



July 2009

Nebraska Farm Business, Inc.

## Yielding Success Through Financial Management

### This May Be Your Last Newsletter...

We publish newsletters to keep you informed and up to date on farm management issues that effect your business. As times have changed, a more efficient and timely way to do this is by using our website, NFBI.net and Facebook. We are updating our website and later this summer, we will begin posting articles on the website about topics relevant to farm management. We will continue to do this on a regular basis as information is made available. To make sure you are aware of these postings, we will send you an email or postcard letting you know what articles are out there with a brief summary. You can



### Look who's on Facebook!!

Along with better utilizing the website, we are using Facebook to better communicate with our producers. Find us on Facebook by searching for Nebraska Farm Business Inc and participate in discussions relevant to what is going on in agriculture today. You can post your thoughts, questions, and opinions, and see what other producers are thinking.

then go to NFBI.net to read the entire article. If you prefer to receive these articles in paper form, let us know and we will send you a printout. But don't wait for the postcard or email...check us out on Facebook.

### 2009 Tax Updates

#### Cash 4 Clunkers

Vouchers for \$3,500 to \$4,500 toward the purchase or lease of new fuel efficient automobiles and trucks are available at your dealership. Qualified vehicles must be purchased between July 1 and November 1st. (cont. p.2)

#### 2009 Mileage Rates

Business: 55¢  
Medical: 24¢  
Charitable: 14¢

#### Minimum FICA Wages

Quarter \$1,090  
Annual \$4,360

#### Minimum Wage Increases

to \$7.25 July 24th.

#### HSA Contribution Limits

Single \$3,000  
Family \$5,950

#### Earned Income Retirement Limits

Age 62-Full Retirement Age \$14,160  
The year of Full Retirement Age \$37,680  
Full Retirement Age Unlimited

## Cash 4 Clunkers (continued from p. 1)

On June 24, President Obama signed HR 2346 which among other things includes the "Cash 4 Clunkers" provision. Vouchers for \$3,500 to \$4,500 will be given for the purchase or lease of new fuel efficient automobiles and trucks. Qualified vehicles must be purchased between July 1 and November 1st.

### Eligible Trade-In:

- Drivable condition
- Insured and registered for more than 1 year immediately prior to trade-in.
- 1984 or newer
- An automobile that gets less than 18 mpg

### New Fuel Efficient Automobile:

- A passenger automobile, or
- A category 1, 2, or 3 truck, and
- The title has not been transferred to any person other than the ultimate purchaser
- Retail price of \$45,000 or less
- Has the combined fuel economy value of at least:
  - \*22 mpg for a passenger automobile
  - \*18 mpg for a category 1 truck, or
  - \*15 mpg for a category 2 truck

To be eligible for the \$3,500 voucher, the new automobile must be a:

- Passenger automobile that gets at least 4 mpg more than the trade-in vehicle
- Category 1 truck that gets at least 2 mpg more than the trade in vehicle
- Category 2 truck that gets at least 15 mpg and
  - \* at least 1 mpg more than the trade in, or
  - \* trade-in is a category 3 truck 2001

model year or earlier

- Category 3 truck and the trade-in is a category 3 truck of model year 2001 or earlier and is similar size or larger than the new vehicle.

To be eligible for the \$4,500 voucher, the new automobile must be a:

- Passenger automobile that gets at least 10 mpg more than the trade-in
- Category 1 truck that gets at least 5 mpg more than the trade-in, or
- Category 2 truck that gets at least 15 mpg more than the trade-in and the trade in is an eligible category 2 truck

This is not a tax credit, but a voucher through the dealership at the time of the purchase. Your dealership will have more details as to which vehicles qualify as trade-ins and purchases. Because the language describing the vehicles is not clear at this time, if you are thinking about taking advantage of one of these vouchers, please see your dealership or contact us for more information.

### Definitions:

**Passenger Vehicle:** Automobile that gets at least 22 mpg

**Category 1 Truck:** less than 6,000 GVWR and gets at least 18 mpg

**Category 2 Truck:** Large van or large pickup—6,000 to 8,500 GVWR


**Category 3 Truck:** Work truck—8,500 to 10,000 GVWR

**Qualified Lease:** Lease period at least 5 years

## Crop Production Records

Changes to our analysis program have prompted changes to our crop production record. These changes allow us to better utilize all the new features of FINPACK as well as do a better job of getting accurate information back to you. This will be available on our website soon (we have some software updates to do that will make it more functional) and we will distribute it via email to those that we can as soon as it's available.

The thought process has changed from sorting by crop to entering the information by field. The top section, in grey, is for your whole farm. Many of the sections have pull-down menus to avoid typing "corn" many times or to give you the choices that we have available in FINPACK. Some of the pieces can be filled in now, while others obviously need production information.



**Crop Production Record**

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Name: \_\_\_\_\_ Crop Year: \_\_\_\_\_ Main County: \_\_\_\_\_

Crops Raised:	Row Width:	Total Irr. Acres	Total Dry. Acres	Total Bu/Tons Produced
1) _____	_____	_____	_____	_____
2) _____	_____	_____	_____	_____
3) _____	_____	_____	_____	_____
4) _____	_____	_____	_____	_____
5) _____	_____	_____	_____	_____

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Name of Field: \_\_\_\_\_  Owned Land Landlord: \_\_\_\_\_

FSA #: \_\_\_\_\_  Cash Rented Land

County Located (If Different): \_\_\_\_\_  Share Rented Land \_\_\_\_\_ % Split

Bushel Rent Land \_\_\_\_\_ bu. Rcv'd

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Crop	Irr	Dry	# of Acres	Per Ac Yield	Total Yield	Operator's Share	Insurance Proceeds	Chemical Resist.	Insect Resist.	Previous Crop	Tillage Used
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____

The white sections are for each field and repeat several times through the document. The first part is for information on that particular field. Our hope is to be able to keep all that information from year to year so it will only have to be filled in once for each field. Any extra information can be put in the "Additional Information" section, such as unique arrangements for that field, date of hail or wind damage, or anything else you want to make sure we know about or you don't want to forget.

The crop name is again in a pull-down menu and Irrigated or Dryland can be marked with a checkbox. The total yield information is set to calculate once you enter the # of acres and the per acre yield, but at this time you'll need to calculate your share for the "Operator's Share".

The next three check-boxes are for more information. Letting us know which field received crop insurance allows us to do a better job of assigning that income to the fields that showed losses. The "Chemical Resistance", "Insect Resistance", "Previous Crop" and the "Tillage Practice" are there for information purposes, just so we can run averages comparing profitability on fields of each type.

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## Does your farm business need a CFO?

Your gross income has grown, your expenses have grown, and your risk is growing every day. Some risks are out of your control, but we can help you more closely manage the things in your control. Analysis provides a valuable historic look at your farm business, your income, expenses, and trends as well as your financial position. As your business grows and your attention is needed elsewhere we can help you with keeping more current and detailed information in order to make the best decisions you can.

We have begun to offer a "CFO" (Checking your Financials more Often) program on a limited basis. Together with you we will create a detailed monthly cash flow using your 2008 analysis and your expertise in your business. The cash flow will be updated periodically throughout the year with actual amounts so you can see how you are performing compared to the initial cash flow assumptions. We will also be doing tax planning throughout the year

to help you make better marketing timing decisions.

The program involves four on farm visits. One in the fall pre-harvest to create the first projected cash flow for the following year. The second would be post-harvest when we will finalize current year tax planning. The third is a book-closing visit similar to what we do now, and the fourth a Pre/Post Planting visit to review the analysis and update projections. At each visit we will review where you are at that time, update your tax planning and breakeven marketing prices.

Because this program is very involved, we are limited on how many clients we can offer this service to at this time. If you are interested in finding out more about the CFO program and if it is right for you, please contact your consultant.

## Crop Production Record (Cont. from p. 3)

We'd like this to be a one-stop place for all your production information so you can have it handy for FSA and crop insurance needs. If there is anything we're missing or ways we can improve this to meet your needs, just let us know.

We are also working on inventory sheets for both crop and livestock that can be filled in electronically and sent back to us. We'll let you know when those are available as well.

### Husker Harvest Days

September 15, 16, & 17



Be sure to stop by the NFBI booth at Husker Harvest Days!

If you are interested in spending a few hours at the Nebraska Farm Business booth, give us a call. We'd love to have you help us promote farm business management to other producers.