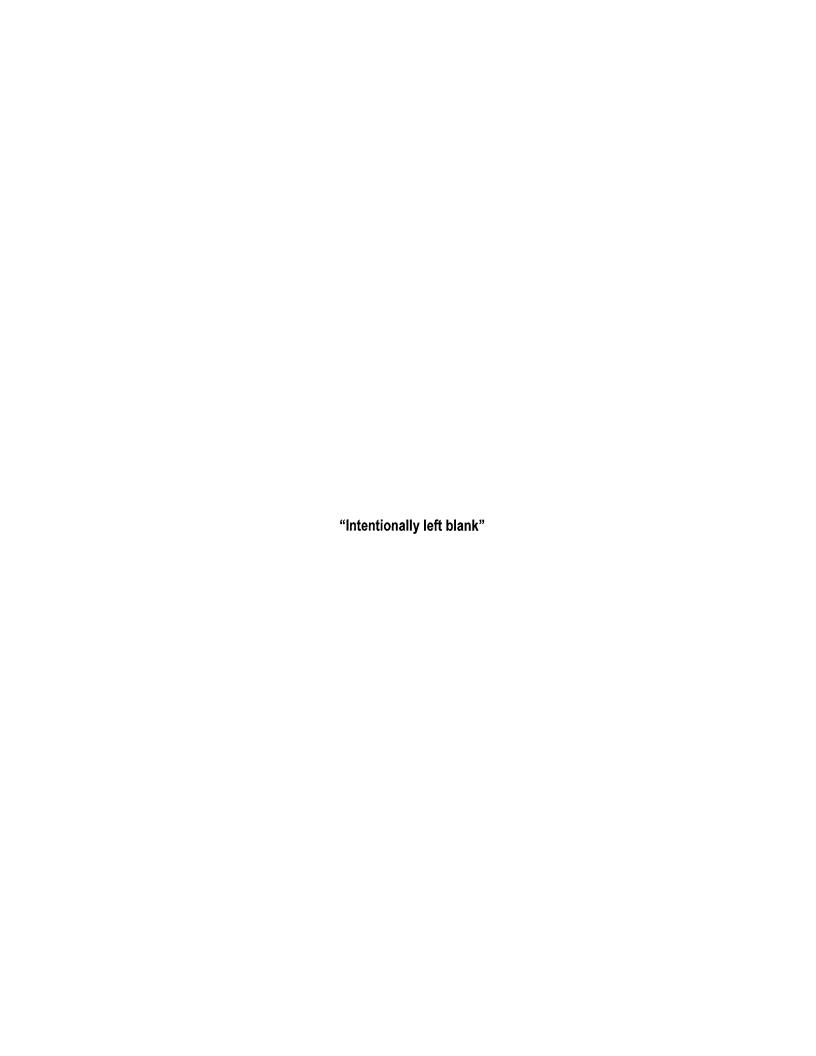


Annual Report July 1, 2015 – June 30, 2016

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

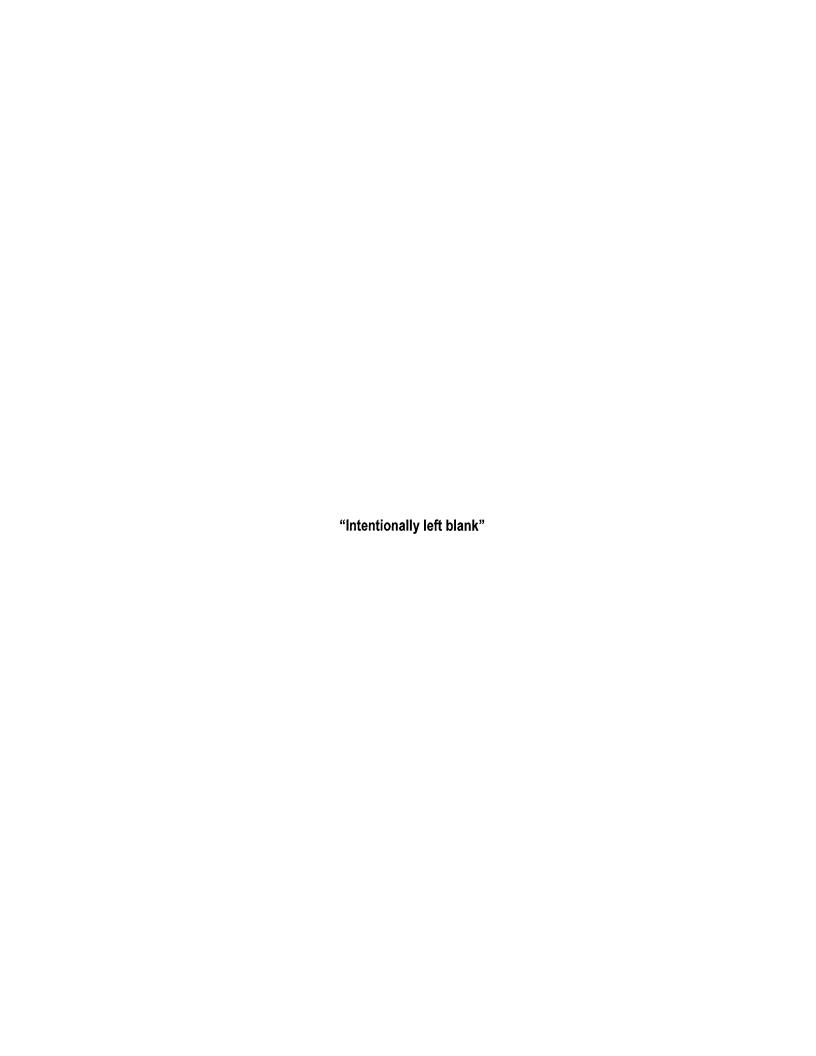


NextGen Annual Report

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

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NextGen Board of Directors

FY 2015 - 2016 July 1, 2015 - June 30, 2016

Name	Representing		
Greg Ibach	Director Nebraska Department of Agriculture		
Karla Bahm (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture		
Len Sloup	ActingTax Commissioner Nebraska Department of Revenue		
HoaPhu Tran (Designee)	Research Division Nebraska Department of Revenue		
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln		
Nadine Hagedorn	Agricultural Lender		
Todd Reed	Producer, District 1		
Ryan Ueberrhein	Producer, District 2		
Don Anthony	Producer, District 3		

Staff Members

Joline Gordon Staff Assistant

NextGen Board Meeting Dates and Attendees

FY 2015 - 2016 July 1, 2015 - June 30, 2016

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Meeting Date	Members Attending	Guests Attending	Staff Attending
October 6, 2015	Don Anthony	Jeremiah Blake	Joline Gordon
	Karla Bahm	Legislative Aide for	
	Nadine Hagedorn	Senator Matt Williams,	
	Todd Reed	District #36	
	John Stavick	Bobbie Kriz-Wickham,	
	Ryan Ueberrhein	Nebraska Department	
		of Agriculture	
		Kenny Zoeller	
		Legislative Aide for	
		Senator Mark	
		Kolterman, District #24	
December 15, 2015	Don Anthony	Dave Goeller,	Joline Gordon
	Karla Bahm	University of	
	Brad Lubben	Nebraska-Lincoln	
	Todd Reed	Joe Hawbaker	
	John Stavick	Hawbaker Law Office	
	Ryan Uebberrhein	Bobbie Kriz-Wickham,	
		Nebraska Department	
		of Agriculture	
		Emily Rose, Attorney	
		General's Office	
January 26, 2016	Don Anthony	Bobbie Kriz-Wickham,	Joline Gordon
,	Karla Bahm	Nebraska Department	
	Nadine Hagedorn	of Agriculture	
	Brad Lubben	Emily Rose, Attorney	
	Todd Reed	General's Office	
	John Stavick		
	Ryan Uebberrhein		

NextGen Administrative Notes

FY 2015 - 2016 July 1, 2015 - June 30, 2016

The Beginning Farmer Tax Credit Act promoted as NextGen is administered by the Nebraska Department of Agriculture (NDA). The NextGen program was created by the Nebraska Legislature to assist farmers and ranchers beginning a career in production agriculture. It provides a Nebraska income tax credit to an asset owner who rents to an eligible beginning farmer for a minimum of three years. The incentive helps beginners gain access to agricultural assets and develop a relationship with the owner. The program also provides the beginner a personal property tax exemption on farm equipment and machinery.

A Board of Directors appointed by the Governor is charged with reviewing applications and approving applicants in accordance with the Act. This year two new board members were appointed by Governor Ricketts and confirmed by the Legislature. Ryan Ueberrhein filled the agricultural production representative for Congressional District 2 and Nadine Hagedorn is the new agricultural credit representative.

This year NDA produced video testimonials from past NextGen participants to promote and educate potential applicants about the benefits of the program. The videos may be viewed on our website www.nextgen.nebraska.gov. They were released in October 2015 and had approximately 1500 views in a ten month period.

Producers have experienced a drop in commodity prices the past few years. Recognizing the potential for financial stress and critical decisions producers may be facing, NDA partnered with the University of Nebraska Extension and offered a series of free educational webinars addressing farm financial management issues. Topics included: "Cornhusker Economics Outlook," "Know Your Costs," "Negotiating Your Lease," "Communicating with Your Banker," and "Decision Making in an Uncertain World."

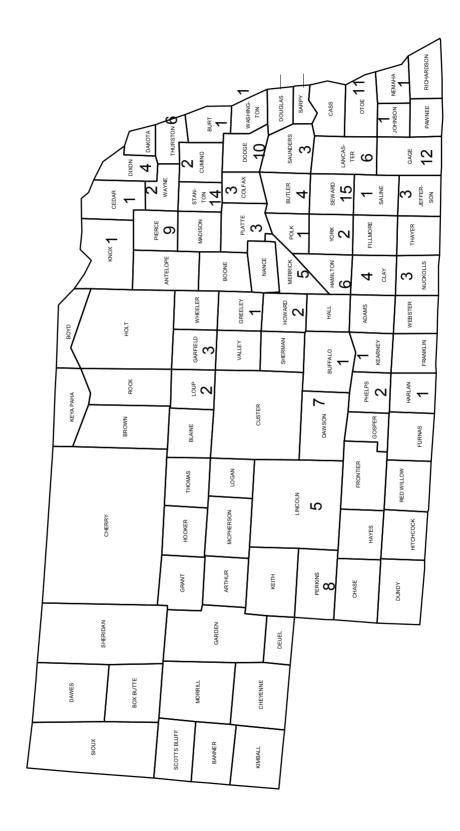
Land tenure and transition continues to be a hot-topic in Nebraska and nationally. NDA, along with partners Legal Aid of Nebraska and UNL Extension provided "Cultivate Your Legacy" presentations at Husker Harvest Days, Grand Island, Nebraska, one of the nation's largest working farm shows. The presentations were designed to kick-start the transition/succession planning process and promote the in-depth workshops offered at various sites across the state each year. Greg Ibach, NDA Director and President of the National Association of State Departments of Agriculture (NASDA) spoke at the 92nd Annual USDA Agricultural Outlook Forum on land tenure and highlighted Nebraska's NextGen program and the importance of succession and estate planning.

Participant Statistics As Reported for the Tax Year

Tov Voor Barticiantion	2011	2012	2012	2014	2015	2011 - 2015	Totals - 2001 to 2015
iak real raidupadoli	2011	2012	CT07	+107	5102	Last 5 Yrs Total & Avg	Last 5 Yrs Total & Avg Since the Beginning
# of Owners Receiving Tax Credit	244	187	159	164	178	932	1548
Total Tax Credits Paid To Owners	\$ 1,385,531	\$ 926,031	\$ 842,864	\$ 1,385,531 \$ 926,031 \$ 842,864 \$ 954,659 \$ 947,904 \$	\$ 947,904	\$ 686'950'5 \$	\$ 8,367,780
Average Tax Credit per Owner	\$ 5,678 \$	\$ 4,952 \$	\$ 5,301 \$	\$ 5,821 \$	\$ 2,325 \$	\$ 2,426 \$	\$ 5,406
# of Beg. Farmers Paying Rent	190	137	126	134	145	732	1255
Total Rent Paid by Beg. Farmers	\$ 10,671,839	\$ 6,991,484	\$ 6,551,624	\$ 10,671,839 \$ 6,991,484 \$ 6,551,624 \$ 7,641,412 \$ 7,871,791 \$	\$ 7,871,791	\$ 39,728,150 \$	\$ 68,788,687
Average Rent Paid per Beg. Farmer \$	56,168	\$ 51,033 \$	\$ 51,997 \$	\$ 57,025 \$	\$ 54,288 \$	\$ 54,273 \$	\$ 54,812
Applications Received	99	41	61	51	85	277	708

Number of Owners Receiving Tax Credits by County **Beginning Farmer Tax Credit Program**

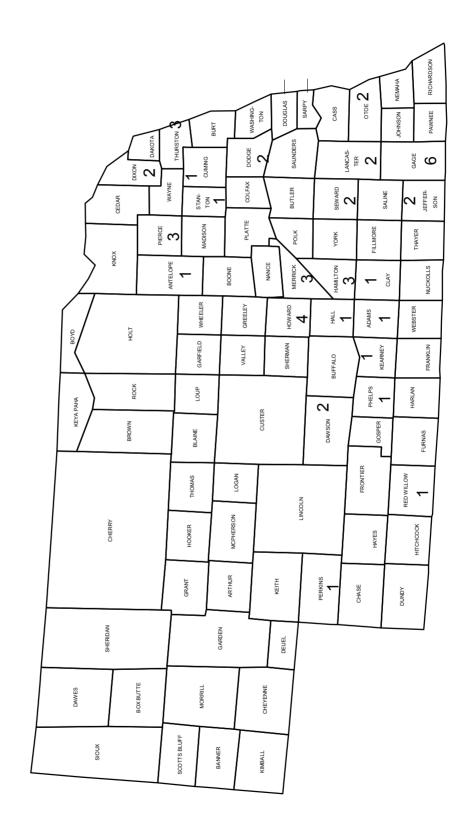
Crop Year 2015



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Beginning Farmer Tax Credit Program Number of Cases Declared Eligible by County

July 01, 2015 - June 30, 2016



NextGen Financial Report

FY 2015 - 2016 July 1, 2015 - June 30, 2016

Account Code Description	Budgeted Amount	Year-To- Date	% of Budget	Variance- Favorable (Unfavorable)
510000 Personal Services 511100 Permanent Salaries – Wages 512100 Vacation Leave Expense 512200 Sick Leave Expense 512300 Holiday Leave Expense 515100 Retirement Plans Expense 515200 FICA Expense 515400 Life & Accident Insurance Exp 515500 Health Insurance Expense 516200 Tuition Assistance 516300 Employee Assistance Program 516500 Workers Comp Premiums	\$36,195.58 \$2,714.44 \$2,751.32 \$11.00 \$12,225.00 \$15.00 \$363.00	\$28,849.49 \$3,925.53 \$158.42 \$1,664.75 \$2,592.16 \$2,293.40 \$10.94 \$12,227.31 \$9.87 \$0.00 \$348.57	79.70 0.00 0.00 0.00 95.50 83.36 99.45 100.02 0.00 0.00 96.02	\$7,346.09 (\$3,925.53) (\$158.42) (\$1,664.75) \$122.28 \$457.92 \$0.06 (\$2.31) (\$9.87) \$15.00 \$14.43
510000 Personal Services Total	\$54,275.34	\$52,080.44	95.96	\$2,194.90
520000 Operating Expenses 521100 Postage Expense 521200 Comm Expense – Voice/Data 521290 Comm Expense – Data only 521400 Data Processing Expense 521412 OCIO – Voice Expense 521500 Publication & Print Expense 522200 Conference Registration 524744 Exhibit Space 531100 Office Supplies Expense 532200 See Chart of Accounts 533900 Food Expense 534946 Promotional Supplies 541100 Accounting & Auditing Service 541400 HRMS Assessment 559100 Other Operating Exp	\$347.57 \$506.00 \$7.00 \$1,254.05 \$2,358.00 \$71.00 \$37.00 \$236.00 \$74.00 \$4,594.00 \$9,484.62	\$345.94 \$310.40 \$2.98 \$1,412.86 \$125.39 \$2,302.02 \$22.50 \$13.88 \$0.00 \$239.40 \$3.40 \$872.11 \$80.62 \$37.42 \$62.14 \$5,831.06	99.53 61.34 42.57 112.66 0.00 97.63 0.00 19.55 0.00 0.00 369.54 108.95 0.00 1.35	\$1.63 \$195.60 \$4.02 (\$158.81) (\$125.39) \$55.98 (\$22.50) \$57.12 \$37.00 (\$239.40) (\$3.40) (\$636.11) (\$6.62) (\$37.42) \$4,531.86 \$3,653.56
570000 Travel Expense 571100 Board & Lodging 571600 Meals – Not Travel Status 574500 Personal Vehicle Mileage 575100 Misc Travel Expense 570000 Travel Expense Total	\$947.00 \$200.00 \$1,720.59 \$120.00 \$2,987.59	\$29.14 \$325.22 \$1,473.45 \$90.00 \$1,917.81	3.08 162.61 85.64 75.00 64.19	\$917.86 (\$125.22) \$247.14 \$30.00 \$1,069.78
580000 Capital Outlay 583470 Personal Computing Equip 580000 Capital Outlay		\$545.25 \$545.25	0.00 0.00	(\$545.25) (\$545.25)
Budgeted Expenditures Total	\$66,747.55	\$60,374.56	90.45	\$6,372.99

NextGen Outreach Activities

FY 2015 - 2016 July 1, 2015 - June 30, 2016

- Nebraska Staff Training, Ashland July 8-9, 2015
- Beginning Farmer and Rancher Development Meeting, Ashland July 23, 2015
- Nebraska College of Technical Agriculture Advisory Board Meeting, Curtis August 3, 2015
- Farm Crisis Response Council, Lincoln August 25, 2015
- Succession and Transition Planning Kick-Start Sessions at Husker Harvest Days News Release – September 9, 2015
- Husker Harvest Days NextGen & Negotiations Programs News Release September 14, 2015
- Husker Harvest Days, Grand Island September 15-17, 2015
- NextGen Video Testimonials News Release October 6, 2015
- Farm Crisis Response Council, Lincoln October 27, 2015
- Beginning Farmer and Rancher Development Meeting, Ashland October 29, 2015
- Nebraska College of Technical Agriculture Career Fair, Curtis November 5, 2015
- Farm Succession Workshops Radio Spot November 16, 2015
- AgCeptional Women's Conference, Norfolk November 20, 2015
- Nebraska Power Farm Show, Lincoln December 8-10, 2015
- Beginning Farmer and Rancher Development Meeting, Ashland February 12, 2016
- Nebraska Dairy Convention, Columbus February 18, 2016
- Women in Ag Conference, Kearney February 25-26, 2016
- Valley County Home and Ag Expo, Ord February 26, 2016
- USDA Ag Outlook Forum, Arlington, VA February 26, 2016
- Nebraska Sustainable Agriculture Society Farm Beginnings Class, Weeping Water February 27, 2015
- Governor's Ag Conference, Kearney March 2-3, 2016
- FFA Annual Convention, Lincoln April 6-8, 2016
- Farm Crisis Response Council, Lincoln May 17, 2016
- Coalition of Agricultural Mediation Programs, Santa Fe, NM May 25-26, 2016

