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**Dianne Shoemaker**  
**Barry Ward**  
**Robert Moore**  
**Jeff Lewis**

**April 22, 10 - 11:30 am**

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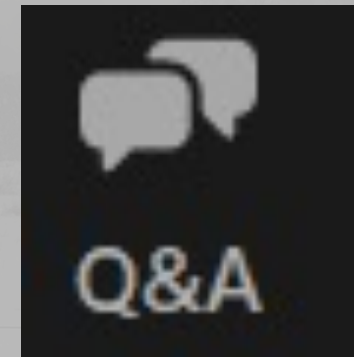
A scenic sunset over a body of water. The sky is a mix of orange, yellow, and grey. Bare trees line the shore, their silhouettes reflected in the water. In the foreground, a dark wooden railing is visible. The text is overlaid in the center.

Slides and a recording for today's  
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# 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](mailto:marrison.2@osu.edu)
- ❖ We will try to answer as many questions as we can at the end of the presentation.





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# Agenda

- Ohio Legislative Update
- Ohio General Assembly Website
- LLC Liability Protection
- 2021 Midwest Farm Performance Preview
- Crop Profitability Outlook
- Federal Farm Program Update





## Ohio Legislative Update



# Newly enacted Ohio legislation

## H.B. 95 – Beginning Farmers

*Passed as amended by House and Senate April 6, 2022*

*Signed by Governor April 18, 2022*

*Effective date: July 18, 2022*

Grants nonrefundable income tax credits for certified beginning farmer situations:

1. For seller of agricultural land or assets to a beginning farmer: 3.99% of sale price or gross rental income (but not available for business that sell assets for profit).
  - For sale, claimed in year of sale.
  - For rentals, spread over first three years of rental agreement.
  - Carry forward of excess credit up to 7 years.
2. For certified beginning farmer, credit for the cost of attending an approved financial management program.



# H.B. 95 – Beginning Farmers

An individual can become certified by ODA if he or she:

- Intends to farm or has been farming for less than **ten years** in Ohio.
- Is **not a partner, member, shareholder, or trustee** with the owner of the agricultural assets the individual will rent or purchase.
- Has a household net worth under **\$800,000** in 2021 or as adjusted for inflation in future years.
- Provides the majority of day-to-day **labor and management** of the farm.
- Has adequate **knowledge or farming experience** in the type of farming involved.
- Submits projected earnings statements and **demonstrates a profit potential**.
- Demonstrates that farming will be a **significant source** of income.
- Participates in a **financial management program** approved by the Department of Agriculture.
- Meets any other requirements the Ohio Department of Agriculture establishes through rulemaking.



# H.B. 95 – Beginning Farmers

## Amendments to H.B. 95:

- Tax Increment Financing revisions.
- Temporary property tax abatement for municipal acquisitions from state.
- Allow motor vehicles with a gross vehicle weight rating of +6,800 pounds to be sold at a motor vehicle show.



# Newly enacted Ohio legislation

## H.B. 397– Agricultural leases

*Passed as amended by House and Senate April 6, 2022*

*Delivered to Governor April 13, 2022*

If an agricultural lease agreement **does not** provide for a termination date or method for notice of termination of the agricultural lease agreement, the landlord shall provide the tenant with **written** notice of termination.

The written notice shall be delivered on or before the **first day of September**, in the year the termination is to be effective, by personal delivery, facsimile, or electronic mail.

The **termination date** for the agricultural lease agreement shall be the earlier of the following, unless otherwise agreed to, in writing, by the landlord and tenant:

- (a) The date harvest or removal of crops is complete;
- (b) The thirty-first day of December in the year in which the notice was given.



# Newly enacted Ohio legislation

## H.B. 397– Agricultural leases

### Amendments to H.B. 397:

- Insurance policy options for SWCD officer and employee liability.
- Creation of “Investing in Ohio Fund” to promote economic development and infrastructure improvement, and appropriation of \$85 million to the fund (the Intel Buildout).
- Timelines for holding hearing and issuing order for oil and gas unit operation application.
- Authorizes Ohio University property land conveyance from state to Fairfield County board of commissioners.
- Expansion of exemption from building code for battery powered fences to include all partition fences and fences constructed for agricultural purposes.



# Newly enacted Ohio legislation

## H.B. 440– Agricultural Linked Deposit Program

*Passed House December 9, 2021; passed Senate April 6, 2022*

*Delivered to Governor April 13, 2022*

- Expands Ag-LINK program loans to agricultural cooperatives.
- Lifts \$150,000 cap on loans and allows amount to be determined by the Treasurer.
- Removes requirement for Treasurer to attempt to place up to \$165 million in Ag-LINK deposits.
- Removes western basin loan provisions that expired July 1, 2020.
- Includes emergency provision for immediate effect.



# Newly enacted Ohio legislation

## H.B. 175– Water Pollution – Ephemeral features bill

*Substitute as amended passed Senate March 30, 2022; House concurred April 6, 2022*

*Delivered to Governor April 13, 2022*

- Excludes “ephemeral features” that are not subject to regulation by the Army Corp. of Engineers from the definition of “waters of the state” and water quality certification regulation under Ohio’s Water Pollution Control Law.
- Ephemeral features mean surface water flowing or pooling only in direct response to precipitation and does not include wetlands.
- Also establishes mitigation requirements, BMPs, and reporting and monitoring requirements for ephemeral features that are regulated and prohibits Ohio EPA from imposing other standards.



# Newly enacted Ohio legislation

## H.B. 175– Water Pollution – Ephemeral Features Bill

### Amendments:

- Revised protocols for the adoption of 401 water quality certification mitigation proposals.
- Establishes property tax exemption for property held by 501(C)(3) organizations for projects receiving funding through H2Ohio or property subject to section 401 or isolated wetland permit.
- Requires Ohio DNR to develop state underground injection control program for wells that inject CO<sub>2</sub> into deep rock formations.
- Requires Ohio DNR to enter into MOU for weed harvesting services at Indian Lake and appropriates \$500,000 for weed harvesting in FY 2022.



# Newly enacted Ohio legislation

## **S.B. 47– Overtime pay**

*Passed House as amended March 23, 2022; Senate concurred March 30, 2022*

*Signed by Governor April 6, 2022*

- Exempts employer from paying overtime, except in contract and customary practice situations, for:
  - Walking, riding or traveling to and from actual place of performance of employee’s principal activity
  - Activities that are preliminary or postliminary to principal activities
  - Activities requiring insignificant periods of time beyond scheduled work hours
- Requires an employee to “opt in” rather than “opt out” of to a collective action for overtime violations, matching federal law.



# Ohio legislation on the move

## **S.B 246 – Income tax; SALT parity bill**

*Passed Senate March 16, 2022*

*First hearing before House Ways and Means April 5, 2022*

- Levies an electable tax on pass-through entity income apportioned to Ohio at rate of 5% in 2022 and 3% after 2022.
- Tax is credited to General Revenue Fund.
- Authorizes an owner to claim a refundable credit against Ohio income tax equal to their proportionate share of the tax paid by the entity.

Note: U.S. Supreme Court refused to review appellate ruling that Congress may impose a State and Local Tax (SALT) cap; as limited to \$10,000 in 2017 Tax Cuts and Jobs Act.



A photograph of the Ohio General Assembly building, a large classical structure with a prominent dome, seen through a field of yellow daffodils in the foreground. The scene is set on a bright day with a clear blue sky. The text "How to Use the Ohio General Assembly Website" is overlaid in the center of the image.

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beginning farmer



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Keyword : beginning farmer ✕ Legislation Type : House Bill ✕ House Resolution ✕ House Concurrent Resolution ✕ House Joint Resolution ✕

<u>NUMBER</u>	<u>GA</u>	<u>TITLE</u>	<u>SPONSOR</u>	<u>STATUS</u>
<a href="#">H. B. No. 74</a>	134	Enact FY 2022-2023 transportation budget	Rep. Oelslager	As Enrolled
<a href="#">H. B. No. 95</a>	134	Allow income tax credits for beginning farmers / related business	Rep. Manchester Rep. Lightbody	As Passed by the House
<a href="#">H. B. No. 110</a>	134	Creates appropriations for FY 2022-2023.	Rep. Oelslager	As Enrolled
<a href="#">H. B. No. 281</a>	134	Enact Mental Health and Disability Terminology Act	Rep. Jarrells Rep. Young, T.	As Passed by the House
<a href="#">H. B. No. 315</a>	134	Make bail changes	Rep. Leland Rep. Hillyer	As Introduced

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## General Assembly

134

## Short Title

Allow income tax credits for beginning farmers / related business

[Show Long Title](#)

## Version

As Enrolled

## Legislation Text

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## Effective Date

July 18, 2022

Appropriations effective 4/18/2022

## Subjects

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## LOCAL IMPACT STATEMENT PROCEDURE REQUIRED

Yes

## ADDITIONAL DOCUMENTS

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# AN ACT

To amend sections 4517.22, 5709.911, and 5747.98 and to enact sections 901.61, 5709.916, and 5747.77 of the Revised Code to temporarily allow income tax credits for beginning farmers who participate in a financial management program and for businesses that sell or rent agricultural land, livestock, facilities, or equipment to beginning farmers, to modify the law governing certain tax increment financing arrangements, to alter the types of vehicles that may be purchased at a motor vehicle show, to permit, for a limited time, the abatement of unpaid taxes, penalties, and interest for certain municipal property, and to make an appropriation.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 4517.22, 5709.911, and 5747.98 be amended and sections 901.61, 5709.916, and 5747.77 of the Revised Code be enacted to read as follows:

Sec. 901.61. (A) As used in this section:

(1) "Agricultural asset" means agricultural land, livestock, facilities, buildings, and machinery used for agricultural production in this state.

(2) "Agricultural land" means land that is composed of tracts, lots, or parcels totaling not less than ten acres devoted to agricultural production or totaling less than ten acres devoted to agricultural production if the land produces an average yearly gross income of at least two thousand five hundred dollars from agricultural production.

(3) "Agricultural production" has the same meaning as in section 929.01 of the Revised Code.

(4) "Beginning farmer" means an individual who has been certified as a beginning farmer by the director of agriculture or a participating land grant college under division (B) of this section or who has received a substantially equivalent certification from the United States department of agriculture. "Beginning farmer" does not include an individual who has previously been certified as a beginning farmer but no longer meets the criteria for certification.

(5) "Owner of agricultural assets" means a person that is the owner in fee of agricultural land or that has legal title to any other agricultural asset. An "owner of agricultural assets" does not include an equipment dealer or comparable entity engaged in the business of selling agricultural assets for profit.

(6) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of the agricultural products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss.

prevailing community rental rates.

Sec. 4517.22. (A) As used in this section:

(1) "General market area" means the contiguous geographical area established by a motor vehicle show sponsor that is based upon the size of the show and that does not unreasonably exclude any licensed new motor vehicle dealer.

(2) "Gross vehicle weight rating" means the ~~unladen maximum weight of while loaded at which~~ a motor vehicle ~~fully equipped can safely operate as rated by its manufacturer.~~

(3) "Livestock trailer" means a new or used trailer designed by its manufacturer to be used to transport horses or to transport animals generally used for food or in the production of food, including cattle, sheep, goats, rabbits, poultry, swine, and any other animals included by the director of agriculture in rules adopted under section 901.72 of the Revised Code.

(4) "Major livestock show" means any show of livestock that is held at the Ohio state fairgrounds, is national in scope, and that continues for more than ten consecutive days.

(5) "Motor vehicle show" means a display of new motor vehicles that lasts not more than ten days by more than one new motor vehicle dealer dealing in competitive types of motor vehicles and that is authorized by the registrar of motor vehicles primarily to allow the general public an opportunity to compare and inspect a variety of makes and models simultaneously, test drive vehicles, and gain an understanding of new technology and available features.

~~(6) "Truck" has the same meaning as in section 4511.01 of the Revised Code.~~

(B) Any group of licensed new motor vehicle dealers may display motor vehicles at a motor vehicle show within the general market area assigned by the sponsor if, not less than thirty days before the planned opening date of the motor vehicle show, the sponsor executes and files with the registrar an affidavit, in a form prescribed by the registrar, that certifies that all requirements of this section have been or will be met, as applicable.

If the registrar approves the affidavit, the registrar shall grant the sponsor permission to conduct the motor vehicle show. If the registrar determines that there is a deficiency in the affidavit, the registrar shall inform the sponsor of the deficiency as soon as possible after the registrar receives the affidavit so that the sponsor has the opportunity to remedy the deficiency. The registrar also shall describe with specificity the measures the sponsor is required to take in order to cure the deficiency. The sponsor shall return the corrected affidavit to the registrar not later than before the planned opening date of the motor vehicle show in order for the sponsor to be eligible to hold the show. If the registrar finds that the deficiency has been cured in the corrected affidavit, the registrar shall grant the sponsor permission to conduct the motor vehicle show. If the registrar finds that the deficiency has not been cured, the registrar shall deny the sponsor permission to conduct the motor vehicle show.

(C) No contracts shall be signed, deposits taken, or sales consummated at the location of a motor vehicle show.

(D) Any sponsor of a motor vehicle show or the sponsor's representative shall offer by mail an invitation to all new motor vehicle dealers dealing in competitive types of motor vehicles in the general market area to participate and display motor vehicles in the show. The sponsor or representative may offer a similar invitation to manufacturers or distributors. A copy of each invitation shall be retained by the sponsor for one year after the show.





H.B. 95  
134<sup>th</sup> General Assembly

## Bill Analysis

[Click here for H.B. 95's Fiscal Note](#)

**Version:** As Passed by the House

**Primary Sponsors:** Reps. Manchester and Lightbody

Prince Senayah, LSC Fellow

### SUMMARY

- Authorizes a nonrefundable income tax credit for beginning farmers who attend a financial management program.
- Authorizes a nonrefundable income tax credit for individuals or businesses that sell or rent farmland, livestock, buildings, or equipment to beginning farmers.
- Requires the Department of Agriculture, and allows land grant state universities, to certify individuals as beginning farmers.
- Sunsets the credit on the first day of the sixth calendar year following its effective date.
- Limits the total amount of tax credits awarded during that period to \$10 million.

### DETAILED ANALYSIS

#### Tax credits to assist beginning farmers

The bill authorizes two income tax credits: one for beginning farmers that attend a financial management program and another for individuals or businesses that sell or rent farmland, livestock, buildings, or equipment to beginning farmers.

##### Beginning farmers

Before either credit may apply, an individual must first obtain certification as a beginning farmer. A beginning farmer is an individual who meets all of the following:

1. Intends to farm in Ohio, or has been farming in Ohio for less than ten years.
2. Has a household net worth of less than \$800,000. This limit applies to 2021 and is adjusted for inflation in future years.
3. Provides the majority of the day-to-day labor for and management of the farm.
4. Has adequate farming experience or demonstrates adequate knowledge about farming.

5. Submits projected earnings statements and demonstrates a profit potential.
6. Demonstrates that farming will be a significant source of the individual's income.
7. Participates in a financial management program approved by the Department of Agriculture.
8. Meets other requirements, which may be set by the Department of Agriculture.

There are two ways for an individual to be certified as a beginning farmer. The first is to apply to the Director of Agriculture or a state university that is designated as a land grant institution under federal law (i.e., the Ohio State University or Central State University) and demonstrate eligibility under the foregoing criteria. The second is to obtain a "substantially equivalent" certification from the United States Department of Agriculture. In either case, the certification is valid until the individual no longer meets the eligibility criteria.<sup>1</sup>

#### Tax credit for participation in a financial management program

An individual who holds a valid beginning farmer certification and participates in an approved financial management program may apply to the Director of Agriculture for an income tax credit equal to the cost of attending the program. The application must include the name and address of the financial management program, the date or dates on which the beginning farmer participated, and the cost of attending. If the beginning farmer is eligible and if awarding the credit will not result in the overall cap being exceeded (see below), the Director must issue a tax credit certificate.

The credit is nonrefundable, but if the credit amount exceeds the beginning farmer's tax liability for the year in which it is claimed, the beginning farmer can carry forward the excess credit for up to three succeeding years.

The bill requires the Director to approve eligible financial management programs and to maintain a list of approved programs on the Department's website. The Director must consult with the land grant colleges in formulating the list. A beginning farmer may also receive the credit for the cost of attending a financial management program approved by the United States Department of Agriculture.<sup>2</sup>

#### Tax credit for the sale or rental of farm assets

An individual or business that sells or rents "agricultural assets" to a beginning farmer may also apply to the Director of Agriculture for a tax credit. Agricultural assets include land, livestock, facilities, buildings, and machinery used in farming. In order for land to qualify as an agricultural asset, it must total at least ten acres or produce an average total income of at least

<sup>1</sup> R.C. 901.61(A) and (B); see also, United States Department of Agriculture, [NIFA Land-Grant Colleges and Universities](#).

<sup>2</sup> R.C. 901.61(C) and (E), 5747.72(B), and 5747.98.





# OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 95  
134<sup>th</sup> General Assembly

## Final Fiscal Note & Local Impact Statement

[Click here for H.B. 95's Bill Analysis](#)

**Primary Sponsors:** Reps. Manchester and Lightbody

**Local Impact Statement Procedure Required:** Yes

Philip A. Cummins, Senior Economist, and other LBO staff

### Highlights

- Providing nonrefundable income tax credits that could be claimed by (1) persons who intend to farm or began farming within the last ten years for the cost of participation in an approved financial management program and by (2) owners of agricultural property sold or rented to these newer farmers would reduce state income tax revenue.
- State revenue losses are limited by the bill to a total of \$10 million. Tax credit certificates could be issued by the Director of Agriculture through 2027, if the bill goes into effect this year. Credits would be nonrefundable but could be carried forward.
- The GRF would bear most of the loss. Revenue to the Local Government Fund (LGF, Fund 7069) and Public Library Fund (PLF, Fund 7065) would each be reduced by 1.66% of the revenue loss under codified law.
- The Department of Agriculture would likely need to hire at least one new program administrator to oversee the new tax credit.
- The Ohio State University and Central State University may incur additional administrative costs to certify individuals as beginning farmers for purposes of qualifying an individual for the tax credit; any such costs would be permissive.
- Two separate property tax provisions temporarily affect local revenue in the Cincinnati area and in Franklin County, and possibly in other areas of Ohio.
- The bill increases the FY 2022 appropriation for Federal Fund 3L60 line item 200617, Federal School Lunch, by \$338.0 million to allow the Ohio Department of Education to pay federal reimbursement to school districts and other providers operating school lunch programs.

## Detailed Analysis

### Overview of the beginning farmer income tax credit

The bill allows a beginning farmer to be issued a tax credit certificate against the farmer's state personal income taxes equal to the cost of participating in an approved financial management program. It also would allow an owner of agricultural assets who sells or rents the assets to a beginning farmer to be issued a tax credit certificate. The credit must be claimed in the year that the certificate is issued. The bill limits issuance of tax credit certificates under this program to a total of \$10 million during the period through the fifth full calendar year following the bill's effective date. Requirements for beginning farmers and for agricultural asset owners are summarized in the bill analysis. An individual previously certified as a beginning farmer would no longer be considered for the program if that person ceases to meet the criteria for certification.

The Department of Agriculture and land grant colleges that elect to participate may incur additional administrative costs to certify an individual as a beginning farmer under the requirements prescribed by the bill. Eligible land grant colleges are the Ohio State University and Central State University. A beginning farmer may also be someone who has received substantially equivalent certification from the U.S. Department of Agriculture. The Department, in consultation with the participating colleges, is required to establish procedures for certifying financial management programs that would qualify a beginning farmer for the tax credit. The Department is to maintain a list of certified programs on its website.

Under the bill, the credit for the farmer would be nonrefundable but could be carried forward up to three years.<sup>1</sup> The owner of agricultural assets who sells or rents to a beginning farmer would be issued a tax credit certificate against the owner's state personal income taxes equal to 3.99% of (1) the sale price of the asset, (2) the cash equivalent of the gross rental income of a rental agreement entered into on or after the first day of the second preceding calendar year, or (3) the cash equivalent of the gross rental income of a share-rent agreement entered into on or after the first day of the second preceding calendar year. The credit for the asset owner would be nonrefundable but could be carried forward up to seven years.

### Fiscal effect of the new income tax credit

The tax revenue loss from the bill is capped at \$10 million, the limit on issuance of tax credit certificates under this program. If the bill is enacted and goes into effect this year, the credits could be issued in the remainder of 2022 and in the five full calendar years 2023 through 2027. No new tax credit certificates could be issued after that. Potential demand for such certificates appears substantial, and plausibly most or all of the \$10 million maximum amount of certificates would be issued.

The nonrefundable credit is to be claimed for the tax year in which the certificate is issued. Revenue losses could begin as soon as FY 2023. With three-year carryforward for farmers and

<sup>1</sup> The amount of a nonrefundable credit that a taxpayer may claim is limited to the amount of his or her tax liability before consideration of the credit. If there are unused amounts because the taxpayer's liability is less than the total credit for which he or she is eligible, the taxpayer may carry forward the unused amount, meaning use it in a subsequent tax year.



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**Mary Lightbody**  
District 19

## HISTORY

DATE	CHAMBER	ACTION	COMMITTEE
7/18/22		Effective 7/18/22 Appropriations effective 4/18/2022	
4/6/22	House	Concurred in Senate amendments	
4/6/22	Senate	Passed - Amended	
4/5/22	Senate	Reported - Substitute	Ways and Means
9/8/21	Senate	Refer to Committee	Ways and Means
6/28/21	House	Passed	
3/16/21	House	Reported	Agriculture and Conservation
2/10/21	House	Refer to Committee	Agriculture and Conservation
2/9/21	House	Introduced	



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## Primary Sponsors



**Susan Manchester**  
District 84



**Mary Lightbody**  
District 19

## VOTES

DATE	CHAMBER	RESULTS	VOTE		
4/6/2022	House	Passed	Yeas : 92	Nays : 3	[ <a href="#">Show Breakdown</a> ]
4/6/2022	Senate	Passed	Yeas : 32	Nays : 0	[ <a href="#">Show Breakdown</a> ]
4/5/2022	Senate	Favorable Passage	Yeas : 7	Nays : 0	[ <a href="#">Show Breakdown</a> ]
6/28/2021	House	Passed	Yeas : 96	Nays : 1	[ <a href="#">Show Breakdown</a> ]
3/16/2021	House	Favorable Passage	Yeas : 12	Nays : 0	[ <a href="#">Show Breakdown</a> ]



# House Bill 95

[Summary](#)[Documents](#)[Status](#)[Votes](#)[Committee Activity](#)[Return To Search](#)

## Primary Sponsors



**Susan Manchester**  
District 84



**Mary Lightbody**  
District 19

## Cosponsors

## House Committees

COMMITTEE	DATE	STATUS	BILL TEXT
Agriculture and Conservation	February 16, 2021	1st Hearing	<a href="#">Download</a>

COMMITTEE	DATE	STATUS	BILL TEXT
Agriculture and Conservation	February 23, 2021	1st Hearing	<a href="#">Download</a>

WITNESS	ORGANIZATION	TESTIFYING AS	DOCUMENT
Rep. Mary Lightbody	Ohio House of Representative	Proponent	<a href="#">Download</a>
Rep. Susan Manchester	Ohio House of Representative	Proponent	<a href="#">Download</a>

COMMITTEE	DATE	STATUS	BILL TEXT
Agriculture and Conservation	March 2, 2021	2nd Hearing	<a href="#">Download</a>

WITNESS	ORGANIZATION	TESTIFYING AS	DOCUMENT
David White	AgCredit, ACA	Proponent	<a href="#">Download</a>
Bennett and Liza Musselman	Ohio Farm Bureau Federation	Proponent	<a href="#">Download</a>
Nathan Brown	-	Proponent	<a href="#">Download</a>
Ryan C. Conklin	Ohio Farm Bureau Federation	Proponent	<a href="#">Download</a>
Rose Hartschuh	Ohio Farm Bureau	Proponent	<a href="#">Download</a>
Julie Doran	-	Proponent	<a href="#">Download</a>
Amalie Lipstreu	Ohio Ecological Food and Farm Association	Proponent	<a href="#">Download</a>





**Representative Susan Manchester**

**84th House District**

**Representative Mary Lightbody**

**19th House District**

**Sponsor Testimony: House Bill 95**

**Tuesday, February 23, 2021**

Good morning Chairman Koehler, Vice Chairman Creech, Ranking Member Brent, and Members of the House Agriculture and Conservation Committee. Thank you for the opportunity to testify in support of House Bill 95, which creates the Beginning Farmer Tax Credit Program.

The average age of the U.S. farmer is currently 58. Recognizing the need to help the next generation of farmers get started in a very capital intensive industry, this program will allow income tax credits for established farmers as they sell or rent their agricultural assets to beginning farmers who take a qualified financial management course. A similar program was successfully implemented in Minnesota in 2018, which has already enabled 162 established farmers to sell or rent land to beginning farmers and allocated \$1.4 million in tax credits.

The potential benefits of this program are great. I've seen this scenario played out firsthand in my own district, where retiring farmers without family successors are looking for someone to take over their operation, but face tough financial barriers when selling their land or assets. This program would incentivize retiring farmers to look to beginning farmers to take over their operations by decreasing their tax burden. It would also set beginning farmers up for success by giving them an opportunity to



Ohio House Agriculture and Conservation Committee

HB 95 Proponent Testimony, March 2, 2021

**Amalie Lipstreu, Policy Director, Ohio Ecological Food and Farm Association**

Chairman Koehler, Vice Chair Creech and Ranking Member Brent, thank you for the opportunity to provide proponent testimony for HB 95, a Family Farm ReGeneration Act that will help ensure the continued livelihood of farming and provide for greater food system resilience in the state of Ohio.

OEFFA has been working to ensure beginning farmers have access to the land and capital they need to farm. For decades, OEFFA has provided training for next generation farmers and for four years now, has formally operated a USDA Beginning Farmer and Rancher Development Program grant expressly focused on early career and aspiring farmers. Through that experience, we have heard, first-hand, about the challenges these farmers face accessing land. If you are not fortunate enough to come from a farming family with access to land, acquiring the capital necessary to start a farm operation is formidable and the intense competition for land resources, makes that process all the more difficult.

Young farmers in Ohio are taking on the risks inherent in farming, getting trained, and working hard to build successful farm businesses. They are also facing significant challenges that require creative policy solutions. Access to—and secure tenure on—affordable, high quality farmland is the number one challenge young farmers are facing. At the same time, millions of acres of farmland are changing hands as older farmers look to retire and divest from the farmland they are stewarding.

The past year illustrated, in stark terms, the vulnerability of our food system. We must take the steps necessary to ensure that those interested in providing what is a paramount service to society—contributing to our food supply, are successful.





## QUICK LINKS

<a href="#">House Directory</a>	<a href="#">House Committees</a>
<a href="#">Senate Directory</a>	<a href="#">Senate Committees</a>
<a href="#">Calendar</a>	<a href="#">Ohio Constitution</a>
<a href="#">Session Schedule</a>	<a href="#">Journals</a>

## MY OHIO LEGISLATURE

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### Keywords

Enter keywords or bill number (e.g. HB15)

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City (e.g. Columbus)

[Search](#)

### Search By ZIP [\[ What's My 9-Digit ZIP Code? \]](#)

ZIP Code (e.g. 43215)

Plus Four (e.g. 4275)

[Search](#)

— or —



[Browse the Interactive District Maps](#)



# LLC LIABILITY PROTECTION

Robert Moore

Agricultural and Environmental Law Program

Ohio State University



# Limited Liability

- The concept of limited liability means that a person is not liable for the actions of a business simply by being an owner of that business.
- The law considers LLCs and Corporations to be separate and distinct from their owners. LLCs and Corporations are people under the law.

## Provides Limited Liability

- LLCs
- Corporations
- Limited Partnerships  
(limited partners)

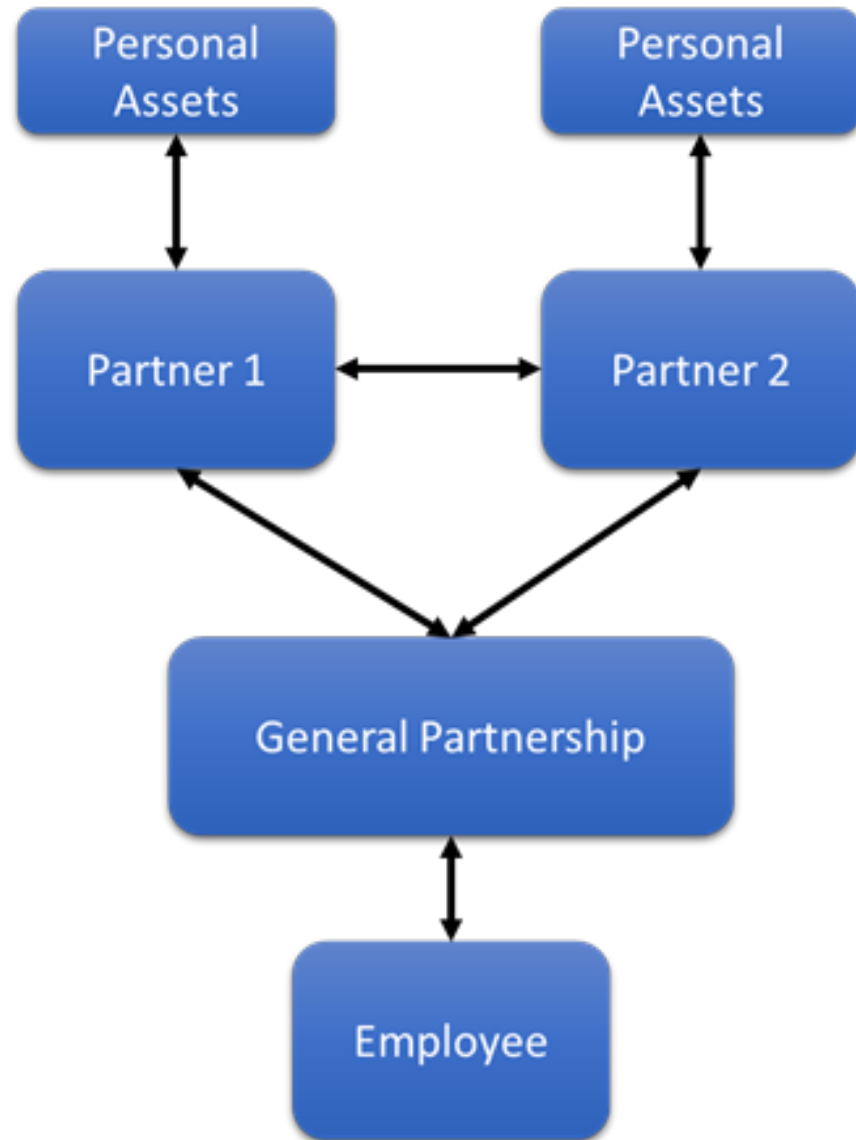
## Does Not Provide Limited Liability

- Sole Proprietor
- General Partnership
- Limited Partnership  
(General Partners)

- Corporations and LLCs have similar liability protection



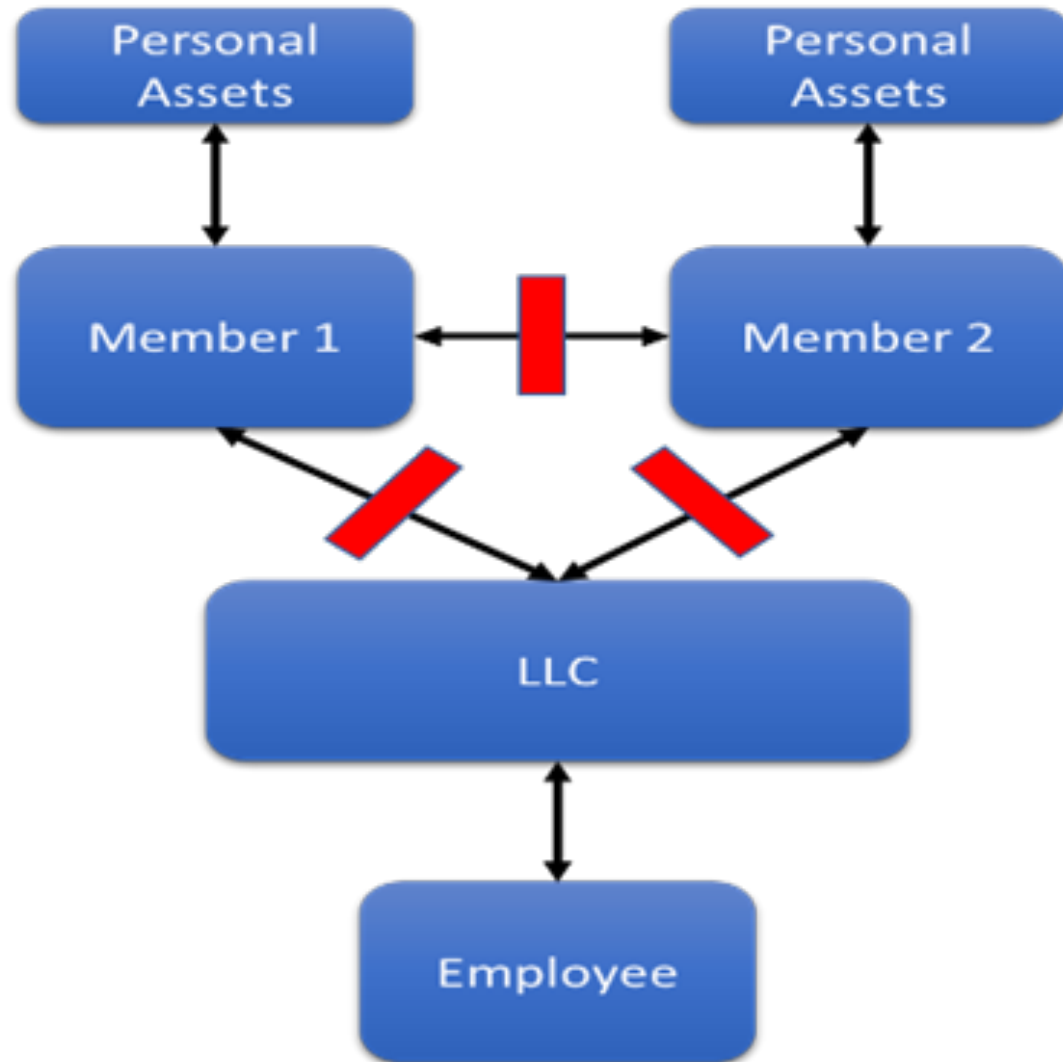
# General Partnership Liability



The partners are exposed to the liabilities of the partnership and employees



# LLC Liability



LLC members are protected from the liabilities of the LLC and its employees

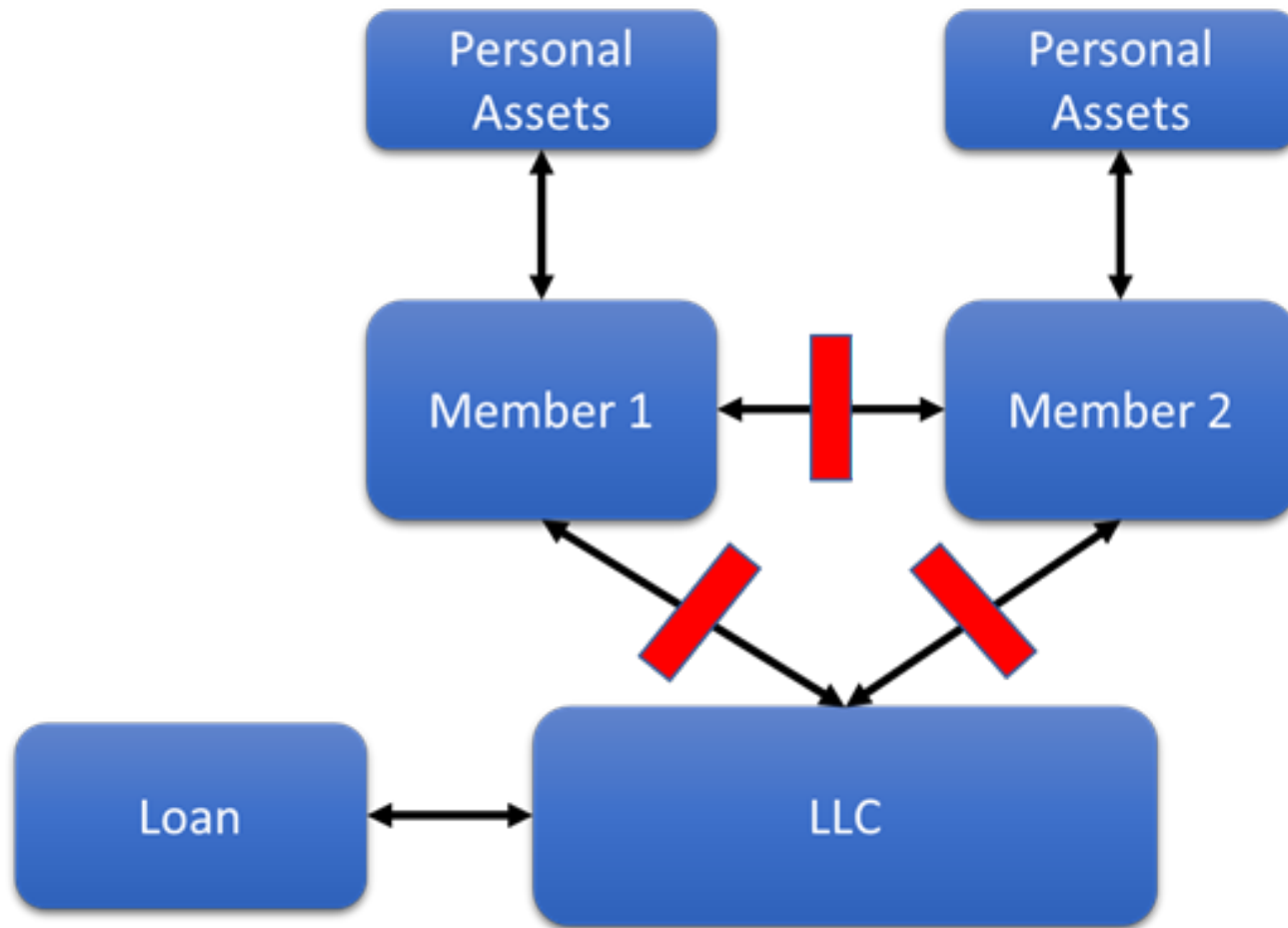


# LLC Financial Liability

- LLCs also provide financial liability protection
- The members of an LLC are not personally liable for the financial risks of an LLC



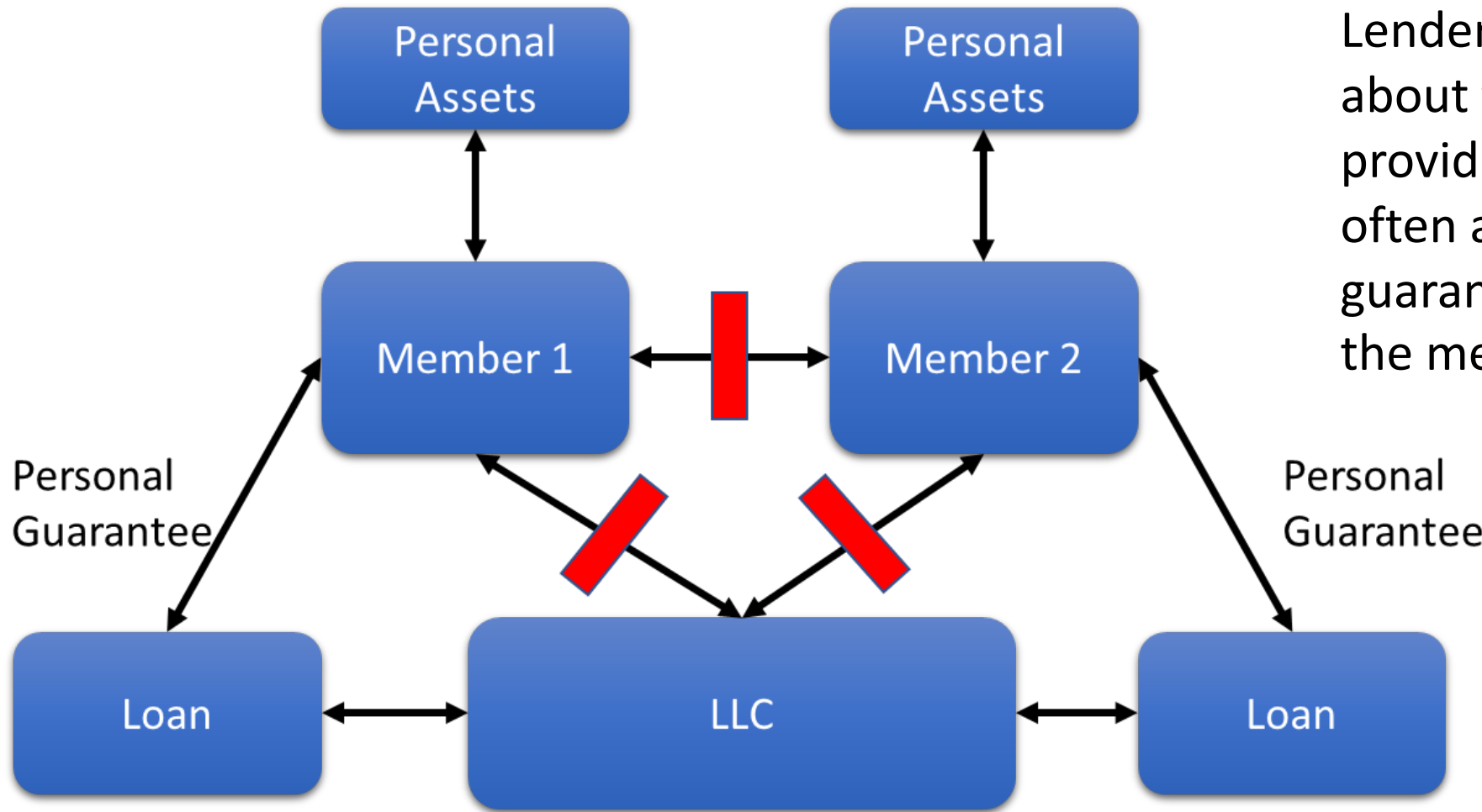
# LLC Financial Liability



Members are protected from the financial liability of the LLC.



# LLC Financial Liability – Personal Guarantees



Lenders and vendors know about the financial protection provided by an LLC. They will often ask for a personal guarantee from one or more of the members.

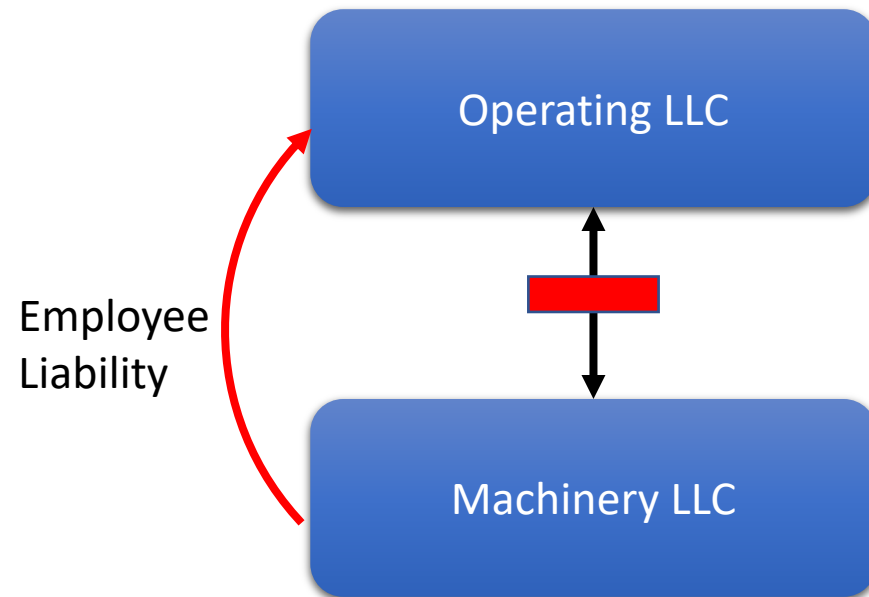


# Machinery and Truck LLCs

- LLCs are often used to hold machinery and/or trucks for a farming operation
- The idea is to separate the high liability assets from the farming operation
- However, LLCs used for this purpose may not provide as much liability protection as anticipated
- Liability is often caused by operator error. If the operator is working for the farming operation, the liability comes back to the farming operation.
- There is nothing wrong with having a machinery or truck LLC but they do not provide absolute protection against liability



# Machinery LLC



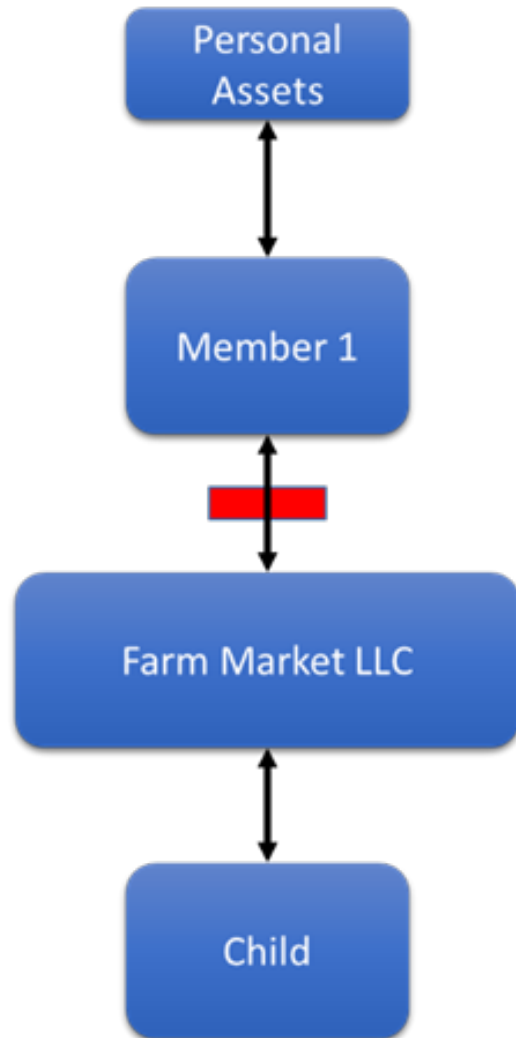


# LLC – External Liabilities

- External liabilities are those liabilities not created by the LLC or its employees
- LLCs do a good job of protecting the members from external liability
- Businesses that have visitors should strongly consider an LLC



# LLC – External Liabilities



LLCs protect the members from external liabilities



# Do You Need an LLC for Liability Protection?

- It never hurts to have an LLC but it will be most helpful for liability protection if:
  - You have co-owners in your business
  - You have employees in your business
  - Your business is subject to financial risk that will not require personal guarantees
  - Your business is subject to external liability



# Liability Insurance

- There is no substitute for liability insurance
- LLCs are a good backup plan for liability protection but should never be the primary strategy
- Work closing with your insurance agent to make sure your farm and all activities are covered
- You should address liability insurance first then LLCs for liability protection



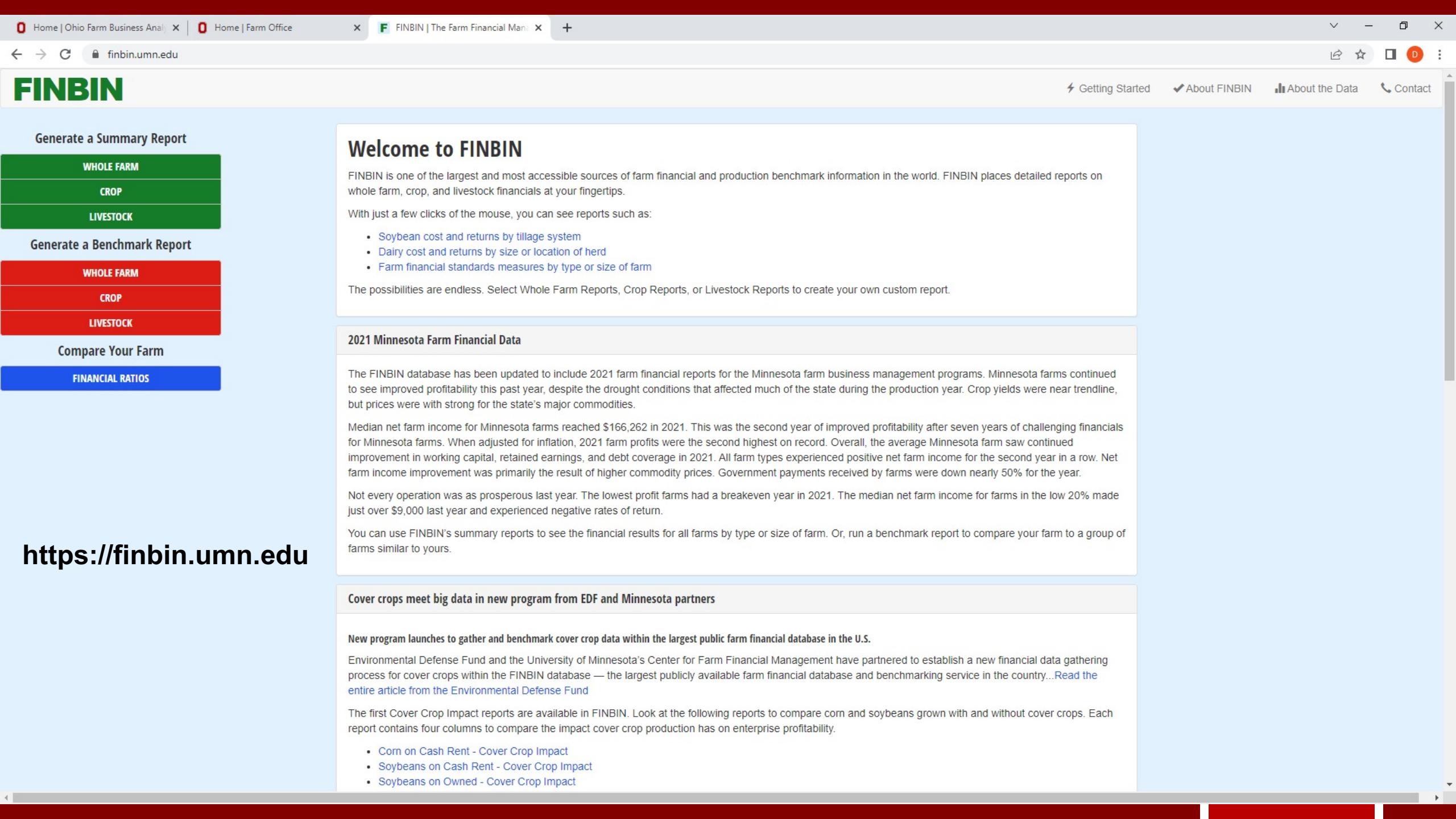
# 2021 Midwest Farm Performance Preview

Starting to look at cover crop economics

---







Generate a Summary Report

WHOLE FARM

CROP

LIVESTOCK

Generate a Benchmark Report

WHOLE FARM

CROP

LIVESTOCK

Compare Your Farm

FINANCIAL RATIOS

Welcome to FINBIN

FINBIN is one of the largest and most accessible sources of farm financial and production benchmark information in the world. FINBIN places detailed reports on whole farm, crop, and livestock financials at your fingertips.

With just a few clicks of the mouse, you can see reports such as:

- [Soybean cost and returns by tillage system](#)
- [Dairy cost and returns by size or location of herd](#)
- [Farm financial standards measures by type or size of farm](#)

The possibilities are endless. Select Whole Farm Reports, Crop Reports, or Livestock Reports to create your own custom report.

2021 Minnesota Farm Financial Data

The FINBIN database has been updated to include 2021 farm financial reports for the Minnesota farm business management programs. Minnesota farms continued to see improved profitability this past year, despite the drought conditions that affected much of the state during the production year. Crop yields were near trendline, but prices were with strong for the state's major commodities.

Median net farm income for Minnesota farms reached \$166,262 in 2021. This was the second year of improved profitability after seven years of challenging financials for Minnesota farms. When adjusted for inflation, 2021 farm profits were the second highest on record. Overall, the average Minnesota farm saw continued improvement in working capital, retained earnings, and debt coverage in 2021. All farm types experienced positive net farm income for the second year in a row. Net farm income improvement was primarily the result of higher commodity prices. Government payments received by farms were down nearly 50% for the year.

Not every operation was as prosperous last year. The lowest profit farms had a breakeven year in 2021. The median net farm income for farms in the low 20% made just over \$9,000 last year and experienced negative rates of return.

You can use FINBIN's summary reports to see the financial results for all farms by type or size of farm. Or, run a benchmark report to compare your farm to a group of farms similar to yours.

Cover crops meet big data in new program from EDF and Minnesota partners

New program launches to gather and benchmark cover crop data within the largest public farm financial database in the U.S.

Environmental Defense Fund and the University of Minnesota's Center for Farm Financial Management have partnered to establish a new financial data gathering process for cover crops within the FINBIN database — the largest publicly available farm financial database and benchmarking service in the country...[Read the entire article from the Environmental Defense Fund](#)

The first Cover Crop Impact reports are available in FINBIN. Look at the following reports to compare corn and soybeans grown with and without cover crops. Each report contains four columns to compare the impact cover crop production has on enterprise profitability.

- [Corn on Cash Rent - Cover Crop Impact](#)
- [Soybeans on Cash Rent - Cover Crop Impact](#)
- [Soybeans on Owned - Cover Crop Impact](#)

https://finbin.umn.edu



Generate a Summary Report

WHOLE FARM

CROP

LIVESTOCK

Generate a Benchmark Report

WHOLE FARM

CROP

LIVESTOCK

Compare Your Farm

FINANCIAL RATIOS

WHOLE FARM Summary Report

Financial Report

Financial Summary

Advanced Enterprise Sort

None (Recommended)

Location

State

All States

Group

All Groups

Sort By

Column Headings

Years

Show Avg Column

☒

Filters

Year(s)

2021

Farm Type

All Types

Total Crop Acres

All Acres

Gross Farm Income

All Levels

Net Farm Income

All Levels

Total Farm Assets

All Levels

Debt to Asset Ratio

All Levels

Age of Operator

All Levels

Number of Years Farming

All Levels

Special Sort Items to Include

None Selected

Special Sort Items to Exclude

None Selected







# 2021 FINBIN Cover Crop (CC) Analysis – Preliminary

## Corn on Cash Rented Land – Returns per acre\*

	No Cover Crop	Grown After CC	Cover Crop	Combined with CC
Farms	1377	11	11	11
Acres	354	207	207	207
Yield, bu/ac	187	173	-	-
\$/ bu	\$5.38	\$5.39	-	-
Crop return/ac	\$1,008	\$934	\$4.26	\$939
Crop Insurance	\$27	\$65	-	\$65
Other crop income	\$4.52	\$1.35	\$57	\$58
Gross returns	\$1,037	\$1,001	\$61	\$1062

\* Rounded



# 2021 FINBIN Cover Crop (CC) Analysis – Preliminary

## Corn on Cash Rented Land – Expenses per acre\*

	No Cover Crop	Grown After CC	Cover Crop	Combined with CC
Direct expenses	\$643	\$626	\$46	\$672
Return over direct	\$394	\$375	\$15	\$390
Overhead	\$104	\$81	\$21	\$102
Total direct + overhead	\$747	\$707	\$67	\$774
Net return/acre	\$290	\$294	\$-6	\$288

\* Rounded



## 2021 FINBIN Cover Crop (CC) Analysis – Preliminary Soybeans on Cash Rented Land – Returns per acre\*

	No Cover Crop	Grown After CC	Cover Crop	Combined with CC
Farms	1315	11	11	11
Acres	345	121	121	121
Yield, bu/ac	49.96	51.24	-	-
\$/ bu	\$12.47	\$12.40	-	-
<b>Crop return/ac</b>	<b>\$623</b>	<b>\$636</b>	<b>\$10.71</b>	<b>\$646</b>
Crop Insurance	\$22	\$27	-	\$27
Other crop income	\$5	\$0.35	\$47	\$48
<b>Gross returns</b>	<b>\$649</b>	<b>\$663</b>	<b>\$58</b>	<b>\$721</b>

\* Rounded



# 2021 FINBIN Cover Crop (CC) Analysis – Preliminary Soybeans on Cash Rented Land – Expenses per acre\*

	No Cover Crop	Grown After CC	Cover Crop	Combined with CC
Direct expenses	\$412	\$448	\$60	\$508
Return over direct	\$237	\$215	\$-2	\$213
Overhead	\$66	\$50	\$23	\$73
Total direct + overhead	\$478	\$498	\$83	\$581
Net return/acre	\$172	\$165	\$-25	\$140

\* Rounded



## 2021 FINBIN Cover Crop (CC) Analysis – Preliminary Corn and Soybeans on Cash Rented Land – COP per bu.

	No Cover Crop	Grown After CC	Combined with CC
<b>Corn, per bu</b>	187 bu/ac	173 bu/ac	
Direct cost	\$3.43	\$3.61	\$3.85
Direct + overhead	\$3.99	\$4.08	\$4.43
Less gov't, other income	\$3.83	\$3.70	\$3.73
<b>Soybeans, per bu</b>	50 bu/ac	51 bu/ac	
Direct cost	\$8.25	\$8.74	\$9.89
Direct + overhead	\$9.56	\$9.72	\$11.31
Less gov't, other income	\$8.99	\$9.19	\$9.85

\* Rounded







# For More Information about Farm Business Analysis:

Visit:

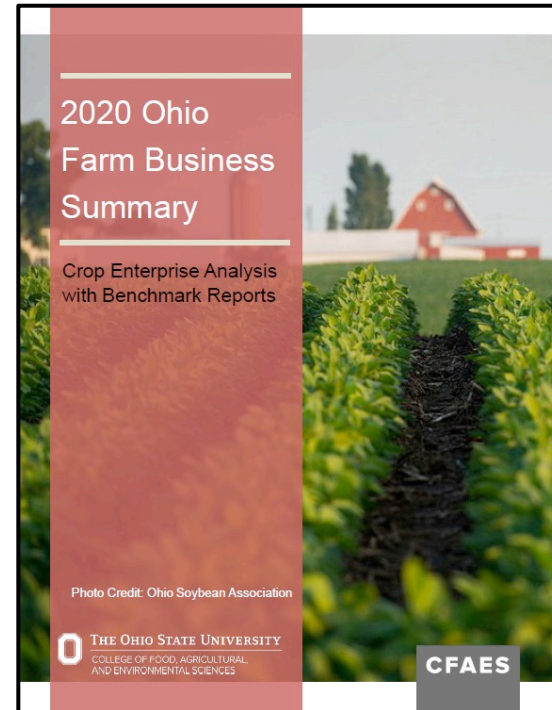
<http://farmprofitability.osu.edu/>

<https://farmoffice.osu.edu>

Contact:

A Farm Business Analysis Technician

or [shoemaker.3@osu.edu](mailto:shoemaker.3@osu.edu); 330.257.3377



This work is supported by the USDA National Institute of Food and Agriculture "Northern Plains Regional Farm Business Management and Benchmarking" projects 2020/21, 21/22.



United States  
Department of  
Agriculture

National Institute  
of Food and  
Agriculture

**CFAES**

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



# Crop Profitability Outlook

---

Barry Ward

Leader, Production Business Management

Director, OSU Income Tax Schools



# Fertilizer Supply/Demand Fundamentals

## ✓ Demand

- ✓ High crop prices – strong domestic and global fertilizer demand

## ✓ Supply

- ✓ Fertilizer sector unprepared for run-up in crop prices – Fall of '20
- ✓ Delayed and lengthier fertilizer plant “turnarounds” – COVID labor shortages
- ✓ Shipping issues
- ✓ Hurricane Ida, February '21 freeze in Texas
- ✓ High natural gas prices / availability issues in Europe



# Fertilizer Supply/Demand Fundamentals

- ✓ Trade
  - ✓ China halts phosphate and UAN fertilizer exports
  - ✓ Sanctions on Belarus - E.U. & U.S.
  - ✓ JSC Belaruskali declared “force majeure” indicating that it won’t be able to meet contracts
  - ✓ Russian invasion and ongoing war against Ukraine
  - ✓ Russia suspends fertilizer exports



# Fertilizer Supply/Demand Fundamentals

## ✓ Trade

- ✓ *Anti-dumping case (Mosaic) - Countervailing duties on phosphate fertilizers from Russia and Morocco (U.S. International Trade Commission and Department of Commerce)*
- ✓ *Anti-dumping case (CF Industries) – DOC issued “affirmative preliminary determinations” in its antidumping duty investigations of imports of UAN from Russia and Trinidad and Tobago. This follows Commerce’s affirmative preliminary countervailing duty (“CVD”) determinations for UAN from Russia and Trinidad, issued in November 2021.*

- ✓ *Industry consolidation – profit taking?*

**“...and then some.”**

WSJ: Seed Company Exec was asked about supply chain issues and responded that the company could handle any change of flow with the supply chains and would raise prices to compensate, and then some.



# Fertilizer Supply/Demand Fundamentals

Source: The Fertilizer Institute (TFI)

- ✓ “Because 90% of all fertilizer used is consumed outside the United States, the actions of Russia will impact the global market for fertilizer around the world. Russia is the second largest producer of ammonia, urea, and potash and the fifth largest producer of processed phosphates. In terms of their share of the global export market, Russia accounts for 23% of ammonia, 14% of urea, and 21% of potash, as well as 10% of processed phosphate exports. The conflict in the Ukraine will also put additional stress and uncertainty on energy markets. Russia supplies approximately one-third of Europe’s natural gas, the main feedstock to produce nitrogen fertilizers.”



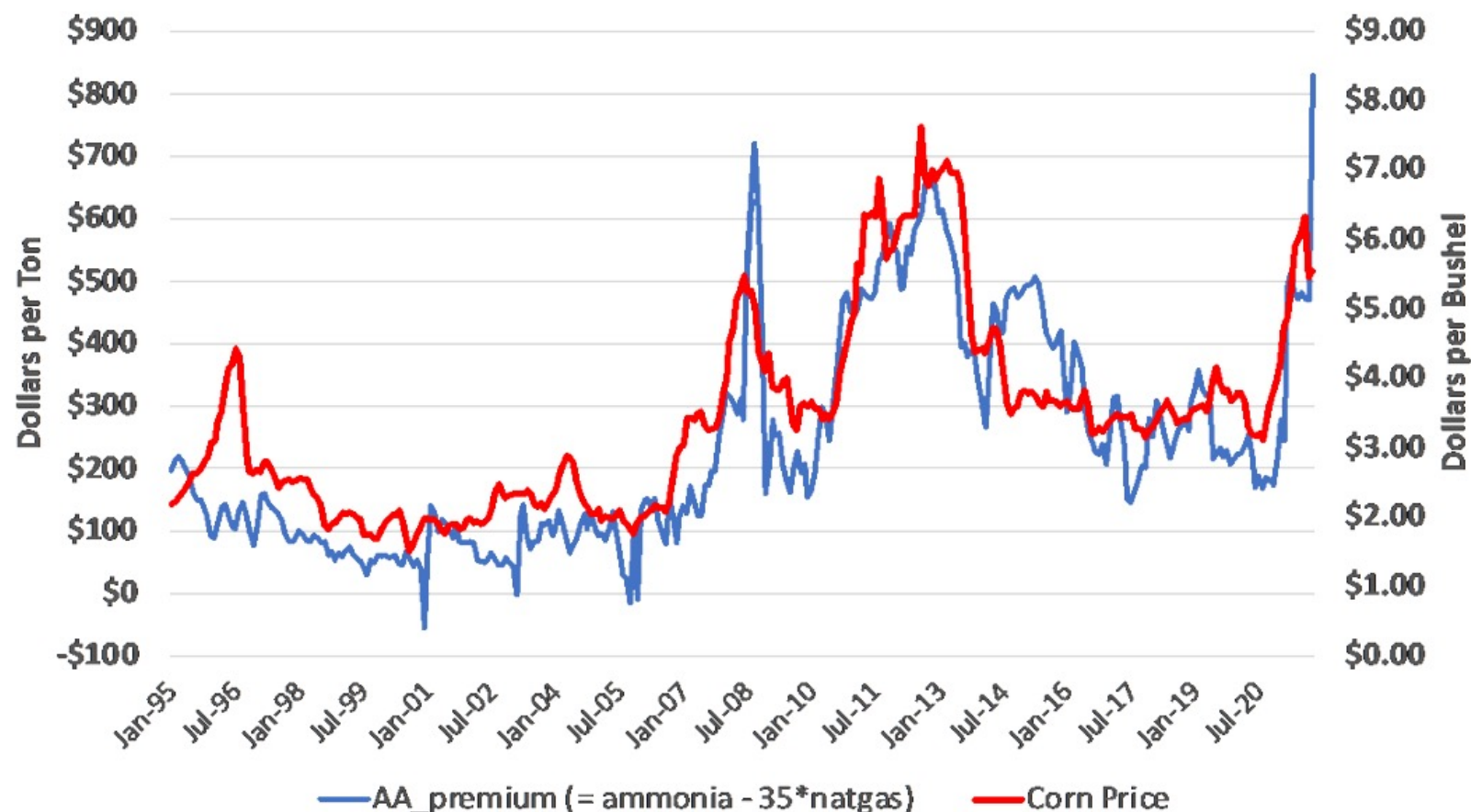
# Fertilizer Strategies

- ✓ Soil test
  - ✓ Zone/grid sampling
  - ✓ Determine if P and K applications are needed
    - ✓ Are soil test levels in the “maintenance range”?
- ✓ Nitrogen rate adjustment – Corn Nitrogen Rate Calculator
  - ✓ <http://cnrc.agron.iastate.edu/>
- ✓ Evaluate all possible fertility sources and price of options
  - ✓ Manures, sludges, non-traditionals, etc.
- ✓ Develop enterprise budgets for all potential crops with current/potential fertilizer prices
- ✓ Consider purchasing/building additional fertilizer storage
- ✓ Combine grain sales with fertilizer purchases



# Anhydrous Ammonia Price Less Value of Natural Gas and U.S. Corn Price January 1995 to October 2021.

Source: Texas A&M, Henry Hub, Bloomberg





## CORN BUDGET - 2022

		Yield in bushels/acre	
Receipts		183	220
Corn Price	<b>\$7.15</b> /bushel	\$1,309.17	\$1,571.00
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$109.20	\$116.03
Fertilizer+Soil Amendment		\$281.47	\$313.09
Chemicals (Crop Protection)		\$69.33	\$69.33
Fuel		\$22.00	\$22.00
Repairs		\$28.12	\$28.12
Crop Insurance		\$21.00	\$26.00
All Other		\$117.15	\$133.55
<b>Total Variable Costs / Acre</b>		<b>\$648.28</b>	<b>\$707.87</b>
Fixed Costs			
Labor and Management		\$103.71	\$116.80
Machinery Cost		\$77.67	\$77.67
Land Rent		\$207.00	\$252.00
<b>Total Costs / Acre</b>		<b>\$1,057.16</b>	<b>\$1,174.84</b>
Returns			
Return Above Total Costs		\$252.01	\$396.15
Return Above Variable Costs		\$660.89	\$863.12
Return to Land		\$459.01	\$648.15



## SOYBEAN BUDGET - 2022

		Yield in bushels/acre	
Receipts		57	68
Soybean Price	\$15.00 /bushel	\$852.00	\$1,022.40
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$66.08	\$66.08
Fertilizer+Soil Amendment		\$91.03	\$107.98
Chemicals (Crop Protection)		\$71.64	\$71.64
Fuel		\$18.52	\$18.52
Repairs		\$23.98	\$23.98
Crop Insurance		\$17.00	\$20.00
All Other		\$26.90	\$29.73
Total Variable Costs / Acre		\$315.15	\$337.55
Fixed Costs			
Labor and Management		\$61.30	\$69.82
Machinery Cost		\$62.16	\$62.16
Land Rent		\$207.00	\$252.00
Total Costs / Acre		\$659.31	\$739.75
Returns			
Return to Total Costs		\$192.69	\$287.17
Return to Variable Costs		\$536.85	\$684.85
Return to Land		\$399.69	\$539.17



## WHEAT BUDGET - 2022

		Yield in bushels/acre	
Receipts		73	88
Wheat Price	<b>\$10.30</b> /bushel	\$753.96	\$904.75
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$45.57	\$45.57
Fertilizer+Soil Amendment		\$138.11	\$167.26
Chemicals (Crop Protection)		\$21.98	\$21.98
Fuel		\$10.00	\$10.00
Repairs		\$15.47	\$15.47
Crop Insurance		\$10.00	\$11.00
All Other		\$39.12	\$42.70
Total Variable Costs / Acre		\$280.24	\$313.98
Fixed Costs			
Labor and Management		\$60.65	\$68.19
Machinery Cost		\$35.97	\$35.97
Land Rent		\$207.00	\$252.00
Total Costs / Acre		\$596.55	\$682.83
Returns			
Return Above Total Costs		\$157.41	\$221.92
Return Above Variable Costs		\$473.72	\$590.77
Return to Land		\$364.41	\$473.92



# Crop Enterprise Budgets 2022

		Corn	Soybeans	Wheat
<b>Receipts</b>	bu/A Price	<b>183@7.15</b>	<b>57@15.00</b>	<b>73@10.30</b>
Crop Revenue		\$1,309.17	\$852.00	\$753.96
ARC/PLC + Ad Hoc		\$0.00	\$0.00	\$0.00
<b>Variable Costs</b>		<b>\$648.28</b>	<b>\$315.15</b>	<b>\$280.24</b>
<b>Returns</b>				
Return to Variable Costs		\$660.89	\$536.85	\$473.72
Return to Land		\$459.01	\$399.69	\$364.41



# Crop Enterprise Budgets 2023

		Corn	Soybeans	Wheat
<b>Receipts</b>	<b>bu/A Price</b>	<b>183@6.30</b>	<b>57@14.00</b>	<b>73@9.90</b>
Crop Revenue		\$1,153.53	\$795.20	\$724.68
ARC/PLC + Ad Hoc		\$0.00	\$0.00	\$0.00
<b>Variable Costs</b>		<b>\$648.28</b>	<b>\$315.15</b>	<b>\$280.24</b>
<b>Returns</b>				
Return to Variable Costs		\$505.25	\$480.05	\$444.44
Return to Land		\$311.15	\$345.73	\$336.59



# ❖ Ohio Farm Custom Rates Survey 2022

## ❖ <https://go.osu.edu/ohiofarmcustomratesurvey2022>



**OSU EXTENSION**

County \_\_\_\_\_
Ohio Farm Custom Rate Survey – 2022

We need your assistance in securing up-to-date information about farm custom work rates, machinery and building rental rates and hired labor costs in Ohio. Please respond even if you know only a few rates. We want information on actual rates, either what you paid to hire work or what you charged if you perform custom work. Custom Rates should include all ownership costs of implement & tractor (if needed), operator labor, fuel and lube.

Please Indicate Whether Your Survey Responses (Custom Rate Quotes):
Include Fuel ☐

Do Not Include Fuel ☐

If you wish to complete the survey online, please use this QR code.

**Soil Preparation**

Stalk Chopper \$ \_\_\_\_\_/A

Moldboard Plow \$ \_\_\_\_\_/A

Chisel Plow \$ \_\_\_\_\_/A

Disk Chisel \$ \_\_\_\_\_/A

Disk-Tandem \$ \_\_\_\_\_/A

Disk- Heavy or Offset \$ \_\_\_\_\_/A

Soil Finishing \$ \_\_\_\_\_/A

Field Cultivator \$ \_\_\_\_\_/A

Land leveling per acre \$ \_\_\_\_\_/A

Land leveling per hour \$ \_\_\_\_\_/hr

Subsoiling (8-15 inches deep) \$ \_\_\_\_\_/A

V-ripping (over 15 in. deep) \$ \_\_\_\_\_/A

Strip Tillage \$ \_\_\_\_\_/A

Strip Tillage w/Fert. injection \$ \_\_\_\_\_/A

**Fertilizer Application – Ground (Materials not included)**

Dry Bulk \$ \_\_\_\_\_/A

Liquid, Knife \$ \_\_\_\_\_/A

Liquid, Spray \$ \_\_\_\_\_/A

Anhydrous \$ \_\_\_\_\_/A

Late Season N - Coulters \$ \_\_\_\_\_/A

Late Season N - Drops \$ \_\_\_\_\_/A

Lime \$ \_\_\_\_\_/A \_\_\_\_\_/Ton

Variable rate fert. app. \$ \_\_\_\_\_/A

\_\_\_\_ Number of products applied

**Chemical Control of Weeds/Insects/Diseases (Materials not included)**

Spraying – self-propelled \$ \_\_\_\_\_/A

Spraying – pull-type \$ \_\_\_\_\_/A

Spraying late season(fungicide) \$ \_\_\_\_\_/A

**Mechanical Weed Control**

Rotary hoeing \$ \_\_\_\_\_/A

Conventional cultivating \$ \_\_\_\_\_/A

Weed electrocution \$ \_\_\_\_\_/A

**Aerial Application (Materials not included.)**

Chemical (Fungicide etc.) \$ \_\_\_\_\_/A

Seed \$ \_\_\_\_\_/A

Fertilizer \$ \_\_\_\_\_/A

**Planting Operations (no seed or material furnished)**

**Conventional Till**

Plant Corn, 30 in. Rows \$ \_\_\_\_\_/A

Plant Corn, 30 in. Rows with Fertilizer Application \$ \_\_\_\_\_/A

Variable rate corn planting \$ \_\_\_\_\_/A

Plant Soybeans, 15 or 30 in. Rows \$ \_\_\_\_\_/A

Variable rate soybean planting \$ \_\_\_\_\_/A

Drill Soybeans \$ \_\_\_\_\_/A

Drill Small Grains \$ \_\_\_\_\_/A

**No-Till**

Plant Corn, 30 in. Rows \$ \_\_\_\_\_/A

Plant Corn, 30 in. Rows with Fertilizer Application \$ \_\_\_\_\_/A

Variable rate corn planting \$ \_\_\_\_\_/A

Plant Soybeans, 15 or 30 in. Rows \$ \_\_\_\_\_/A

Variable rate soybean planting \$ \_\_\_\_\_/A

Drill Soybeans \$ \_\_\_\_\_/A

Drill Small Grains \$ \_\_\_\_\_/A

**Grass/Legume/Pasture Seeding**

Broadcast \$ \_\_\_\_\_/A

Grain drill \$ \_\_\_\_\_/A



# ✓ Ohio Cropland Values and Cash Rents Survey 2021-2022

✓ <https://go.osu.edu/ohiocroplandvaluescashrents2122>



**THE OHIO STATE UNIVERSITY** Ohio State University Extension  
Agriculture & Natural Resources  
http://farmoffice.osu.edu

**OHIO CROPLAND VALUES AND RENTS SURVEY 2021-2022**

1. County on which you are reporting: \_\_\_\_\_

2. Please indicate your primary type of work: Check one category that best describes your work.

\_\_\_ Appraiser \_\_\_ Ag Lender \_\_\_ Farmer \_\_\_ Landowner (Landlord)  
\_\_\_ Professional Farm Manager \_\_\_ Extension \_\_\_ FSA \_\_\_ Government Service non-FSA  
\_\_\_ Agri-Sales \_\_\_ Agri-Service \_\_\_ Other \_\_\_\_\_

3. In the table below please give your estimate per acre:

Farmland Quality	PER ACRE MARKET LAND VALUE AND CASH RENT, BARE CROPLAND					
			LAND VALUE/ACRE <sup>1</sup>		CASH RENT/ACRE <sup>2</sup>	
	Average Corn Yield <sup>3</sup>	Average Soybean Yield <sup>3</sup>	2021	Projected 2022	2021	Projected 2022
Top	bu/A	bu/A	\$	\$	\$	\$
Average	bu/A	bu/A	\$	\$	\$	\$
Bottom	bu/A	bu/A	\$	\$	\$	\$
Transition <sup>4</sup>	XXXX		\$	\$	XXXX	

<sup>1</sup> Long-term average (5 yr.) corn/soybean yields with typical farming practices  
<sup>2</sup> Land that is moving into residential, commercial & industrial uses  
<sup>3</sup> Value of land if sold through an arms-length transaction.  
<sup>4</sup> Cash Rent negotiated in current or recent year.

4. From current levels, where do you expect Ohio bare cropland values to be 5 years from now?  
(Check and give percentage estimate where appropriate.)  
Up, by \_\_\_\_\_% No Change Down, by \_\_\_\_\_%

5. From current levels, where do you expect Ohio cash rents to be 5 years from now?  
(Check and give percentage estimate where appropriate.)  
Up, by \_\_\_\_\_% No Change Down, by \_\_\_\_\_%

6. What is your estimate of the 2022 average farm mortgage interest rate and operating loan rate?  
Mortgage interest rate (20 Year) \_\_\_\_\_% Operating loan rate \_\_\_\_\_%

7. For improved, non-rotation permanent pasture, please give your estimates below for market value and cash rent.  
Market Sales Value \$ \_\_\_\_\_ per acre Cash Rent \$ \_\_\_\_\_ per ac



# Federal Farm Program Update

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# Ohio Farm Service Agency (FSA)

- John Patterson from Jefferson, Ohio selected by President Joe Biden to be the FSA Executive Director for Ohio on April 14, 2022
- Former Ohio House of Representative, District 99
- Served on Ag & Natural Resources Committee
- Former High School Educator





# SMHPP Deadline Extended (Again)

- Spot Market Hog Pandemic Program (SMHPP) Sign-up from 12/15/2021 to **4/29/2022** (extended from 2/25/2022 and 4/15/2022).
- Hogs sold through “negotiated sale” from 4/16/2020 through 9/01/2020 eligible for additional assistance.
- Eligible Hogs \* \$54 (not to exceed 10,000 head).





# Sign-up Deadline Reminder

- Grassland CRP sign-up from 4/4/2022 to 5/13/2022.
- Clean Lakes, Estuaries, and Rivers initiative (CLEAR30) sign-up from 4/01/2022 to 8/05/2022).
- Pandemic Cover Crop Program (PCCP) sign-up extended from 3/15/2022 to 5/31/2022







United States Department of Agriculture

## Farm Service Agency

# Grassland Conservation Reserve Program (CRP) Working Lands

FACT SHEET  
July 2021

### Overview

USDA Farm Service Agency's (FSA) Grasslands Conservation Reserve Program (CRP) is a voluntary program that contracts with agricultural producers to help landowners and operators protect grassland, including rangeland, pastureland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for grazing operations, plant and animal biodiversity, and eligible land containing shrubs and forbs under the greatest threat of conversion. The Grasslands CRP program is a working lands program. Working lands conservation programs help farmers to enhance the sustainability of their operations while keeping land in production.

### Program Administration

FSA administers Grasslands CRP while technical support functions are provided by: USDA Natural Resources Conservation Service (NRCS); Local soil and water conservation districts; and Non-federal technical assistance providers.

### Benefits and Payments

FSA provides CRP participants with annual rental payments and cost share assistance. In return for conserving the grazing lands according to an NRCS or Technical Service Provider (TSP) developed Conservation Plan, FSA bases rental rates on 75 percent of the cash rent data provided by the National Agricultural Statistics Service (NASS) plus a climate-smart practice incentive. Nationally, the minimum rental rate is \$15 per acre. Grasslands CRP Offers located in the Grasslands CRP National Priority Zone will receive an additional 15 ranking points. Beginning, Socially Disadvantaged, or Veteran farmers or rancher participants will receive an additional 10 ranking points. Producers may offer land at the maximum rental rate or offer a lower rental rate. The maximum CRP rental rate for each offer is calculated in advance of enrollment.



Cost share is available to participants if fencing or livestock watering facilities are needed to facilitate grazing distribution. Boundary fences are not eligible for cost share assistance. Grasslands CRP permits producers to graze, harvest hay, and seed production while receiving an annual rental payment for maintaining the existing permanent cover that is offered. Producers are required to maintain and complete any maintenance/enhancements needed on the Grasslands CRP. This includes any seeding of grasses or legumes along with applying applicable fertilizer and chemical applications. All activities are subject to a Conservation Plan, with certain restriction for haying during the primary nesting season. Offered Land with more than 5% tree canopy is ineligible for the Grasslands CRP Program.

### More Information

This fact sheet is for informational purposes only; other restrictions may apply. To find more information about Grassland CRP, visit [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp). For more details on FSA conservation programs, visit [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation) or contact your local FSA office. To locate the nearest FSA office or USDA service center, visit <http://offices.usda.gov>.

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United States Department of Agriculture

## Farm Service Agency

# Conservation Reserve Program – Transition Incentives Program

FACT SHEET  
December 2019

### Overview

The Transition Incentives Program (TIP), administered by USDA's Farm Service Agency (FSA), assists with the transition of expiring Conservation Reserve Program (CRP) land from an owner or operator to a beginning, veteran, or socially disadvantaged farmer or rancher to return land to production for sustainable grazing or crop production.

### Program at a Glance

CRP is a voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is not farmed or ranched, but instead devoted to conservation benefits. CRP participants establish long-term, resource-conserving vegetative species, such as approved grasses or trees (known as "covers") to control soil erosion, improve the water quality, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Continuous signup contracts are 10 to 15 years in duration.

CRP protects millions of acres of American topsoil from erosion and is designed to safeguard the nation's natural resources. By reducing water runoff and sedimentation, CRP protects groundwater and helps improve the condition of lakes, rivers, ponds and streams. The vegetative covers also make CRP a major contributor to increased wildlife populations in many parts of the country.

The 2018 Farm Bill authorizes \$50 million for fiscal years 2019 through 2023 for TIP. The Food Security Act of 1985, as amended, authorized CRP and is governed by regulations published in 7 CFR Part 1410.

FSA implements TIP and CRP on behalf of USDA's Commodity Credit Corporation (CCC).



USDA Photo by Preston Keres

### How to Apply

TIP enrollment is on a continuous basis until the total funds authorized for the program are exhausted. Beginning, veteran, and socially disadvantaged farmers and ranchers and CRP participants may enroll in TIP two years before the scheduled date of CRP contract expiration or the \$50 million statutory limit has been reached.

For example, if a CRP contract is scheduled to expire on September 30, 2022, the land may be offered for enrollment in TIP from October 1, 2020, through September 30, 2022, or the \$50 million statutory limit has been reached.

TIP enrollment may begin immediately for contracts scheduled to expire this September.

### Who is Eligible?

To be eligible for TIP, an owner or operator must be a farmer or rancher on land enrolled in an expiring CRP contract.

The owner or operator must agree to sell, or have a contract to sell, or agree to lease long-term (at least five years) the land enrolled in an expiring CRP contract to a beginning, veteran or socially disadvantaged farmer or rancher who is not a family member.

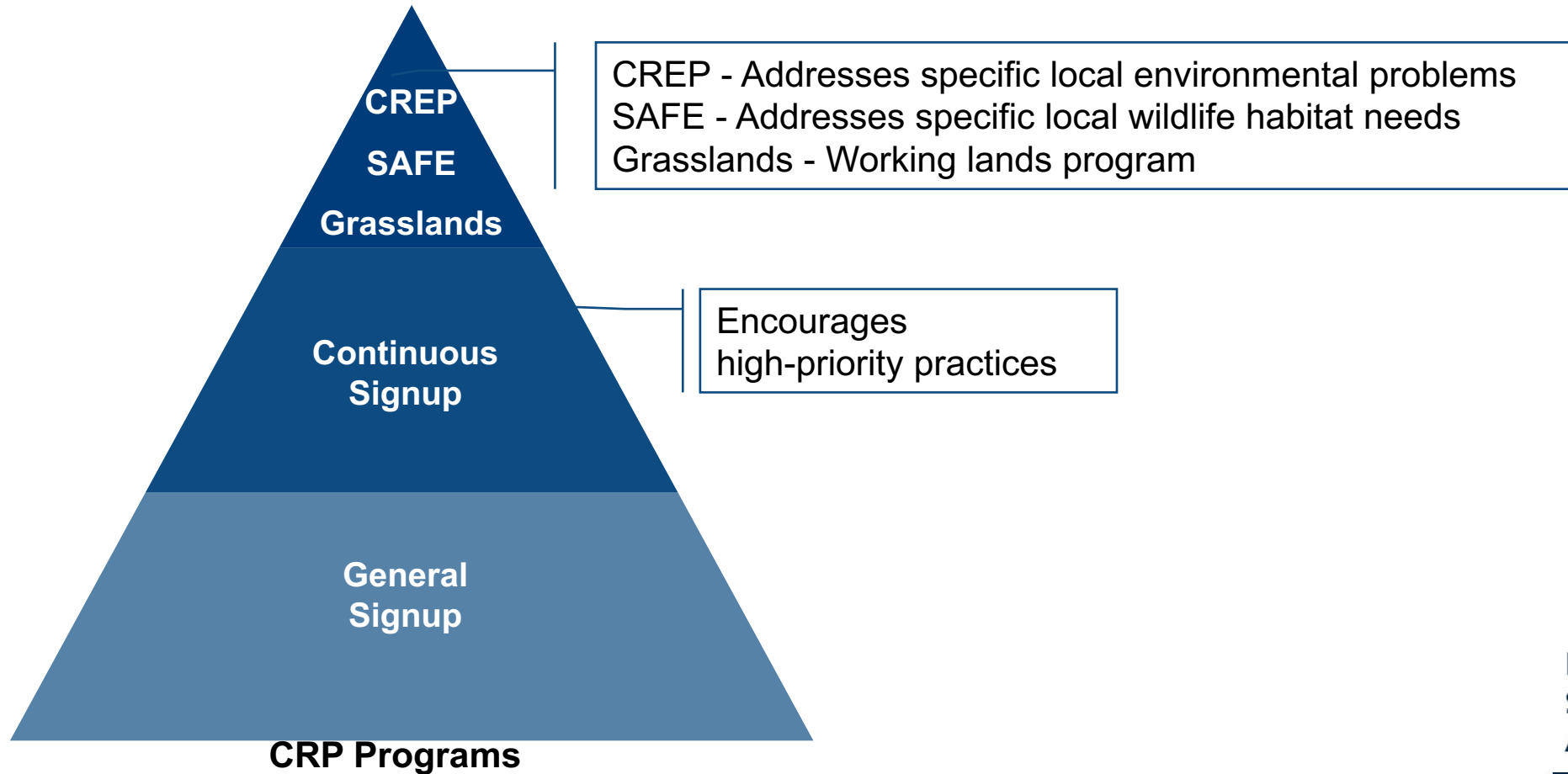


# Conservation Reserve Program (CRP)

- Voluntary program established in 1985 that contracts with agricultural producers to ensure that environmentally-sensitive land is not farmed, but instead used for conservation benefits
- CRP participants establish long-term, resource-conserving practices to control soil erosion and improve water quality and wildlife habitat
- Largest conservation partnership on private lands in America



# Subsets of CRP





# CRP Grasslands

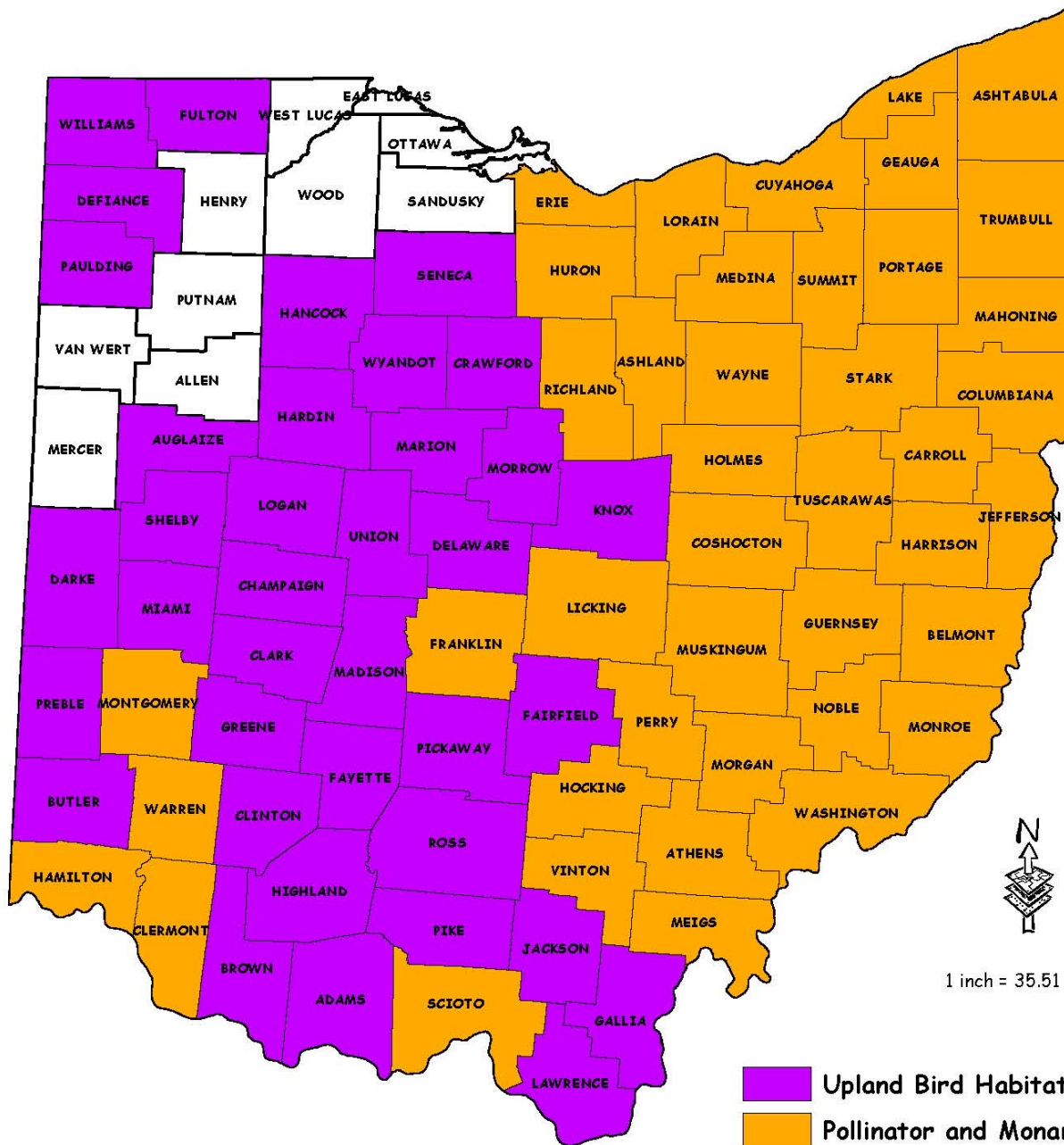
- Created by the 2014 Farm Bill
- Production-based program
- Continuous Signup with ranking periods (competitive process)
- No cropping history requirements
- Haying and grazing allowed with some exceptions
- Cost share available for fencing and water development
- Priority given to land with greatest risk for the threat of conversion to uses other than grasslands
- Current Ohio enrollment = 9,566 acres



# SAFE

- First introduced as an option under Continuous Signup in 2007
- SAFE – State Acres for Wildlife Enhancement
- Allows States to address local wildlife conservation needs
- SAFE allows for enrollment of practices that benefit high priority State wildlife conservation objectives by using targeted restoration of vital habitat
- Currently, Ohio has two approved SAFE projects: Upland Bird SAFE (Pheasant and Quail focus areas) and Pollinator/Monarch SAFE
- Approximately 35,750 acres currently enrolled





Upland Bird Habitat SAFE Area  
Pollinator and Monarch Habitat SAFE Area

# Ohio SAFE Projects



# Transition Incentives Program (TIP)

- Authorized under 2018 Farm Bill to encourage voluntary transition of land enrolled under an expiring CRP contract from an owner or operator to a veteran, beginning, or socially disadvantaged (SDA) farmer to return the land to production for sustainable grazing or crop production
- Owners and operators who qualify for TIP may be eligible to receive annual rental payments for up to 2 additional years after the CRP contract expires, provided the transition of land is not to a family member
- \$50 million is authorized for TIP enrollment from 2019-2023
- All expiring CRP contracts are eligible for TIP



## TIP (Continued)

- Enrollment is on a continuous basis until program funds are exhausted
- Beginning, veteran, and SDA farmers and CRP participants may enroll two years before the scheduled date of CRP contract expiration, or until the \$50 million limit is reached
- To be eligible, an owner or operator must be a farmer on land in an expiring CRP contract
- The owner or operator must agree to sell, or have a contract to sell, or agree to lease long-term (at least 5 years) the land enrolled in an expiring CRP contract to a beginning, veteran, or SDA farmer who is not a family member\*



## TIP (Continued)

- Owner or operator must agree to permit the beginning, veteran, or SDA farmer to make conservation and land improvements according to an approved conservation plan
- Beginning, veteran, or SDA farmers participating in TIP may re-enroll eligible land under CRP
- Beginning, veteran, or SDA farmers must materially and substantially participate in the operation of the farm involved in CRP contract modification
- Beginning, veteran, or SDA farmers may be eligible for enrollment in CSP or EQIP administered by NRCS
- See TIP Fact Sheet for definitions of beginning, veteran, and SDA farmers







## For more information on FSA Conservation Programs...

- Visit <https://www.fsa.usda.gov/programs-and-services/conservation-programs/index>
- Contact your local FSA County Office



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**CFAES**

Thanks for  
joining us for  
this webinar

Next Webinar  
May 20, 2022  
10:00 to 11:30  
a.m.



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AND ENVIRONMENTAL SCIENCES