

## COSHOCTON COUNTY AGRICULTURE &amp; NATURAL RESOURCES



### Thinking of Selling Timber?

**Monday, March 11, 2019  
8:30 to 8:30 P.M.**  
Frontier Power Community Room  
770 South 2nd Street  
Coshocton, Ohio 43812

**Program:**  
Selling timber isn't something that woodlot owners should take lightly. This program is designed to help you make decisions "on the ground" to help you and your woodlot.

**Speakers:**  
Dana Kasper, OSU Extension Specialist, NR, Forestry  
John Kasper, OSU Extension Specialist, NR, Forestry  
Bobbie Kasper, OSU Extension Specialist, NR, Forestry  
Dana Kasper, OSU Extension Specialist, NR, Forestry

**Registration Details:**  
Registration is free for OSU Extension and NR professionals. Registration for others is \$10.00. Registration is required by March 4, 2019. Space is limited. For more information, contact OSU Extension at 419-291-2265.

**Hosted by:**  
OSU Extension, Coshocton County

**PRE-REGISTRATION IS REQUIRED:** \$25.00 per person. Registration is required by March 4, 2019. Space is limited. For more information, contact OSU Extension at 419-291-2265.

**Donor:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**City:** \_\_\_\_\_  
**State:** \_\_\_\_\_  
**Zip:** \_\_\_\_\_

Hello, Coshocton County!

Well, both Buckeye Chuck and Punxsutawney Phil did not see their shadow—so maybe an early spring will be in store for us? What seems for certain is that our weather will remain like a rollercoaster-up, down, and all around.

This week is a historical one for OSU Extension here in Coshocton County as 100 years ago the first "county agent" (Mr. Grover C. Musgrove) started work here in Coshocton County to serve as a link between Ohio State University and our local farms, youth and families. We appreciate all of your support over the years and look to continue to serve for many years to come.

We had an excellent agronomy school last week ahead of the arctic cold and were pleased to have a really nice group watch the State Beef webinar last night. In fact, I think it was the best beef webinar that our State Beef Team has given in my career. It was packed with great information for beef producers. A reminder that we have a farm tax, macrophotography and pesticide/fertilizer re-certification session slated for this month.

Stay safe! I hope to see you at one (or more) of our upcoming events.

*Sincerely,*

*David Marrison*

Coshocton County OSU Extension ANR Educator

### February 6, 2019 Issue

Celebrating 100 Years  
Farm Tax Update in Coshocton  
Next Farmers Breakfast on  
February 12  
Macro Photography Workshop  
ODA Testing – March 13  
Timber Marketing Workshop  
Hydrangea Workshop  
Weather Update  
Cover Crop Resources  
Tips for Speaking with Lender  
The New QBI Tax Deduction  
Winter Feeding Beef Cattle

Coshocton County Extension  
724 South 7th Street, Room 110  
Coshocton, Ohio 43812  
Phone: 740-622-2265  
Fax: 740-622-2197  
Email: [marrison.2@osu.edu](mailto:marrison.2@osu.edu)  
Web: <http://coshocton.osu.edu>



**THE OHIO STATE UNIVERSITY**  
COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

CFAES provides research and related educational programs to clientele on a nondiscriminatory basis. For more information visit:  
[go.osu.edu/cfaesdiversity](http://go.osu.edu/cfaesdiversity).

By Emily Marrison, FCS Extension Educator-Coshocton County

So what was the world like in 1919? The First World War had just ended in November 1918. Babe Ruth was sold by the Boston Red Sox to the New York Yankees. You could build a Sears Roebuck home for \$248 - \$3,134 depending on the plan. Calico fabric was 11 cents a yard. Flour came in 24-lb sacks and cost \$1.68. A half-gallon of milk was 31 cents, but it would have been delivered by the quart to your doorstep. A dozen eggs cost 63 cents.

## COMMENDATION

**Celebrating the 100<sup>th</sup> anniversary of the first County Agent in Cuyahoga County as part of the Cooperative Extension System**

WHEREAS, February 1, 2019, marks the centennial of the arrival in Cuyahoga County of Gustav C. Mogavore, the first "farm agent" from the Extension department of The Ohio State University;

WHEREAS, the Smith-Lewis Act (Act of Mar. 4, 1914, Ch. 39, Stat. 372, 71 U.S.C. 341 et seq.) established Cooperative Extension to expand the "vocational, agricultural and home demonstration programs in rural America" by linking the research-based knowledge of the land-grant universities to people where they live and work;

WHEREAS, Cooperative Extension remains a critical component of the three-part land-grant university mission and works collaboratively with research and academic programs in over 100 colleges and universities throughout all of the United States to strengthen and deliver needed solutions to all communities;

WHEREAS, the Smith-Lewis Act requires a patchwork of home county, state and federal governments and organizations to be established locally to meet the needs of each county;

WHEREAS, OSU Extension's mission is to create opportunities for people to explore how science-based knowledge can improve local, state, environmental and environmental conditions;

WHEREAS, OSU Extension programming in Cuyahoga County impacts the lives of thousands of citizens in the delivery of sustainable food systems, environmental quality, health and wellness, youth development, workforce development, and engages volunteers to maintain thriving communities;

WHEREAS, OSU Extension's research-based education for farmers has included farm business management, farm transition and succession planning, agronomic and livestock focused workshops, research plots, and demonstrations;

WHEREAS, since 1919, the 44th youth development program has reached thousands of youth in Cuyahoga County and helped develop characteristics that build a foundation for a positive adulthood;

WHEREAS, OSU Extension programs people for healthy, productive lives through sustained education, such as the Expanded Food and Nutrition Education Program and Supplemental Nutrition Assistance Program funding, breaking the cycle of poverty and reducing expenditures for federal and state assistance programs;

1

2

The Coshocton County Commissioners presented a Proclamation in recognition of Extension's 100 Years on February 4, 2019.

Grover C. Musgrove began work in Coshocton County on February 1, 1919. Musgrove was a county agent in Moundsville, WV and that local newspaper said the following of him: "Mr. Musgrove was the ideal man that the farmers could find to get their organization started right... Marshall County farmers realize the benefit of a county agent so well that another will be secured as soon as the proper person can be found who is not tied up somewhere else... The Echo congratulates the people of Coshocton upon gaining a citizen of the talent and character of Mr. Musgrove. His sterling qualities have won him a high place in popular esteem among our people and will do the same in Coshocton."

Today I'll leave you with this quote from Marian Wright Edelman, "Education is for improving the lives of others and for leaving your community and world better than

## ***Farm Tax Update to Be Held on February 11 in Coshocton***

OSU Extension in Coshocton County is pleased to be offering a Farm Tax Update on Monday, February 11, 2019 from 6:37 to 8:00 p.m. at the Coshocton County Services Building - Room 145 located at 724 South 7<sup>th</sup> Street in Coshocton, Ohio. OSU Extension Educator David Marrison will share details on the "Tax Cuts & Jobs Act of 2017" and its impact on farm taxes. Learn more about the changes to farm machinery depreciation, like-kind exchanges, and more about the new Section 199A deduction for Qualified Business Income. This program is free & open to the public! However, courtesy reservations are requested so program materials can be prepared. Call 740-622-2265 to RSVP or for more information.

## ***Farmers Breakfast Slated for February 12***

The Coshocton Soil & Water Conservation District, the Coshocton County USDA- Farm Service Agency, and OSU Extension are pleased to be hosting the Coshocton County Farmer's Breakfast once again this winter. The next breakfast will be held on Tuesday, February 12 breakfast and will feature the Coshocton County's Ag Teachers speaking on "Today's Ag and FFA Programs." The breakfast is held at Edie Ryan's Restaurant (585 S. Whitewoman Street in Coshocton) beginning at 7:30 a.m. There is no charge for the meeting and no reservations are required. Attendees are, however, responsible for the cost of their breakfast. More information about these events can be obtained by calling the Coshocton SWCD at 622-8087, ext. 4.



## ***Macro Photography in the Outdoors Workshop to be held on February 18***

OSU Extension in Coshocton County is pleased to be offering a "Macro-Photography in the Outdoors" Workshop on Monday, February 18, 2019 from 6:00 to 8:00 p.m. at the Coshocton County Services Building - Room 145 located at 724 South 7<sup>th</sup> Street in Coshocton, Ohio.

Many photographers today want to know how to take **Macro Pictures** thanks to a growing number of beautiful images online of small plants, animals, and insects. Join OSU Extension as we host **Danae Wolfe** (Award Winning Photographer and OSU Educational Technology Specialist) who will teach the basics of macro photography.



Macrophotography is the close-up photography of very small subjects in which size of the subject in the photograph is greater than life size. During this workshop, attendees will learn macro photography techniques, choosing the right equipment, and other tips for taking outdoor photographs.

The registration fee is \$5 per person and is limited to the first 42 registrants. Please register by February 11, 2019. Make checks payable to Ohio State University Extension. Call the Coshocton County Extension at 740-622-2265 for more information. A registration flyer can also be found at: [go.osu.edu/coshoctonevents](https://go.osu.edu/coshoctonevents)

## ***ODA Testing Date in Coshocton County Slated for March 13***

The Ohio Department of Agriculture (ODA) will be administering Private and Commercial Pesticide license examinations on Wednesday, March 13, 2019 at the Coshocton County Services Building (Room B100) located at 724 South 7<sup>th</sup> Street in Coshocton, Ohio. The testing will begin at 12:00 noon. Pre-registrations are required and can be made on-line at the ODA website at:

<https://agri.ohio.gov/wps/portal/gov/oda/divisions/plant-health/pesticides/exam-registration> Producers can also call the ODA at 614-728-6987. Study materials can be obtained at: <https://pested.osu.edu/>



## ***Timber Marketing Workshop to be held on March 18, 2019 in Coshocton County***

OSU Extension in Coshocton County is pleased to be offering a “**Timber Marketing**” Workshop on Monday, March 11, 2019 from 6:30 to 8:30 p.m. This program will be held at the Frontier Power Community Room located at 770 South 2<sup>nd</sup> Street in Coshocton, OH 43812.

Selling timber isn't something that woodland owners should take lightly. This program is designed to help you make decisions that will have a positive influence on you and your woodland. Speakers for this event include: Dave Apsley, OSU Extension Natural Resources Specialist; Adam Komar, ODNR Service Forester; and Bob Mulligan, Forest Hydrology Manager from the Ohio Division of Forestry.



Topics which will be addressed at this workshop include: Matching the harvest to your goals; Marketing your timber; Which trees & when to cut; Best Management Practices; Timber Stand Improvement; Ohio Master Logger program and Timber Prices & Trends.

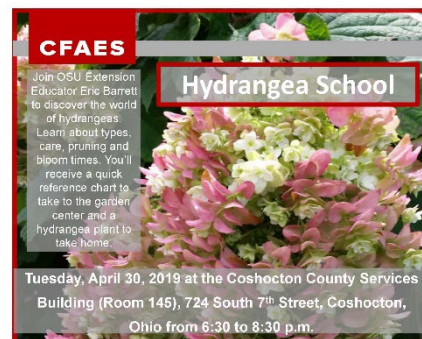
Registration is \$10 per person and pre-reservations are requested by March 4, 2019. Room space is limited, so first come first serve. Maximum registration of 50 persons. Make checks payable to Ohio State University Extension. Mail to Coshocton Extension office, 724 South 7th Street, Coshocton, Ohio 43812.

This program has been approved for 2.0 hours of Ohio Forest Tax Law Education Credits. Call the Coshocton County Extension office at 740-622-2265 for more information about this program. A registration flyer can also be found at: [go.osu.edu/coshoctonevents](http://go.osu.edu/coshoctonevents)

## ***Hydrangea Workshop Slated for April 30***

OSU Extension in Coshocton County is pleased to be offering a **Hydrangea School** on Tuesday, April 30, 2019 at the at the Coshocton County Services Building - Room 145 located at 724 South 7<sup>th</sup> Street in Coshocton, Ohio from 6:30 to 8:30 p.m.

Join OSU Extension Educator Eric Barrett to discover the world of hydrangeas. Learn about types, care, pruning and bloom times. You'll receive a quick reference chart to take to the garden center and a hydrangea plant to take home. The registration fee for this workshop is \$30 per person. Please make checks payable to OSU Extension. Mail to Coshocton Extension office, 724 South 7<sup>th</sup> Street, Room 110, Coshocton, Ohio 43812.



Registration includes handouts, light refreshments and a hydrangea plant to take home for your landscape. Due to space limitations, this program will be limited to the first 50 registrants. Call the Coshocton County Extension at 740-622-2265 for more information. A registration flyer can also be found at: <http://go.osu.edu/coshoctonevents>

**Check out upcoming programs at: [go.osu.edu/coshoctonevents](http://go.osu.edu/coshoctonevents)**

## Weather Update

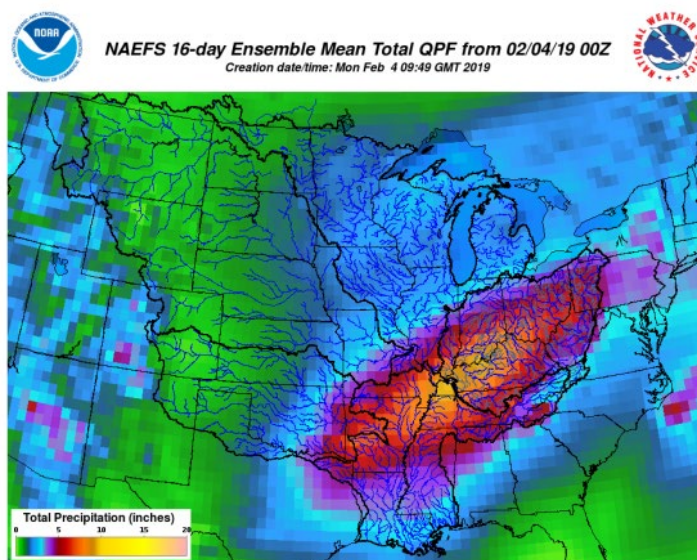
By Jim Noel

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2019-03/weather-outlook>

The weather and climate pattern has been on a real roller coaster ride and it is expected to continue right into spring. Currently, the climate models are struggling to deal with the ocean conditions in the Pacific Ocean. Most models have been forecasting an El Nino this winter into spring and it just has not happened as of this time. In addition, without an El Nino or La Nina going on, this creates greater uncertainty in our weather and climate. It appears this may at least last into early spring.

February is shaping up to be wet with significant temperatures swings. Rainfall is forecast to range from about 2 inches in far northern Ohio to possibly 6 in southern Ohio over the next two weeks. Combine the rain with recent snowmelt and ice melt and conditions will be very wet and muddy. Many climate models are suggesting a warmer and drier than normal spring but based on recent trends, it appears to be shaping up to be normal or wetter than normal into April but uncertainty is high.

The latest two-week rainfall map is to the right. You can see a very heavy rain event for portions of the Ohio Valley in the next two weeks.



For individual location specifics visit <https://water.weather.gov>

You can see updated potential for flooding at the NOAA/NWS/OHRFC flood briefing pages: <https://www.weather.gov/ohrfc/FloodBriefing>

The 16-day rainfall potential map is located here: <https://www.weather.gov/images/ohrfc/dynamic/NAEFS16.apcp.mean.total.png>

You can also see updated seasonal outlooks at the NOAA/NWS/OHRFC seasonal briefing pages here: <https://www.weather.gov/ohrfc/SeasonalBriefing>

## Cover Crops Resources

By Alan Sundermeier

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2019-03/cover-crop-resources-purdue>

Purdue has recently published cover crop recipes intended to provide a starting point for farmers who are new to growing cover crops. With experience, farmers may fine-tune the use of cover crops for their systems. Additional Purdue resources are also listed:

Post Soybean, Going to Corn: Use Oats/Radish (Indiana Cover Crop Recipe series, MCCC-101/AY-357-W) — available from [www.mccc.msu.edu](http://www.mccc.msu.edu) select states/provinces, then Indiana.

Post Corn, Going to Soybean: Use Cereal Rye (Indiana Cover Crop Recipe series, MCCC-100/AY-356-W)— available from [www.mccc.msu.edu](http://www.mccc.msu.edu) select states/provinces, then Indiana.



**Narrow Row Planting:** Many split-row or narrow row planters (15' row width or less) can be equipped with seed plates, such as are used for sugar beets or sorghum, which works well for many cover crop species. Additional adaptation and/or calibration may be necessary due to variation of seed size among cover crop species and varieties. Since a planter is capable of much more precise spacing and depth control, it is possible to reduce overall seeding rates to 50% of drilled rates. To meet criteria for soil erosion and soil quality at least two species of cover crops should be planted either in alternating rows or combined together. This method will not be used if weed control is the primary purpose.



Narrow Row or Split-Row Planter

Managing Cover Crops: An Introduction to Integrating Cover Crops into a Corn-Soybean Rotation (Purdue Extension publication AY-353-W)  
<https://extension.purdue.edu/extmedia/AY/AY-353-W.pdf>

Residual Herbicides and Fall Cover Crop Establishment (Purdue Extension Weed Science publication), <https://extension.entm.purdue.edu/newsletters/pestandcrop/article/residual-herbicides-and-fall-cover-crop-establishment/>

Terminating Cover Crops: Successful Cover Crop Termination with Herbicides (Purdue Extension publication WS-50-W), [https://mdc.itap.purdue.edu/item.asp?Item\\_Number=WS-50-W](https://mdc.itap.purdue.edu/item.asp?Item_Number=WS-50-W)

Recommended Cover Crop Seeding Methods and Tools (Indiana–Agronomy Technical Note 6)—available from the USDA–Natural Resources Conservation Service, [https://www.nrcs.usda.gov/Internet/FSE\\_DOCUMENTS/nrcs144p2\\_030986.pdf](https://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs144p2_030986.pdf)

## ***Tips for Speaking With Your Lender***

by Chris Zoller, Tuscarawas County

2019 is upon us and you may be meeting soon with your lender to discuss financial needs for the year. We all know agriculture is suffering from poor economic conditions – and the outlook for many sectors of the industry doesn't look real promising. A variety of factors are forcing lenders to be more critical of loan applications. Let's review a few things you can do to assist your lender as they review your loan application.

### Financial Forms:

A year-end Balance Sheet is very helpful and provides a snapshot of the assets, liabilities, and net worth of your farm. Get in the habit of completing one each year for your lender to keep on file and for your own reference so you can monitor changes over time. You can get a blank balance sheet from your lender or access one here: <https://farmoffice.osu.edu/farm-management-tools/farm-management-resources>.

### Cost of Production:

Know your cost of production. What does it cost you to produce 100 pounds of milk? What is your per acre or per ton cost to grow and harvest crops? If you need assistance with determining these, please see: <https://farmoffice.osu.edu/> for copies of Ohio State University Extension production budgets and <https://farmprofitability.osu.edu/business-summaries> for copies of the Ohio Farm Business Summaries.

### Goals:

Why are you requesting money from your lender? What is your goal(s)? What are you hoping to accomplish with the money you are requesting? Will you use the money as an operating loan to plant your crops? Are you planning an expansion? Are you wanting to consolidate existing debt? Regardless of the reason, your lender is going to need to know how you plan to repay the loan. A budget and cash flow projections will help everyone understand how the money will be used and how it will be repaid. Research has proven that you are more likely to accomplish your goals if they are written. Be sure your goals are Specific, Measurable, Attainable, Rewarding, and Timed (SMART). See this Ohio State University Extension fact sheet for information about writing SMART goals: <https://ohioline.osu.edu/factsheet/node/767>.

### Tax Returns:

Your lender may request copies of your tax returns. Make sure you categorize income and expenses the same way each year. This allows the lender to compare apples-to-apples when evaluating your historic income and expenses. Also, if you pre-pay expenses or defer income, make sure your lender is aware of this so they can make accrual adjustments.

### Communication:

Communication with your lender is critical. Your lender is interested in understanding your farm, knowing how you are progressing, and what your plans are for the short and long-term. Invite your lender to visit the farm for a tour, a ride in the tractor, or to assist with milking!



### Business Plan:

Every lender would love to see each client have a written business plan. A business plan is made up of five parts: Executive Summary, Description, Operations, Marketing Plan, and Financial Plan. The University of Minnesota Extension has a template available at the following site: <https://agplan.umn.edu/>.

### Summary:

The items discussed in this article are ones you can control. Focus on these areas and make adjustments accordingly to make improvements. Contact your local Extension Educator or the Ohio State University Extension Farm Profitability Program for assistance.

### Resources:

The Basics of a Farm Balance Sheet, OSU Extension Fact Sheet ANR-64, available at: <https://ohioline.osu.edu/factsheet/anr-64>

Seven Tips for a Strong Marketing Plan, American Bankers Association, available at: <https://www.aba.com/Press/Pages/111218AgMktgTips.aspx>

Tips for Working with Your Lender, University of Minnesota Extension, available at: <https://blog-abm-news.extension.umn.edu/2016/08/tips-for-working-with-your-lender.html>

Learn to Talk Like Your Banker, Greg Meyer, OSU Extension, Warren County

(Originally published in *Farm and Dairy*, January 24, 2019)

## ***The New Tax Law and the New Business “Qualified Business Income” Deduction***

by: Barry Ward, Director, OSU Income Tax Schools & Leader, Production Business Management

The new tax law known as the Tax Cuts and Jobs Act (TCJA) was signed into law on December 22, 2017 and will affect income tax returns for all of us for 2018 (to be filed in the next few months). The headline pieces of the new tax law include new tax brackets, higher standard deductions, elimination of personal exemptions and a new corporate flat tax rate of 21%. This will amount to lower total federal income tax for the large majority of taxpayers and C-corporations. Parts of the new tax law will make tax preparation simpler while parts will add complexity to the process.

With the new lower tax rate for corporations (specifically C-corporations) of 21% (a flat 21% rate) this replaces the old graduated tax brackets for C-corporations that started at 15% and topped out at 35%. The new lower tax rate for C-corporations may have created a decidedly uneven playing field if the new tax law hadn't included a new deduction for all other businesses. This new Qualified Business Income Deduction (QBID) (sometimes referred to as the Pass-Through Deduction) is a 20% deduction of a businesses' Qualified Business Income (QBI). Without this, businesses across the U.S. would have been strongly considering a change to a C-Corp structure for income tax purposes. With this QBID, the playing field between the different tax entities is mostly re-leveled. There may be inequalities that show up with the new tax law as it relates to business entity selection but it may take some time for these inequalities to reveal themselves.

The new Qualified Business Income Deduction is laid out in Section 199A of the Internal Revenue Code (IRC). This new deduction has also been referred to as the 199A Deduction, the §199A Deduction for Pass-through Entities, the Business Deduction, the QBI Deduction, the Pass-through Entity Deduction, the Pass-through Business Deduction and other names. Each of these names refers to the same new deduction.

The QBID is a deduction in the amount of 20% that is allowed for “pass through entities” – sole proprietorships, partnerships, and S corporations (Limited Liability Companies (LLCs) filing as one of the afore-mentioned are included).

To qualify for this 20% deduction, qualified business income must be earned from what is termed a “qualified trade or business.” The deduction reduces taxable income and is 20% of “qualified business income” (or 20%

of taxable ordinary income, whichever is less). The deduction is claimed on the individual's tax returns whether an individual itemizes or does not itemize personal deductions on Schedule A. This deduction is classified as a "below-the-line" deduction as it is taken after adjusted gross income is calculated.

Net Farm Income from Schedule F qualifies for this deduction. Depreciation recapture income and certain rental income also qualifies. Capital gains income does not qualify. The key consideration for farmers is that Net Farm Profit (if any) from Schedule F does qualify for the deduction.

For higher income filers there are limitation phase-ins for this deduction. This deduction is fully available for individuals with taxable income of less than \$157,500 for single filers and less than \$315,000 for joint filers. (Filers above these thresholds can also qualify if they meet certain criteria.) The deductible amount for EACH qualified trade or business is 20% of the taxpayers qualified business income (QBI) with respect to each trade or business or 20% of the taxpayer's taxable income, whichever is less.

Example:

You are a sole-proprietor (married filing jointly) and you make \$100,000 in net farm income (Schedule F Income) but with the new standard deduction (\$24,000) your taxable income is \$76,000 (assume the Schedule F net farm income is the sole source of income).

Your deduction is the lesser of:

20% of \$100,000 = \$20,000

20% of \$76,000 = \$15,200

Deduction is \$15,200

Your taxable income in this simple example will be \$60,800 (\$100,000 - \$24,000 - \$15,200).

The QBID is limited for taxpayers with QBI over the threshold amounts of \$157,500 for single filers and \$315,000 for joint filers. Taxpayers with QBI over these need wages paid (W-2 wages paid) and/or depreciable property to qualify. This "depreciable property" is technically referred to as "Unadjusted basis immediately after acquisition of qualified property" or "UBIA of qualified property" or UBIA for short.

The limitation phase-in ranges are \$50,000 for single filers and \$100,000 for joint filers which means the limitation phase-in ranges for a single filer is \$157,000 – \$207,000 and the limitation phase-in range for joint filers is \$315,000 – \$415,000.

So....once \$157,000 and \$315,000 are reached, a limitation on the deduction is phased in over the ranges of \$50,000 for single filers and \$100,000 for joint filers. Taxpayers with taxable income that fall in this limitation phase-in range are subject to a ratable phase-in of the wage and capital limitation which we discuss next. Once filers reach the top of the phase out ranges (\$207,500 for single filers and \$415,000 for joint filers) the calculations are relatively simple. The deduction is the lesser of:

1. QBI for the trade or business (20% x Qualified Business Income) and:
2. The greater of:
  - 50% of the W-2 wages paid by the business or
  - The sum of 25% of the W-2 wages with respect to the trade or business and 2.5% of the depreciable property (UBIA).

Example:

You are a sole-proprietor (married filing jointly) and you have \$500,000 of Net Farm Income (Schedule F Income) but with the new standard deduction (\$24,000) your taxable income is \$476,000 (assume the Schedule F net farm income is the sole source of income). Assume they pay W-2 wages of \$60,000 and have depreciable property of \$1.2 million.

As they are above the top end of the limitation phase-in range (\$415,000 for joint filers), their QBID will be limited to the lesser of 20% of the QBI (\$500,000 x 20% = \$100,000) or the greater of the two possible wage/UBIA limiting calculations. We can calculate the potential QBID using both methods and take the higher of the two.



- $\$60,000 * 50\% = \$30,000$
- $(\$60,000 * 25\%) + (\$1,200,000 * 2\%) = \mathbf{\$39,000}$

We compare the greater of the two (\$39,000) to the unlimited QBID of \$100,000 and take the lesser of the two or \$39,000.

The QBID deduction will be \$39,000 for this farm business and for this taxpayer assuming 20% of the Taxable Income isn't less than this. Taxable income of \$476,000 \* 20% equals \$95,200 therefore the QBID for this tax return will be \$39,000 and the Taxable Income will be \$437,00 (\$500,000 – \$24,000 – \$39,000).

For purposes of the QBID we provide more details on depreciable property to calculate the QBID in and above the phase-out ranges.

What is the depreciable property (UBIA) for purposes of the QBID? This is defined as tangible property, subject to depreciation (meaning inventory doesn't count), which is held by the business at the end of the year and is used — at ANY point in the year — in the production of QBI. But there's a catch: if you're going to count the basis towards your limitation, the "depreciable period" of the period could not have ended prior to the last day of the year for which you are trying to take the deduction.

The depreciable period starts on the date the property is placed in service and ends on the LATER OF: 10 years, or the last day of the last full year in the asset's "regular" (not ADS) depreciation period.

To illustrate, assume Ohio Farm purchases a piece of machinery on November 18, 2018 for 100,000. The machinery is used in the business, and is depreciated over 5 years. Even though the depreciable life of the asset is only 5 years, the owners of Ohio Farm will be able to take the unadjusted basis of \$100,000 into consideration for purposes of this second limitation for ten full years, from 2018-2027, because the qualifying period runs for the LONGER of the useful life (5 years) OR 10 years.

The basis taken into consideration is "unadjusted basis," meaning it is NOT reduced by any depreciation deductions. In fact, Internal Revenue Code Section (§) 199A(b)(2)(B)(ii) requires that you take into consideration the basis of the property "immediately after acquisition". Any asset that was fully depreciated prior to 2018, unless it was placed in service after 2008, will not count towards basis.

Just as with W-2 wages, a shareholder or partner may only take into consideration for purposes of applying the limitation, 2.5% of his or her allocable share of the basis of the property. So if the total basis of S corporation property is \$1,000,000 and you are a 20% shareholder, your basis limitation is  $\$1,000,000 * 20\% * 2.5\% = \$5,000$ .

If you are a partner in a partnership, you must allocate your share of asset basis in the same manner in which you are allocated depreciation expense from the partnership. Special rules apply for sales to cooperatives and farmland lease income and will be covered in a subsequent articles.

## **Winter Feeding Beef Cows**

By: [Steve Boyles](#), OSU Beef Extension Specialist

The goal is to have a winter feeding program meets the cow's requirements and is economical. There is a biological priority for nutrients. The needs for maintenance, growth and milk production must be met before we can optimize reproduction.

The period from approximately 60 to 90 days prior to calving is affects the calf and the subsequent reproductive performance. Fetal growth is at its maximum and fat stores will be used for lactation. Nutrition during this time also affect colostrums quality. Underfeeding during this time period include:

1. Lighter calf birth weights (although calving difficulty won't be reduced).
2. Lower calf survival.
3. Lower milk production and calf growth.
4. A longer period for cattle coming back into heat.

**Cold Temperatures:** The only adjustment in cow rations necessitated by weather is to increase maintenance energy. Protein, mineral and vitamin requirements are not changed by weather stress. The general rule of thumb is to increase winter ration energy 1 percent for each degree (F) below the lower critical temperature. Here are some examples.

Effective Temperature	Extra TDN Needed	Extra Hay Needed (lbs./cow/day)	(or) Extra Grain Needed, (lbs./cow/day)
50 F	0	0	0
30 F	0	0	0
10 F	20%	3.5-4 lbs	2-2.5 lbs
-10 F	40%	7-8 lbs	4-6 lbs.

Cold weather can affect cattle. While cold weather generally increases intake, windy or wet weather will reduce grazing time and intake. The cows would rather find shelter out of wind than eat.

**Forage Quality and Intake:** As forage quality decreases, forage intake also decreases. Beef cattle selectively graze, eating the better-quality forage first. Providing protein supplementation to lower quality diets can increase the number of ruminal microorganisms to digest forage. Protein supplementation of poor quality forages will increase forage intake. Increased forage intake meets the cow additional energy intake. Thus, to maximize profitability, it is essential to optimize protein.

**Protein Requirements in last 1/3 of pregnancy:** Gestation has little effect on the cow's protein requirement until about the seventh month of pregnancy. About two-thirds of the fetal growth occurs during this last one-third of pregnancy, and the protein intake of the cow should be increased during the last one-third of pregnancy to ensure the cow will be in good condition at the time of calving. The cow is programmed to take care of the fetus at the expense of her own body, and losses of body condition can occur in late pregnancy when protein or energy are not increased to match the needs of the pregnant cow. Adequate protein during this period also is essential for the cow to produce abundant, high-quality colostrum. Colostrum quantity and quality influences the newborn's immune system.

**Protein Supplementation & Partitioning Protein:** Protein requirements are now including metabolizable protein (MP) so as to take into consideration the differences in rates of digestion and utilization of various protein sources and to account for requirements of rumen bacteria and those of the animal. This is a change over the established system of describing protein requirements as Crude Protein. While energy is the most commonly deficient nutrient in beef-cow diets, protein often represents the largest "out-of-pocket" expense.

Protein can be divided into two components, degradable intake protein (DIP) and undegradable intake protein (UIP). The DIP fraction is available to the rumen microflora and can be used for their growth and digestion of dietary fiber. Supplementing low-quality forages with DIP has been shown to increase forage digestion and intake. The UIP is not available to the rumen microflora and has no effect on forage utilization. The UIP fraction can be a direct supply of amino acids to the cow or it can go undigested and be expelled. Oil seed byproducts (soybean meal, cottonseed meal, sunflower meal) contain a high percentage of DIP while proteins derived from animal sources contain mostly UIP. Forage-based diets should be focused on the inclusion rates of DIP in the diet.

Generally, DIP can supply CP approximately 7% of the diet. If the required CP in the diet exceeds 7% of the DM, all CP above this amount should be UIP. In other words, if the final diet is to contain 13% CP, 7 of the 13 units should be UIP, or 54% of the CP and 6 of the 13 percentage units should be DIP, or 46% of the CP.

**Non-Protein Nitrogen (NPN):** Cattle can use "natural" protein such as that contained in feedstuffs or other nitrogen sources. Sources other than natural protein are generally referred to as nonprotein nitrogen (NPN) sources. Common NPN sources used include urea, biuret and ammonia hydroxide. Limited amounts of the DIP in supplements can be replaced by NPN. An inclusion level of 15 percent of the total crude protein (or 20 percent of the DIP) as NPN can be used without significantly jeopardizing livestock performance.

Previous research where supplement containing significant amounts of NPN indicates that, at best, 50 percent of the protein coming from NPN can be utilized by cows consuming low- to medium-quality roughages. However frequency of feeding may improve utilization.

Supplements containing high bypass protein sources are better utilized in combination with NPN than are lower bypass sources such as SBM. In general, producers can price high bypass compared to low-bypass protein sources on a pound-for-pound basis for use with beef cows. It should be pointed out, however, that high-bypass sources plus NPN can be used in growing/finishing programs.

**Energy Supplementation with Grain:** When the protein content of the forage is high (> 10% crude protein), grains or low protein supplements (< 20% CP) can be used. It has been suggested that an energy supplement level that would minimally affect forage intake would be .7% of animal body weight. However, level of grain supplementation can vary with forage quality.

**Digestible Fibers as Energy Sources:** Studies with readily degradable fiber sources as energy supplements for grazing and forage-fed ruminants have yielded different responses than research with grains. Soybean hulls result in only a small decrease in forage intake. Other sources of readily degraded fiber such as wheat midds, beet pulp, and corn gluten feed have generally not decreased forage intake as much as grain-based supplements.

High protein supplements that do not contain urea or other non-protein nitrogen sources do not need to be fed every day. Simply double the amount and feed every other day. Range cake or cubes (20% crude protein) can be utilized with intermediate quality forages. Altering body condition with supplements prior to cold weather may be more effective than waiting until cold weather occurs.

Level of Supplement:	Protein in Low 14%	Intermediate 20%	High >30%	Digestible Fiber
Forage CP Level:	10%	6-10%	6%	6-10%
When Feed:	Every Day	Every Day	Alternate Days	Every Day

*Alternate Day programs are only suitable for all natural protein sources.*

Sources:

Blasi, D.A., F.K. Brazle, G.L. Kuhl, T.T. Marston. 1998. Beef cow nutrition guide. Kansas State University Agricultural Experiment Station and Cooperative Extension Service. C-735.

Rasby, R. and R. Funston. 2016. Nutrition and management of cows: Supplementation and feed additives. The Professional Animal Scientist 32 (2016):135–144.





# FARM TAX UPDATE

**Monday, February 11, 2019**

**6:37 to 8:00 P.M.**

## **Location:**

Coshocton County Services Building  
Room 145  
724 South 7<sup>th</sup> Street  
Coshocton, Ohio 43812

## **Details:**

This program is free & open to the public! Courtesy reservations are requested so program materials can be prepared. Call 740-622-2265 to RSVP.

OSU Extension Educator David Marrison will provide a Farm Tax Update. Learn more about the **“Tax Cuts & Jobs Act of 2017”** and its impact on farm taxes. Learn more about the changes to equipment depreciation, like-kind exchanges, and more about the new Section 199A deduction for Qualified Business Income. It is not business as usual in the world of farm taxes.



**THE OHIO STATE UNIVERSITY**

COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

CFAES provides research and related educational programs to clientele on a nondiscriminatory basis. For more information, visit [cfaesdiversity.osu.edu](http://cfaesdiversity.osu.edu).



# “Macro Photography in the Outdoors”

~~~~~

**Monday, February 18**  
**6:00 to 8:00 p.m.**

## ***Natural Resources Education Series***

### **Location:**

Coshocton County Services Building  
Room 145  
724 South 7<sup>th</sup> Street  
Coshocton, OH 43812

### **Registration:**

The registration fee is \$5 per person and is limited to the first 42 registrants. Please register by February 11, 2019.

### **Program Details:**

Many photographers today want to know how to take **Macro Pictures** thanks to a growing number of beautiful images online of small plants, animals, and insects. Join OSU Extension as we host **Danae Wolfe** (Award Winning Photographer and OSU Educational Technology Specialist) who will teach the basics of macro photography which is the close-up photography of very small subjects in which size of the subject in the photograph is greater than life size. Learn photography techniques, how to choose the right equipment, and much more.

**PRE-REGISTRATION IS REQUESTED.** \$5 per person. Registration deadline is required by February 11, 2019. Make checks payable to Ohio State University Extension. Mail to Coshocton Extension office, 724 South 7<sup>th</sup> Street, Room 110, Coshocton, Ohio 43812. Please detach and return this form with payment.

Name(s): \_\_\_\_\_ Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Registration fee enclosed \_\_\_\_\_ \$5 per registrant



**THE OHIO STATE UNIVERSITY**

COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

CFAES provides research and related educational programs to clientele on a nondiscriminatory basis. For more information, visit [cfaesdiversity.osu.edu](http://cfaesdiversity.osu.edu). For an accessible format of this publication, visit [cfaes.osu.edu/accessibility](http://cfaes.osu.edu/accessibility).

# Thinking of Selling Timber?



**Monday, March 11, 2019  
6:30 to 8:30 P.M.**

**Frontier Power Community Room  
770 South 2<sup>nd</sup> Street  
Coshocton, Ohio 43812**

## **Program:**

Selling timber isn't something that woodland owners should take lightly. This program is designed to help you make decisions that will have a positive influence on you and your woodland.

Session topics will include:

- Matching the harvest to your goals
- Marketing your timber
- Reasons to cut trees
- Which trees & when to cut
- Best Management Practices
- Timber Stand Improvement
- Ohio Master Logger program
- Timber Prices & Trends

## **Hosted by:**

OSU Extension Coshocton County

## **Speakers:**

**Dave Apsley**, Natural Resources Specialist,  
OSU Extension

**Adam Komar**, Service Forester, ODNR Division  
of Forestry

**Bob Mulligan**, Forest Hydrology Manager, Ohio  
Division of Forestry

## **Registration Details:**

Registration is \$10 per person and pre-reservations are requested by March 4, 2019. Room space is limited, so first come first serve. Maximum registration of 50 persons.

This program has been approved for 2.0 hours of Ohio Forest Tax Law Education Credits. Call the Coshocton County Extension office at 740-622-2265 for more information about this program.

**PRE-REGISTRATION IS REQUIRED.** \$10 per person. Registration deadline is required by March 4, 2019. Make checks payable to Ohio State University Extension. Mail to Coshocton Extension office, 724 South 7<sup>th</sup> Street, Coshocton, Ohio 43812. Please detach and return this form with payment. Thank you. Registration is limited to 50 persons.

Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Registration fee enclosed \_\_\_\_\_ \$10 per registrant







**CFAES**

Join OSU Extension Educator Eric Barrett to discover the world of hydrangeas. Learn about types, care, pruning and bloom times. You'll receive a quick reference chart to take to the garden center and a hydrangea plant to take home.

## Hydrangea School

**Tuesday, April 30, 2019 at the Coshocton County Services Building (Room 145), 724 South 7<sup>th</sup> Street, Coshocton, Ohio from 6:30 to 8:30 p.m.**

**REGISTRATION INFORMATION.** Registration includes the program, light refreshments, and handouts. Please mail completed registration form to OSU Extension, 724 South 7<sup>th</sup> Street, Room 110, Coshocton, Ohio 43812. Due to space limitations, this program will be limited to the first 50 registrants. First come, first served basis.

Name \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_ Phone \_\_\_\_\_

**Registration includes handouts and a hydrangea plant to take home for your landscape.**

\$30 per person to register \$ \_\_\_\_\_ Total Enclosed \$ \_\_\_\_\_

Please make checks payable to OSU Extension and mail to OSU Extension, 724 South 7<sup>th</sup> Street, Room 110, Coshocton, Ohio 43812. For more information, call 740-622-2265



**THE OHIO STATE UNIVERSITY**

COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

**[coshocton.osu.edu](http://coshocton.osu.edu)**

CFAES provides research and related educational programs to clientele on a nondiscriminatory basis. For more information: [go.osu.edu/cfaesdiversity](http://go.osu.edu/cfaesdiversity)