

COSHOCTON COUNTY AGRICULTURE & NATURAL RESOURCES



September 7 (Edition #163)

Weather Update: Average Start to Fall
Do I Really Need to Wait for the Fly-Free Date for Wheat?
Highly Pathogenic Avian Influenza Detected in Ashland and Defiance Counties
Beef- Where Do We Go from Here?
Winterize Your Forage Plans
USDA Announces Details for 2022 Census of Agriculture
Gifting Assets to Protect from Long-Term Care Costs
Letter of Intent for Solar & Wind Energy Development
Let's Talk About Suicide
Farm Science Review Tickets on Sale
2022 Small Farm Ruminant Production Field Day
Fall Coshocton County Beef Quality Assurance Trainings Scheduled
Reviewing the Inflation Reduction Act of 2022; Part 3
Allowing New Base Acres for Current Program
Commodities: An Assessment

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
Web: <http://coshocton.osu.edu>

Hello Coshocton County! A beautiful weather day across Coshocton County. I was able to see cover crops being applied with a drone by Eastern Ohio Ag LLC outside of Warsaw today. It is really impressive to see how drone technology continues to evolve. So much potential!

HPAI has been located in a few counties so our poultry producers will need to stay on alert. Goat, sheep and beef producers may also wish to attend the Small Farm Ruminant Field Day up in Wooster on October 8. See details included in today's newsletter.

A reminder that we are now selling Farm Science Review tickets at our office. The Farm Science Review will be held on September 20-22 and tickets are \$10 pre-sale and \$15 at the gate. Stop in today to purchase your tickets!

Sincerely,

David L. Marrison

Coshocton County OSU Extension ANR Educator

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



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

Weather Update: Average Start to Fall

By: Aaron Wilson

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2022-30/weather-update-average-start-fall>

Summary

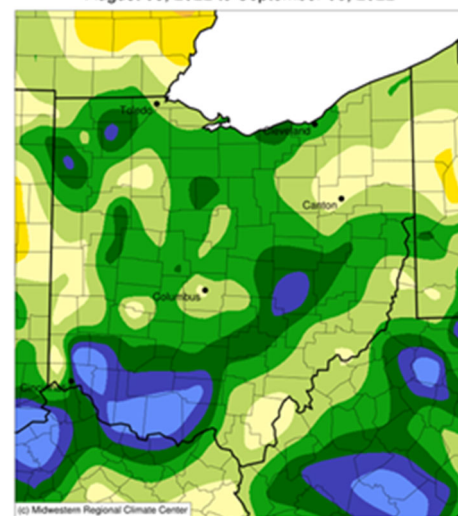
Climatological summer (June-August) has come to an end and all eyes are now on harvest season. Overall, the summer of 2022 was average temperaturewise, with most of state seeing near to above average precipitation. The driest areas occurred over west central and northeast Ohio.

Over the last 30 days, precipitation has been plentiful for much of the state, running more than 200% of normal across counties near the Ohio River (Figure 1). [CoCoRaHS](#) observations for the month show numerous sites in central and southwest Ohio coming in with 6-9 inches of rain, while locations in Darke, Shelby, and Miami Counties have only picked up 2 inches over the last 30 days. This wet pattern has kept extreme heat in check, with temperatures running about average for August. For the latest up-to-date conditions, seasonal outlooks, and monthly climate summaries, please visit the [State Climate Office of Ohio](#).

Forecast

The slow moving frontal boundary that kept heavy downpours scattered across the region this past weekend, will start to move to the east on Wednesday. Improving conditions are expected for Thursday and Friday, with plenty of sunshine and highs in the mid 70s to low 80s across the state. The next cold front is expected to move into the area this weekend, bringing with it scattered showers and storms. The [Weather Prediction Center](#) is forecasting 0.25-1.0 inch of rain over the next 7 days.

Accumulated Precipitation (in): Percent of 1991-2020 Normals
August 08, 2022 to September 06, 2022



10 25 50 75 100 125 150 175 200
Stations from the following networks used: WBAN, COOP, FAA, GHCN, ThreadEx, CoCoRaHS, WMO, ICAO, NWSLI,
Midwestern Regional Climate Center
cli-MATE: MRCC Application Tools Environment
Generated at 9/6/2022 3:01:14 PM CDT

Figure 1). Percent of normal precipitation for the period August 8 – September 6, 2022. Figure courtesy of the Midwestern Regional Climate Center

The [Climate Prediction Center's](#) 6–10-day outlook for the period of September 12–16, 2022 and the [16-Day Rainfall Outlook from NOAA/NWS/Ohio River Forecast Center](#) show near to below average temperatures and near average precipitation are expected (Figure 2). Climate averages include a high-temperature range of 77–81°F, a low-temperature range of 56–60°F, and average weekly total precipitation of 0.70–0.85 inches.

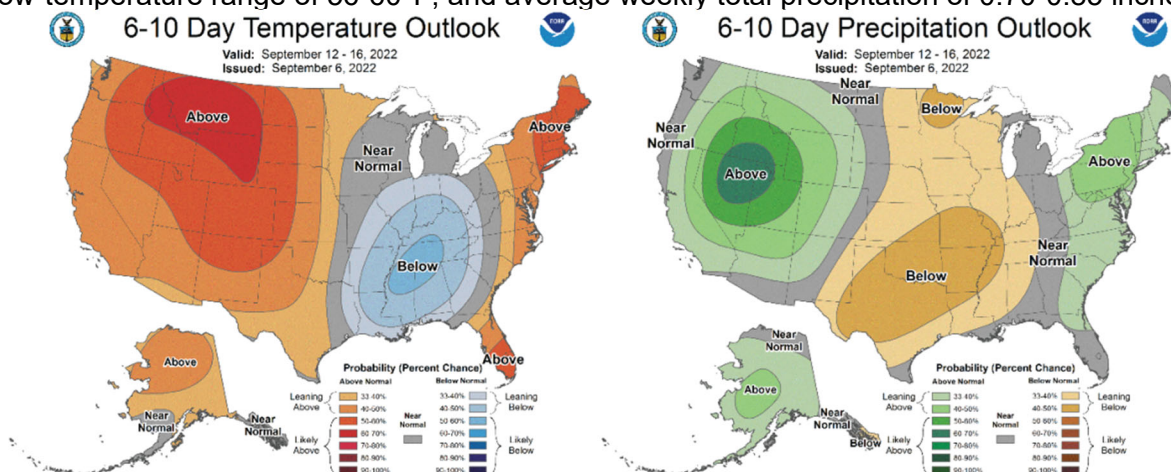


Figure 2) Climate Prediction Center 6-10 Day Outlook valid for September 12 – 16, 2022, for left) temperatures and right) precipitation. Colors represent the probability of below, normal, or above normal conditions.

Do I Really Need to Wait for the Fly-Free Date for Wheat?

By: [Laura Lindsey](#), [Kelley Tilmon](#), [Pierce Paul](#), [Ed Lentz, CCA](#), [Eric Richer, CCA](#)

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2022-30/do-i-really-need-wait-fly-free-date-wheat-planting-date-and-other>

Now that we've entered September, wheat planting is just around the corner. It can be tempting to plant wheat before your county's Hessian fly-safe date (Figure 1); however, the best time to plant wheat is the 10-day period starting the day after the fly-safe date. Planting before the fly-safe date increases the risk of insect and disease problems including Hessian fly and aphids carrying Barley Yellow Dwarf Virus. Long-term averages shown in the Ohio Agronomy Guide indicate that yields are highest when wheat is planted within 10 days of the Fly Safe Date (Figure 2).

Right now, we still believe the best time to plant is within the 10-day period starting the day after the fly-safe date. But keep in mind that the Hessian fly-safe dates were calculated decades ago when average fall temperatures were cooler. Due to changes in fall weather, we are in the process of re-evaluating wheat planting dates with funding from Ohio Corn and Wheat. Last year, we conducted a wheat planting date study in Wood County and Clark County, Ohio. In Wood County, we planted 6 days prior to the fly-safe Date and 6, 29, and 48 days after the fly-safe date (Figure 3). Statistically, there was no difference in wheat yield for the first three planting dates (September 17 through October 22). In Clark County, we planted 13, 23, and 37 days after the fly-safe date (October 12-November 5), and grain yield was statistically the same across all three planting dates. We always need to be careful interpreting one year of data; however, our first-year data indicate that planting prior to the fly-safe date had no yield advantage. And, interestingly, planting 3-4 weeks after the fly-safe date had only a small effect on wheat yield. When freezing weather is delayed until November or early December, the impact of planting date is less. In an on-farm study in Fulton County (2019-2020 growing season), planting 11 days prior to the Fly Safe Date had no yield advantage over planting on the Fly Safe Date (https://kx-files-public.s3.us-east-2.amazonaws.com/efields-reports/2020_WheatPlantingDate_Fulton2.pdf).



Figure 1. Hessian fly-safe date by Ohio county.

Figure 2. Effect of planting date on wheat (from Figure 6-2 in the Ohio Agronomy Guide).

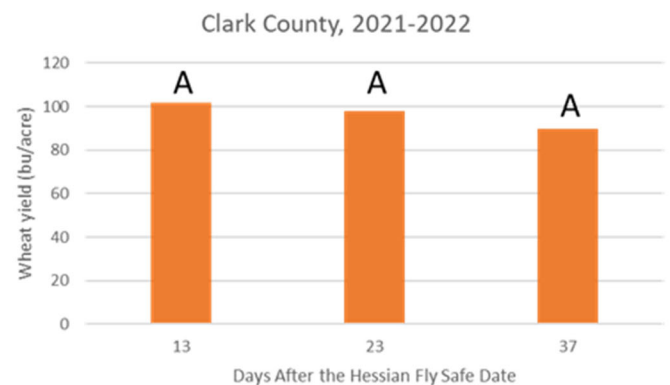
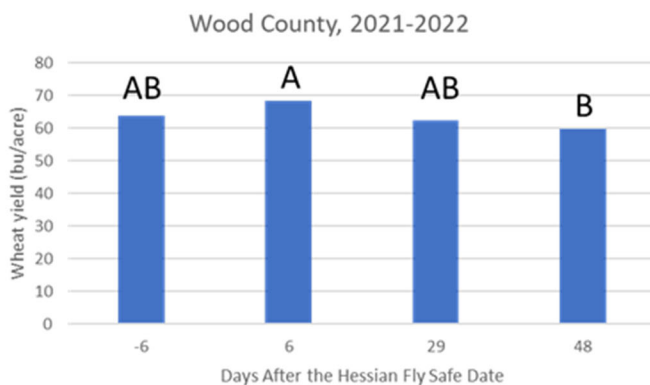
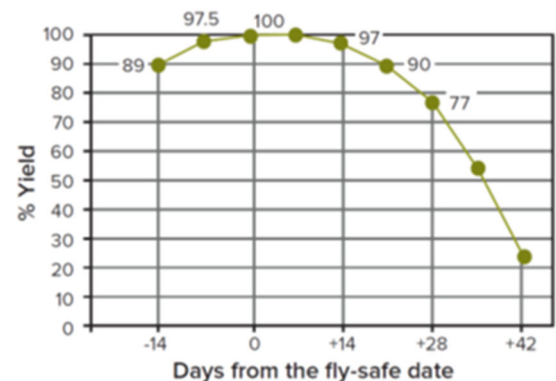


Figure 3. Effect of planting date on winter wheat in Wood County and Clark County, Ohio, 2021-2022 growing season.

Here are some other key management strategies for this fall:

1. **Select high-yielding varieties with high test weight, good straw strength, and adequate disease resistance.** Do not jeopardize your investment by planting anything but the best yielding varieties that also have resistance to the important diseases in your area. Depending on your area of the state, you may need good resistance to powdery mildew, Stagonospora leaf blotch, and/or leaf rust. Avoid varieties with susceptibility to Fusarium head scab. Plant seed that has been properly cleaned to remove shriveled kernels and treated with a fungicide seed treatment to control seed-borne diseases. The 2022 Ohio Wheat Performance Test results can be found at: <https://ohiocroptest.cfaes.osu.edu/wheattrials/>
2. **Optimum seeding rates are between 1.2 and 1.6 million seeds/acre.** For drills with 7.5-inch row spacing this is about 18 to 24 seeds per foot of row. When wheat is planted on time, actual seeding rate has little effect on yield, but high seeding rates (above 30 seeds per foot of row) increase lodging and risk of severe powdery mildew development next spring.
3. **Planting depth is critical for tiller development and winter survival.** Plant seed 1.5 inches deep and make sure planting depth is uniform across the field. No-till wheat seeded into soybean stubble is ideal, but make sure the soybean residue is uniformly spread over the surface of the ground. Shallow planting is the main cause of low tiller numbers and poor winter survival due to heaving and freezing injury. Remember, you cannot compensate for a poor planting job by planting more seeds; it just costs more money.
4. **Follow the Tri-State Fertilizer Recommendations for Corn, Soybeans, Wheat, and Alfalfa** (https://agcrops.osu.edu/FertilityResources/tri-state_info). Apply 20 to 30 lb of actual nitrogen per acre at planting to promote fall tiller development. A soil test should be completed to determine phosphorus and potassium needs. Wheat requires more phosphorus than corn or soybean, and soil test levels should be maintained between 30-50 ppm (Mehlich-3 P) for optimum production (Table 1). Do not add any phosphorus if soil test levels are higher than 50 ppm.

Table 1. Wheat phosphorus recommendations from the Tri-State Fertilizer Recommendations for Corn, Soybeans, Wheat, and Alfalfa.

	Wheat Yield Potential (bu/acre)			
	60	90	120	150
Mehlich-3 P (ppm)	-----lb P ₂ O ₅ /acre-----			
10	130	145	160	175
20	80	95	110	125
30-50	30	45	60	75
>50	0	0	0	0

Soil potassium should be maintained at levels of 100-130 and 120-170 ppm (Mehlich-3 K) on sandy soils (CEC < 5 meq/100 g) and loam/clay soils (CEC > 6 meq/100 g), respectively. If potassium levels are low, apply K₂O fertilizer at planting, depending on soil CEC and yield potential (Table 2).

Table 2. Wheat potassium recommendations from the Tri-State Fertilizer Recommendations for Corn, Soybeans, Wheat, and Alfalfa.

		Wheat Yield Potential (bu/acre)			
Soil CEC	Mehlich-3 K (ppm)	60	90	120	150
		lb K ₂ O/acre			
Sands (<5 meq/100 g)	50	100	105	115	120
	75	65	75	80	90
	100-130	35	45	50	60
	>130	0	0	0	0
Loams and Clays (>6 meq/100 g)	50	160	165	175	180
	75	115	120	130	135
	100	70	80	85	95
	120-170	35	45	50	60
	>170	0	0	0	0

Soil pH should be between 6.3 and 7.0. In Ohio, limed soils usually have adequate calcium and magnesium.

Highly Pathogenic Avian Influenza Detected in Ashland and Defiance Counties

Source: Ohio Department of Agriculture

Media Contact: Bryan Levin, 614.563.6974 or bryan.levin@agri.ohio.gov

Highly Pathogenic Avian Influenza (HPAI) has been detected in a backyard flock in Ashland County and a commercial chicken flock in Defiance County. The positive detections were confirmed by the United States Department of Agriculture's Animal and Plant Health Inspection Service (USDA-APHIS). The samples were first tested at the Ohio Department of Agriculture's Animal Disease Diagnostic Laboratory and confirmed at the APHIS National Veterinary Services Laboratories in Ames, Iowa.

HPAI is a highly contagious virus that spreads quickly and can be fatal to flocks and devastating to poultry owners, both commercial and non-commercial. HPAI can infect poultry (such as chickens, turkeys, pheasants, quail, domestic ducks, geese, and guinea fowl) and is carried by free flying waterfowl such as ducks, geese, and shorebirds.

State officials quarantined the affected premises, and birds on the properties will be depopulated to prevent the spread of the disease. Federal and State partners are working jointly on additional surveillance and testing in areas around the affected flocks. Surveillance activities will be conducted in a 10-kilometer zone around the infected premises.

The recent HPAI detections [do not present an immediate public health concern](#), according to the Centers for Disease Control and Prevention. No human cases have been detected in the United States. According to USDA, HPAI cannot be transmitted through properly cooked meats or eggs. Products from any HPAI-affected flocks are prohibited from entering the food system. As a reminder, the proper handling and cooking of all poultry and eggs to an internal temperature of 165 °F is recommended as a general food safety precaution.

The best defense against HPAI is vigilant disease prevention. Biosecurity and best management practices include:

- **Prevent contact with wild birds and waterfowl.** Keep birds indoors when possible.
- **Keep visitors to essential personnel only.** Only allow those who care for your poultry to have contact with them and make sure they follow biosecurity principles.
- **Wash your hands before and after contact with live poultry. Use** soap and water. If using a hand sanitizer, first remove manure, feathers, and other materials from your hands.
- **Provide disposable boot covers (preferred) and/or disinfectant footbaths for anyone having contact with your flock.** If using a footbath, remove all droppings, mud or debris from boots and shoes using a long-handled brush BEFORE stepping in. Always keep it clean.
- **Establish a rodent and pest control program.** Deliver, store, and maintain feed, ingredients, bedding, and litter to limit exposure to and contamination from wild animals.
- **Use drinking water sourced from a contained supply (well or municipal system).** Do not use surface water for drinking or cleaning.
- **Clean and disinfect tools and equipment before moving them to a new poultry facility.** Trucks, tractors, tools, and equipment should be cleaned and disinfected prior to entering or exiting the property. Do not move or reuse anything that cannot be cleaned.
- **Look for signs of illness.** Monitor egg production and death loss, discoloration and/or swelling of legs, wattles and combs, labored breathing, reduced feed/water consumption.

If you notice any symptoms or unexpected deaths in your flock, please report them immediately to the Ohio Poultry Association (614.882.6111), or the Ohio Department of Agriculture (regular business hours: 614.728.6220; after hours: 888.456.3405).

Beef- Where Do We Go from Here?

By: [Garth Ruff](#), Beef Cattle Field Specialist, OSU Extension

Source: <https://u.osu.edu/beef/2022/09/07/where-do-we-go-from-here-2/>

Over the past few months, I have had the opportunity to speak at several field days across Ohio and during these events have had many conversations regarding the current state of beef industry.

A sampling of those questions include “Should I grow my cow herd by retaining xxx many more heifers?”, “How has the Western drought impacted beef production in Ohio?”, or “How can I make adjustments in my current production system to improve efficiency with the cow herd?”

Those are all good questions and help to confirm my thoughts, that the best teaching opportunities are often on farms where we can generate discussions between producers.



While I can work through those questions with producers, it certainly helps to have some background information on previous herd performance, farm records, and production goals. This information helps me as an educator better understand the decision-making process on the farm.

From a record keeping standpoint, I have found that there is room for improvement across the beef industry. While a producer may have production records: breeding dates, calving dates, inventory at different points, hay yields, etc., they may not have records of efficiency (conception rates, calf performance, feed:gain) and economics such as current balance sheets and annual profit/loss statements. One on one conversations about future farm decisions are great, however having the proper records are key to the success of those discussions and setting future farm goals.

Now to the questions at hand. I do believe now is an opportune time to retain heifers in Ohio, if feed is readily available. Consider retaining heifers to replace less productive females or to increase cow numbers. Given recent heifer placements into Western feedlots and the large number of cows culled due to drought, this cattle market is poised to be strong for a couple of years. As things currently stand, so long as external forces don't negatively affect the marketplace, there looks to be potential for those interested in increasing cow numbers. A few weeks ago, USDA published the July Cattle Inventory, which showed lower year-over-year inventory. This is the first time that total cattle inventory has been less than 100 million head since 2015, with beef cow inventory down 2.4 percent from one year ago.

If not looking to expand the cow herd, focusing on improving efficiency across your production system is a good place to start. Cull cow and bull prices are strong, genetic improvement should be considered when making animal-based decisions.

As I have said many times, heifer development is a bottle neck for many small herds. If we cannot manage developing heifers in a separate group from mature cows, consider purchasing bred heifers. Even though the value of replacement female is likely to have increased some, the cost to raise them has also increased. Too often I hear the fears of “importing disease” when buying heifers. If purchasing replacements from a reputable source, they should come with a known health status.

I have had similar conversation about buying hay this summer. Making hay is a double-edged sword for many as it is a necessity but is also costly. While some worry about “importing weeds”, buying hay has economic benefits that out weight that risk if done properly.

Just like with replacement females, buy hay only from reputable producers that have completed a forage analysis. Purchasing hay is a great way to import nutrients onto the farm. Don't buy subpar, spoiled, or

excessively weathered hay. I curiously scroll Facebook Marketplace often, and there is a lot of weathered, outside stored round bales on there for sale, at what appears to be low cost. Even though it is cheap on a per bale basis, it ends up being more costly per pound of nutrients. Remember that cattle eat pounds of dry matter, not bales of hay.

I look forward to visiting more of your counties as Extension programming picks up this fall and come see our livestock education area on the East end of Farm Science Review this year. Looking forward, it's a good time to be in the cattle business. I feel for those in the West that have had to make difficult decisions due to the lack of moisture. Keep an eye on the markets, as they do change. Think about how to add value to calves being sold later this fall, and how to improve efficiency of your operations going forward.

Winterize Your Forage Plans

By: Victor Shelton, Retired NRCS Agronomist/Grazing Specialist

Source: <https://u.osu.edu/beef/2022/09/07/winterize-your-forage-plans/>

Manage the forage you have; consider fall planted annuals and stockpiled forages and prepare for winter! Some people try to make pasture management a lot more difficult than needed. I think sometimes it is more about how it is perceived in the eyes of the beholder. Some might think that a pasture that is grazed evenly to the ground, all the time, means that no forage was lost – no. Some might think that mowing it frequently and making it look like a prime horse pasture behind a fancy fence is ideal – maybe. It is really about the management of the forage to achieve the goals of production, forage quality and numerous added benefits that benefit erosion, soil biology, and usually also wildlife.

Anytime you can keep something simple it is usually best. I've been to several events this summer and had similar questions asked to me that can be summed up as, "What are the basic rules of good pasture management?"

I find myself repeating some things. That repetition is perhaps needed from time to time, but I don't want to be redundant either. I am reminded occasionally to just keep it simple. How exactly do we keep it simple? Follow a few simple rules.



1. Keep the soil covered with live plants – by doing so, erosion will be kept in check and the soil will be cooler, which is better for most forages and for reduced evaporation. You don't want to see any bare soil. Bare spots allow for increased evaporation, warmer than ideal soil conditions and space for opportunist weeds.
2. Maintain a good solar panel – which means, it takes grass to grow grass. We have to try and keep enough green plant leaves for photosynthesis, converting light energy into chemical energy. If the plants have been eaten down too much, energy for new growth is forced to come from stored energy in the roots if available, which is usually slower than photosynthesis. Like you have heard me talk about lots of times – don't graze or rather don't let the livestock graze closer than 4 inches for most cool season grasses and not closer than 6-8 inches for most warm season grasses. That is of course, the shortest forages left, not the tallest. If you are leaving at least 4 inches, there will be quite a bit of forage left that is actually taller.
3. Provide adequate rest before grazing it again. Everything needs rest, including forages. By maintaining good residual heights or stop grazing heights, regrowth is generally quicker especially with adequate moisture. The plant needs enough time to regrow and express itself again before the next grazing event. Multiple removals during a short time frame or continual removal weakens the plant and actually reduces production. It also reduces new root growth and lowers drought tolerance. So, grow it, graze it, then rest it – it is that simple.

We want the forage to be growing and producing abundantly, and as much as possible in a stage and quality that is best for the ruminant livestock grazing it. The livestock know what forage is noteworthy and will seek it

out first. If it is the quality they need, they will eat it readily and without hesitation – definitely a desirable species in the eyes of the consumer. When we let these same forages mature too much, which does happen, then forage quality is reduced along with intake. A small amount of the sward reaching maturity isn't that bad. It can help to build deeper roots, increase soil organic matter from increased amounts and turnover of roots, and help bring up nutrients and water from deeper in the soil profile. This is especially valuable to soils that could use some additional organic matter.

Lastly, when possible, graze the paddock in a manner that will leave nutrients in place and replace as needed. Smaller allocations tend to have less nutrient transfer than the grazing of large pastures. This is especially true when there is a long walking distance to water, mineral and/or shade. Isolated areas without one or more of the mentioned will be grazed for a shorter period and the ruminating and resting periods afterwards rarely occurs there unless forced to. This process therefore slowly moves nutrients from one spot to another as manure is more likely to be deposited on the more frequently used areas. Enough with that for now, grow it, graze it, rest it. Maintain cover, don't over graze it, let it grow back before grazing it again.

You're starting to run low on time to get fall annuals planted. The earlier they are seeded the more growth and grazing potential they will provide. My favorite mix is spring oats, a brassica such as radish, rape, or turnips, and cereal rye. The oats grow fast with ample moisture, yield well and can make some very decent hay or grazing throughout the fall. The brassica is a nice addition and is readily consumed by most grazing livestock. The cereal rye will come on stronger later and will overwinter and provide good cover for the next growing season and perhaps even some early spring grazing if soil conditions are favorable. These annuals can help improve soil health, build organic matter, reduce some weeds, and be forage too. Other fall-seeded options would include crimson clover, winter peas, triticale, wheat, barley or multiple combinations. You can't graze it if you don't plant it.

It is also time to start assessing your winter feeding needs and supply. Consider how much livestock will be overwintering, how much they will be consuming and what they will be eating. Fall pasture, stockpiled forages, crop residues and annuals, and stored feed, such as hay, silage, or baleage should all be accounted for and prepared.

If you haven't started stockpiling any forage yet, now is the time to do so. Tall fescue stockpiles better than any other forage which is one of its best attributes. It holds quality longer than almost any other perennial forage. Grazing annuals or cover crops now will provide additional rest and growth for perennial pastures which can then be grazed later this winter.

I'm not sure that I like the forecast that I've seen so far for the upcoming winter, and I hope they are mistaken, but either way, we need to be prepared and ready. Remember, it's not about maximizing a grazing event, but maximizing a grazing season! Keep on grazing!

USDA Announces Details for 2022 Census of Agriculture

Source: Jodi Halvorson, National Agricultural Statistics Service

America's farmers and ranchers will soon have the opportunity to be represented in the nation's only comprehensive and impartial agriculture data for every state, county and territory. The U.S. Department of Agriculture (USDA) will mail the 2022 Census of Agriculture to millions of agriculture producers across the 50 states and Puerto Rico this fall.

The 2022 Census of Agriculture will be mailed in phases, starting with an invitation to respond online in November followed by paper questionnaires in December. Farm operations of all sizes, urban and rural, which produced and sold, or normally would have sold, \$1,000 or more of agricultural product in 2022 are included in the ag census.

"Census of Agriculture data are widely used by federal and local governments, agribusinesses, trade associations, extension educators, and many others to inform decisions about policy and farm programs and

services that aid producers and rural communities,” said NASS Administrator Hubert Hamer. “By responding to the Census of Agriculture – by being represented in these important data – producers are literally helping to shape their futures.”

Collected in service to American agriculture since 1840 and now conducted every five years by USDA’s National Agricultural Statistics Service (NASS), the Census of Agriculture tells the story and shows the value of U.S. agriculture. It highlights land use and ownership, producer characteristics, production practices, income and expenditures, among other topics. Between ag census years, NASS considers revisions to the questionnaire to document changes and emerging trends in the industry. Changes to the 2022 questionnaire include new questions about the use of precision agriculture, hemp production, hair sheep, and updates to internet access questions.

To learn more about the Census of Agriculture, visit www.nass.usda.gov/agcensus or call 800-727-9540. On the website, producers and other data users can access frequently asked questions, past ag census data, [partner tools](#) to help spread the word about the upcoming ag census, special study information, and more. For highlights of these and the latest information on the upcoming Census of Agriculture, follow USDA NASS on twitter [@usda_nass](#).

Gifting Assets to Protect from Long-Term Care Costs

By: Robert Moore

Source: <https://farmoffice.osu.edu/blog/thu-09012022-1237pm/gifting-assets-protect-long-term-care-costs>

In prior posts, we discussed Long-Term Care (LTC) costs and the risks that those costs can have on keeping farm assets in the family. For those people needing LTC, the average cost is around \$150,000. However, some people will require nursing home services for many years which could cause costs to be \$500,000 or more. A strategy some people implement to protect their assets from LTC costs is gifting. We will discuss both the advantages and disadvantages of gifting.



The idea behind gifting is to transfer the assets to children or other beneficiaries before the assets must be spent on LTC costs. The person transferring the assets is intentionally trying to make themselves lack the resources to take care of themselves and rely on Medicaid to pay for their care. This strategy sounds simple, but it has many aspects, both good and bad, that must be considered.

First, Medicaid imposes a penalty for improper transfers. An improper transfer is any transfer of an asset for less than fair market value. Medicaid looks back five years for any improper transfers and disqualifies the applicant for one month for each \$6,905 of improper gifts made. Improper transfers prior to the five-year lookback period are not penalized.

For example, if a gift of \$100,000 was made in the last five years, the applicant will be ineligible for Medicaid for 15 months after application. If a gift of \$1,000,000 was made, the applicant will wait five years to apply for Medicaid and then will not be required to report the gift because the five-year penalty period expired.

In addition to overcoming the five-year look back period, making a gift requires the owner to give up all ownership and control, including income produced by the gifted asset. This creates the risk that the original owner cannot protect the gifted asset from financial or legal mishaps of the person receiving the gift. This risk is a significant factor that should be considered when contemplating a gift.

Consider the following example. Dad owns 200 acres of land and is concerned he will be forced to sell the land if he incurs LTC costs. To protect the land, Dad gifts the land to Daughter. After Daughter receives the land, she causes an automobile accident and is liable to the injured party for \$1,000,000. Her auto insurance

only covers \$250,000 in liability so she must sell some of the land received from Dad to pay the injured party. This example illustrates the risk of giving up ownership and control of assets when gifting. In future articles we will discuss strategies to overcome this risk using irrevocable trusts and/or LLCs.

Tax implications are another factor to consider when gifting. The IRS allows large gifts to be made without a gift tax being owed provided a gift tax return is filed. Instead of taxing the gift, the IRS reduces the giftor's federal estate tax exemption by the value of the gift which is reported on the gift tax return. Also, the person receiving the gift receives the same tax basis as the giftor rather than receiving a stepped-up tax basis to fair market value if they were to receive the same asset as an inheritance.

Using the same example as above, the value of the land gifted to Daughter was \$2,000,000. Dad would file a gift tax return and his federal estate tax exemption would be reduced from \$12,060,000 to \$10,060,000. No tax is owed but Dad's estate exemption limit is reduced by the amount of the gift. Let's assume Dad paid \$200,000 for the farm when he first bought it. Daughter will receive the farm with a \$200,000 tax basis. If she would have inherited the farm instead, she would have received the farm with a \$2,000,000 tax basis. The loss of stepped-up tax basis when gifting is a significant factor to consider.

For a thorough discussion on the tax implications of gifting, see the law bulletin "Gifting Assets Prior to Death" at go.osu.edu/farmplanning.

The biggest benefit of a gifting strategy is its simplicity. Land can be transferred with a simple deed, money can be transferred by check, and machinery and livestock can be transferred with simple paperwork. It is usually relatively easy to transfer assets by gift. Also, the gifting can be done quickly to get the five-year lookback period started.

Gifting assets is one of several strategies to protect assets from LTC costs. While the process of gifting is relatively easy, the implications of gifting are significant and extensive. Anyone considering a gifting strategy to protect assets should consult their legal and tax advisors to determine if gifting is the best strategy.

Letter of Intent for Solar& Wind Energy Development

By: Peggy Kirk Hall, Associate Professor, Agricultural & Resource Law

Source: <https://farmoffice.osu.edu/blog/wed-08312022-1210pm/%E2%80%9Cletter-intent%E2%80%9D-solar-and-wind-energy-development-considerations-landowners>

Solar and wind energy development is thriving in Ohio, and most of that development will occur on leased farmland. Programs in the newly enacted federal Inflation Reduction Act might amplify renewable energy development even more. The decision to lease land for wind and solar development is an important one for a farmland owner, and one that remains with a farm for decades. It's also a very controversial issue in Ohio today, with farmers and community residents lining up on both sides of the controversy. For these reasons, when a landowner receives a "letter of intent" for wind or solar energy development, we recommend taking a careful course of action. Here are a few considerations that might help.



Purpose and legal effect of a letter of intent. Typically, a letter of intent for renewable energy development purposes is not a binding contract, but it might be. The purposes of the letter of intent are usually to provide initial information about a potential solar lease and confirm a landowner's interest in discussing the possibility of a solar lease. Unless there is compensation or a similar benefit provided to the landowner and the letter states that it's a binding contract, signing a letter of intent wouldn't have the legal effect of committing the landowner to a solar lease. But the actual language in the letter of intent would determine its legal effect, and it is possible that the letter would offer a payment and contain terms that bind a landowner to a leasing situation.

Attorney review is critical. To ensure a clear understanding of the legal effect and terms of the letter of intent, a landowner should review the letter with an attorney. An attorney can explain the significance of terms in the letter, which might include an “exclusivity” provision preventing the landowner from negotiating with any other solar developer for a certain period of time, “confidentiality” terms that prohibit a landowner from sharing information about the letter with anyone other than professional advisors, “assignment” terms that allow the other party to assign the rights to another company, and initial details about the proposed project and lease such as location, timeline, and payments. Working through the letter with an attorney won’t require a great deal of time or cost but will remove uncertainties about the legal effect and terms of the letter of intent.

Negotiating an Option and Lease would be the next steps. If a landowner signs a letter of intent, the next steps will be to negotiate an Option and a Lease. It’s typical for a letter of intent to summarize the major terms the developer intends to include in the Option and Lease, which can provide a helpful “heads up” on location, payments and length of the lease. As with the letter of intent, including an attorney in the review and negotiation of the Option and Lease is a necessary practice for a landowner. We also recommend a full consideration of other issues at this point, such as the effect on the farmland, farm business, family, taxes, estate plans, other legal interests, and neighbor relations. Read more in our [“Farmland Owner’s Guide to Solar Leasing”](#) and [“Farmland Owner’s Solar Leasing Checklist”](#).

New laws in Ohio might prohibit the development. A new law effective in October of 2021 gives counties in Ohio new powers to restrict or reject wind and solar facilities that are 50 MW or more in size. A county can designate “restricted areas” where large-scale developments cannot locate and can reject a specific project when it’s presented to the county. The new law also allows citizens to organize a referendum on a restricted area designation and submit the designation to a public vote. Smaller facilities under 5-MW are not subject to the new law. Several counties have acted on their new authorities under the law in response to community concerns and opposition to wind and solar facilities. Community opposition and whether a county has or will prohibit large-scale wind and solar development are additional factors landowners should make when considering a letter of intent. Learn more about these new laws in our [Energy Law Library](#).

It’s okay to slow it down. A common reaction to receiving a letter of intent is that the landowner must act quickly or could lose the opportunity. Or perhaps the document itself states a deadline for responding. A landowner shouldn’t let those fears prevent a thorough assessment of the letter of intent. If an attorney can’t meet until after the deadline, for example, a landowner should consider contacting the development and advising that the letter is under review but meeting the deadline isn’t possible. That’s a much preferred course of action to signing the letter without a review just to meet an actual or perceived deadline. For more information about energy leases in Ohio, refer to our Energy Law Library on the Farm Office website at <https://farmoffice.osu.edu/our-library/energy-law>.

Let’s Talk About Suicide

By: Bridget Britton, MSW Behavioral Health Field Specialist

Every year, the month of September is set aside for us to raise awareness for suicide prevention and to remember those we have lost. This month can be difficult for many of us to navigate, but it is also an opportunity for us to offer HOPE to someone in need.

It is important during this time to remember the resources that are available to us. The Suicide Lifeline has a new, easy-to-remember number (simply dial 988) and has expanded to offer support to individuals experiencing any type of mental health crisis. If you or someone you know is struggling with suicidal thoughts or mental health crises, 988 is the number to call! A trained professional will walk with you during the crisis and can connect you with additional resources in your community.

While it is great to have resources like 988 and other local hotline numbers (which you can find on our website: go.osu.edu/farmstress), studies overwhelmingly show that prevention and early intervention are far more impactful than crisis intervention. This means it is crucial that we become familiar with warning signs of suicide.

Here is a list of common warning signs that a person may be considering suicide. It is important to note that many of the changes in behaviors or emotions will likely happen over a period of four or more weeks.

- Avoiding friends or family
- Confused thinking or struggling to concentrate
- Expressing excessive sadness or worry
- Overuse of substances such as drugs or alcohol
- Thinking or talking about suicide
- Changes in sleeping patterns
- Aggressive or passive behavior out of character to them
- Withdrawal
- Changes in appetite



You can find more information on potential signs at: <https://psychiatry.org/patients-families/warning-signs-of-mental-illness>

Together as a community, we can come together to support friends, family, and even strangers that may be struggling. There are classes to help educate at the very basic level to help spot warning signs and symptoms, and how to support before a crisis happens. Mental Health First Aid is a great program that OSU Extension offers for FREE right now, both in-person and virtually. Register here go.osu.edu/farmstress22mhfa

Farm Science Review Tickets on Sale

OSU Extension is pleased to announce that tickets are now on sale for the 60th Farm Science Review (FSR) slated for September 20 – 22, 2022 at the Molly Caren Agricultural Center located at 135 State Route 38, near London, Ohio. FSR is hosted by the Ohio State University College of Food, Agricultural, and Environmental Sciences. The 60th FSR will focus on “Embracing Time and Change.”

More than 100,000 people are expected to attend the event, which will feature more than 100 educational sessions including “Ask the Expert” talks, the most comprehensive field crop demonstrations in the United States, 600 exhibits, a career exploration fair, and immersive virtual reality videos of agricultural activities. Across the 100-acre exhibit area, attendees will see new products and exhibitors, which will range from livestock, electric tractors, and other equipment and implement improvements, as well as educational sessions and displays from OSU Extension.



Advance tickets are available at the Coshocton County Extension Office for \$10 per person. A new mobile ticketing option has been unveiled for the 2022 show. This option will allow visitors to print tickets at home or save to a mobile device for entry. Tickets can be purchased at: go.osu.edu/fsrosuecoshocton Pre-sale tickets will be on sale until Monday, September 19. Tickets are \$15 at the gate. Children 5 and under are admitted free. The review hours are 8:00 a.m. to 5:00 p.m. on September 20 & 21 and from 8:00 a.m. to 4:00 p.m. on September 22. More information about the Farm Science Review is at <http://fsr.osu.edu>

2022 Small Farm Ruminant Production Field Day

By: [Dr. Brady Campbell](#), Assistant Professor, OSU State Small Ruminant Extension Specialist and Garth Ruff, Beef Cattle Field Specialist, OSU Extension

Source: <https://u.osu.edu/sheep/2022/08/23/2022-small-farm-ruminant-production-field-day/>

Have a small herd of beef cattle, goats, or a flock of sheep? Are you a new or beginning ruminant livestock producer? If yes to either of these questions, this program is for you!

Join OSU Extension educators and state specialists for an all-day workshop covering topics every ruminant livestock producer needs to know from grazing and nutrition, livestock marketing, facilities and housing. This event is slated to be held on Saturday, October 8th from 9:00 am – 3:00 pm at the OSU ATI Beef Center located at 2736 S. Apple Creek Road, Apple Creek, Ohio 44606. After lunch, those who have an interest in sheep or goats will depart to the Small Ruminant Research Unit located on Fredericksburg Road (5651 Fredericksburg Road, Wooster, Ohio 44691), while those focused on beef cattle will remain at the ATI Beef Center.

Afternoon training sessions will be species-specific that include hands-on training in animal care and handling, basic animal health, livestock evaluation, and much more.

The cost is \$30 per person with lunch included. Registration is limited to the first 40 registrations.

Register at <https://go.osu.edu/smallfarmruminantfieldday>



Agenda

- 9:00 Registration Opens
- 9:30 Welcome and Introductions
- 9:45 Morning Discussions:
 - Nutrition and Forages
 - Housing, ventilation, manure management
 - Livestock marketing
- 12:00 Lunch
- 1:15 Hands on
 - Efficiency (tools, equipment, and facilities)
 - Record keeping
 - Birthing supplies and simulators
 - Sheep – demo shearing, drench gun, trimming feet, FAMACHA
 - Beef – calving simulator, calf processing, BCS, cattle evaluation

For more information, please contact Morrow County OSU Extension Educator, Carri Jagger at jagger.6@osu.edu or Garth Ruff at ruff.72@osu.edu We look forward to seeing you at the event!

Fall Coshocton County Beef Quality Assurance Trainings Scheduled

The Coshocton County Extension office will be offering two **Beef Quality Assurance (BQA)** re-certification meetings to help producers renew their BQA certification. These sessions will be held in Room 145 at the Coshocton County Services Building located at 724 South 7th Street in Coshocton County. Producers can choose the session which best fits their schedule. Sessions will be held on: Monday, October 10 and Wednesday, November 16. Each will be held from 7:00 to 8:30 p.m. Pre-registration is required for each session as space is limited. There is no fee to attend. Call 740-622-2265 to pre-register. These sessions also qualify for anyone who is seeking a first time certification. Online certification and recertification is also available and can be completed anytime at <https://www.bqa.org/beef-quality-assurance-certification/online-certifications>.



Reviewing the Inflation Reduction Act of 2022, Part 3: The Bigger Picture

Jonathan Coppess, Nick Paulson, Krista Swanson, and Gary Schnitkey

Department of Agricultural and Consumer Economics
University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

August 22, 2022

farmdoc daily (12): 125

Gardner Policy Series

Recommended citation format: Coppess, J., C. Zulauf, N. Paulson, K. Swanson, and G. Schnitkey. "Reviewing the Inflation Reduction Act of 2022, Part 3: The Bigger Picture." *farmdoc daily* (12): 125, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 22, 2022.

Permalink: <https://farmdocdaily.illinois.edu/2022/08/reviewing-the-inflation-reduction-act-of-2022-part-3-the-bigger-picture.html>

The Inflation Reduction Act of 2022 was signed into law by President Biden on August 16, 2022, becoming the 169th public law of the 117th Congress (Wang, [August 16, 2022](#); Tankersley, [August 16, 2022](#); P.L. 117-169). Previous articles reviewed the funding and provisions contained in the bill relevant to the Farm Bill and the Agriculture Committees (*farmdoc daily*, [August 11, 2022](#); [August 12, 2022](#)). This article reviews the bigger picture of what is included in the entire bill as reported thus far by the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT). A total compiled score from multiple sources is summarized below as part of the introduction to and overview of the discussion.

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from *farmdoc daily*. Guidelines are available [here](#). The *farmdoc daily* website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).

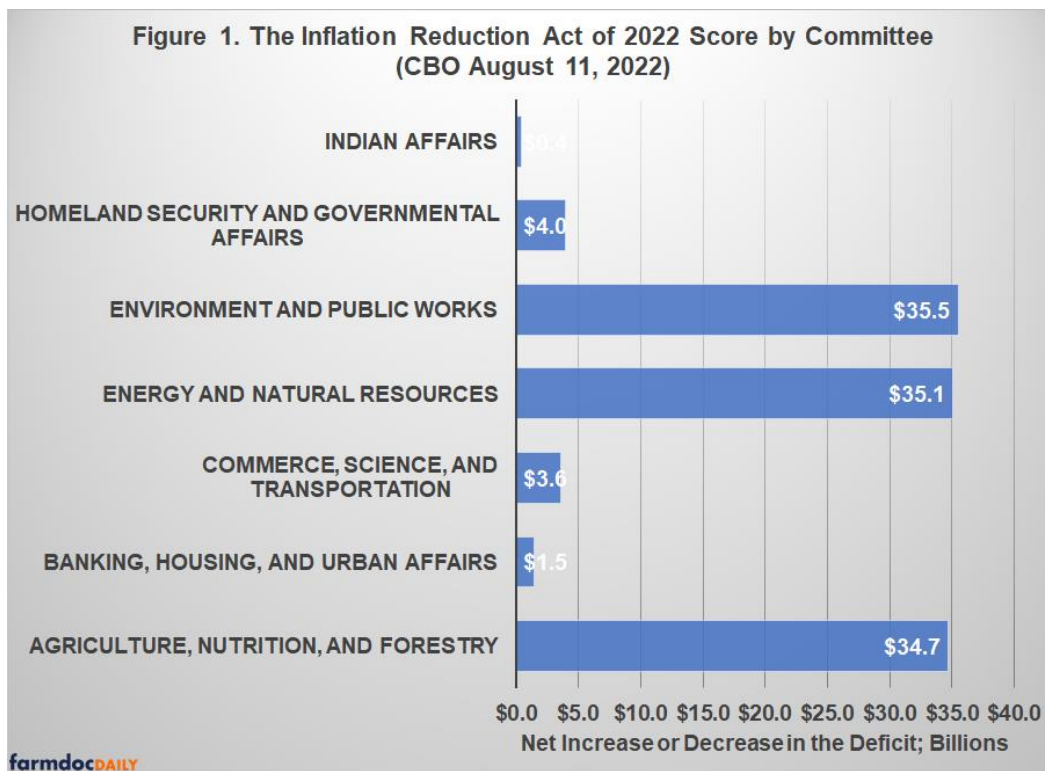
Inflation Reduction Act of 2022: Summary (Compiled Scores: CBO, JCT & Senate Democrats)	
Expenditures/Spending (FY 2022-2031 Total)	Revenues (FY2022-2031 Total)
Spending by Committee: <ul style="list-style-type: none"> ▪ -\$34.7 billion: Agriculture, Nutrition & Forestry ▪ -\$1.5 billion: Banking, Housing & Urban Affairs ▪ -\$3.6 billion: Commerce, Science & Transp. ▪ -\$35.1 billion: Energy & Natural Resources ▪ -\$35.5 billion: Environment & Public Works ▪ -\$4.0 billion: Homeland Security & Gov't. Affairs ▪ <u>-\$400 million</u>: Indian Affairs ▪ <u>-\$115 billion</u> 	Taxes: <ul style="list-style-type: none"> ▪ \$222 billion: alternative corporate minimum tax ▪ <u>\$74 billion</u>: stock buyback tax ▪ <u>\$296 billion</u>
Tax Credits: <ul style="list-style-type: none"> ▪ -\$65 billion: renewable electricity ▪ -\$37 billion: homes and buildings (efficiency, etc.) ▪ -\$33 billion: clean vehicles & transp. Fuels ▪ -\$37 billion: advanced energy & manufacturing ▪ -\$66 billion: clean electricity & fuels ▪ <u>-\$33 billion</u>: nuclear & CO2 sequestration ▪ <u>-\$271 billion</u> 	Other Revenue: <ul style="list-style-type: none"> ▪ \$265 billion: prescription drug prices ▪ <u>\$66 billion</u>: other (min. losses; Superfund; etc.) ▪ <u>\$331 billion</u>
Other: <ul style="list-style-type: none"> ▪ -\$69 billion: Affordable Care Act subsidies ▪ <u>-\$4 billion</u>: western drought resiliency ▪ <u>-\$73 billion</u> 	Internal Revenue Service: <ul style="list-style-type: none"> ▪ -\$80 billion: enforcement, etc. ▪ <u>\$204 billion</u>: taxes collected ▪ <u>\$124 billion</u>
-\$292 billion	\$751 billion
\$290 billion (deficit reduction)	
farmdocDAILY	

Background: Reconciliation Review

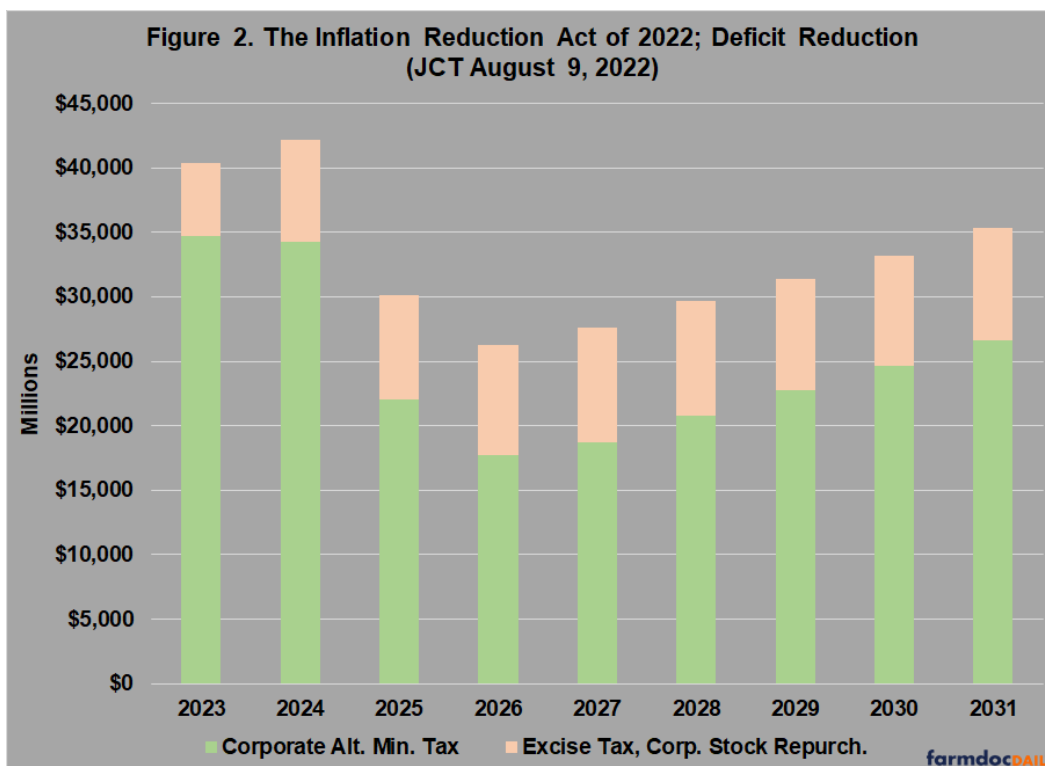
The Inflation Reduction Act (IRA) of 2022 is not ordinary legislation, nor legislation in the ordinary course of business or the regular order of Congress. It is reconciliation legislation that operates under specific statutory authorities, and special procedural rules. Federal budget law provides for the inclusion of reconciliation instructions in a concurrent budget resolution ([2 U.S.C. §641](#)). Reconciliation consists of instructions written by the Congressional Budget Committees and agreed-to by both the House and Senate in the budget resolution, but not signed into law by the President. Congress instructs committees to take actions related to the budget, which are compiled into a single legislative vehicle that is considered under special rules. The IRA 2022 began as Senate Concurrent Resolution 14 which set budget levels for fiscal years (FY) 2023 through 2031; Title II provided reconciliation instructions that included the Agriculture Committees. The specific instructions to the Senate Committee on Agriculture, Nutrition and Forestry (Senate ANF) were to “report changes in laws within its jurisdiction that increase the deficit by not more than” \$135 billion “for the period of fiscal years 2022 through 2031” ([S. Con. Res. 14](#)).

Detailed Discussion

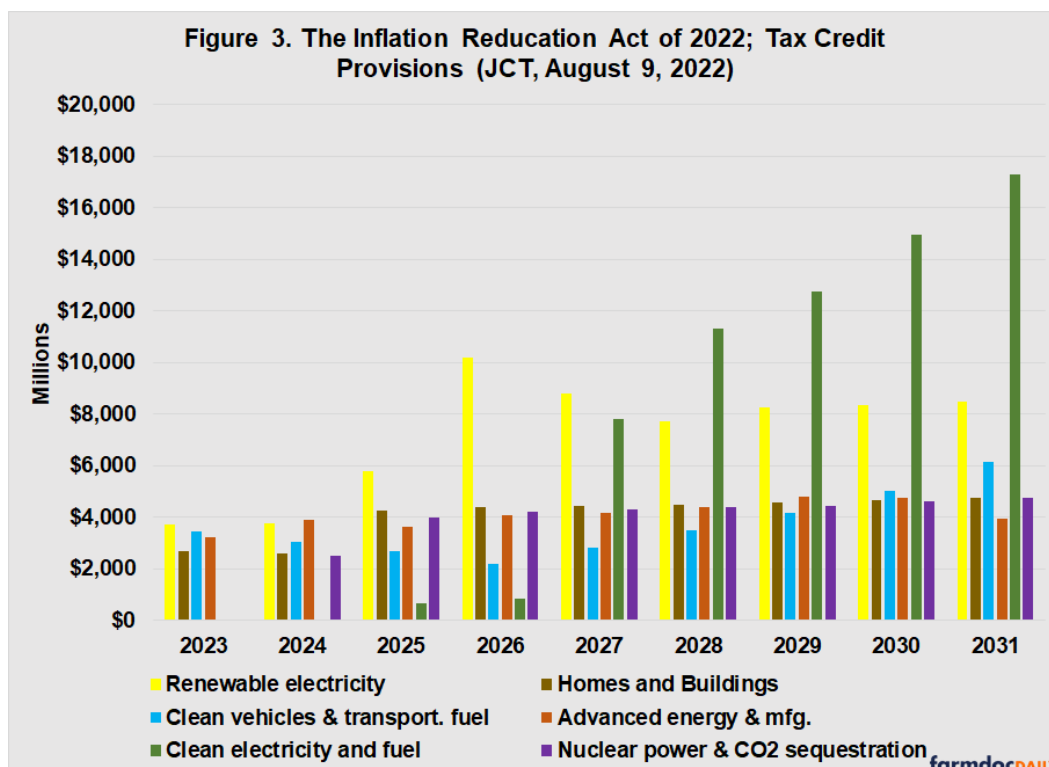
On August 11, 2022, the Congressional Budget Office (CBO) produced its initial score for the Inflation Reduction Act. The CBO score reported a net increase in the deficit from the titles of the bill by committee for fiscal years (FY) 2022 through 2031 totaling \$114.8 billion (CBO, [August 11, 2022](#)). Figure 1 illustrates the CBO score. The provisions from the Senate Committee on Agriculture, Nutrition, and Forestry consist of just over 30% of this total score.



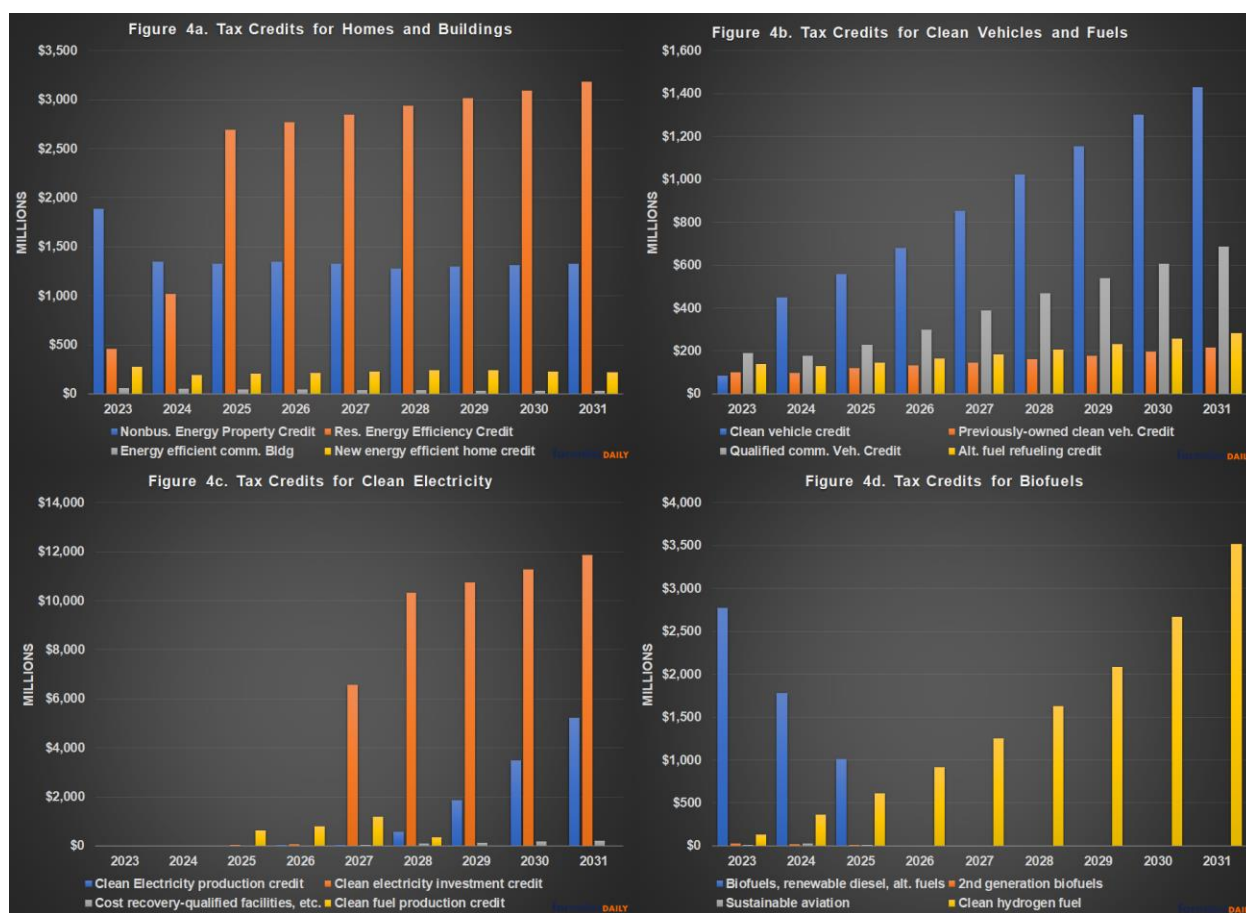
The CBO score did not include estimates for the Committee on Finance, which wrote the tax provisions of the bill. The Joint Committee on Taxation (JCT) estimated the budget effects of the revenue provisions in the bill as it passed the Senate (JCT, [August 9, 2022](#)). The JCT score can be broken into two categories: (1) tax changes to raise revenue that goes towards reducing the deficit; and (2) tax credits (or expenditures through the tax code) for certain activities. Figure 2 illustrates the deficit reduction tax changes, which are a new corporate alternative minimum tax and an excise tax on corporate stock buybacks. In total, JCT estimates \$296 billion in deficit reduction for FY2022 through 2031.



In the second category, the Inflation Reduction Act extends, modifies and creates a set of tax credits for renewable energy, energy efficiency and fuels. These include tax credits for: solar, wind and other renewable sources of electricity; biodiesel, renewable diesel, sustainable aviation and clean hydrogen fuels; energy efficiency in homes, commercial buildings and other properties; clean vehicles, new, used and commercial, as well as refueling property; advanced energy and manufacturing; and clean electricity production, investments and qualified facilities. It also includes tax credits for zero-emission nuclear power production and for carbon dioxide sequestration. In total, JCT estimates \$271 billion in FY2022 to 2031 for these tax credits. Figure 3 illustrates the JCT scores by category, which generally align with the Parts 1-5 and Part 7 of the subtitle of the bill.



Figures 4a through 4d break down the JCT score by individual tax credits within the categories in Figure 3.



Not included in the above figures, but also scored by JCT are a few provisions that raise funding by extending existing provisions. The bill permanently extended the tax that funds the Black Lung Disability Trust Fund, raising \$1.1 billion (FY2022-2031) and Reinstated the Superfund for environmental cleanups, raising \$11.7 billion (FY2022-2031). The bill also extended the limitation on excess business losses for noncorporate taxpayers for two years, raising \$52.8 billion. Finally, the Inflation Reduction Act increased the research credit against payroll tax for small businesses at a cost of \$168 million (FY2022-2031).

To round out the review of the entire Inflation Reduction Act are two categories of provisions written by the Committee on Finance but not scored by JCT. The first category pertained to health care and prescription drugs. Congress authorized Medicare to negotiate prescription drug prices to reduce costs. Initial estimates are that this provision will save the federal government between \$229 billion and \$265 billion over ten years (FY2022-2031) (compare, Penn Wharton Budget Model, [August 12, 2022](#); Senate Democrats, [August 11, 2022](#); see also, Sachs, [August 10, 2022](#)). Congress also extended subsidies under the Affordable Care Act, initially estimated to cost approximately \$64 billion to \$69 billion. These provisions are contained in Subtitles B and C (respectively) of Title I ([P.L. 117-169](#)).

The second has been the source of much political and partisan attention (see e.g., Rappeport and Hsu, [August 19, 2022](#); Cercone, [August 12, 2022](#)). In Part 3 of Subtitle A of Title I—the subtitle for deficit reduction—the Committee on Finance appropriated billions to the Internal Revenue Service (IRS) to enhance services and improve taxpayer compliance. Congress appropriated \$3.2 billion to improve taxpayer services and \$4.75 billion for modernization. Congress also appropriated \$25.3 billion for operations support, but the provision that has received the most political attention was the \$45.6 billion appropriated to improving enforcement of tax laws. Figure 5 summarizes these provisions.

Taxpayer Services	Business Systems Modernization	Operations Support	Enforcement
<u>\$3.2 billion:</u> "...to provide taxpayer services, taxpayer advocacy services, and other services as authorized by 5 U.S.C. 3109..."	<u>\$4.75 billion:</u> "...business systems modernization program, including development of callback technology and other technology to provide a more personalized customer service..."	<u>\$25.3 billion:</u> "...to support taxpayer services and enforcement programs..."	<u>\$45.6 billion:</u> "...to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations (including investigative technology), to provide digital asset monitoring and compliance activities, to enforce criminal statutes related to violations of internal revenue laws and other financial crimes..."

farmdocDAILY

Included in the funding for the IRS is another \$725 million for administrative expenses such as the inspector general, the office that writes the regulations and the U.S. Tax Court. In total, the Inflation Reduction Act provides a nearly \$80 billion investment in the IRS which is expected to improve compliance and increase revenue, reducing the federal deficit. One estimate scored this as raising \$147 billion over FY2022 to 2031 (Penn Wharton Budget Model, [August 12, 2022](#)). Others have estimated it would raise \$204 billion to contribute a net \$124 billion to deficit reduction over the 10 years (FY2022-2031) and help reduce the reported \$600 billion annual gap between the taxes that are legally owed and the taxes that are actually paid (Jacoby, [August 12, 2022](#)).

Concluding Thoughts

According to a summary document prepared by Senate Democrats, the Inflation Reduction Act of 2022 will raise \$737 billion and spend \$437 billion on climate change and energy investments, as well as another \$64 billion on extending the Affordable Care Act subsidies and \$4 billion for western drought resiliency (Senate Democrats, [August 11, 2022](#)). The Act is therefore expected to contribute close to \$300 billion to deficit reduction over the next 10 years. The Senate Democratic estimates were compiled from the scoring estimates prepared by the Joint Committee on Taxation and the Congressional Budget Office but not at all scoring has been completed and the final amounts could change. The unique and arguably historic legislation has been reviewed in three parts, with the first two focused on the funding appropriated by the Senate Committee on Agriculture, Nutrition, and Forestry; this third installment reviewed the entire legislation as currently scored. These initial reviews will be updated and supplemented by new information as it becomes available and with additional analysis or perspectives.

References

"Senate-Passed Inflation Reduction Act: Estimates of Budgetary and Macroeconomic Effects." PWBM, Published on 8/12/2022. <https://budgetmodel.wharton.upenn.edu/issues/2022/8/12/senate-passed-inflation-reduction-act>

Coppess, J., K. Swanson, N. Paulson, C. Zulauf and G. Schnitkey. "[Reviewing the Inflation Reduction Act of 2022; Part 2.](#)" *farmdoc daily* (12):120, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 12, 2022.

Coppess, J., K. Swanson, N. Paulson, C. Zulauf and G. Schnitkey. "Reviewing the Inflation Reduction Act of 2022; Part 1." *farmdoc daily* (12):119, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 11, 2022.

Jacoby, Samantha. "Added IRS Funding Would Help Ensure High-Income Households, Businesses Pay Their Taxes." Center on Budget and Policy Priorities, August 12, 2022. <https://www.cbpp.org/blog/added-irs-funding-would-help-ensure-high-income-households-businesses-pay-their-taxes>

Sachs, Rachel. "Understanding The Democrats' Drug Pricing Package." *Health Affairs*, August 10, 2022. <https://www.healthaffairs.org/content/forefront/understanding-democrats-drug-pricing-package>

Wang, Amy B. "Biden Signs Sweeping Bill to Tackle Climate Change, Lower Health-Care Costs." *The Washington Post*, August 16, 2022. <https://www.washingtonpost.com/politics/2022/08/16/biden-inflation-reduction-act-signing/>



Allowing New Base Acres for Current Program Commodities: An Assessment

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

Jonathan Coppess, Gary Schnitkey, Krista Swanson, and Nick Paulson

Department of Agricultural and Consumer Economics
University of Illinois

August 26, 2022

farmdoc daily (12): 129

Gardner Policy Series

Recommended citation format: Zulauf, C., J. Coppess, G. Schnitkey, K. Swanson, and N. Paulson. "Allowing New Base Acres for Current Program Commodities: An Assessment." *farmdoc daily* (12): 129, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 26, 2022.

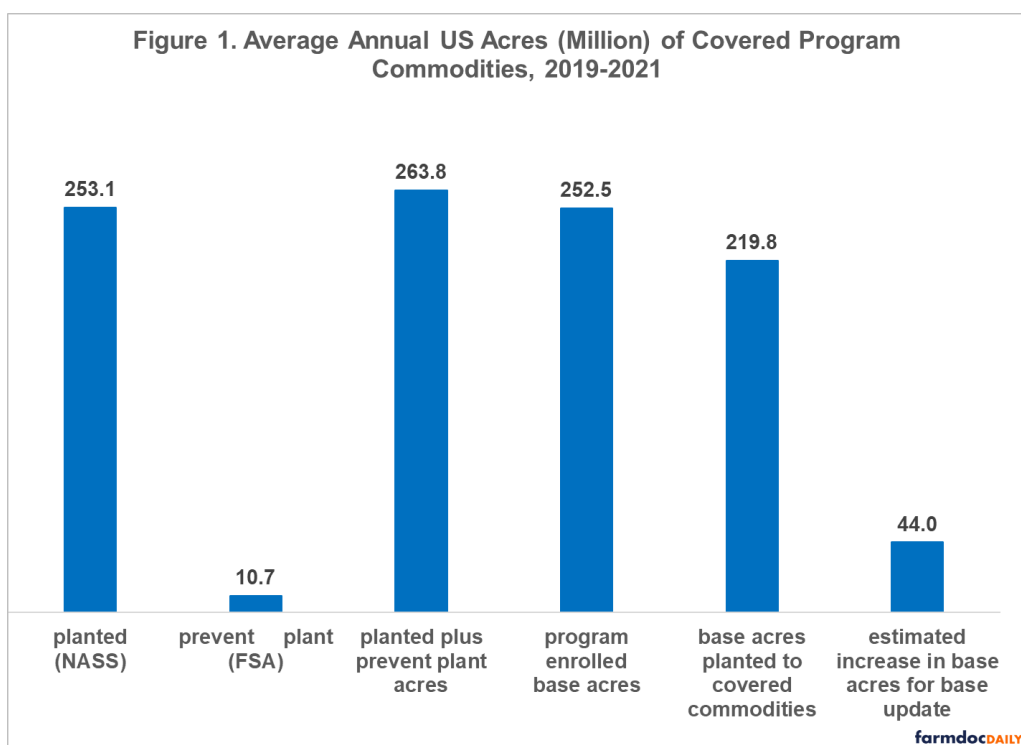
Permalink: <https://farmdocdaily.illinois.edu/2022/08/allowing-new-base-acres-for-current-program-commodities-an-assessment.html>

The 2002 and 2014 farm bills authorized voluntary base acre update and reallocation options, respectively. Several individuals have asked the senior author about the feasibility of another voluntary base acre update that specifically would allow acres recently planted to covered program commodities be used to determine total base acres on a farm, including those farms not enrolled for farm programs. Allowing new base acres for current program commodities is expensive. Using data for the 2019-2021 crop years, we estimate that this base update option would result in a 17% increase in base acres of current program commodities. An increase of this size would likely require either that the addition of new base acres be scaled back or a funding source identified before it would receive serious consideration.

Planted Acres

Acres planted to covered commodities averaged 253.1 million over the 2019-2021 crop years (see Figure 1). These crop years are under the 2018 farm bill and have complete data. Source of planted acres is the *Quick Stats* database maintained by USDA, NASS (US Department of Agriculture, National Agricultural Statistical Service). Covered commodities are barley, canola, crambe, corn, large and small chickpeas, dried peas, flaxseed, lentils, mustard, oats, peanuts, rice, rapeseed, safflower, seed cotton, sesame, sorghum, soybeans, sunflowers and wheat. Acres planted to crambe and sesame, both small acre crops, are not reported in *Quick Stats*.

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from *farmdoc daily*. Guidelines are available [here](#). The *farmdoc daily* website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).



Considered Planted

Base acres include acres considered planted to a program commodity in a year. Specifically, they include acres prevented from being planted for conditions beyond a farmer's control, including weather (2014 farm bill). Using data from USDA, FSA (Farm Service Agency) (August 2022b), prevent plant acres of covered commodities averaged 10.7 million per year over 2019-2021 (see Figure 1).

Base Acres

Using FSA data (August 2022a), base acres enrolled in commodity programs averaged 252.5 million per year over 2019-2021 (see Figure 1). However, not all base acres are planted to covered commodities. Farmers have the freedom to not plant base acres or plant them to other crops, with some restrictions largely related to fruits and vegetables. According to data supplied by FSA (August 2022c); 219.8 million enrolled base acres were planted to covered commodities over 2019-2021 (see Figure 1).

Summary

Recent planted plus prevent plant acres for covered commodities exceed current base acres planted to covered commodities by 44 million (263.8 – 219.8) (see Figure 1),

The preceding finding implies that, if farmers were allowed to sign up acres recently planted to covered commodities but have no base, base acres for current program commodities could increase by 17% (44 million / 252.5 million).

If we assume new base acres have the same distribution as existing base acres across program commodities and states, a 17% increase in base acres translates into a 17% increase in budgetary cost (i.e. commodity program payments). The May 2022 Congressional Budget Office (CBO) baseline projected spending of \$48 billion for the Agriculture Risk Coverage and Price Loss Coverage programs over Fiscal Years 2023-2032, implying an \$8 billion (17% times \$48 billion) increase in Federal budgetary cost over 10 years, the period used to score farm program spending.

An increase approaching the estimate in the previous point is large enough that the addition of new base acres for current program commodities would likely have to be scaled back or have a source of funding identified before receiving serious consideration.

Scale back options include, among others, (1) limiting (i.e., capping) the number of acres that could be added as new base acres to current program commodities, (2) requiring that new base acres be in the program commodity with the lowest projected payment per acre over the life of the authorizing farm bill, (3) allowing new base acres on a farm to the extent they can be funded by reassigning that farm's existing base acres to program commodities with a lower expected payment over the life of the authorizing farm bill (i.e., the farm gains base acres but no expected increase in payments), and (4) base acres on an updating farm would need to reflect recently planted program commodities (i.e. previous base acre distribution across program commodities is eliminated).

An issue that might arise with a new base acre update to current program commodities is that some, maybe many, farms will have no new base acres. Planted and base areas are the same. Moreover, beneficiaries of a new base acre update are likely to vary by state and crop. Would Congress thus find it equitable, perhaps even politically necessary, to offer some other benefit to farms that are at maximum base acres, thus further increasing the cost of adding new base acres to current program commodities?

References and Data Sources

Congressional Budget Office. May 2022. Baseline Projections – USDA Farm Programs.
<https://www.cbo.gov/system/files?file=2022-05/51317-2022-05-usda.pdf>

The National Agricultural Law Center. August 2022. 2002 Farm Bill: *Farm Security and Rural Investment Act of 2002*, 2014 Farm Bill: *Agricultural Act of 2014*, and 2018 Farm Bill: *Agricultural Improvement Act of 2018*. <https://nationalaglawcenter.org/farmbills/>

US Department of Agriculture, Farm Service Agency. August 2022a. ARC/PLC Program Data.
https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index

US Department of Agriculture, Farm Service Agency. August 2022b. *Crop Acreage Data*.
<https://www.fsa.usda.gov/news-room/efoia/electronic-reading-room/frequently-requested-information/crop-acreage-data/index>

US Department of Agriculture, Farm Service Agency. August 2022c. Personal communication.

US Department of Agriculture, National Agricultural Statistics Service. August 2022. *Quick Stats*.
<https://quickstats.nass.usda.gov/>

**Do you know how to identify signs of worsening mental health in adults?
Would you know how to respond and provide support if someone was
experiencing a mental health crisis?**

This can be a difficult conversation but is crucial. In Ohio, 16 of the 17 counties with the highest rates of suicide are rural. Behind every number is a person who was a friend, family member, colleague, or neighbor. Sign up for a Mental Health First Aid training and learn how to recognize signs and symptoms of mental health challenges in adults and how to help in a mental health crisis.



Who should attend?

- Anyone who wants to learn new tools to assist farmers during difficult times
- All OSU Employees
- Community Leaders
- Members of the Ag Community

How this course works:

- Register to attend at:
<https://go.osu.edu/farmstress22mhfa>
- Complete 1.5 hours of self-paced learning online (access to materials provided approximately two weeks prior to training)
- Attend an interactive and engaging virtual training hosted on Zoom.

Upcoming Trainings:

Sept. 8 or 29
Oct. 7 or 27
November 4
December 2

***This course is valued at \$170 but is FREE thanks to
funding from USDA FRSAN grant.****

*This research was supported by the intramural research program of the U.S. Department of Agriculture, National Institute of Food and Agriculture, 7 U.S.C 5936, Section 7522 of FCEA of 2008, Farm and Ranch Stress Assistance Network (FRSAN). Contact Kate homonai.3@osu.edu with any questions about these trainings.





CFAES

KITCHEN TABLE CONVERSATIONS

September 20-22, 2022
11:30 a.m.–12:30 p.m.



In person @ 384 Friday Avenue @ Farm Science Review or online via Zoom
<https://go.osu.edu/2022fsrkitchentableconversation>

TUESDAY

When Death Happens- Managing the Farm Without Your Business Partner

Death can change everything, especially your ability to manage the farm without your business partner. How can you better prepare to manage your farm business without your spouse or sibling? Learn some strategies that can help you plan for the challenge of managing a farm alone.

SPEAKER

David Marrison, OSU Extension Educator, Coshocton County, marrison.2@osu.edu, 740-622-2265

WEDNESDAY

Female Farmer Financing Options: Opportunities with USDA Farm Service Agency (FSA) Loans

Come participate in this kitchen table conversation on how you can find unique farmland financing options for females, veterans and minority farmers. Learn a little bit more about the requirements, normal rates and roles.

SPEAKER

Eric Richer, OSU Extension Educator, Fulton County, richer.5@osu.edu, 419-337-9210

THURSDAY

The Devil is in the Details: Communication and Record Keeping for Improving Farm Management

Family farms are only as good as their communication. A record keeping system is a valuable form of communication when the level of detail fits the needs of the farm decision makers. Useful record keeping can move a farm management team beyond the basic tax return to exploring problem solving and strengthening the family farm business.

SPEAKER

Bruce Clevenger, OSU Extension Educator, Defiance County, clevenger.10@osu.edu, 419-782-4771

FOR MORE INFORMATION: Gigi Neal, neal.331@osu.edu, 513-732-7070 or
Heather Neikirk, neikirk.2@osu.edu, 234-348-6145

Blog Site: u.osu.edu/ohwomeninag/



THE OHIO STATE UNIVERSITY
EXTENSION

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. For an accessible format of this publication, visit cfaes.osu.edu/accessibility.

**CFAES****DATE:**

October 8, 2022

TIME:9:00 a.m.– 3:00 p.m.
Registration 8:30 a.m.**LOCATION:**OSU ATI Beef Center
2736 S. Apple Creek Rd
Apple Creek 44606**THE OHIO STATE
UNIVERSITY**

EXTENSION

Small Farm Ruminant Production Field Day

Have a small herd of beef cattle, goats, or a flock of sheep? Are you a new or beginning ruminant livestock producer? If yes to either of these questions, this program is for you!

Join OSU Extension educators and state specialists for an all-day workshop covering topics every ruminant livestock producer needs to know from grazing and nutrition, livestock marketing, facilities and housing.

After lunch, those who have an interest in sheep or goats will depart to the Small Ruminant Research Unit located on Fredericksburg Road, while those focused on beef cattle will remain at the ATI Beef Center.

Afternoon training sessions will be species-specific that include hands-on training in animal care and handling, basic animal health, livestock evaluation, and much more.

Cost: \$30 per person lunch Included.

Limited to first 40 Registrations.

Register at <https://go.osu.edu/smallfarmruminantfieldday>

CFAES Wooster Campus
wooster.osu.edu**OSU Extension Beef Team**
beef.osu.edu**OSU Extension Sheep Team**
sheep.osu.edu



CFAES

OHIO STATE UNIVERSITY EXTENSION

BEEF QUALITY ASSURANCE



Re-certification Trainings for Livestock Producers

Coshocton County will be hosting two Beef Quality Assurance re-certification programs to allow beef and dairy producers to re-certify their beef quality assurance during the fall of 2022. Pre-registration is required for each session as space is limited.

Sessions Will Be Held:

Monday, October 10, 2022

or

Wednesday, November 16, 2022

7:00 to 8:30 p.m.

Coshocton County Services Building
724 South 7th Street - Room 145, Coshocton, OH 43812

Seating is limited, so please RSVP
Register by calling: 740-622-2265

Other Sessions are being offered in neighboring counties or can be completed on-line anytime at bqa.org.



THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
AND ENVIRONMENTAL SCIENCES

COSHOCTON COUNTY EXTENSION

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