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BEGINNING FARMER AND ASSET OWNER INCENTIVES

With a phone call inquiry this past week on beginning farmer incentives, it reminded me that beginning farmers are quickly becoming a rarity, plus how hard it is to get started. Certainly there are exciting opportunities if a young farmer can link with or partner with an existing established operation, because quite frankly these days, it can be really hard to get started.

Think about how the population of agriculture in the U.S. is poised to make a dramatic change. In the next decade many predict half of all current farmers are likely to retire. Farmers, over the age of 55, control more than half of our nation's farmland and entry level farmers have fallen by 30 percent since 1987. As a group, new farmers make up only 10 percent of farmers and ranchers.

The needs of beginning farmers are much different than established farmers. Beginning farmers often lack the capital, are trying to payoff student loans and the scale today that you need along with the price of machinery and high technology costs seems insurmountable. The competition for land is so high, young farmers are economically disadvantaged competing against a larger farm operation.

Animal agriculture in Saline County continues to decline. We don't have a single dairy enterprise compared to a thriving industry years ago. A purebred swine operation near DeWitt recently indicated they now have no customers left in the county. The poultry and swine business has really swung towards contract farming with new opportunities available. Zoning and obstacles with neighbors often discourage new development as well as a large up front capital investment and low but consistent income during the building payoff years. Government is beginning to recognize the problem at the Federal and State level and locally I can think of some real positive examples where established farmers are mentoring and are engaged in new ways to get beginning farmers started.

We have a producer from Clatonia that has demonstrated a new idea of growing beef on a pivot corner utilizing cover crops and double cropping that is showing promise of how to vertically integrate without having to compete for more land. This idea can open new doors for a beginning farmer that likes working with cattle. Another beef producer near Milford has utilized cover crops on seed corn field acres partnering with landowners to open new opportunities on fall calving cows.

Landowners working with beginning farmers need to go to the Department of Agriculture website and look for information. <http://nebraskabeginningfarmer.org/> and also at: <http://www.nextgen.nebraska.gov/> There are application forms for direct tax income credits for landlords and income tax credits and property tax exemptions for beginning farmers that meet the eligibility criteria.

Since the NextGen program was passed into law in 1999, the program has assisted 308 beginning farmers and ranchers and has provided \$6.4 million in Nebraska income tax credits to asset owners. Applicants are highly encouraged to submit applications early in the year. An asset owner will receive a refundable tax credit equal to 10% of the cash rent or 15% of the value of the share crop or share cattle rent received each year for the three years of a crop or animal lease.



Agricultural assets with income tax credit possibilities for asset owners include the following examples: Land, Crops, Cattle, Farm Equipment and Machinery, Grain Storage, Irrigation Equipment and Livestock facilities.

For more eligibility requirement information and the online application form questions, go to the website or call 1-800-446-4071. Applicants are highly encouraged to submit applications early in the year and not wait until the November 1 and December 31 deadlines.

Randy Pryor, Extension Educator

University of Nebraska-Lincoln Extension in Saline County • 306 West 3rd Street, Wilber, NE 68465

Phone (402) 821-2151 • Fax (402) 821-3398 • e-mail: randy.pryor@unl.edu