



# Ag Decision Maker



A Business Newsletter for Agriculture

Vol. 19, No.1

www.extension.iastate.edu/agdm

November 2014



## ISU Extension presenting an overview of the 2014 Farm Bill

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Iowa farmers and landowners will learn about the new programs authorized by the Agricultural Act of 2014 (commonly referred to as the Farm Bill) at informational meetings conducted by Iowa State University Extension and Outreach and local USDA Farm Service

Agency staff members. Meetings will be held across the state to explain options available under the new Farm Bill.

Farm Bill – Program Overview meetings will focus on the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) that will be administered by USDA Farm Service Agency, and the Supplemental Coverage Option (SCO) administered by USDA Risk Management Agency through federal crop insurance providers.

“Extension farm management specialists are prepared to discuss decisions farmers and landowners need to make in the coming months regarding Price Loss Coverage, and Agricultural Risk Coverage Individual and County options,” said Chad Hart, ISU Extension and Outreach economist and pro-

gram coordinator. “Local FSA staff members who administer the programs will be available to answer questions.”

The timeline for when decisions need to be made along with information about online Farm Bill decision tools will also be shared at the meetings. Topics that will be covered during the meetings include:

- Base reallocation
- Yield updating
- Price Loss Coverage (PLC)
- Ag Risk Coverage (ARC)

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### Handbook updates

For those of you subscribing to the handbook, the following new updates are included.

Table of Contents - Crops - Costs and Returns - A1-00 (1 page)

New Safety Net: PLC, ARC-CO, ARC-IC - A1-32 (3 pages)

New Safety Net: SCO - A1-44 (2 pages)

Deductible Livestock Costs - B1-15 (1 page)

Please add these files to your handbook and remove the out-of-date material.

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- Implications of PLC and ARC on participation in the Supplemental Coverage Option (SCO)
- Dairy Margin Protection Program (MPP)
- Noninsured Crop Disaster Assistance Program (NAP)

### Locate a Farm Bill meeting

Farm Bill meetings for upcoming months continue to be added to the ISU Extension and Outreach Statewide Calendar. For the most current listing of meeting locations and dates visit the Ag Decision Maker Farm Bill website at [www.extension.iastate.edu/agdm/info/farmbill.html](http://www.extension.iastate.edu/agdm/info/farmbill.html) or contact your county extension office.

The Ag Decision Maker Farm Bill website also contains useful links and resources related to Farm Bill decision making. Contact a county extension office for additional details about upcoming local meetings.



Steve Johnson, farm management specialist, and Chad Hard, extension economist, visited with 2014 Farm Progress Show visitors about the farm bill.



### Help farmers cope with stress

By Margaret Van Ginkel, family finance specialist, [vangin@iastate.edu](mailto:vangin@iastate.edu); Ann Johanns, extension program specialist, [aholste@iastate.edu](mailto:aholste@iastate.edu); Willy Klein, organizational advancement specialist, [wklein@iastate.edu](mailto:wklein@iastate.edu)

Farm life with its country setting often is idealized, but as the complications and pace of agriculture have increased, so have the physical and mental demands on farmers. Safety and stress during harvest season cannot be ignored, says Margaret Van Ginkel, an Iowa State University Extension and Outreach human sciences program specialist and Iowa Concern Hotline coordinator.

“Farmers deal with everyday tasks of money management, decision-making and equipment maintenance,” Van Ginkel said. “Worry over large debt loads, government regulations, pest outbreaks, animal disease, negative publicity, rapid change within the industry and lack of control over the weather add stress and safety risks.”

Van Ginkel noted that farmers work long hours in isolation near their home environment, leaving them no place to escape the stressors, which makes it easy to see why farming ranks as one of the most stressful occupations in the United States.

“The physical and mental stress of farming can take a toll on a person’s health,” Van Ginkel said. “Ignoring those signs of stress can lead to fatigue and depression, increasing the risk for accidental injuries, poor decision-making, physical illness and more.”

The long days and late nights of harvest can lead farmers to push their limits to get crops out of fields, but research from the Centers for Disease Control and Prevention confirms that breaks can

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help increase concentration and alertness while reducing the risk for farm accidents.

“Get out of the tractor, get out of the combine,” said Van Ginkel. “Take fifteen minutes to eat a sandwich on the tailgate of the pickup with your family. It will recharge your energy and help you think clearly again.”

Van Ginkel says there are physical signs of stress to look for in yourself or a co-worker. She references the Ag Decision Maker publication Managing Farm Business and Family Stress when she points out physical signs of stress include an increase in headaches, lingering fatigue, disrupted sleep patterns and more frequent illness; emotional signs include frequent anger and irritability.

**Recognize signs of stress**

Although adults involved in the agriculture industry may not come out and verbally share they are under financial or emotional stress, there are signs they may be in need of help, Van Ginkel said. These signs can be observed by friends, neighbors, veterinarians, physicians, clergy, teachers and other community members.

Suzanne Pish, a social-emotional health extension educator with Michigan State University Extension, encourages those living in rural communities to look for the following signs of chronic, prolonged stress in farm families:

- **Change in routines.** The farmer or family no longer participates in activities they once enjoyed such as church, 4-H or visiting at the local diner.
- **Care of livestock declines.** Animals might show signs of neglect or abuse.
- **Increase in illness.** Stress puts people at higher risk for upper respiratory illnesses (colds, flu) or other chronic conditions (aches, pains, persistent cough).
- **Increase in farm accidents.** Fatigue and the inability to concentrate can lead to greater risk of accidents.

- **Decline in farmstead appearance.** The farm family no longer may take pride in the way farm buildings and grounds appear, or no longer have time to do the maintenance work.
- **Children show signs of stress.** Children from families under stress may act out, show a decline in academic performance or be increasingly absent from school. They also may show signs of physical abuse or neglect.

“Many farmers who are used to working things out for themselves might be resistant to sharing their problems with others. Although asking for help might go against the nature of a strong, self-reliant farmer, obtaining support for stress-related problems usually provides the most effective and durable solutions,” Van Ginkel said. “It’s important to encourage and refer individuals and families under farm-related stress to needed resources.”

**Helping others cope with stress**

What can you do to help others cope more effectively? Here are nine points to assist you in relating to individuals experiencing stress.

- **Take time to listen.** Stressed individuals should not be rushed. By taking the time to listen, you are showing that you care. Ask questions so you clearly understand the problem. By asking questions, the individual must respond to you in a manner that helps them frame and understand their own problem.
- **Be non-critical and non-judgmental as the individual shares his/her troubles.** While their problem may not seem huge to you, it is to them.
- **Counsel on a one-on-one basis.** Be a good listener - don’t interrupt. Try to draw them out. Get them to talk. This can be a tremendous pressure reliever.
- **Be empathetic.** We cannot know how the individual feels unless we have been there. Avoid one-upmanship.

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- **Try to separate the problem's causes from the symptoms.** Assist the individual in recognizing the difference. As the saying goes, "sometimes it's hard to see the forest for the trees", especially when we're in the middle of the forest.
- **Try to help the individual think logically and rationally.** Jotting things down on a yellow note pad and prioritizing them can do wonders. Keep it simple.
- **Encourage the individual to get back into a routine of doing things.** Stress often brings on apathy and a loss of interest in things formerly enjoyed.
- **Learn to recognize the signs of stress.** There are many excellent publications available.
- **Above all, make sure the individual retains ownership of his/her problems.** If you pick up the other person's problem, you both have a problem and you lose your objectivity.

Dealing with stress often calls for professional help that is beyond your capacity regardless of how sincere you may be. When this happens, suggest that the individual seek professional help. In lesser situations, just being a caring, empathetic, supportive, and unhurried listener can go a long way in helping an individual through a difficult situation.

### Strengthen relationships

- To help yourself take action during stressful times, strengthen personal and family relationships by:
- Increasing the time spent with supportive family and friends, who are important buffers in times of stress.
- Practicing positive communication with loved ones by listening and expressing appreciation.
- Making personal health a priority (because it is essential for coping with stress).
- Strengthening spiritual resources.
- Being mindful of what is most important to oneself and one's family.

- Remaining aware of ongoing changes that contribute to stress, and postponing new commitments if they will add stress.
- Enhancing money and time management skills.
- Reaching out to people in the community (being there for others strengthens one's own circle of support).

### Call the Iowa Concern Hotline

Iowans can call the ISU Extension and Outreach Iowa Concern Hotline, 800-447-1985, for help and referrals for dealing with stress. The Iowa Concern website at [www.extension.iastate.edu/iowaconcern/](http://www.extension.iastate.edu/iowaconcern/) has a live chat feature as an additional way to talk with stress counselors. Agencies and professionals serving individuals and families can contact local ISU Extension and Outreach offices about Iowa Concern hotline number business cards available for distribution.

The following publications can be accessed at Iowa State University Extension and Outreach county offices or from the Extension Online Store, [store.extension.iastate.edu](http://store.extension.iastate.edu):

- *Stress: Taking Charge* ([store.extension.iastate.edu/Product/All-About-Stress-Stress-Taking-Charge-pdf](http://store.extension.iastate.edu/Product/All-About-Stress-Stress-Taking-Charge-pdf))
- *Strengthen Your Relationship in Stressful Times* ([store.extension.iastate.edu/Product/Strengthen-Your-Relationship-In-Stressful-Times-Disaster-Recovery-Series-pdf](http://store.extension.iastate.edu/Product/Strengthen-Your-Relationship-In-Stressful-Times-Disaster-Recovery-Series-pdf))
- *Show You Care by Listening* ([store.extension.iastate.edu/Product/Show-You-Care-By-Listening-Disaster-Recovery-Series-pdf](http://store.extension.iastate.edu/Product/Show-You-Care-By-Listening-Disaster-Recovery-Series-pdf))

\* A portion of this article is an excerpt from AgDM File C6-51, *Managing Farm Business and Family Stress*, ([www.extension.iastate.edu/agdm/wholefarm/html/c6-51.html](http://www.extension.iastate.edu/agdm/wholefarm/html/c6-51.html)).



## Exemption of sales tax on certain uses of utilities and fuel

by Charles Brown, farm management specialist, 641-673-5841, [crbrown@iastate.edu](mailto:crbrown@iastate.edu)

Certain uses of utilities and fuel are exempt from Iowa sales tax. The purchase of water, electricity, liquefied petroleum gas or other forms of energy used for agriculture production may be exempt from Iowa sales tax.

To claim these exemptions complete forms 31-113, Iowa Sales Tax Exemption Certificate/Energy Used in Processing/Agriculture, and give it to your supplier. This will only take care of future sales tax. If you have been paying sales tax and shouldn't have, you need to file IA 843, Claim for Refund. Claims for refund on current purchases are due within three years of the quarterly due date for the period in which the tax was charged. Formerly, taxpayers could file a claim for refund for sales tax within four or five years of that date. The change was made by the 1999 Legislature to gradually adjust the refund periods to conform to those allowed for other taxes.

Fuels used in heating or cooling of livestock buildings on the farm are exempt from sales and use tax. Fuel used in grain drying is exempt because it is used in processing an agriculture product.

Water used in watering livestock is exempt, as is water used by greenhouses for agriculture purposes.

Electricity used in cooling or heating livestock buildings or grain drying is exempt, but keeping the lights on does not qualify.

Proper documentation must be provided to the utility company to receive the exemption for electric energy or gas used in agriculture production. Separate meters would be ideal, but not always practical. Form 31-113 will help to calculate the percentage of the electricity or gas used for agriculture production.

Each farmer applying for utility sales tax exemption should calculate both the exempt and nonexempt percentages of utility use. Your utility company should be able to help with this calculation, if help is needed.

Depending on the type of operation a farmer has, the sales tax could amount to several hundred dollars a year.



## ARC/PLC decisions: a three-step process

by Steven D. Johnson, PhD, farm management specialist, 515-957-5790, [sjohns@iastate.edu](mailto:sjohns@iastate.edu)

A few months ago, the USDA Farm Service Agency (FSA) mailed letters to farmland owners and their producers with a summary of covered commodities. This was actually the start of a 3-step process for the new commodity crop program.

Now, farmland owners by FSA farm number have a one-time opportunity to: (1) maintain the farm's

2013 base acres of covered commodities through 2018; or (2) reallocate base acres among those covered commodities planted on the farm during the 2009 to 2012 crop years.

There are important decisions coming up this fall and winter for both landowners as well as current producers on the farm.

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Here's a summary of the three-step process:

1) **UPDATE:** The first step is whether you want to update base acres and yields. The landowner makes that final decision and signs the appropriate FSA form. The landowner has between Sept. 29, 2014 to Feb. 27, 2015 to update base acres and/or yields by FSA farm number.

The second and third steps involve the current producer(s) on the farm. The second step is the determination of whether or not to elect ARC or PLC. ARC is a revenue-based program. PLC is a price-loss program.

2) **ELECTION:** Current producer can make a 5-year election by FSA farm number for ARC-CO, ARC-IC, or the PLC program. This decision has to be made Nov. 17, 2014 to March 31, 2015.

3) **ENROLLMENT:** The third step is enrollment. Producers enroll the farm for the program elected. They can do this from mid-April through summer 2015. They will then enroll for 2014 and 2015 crop years concurrently.

For more information, plan to attend one of more than 100 scheduled Farm Bill meetings. Additional meetings and additional farm bill related information are posted on the ISU Ag Decision Maker farm bill web page ([www.extension.iastate.edu/agdm/info/farmbill.html](http://www.extension.iastate.edu/agdm/info/farmbill.html)). Consider contacting your local county Extension office if you are interested in attending one of these meetings. Also, visit Farm Service Agency ARC PLC Programs ([www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing)) for more information.

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## Internet Updates

The following Information Files and Decision Tools have been updated on [www.extension.iastate.edu/agdm](http://www.extension.iastate.edu/agdm).

Organic Crop Production Enterprise Budgets – A1-18 (7 pages)

Organic Crop Production Enterprise Budgets – A1-18 (Decision Tools)

2014 Farm Bill Analyzer: Data and Methods – A1-33 (3 pages)

Corn Drying and Shrink Comparison – A2-32 (3 pages)

Managing Farm Family Finances – C3-51 (5 pages)

Managing Farm Business and Family Stress – C6-51 (2 pages)

## Current Profitability

The following tools have been updated on [www.extension.iastate.edu/agdm/info/outlook.html](http://www.extension.iastate.edu/agdm/info/outlook.html).

Corn Profitability – A1-85

Soybean Profitability – A1-86

Iowa Cash Corn and Soybean Prices – A2-11

Season Average Price Calculator – A2-15

Ethanol Profitability – D1-10

Biodiesel Profitability – D1-15

### ... and justice for all

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