THERE'S STRENGTH IN NUMBERS



United States Department of Agriculture
National Agricultural Statistics Service

nass.usda.gov/AgCensus

Dates to Remember

November 21, 2022: Census mail out

February 6, 2023: Census deadline

February 2024: Census data available



United States Department of Agriculture
National Agricultural Statistics Service

Responding to the Census

- You are highly encouraged to complete the Census of Agriculture online at www.agcounts.usda.gov. The online questionnaire is secure, convenient and user-friendly. Save time by responding online as the form calculates totals automatically, offers quick drop-down menu options, and skips questions that do not pertain to your operation.
- Alternatively, you may also respond by mail.



United States Department of Agriculture
National Agricultural Statistics Service

For More Information

Visit www.nass.usda.gov/AgCensus

Find the latest promotional and outreach products under [Partner Tools](#) in the left column of the Ag Census web page.

Follow @USDA_NASS on Twitter

Call (800) 727-9540



United States Department of Agriculture
National Agricultural Statistics Service

Upcoming Release dates

- January 12, 2022 – Crop Production Annual Summary, 2021
- February 19, 2022 – Farms and Land in Farms, 2021
- February 24, 2022 – Corn and Soybean County Estimates



United States Department of Agriculture
National Agricultural Statistics Service

Me!!

- Cheryl Turner
- USDA NASS OH State Statistician
- Cheryl.turner@usda.gov
- 614-307-7284



United States Department of Agriculture
National Agricultural Statistics Service

Dairy Margin Coverage Program Supplemental DMC

Updates and Opportunities

Dairy Margin Coverage Program Highlights

- 2022 Program Sign Up Open
 - December 13, 2021 through February 18, 2022
 - At USDA County Farm Service Agency offices
- Supplemental DMC Coverage
 - Farms with <5 million pounds of established production history
 - Have increased milk sales
- Premium Alfalfa Hay Price in Feed Formula
 - Retroactive for 2020 for enrolled farms

Risk Management – Dairy Margin Coverage Program

USDA Announced margins:

Difference between the US All-milk price and a calculated feed cost per cwt.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2021	7.14	6.22	6.46	6.94	6.89	6.24	5.68	5.25	6.93	8.77			6.65
2020	10.72	10.06	9.15	6.03	5.37	9.99	12.41	10.83	9.40	11.13	11.87	8.78	9.65

2020: 2.75 billion pounds of production history enrolled, 526 farms

\$7,841,074 indemnities paid

2021: 3.58 billion pounds of production history enrolled, 739 farms

\$31,170,335 est. indemnities thru September

DMC Program Sign Up

- At FSA County offices
 - December 13 through February 18, 2022
- Farms that are commercially marketing milk
- \$100 administrative fee
 - Fee waiver for limited resource, beginning, socially disadvantaged, or military veteran

Supplemental DMC

- Provides up to \$580 million to improve risk-management opportunity for small and mid-sized dairy farms
- In effect for 3 years, 2021, 2022, 2023
- Sign up: December 13, 2021 through February 18, 2022
- Retroactive to Jan 2021
 - If farm was enrolled for 2021 coverage
 - If application made before enrolling in 2022 DMC program

Supplemental DMC

- If 2019 milk marketings are greater than the established production history (PH)
 - and - established PH is less than 5 million pounds.
- If PH plus Supplemental PH is greater than 5 million pounds
 - Pounds over 5 million will not be covered is DMC program.
- Supplemental PH premiums not subject to discounted premium rates if farm had participated in that contract opportunity earlier.
- Processes in place for farms that have transitioned

Supplemental Coverage Example

2019 Milk Sold	4,860,000 pounds
Established Production History	<u>-2,500,000 pounds</u>

Additional Production	2,360,000 pounds
	<u>x 0.75</u>

Supplemental Production History	1,770,000 pounds
---------------------------------	------------------

Total Production History = 2,500,000 + 1,770,000 = 4,270,000 pounds

Supplemental Coverage at 95% Coverage

$$\begin{array}{rcl} \text{Established Production History} & 2,500,000 \text{ pounds} & \\ & \times 0.95 & \\ & \hline & 2,375,000 \text{ pounds} & \end{array}$$

$$\begin{array}{rcl} \text{Supplemental Production History} & 1,770,000 \text{ pounds} & \\ & \times 0.95 & \\ & \hline & 1,681,500 & \end{array}$$

$$\text{Covered pounds} = 2,375,000 + 1,681,500 = 4,056,500$$

DMC Premium Schedule, \$ per CWT.

Coverage Level	Tier 1 < 5 M pounds	Tier 2 > 5 M pounds
\$9.50	\$0.15	
\$9.00	\$0.11	
\$8.50	\$0.1050	
\$8.00	\$0.1000	\$1.8130
\$7.50	\$0.0900	\$1.4130
\$7.00	\$0.0800	\$1.1070
\$6.50	\$0.0700	\$0.6500
\$6.00	\$0.0500	\$0.3100
\$5.50	\$0.0300	\$0.1000
\$5.00	\$0.0050	\$0.0050
\$4.50	\$0.0025	\$0.0025
\$4.00	\$0.0000	\$0.0000

Coverage Selection Net Benefit Forecasts Price Forecasts Historic Performance Milk Price Payment Trigger Analysis

Select Year:

2021 ▾

Annual Historic Production ⓘ

5,000,000

Coverage Percentage:

95% ▾

Tier 1 Coverage Level: \$9.50

Tier 2 Coverage Level: \$8.00

Coverage Level	Choice (\$/cwt)	Covered Prod History (lbs)	Total Premium (\$/cwt)
\$9.50	\$0.1500	4,750,000	\$7,125.00
\$8.00	\$1.8130	0	\$0.00
		4,750,000	\$7,125.00

TIER 1			TIER 2	
COVERAGE LEVEL	CHOICE	PREMIUM	CHOICE	PREMIUM
\$9.50	<input checked="" type="radio"/> \$0.1500	\$7,125.00		
\$9.00	<input type="radio"/> \$0.1100	\$5,225.00		
\$8.50	<input type="radio"/> \$0.1050	\$4,987.50		
\$8.00	<input type="radio"/> \$0.1000	\$4,750.00	<input checked="" type="radio"/> \$1.8130	\$0.00
\$7.50	<input type="radio"/> \$0.0900	\$4,275.00	<input type="radio"/> \$1.4130	\$0.00
\$7.00	<input type="radio"/> \$0.0800	\$3,800.00	<input type="radio"/> \$1.1070	\$0.00
\$6.50	<input type="radio"/> \$0.0700	\$3,325.00	<input type="radio"/> \$0.6500	\$0.00
\$6.00	<input type="radio"/> \$0.0500	\$2,375.00	<input type="radio"/> \$0.3100	\$0.00
\$5.50	<input type="radio"/> \$0.0300	\$1,425.00	<input type="radio"/> \$0.1000	\$0.00
\$5.00	<input type="radio"/> \$0.0050	\$237.50	<input type="radio"/> \$0.0050	\$0.00
\$4.50	<input type="radio"/> \$0.0025	\$118.75	<input type="radio"/> \$0.0025	\$0.00
\$4.00	<input type="radio"/> \$0.0000	\$0.00	<input type="radio"/> \$0.0000	\$0.00

dairymarkets.org

Feed Cost Formula Change – Alfalfa Hay

- Updating formula to better reflect cost of high-quality alfalfa hay
 - Using 100% premium price (increased from 50%)
- Retroactive to January 2020
- Farms with contracts for 2020 and or 2021 will be paid automatically if their contracts triggered payments under the new formula.

Pandemic Relief Programs Continue

Ohio Meat Processing Grant

- Created by House Bill 110 of the 134th General Assembly
- Program announced December 2.
- Application portal opened on December 7 .
- Applications accepted on first-come, first-served basis.
- Implement processing efficiencies, expand or construct facilities, assist in training and certification and improve harvest services.

New Round of Pandemic Relief for Swine Producers

- Spot Market Hog Pandemic Program (SMHPP) announced on 12/13/2021
- Hogs sold through “negotiated sale” from 4/16/2020 through 9/01/2020 eligible for additional assistance.
- Application period is 12/15/2021 through 2/25/2022.
- Eligible Hogs * \$54 (not to exceed 10,000 head)



Organic and Transitional Education and Certification Programs (OTECP)

- OTECP is part of USDA's Pandemic Assistance for Producers Initiative--\$20 million
- Provides assistance for expenses for 20,21,22 fiscal years.
- Applications for 2020 & 2021 FY are being taken from November 8 through January 7, 2022.
- <https://www.farmers.gov/pandemic-assistance/otecp>

Farm Service Agency- Farm Storage Facility Loans

- Farm Storage Facility Loan Program (FSFL) provides low interest financing.
- Grain bins, hay barns, bulk tanks, cold storage, and drying and handling systems/trucks.
- Loans from 3-12 years.
- Max is \$500,000
- <https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/index>

Program	Interest Rates
Farm Operating- Direct	1.750%
Farm Operating - Microloan	1.750%
Farm Ownership - Direct	2.875%
Farm Ownership - Microloan	2.875%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan - Amount of Actual Loss	2.750%
Effective as of November 1, 2021	

A white circle with a thin brown border containing the text "Ohio Legislative Update".

Ohio Legislative Update



Newly introduced Ohio legislation

SCR 13 – Repeal Individual Income Tax

Introduced by Sen. George Lang on December 9, 2021.

RESOLVED, That we, the members of the 134th General Assembly of the State of Ohio, intend to repeal the state personal income tax altogether within ten years;

Newly introduced Ohio legislation

H.B. 484

Walleye as Official State Fish

Introduced November 9 and referred to House Agricultural & Conservation Committee November 16, 2021.

Ohio Revised Code 5.037

The fish, *sander vitreus*, commonly known as the "walleye," is the official fish of the state.

H.B. 507

Poultry Chicks

Introduced in House December 8, 2021 by Kyle Koehler, Chair of House Agriculture & Conservation Committee

Ohio Revised Code 925.62 – Dying rabbits and chicks

. . . No poultry younger than four weeks of age may be sold, given away, or otherwise distributed to any person in lots of less than ~~six~~ three.

Ohio legislation on the move

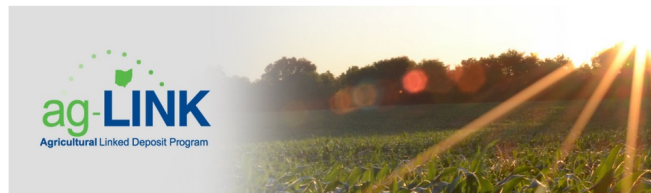
H.B. 440/S.B. 241– Agricultural Linked Deposit Program

Passed House December 9, 2021.

*Fourth hearing before Senate Financial Institutions and Technology Committee
December 15, 2021.*

- Expands availability of Agricultural Linked Deposit Program loans to agricultural cooperatives and replaces \$150,000 loan limit to amounts as determined by the Treasurer.

REDUCED RATES ON OPERATING LOANS



Ohio legislation on the move

H.B. 397– Agricultural leases

Passed House December 8, 2021.

- For agricultural crop leases that don't address termination, requires a landlord who wants to terminate the lease to provide written notice of termination by September 1.

Ohio legislation on the move

H.B. 321– Auctioneers

Passed House December 9, 2021

- Eliminates apprentice requirement and license and replaces with course of study in auctioneering at approved institution.
- Eliminates special auctioneer license and changes to auction firm license.
- Removes oral exam requirement and increases number of written exams offered.
- Allows auction firms to provide online or live auction services.
- Allows ODA authority over internet auctions, previously exempt.

Ohio legislation on the move

H.B. 95: Beginning Farmers

Passed House June 28, 2021

Second hearing before Senate Ways and Means Committee December 7, 2021.

- Allows individuals to be certified as beginning farmers.
- Creates two income tax credits:
 - For owners who sell land and agricultural assets to certified beginning farmers.
 - For beginning farmers who attend approved financial management programs.

Ohio legislation on the move

S.B. 210 – Postnuptial Agreements

Passed Senate November 16, 2021

Referred to House Civil Justice Committee December 7, 2021

- Expands ability of spouses to alter their legal relations by written agreements.
 - Allows spouses to modify or terminate the agreements.
- Recognizes postnuptial agreements and treats them the same as prenuptial agreements.

Ohio legislation on the move

S.B. 246 – Income Tax

Third hearing with Senate Ways and Means Committee December 14, 2021

- Electable income tax on a pass-through entity's income apportioned to Ohio and refundable income tax credit for tax paid.
- Affects federal State and Local Tax (SALT) \$10,000 cap limitation.

Ohio legislation on the move

S.B. 247 – Income Tax

Third hearing with Senate Ways and Means Committee December 14, 2021

- The sale of an ownership interest in a business will be considered business income if:
 - Federal income tax law treats the sale as a sale of assets.
 - Seller materially participates in the business activities during taxable year in which interest was sold or any of preceding five taxable years.
- Would apply to any audits, refund applications, petition for reassessments, and appeals pending on or after the bill's 90-day effective date.

Ohio legislation on hold

H.B. 175 – Water Pollution

- Excludes “ephemeral features” from water pollution control programs.

S.B. 47– Overtime Pay

- Exempts certain tasks from overtime pay requirements:

S.B. 257– Income Tax Credit

- For Qualifying Donations Of Cash, Property Or Services To A Township.

S.J.R. 3 – Constitutional Amendment

- Place constitutional right to hunt and fish on Ohio ballot.



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and other ag law news by
subscribing to the
Ohio Ag Law Blog

farmoffice.osu.edu/blog

Federal Legislative Update



Where exactly are we on federal legislation?

Topic	Latest developments	Action expected by...	Final Action
Government funding	Sept. 30 short-term bill passed; second short-term bill passed Dec. 2 extends funding to Feb. 18	Dec. 3, when funding runs out; full-year appropriations bill expected by Feb. 18	
Federal debt limit	\$480 billion increase until Dec. 3; first (procedural) of two bills to raise ceiling passed by Congress last week	Dec. 3, or a Treasury default in first quarter of 2022? Actual increase of X to pass by simple majority in next week	
<input checked="" type="checkbox"/> Infrastructure bill	\$1.2 trillion bill by Senate passed Aug. 10; House holding off passed Nov. 5	October 31, when federal highway funding runs out	Signed Nov. 15
Build Back Better reconciliation bill	\$3.5 trillion? 1.5 trillion? \$1.75 trillion House passed \$1.75 trillion bill Nov. 19	October 31, with infrastructure bill? Schumer pushing for Senate to pass by Christmas (!)	

Build Back Better Act: CRS Report

Table 1. Agriculture in the Build Back Better Act
(budget authority in millions, FY2022-FY2031)

Subtitle of Title I (Agriculture)	Amount
Subtitle B - Forestry	
National Forest System Restoration	17,100
Non-Federal Land Forest Restoration	6,000
State and Private Forestry Conservation	3,850
Administrative costs	200
Subtotal	27,150
Subtitle F – Conservation	
Additions to farm bill programs	21,077
Soil Conservation Assistance	5,048
Conservation Technical Assistance	950
Subtotal	27,075

Subtitle C, Part 1 - Rural Development

Rural Electric Clean Energy Transition	9,700
Rural Energy for America; Biofuels Infrastructure; and Rural Energy Savings	3,125
Electric Loans for Renewable Energy	2,880
Rural Water Assistance	1,067
Rural Partnership Program; Admin. Costs	1,523
Subtotal	18,295

Subtitle C, Part 2 - Agricultural Credit

Farm debt relief and loan modifications	11,676
Offset: rescinding debt relief in P.L. 117-2	-5,029
Assistance for underserved farmers	1,384
Offset: rescinding outreach in P.L. 117-2	-1,010
Subtotal	7,021

Subtitle D - Research, Urban Agriculture

Research Facilities Act, and other programs	2,000
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Subtitle E – Miscellaneous

Farm and Food Worker Relief Grants, OIG	205
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Total	81,746
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<https://crsreports.congress.gov/product/pdf/IF/IF11988>

Bills passed by House December 8, 2021

H.R. 4489 – National Forest Restoration and Remediation Act

- Allows the U.S. Forest Service to use interest earned on settlement funds for clean-up and restoration of damaged forest lands.

H.R. 5608 – Chronic Wasting Disease Research and Management Act

- Proposes research program, support for state management efforts, public education and \$70 million each year from 2022 to 2028 to tackle chronic wasting disease, a fatal neurological disease in deer, elk, and moose.

H.R. 5609 – Cattle Contract Library Act

Addresses beef supply and pricing transparency issues by requiring packers to report contracts and USDA to report and maintain contract library.

H.R. 5290 – Livestock Mandatory Reporting

- Extends authorization for LMR to September 30, 2022.
- LMR – price and transaction reporting by livestock buyers and sellers of meat products.

Bills passed by House December 8, 2021

H.R. 4996 - Ocean Shipping Reform Act of 2021

- Addresses supply chain issues and international shipping practices
- Bars Vessel-Operating Common Carriers from “unreasonably declining export cargo bookings if the cargo can be loaded in a safe and timely manner,” thus preventing China from paying the carriers to return empty.
- Reforms “demurrage and detention” rules that charge containers stuck in ports due to congestion.
- Sen. Thune and Sen. Klobuchar to introduce companion legislation in Senate soon.

Coming in January. . .

- House Agriculture Committee plans to begin **Farm Bill** hearings.
- Senate's **Growing Climate Solutions Act** to receive hearings in House.

Income Tax Update

Barry Ward

Leader, Production Business Management

Director, OSU Income Tax Schools

Topics

- ✓ Tax Planning High Income Years
- ✓ Employee Retention Credits
- ✓ Build Back Better Act
- ✓ Online Resources



Tax Planning for Higher-Income Years

- ✓ Deferring taxes
 - ✓ Defer sales, defer payments, income averaging, prepaid expenses
- ✓ Accelerating depreciation
 - ✓ Bonus Depreciation and I.R.C. §179
- ✓ Retirement plan contributions
- ✓ Bunching itemized deductions
- ✓ Self-employment tax planning
 - ✓ Multiple entities – real estate self-rental
- ✓ Maximizing permanent tax benefits
 - ✓ Hire children – children offset income with their standard deduction



Employee Retention Credit

- ✓ Fully refundable payroll tax credit
 - ✓ Amount of credit may exceed payroll taxes due
 - ✓ Get your wages back
- ✓ Implemented by the CARES Act, modified by the Consolidated Appropriations Act, extended by American Rescue Plan Act and further revised by the Infrastructure Investment and Jobs Act
- ✓ The Infrastructure Investment and Jobs Act terminated the credit as of September 30, 2021

Employee Retention Credits (ERC)

- ✓ Qualify in 2021 if any quarter where gross receipts are less than 80% of same quarter of 2019
- ✓ If a quarter qualifies, then the next quarter automatically qualifies.
- ✓ Claiming the credit options:
 - ✓ Reduce the payroll tax deposits by the amount of the anticipated credit or
 - ✓ Claim the credit on the form 943 or 943X (amended) quarterly payroll tax returns
- ✓ IRS Guidance (Rev. Proc. 2021-33) provides safe harbor for taxpayers to elect not to include PPP loan forgiveness as part of gross receipts

Employee Retention Credit (ERC)

- ✓ Producer can receive a PPP Loan (Forgivable) and qualify to apply for the ERC.
 - ✓ The Consolidated Appropriations Act of 2020 stated that the acceptance of a PPP loan does not preclude taxpayers from being eligible for BOTH.
 - ✓ Cannot use the same wages for both

Tax Treatment of the ERC

- ✓ The ERC is not income to the employer, but it requires the employer reduce deduction for qualified wages, including qualified health plan expenses in the amount of the ERC.
 - ✓ Employers do not reduce the deduction by the employer's share of the SS and Medicare taxes.

2021 Credit Calculation – In General

- ERC credit is increased from 50% to 70% of qualified wages.
- Limit remains \$10,000 (per employee) but now for each quarter
- Eligible employer can claim up to \$21,000 credit per employee in 2021. ($\$30,000 \times 70\%$)

Build Back Better Bill – Not fully passed or signed

Net Investment Income Tax

The net investment income tax of 3.8% (the “surcharge” imposed by the ACA to “pay into Medicare”) that was assessed on investment income would be extended to all income derived in the ordinary course of a trade or business for taxpayers with more than \$400,000 that file single, \$500,000 for taxpayers that file joint, \$250,000 for married filing single as well as for trusts and estates.

Build Back Better Bill – Not fully passed or signed

- ✓ Paid leave for caregiving - Four weeks of paid leave
- ✓ Child tax credit changes enacted in 2021 would be extended one year through 2022
- ✓ Premium tax credit available to more individuals/families
 - ✓ Helps cover premiums for health insurance purchased through the Health Insurance Marketplace
- ✓ SALT deduction increases
 - ✓ The limitation for state and local taxes would increase



Department
of the
Treasury
Internal
Revenue
Service

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Farmer's Tax Guide

For use in preparing
2021 Returns

Acknowledgment: The valuable advice and assistance given us each year by the National Farm Income Tax Extension Committee is gratefully acknowledged.



Get forms and other information faster and easier at:
• irs.gov (English) • irs.gov/korean (한국어)
• irs.gov/spanish (Español) • irs.gov/russian (Русский)
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Oct 15, 2021

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Introduction

You are in the business of farming if you cultivate, operate, or manage a farm for profit, either as owner or tenant. A farm includes livestock, dairy, poultry, fish, fruit, and truck farms. It also includes plantations, ranches, ranges, and orchards and groves.

This publication explains how the federal tax laws apply to farming. Use this publication as a guide to figure your taxes and complete your farm tax return. If you need more information on a subject, get the specific IRS tax publication covering that subject. We refer to many of these free publications throughout this publication. See [chapter 16](#) for information on ordering these publications.

The explanations and examples in this publication reflect the IRS's interpretation of tax laws enacted by Congress, Treasury regulations, and court decisions. However, the information given does not cover every situation and is not intended to replace the law or change its



Farmer's Tax Guide 2021 (Pub 225)



<https://www.irs.gov/pub/irs-pdf/p225.pdf>

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Farmers, ranchers and other agricultural producers and Extension educators will find resources for agriculturally related income and self-employment tax information that is both current and easy to understand.

Tax issues are important for agricultural operations because income and self-employment taxes are a major cost and also because more and more USDA programs are being linked to a producer's federal income tax return.



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How Do the At-Risk Rules Apply to a Farm Business?

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Related Parties

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Form 1099 Information Returns

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RURAL TAX EDUCATION

March 2021

RTE/2021-02

RuralTax.org

Taxability of the Coronavirus Food Assistance Program (CFAP) Payments*

¹Ruby Ward, ²Trent Teegerstrom, and ³JC Hobbs,

¹Extension Economist & Professor, Utah State University

²Specialist & Associate Director of Tribal Extension Program, University of Arizona

³Associate Extension Specialist, Oklahoma State University

Introduction

All CFAP Recipients Must File a Tax Return

The Coronavirus Food Assistance Program (CFAP) was established to provide financial assistance to agricultural producers who have suffered a five percent or greater price decline, or who had losses due to market supply chain disruptions due to COVID-19, and possibly face additional and significant marketing costs. The purpose of the payment is to replace the reduced or lost income from adverse price declines and market disruptions. These payments are included in gross farm income in the year that they are received.

All settlement recipients will need to file a federal income tax return and report this settlement as income regardless of their current income level, land status, current employment status, and even if they have not filed a federal income tax return before. Each CFAP recipient will receive a Form 1099-G. **Recipients must file a tax return to comply with IRS regulations.**

RURAL TAX EDUCATION

RuralTax.org

August 2010

RTE/2010-02

Farm, Farming and Who's a Farmer for Tax Purposes*

Guido van der Hoeven, Extension Specialist/Senior Lecturer

Department of Agricultural and Resource Economics, NC State University

Introduction

Meeting the qualifications of farming and being a farmer under the Internal Revenue Code (IRC) allows for special benefits; however, not all agricultural producers meet these qualifications even if they are producing agricultural products, which is why it is vitally important for operators of farms and their tax professionals to understand the IRS tax definitions of farm, farming and farmer. One of the benefits of being classified as a farmer is the exclusion of certain receipts from income as in the case of conservation payments as allowed under IRC Section 175.

Operators of farming businesses may associate the term farmer as an adjective when describing themselves. Used in the colloquial context most people will understand what being a farmer means as a description of the noble rural occupation. For income tax purposes, however, taxpayers and their advisers need to be certain of the facts and circumstances in the context of the tax issue at hand. In some instances, an individual can be classified as a farmer for one income tax purpose but not for another. Also, someone who is not classified as a farmer may still be engaging in farming activities and have farm income.



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- ◆ **<https://farmoffice.osu.edu/>**
- ◆ **(614) 688-3959**
- ◆ **ward.8@osu.edu**

Upcoming Events

Planning for the Future of Your Farm

In-Person Workshops

- Greene County- February 10, 2022
- Wayne County- February 25, 2022
- Wood County- March 4, 2022

Webinar Version

- January 31, February 7, 21, 28

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Need help planning for the future of your farm? Join OSU Extension at one of it's "Planning for the Future of Your Farm" workshops during the winter of 2022. This workshop is designed help farm families as they develop a plan for the transfer of the farm's ownership, management, and assets to the next generation.

Greene County

February 10, 2022 (9:00 a.m. to 4:00 p.m.)

Wayne County

February 25, 2022 (9:00 a.m. to 4:00 p.m.)

Wood County

March 4, 2022 (9:00 a.m. to 4:00 p.m.)

Webinar Version

January 31, February 7, 21 & 28 (6:30 to 8:30 p.m.)

Workshop topics include: Developing Goals for Estate and Succession; Planning for the Transition of Control; Planning for the Unexpected; Communication and Conflict Management during Farm Transfer; Legal Tools and Strategies; Developing Your Team; Getting Your Affairs in Order; and Selecting an Attorney.

More information can be obtained at go.osu.edu/farmsuccession





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