

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

**March Topics:**

- **Updates on FSA Programs**
- **Federal Tax Law Update/Medicaid Planning Review**
- **Financial Efficiency Review for Grain Farms**
- **Fertilizer Update/Crop Budgets Outlook**

Register or watch replays at  
**[go.osu.edu/farmofficelive](https://go.osu.edu/farmofficelive)**

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**Register once and receive links to join future programs**

*Each session includes timely updates and Q&A time on topics of interest.*

**OSU Extension's  
Farm Office Team**

**Peggy Kirk Hall  
David Marrison  
Dianne Shoemaker  
Barry Ward  
Robert Moore**

**March 16, 7 - 8:30 pm  
March 18, 10 - 11:30 am**

**Save the date!  
We will be back April 20, 7-8:30 pm**

*Farm Office - Your farm's  
ag law and farm management  
resource partner.*



**THE OHIO STATE UNIVERSITY**  
EXTENSION

**[farmoffice.osu.edu](https://farmoffice.osu.edu)**



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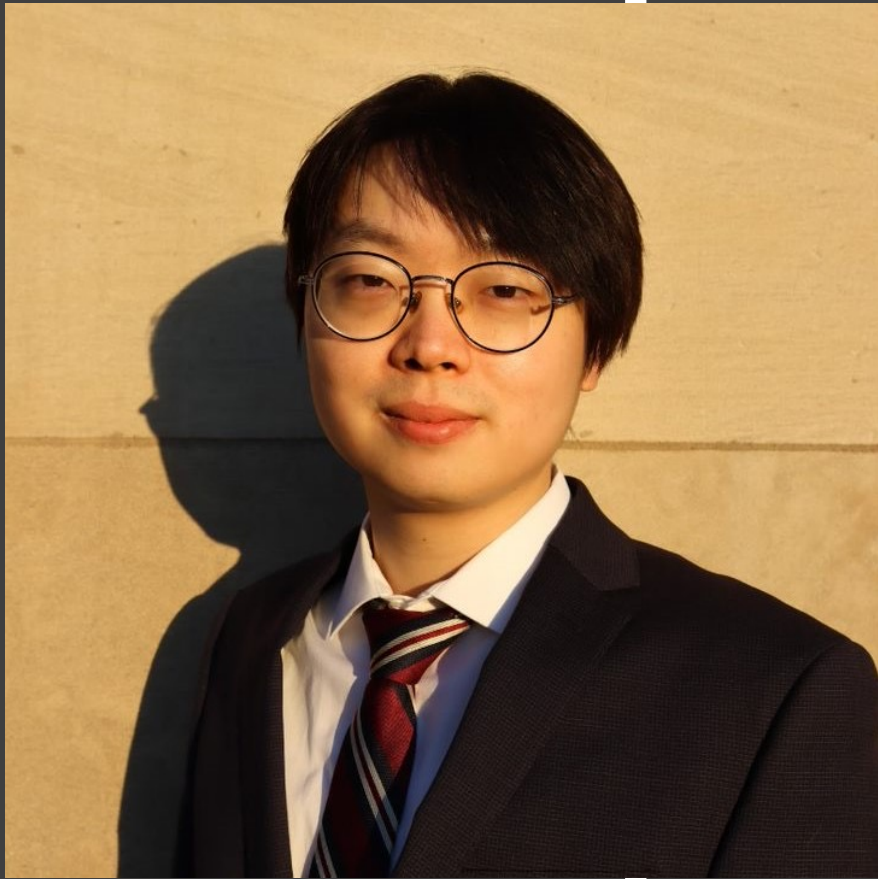


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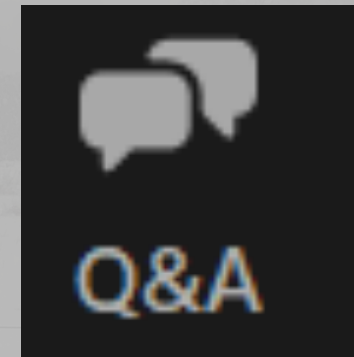


Slides and a recording for today's  
presentation can be found at:  
[go.osu.edu/farmofficelive](https://go.osu.edu/farmofficelive)



# 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](mailto: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





# Agenda

- Federal Program Update
- Fertilizer Update & Crop Budgets Look-Ahead
- Grain Market Outlook
- Long Term Care Costs (Medicaid Planning)
- Financial Efficiency Review for Grain Farms
- A look at the FSA

# Federal Legislation & Program Update

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# WHERE EXACTLY ARE WE ON FEDERAL LEGISLATION?

Topic		Latest developments	Action expected by...	Final Action
Government funding	<input checked="" type="checkbox"/>	1.5 T bill funds government through September		Signed March 15
Federal debt limit	<input checked="" type="checkbox"/>			Signed Dec. 16
Infrastructure bill	<input checked="" type="checkbox"/>			Signed Nov. 15
Build Back Better		<del>\$3.5 trillion? .... 1.5 trillion?</del> <del>\$1.75 trillion House passed \$1.75 trillion bill Nov. 19;</del> \$1.75T bill is dead. House Democrats proposing to carve out climate change portion. Manchin wants deficit reduction.	<del>October 31, with infrastructure bill? Schumer pushing for Senate to pass by Christmas (?!); Biden concedes it will go into 2022.</del> Informal discussions among Democrats ongoing.	Unknown

# Sign-up Deadline Reminder

- Dairy Margin Coverage (DMC) and Supplemental Dairy Margin Coverage (SDMC)- Sign-up from 12/13/2021 to 3/25/2022
- Spot Market Hog Pandemic Program (SMHPP) Sign-up from 12/15/2021 to 4/15/2022 (extended from 2/25/2022)





# Climate-Smart Agriculture & Forestry

- USDA offers voluntary programs and services to help you build soil health, sequester carbon, reduce greenhouse gas emissions, enhance productivity and commodity marketability, and mitigate the impacts of climate change while building resilience to strengthen your operation.
- Includes Agricultural Conservation Easement Program, Conservation Stewardship Program, Conservation Reserve Program, Environmental Quality Incentives Program, Conservation Innovation Grants, and Regional Conservation Partnership Programs
- <https://www.farmers.gov/conservation/climate-smart#your-operation>

# Partnerships for Climate-Smart Commodities Funding Opportunity

- Announced on February 7, 2022.
- \$1 billion in partnerships to support climate-smart pilot projects
- Climate-smart commodities as being produced using agricultural (farming, ranching or forestry) practices that reduce greenhouse gas emissions or sequester carbon.
- Visit [usda.gov/climate-smart-commodities](https://usda.gov/climate-smart-commodities) for additional information
- Two funding pools with deadlines: May 6 (\$5 million to \$100 million) and June 10 (\$250,000 to \$4,999,999).



# Fertilizer Update

## Crop Budgets Look Ahead

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Barry Ward

Leader, Production Business Management

Director, OSU Income Tax Schools

# Ohio Crop Enterprise Budgets 2022

- ✓ **Budget Changes as Compared to 2021 Final Crop Budgets:**
- ✓ Seed Cost +5% Higher
- ✓ Crop Chemical Cost (Herbicide) +50% Higher
  
- ✓ Drying Cost +25% Higher
- ✓ Diesel Price +60% Higher
- ✓ Hauling +20% Higher
  
- ✓ Fertilizer Prices: (As compared to Spring '21 prices.)
  - ✓ NH<sub>3</sub> \$1,500/T +145% Higher
  - ✓ MAP \$ 925/T + 50% Higher
  - ✓ Potash \$ 815/T +115% Higher



# 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.”

# Mosaic Co Stock (MOS)

Source: CNBC



# CF Industries Holdings (CF)

Source: CNBC





# Ohio Crop Enterprise Budgets 2022

- ✓ Increases in Variable Costs 2022 (compared to 2021)
- ✓ Corn +46%
- ✓ Soybeans +35%
- ✓ Wheat +49%

## CORN BUDGET - 2022

		Yield in bushels/acre	
Receipts		183	220
Corn Price	\$6.25 /bushel	\$1,144.38	\$1,373.25
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$109.20	\$116.03
Fertilizer+Soil Amendment		\$275.56	\$306.69
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		\$117.01	\$133.40
Total Variable Costs / Acre		\$642.23	\$701.32
Fixed Costs			
Labor and Management		\$95.47	\$106.91
Machinery Cost		\$77.67	\$77.67
Land Rent		\$207.00	\$252.00
Total Costs / Acre		\$1,042.87	\$1,158.41
Returns			
Return Above Total Costs		\$101.51	\$214.84
Return Above Variable Costs		\$502.15	\$671.93
Return to Land		\$308.51	\$466.84

## SOYBEAN BUDGET - 2022

		Yield in bushels/acre	
Receipts		57	68
Soybean Price	\$14.50 /bushel	\$823.60	\$988.32
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		\$59.88	\$68.12
Machinery Cost		\$62.16	\$62.16
Land Rent		\$207.00	\$252.00
Total Costs / Acre		\$657.89	\$738.00
Returns			
Return to Total Costs		\$165.71	\$254.79
Return to Variable Costs		\$508.45	\$650.77
Return to Land		\$372.71	\$506.79

# WHEAT BUDGET - 2022

		Yield in bushels/acre	
<b>Receipts</b>		<b>73</b>	<b>88</b>
Wheat Price	<b>\$9.70</b> /bushel	\$710.04	\$852.05
ARC/PLC + Ad Hoc		\$0.00	\$0.00
<b>Variable Costs</b>			
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
<b>Total Variable Costs / Acre</b>		<b>\$280.24</b>	<b>\$313.98</b>
<b>Fixed Costs</b>			
Labor and Management		\$58.45	\$65.55
Machinery Cost		\$35.97	\$35.97
Land Rent		\$207.00	\$252.00
<b>Total Costs / Acre</b>		<b>\$594.36</b>	<b>\$680.20</b>
<b>Returns</b>			
Return Above Total Costs		\$115.68	\$171.85
Return Above Variable Costs		\$429.80	\$538.07
Return to Land		\$322.68	\$423.85



# Crop Enterprise Budgets 2022

		Corn	Soybeans	Wheat
<b>Receipts</b>	bu/A Price	<b>183@6.25</b>	<b>57@14.50</b>	<b>73@9.70</b>
Crop Revenue		\$1,080.29	\$823.60	\$710.04
ARC/PLC + Ad Hoc		\$0.00	\$0.00	\$0.00
<b>Variable Costs</b>		<b>\$642.23</b>	<b>\$315.15</b>	<b>\$280.24</b>
<b>Returns</b>				
Return to Variable Costs		\$502.15	\$508.45	\$429.80
Return to Land		\$308.51	\$372.71	\$322.68

# Farmers Filing Late (After March 1 Without Estimated Payments)

- ✓ IRS Notice 2022-13 provides a waiver of the addition to tax (penalties) under section 6654 for underpayment of estimated income tax by qualifying farmers and fishermen described in the notice.
- ✓ Earlier guidance had indicated that this relief would be only for those farmers that were shareholders of an S corporation.
- ✓ This Notice indicates that all qualifying farmers are eligible and have a (penalty-free) filing deadline of April 18.

# ❖ 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



**CFAES**

**EST. 1870**

**WE SUSTAIN LIFE**

# Grain Marketing Outlook

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**Seungki Lee**

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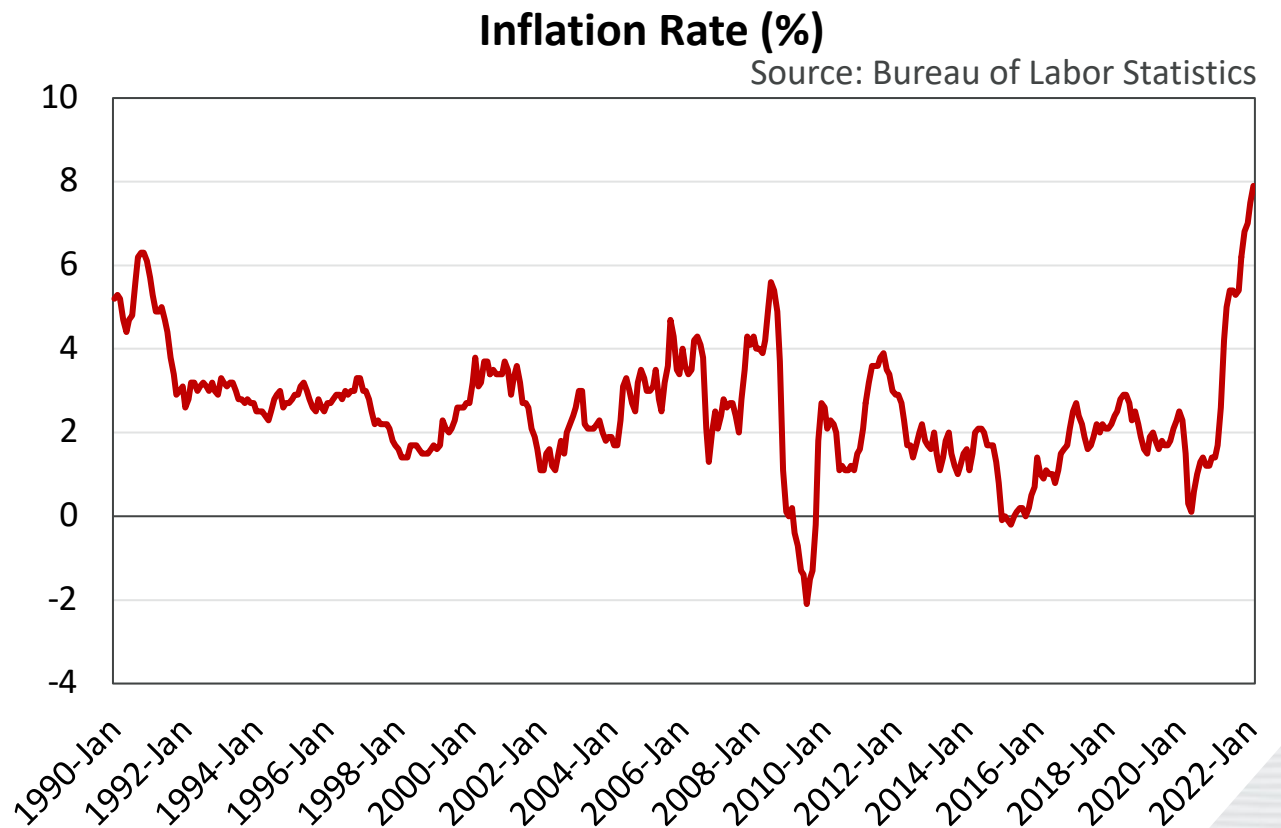
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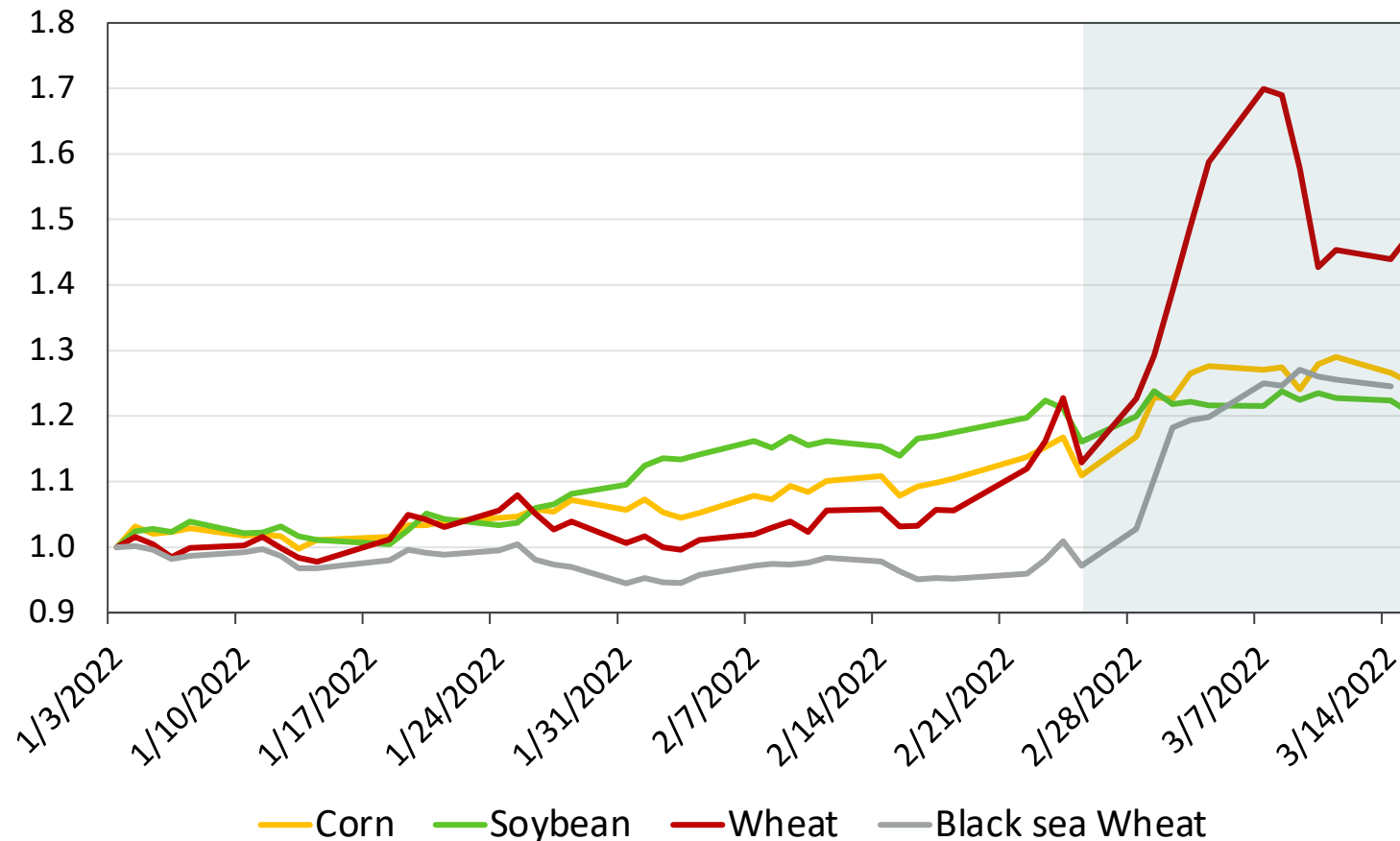
# Factors Currently Swing the Grain Market

## Observation: Price increase

- War in Ukraine
  - Direct shock on wheat and corn
  - Exacerbates supply chain issue  
→ Input costs increase
- South America Production Shortfalls
  - Disappointing harvest records (soybeans)
- Inflation Pressure
- Supply Chain Issue



# May 2022 Futures Price Index



Source: BarChart, cmdtyView

Source: USDA WASDE, March 9, 2022

# U.S. Corn

## Supply & Demand

- Price ↑
- Demand
  - Ethanol use ↑
  - Exports ↑
- USDA 22/23 soybean acreage prediction: 92 mil. acres

Marketing Year (2021 = 9/1/21 to 8/31/22)		2020/21	2021/22 forecast	Change from Feb	Change from 20/21
Area Planted	(mil. acres)	90.7	93.4	--	2.7
Yield	(bu./acre)	171.4	177.0	--	5.6
Production	(mil. bu.)	14,111	15,115	--	1,004
Beg. Stocks	(mil. bu.)	1,919	1,235	--	-685
Imports	(mil. bu.)	24	25	--	1
<b>Total Supply</b>	<b>(mil. bu.)</b>	<b>16,055</b>	<b>16,375</b>	<b>--</b>	<b>320</b>
Feed & Residual	(mil. bu.)	5,598	5,650	--	52
Ethanol	(mil. bu.)	5,033	5,350	25	317
Food, Seed, & Other	(mil. bu.)	1,437	1,435	--	-2
Exports	(mil. bu.)	2,753	2,500	75	-253
<b>Total Use</b>	<b>(mil. bu.)</b>	<b>14,821</b>	<b>14,935</b>	<b>100</b>	<b>114</b>
Ending Stocks	(mil. bu.)	1,235	1,440	-100	205
Season-Average Price	(\$/bu.)	4.53	5.65	0.20	1.12



# World Corn Production

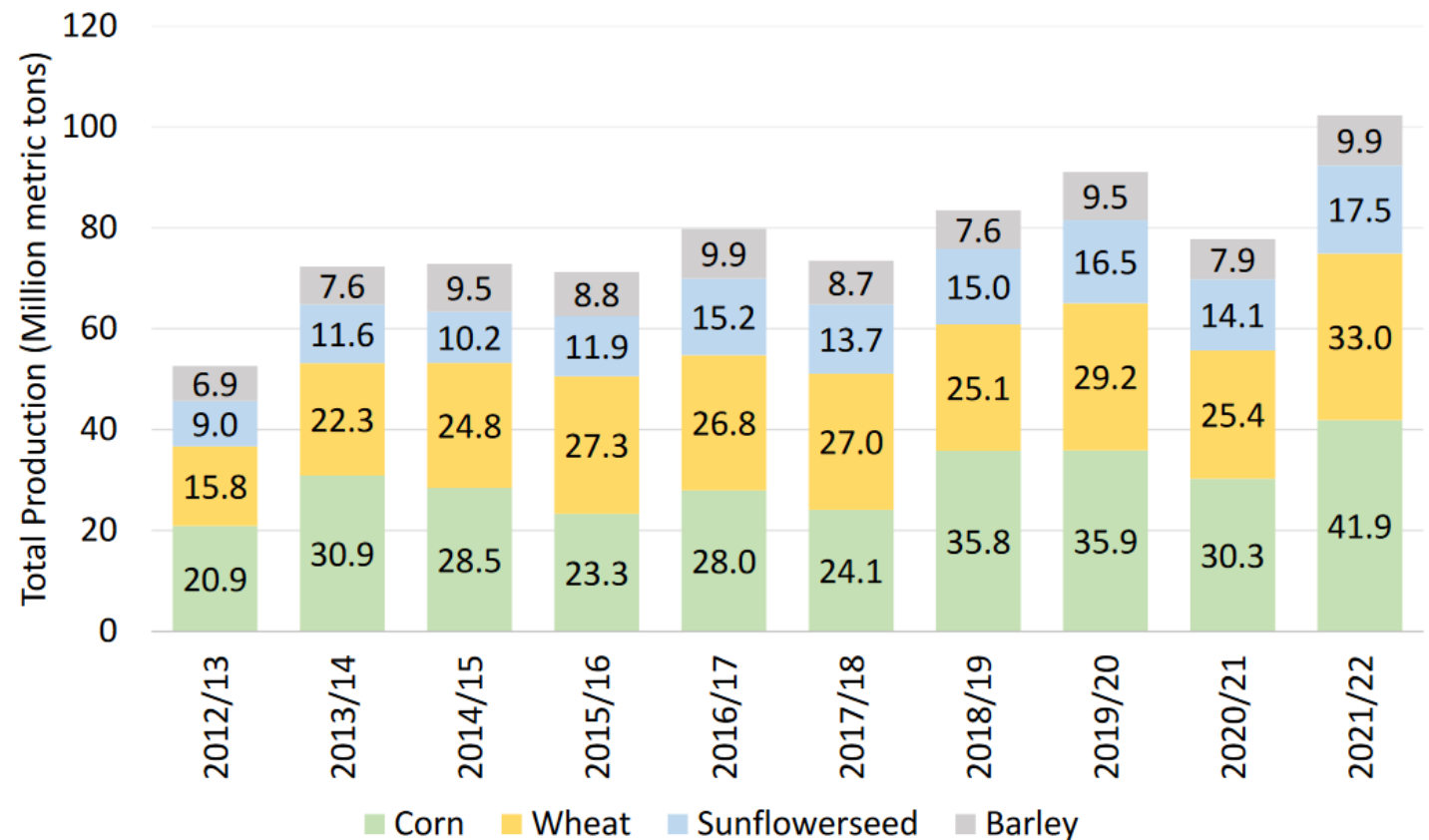
Source: USDA WASDE, March 9, 2022

Country or Region	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
World	1,123.3	1,206.1	0.8	82.9
United States	358.4	383.9	--	25.5
Foreign	764.8	822.2	0.8	57.4
Argentina	51.5	53.0	-1.0	1.5
Brazil	87.0	114.0	--	27.0
Mexico	27.3	27.6	--	0.3
Canada	13.6	14.0	--	0.4
European Union	67.1	69.8	-0.2	2.7
Serbia	8.1	6.2	--	-1.9
FSU-12	48.9	63.2	0.1	14.3
Ukraine	30.3	41.9	-0.1	11.6
Russia	13.9	15.2	0.2	1.4
South Africa	17.0	16.3	-0.7	-0.7
China	260.7	272.6	--	11.9
India	31.7	32.5	2.5	0.9

# Global Factors Increasing U.S. Corn Demand

## Export Loss from Ukraine

- Ukraine has continuously increased corn production for years
- Now, Ukraine is 4<sup>th</sup> largest Corn exporter in the global trade



Source: USDA PSD Online

# U.S. Soybeans

Source: USDA WASDE, March 9, 2022

## Supply & Demand

- Price ↑
- Demand
  - Exports ↑
- USDA 22/23 soybean acreage prediction: 88 mil. acres

Marketing Year (2021 = 9/1/21 to 8/31/22)		2020/21	2021/22 forecast	Change from Feb	Change from 20/21
Area Planted	(mil. acres)	83.4	87.2	--	3.8
Yield	(bu./acre)	51.0	51.4	--	0.4
Production	(mil. bu.)	4,216	4,435	--	219
Beg. Stocks	(mil. bu.)	525	257	--	-268
Imports	(mil. bu.)	20	15	--	-5
<b>Total Supply</b>	<b>(mil. bu.)</b>	<b>4,761</b>	<b>4,707</b>	<b>--</b>	<b>-54</b>
Crush	(mil. bu.)	2,141	2,215	--	74
Seed & Residual	(mil. bu.)	103	117	--	14
Exports	(mil. bu.)	2,261	2,090	40	-171
<b>Total Use</b>	<b>(mil. bu.)</b>	<b>4,504</b>	<b>4,422</b>	<b>40</b>	<b>-82</b>
Ending Stocks	(mil. bu.)	257	285	-40	28
Season-Avg Price	(\$/bu.)	10.80	13.25	0.25	2.45

# World Soybean Production

## South America Production

Country or Region	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021	
----- Million Tons -----					
World	366.2	353.8	-10.1	-12.4	-3.4%
United States	114.7	120.7	--	6.0	5.2%
Foreign	251.5	233.1	-10.1	-18.4	-7.3%
Argentina	46.2	43.5	-1.5	-2.7	-5.8%
Brazil	138.0	127.0	-7.0	-11.0	-8.0%
Paraguay	9.9	5.3	-1.0	-4.6	-46.5%
Canada	6.4	6.3	--	-0.1	
India	10.5	11.9	--	1.4	
China	19.6	16.4	--	-3.2	

-- No change.

Source: USDA WASDE, March 9, 2022

# World Weather



Source: USDA-WWCB



# Conclusion

The market swing will continue for a while...

Wisdom against the volatile market?

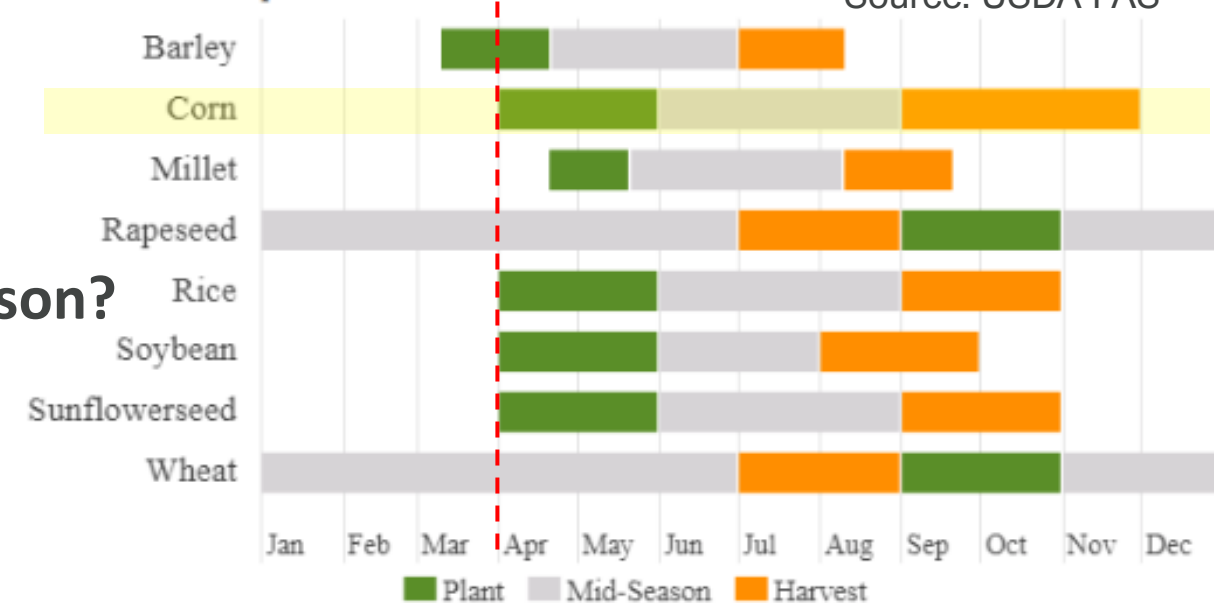
- Prioritize Controlling downside risks
- What is the risk-adjusted expected profits of my farm?

What should be stressed for the 22/23 season?

- Cost saving strategies
- Crop insurance
- Will Ukraine farmers be able to plant crops as usual?

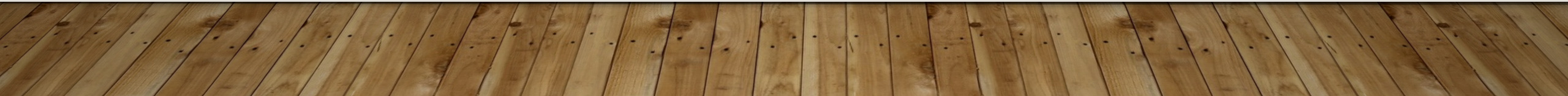
Ukraine — Crop Calendar

Source: USDA FAS



# LONG-TERM CARE COSTS

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# NURSING HOME COSTS (GENWORTH)

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- Ohio Semi-Private Room \$85,776/year
- Ohio Private Room \$98,556/year
- National Average – Semi-Private Room \$93,075
- National Average – Private Room \$105,850
- Ohio Assisted Living \$52,500
- National Assisted Living \$54,000
- Average stay in nursing home is around 2.2 years (sources vary)

## COSTS – PAST, PRESENT, FUTURE (NATIONAL AVERAGE)

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<u>Room Type</u>	<u>2016</u>	<u>2020</u>	<u>2030</u>
Semi-Private Room	\$82,128	\$93,075	\$125,085
Private Room	\$92,376	\$105,850	\$142,254

# LONG-TERM CARE COSTS AFFECT ON FARMING OPERATIONS

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- 7 out of 10 people will require long-term care (Genworth)
- Are long-term care costs the biggest financial threat to the viability of farming operations?
- Is there \$90,000 of extra income to pay for nursing home costs?
- If not, is there savings to pay for nursing home costs?
- If not, what assets will be sold to pay for nursing home costs?
- Can the farm continue without the sold assets?



# MEDICAID

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- Provides health coverage to millions of Americans, including eligible low-income adults, children, pregnant women, elderly adults and people with disabilities
- Administered by states, according to federal requirements
- Funded jointly by states and the federal government

# MEDICAID FINANCIAL ELIGIBILITY

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- Income Limit           \$2,523/month
  - Excess income can be transferred to a Qualified Income Trust to keep eligibility
- Asset Limit
  - Single Person     \$2,000 for single person
  - Married Persons \$2,000 for applicant and \$137,400 for non-applicant
  - Some assets exempt but still subject to estate recovery
- Few farmers will qualify for Medicaid without aggressive planning

# QUALIFYING FOR MEDICAID IF EXCEED ASSETS LIMITATION

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- Must give up ownership and control of all assets exceeding Medicaid limit
  - Can keep income in some situations
- Can gift assets to family members or an irrevocable trust
- Five Year Lookback – for each \$7,148 of gifts made in the last five years, the applicant is ineligible for Medicaid for one month not to exceed five years
  - \$100,000 gift causes 14 months of ineligibility
  - \$1,000,000 gift causes 5 years of ineligibility
- Most Medicaid planning must be done five years in advance

# CHALLENGES OF QUALIFYING FOR MEDICAID

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- Must give up ownership and control of almost all assets
- May not have much control over which long-term facility to use
- Likely cannot be in a private room
- Moral dilemma?



# STRATEGIES FOR LONG-TERM CARE COSTS

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- Do nothing
- Gift assets to family
- Transfer assets to irrevocable trust
- Long-term care insurance
- Self insure
- **There are no easy solutions for long-term care costs**



# Ohio Farm Business Analysis 2021: Grain Farms Financial Efficiency

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# Ohio Farm Business Analysis – Crops

2020 Farms:

51 Enrolled

39 Farms with crops

37 Completed crop  
enterprise analysis

24 Crop focused



2020 Ohio Farm Business Analysis Reports

# Ohio FBA Farms with emphasis on crop sales

Financial Measure	2020 24 Farms	2019 30 Farms
Average Crop Acres	1,043	1,057
Current Ratio	3.52	1.91
Working Capital	\$561,535	\$289,677
Working Capital to Gross Income	52.6%	35%
Debt to Asset Ratio (Farm, Market Value)	21%	26%

## 2020 Ohio Crop Farms – Financial Efficiency Measures

Financial Measure	Average of all Farms	Benchmark
Asset Turnover Rate (Cost Valuation)	25.4%	> 45%
Operating Expense Ratio	66.3%	< 60%
Depreciation Expense Ratio	7.5%	<5%
Interest Expense Ratio	4.1%	<5%
Net Farm Income Ratio	22%	>20%

# 2020 Ohio Crop\* Farms, Financial Efficiency by Size

	Avg of All Farms	101 – 500 Acres	500 – 1,000 Acres	1,001 – 1,500 Acres	> 1,500 Acres
Farms	24	5	8	5	6
Asset Turnover Ratio	25.4%	25.3%	23.4%	25.6%	24.7%

## ASSETS

\$  
 \$  
 \$  
 \$  
 \$

VALUE OF  
FARM  
PRODUCTION

\$  
 \$

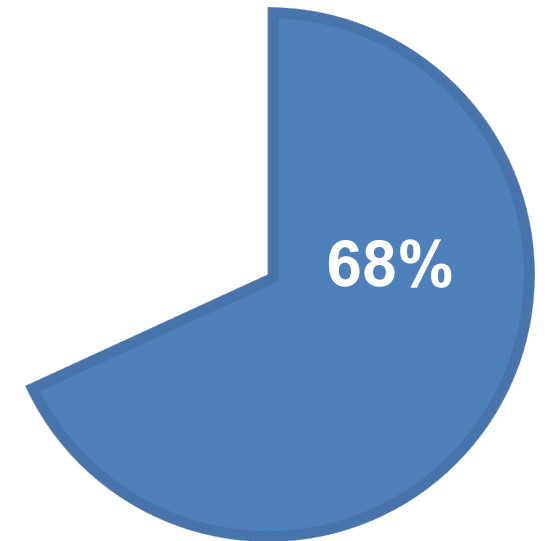
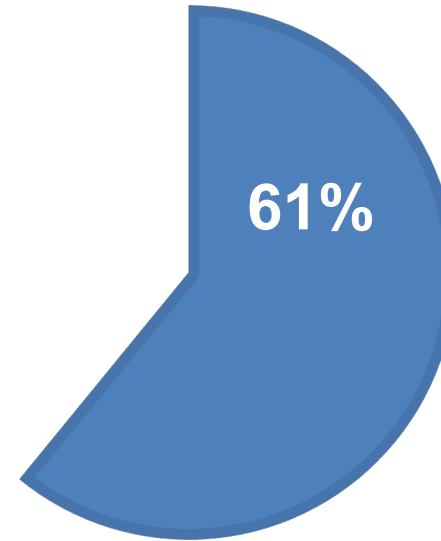
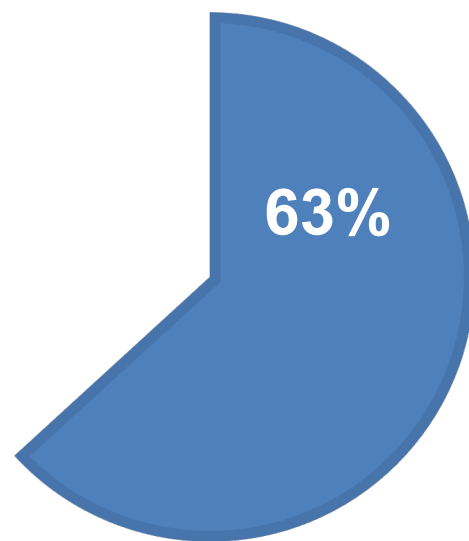
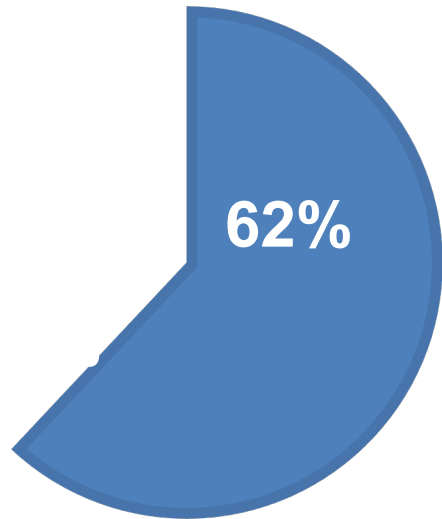
**Benchmark: Greater than 45%**

\* Farms with emphasis on crop production for direct sale



## 2020 Ohio Crop\* Farms, Operating Expense Ratio

101 – 500 Acres	500 – 1,000 Acres	1,001 – 1,500 Acres	> 1,500 Acres
61.5%	63.2%	61.1%	67.9%

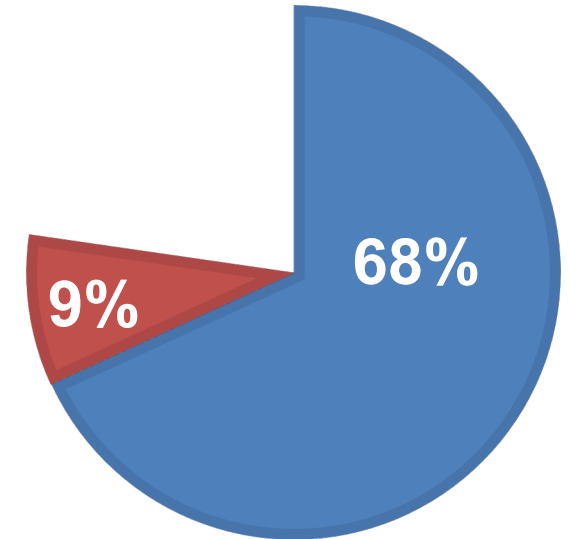
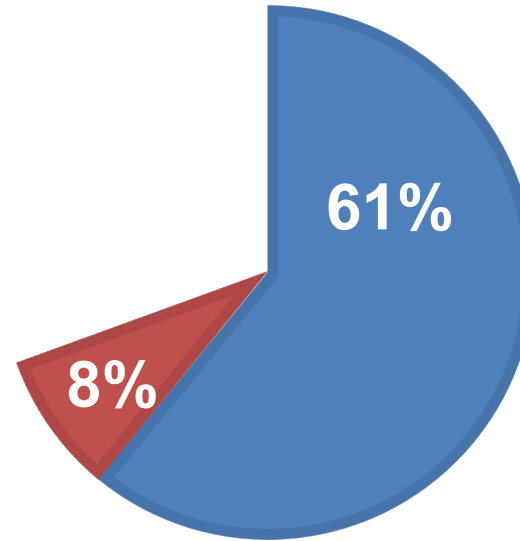
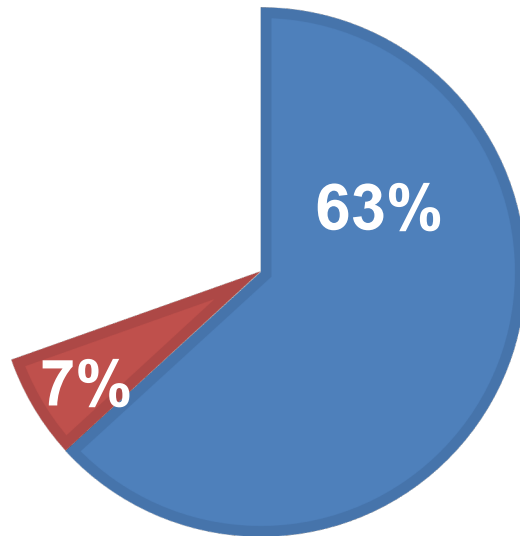
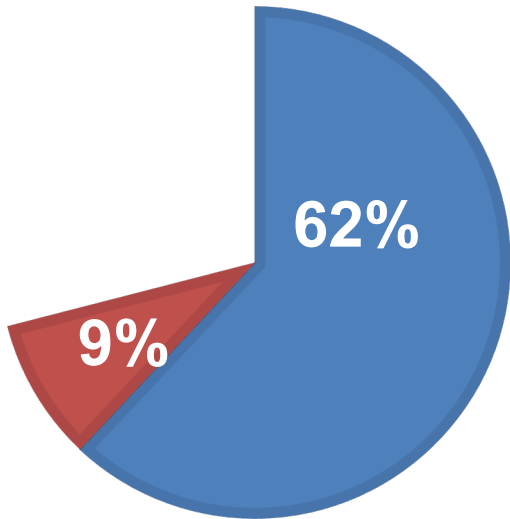


**Benchmark: Less than 60%**

\* Farms with emphasis on crop production for direct sale

## 2020 Ohio Crop\* Farms, Depreciation Expense Ratio

101 – 500 Acres	500 – 1,000 Acres	1,001 – 1,500 Acres	> 1,500 Acres
8.8%	6.4%	8.6%	9.1%

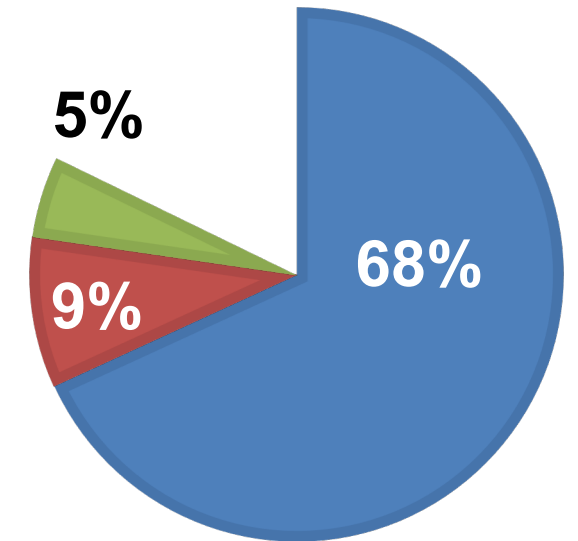
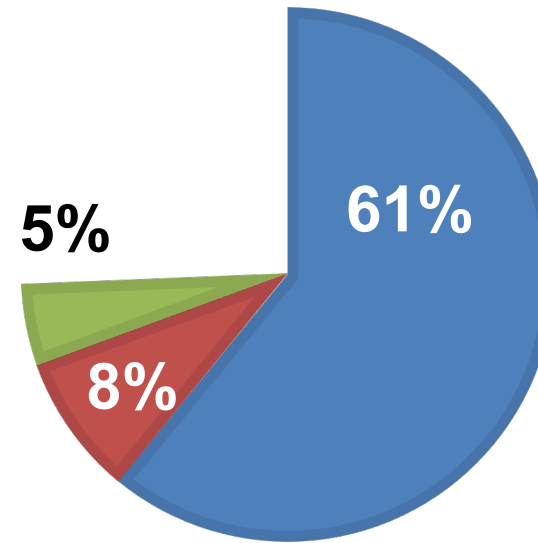
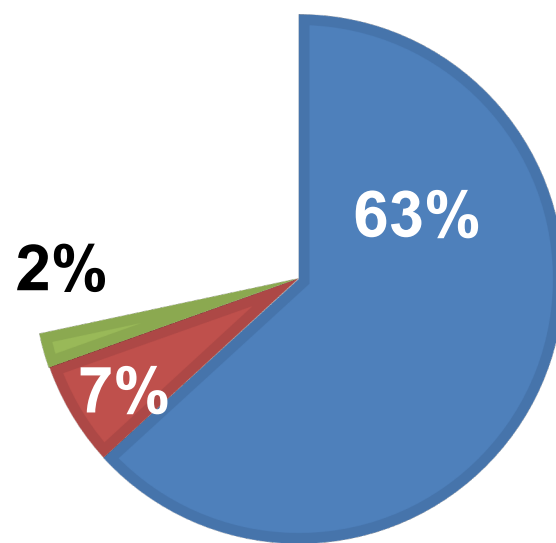
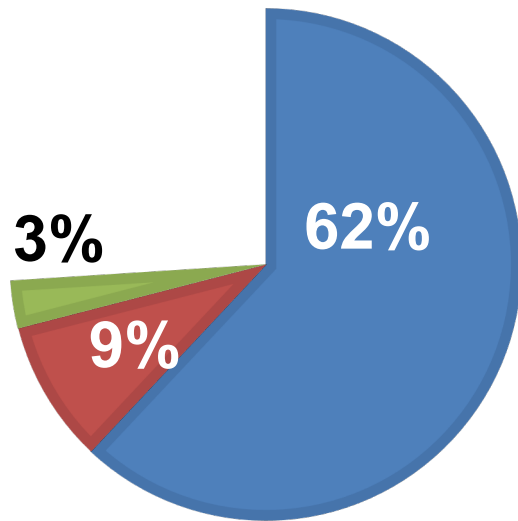


**Benchmark: Less than 5%**

\* Farms with emphasis on crop production for direct sale

## 2020 Ohio Crop\* Farms, Interest Expense Ratio

101 – 500 Acres	500 – 1,000 Acres	1,001 – 1,500 Acres	> 1,500 Acres
3.4%	2.1%	4.9%	4.9%

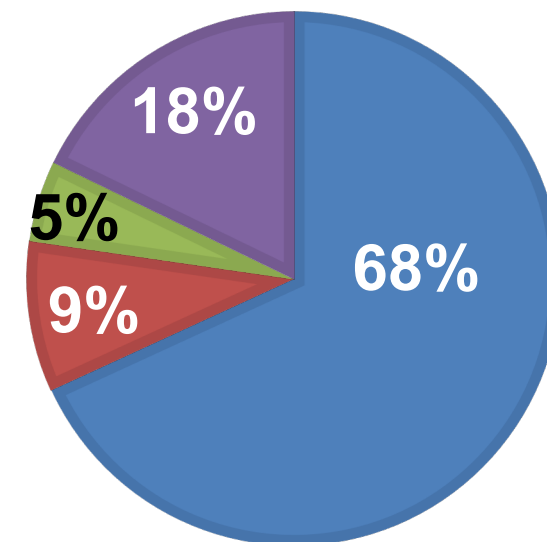
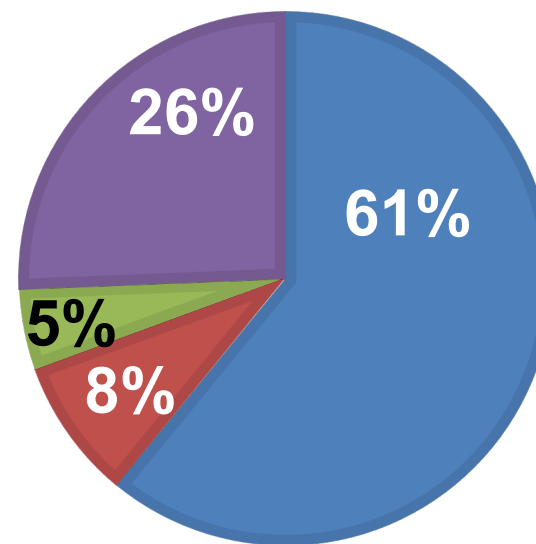
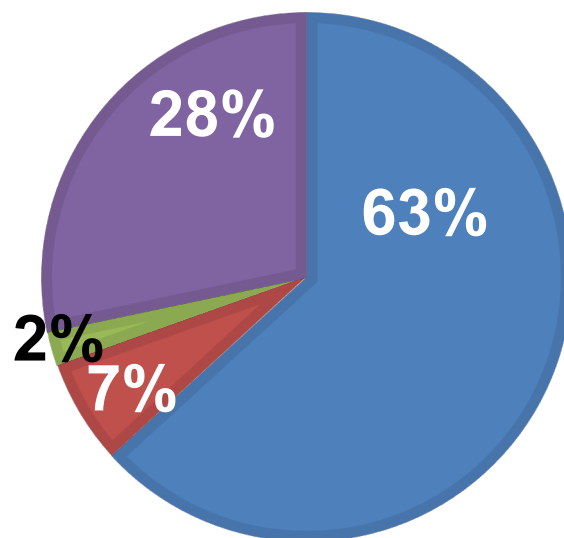
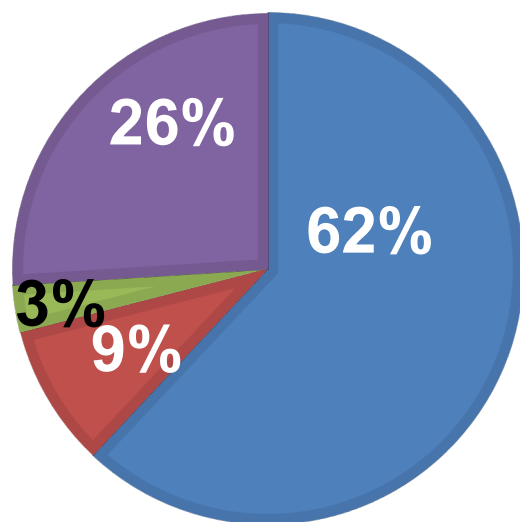


**Benchmark: Less than 5%**

\* Farms with emphasis on crop production for direct sale

## 2020 Ohio Crop\* Farms, Net Farm Income Expense Ratio

101 – 500 Acres	500 – 1,000 Acres	1,001 – 1,500 Acres	> 1,500 Acres
26.5%	28.3%	25.7%	17.8%



**Benchmark: Greater than 20%**

\* Farms with emphasis on crop production for direct sale

# For More Information about Farm Business Analysis:

Visit:

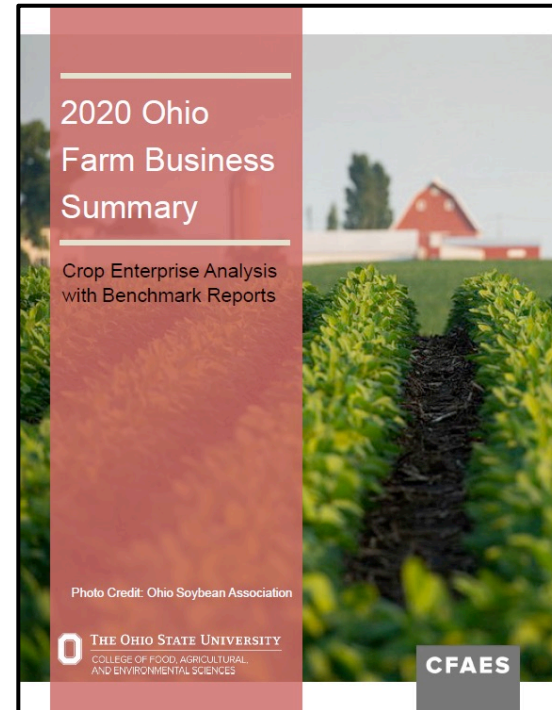
<http://farmprofitability.osu.edu/>

<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  
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Agriculture

National Institute  
of Food and  
Agriculture

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# A Look at the Farm Service Agency

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# Farm Service Agency (FSA)

- FSA provides a financial safety net to America's farmers and ranchers, while at the same time protecting natural resources, and enhancing food security.
- <https://www.fsa.usda.gov/>





United States  
Department of  
Agriculture

# County Office & CEDs



**Farm  
Service  
Agency**

**fsa.usda.gov**

# FSA Farm Loan Contacts



## Ohio Farm Loan Program Contacts

- Bellefontaine - Tiffany Grody  
Ph # 937-592-8896
- Celina - Marla Koerner  
Ph # 419-586-3149
- Ottawa (Sub-Office) - Mason McGrew & Allen Denkins  
Ph # 419-523-4871
- Defiance - Tracy Hancock  
Ph # 419-782-4781
- West Alexandria - Kim Knight  
Ph # 937-456-4211
- Georgetown - Rita Polley & Carly Ratliff  
Ph # 937-378-6173
- Jackson (Sub-Office) - Rita Polley & Carly Ratliff  
Ph # 740-286-1402
- New Philadelphia - Lisa Baird  
Ph # 330-365-5854
- Norwalk - Brooke Bernhard  
Ph # 419-668-4113
- Mount Vernon (Sub-Office) - Kendra Miller  
Ph # 740-263-3279
- Tiffin (Sub-Office) - Jessica Anderson  
Ph # 419-447-7071
- Salem - Teresa Goode  
Ph # 330-277-2983
- Washington C.H. - Ann Hupp  
Ph # 740-313-3231
- Xenia (Sub-Office) - Ron Large  
Ph # 937-372-4479
- Zanesville - Tina Mellinger  
Ph # 740-454-2824

★ FLP Service Center

▲ FLP Sub-Office

  FLP Sub-Office Coverage

**Farm  
Service  
Agency**

**fsa.usda.gov**



Farm Service Agency  
U.S. DEPARTMENT OF AGRICULTURE

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# Program Eligibility

**Every program administered has a different set of eligibility rules that must be met.**

**First and foremost, all producers MUST raise commercially produced commodities.**

**AD-2047 - Basic information supplied by producers to create a record or to update an existing record**

**CCC-902 – Used to create the Farm Plan; system generated**

**CCC-941 – Adjusted Gross Income (AGI)**

**AD-1026 – Conservation Compliance**

# Beginning Farmer

**Beginning farmer or rancher – a person or legal entity who:**

- **Has not operated a farm or ranch for more than 10 years; and**
- **Materially and substantially participates in the operation.**

**For legal entities to be considered a beginning farmer, all members must be related by blood or marriage and must be beginning farmers.**

# Limited Resource

**Limited resource farmer or rancher – a person or legal entity that:**

- **Earns no more than \$177,300 (for FY2019) in each of the two calendar years that precede the complete taxable year before the program year, to be adjusted upwards in later years for inflation; and**
- **Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income for both of the previous two years.**

# Socially Disadvantaged

**Socially disadvantaged farmer or rancher – a farmer or a rancher who is a member of a group whose members have been subject to racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities. Groups include:**

- **American Indians or Alaskan Natives;**
- **Asians or Asian Americans;**
- **Blacks or African Americans;**
- **Native Hawaiians or other Pacific Islanders;**
- **Hispanics; and**
- **Women.**

# Veteran

**Veteran farmer or rancher – a farmer or rancher who has served in the Armed Forces (as defined in 38 U.S.C. 101) and who:**

- **has operated a farm or ranch for less than 10 years, or**
- **first obtained status as a veteran during the most recent 10-year period.**



Thanks for joining us for this  
webinar

Our Next Farm Office Live  
April 20, 2022



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