

# Instructions for Cash Equivalent Crops

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The forecasted marketing year average price found on the NextGen website is being provided as a guideline for what a reasonable price expectation may be for the upcoming marketing year and is to be used with the Cash Equivalent Statement to calculate the tax credit on a share crop lease.

- NextGen website: <https://nextgen.nebraska.gov>
  - Cash Equivalent Statement: <https://nextgen.nebraska.gov/forms.html>
  - Forecasted Marketing Prices: <https://nextgen.nebraska.gov/marketing.html>
- The Cash Equivalent Statement may be completed on-line, where the calculations are made for you, or you may print a copy and complete the calculations yourself.
- Forecasted Marketing Prices are updated on the 15<sup>th</sup> of each month.
- **Applicants shall use the prices corresponding to the nearest date prior to the date the owner signed the lease.**
  - Obtain the price for your specific grain.
  - Enter this price in the “Expected Price Per Bushel” column of the Cash Equivalent Statement.
    - *Example: Owner signs lease March 1, 2023; use February 15, 2023, prices.*
- Complete the remaining columns of the table, and the calculations, to determine the cash equivalent.
  - We suggest you use trend adjusted APH yields for the “Bushels Per Acre” column.
- The price shall be used for all three tax credit years at the time of submission.
- If you rotate crops from year to year, complete a separate Cash Equivalent Statement for each crop rotation. Enter the year(s) at the top right-hand corner of the form.
- Each person who is named in the lease as a beginning farmer (lessee), or as an asset owner (lessor), must sign and date the Cash Equivalent Statement. Legal representatives for a corporation or trust may sign on behalf of that entity. (Authorization to sign may be required if the entity is a trust.)

These forecasted prices should not affect the lease arrangement in any way or actual marketing decisions and should only serve as a means to calculate the tax credit. These forecasted prices, which are based on deferred Chicago Mercantile Exchange (CME) Group futures’ prices adjusted for Nebraska average basis and monthly sales patterns, should not be construed as marketing advice or recommendations by NextGen, the Board of Directors, or the Nebraska Department of Agriculture.

# Cash Equivalent Statement

For years one through three, if you use a:

SINGLE CROP (same value, year to year), please fill out one form.

CROP ROTATION (value changes from year to year), please fill out a separate form for each crop year.

Year 1: 20 \_\_\_\_\_

Year 2: 20 \_\_\_\_\_

Year 3: 20 \_\_\_\_\_

Cash Rent						Cash Equivalent	
Equipment or Land Description	Acres		Rent Per Acre / Equip. Rent Amt.		Total Rent		
		X	\$	=	\$		\$ _____
		X	\$	=	\$		
		X	\$	=	\$		
			<b>Total Cash Rent</b>		\$		
						<b>x 10%</b>	

See page 2 for instructions for cash equivalent crops.

Cash Equivalent Crops							Cash Equivalent		
Description	Acres		Bushels Per Acre	Owner % of Crop		Expected Price Per Bushel	Total Cash Received		
		X		%	X	\$	= \$		\$ _____
		X		%	X	\$	= \$		
		X		%	X	\$	= \$		
		X		%	X	\$	= \$		
			<b>Total Cash Equivalent</b>			\$			
							<b>x 15%</b>		

Cash Equivalent Livestock						Cash Equivalent		
Type of Livestock Leased	Number of Head		Owner's % of Livestock	Value per Animal		Total Value Received		
		X	%	\$	=	\$		\$ _____
		X	%	\$	=	\$		
		X	%	\$	=	\$		
			<b>Total Cash Equivalent</b>			\$		
						<b>x 15%</b>		

Each beginning farmer (lessee) and asset owner (lessor) on the lease must sign this statement. Legal representatives for a corporation or trust may sign on behalf of that entity. (Authorization to sign may be required if the entity is a trust.)

<b>Grand Total</b>	\$ _____
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\_\_\_\_\_  
Beginning Farmer Signature                      Date

\_\_\_\_\_  
Asset Owner Signature    Date

\_\_\_\_\_  
Beginning Farmer Signature                      Date

\_\_\_\_\_  
Asset Owner Signature    Date

Please complete and return to the address below.

NextGen  
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