



Annual Report
July 1, 2015 – June 30, 2016

Nebraska Department of Agriculture
Beginning Farmer Tax Credit Act

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**NextGen
Annual Report**

**Nebraska Department of Agriculture
Beginning Farmer Tax Credit Act**

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NextGen Board of Directors

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Name	Representing
Greg Ibach	Director Nebraska Department of Agriculture
Karla Bahm (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture
Len Sloup	Acting Tax 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
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NextGen Board Meeting Dates and Attendees

**FY 2015 – 2016
July 1, 2015 – June 30, 2016**

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

NextGen Administrative Notes

**FY 2015 – 2016
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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

Tax Year Participation	2011	2012	2013	2014	2015	2011 - 2015		Totals - 2001 to 2015
						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	\$ 954,659	\$ 947,904	\$ 5,056,989	\$ 8,367,780	
Average Tax Credit per Owner	\$ 5,678	\$ 4,952	\$ 5,301	\$ 5,821	\$ 5,325	\$ 5,426	\$ 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	\$ 7,641,412	\$ 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	66	41	61	51	58	277	708	

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)
<u>510000 Personal Services</u>				
511100 Permanent Salaries – Wages	\$36,195.58	\$28,849.49	79.70	\$7,346.09
512100 Vacation Leave Expense		\$3,925.53	0.00	(\$3,925.53)
512200 Sick Leave Expense		\$158.42	0.00	(\$158.42)
512300 Holiday Leave Expense		\$1,664.75	0.00	(\$1,664.75)
515100 Retirement Plans Expense	\$2,714.44	\$2,592.16	95.50	\$122.28
515200 FICA Expense	\$2,751.32	\$2,293.40	83.36	\$457.92
515400 Life & Accident Insurance Exp	\$11.00	\$10.94	99.45	\$0.06
515500 Health Insurance Expense	\$12,225.00	\$12,227.31	100.02	(\$2.31)
516200 Tuition Assistance		\$9.87	0.00	(\$9.87)
516300 Employee Assistance Program	\$15.00	\$0.00	0.00	\$15.00
516500 Workers Comp Premiums	\$363.00	\$348.57	96.02	\$14.43
<u>510000 Personal Services Total</u>	\$54,275.34	\$52,080.44	95.96	\$2,194.90
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$347.57	\$345.94	99.53	\$1.63
521200 Comm Expense – Voice/Data	\$506.00	\$310.40	61.34	\$195.60
521290 Comm Expense – Data only	\$7.00	\$2.98	42.57	\$4.02
521400 Data Processing Expense	\$1,254.05	\$1,412.86	112.66	(\$158.81)
521412 OCIO – Voice Expense		\$125.39	0.00	(\$125.39)
521500 Publication & Print Expense	\$2,358.00	\$2,302.02	97.63	\$55.98
522200 Conference Registration		\$22.50	0.00	(\$22.50)
524744 Exhibit Space	\$71.00	\$13.88	19.55	\$57.12
531100 Office Supplies Expense	\$37.00	\$0.00	0.00	\$37.00
532200 See Chart of Accounts		\$239.40	0.00	(\$239.40)
533900 Food Expense		\$3.40	0.00	(\$3.40)
534946 Promotional Supplies	\$236.00	\$872.11	369.54	(\$636.11)
541100 Accounting & Auditing Service	\$74.00	\$80.62	108.95	(\$6.62)
541400 HRMS Assessment		\$37.42	0.00	(\$37.42)
559100 Other Operating Exp	\$4,594.00	\$62.14	1.35	\$4,531.86
<u>520000 Operating Expenses Total</u>	\$9,484.62	\$5,831.06	61.48	\$3,653.56
<u>570000 Travel Expense</u>				
571100 Board & Lodging	\$947.00	\$29.14	3.08	\$917.86
571600 Meals – Not Travel Status	\$200.00	\$325.22	162.61	(\$125.22)
574500 Personal Vehicle Mileage	\$1,720.59	\$1,473.45	85.64	\$247.14
575100 Misc Travel Expense	\$120.00	\$90.00	75.00	\$30.00
<u>570000 Travel Expense Total</u>	\$2,987.59	\$1,917.81	64.19	\$1,069.78
<u>580000 Capital Outlay</u>				
583470 Personal Computing Equip		\$545.25	0.00	(\$545.25)
<u>580000 Capital Outlay</u>		\$545.25	0.00	(\$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

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