

Beginning Farmer Tax Credit Act



Annual Report
July 1, 2009 – June 30, 2010

Nebraska Department of Agriculture
Beginning Farmer Program

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Beginning Farmer Program Annual Report

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Beginning Farmer Program Board of Directors

FY 2009 – 2010
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Name	Representing
Greg Ibach	Director Nebraska Department of Agriculture
Marian Beethe (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture
Douglas Ewald	Tax Commissioner Nebraska Department of Revenue
Dave Dearmont (Designee)	Research Division Nebraska Department of Revenue
Darrell Mark	Academic Community Extension Agricultural Economist University of Nebraska - Lincoln
Mark Graff	Agricultural Lender
Todd Reed	Producer, District 1
Melvin Valasek	Producer, District 2
Don Anthony	Producer, District 3

Staff Members

Lindsey Salestrom	Staff Assistant
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**Beginning Farmer Program
Board Meeting Dates
and
Attendees**

**FY 2009 – 2010
July 1, 2009 – June 30, 2010**

Meeting Date	Members Attending	Guests Attending	Staff Attending
November 9, 2009	Don Anthony Marian Beethe Dave Dearmont Mark Graff Darrell Mark Melvin Valasek	Dudley Buyer, Nebraska Investment Finance Authority	Lindsey Salestrom
December 2, 2009	Marian Beethe Dave Dearmont Mark Graff Darrell Mark Todd Reed Melvin Valasek	Scott McFeeders, (beginning farmer applicant)	Lindsey Salestrom
February 5, 2010	Don Anthony Marian Beethe Dave Dearmont Mark Graff Darrell Mark Todd Reed Melvin Valasek		Lindsey Salestrom

Beginning Farmer Program Administrative Notes

**FY 2009 – 2010
July 1, 2009 – June 30, 2010**

The Beginning Farmer Tax Credit Act was enacted into law in August of 1999. The act was created out of a concern of the aging population of Nebraska's farmers and ranchers and who would be their successors. The Act provides a Nebraska income tax credit to the landlord who rents to an eligible beginning farmer or rancher. This program has become a good tool for the beginning farmer to use while trying to gain access to agricultural assets.

The Beginning Farmer Program has grown these past two years and now has enrolled a total of 185 Nebraska beginning farmers and ranchers and 229 land and other asset owners. Over half of them were enrolled in fiscal years 2008-2009 and 2009-2010. The 2009 changes to the Beginning Farmer Tax Credit Act have made an impact on the program and on Nebraska agriculture. Also, 142 beginning farmers and ranchers applied for the personal property tax exemption in 2009 and 2010.

Participants of the program have expressed their "thanks" for the Beginning Farmer Tax Credit Act Program at various agriculture shows we have attended. They were sincere in their statements of appreciation and most of the beginning farmers felt they wouldn't have been able to rent the land if it weren't for this program. Several beginning farmers and ranchers also explained their family transition plans and how they would become the owners in the future.

The Beginning Farmer Tax Credit Act has been the incentive for many families to discuss the various options that are available to them for transitioning their farm or ranch business to the next generation. Attending transition and succession training is a requirement of the Act. Legal Aid of Nebraska, supported by Nebraska's Farm Mediation Program, provides transition and succession workshops free of charge. Getting families to think about available options for transitioning their business is very valuable, actually developing a plan adds comfort and assurance to all family members. Each operation and family is different and will require very specific plans that will work for their specific situation.

The Board of Directors invited representatives of the Nebraska Agricultural Legislative Committee and their aides to the February board meeting. They were not able to attend due to legislative sessions and hearings, but sent word that they want to attend in the future. The Board welcomes their participation and involvement in the program as well as participation from other farm agencies and organizations. Bringing together the many aspects of agriculture will produce a stronger program to keep producers on the farms and ranches of Nebraska.

**Participant Statistics
As Reported for the Tax Year**

Tax Year Participation	2005	2006	2007	2008	2009	2005 - 2009 Last 5 Yrs Total & Avg	Totals - 2001 to 2009 Since the Beginning
# of Owners Receiving Tax Credit	32	18	23	46	147	266	400
Total Tax Credits Paid To Owners	\$ 46,604	\$ 26,883	\$ 76,782	\$ 372,222	\$ 1,094,696	\$ 1,617,187	\$ 1,850,338
Average Tax Credit per Owner	\$ 1,456	\$ 1,493	\$ 3,338	\$ 8,092	\$ 7,447	\$ 6,080	\$ 4,626
# of Beg. Farmers Paying Rent	30	16	17	34	119	216	346
Total Rent Paid by Beg. Farmers	\$ 932,086	\$ 479,960	\$ 697,105	\$ 2,877,600	\$ 8,460,149	\$ 13,446,900	\$ 18,109,606
Average Rent Paid per Beg. Farmer	\$ 31,070	\$ 29,998	\$ 41,006	\$ 84,635	\$ 71,094	\$ 62,254	\$ 52,340
Applications Received	34	19	23	43	129	248	373

Beginning Farmer Program Financial Report

FY 2009 – 2010
July 1, 2009 – June 30, 2010

Account Code Description	Budgeted Amount	Year-To-Date	% of Budget	Variance-Favorable (Unfavorable)
<u>510000 Personal Services</u>				
511100 Permanent Salaries – Wages	\$32,118.01	\$27,575.62	85.86	\$4,542.39
511800 Compensatory Time Paid		\$78.97	0.00	(\$78.97)
512100 Vacation Leave Expense		\$916.30	0.00	(\$916.30)
512200 Sick Leave Expense		\$1,174.25	0.00	(\$1,174.25)
512300 Holiday Leave Expense		\$1,446.65	0.00	(\$1,446.65)
515100 Retirement Plans Expense	\$2,265.00	\$2,338.66	103.25	(\$73.66)
515200 OASDI Expense	\$2,311.00	\$2,290.90	99.13	\$20.10
515400 Life & Accident Insurance Exp	\$11.00	\$11.53	104.82	(\$0.53)
515500 Health Insurance Expense	\$4,170.00	\$4,169.41	99.99	\$0.59
516300 Employee Assistance Program		\$15.00	0.00	(\$15.00)
516500 Workers Comp Premiums	\$30.00	\$173.55	578.50	(\$143.55)
<u>510000 Personal Services Total</u>	\$40,905.01	\$40,190.84	98.25	\$714.17
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$66.61	\$337.15	506.16	(\$270.54)
521200 Com. Exp – Voice/Data	\$146.67	\$600.60	409.49	(\$453.93)
521290 Com. Exp – Data only	\$7.54	\$29.24	387.80	(\$21.70)
521400 Data Processing Expense	\$974.38	\$1,081.88	111.03	(\$107.50)
521500 Publication & Print Expense	\$410.00	\$742.57	181.11	(\$332.57)
522100 Dues & Subscription Exp	\$5.00	\$0.00	0.00	\$5.00
522200 Conference Registration	\$34.00	\$31.00	91.18	\$3.00
524744 Exhibit Space	\$15.00	\$41.12	274.13	(\$26.12)
531100 Office Supplies Expense	\$10.00	\$0.00	0.00	\$10.00
534900 Miscellaneous Supplies Exp		\$10.07	0.00	(\$10.07)
534946 Promotional Supplies		\$21.38	0.00	(\$21.38)
541100 Accounting & Auditing Service	\$9.00	\$51.42	571.33	(\$42.42)
<u>520000 Operating Expenses Total</u>	\$1,678.20	\$2,946.43	175.57	(\$1,268.23)
<u>570000 Travel Expense</u>				
571100 Board & Lodging	\$150.00	\$545.28	363.52	(\$395.28)
571600 Meals – Not Travel Status	\$50.00	\$273.77	547.54	(\$223.77)
571900 Meals – One Day Travel	\$10.00	\$38.69	386.90	(\$28.69)
572100 Commercial Transportation	\$50.00	\$0.00	0.00	\$50.00
574500 Personal Vehicle Mileage	\$1,360.00	\$1,362.00	100.15	(\$2.00)
575100 Misc Travel Expense	\$90.00	\$134.94	149.93	(\$44.94)
<u>570000 Travel Expense Total</u>	\$1,710.00	\$2,354.68	137.70	(\$644.68)
Budgeted Expenditures Total	\$44,293.21	\$45,491.95	102.71	(\$1,198.74)

Beginning Farmer Program Outreach Activities

**FY 2009 – 2010
July 1, 2009 – June 30, 2010**

- Coalition of Agricultural Mediation Programs Conference, Vermont – July 6-9, 2009
- Nebraska Grazing Conference, Kearney – August 11-12, 2009
- Nebraska State Fair, Lincoln – August 28-September 7, 2009
- Husker Harvest Days, Grand Island – September 15-17, 2009
- Aksarben Livestock Show, Omaha – September 24-27, 2009
- AgCeptional Women’s Conference, Norfolk – November 19, 2009
- Nebraska Power Farming Show, Lincoln – December 8-10, 2009
- Nebraska College of Technical Agriculture, Curtis – January 21, 2010
- Farm Crisis Council Meeting, Lincoln – January 25, 2010
- Columbus Ag Show, Columbus – January 26-27, 2010
- Buffalo Bill Farm Expo, North Platte – February 3-4, 2010
- MarketPlace Conference, Kearney – February 23-24, 2010
- Women in Ag Conference, Kearney – February 25-26, 2010
- Governor’s Ag Conference, Kearney – March 3-4, 2010
- UNL Women’s Week Panel, Lincoln – March 10, 2010
- Nebraska Bankers Association Conference, Kearney – April 7-8, 2010
- FFA Career Fair, Lincoln – April 7-8, 2010
- National Young Farmers Educational Association, Agriculture’s Promise Task Force and Forum, Washington DC – April 19-21, 2010
- Nebraska College of Technical Agriculture Graduation and Groundbreaking, Curtis – May 6
- Coalition of Agricultural Mediation Programs (CAMP) Conference and Meeting, Park City, NV – June 7-10, 2010

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