

CFAES

Join us for the next
FARM OFFICE LIVE

COLLEGE of FOOD, AGRICULTURAL, *and* ENVIRONMENTAL SCIENCES

March Topics:

Federal & State Legislative Update
Marital and Non-Marital Assets
Selling Timber- Call Before You Cut
Update on Crop Input Costs and Crop Budget Outlook for 2023
Sales Tax Exemption Issues
2023 Spring Crop Insurance Update
Emergency Relief Program

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

Register once and receive links to join future programs

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



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EXTENSION

Featuring:

Dave Apsley
Peggy Hall
Jeff Lewis
David Marrison
Robert Moore
Eric Richer
Barry Ward

March. 17th 10:00 – 11:30 AM

Save the date!
We will be back April 21 at 10 AM

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

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Today's Teaching Team

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Barry Ward, MS
Assistant Professor, Leader
Production Business Management



Peggy Hall, JD
Attorney
OSU Ag Law Program



Robert Moore MS, JD
Attorney
OSU Ag Law Program



Jeff Lewis, JD
Program Coordinator
OSU Income Tax Schools

Today's Teaching Team

CFAES



Dave Apsley
Associate Professor &
Natural Resource Specialist
OSU Extension



David Marrison, MS
Professor, & Field Specialist
Farm Management



Eric Richer, MS
Assistant Professor & Field Specialist
Farm Management

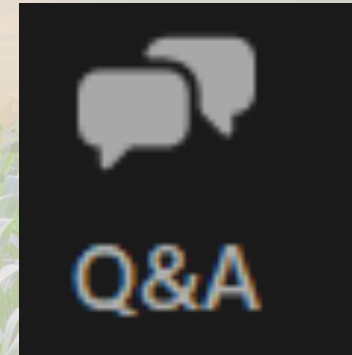


**Slides and a recording for today's presentation can
be found at:**

go.osu.edu/farmofficelive

Questions??

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



Legislative Update

Peggy Kirk Hall
Assoc. Professor and Director
OSU Agricultural & Resource Law Program



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House Ag Committee Farm Bill hearings



HJR 27 - Disapproval of WOTUS rule

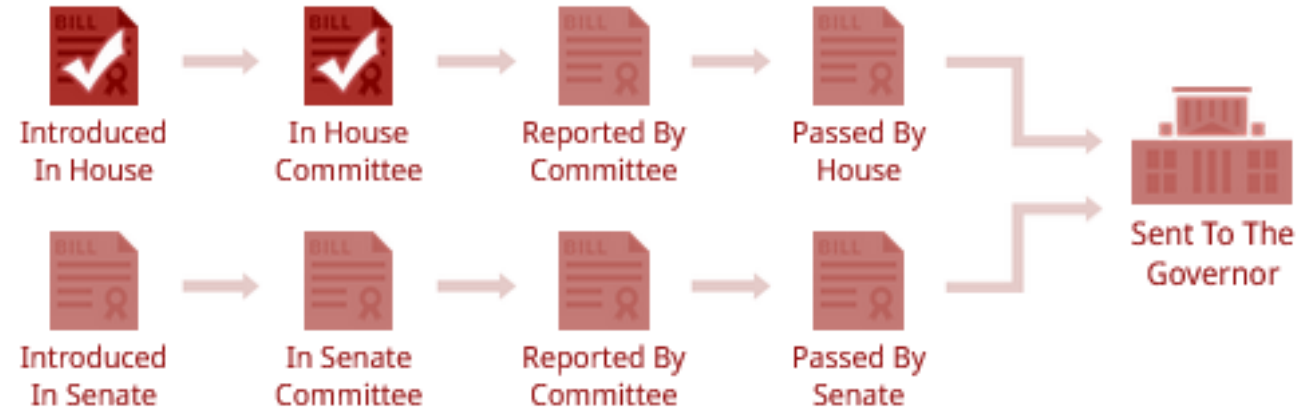
BLOCKING FEDERAL CLEAN WATERWAYS RULE



- Passed House March 9.
- If passed, would prohibit the revised definition of 'Waters of the United States' (Navigable Waters Protection Rule) from going into effect.
- President Biden is expected to veto; House vote would not be sufficient to override the veto.

Ohio H.B. 64 – Eminent Domain

Primary Sponsors



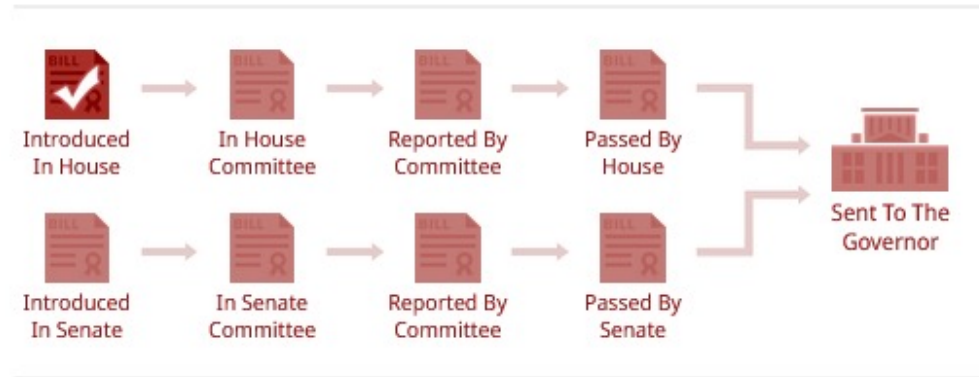
- Second hearing before House Civil Justice Committee March 14, 2023.

Ohio H.B. 64 – Eminent Domain

- Voids appropriations that do not follow statutory procedures.
- Increases agency's burden of proof to "clear and convincing evidence" for public use, authority, inability to agree on a voluntary purchase, and necessity for a taking.
- Narrows presumptions made in favor of agency regarding necessity.
- Prohibits agency from reducing an offer or arguing for a lower valuation.
- Expands attorney fee, cost, and expense awards for landowners.
- Provides landowner the right to sue for "inverse condemnation" if agency did not use required appropriation process and requires award of attorney fees, costs, and expenses.
- States that recreational trails are not a valid "public use" for eminent domain purposes.

H.B. 95 – Agricultural Commodity Handlers

Primary Sponsors



Proposes several changes to Ohio's Grain Indemnity Fund:

- Increases several timelines for 100% fund reimbursements.
- Adds recovery for delayed price agreements made not more than two years prior to a handler's suspension.
- Changes coverage for certain deposits to flat 75% from 100% for first \$10K and 80% for remaining.

Ohio's New Postnuptial Agreement Law

Robert Moore
Attorney/Research Specialist
Agricultural and Resource Law Program
Ohio State University
moore.301@osu.edu
farmoffice.osu.edu

Postnuptial Agreements

- Agreement between spouses, who are already married, as to the ownership and division of assets upon divorce or death
- Ohio is one of only one of two states (Iowa) that does not permit postnuptial agreements
- Spouses who are married for a long period of time may have the need to modify, update or enter into a postnuptial agreement

Senate Bill 210

- Will go into effect on March 23, 2023
- Permits prenuptial agreements to modify or terminate their existing prenuptial agreement or enter into a new postnuptial agreement
- Will allow married couples to adapt to changes with their assets, families and goals

Requirements

- The agreement be in writing and signed by both spouses,
- The agreement is entered into freely without fraud, duress, coercion or overreaching,
- There was full disclosure, or full knowledge, and understanding of the nature, value and extent of the property of both spouses,
- The terms do not promote or encourage divorce or profiteering from divorce.

Fraud, Duress, Coercion or Overreaching

- Do not wait until the day before (or day of) the wedding to sign the prenuptial agreement
- It is best to have the prenuptial agreement signed before money is deposited and/or spent on the wedding
 - 30 days is minimum
- Waiting too close to the wedding gives the spouse the argument that they no choice but to sign the prenuptial agreement because it was too late to cancel

Fraud, Duress, Coercion or Overreaching

- Each spouse should have their own attorney review the prenuptial or postnuptial agreement
- Using the same attorney for both spouses can allow an argument of coercion
- Sometimes the attorneys sign the agreement so there is no doubt that each spouse had their own, independent legal counsel

Full Disclosure of Property

- Prenuptials can be invalidated if the extent of each spouse's property is not known prior to signing the prenuptial or postnuptial agreement
- If one spouse is not aware of the full extent of the assets owned by the other, it can cause the agreement to be unfair
- Schedules of each spouse's assets and values should be included with each prenuptial and postnuptial agreement

Marital Assets

- According to Ohio law , all marital assets are to be divided equitably in the event of a divorce
 - Not necessarily equal but it is often the result
- Only martial assets are subject to the equitable division between the spouses
- Non-marital assets are retained by the spouse who owns the asset

What Assets are not Marital Assets?

- An inheritance received by a spouse during marriage
- A gift received by a spouse during marriage
- Property acquired by one spouse prior to the date of marriage
- Passive income and appreciation from separate property by one spouse during marriage

What Assets are not Marital Assets?

“... all income and appreciation on separate property, due to the labor, monetary, or in-kind contribution of either or both of the spouses that occurred during the marriage

- it is possible for an asset to be partially a marital asset and partially a separate asset

Marital Assets – The Grey Area

- Adding tile/buildings/improvements to an inherited farm
- The growing of an inherited beef herd
 - Numbers
 - Value/genetics
- The addition of items to a gifted inventory of machinery
- The grain from a growing, inherited crop
- Inherited money used to buy a farm
- Entities may help

Questions?

Robert Moore
Attorney/Research Specialist
Agricultural and Resource Law Program
Ohio State University
moore.301@osu.edu
farmoffice.osu.edu

Selling Timber? Call Before You Cut

Dave Apsley

Natural Resources Specialist

Ohio State University Extension

apsley.1@osu.edu

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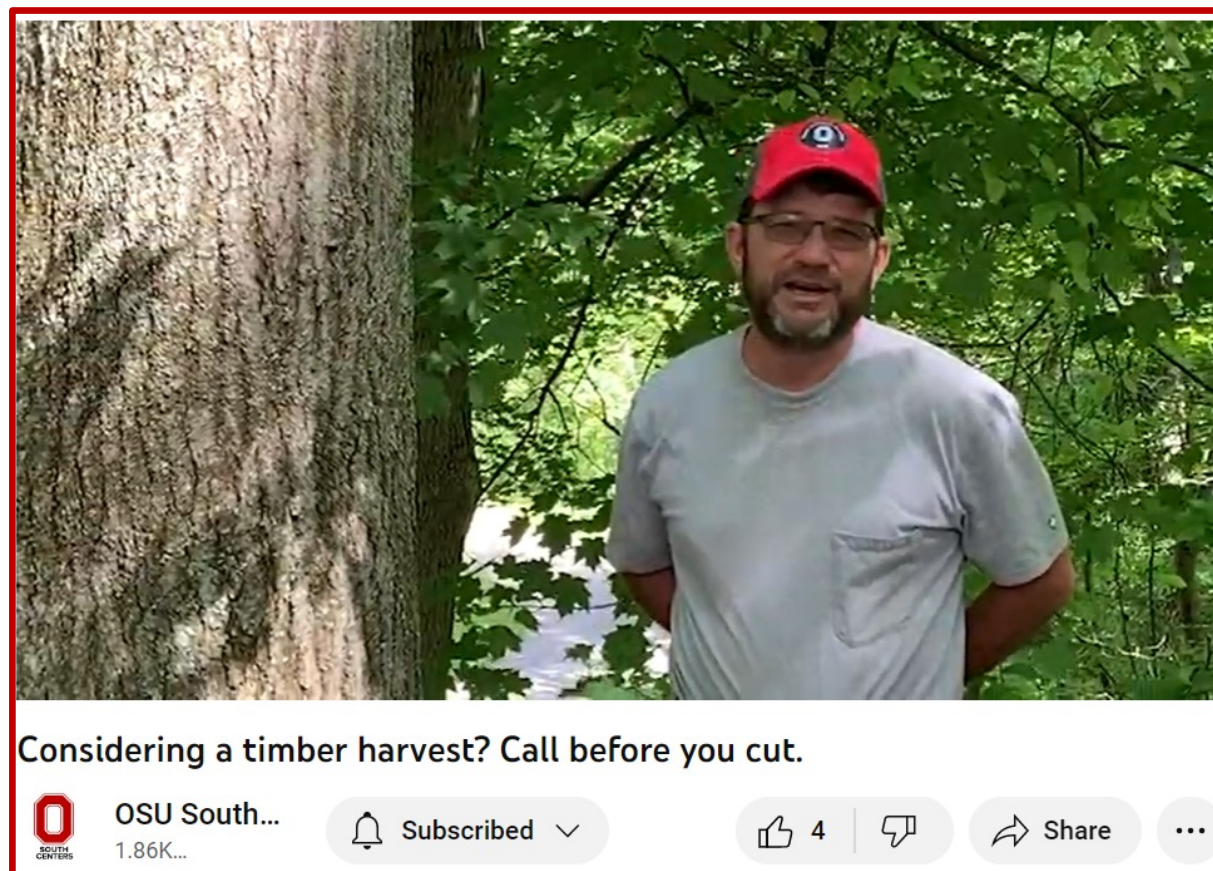
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Video download:

go.osu.edu/selling-timber



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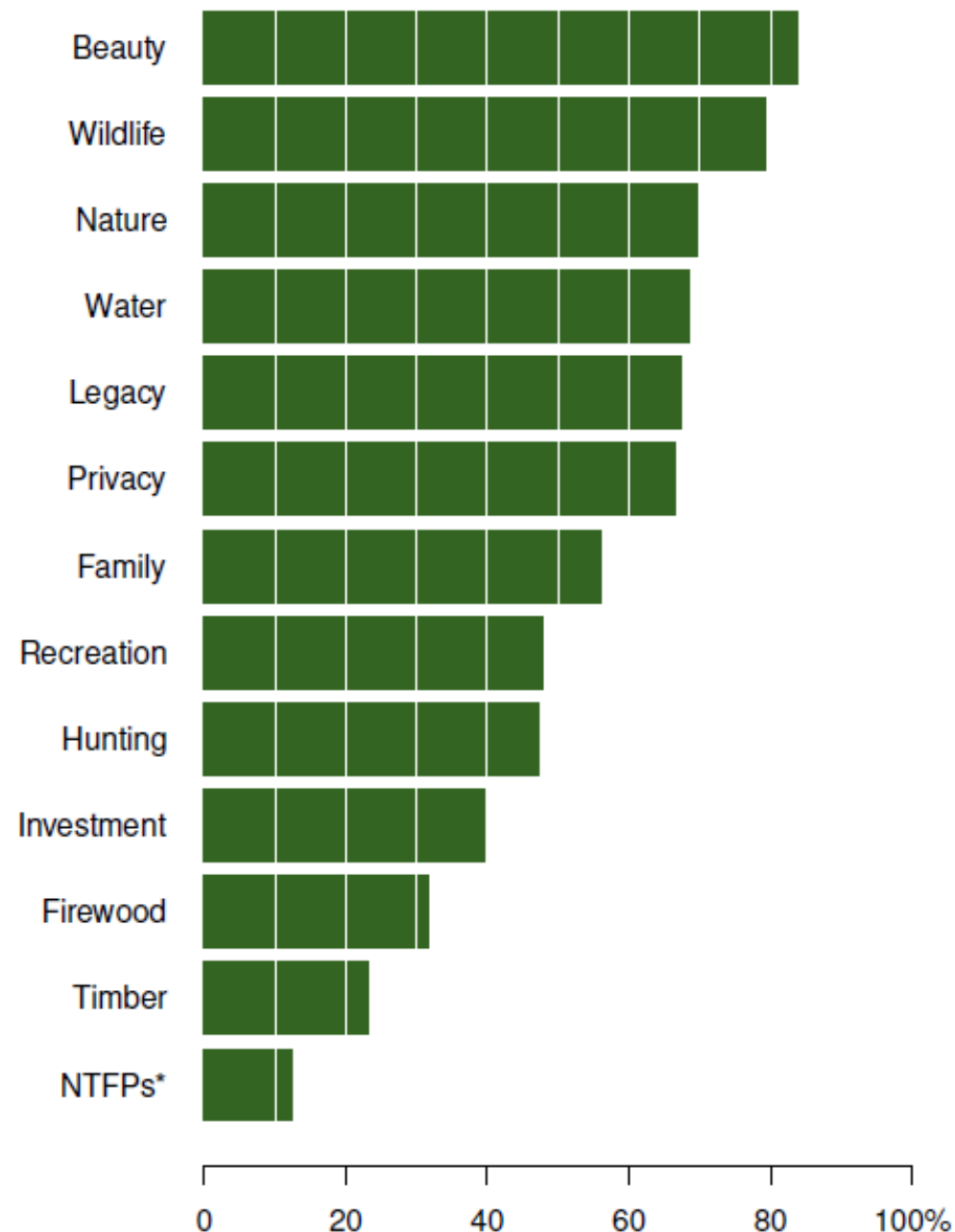
Why do Ohioans own woodlands?

Reasons for Owning Woods

The percentage of landowners in this group who cited each of these reasons for owning land as important or very important to them.

TOOLS FOR ENGAGING LANDOWNERS EFFECTIVELY
Woodland Owner Profile

All Family 10+ Acres
Ohio



Forest Stands

think farm fields!

Similar

- site conditions
 - Slope, aspect etc.
 - Soils
- Past land use history
- Forest conditions
 - Age
 - Species mix
 - Forest health
- Landowner goals/expectations

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What's a forest management plan?

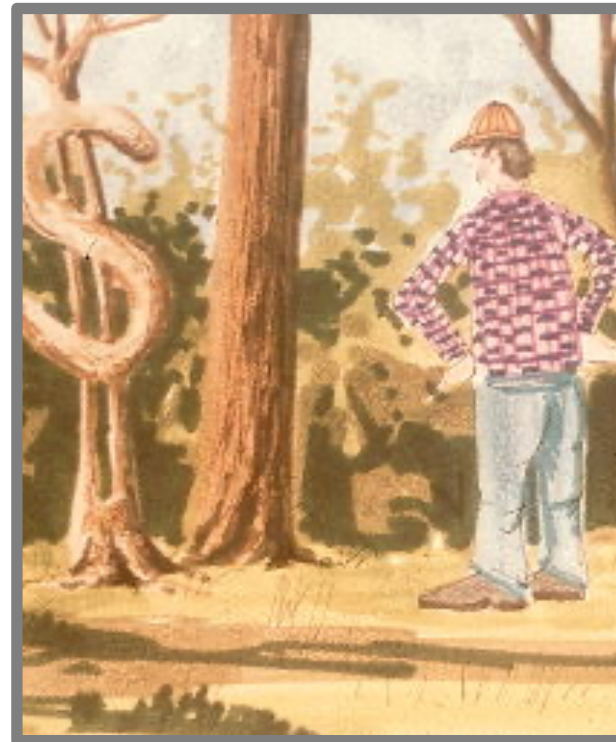
- Description of the Property and Forest Resources
- Goals and Objectives
 - Property
 - Stand
- Activity Schedule

Stand	Acres	Site Quality	Cover Type	Description	Objective	Activity Needed
1	5	1 Excellent	White Pine Plantation	2 year old	Grow High Quality White Pine	Protect from deer until over 5 ft. Thin at age 15
2	10	2 Good	Mixed Hardwood	40 years old	Produce High quality timber and Mast for wildlife	Treat grapevines on potential Crop Trees, Release crop Trees
3	25	3 Good	Mixed Oak	85 years, Previously High graded.	Provide turkey habitat and regenerate understocked areas	Credate ½ to 1 acre openings to provide habitat and regenerate stand

Know what you have!

A good inventory:

- Is needed for a forest management plan.
- Helps you to identify resources and options.
 - Timber value and future potential
 - Wildlife Habitat
 - Potential sites for non-timber forest products
- Helps you to set realistic goals for your woodland.



Know what you have!

A good inventory:

Will allow you to determine your Basis

- **Reduces the taxes that you pay on the proceeds from a future timber sale.**

Help you determine growth rates and rates of return

- **Helps you to harvest when your trees are financially mature.**



Get professional forester assistance prior to a harvest

- Will help to make sure that your objectives are not compromised
- Will help you to conserve your forest for future generations
 - Focus on residual stand, regeneration and invasive Species
- Also, helps you to get a competitive price for the trees that you sell



Get professional forester assistance prior to a harvest

At a minimum be sure that you:

- Mark trees to be harvested
- Get at least 3 bids
- Get paid prior to the harvest.
- Have a contract that protects you and your property.
- Make sure that Best Management Practices (BMP's) are followed
- Consider hiring a Master Logging Company



The 12" PA black cherry

Table 3. Volume and value for each diameter.

DBH (inches)	Max merchantable height (logs)	Volume (BF)	Value (\$)
12	1.0	59	35.52
14	1.5	112	67.40
16	2.5	223	330.26
18	3.0	336	792.96

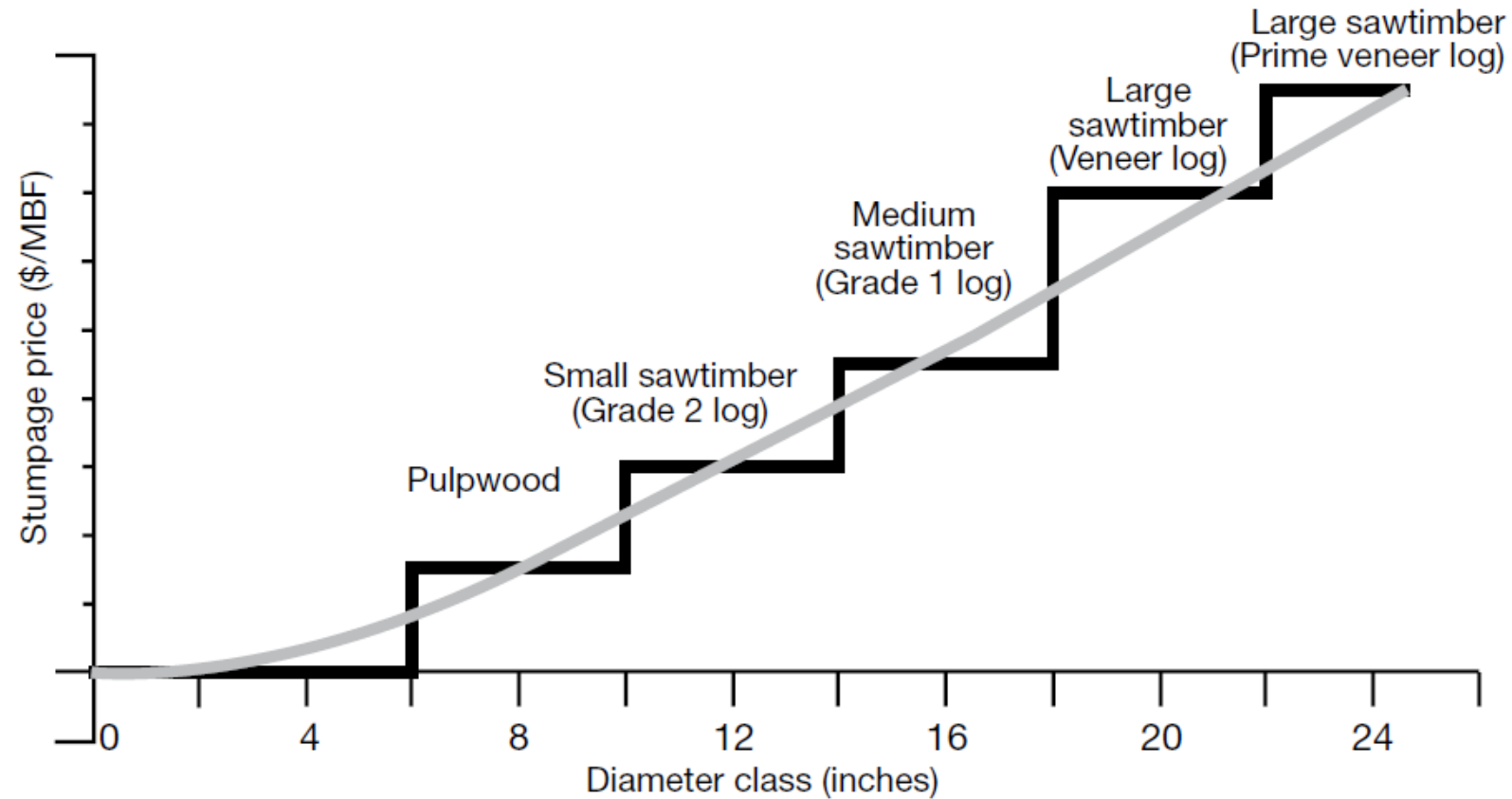
Jacobson, M. 2017 Forest
Cut or not to cut-Tree
Value and deciding When
to HarveFinance 8: to st
timber. PSU Extension

7 rings per inch- 2 inches growth DBH every 7 years

PA 2007 Prices used:

- 12-14 d.b.h - \$602/MBF
- 16 d.b.h. - \$1,481/MBF
- 18 d.b.h. - \$2,360/MBF

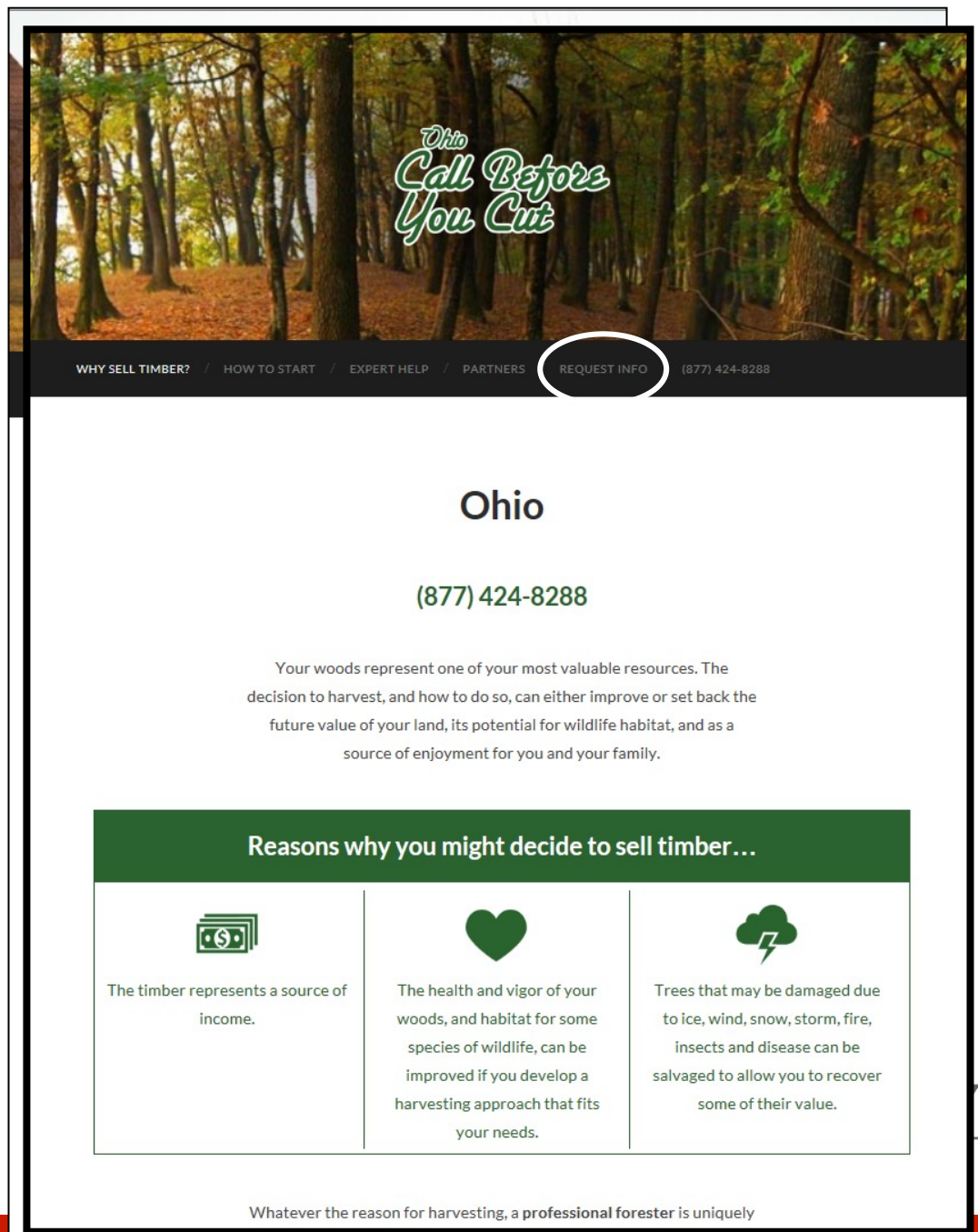
Figure 1. General pattern of stumpage prices and grade shifts for hardwood timber of different diameters.



Call Before You Cut

<http://callb4ucut.com>

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The screenshot shows the homepage of the 'Ohio Call Before You Cut' website. The header features a forest background with the logo 'Ohio Call Before You Cut' in a stylized green font. Below the header is a dark navigation bar with links: 'WHY SELL TIMBER?', 'HOW TO START', 'EXPERT HELP', 'PARTNERS', 'REQUEST INFO' (which is circled in white), and the phone number '(877) 424-8288'. The main content area has a white background. It starts with the word 'Ohio' in a large, bold, black font, followed by the phone number '(877) 424-8288' in a green font. A paragraph of text explains that woods are valuable resources and that harvesting decisions can impact the future value of the land. Below this is a green section titled 'Reasons why you might decide to sell timber...'. This section contains three columns, each with an icon and a description: 1. An icon of a stack of money with the text 'The timber represents a source of income.' 2. A heart icon with the text 'The health and vigor of your woods, and habitat for some species of wildlife, can be improved if you develop a harvesting approach that fits your needs.' 3. A lightning bolt icon with the text 'Trees that may be damaged due to ice, wind, snow, storm, fire, insects and disease can be salvaged to allow you to recover some of their value.' At the bottom of the page, a small line of text reads: 'Whatever the reason for harvesting, a professional forester is uniquely'.

Ohio
(877) 424-8288

Your woods represent one of your most valuable resources. The decision to harvest, and how to do so, can either improve or set back the future value of your land, its potential for wildlife habitat, and as a source of enjoyment for you and your family.

Reasons why you might decide to sell timber...

 <p>The timber represents a source of income.</p>	 <p>The health and vigor of your woods, and habitat for some species of wildlife, can be improved if you develop a harvesting approach that fits your needs.</p>	 <p>Trees that may be damaged due to ice, wind, snow, storm, fire, insects and disease can be salvaged to allow you to recover some of their value.</p>
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Whatever the reason for harvesting, a professional forester is uniquely



A Landowner's Guide *for a Successful Harvest*

"Healthy Woods Grow on Good Advice"



Download the packet:

go.osu.edu/callb4ucut

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<http://osafdirectory.com>



SAF Ohio

Home Find a Forester Contact Us Listees Links Listee Login

Ohio Society of American Foresters Directory

The mission of the Society of American Foresters is to advance sustainable management of forest resource education, and technology; to enhance the competency of its members; to establish professional excellence knowledge, skills, and conservation ethic to ensure the continued health, integrity, and use of forests to be in perpetuity.

Listee Login Become a Listee



Find a Consulting Forester

Consulting foresters and technicians are self-employed or work for a private consulting company. They have no interest in a timber purchasing or procurement entity. They provide forest resource management recommendations and assistance to land owners owners for a fee. While some consultants provide assistance with a wide variety of forestry activities, others are quite specialized.



Find an Industry Forester

Industry foresters and technicians are employed by one of the forest industries (e.g. logging company, paper mill, or sawmill) and are often responsible for procuring wood fiber for their employer and /or managing company owned lands. They may provide forestry services to landowners such as timber harvest planning, tree planting advice, and forest resource management recommendations.



Find a State Service Forester

State service foresters are employed by the State of Ohio; these individuals are available to provide landowners with current information for the long term management of their woodlands; provide advice on how to accomplish their management objectives, and; provide landowners with technical assistance and information on tree planting projects, woodland improvement activities, timber marketing assistance, and USDA financial incentive programs.

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<http://u.osu.edu/seohiowoods>

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SEOHIOWOODS

Just for woodland owners and enthusiasts in SE Ohio



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AND ENVIRONMENTAL SCIENCES

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[WOODLAND BOUNDARIES](#)

Woodland Boundaries

Like 18 Tweet Share

Videos:

1. Woodland Boundaries: Introduction (7:48 min):



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Questions?

Dave Apsley
apsley.1@osu.edu

The Future of Oak is in Our Hands!



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Update on Crop Input Costs and Crop Budget Outlook for 2023

Barry Ward

Leader, Production Business
Management

Director, OSU Income Tax Schools

Discussion Points

- ✓ Inflation and Interest Rates
- ✓ Overview of select input costs
- ✓ Economic outlook Ohio row crops – '23 crop budgets



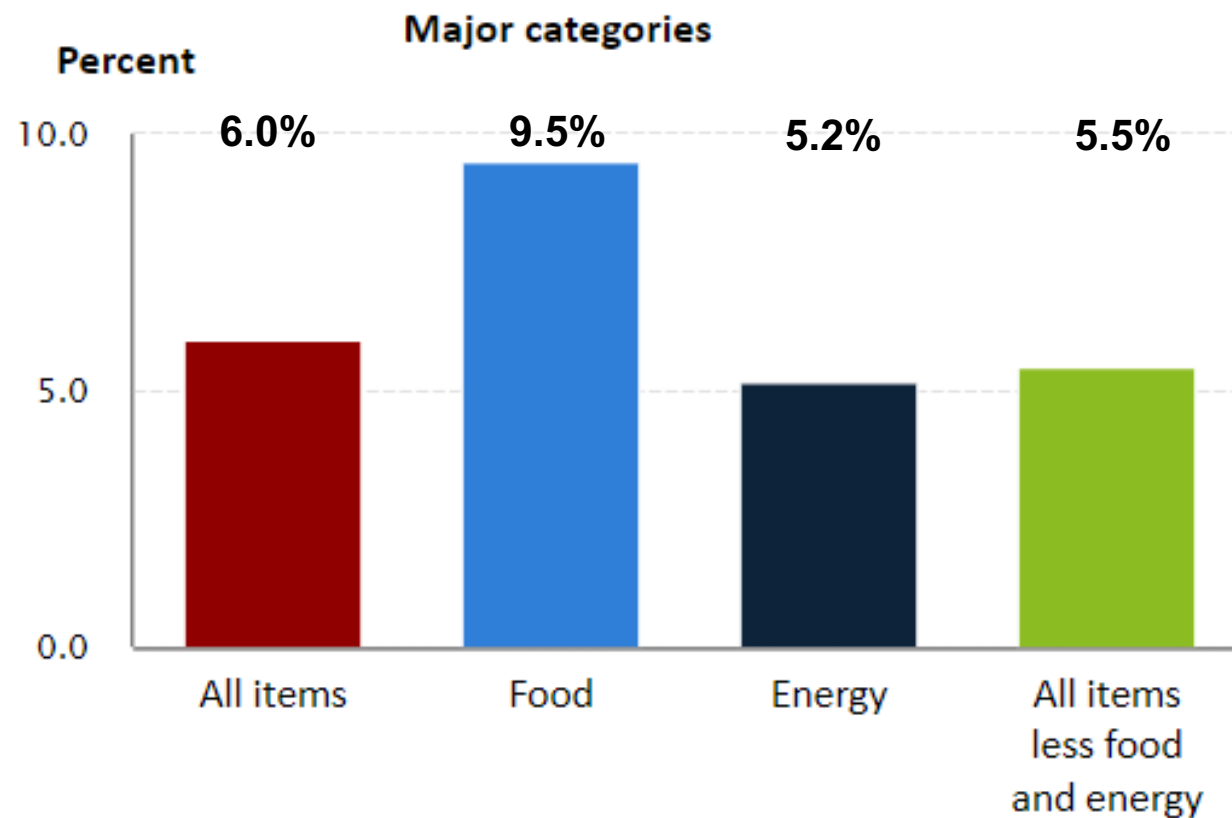
Inflation – Consumer Price Index (CPI)



Inflation – Consumer Price Index (CPI)

February '23 - Not Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics



Input Costs and Budgets

Energy Information Administration

Short-Term Energy Outlook

EIA March 2023

	2021	2022	2023	'22-'23	'21-'23
WTI Crude (\$/brl)	68.21	94.91	77.10	-26.1%	13.0%
Brent Crude (\$/brl)	70.89	100.94	82.95	-25.4%	17.0%
Gasoline (\$/gal)	3.02	3.97	3.36	-20.2%	11.3%
Diesel (\$/gal)	3.29	5.02	4.17	-25.8%	26.7%
Natural Gas (\$s/MMBtu)	3.91	6.42	3.02	-87.0%	-22.8%
U.S. Real GDP (% Change)	5.9%	2.1%	90.0%		

Source: EIA

Ohio Crop Enterprise Budgets 2023

Input Costs

- ✓ Seed Cost: +5%
- ✓ Diesel Price: \$4.00 / gallon
- ✓ Crop Protection
Chemical Cost: Flat

- ✓ Fertilizer Prices:
 - ✓ NH₃ \$1,000/T
 - ✓ 28% \$400/T
 - ✓ MAP \$775/T
 - ✓ Potash \$550/T

- ✓ Machinery & Equipment / Repairs: +20%
- ✓ Interest Rates / Carrying Charges: Higher



CORN BUDGET - 2023			
		Yield in bushels/acre	
Receipts		184	220
Corn Price	\$5.40 /bushel	\$991.98	\$1,190.38
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$115.60	\$122.83
Fertilizer+Soil Amendment		\$199.29	\$221.85
Chemicals (Crop Protection)		\$51.03	\$51.03
Fuel		\$26.40	\$26.40
Repairs		\$33.75	\$33.75
Crop Insurance		\$30.00	\$40.00
All Other		\$175.22	\$201.85
Total Variable Costs / Acre		\$631.30	\$698.17
Fixed Costs			
Labor and Management		\$90.10	\$100.02
Machinery Cost		\$93.20	\$93.20
Land Rent		\$228.00	\$283.00
Total Costs / Acre		\$1,063.77	\$1,195.56
Returns			
Return Above Total Costs		-\$71.79	-\$5.19
Return Above Variable Costs		\$360.68	\$492.21
Return to Land		\$156.21	\$277.81

SOYBEAN BUDGET - 2023

		Yield in bushels/acre	
Receipts		57	68
Soybean Price	\$13.00 /bushel	\$734.50	\$881.40
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$69.60	\$69.60
Fertilizer+Soil Amendment		\$69.71	\$82.41
Chemicals (Crop Protection)		\$78.07	\$78.07
Fuel		\$22.23	\$22.23
Repairs		\$28.78	\$28.78
Crop Insurance		\$24.00	\$29.00
All Other		\$46.83	\$53.90
Total Variable Costs / Acre		\$339.22	\$362.83
Fixed Costs			
Labor and Management		\$56.53	\$63.87
Machinery Cost		\$74.59	\$74.59
Land Rent		\$228.00	\$283.00
Total Costs / Acre		\$712.40	\$803.41
Returns			
Return to Total Costs		\$22.10	\$83.05
Return to Variable Costs		\$395.28	\$518.57
Return to Land		\$250.10	\$366.05

WHEAT BUDGET - 2023			
		Yield in bushels/acre	
Receipts		74	89
Wheat Price	\$6.90 /bushel	\$510.60	\$612.72
ARC/PLC + Ad Hoc		\$0.00	\$0.00
Variable Costs			
Seed Cost		\$47.88	\$47.88
Fertilizer+Soil Amendment		\$108.68	\$131.03
Chemicals (Crop Protection)		\$13.18	\$13.18
Fuel		\$16.00	\$16.00
Repairs		\$18.56	\$18.56
Crop Insurance		\$15.00	\$18.00
All Other		\$66.10	\$74.36
Total Variable Costs / Acre		\$285.40	\$319.00
Fixed Costs			
Labor and Management		\$49.83	\$54.94
Machinery Cost		\$43.16	\$43.16
Land Rent		\$228.00	\$283.00
Total Costs / Acre		\$619.38	\$713.09
Returns			
Return Above Total Costs		-\$108.78	-\$100.37
Return Above Variable Costs		\$225.20	\$293.72
Return to Land		\$119.22	\$182.63

Crop Enterprise Budgets 2023

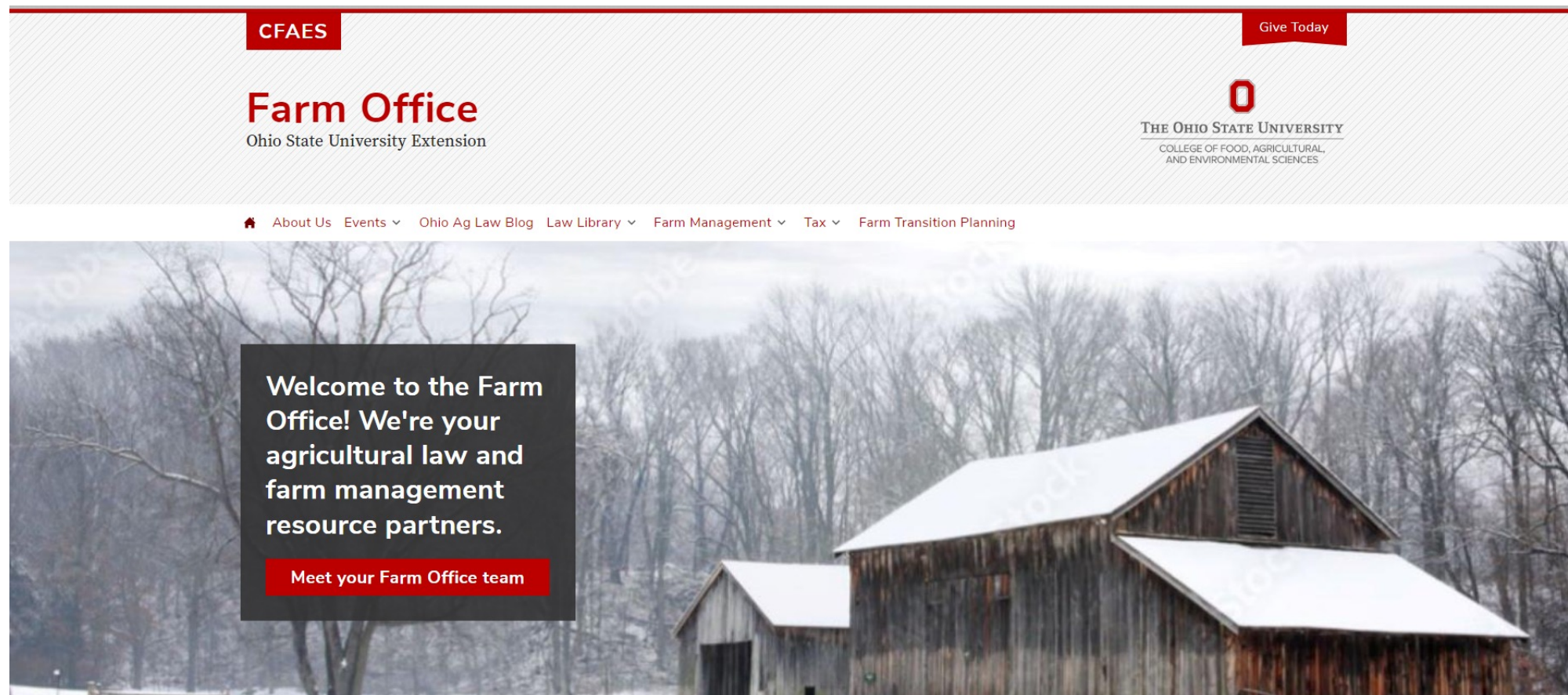
	Corn	Soybeans	Wheat
Receipts	bu/A Price 184@\$5.40	57@\$13.00	74@\$6.90
Crop Revenue	\$991.98	\$734.50	\$510.60
ARC/PLC + Ad Hoc	\$0.00	\$0.00	\$0.00
Variable Costs	\$631.30	\$339.22	\$285.40
Returns			
Return to Variable Costs	\$360.68	\$395.28	\$225.20
Return Above Total Costs	-\$71.79	\$22.10	-\$108.78
Return to Land	\$156.21	\$250.10	\$119.22

Barry Ward

(614) 688-3959

ward.8@osu.edu

<https://farmoffice.osu.edu/home>



Agriculture Sales Tax Exemption Issues

Jeffrey K. Lev
Program Coord
Schools & Al

“Agriculture Sales Tax Exemption” includes the sales tax exemption for:

- Farming
- Agriculture
- Horticulture
- Floriculture

Agriculture Sales Tax Exemption

- All retail sales in Ohio are presumed to be subject to Ohio's sales tax . . . unless the purchaser can prove that a purchase is not subject to the sales tax.
- Ohio's legislature determines which sales are not subject to Ohio's sales tax.
 - Ohio law has over 50 exemptions, a handful of which apply to agriculture.

What is exempt?

Items purchased for qualifying agricultural uses are not subject to Ohio sales tax.

- “Agriculture” in this presentation includes farming, agriculture, horticulture, and floriculture.
- Whether an item is exempt from the sales tax depends on its use.

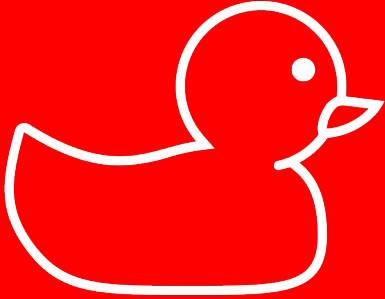
DUCK

- Direct Use
- Consumed or incorporated
- Keep, hold, or condition



DUCK

There is no comprehensive list of items that qualify for the Ag Sales Tax Exemption.

Items that generally qualify	Items that generally <u>do not</u> qualify
<ul style="list-style-type: none">• Seed• Fertilizers• Insecticides• Pesticides• Tractors• Plows• Combines• Grain Bins*• Field Tile*• Livestock Structures*• Horticulture Structures* 	<ul style="list-style-type: none">• Almost all motor vehicles licensed to operate on the highway• Lawn mowers• Weed eaters• Chainsaws• ATVs used primarily for recreation• Home garden equipment• Office supplies

Who can claim the Ag Sales Tax Exemption?

A person or entity engaged in farming, agriculture, horticulture, or floriculture can claim the Ag Sales Tax Exemption.

- Two (2) components:
 1. Production component – must be engaged in producing agricultural products for sale
 2. Business component – requires a person or entity to be engaged in a "for profit" farming business.
 - How do you prove that you are a for profit farming business?
 - Filing of Schedule F
 - **Note:** Beginning farmers that have yet to file a Schedule F are still entitled to the tax exemption if they will be filing a Schedule F in the next year.
- **Service providers also qualify!**
 - Persons who render farming, agricultural, horticultural, or floricultural services to those engaged in farming, agriculture, horticulture, or floriculture, also qualify for the sales tax exemption!
 - Example: Veterinarian providing services to a farmer's livestock.

Scenario #1

Silage Co. is a custom farming business that bags silage for farmers.


1. Can Silage Co. use the Ag Sales Tax Exemption?
 - Yes.
 - *Service providers that render farming, agricultural, horticultural, or floricultural services to those engaged in farming, agriculture, horticulture, or floriculture are entitled to the Ag Sales Tax Exemption.*
2. Does Silage Co. have to pay sales tax on the silage bags?
 - No.
 - Items purchased to keep or hold agricultural products for sale are sales tax exempt.
3. Should Silage Co. charge its farmer clients sales tax on the silage bags?
 - No.
 - Both Silage Co. and the farmer client qualify for the Ag Sales Tax Exemption and the silage bags are used to keep/hold an agricultural product, therefore the bags are sales tax exempt for both parties.



Scenario #2

Farmville, LLC purchases an ATV to use around the farm.

- Does the ATV qualify under the Ag Sales Tax Exemption?
 - **IT DEPENDS!**

Examples of when the sales tax exemption could apply:	Examples of when the sales tax exemption <u>does not</u> apply:
<ul style="list-style-type: none">• Checking or fixing fence on a cattle operation• Accessing timber plots to haul out brush on a timber farm 	<ul style="list-style-type: none">• When the ATV is used primarily for recreation• Landowners who are renting out farmland but are not themselves involved in agricultural production

Scenario #3

Ohio farmer purchases a tractor that is currently located in Kentucky

- Does Ohio sales tax apply?
 - Depends on where the farmer "receives" possession of the tractor.
 - If the tractor is picked up by the farmer in Kentucky, only Kentucky sales tax laws apply.
 - If the tractor is delivered to the farm, Ohio sales tax law applies.

*** this only applies to Ohio sales tax*

How to claim the Ag Sales Tax Exemption

Complete Exemption Form STEC-B or STEC-U

- STEC-B: Blanket exemption certificate to cover all items purchased from a vendor over time.
- STEC-U: One-time exemption certificate.
- Form STEC-B and STEC-U can be found on the Ohio Department of Taxation's forms page (<https://tax.ohio.gov/wps/portal/gov/tax/business/get-a-form/tax-forms>)

Ohio's Agricultural Sales Tax Exemption Laws

farmoffice.osu.edu

- Law Library
 - Tax Law



Ohio's Agricultural Sales Tax Exemption Laws

*Peggy Kirk Hall, Associate Professor
Jeffrey K. Lewis, Research Specialist & Attorney
OSU Agricultural & Resource Law Program*

To “provide revenue with which to meet the needs of the state,” Ohio law authorizes a sales tax on retail goods. At the same time, the law also exempts certain goods and services from the sales tax. Several of these sales tax exemptions apply to agriculture, providing an important tax

 The image is a screenshot of a web form titled 'Sales and Use Tax Blanket Exemption Certificate' from the Ohio Department of Taxation. The form includes a 'Reset Form' button and a reference to 'STEC 8 Rev. 3/15'. It contains a statement: 'The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:'. Below this is a line for '(Vendor's name)'. A larger section follows with the text 'and certifies that the claim is based upon the purchaser's proposed use of the items or services, the activity of the purchase, or both, as shown hereon:'. This is followed by a large rectangular box for the purchaser to provide details. Below the box, it says 'Purchaser must state a valid reason for claiming exception or exemption.' At the bottom, there are three lines for 'Purchaser's name', 'Purchaser's type of business', and 'Street address'.

Questions?

lewis.1459@osu.edu

2023 Spring Crop Insurance Update

Eric Richer

Field Specialist, Farm Management



THE OHIO STATE UNIVERSITY
EXTENSION



Questions after March 15th...

- Corn & Soybean Projected Price History
- Acre Guarantee for 2023
- Extra products that farmers may have used

How can you manage your financial & production risk?

- Have lots of cash!
- Diversify your farm
- Get an off-farm job
- USDA Farm Bill – ARC/PLC
- Value-added grain marketing
- Be the least-cost (per bu.) producer



- Crop Insurance – Types

MPCI Revenue (RP) or Yield Protection (YP)

USDA-Non-insured Assistance Program (NAP)

Pasture, Range, and Forage (PRF)

Whole Farm Revenue Protection (WFRP)

Private products (Hail, ICE, etc.)

Contract Pricing with organics

Disclaimer

I am not a crop insurance agent

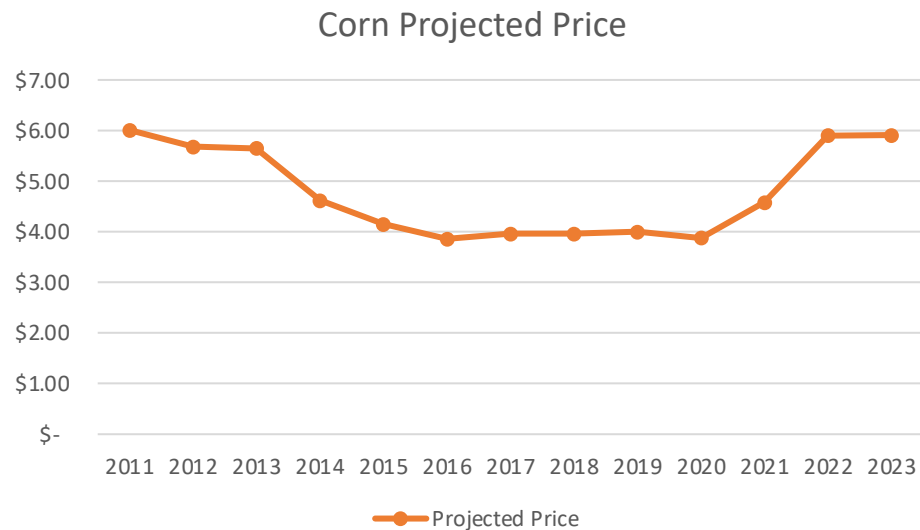
This session is designed to be educational and informative. Always seek the advice of trusted crop insurance agent before making crop insurance decisions.



Corn & Soybean Projected Price History

2011-2023

Corn Price Trend



Year	Projected Price
2011	\$ 6.01
2012	\$ 5.68
2013	\$ 5.65
2014	\$ 4.62
2015	\$ 4.15
2016	\$ 3.86
2017	\$ 3.96
2018	\$ 3.96
2019	\$ 4.00
2020	\$ 3.88
2021	\$ 4.58
2022	\$ 5.90
2023	\$ 5.91

Source: USDA-RMA

Corn Price Trend



Year	Projected Price	Harvest Price
2011	\$ 6.01	\$ 6.32
2012	\$ 5.68	\$ 7.50
2013	\$ 5.65	\$ 4.39
2014	\$ 4.62	\$ 3.49
2015	\$ 4.15	\$ 3.83
2016	\$ 3.86	\$ 3.49
2017	\$ 3.96	\$ 3.49
2018	\$ 3.96	\$ 3.68
2019	\$ 4.00	\$ 3.90
2020	\$ 3.88	\$ 3.99
2021	\$ 4.58	\$ 5.37
2022	\$ 5.90	\$ 6.86
2023	\$ 5.91	

Source: USDA-RMA

Corn Price Trend



Year	Projected Price	Harvest Price	% Change
2011	\$ 6.01	\$ 6.32	5%
2012	\$ 5.68	\$ 7.50	32%
2013	\$ 5.65	\$ 4.39	-22%
2014	\$ 4.62	\$ 3.49	-24%
2015	\$ 4.15	\$ 3.83	-8%
2016	\$ 3.86	\$ 3.49	-10%
2017	\$ 3.96	\$ 3.49	-12%
2018	\$ 3.96	\$ 3.68	-7%
2019	\$ 4.00	\$ 3.90	-3%
2020	\$ 3.88	\$ 3.99	3%
2021	\$ 4.58	\$ 5.37	17%
2022	\$ 5.90	\$ 6.86	16%
2023	\$ 5.91		

CFAES

Source: USDA-RMA

OHIO STATE UNIVERSITY EXTENSION • farmoffice.osu.edu

Federal Farm Program Update

Pandemic Assistance Revenue Program (PARP)

Assistance for lost revenue in 2020 when compared to 2018 or 2019 due to the COVID-10 pandemic

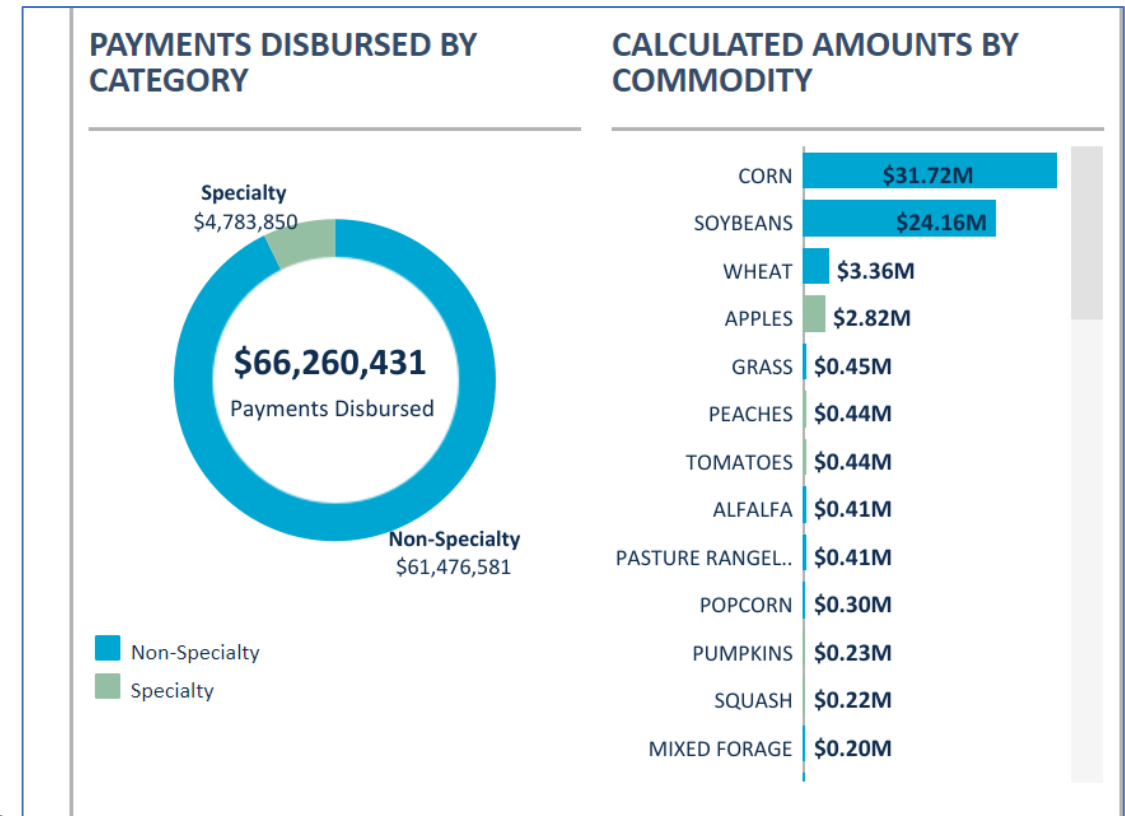
- Addresses gaps in previous assistance which was targeted at price loss or lack of market access, rather than overall revenue losses.
- 15% decrease in allowable gross revenue.
- Payments on whole-farm basis, not commodity by commodity.
- Payments issued after application deadline of June 2, 2023.
- Limited to \$125,000.
- More information at: <https://www.farmers.gov/coronavirus/pandemic-assistance/parp>

Emergency Relief Program (ERP)

Phase 2

Emergency Relief Program – Phase 1

- Offset the impacts of natural disasters in 2020 and 2021.
- Phase 1 applications closed on 12/16/2022.
- Over \$7.4 billion allocated across United States to 291,467 participants.
- In Ohio, \$66.3 million was distributed to 5,799 producers



Emergency Relief Program – Phase 2

- Fills remaining gaps in previous ERP natural disaster assistance.
- To be eligible for ERP Phase Two, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event.
- Assistance will be primarily to producers of crops that were not covered by Federal Crop Insurance or NAP, since crops covered by Federal Crop Insurance and NAP were included in the assistance under ERP Phase One.
- Enrolled opened 1/23/2023 and will remain open until 6/02/2023.

Emergency Relief Program – Phase 2

At least 75% of AGI must be from farming

Benchmark years 2018 and 2019 used to determine the “typical” year of revenue for an operation.

ERP Phase 2 has two program years, 2020 and 2021. Payment limitations are follows:

- **Specialty/High Value crops:** \$125,000 by program year, can increase to \$900,000 by filing the FSA-510 form.
- **Other crops:** \$125,000 by program year, may increase to \$250,000 by filing the FSA-510 form

Producers who receive ERP Phase 2 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years

USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

REVENUE LOSS ASSISTANCE Emergency Relief Program (ERP) Phase 2

Overview

Emergency Relief Program (ERP) covers losses to crops, trees, bushes and vines due to a qualifying natural disaster event in calendar years 2020 and 2021.

For impacted producers, FSA is administering emergency relief to other crop, high value and specialty crop producers through the following two-phased process:

- Phase 1 leveraged existing Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating initial payments.
- Phase 2 intends to fill additional assistance gaps and cover eligible producers who did not participate in existing risk management programs.

This two-phased approach enables USDA to streamline the application process to reduce the burden on producers, proactively include underserved producers who have been left out of past relief efforts and encourage participation in existing risk management tools that can help producers handle future extreme weather events.

Eligibility – Phase 2

Phase 2 is a tax year based certification program that provides assistance for producers that suffered a loss in revenue due to necessary expenses associated with losses of eligible crops (excluding crops intended for grazing), due in whole or in part, to a qualifying disaster event that occurred in the 2020 or 2021 calendar year. Must be a U.S. citizen, resident alien, which means “lawful alien,” a partnership consisting solely of U.S. citizens or resident aliens, a corporation, limited liability company, or other organizational structure organized under State law consisting solely of U.S. citizens or resident aliens, Indian Tribe or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

Qualifying natural disaster events include wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions.

For ERP eligibility, “related conditions” are damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event.



They include:

- Excessive wind that occurred as a direct result of a derecho;
- Silt and debris that occurred as a direct result of flooding;
- Excessive wind, storm surges, tornadoes, tropical storms, and tropical depressions that occurred as a direct result of a hurricane; and
- Excessive wind and blizzards that occurred as a direct result of a winter storm.

For drought, ERP assistance is available if any area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a drought intensity of:

- D2 (severe drought) for eight consecutive weeks;
- D3 (extreme drought) or higher level of drought intensity.

Lists of 2020 and 2021 drought counties eligible for ERP are available on the emergency relief website.

In general, payments for ERP Phase 2 are based on the difference in allowable gross revenue between the selected representative benchmark year(s) and the disaster year(s).

2020 Program Year Payment Calculation

Benchmark Revenue (2018, 2019, or adjusted), multiplied by
ERP Factor 70%, minus

- Disaster Year Revenue (2020 or 2021), minus
- 2020 ERP Phase 1 Gross Payment (Specialty and Non-Specialty), minus
- CFAP 1 Net Payment, minus
- CFAP 2 Net Payment (excluding contract producers), minus
- 2020 WHIP+ Net Payments, minus
- 2020 QLA Net Payments, multiplied by
- % of Expected Revenue **Specialty/High Value**, (separate calculation for **Other Crops**), equals
- Gross Calculated Payment.

2021 Program Year Payment Calculation

Benchmark Revenue (2018, 2019, or adjusted), multiplied by
ERP Factor 70%, minus

- Disaster Year Revenue (2021 or 2022), minus
- 2021 ERP Phase 1 Gross Payment (Specialty and Non-Specialty), minus
- 2022 ERP Phase 1 Gross Payment (Specialty and Non-Specialty), multiplied by
- % of Expected Revenue **Specialty/High Value**, (separate calculation for **Other Crops**), equals
- Gross Calculated Payment.

Comparison of PARP and ERP 2

- Both are revenue-based programs.
- PARP available for 2020, ERP-2 for both 2020 & 2021.
- Livestock and crops for grazing are not eligible for ERP 2
- PARP is authorized and funded by the Consolidated Appropriations Act of 2021.
- ERP is authorized under the Extending Government Funding and Delivering Emergency Assistance Act,

REVENUE LOSS ASSISTANCE

Emergency Relief Program Phase 2 and Pandemic Assistance Revenue Program Comparison Factsheet

Emergency Relief Program (ERP) Phase 2

Overview

ERP Phase 2 is part of the Extending Government Funding and Delivering Emergency Assistance Act, which includes \$10 billion in assistance to agricultural producers impacted by expenses associated with losses of eligible crops due in whole or part, to a qualifying disaster event experienced during calendar years 2020 and 2021. ERP Phase 2 provides direct financial assistance to producers who suffered an eligible revenue loss in the applicable disaster year, compared to the benchmark year.

Benchmark & Disaster Years

ERP Phase 2 applicants will use the following tax years when selecting allowable gross revenue:

- Benchmark years: 2018 and/or 2019, or adjusted for new producers with no 2018 or 2019 revenue, or if the benchmark years are not representative of the disaster year due to a change in operation size;
- Disaster years: 2020 and/or 2021. The allowable gross revenue for the specific disaster year will be based on the tax year applicable to that revenue (2020, 2021 or 2022)

Pandemic Assistance Revenue Program (PARP)

Overview

USDA is providing critical support to producers impacted by the effects of the COVID-19 outbreak through the Pandemic Assistance Revenue Program (PARP). PARP provides direct financial assistance to producers of agricultural commodities who suffered at least a 15% loss in gross revenue in calendar year 2020 due to the COVID-19 pandemic.

Benchmark & Disaster Years

To be eligible for PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a 15% loss in allowable gross revenue for the 2020 calendar year, as compared to:

- The 2018 or 2019 calendar year, as elected by the producer, if they received allowable gross revenue during the 2018 or 2019 calendar years, or
- the producers' expected 2020 calendar year allowable gross revenue if the producer had no allowable gross revenue in 2018 or 2019.

Eligible Producers

To be eligible for payments, individuals or legal entities must:

- Be an eligible producer who was entitled to a share in the agriculture commodity or would have shared had the agriculture commodity been produced and marketed;
- Comply with the provisions of the "Highly Erodible Land and Wetland Conservation" regulations, often called the conservation compliance provisions;
- Not have a controlled substance violation.
- For ERP Phase 2 Only:** Be a U.S. citizen, resident alien, which means "lawful alien," a partnership consisting solely of U.S. citizens or resident aliens, a corporation, limited liability company, or other organizational structure organized under State law consisting solely of U.S. citizens or resident aliens, Indian Tribe or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)
- ERP Phase 2 Only:** if at least 75% of the person or legal entity's average AGI is derived from farming, ranching, or forestry related activities and the participant provides the required certification and documentation by submitting optional form FSA-510, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to:
 - \$900,000 for each program year for specialty and high value crops; and
 - \$250,000 for each program year for all other crops
- For PARP Only:** Be a U.S. citizen, resident alien, which means "lawful alien," a partnership, a corporation, limited liability company, or other organizational structure organized under State law, Indian Tribe or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304), a foreign person or foreign entity who meets all requirements as described in 7 CFR part 1400;
- PARP Only:** To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than \$900,000 for tax years 2016, 2017, and 2018 or have an adjusted gross income of less than \$900,000 for tax year 2020 if exceeding average AGI. With respect to joint ventures and general partnerships, this AGI provision will be applied to members of the joint venture and general partnership.



Ineligible Commodities

The following chart outlines which commodities are *ineligible* for ERP Phase 2 and PARP.

ERP PHASE 2	PARP
Wild free-roaming animals	Wild free-roaming animals
Horses and other animals used or intended to be used for racing or wagering	Horses and other animals used or intended to be used for racing or wagering
<i>Cannabis sativa</i> L. and any part of that plant that does not meet the definition of hemp	<i>Cannabis sativa</i> L. and any part of that plant that does not meet the definition of hemp
Timber	Timber
Aquatic species that do not meet the definition of aquaculture	Aquatic species that do not meet the definition of aquaculture
Livestock	
Crops for grazing	

How to Determine Allowable Gross Revenue

Allowable gross revenue is calculated differently for ERP Phase 2 and PARP. The table below provides guidance for determining allowable gross revenue sources and shows what to include and exclude for each program.

PROGRAM	ERP PHASE 2		PARP	
	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE
SCHEDULE F LINE 1C "Sales of purchased livestock and other resale items," or information that could be reported on Schedule F	Sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as: <ul style="list-style-type: none">A plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months	Sales of livestock		Resale of items not held for characteristic change
SCHEDULE F LINE 2 Sales of livestock, produce, grains, and other products you raised or information that could be reported on a Schedule F	Sales of eligible crops grown and sold in the United States and its territories by the applicant. Sales of eligible crops grown by the applicant resulting from value added through post-production activities that could have been reported on IRS Schedule F Examples of post-production activities include: <ul style="list-style-type: none">Strawberries into jam Sales of aquatic species that are grown: <ul style="list-style-type: none">As food for human or livestock consumption,For industrial or biomass usesAs fish raised as feed for fish that are consumed by humansAs ornamental fish propagated and reared in an aquatic medium	Sales of animals and their by-products: <ul style="list-style-type: none">Animals for consumption by the owner, lessee, or contract growerEggsMilkMink including peltsRevenue from animals for show, sport, or recreational purposesWild free-roaming animalsRevenue from raised breeding livestock (Schedule 4797 Part 1, Column (d) or (g) or other information that could be reported on a Schedule F Sales of agricultural commodities resulting from value added through post-production activities if reported on Schedule C Commodities not grown in the U.S. and its territories.	Sales of agricultural commodities purchased for resale, less the cost or other basis of such commodities. NOTE: eligible aquatic species must be raised by a commercial operator and in water in a controlled environment <ul style="list-style-type: none">Revenue from raised breeding livestock (Schedule 4797 Part 1, Column (d) or (g) or other information that could be reported on a Schedule FInventory carried over from the prior tax yearPost-production activities (value added) i.e., grapes into wine or strawberries into jam.Commodities not grown in the U.S. (if grown by U.S. producer and marketed in the U.S.)IC-DISC income from the sale of agricultural commodities <i>Cannabis sativa L.</i> and any part of that plant including the seeds, thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, that is grown under a license or other required authorization issued by the applicable governing authority that permits the production of hemp	<ul style="list-style-type: none">Animals for consumption by the owner, lessee, or contract growerWild free-roaming animalsHorses and other animals used for racing or wageringTimberAquatic species that are NOT grown:<ul style="list-style-type: none">as food for human or livestock consumption,for industrial or biomass uses,as fish raised as feed for fish that are consumed by humans, oras ornamental fish propagated and reared in an aquatic medium.
SCHEDULE F LINE 3A "Cooperative distributions," Form 1099-PATR, or information that could be reported on a Schedule F	The taxable amount of cooperative distributions directly related to the sale of eligible crops produced by the applicant such as: <ul style="list-style-type: none">Per-unit allocations paid to patrons for gross grain sales	Distributions that are not directly related to the sale of eligible crops that are not produced by the applicant	The taxable amount of cooperative distributions directly related to the sale of agricultural commodities produced by the applicant	

PROGRAM	ERP PHASE 2		PARP	
	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE
SCHEDULE F LINE 4A "Agricultural program payments", Form 1099-G, or information that could be reported on a Schedule F	<ul style="list-style-type: none">Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) ProgramBiomass Crop Assistance Program (BCAP)Loan Deficiency Payment (LDP) ProgramMarket Loan Gains (MLG) - repayment of Commodity Credit Corporation (CCC) loan less than the original amountMarket Facilitation Program (MFP)Seafood Trade Relief Program (STRP)For the disaster year only- Emergency Relief Program (ERP) Phase 1 payments issued to another person or entity for the applicant's share of an eligible crop, regardless of the tax year in which the payment would be reported to the IRS	Pandemic Assistance payments including, but not limited to: <ul style="list-style-type: none">Coronavirus Foods Assistance Program 1 (CFAP 1)CFAP 2Pandemic Livestock Indemnity Program (PLIP)Spot Market Hog Pandemic Program (SMHPP)Cost-share assistanceLoss of buildingsLivestock portion Other programs: <ul style="list-style-type: none">Conservation Program PaymentsDairy Margin Coverage (DMC) ProgramMarketing Assistance Loan (MAL)	Payments received under the following programs regardless of crop year or program year: <ul style="list-style-type: none">ARC/PLCBCAPDMCLDP, MLGMFPMPP DairySeafood Trade Relief Program (STRP)	Pandemic Assistance from: <ul style="list-style-type: none">CFAP 1CFAP 2PLIPSMHPP Other Programs: <ul style="list-style-type: none">Conservation Program Payments2020 Emergency Relief Program Any pandemic assistance payments that were not for the loss of agricultural commodities or the loss of revenue from agricultural commodities, including, but not limited to: <ul style="list-style-type: none">cost-share assistanceloss of buildings, etc.
SCHEDULE F LINE 5A - 5C "Commodity Credit Corporation (CCC) loans reported under election," Form 1099-A, or information that could be reported on a Schedule F	<ul style="list-style-type: none">CCC loans reported under election if elected to be treated as income and reported to IRS when all or part of the production is used as collateral to secure the loanForfeited CCC loans		CCC loans reported under election if elected to be treated as income and reported to IRS	





DATES

Jan. 24, 2023
Feb. 28, 2023
Mar. 28, 2023

TIME

7:00–8:30 p.m.

**Via Zoom
Webinar**



OSU EXTENSION PRESENTS

Starting a Food Business

What you need to know about selling your home-based and farm-raised foods

Join us for three webinars to help you start your food business!

1

Start-Up Basics

Jan. 24

What do you want to sell? We'll explain food safety, licensing, legal, and economic considerations for starting to sell your food products.

2

Selling Home-Based Foods

Feb. 28

Learn about food product development, Ohio's Cottage Food and Home Bakery laws, and requirements for selling canned foods.

3

Selling Meat and Poultry

Mar. 28

A look at the economics of selling meat and poultry, meat processing options, and labeling and licensing laws for meat and poultry.

Webinar Faculty

Nicole Arnold, OSU Food Safety Field Specialist
Peggy Kirk Hall, OSU Agricultural Law Field Specialist
Emily Marrison, OSU Family & Consumer Sciences Educator
Garth Ruff, OSU Beef Field Specialist

For details and registration, visit go.osu.edu/foodbusiness

Starting a Food Business Webinar Series



Join Us On:

**April 14
September 15
November 17**

**7:30 to 8:00 a.m.
via Zoom**



OSU Extension presents:

Coffee and Grain Marketing with Dr. Seungki Lee

Grab a cup of coffee and join OSU Extension's conversation with Dr. Seungki Lee as he examines the **World Agricultural Supply and Demand Estimates (WASDE)** crop reports each quarter in 2023. Learn more about the factors impacting the corn, soybean, and wheat markets. Producers are encouraged to bring their questions to this early morning conversation.

There is no fee to attend any of these webinar sessions.

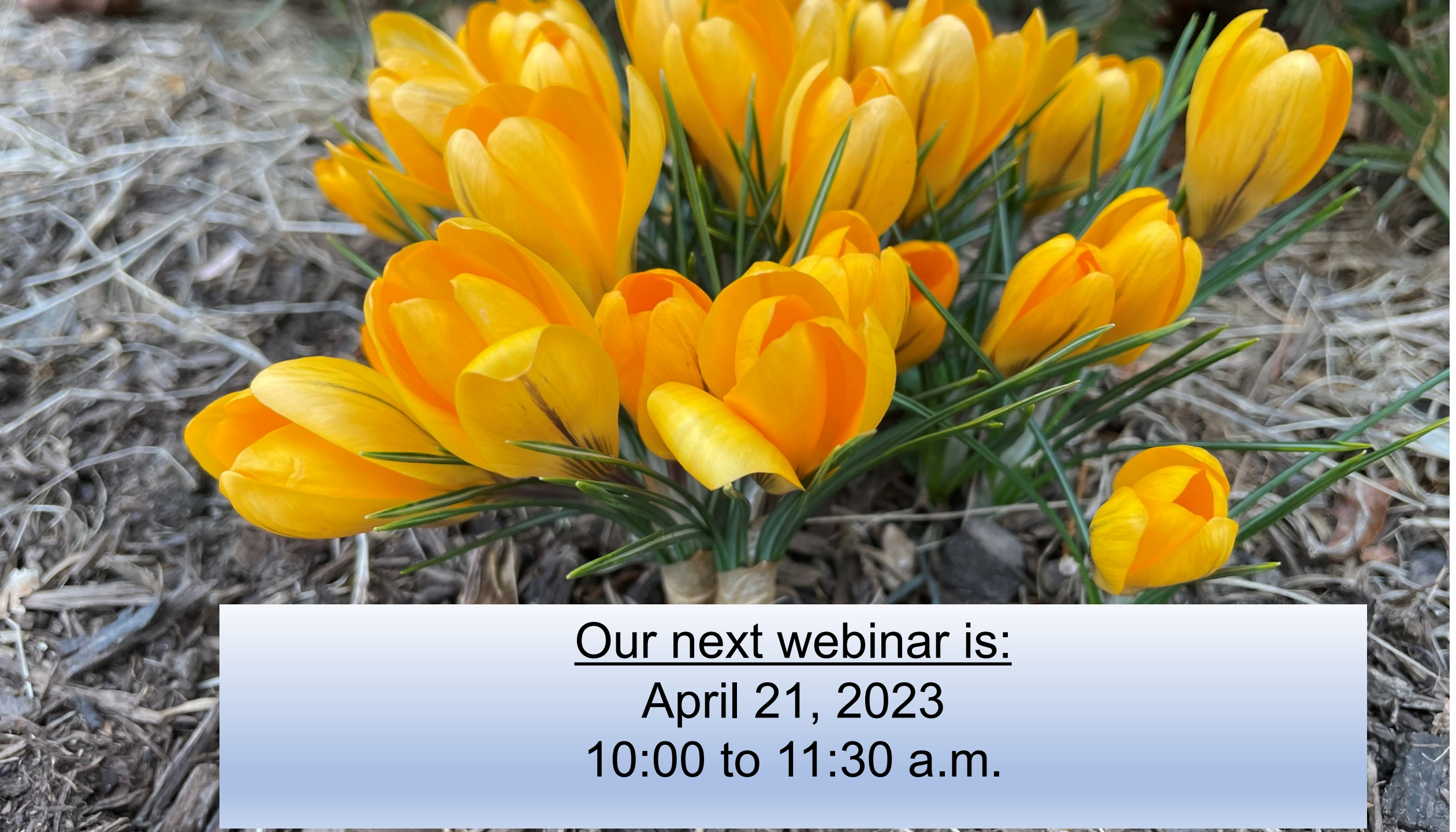
Pre-register at: go.osu.edu/coffeewithDrLee

EVENT SPONSORS: OSU Extension, Farm Financial Management & Policy Institute (FFMPI), and the Department of Agricultural, Environmental and Development Economics (AEDE)

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College of Food, Agricultural, and Environmental Sciences

Coffee and Grain Markets with Dr. Seungki Lee



Our next webinar is:
April 21, 2023
10:00 to 11:30 a.m.



Please help us by completing today's evaluation

https://osu.az1.qualtrics.com/jfe/form/SV_9B2zTPPSn6ReKrA