

# Farm Bill Update Tax Update

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**NDSU**

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# Farm Program Update

**TABLE 3. PROJECTED 2022 PRICE LOSS (PLC) COVERAGE PAYMENT RATES**  
**BASED ON EFFECTIVE REFERENCE PRICES, PROJECTED 2022/23 MARKET YEAR AVERAGE (MYA) PRICES AND 2022 NATIONAL AVERAGE LOAN RATES**  
**September 29, 2023 1/**

| A                         | B              | C   | D      | E                              | F  | G                       | H   | I   | J                                      |
|---------------------------|----------------|---|--------|--------------------------------|--|-------------------------|---|---|--|
| Commodity                 | Marketing Year | Publishing Dates for the Final 2022/23 MYA Prices | Unit   | 2022 Effective Reference Price | Projected (P) or Final (F) 2022/23 MYA Price | 2022 National Loan Rate | Higher of (F or G)<br>Projected (P) or Final (F) 2022 Effective Price | Higher of (E-H) or (zero)<br>Projected (P) or Final (F) 2022 PLC Payment Rate | (E-G)<br>Maximum 2022 PLC Payment Rate |
| Wheat                     | Jun. 1-May 31  | June 30, 2023                                     | Bushel | \$5.50                         | \$8.83 F                                     | \$3.38                  | \$8.83 F  | \$0.00 F  | \$2.12                                 |
| Barley                    | Jun. 1-May 31  | June 30, 2023                                     | Bushel | \$4.95                         | \$7.40 F                                     | \$2.50                  | \$7.40 F  | \$0.00 F  | \$2.45                                 |
| Oats                      | Jun. 1-May 31  | June 30, 2023                                     | Bushel | \$2.40                         | \$4.57 F                                     | \$2.00                  | \$4.57 F  | \$0.00 F  | \$0.40                                 |
| Peanuts                   | Aug. 1-Jul. 31 | August 31, 2023                                   | Pound  | \$0.268                        | \$0.268 F                                    | \$0.178                 | \$0.268 F   | \$0.000 F   | \$0.090                                |
| Corn                      | Sep. 1-Aug. 31 | September 29, 2023                                | Bushel | \$3.70                         | \$6.54 F                                     | \$2.20                  | \$6.54 F  | \$0.00 F  | \$1.50                                 |
| Grain Sorghum             | Sep. 1-Aug. 31 | September 29, 2023                                | Bushel | \$3.95                         | \$5.94 F                                     | \$2.20                  | \$5.94 F  | \$0.00 F  | \$1.75                                 |
| Soybeans                  | Sep. 1-Aug. 31 | September 29, 2023                                | Bushel | \$8.40                         | \$14.20 F                                    | \$6.20                  | \$14.20 F   | \$0.00 F  | \$2.20                                 |
| Dry Peas                  | Jul. 1-Jun. 30 | July 31, 2023                                     | Pound  | \$0.1100                       | \$0.1600 F                                   | \$0.0615                | \$0.1600 F  | \$0.0000 F  | \$0.0485                               |
| Lentils                   | Jul. 1-Jun. 30 | July 31, 2023                                     | Pound  | \$0.1997                       | \$0.3440 F                                   | \$0.1300                | \$0.3440 F  | \$0.0000 F  | \$0.0697                               |
| Canola                    | Jul. 1-Jun. 30 | July 31, 2023                                     | Pound  | \$0.2015                       | \$0.2980 F                                   | \$0.1009                | \$0.2980 F  | \$0.0000 F  | \$0.1006                               |
| Large Chickpeas           | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2162                       | \$0.3560 F                                   | \$0.1400                | \$0.3560 F  | \$0.0000 F  | \$0.0762                               |
| Small Chickpeas           | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.1904                       | \$0.3270 F                                   | \$0.1000                | \$0.3270 F  | \$0.0000 F  | \$0.0904                               |
| Sunflower Seed            | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2015                       | \$0.2780 F                                   | \$0.1009                | \$0.2780 F  | \$0.0000 F  | \$0.1006                               |
| Flaxseed                  | Jul. 1-Jun. 30 | July 31, 2023                                     | Bushel | \$11.28                        | \$17.50 F                                    | \$5.65                  | \$17.50 F   | \$0.00 F  | \$5.63                                 |
| Mustard Seed              | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2317                       | \$0.4210 F                                   | \$0.1009                | \$0.4210 F  | \$0.0000 F  | \$0.1308                               |
| Rapeseed                  | Jul. 1-Jun. 30 | July 31, 2023                                     | Pound  | \$0.2015                       | \$0.2160 F                                   | \$0.1009                | \$0.2160 F  | \$0.0000 F  | \$0.1006                               |
| Safflower                 | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2015                       | \$0.3330 F                                   | \$0.1009                | \$0.3330 F  | \$0.0000 F  | \$0.1006                               |
| Crambe                    | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2105                       | \$0.2590 F                                   | \$0.1009                | \$0.2590 F  | \$0.0000 F  | \$0.1096                               |
| Sesame Seed               | Sep. 1-Aug. 31 | September 29, 2023                                | Pound  | \$0.2317                       | \$0.4100 F                                   | \$0.1009                | \$0.4100 F  | \$0.0000 F  | \$0.1308                               |
| Seed Cotton 2/            | Aug. 1-Jul. 31 | September 29, 2023                                | Pound  | \$0.3670                       | \$0.4533 F                                   | \$0.2500                | \$0.4533 F  | \$0.0000 F  | \$0.1170                               |
| Rice (long grain)         | Aug. 1-Jul. 31 | October 31, 2023                                  | Pound  | \$0.1400                       | \$0.1680 P                                   | \$0.0700                | \$0.1680 P  | \$0.0000 P  | \$0.0700                               |
| Rice (med/short grain) 3/ | Aug. 1-Jul. 31 | October 31, 2023                                  | Pound  | \$0.1400                       | \$0.1820 P                                   | \$0.0700                | \$0.1820 P  | \$0.0000 P  | \$0.0700                               |
| Rice (temperate japonica) | Oct. 1-Sep. 30 | January 31, 2024                                  | Pound  | \$0.1779                       | \$0.3600 P                                   | \$0.0700                | \$0.3600 P  | \$0.0000 P  | \$0.1079                               |

MYA Price=national average price received by producers during the 12-month marketing year.

1/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. MYA prices for commodities without scheduled publishing dates are generally published near the end of the noted month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates or Interagency Commodity Estimates Committee Minutes.

2/ Seed cotton price is a weighted average of national upland cotton and cottonseed prices. The 2022/23 marketing year for upland cotton is August 1, 2022 to July 31, 2023. Marketing year for cottonseed is August 1, 2022 to February 28, 2023.

3/ Medium/short grain excludes temperate japonica rice.

# 2022/23 PLC rates paid in Oct, 2023

| Crop           | 2022/23 MYA Price | Final PLC Rate |
|----------------|-------------------|----------------|
| Wheat          | 8.83              | 0.00           |
| Barley         | 7.40              | 0.00           |
| Corn           | 6.54              | 0.00           |
| Soybeans       | 14.20             | 0.00           |
| Dry Peas       | 0.1600            | 0.00           |
| Canola         | 0.2980            | 0.00           |
| Sunflower Seed | 0.2780            | 0.00           |
| Flaxseed       | 17.50             | 0.00           |

## 2022/23 ARC rates paid in Oct, 2023

| Crop           | ND County Rates | Higher Rates      |
|----------------|-----------------|-------------------|
| Wheat          | 0.00            |                   |
| Barley         | 0.00            |                   |
| Corn           | 0.00 to 35.44   | Williams Co. only |
| Soybeans       | 0.00 to 25.39   | McKenzie Co. only |
| Dry Peas       | 0.00            |                   |
| Canola         | 0.00            |                   |
| Sunflower Seed | 0.00 to 35.78   | Kidder Co. only   |
| Flaxseed       | 0.00            |                   |

Also payments for grain sorghum, rapeseed, crambe and mustard

# 2023/24 Payment Projections for payment in Oct, 2024

**TABLE 3. PROJECTED 2023 PRICE LOSS (PLC) COVERAGE PAYMENT RATES**  
**BASED ON EFFECTIVE REFERENCE PRICES, PROJECTED 2023/24 MARKET YEAR AVERAGE (MYA) PRICES AND 2023 NATIONAL AVERAGE LOAN RATES**  
 September 29, 2023 1/

| A                         | B              | C   | D      | E                              | F  | G                       | H   | I   | J                                      |
|---------------------------|----------------|---|--------|--------------------------------|--|-------------------------|---|---|--|
| Commodity                 | Marketing Year | Publishing Dates for the Final 2023/24 MYA Prices | Unit   | 2023 Effective Reference Price | Projected (P) or Final (F) 2023/24 MYA Price | 2023 National Loan Rate | Higher of (F or G)<br>Projected (P) or Final (F) 2023 Effective Price | Higher of (E-H) or (zero)<br>Projected (P) or Final (F) 2023 PLC Payment Rate | Maximum 2023 PLC Payment Rate<br>(E-G) |
| Wheat                     | Jun. 1-May 31  | June 28, 2024                                     | Bushel | \$5.50                         | \$7.50 P                                     | \$3.38                  | \$7.50 P  | \$0.00 P  | \$2.12                                 |
| Barley                    | Jun. 1-May 31  | June 28, 2024                                     | Bushel | \$4.95                         | \$6.75 P                                     | \$2.50                  | \$6.75 P  | \$0.00 P  | \$2.45                                 |
| Oats                      | Jun. 1-May 31  | June 28, 2024                                     | Bushel | \$2.40                         | \$3.30 P                                     | \$2.00                  | \$3.30 P  | \$0.00 P  | \$0.40                                 |
| Peanuts                   | Aug. 1-Jul. 31 | August 30, 2024                                   | Pound  | \$0.268                        | \$0.270 P                                    | \$0.178                 | \$0.270 P   | \$0.000 P   | \$0.090                                |
| Corn                      | Sep. 1-Aug. 31 | September 30, 2024                                | Bushel | \$3.70                         | \$4.90 P                                     | \$2.20                  | \$4.90 P  | \$0.00 P  | \$1.50                                 |
| Grain Sorghum             | Sep. 1-Aug. 31 | September 30, 2024                                | Bushel | \$3.95                         | \$4.90 P                                     | \$2.20                  | \$4.90 P  | \$0.00 P  | \$1.75                                 |
| Soybeans                  | Sep. 1-Aug. 31 | September 30, 2024                                | Bushel | \$8.40                         | \$12.90 P                                    | \$6.20                  | \$12.90 P   | \$0.00 P  | \$2.20                                 |
| Dry Peas                  | Jul. 1-Jun. 30 | July 31, 2024                                     | Pound  | \$0.1100                       | \$0.1250 P                                   | \$0.0615                | \$0.1250 P  | \$0.0000 P  | \$0.0485                               |
| Lentils                   | Jul. 1-Jun. 30 | July 31, 2024                                     | Pound  | \$0.1997                       | \$0.2500 P                                   | \$0.1300                | \$0.2500 P  | \$0.0000 P  | \$0.0697                               |
| Canola                    | Jul. 1-Jun. 30 | July 31, 2024                                     | Pound  | \$0.2015                       | \$0.2700 P                                   | \$0.1009                | \$0.2700 P  | \$0.0000 P  | \$0.1006                               |
| Large Chickpeas           | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2233                       | \$0.2900 P                                   | \$0.1400                | \$0.2900 P  | \$0.0000 P  | \$0.0833                               |
| Small Chickpeas           | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.1904                       | \$0.2350 P                                   | \$0.1000                | \$0.2350 P  | \$0.0000 P  | \$0.0904                               |
| Sunflower Seed            | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2015                       | \$0.2360 P                                   | \$0.1009                | \$0.2360 P  | \$0.0000 P  | \$0.1006                               |
| Flaxseed                  | Jul. 1-Jun. 30 | July 31, 2024                                     | Bushel | \$11.28                        | \$12.00 P                                    | \$5.65                  | \$12.00 P   | \$0.00 P  | \$5.63                                 |
| Mustard Seed              | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2317                       | \$0.3000 P                                   | \$0.1009                | \$0.3000 P  | \$0.0000 P  | \$0.1308                               |
| Rapeseed                  | Jul. 1-Jun. 30 | July 31, 2024                                     | Pound  | \$0.2015                       | \$0.1900 P                                   | \$0.1009                | \$0.1900 P  | \$0.0115 P  | \$0.1006                               |
| Safflower                 | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2015                       | \$0.2200 P                                   | \$0.1009                | \$0.2200 P  | \$0.0000 P  | \$0.1006                               |
| Crambe                    | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2015                       | \$0.2280 P                                   | \$0.1009                | \$0.2280 P  | \$0.0000 P  | \$0.1006                               |
| Sesame Seed               | Sep. 1-Aug. 31 | September 30, 2024                                | Pound  | \$0.2317                       | \$0.4100 P                                   | \$0.1009                | \$0.4100 P  | \$0.0000 P  | \$0.1308                               |
| Seed Cotton 2/            | Aug. 1-Jul. 31 | September 30, 2024                                | Pound  | \$0.3670                       | \$0.4320 P                                   | \$0.2500                | \$0.4320 P  | \$0.0000 P  | \$0.1170                               |
| Rice (long grain)         | Aug. 1-Jul. 31 | October 31, 2024                                  | Pound  | \$0.1400                       | \$0.1500 P                                   | \$0.0700                | \$0.1500 P  | \$0.0000 P  | \$0.0700                               |
| Rice (med/short grain) 3/ | Aug. 1-Jul. 31 | October 31, 2024                                  | Pound  | \$0.1400                       | \$0.1550 P                                   | \$0.0700                | \$0.1550 P  | \$0.0000 P  | \$0.0700                               |
| Rice (temperate japonica) | Oct. 1-Sep. 30 | January 31, 2025                                  | Pound  | \$0.1850                       | \$0.2600 P                                   | \$0.0700                | \$0.2600 P  | \$0.0000 P  | \$0.1150                               |

MYA Price=national average price received by producers during the 12-month marketing year.

1/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. MYA prices for commodities without scheduled publishing dates are generally published near the end of the noted month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates or Interagency Commodity Estimates Committee Minutes.

2/ Seed cotton price is a weighted average of national upland cotton and cottonseed prices. The 2023/24 marketing year for upland cotton is August 1, 2023 to July 31, 2024. Marketing year for cottonseed is August 1, 2023 to February 28, 2024.

3/ Medium/short grain excludes temperate japonica rice.

**TABLE 4. 2023 BENCHMARK AND ACTUAL PRICE CALCULATIONS FOR COUNTY AGRICULTURAL RISK COVERAGE (ARC-CO)  
BASED ON 2017/18-2021/22 MARKET YEAR AVERAGE (MYA) PRICES, 2023 EFFECTIVE REFERENCE PRICES AND 2023 NATIONAL LOAN RATES  
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| A<br>Commodity            | B<br>Marketing Year | C<br>Publishing Dates for the Final 2023/24 MYA Prices | D<br>Unit | E<br>2023 Effective Reference Price | F, G, H, I, J<br>Annual Benchmark Prices 2/ (Higher of MYA or effective reference price) |   |   |   |   | K<br>5-year avg, dropping high and low prices<br>Final 2023 ARC-CO Benchmark Price 3/ | L, M, N<br>Actual ARC-CO Price Calculations       |                              |   |
|---------------------------|---------------------|--|-----------|-------------------------------------|--|---|---|---|---|---|---|------------------------------|---|
|                           |                     |  |           |                                     | F<br>Final 2017/18 Annual Benchmark Price  | G<br>Final 2018/19 Annual Benchmark Price | H<br>Final 2019/20 Annual Benchmark Price | I<br>Final 2020/21 Annual Benchmark Price | J<br>Final 2021/22 Annual Benchmark Price |   | L<br>Projected (P) or Final (F) 2023/24 MYA Price | M<br>2023 National Loan Rate | N<br>Projected (P) or Final (F) 2023 Actual ARC-CO Price 4/ |
|                           |                     |  |           |                                     |  |   |   |   |   | Higher of (L or M)  |   |                              |   |
| Wheat                     | Jun. 1-May 31       | June 28, 2024  | Bushel    | \$5.50                              | \$5.50   | \$5.50                                    | \$5.50                                    | \$5.50                                    | \$7.62                                    | \$5.50  | \$7.50 P  | \$3.38                       | \$7.50 P  |
| Barley                    | Jun. 1-May 31       | June 28, 2024  | Bushel    | \$4.95                              | <del>\$4.95</del>  | \$4.95                                    | \$4.95                                    | \$4.95                                    | <del>\$5.31</del>                         | \$4.95  | \$6.75 P  | \$2.50                       | \$6.75 P  |
| Oats                      | Jun. 1-May 31       | June 28, 2024  | Bushel    | \$2.40                              | <del>\$2.59</del>  | \$2.66                                    | \$2.82                                    | \$2.77                                    | <del>\$4.55</del>                         | \$2.75  | \$3.30 P  | \$2.00                       | \$3.30 P  |
| Peanuts                   | Aug. 1-Jul. 31      | August 30, 2024  | Pound     | \$0.268                             | <del>\$0.268</del>   | \$0.268                                   | <del>\$0.268</del>                        | \$0.268                                   | <del>\$0.268</del>                        | \$0.268   | \$0.270 P   | \$0.178                      | \$0.270 P   |
| Corn                      | Sep. 1-Aug. 31      | September 30, 2024                                     | Bushel    | \$3.70                              | <del>\$2.70</del>  | \$3.70                                    | \$3.70                                    | \$4.53                                    | <del>\$6.00</del>                         | \$3.98  | \$4.90 P  | \$2.20                       | \$4.90 P  |
| Grain Sorghum             | Sep. 1-Aug. 31      | September 30, 2024                                     | Bushel    | \$3.95                              | <del>\$3.95</del>  | \$3.95                                    | \$3.95                                    | \$5.04                                    | <del>\$5.94</del>                         | \$4.31  | \$4.90 P  | \$2.20                       | \$4.90 P  |
| Soybeans                  | Sep. 1-Aug. 31      | September 30, 2024                                     | Bushel    | \$8.40                              | <del>\$9.33</del>  | <del>\$8.48</del>                         | \$8.57                                    | \$10.80                                   | <del>\$13.30</del>                        | \$9.57  | \$12.90 P   | \$6.20                       | \$12.90 P   |
| Dry Peas                  | Jul. 1-Jun. 30      | July 31, 2024  | Pound     | \$0.1100                            | \$0.1180   | \$0.1100                                  | <del>\$0.1100</del>                       | \$0.1100                                  | <del>\$0.1620</del>                       | \$0.1127  | \$0.1250 P  | \$0.0615                     | \$0.1250 P  |
| Lentils                   | Jul. 1-Jun. 30      | July 31, 2024  | Pound     | \$0.1997                            | \$0.2590   | \$0.1997                                  | <del>\$0.1997</del>                       | \$0.1997                                  | <del>\$0.3290</del>                       | \$0.2195  | \$0.2500 P  | \$0.1300                     | \$0.2500 P  |
| Canola                    | Jul. 1-Jun. 30      | July 31, 2024  | Pound     | \$0.2015                            | <del>\$0.2015</del>  | \$0.2015                                  | <del>\$0.2015</del>                       | \$0.2015                                  | <del>\$0.3290</del>                       | \$0.2015  | \$0.2700 P  | \$0.1009                     | \$0.2700 P  |
| Large Chickpeas           | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2233                            | \$0.3460   | \$0.2233                                  | <del>\$0.2233</del>                       | \$0.2330                                  | <del>\$0.3650</del>                       | \$0.2674  | \$0.2900 P  | \$0.1400                     | \$0.2900 P  |
| Small Chickpeas           | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.1904                            | \$0.2540   | \$0.2150                                  | <del>\$0.1904</del>                       | \$0.2020                                  | <del>\$0.3230</del>                       | \$0.2237  | \$0.2350 P  | \$0.1000                     | \$0.2350 P  |
| Sunflower Seed            | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2015                            | <del>\$0.2015</del>  | \$0.2015                                  | \$0.2015                                  | \$0.2130                                  | <del>\$0.3290</del>                       | \$0.2053  | \$0.2360 P  | \$0.1009                     | \$0.2360 P  |
| Flaxseed                  | Jul. 1-Jun. 30      | July 31, 2024  | Bushel    | \$11.28                             | <del>\$11.28</del>   | \$11.28                                   | <del>\$11.28</del>                        | \$11.28                                   | <del>\$25.90</del>                        | \$11.28   | \$12.00 P   | \$5.65                       | \$12.00 P   |
| Mustard Seed              | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2317                            | \$0.3020   | \$0.2860                                  | <del>\$0.2660</del>                       | \$0.2670                                  | <del>\$0.3110</del>                       | \$0.2850  | \$0.3000 P  | \$0.1009                     | \$0.3000 P  |
| Rapeseed                  | Jul. 1-Jun. 30      | July 31, 2024  | Pound     | \$0.2015                            | <del>\$0.2015</del>  | <del>\$0.2015</del>                       | \$0.2020                                  | <del>\$0.2260</del>                       | <del>\$0.2015</del>                       | \$0.2017  | \$0.1900 P  | \$0.1009                     | \$0.1900 P  |
| Safflower                 | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2015                            | <del>\$0.2015</del>  | \$0.2030                                  | <del>\$0.2015</del>                       | \$0.2150                                  | <del>\$0.2550</del>                       | \$0.2065  | \$0.2200 P  | \$0.1009                     | \$0.2200 P  |
| Crambe                    | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2015                            | <del>\$0.2300</del>  | <del>\$0.2220</del>                       | \$0.2420                                  | <del>\$0.2710</del>                       | <del>\$0.2260</del>                       | \$0.2327  | \$0.2280 P  | \$0.1009                     | \$0.2280 P  |
| Sesame Seed               | Sep. 1-Aug. 31      | September 30, 2024                                     | Pound     | \$0.2317                            | <del>\$0.3400</del>  | \$0.3500                                  | \$0.3700                                  | \$0.3700                                  | <del>\$0.3900</del>                       | \$0.3633  | \$0.4100 P  | \$0.1009                     | \$0.4100 P  |
| Seed Cotton 5/            | Aug. 1-Jul. 31      | September 30, 2024                                     | Pound     | \$0.3670                            | \$0.3670   | \$0.3670                                  | <del>\$0.3670</del>                       | \$0.3670                                  | <del>\$0.4675</del>                       | \$0.3670  | \$0.4320 P  | \$0.2500                     | \$0.4320 P  |
| Rice (long grain)         | Aug. 1-Jul. 31      | October 31, 2024                                       | Pound     | \$0.1400                            | \$0.1400   | <del>\$0.1400</del>                       | \$0.1400                                  | \$0.1400                                  | <del>\$0.1400</del>                       | \$0.1400  | \$0.1500 P  | \$0.0700                     | \$0.1500 P  |
| Rice (med/short grain) 6/ | Aug. 1-Jul. 31      | October 31, 2024                                       | Pound     | \$0.1400                            | \$0.1400   | \$0.1400                                  | <del>\$0.1400</del>                       | \$0.1400                                  | <del>\$0.1400</del>                       | \$0.1400  | \$0.1550 P  | \$0.0700                     | \$0.1550 P  |
| Rice (temperate japonica) | Oct. 1-Sep. 30      | January 31, 2025                                       | Pound     | \$0.1850                            | <del>\$0.2010</del>  | \$0.2110                                  | \$0.2160                                  | \$0.2260                                  | <del>\$0.3190</del>                       | \$0.2177  | \$0.2600 P  | \$0.0700                     | \$0.2600 P  |

MYA Price=national average price received by producers during the 12-month marketing year.

1/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. MYA prices for commodities without scheduled publishing dates are generally published near the end of the noted month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates or Interagency Commodity Estimates Committee Minutes.

2/ The annual benchmark price (columns F-J) equals the higher of the effective reference price or the respective MYA price. Highlighted annual benchmark prices note when the effective reference price replace MYA price. ARC-CO benchmark revenue equals the final ARC-CO benchmark price (column K) multiplied by the benchmark county yield (5-year average of county yields, excluding the high and low yields). The ARC-CO revenue guarantee equals 86% of the ACRE-CO benchmark revenue.

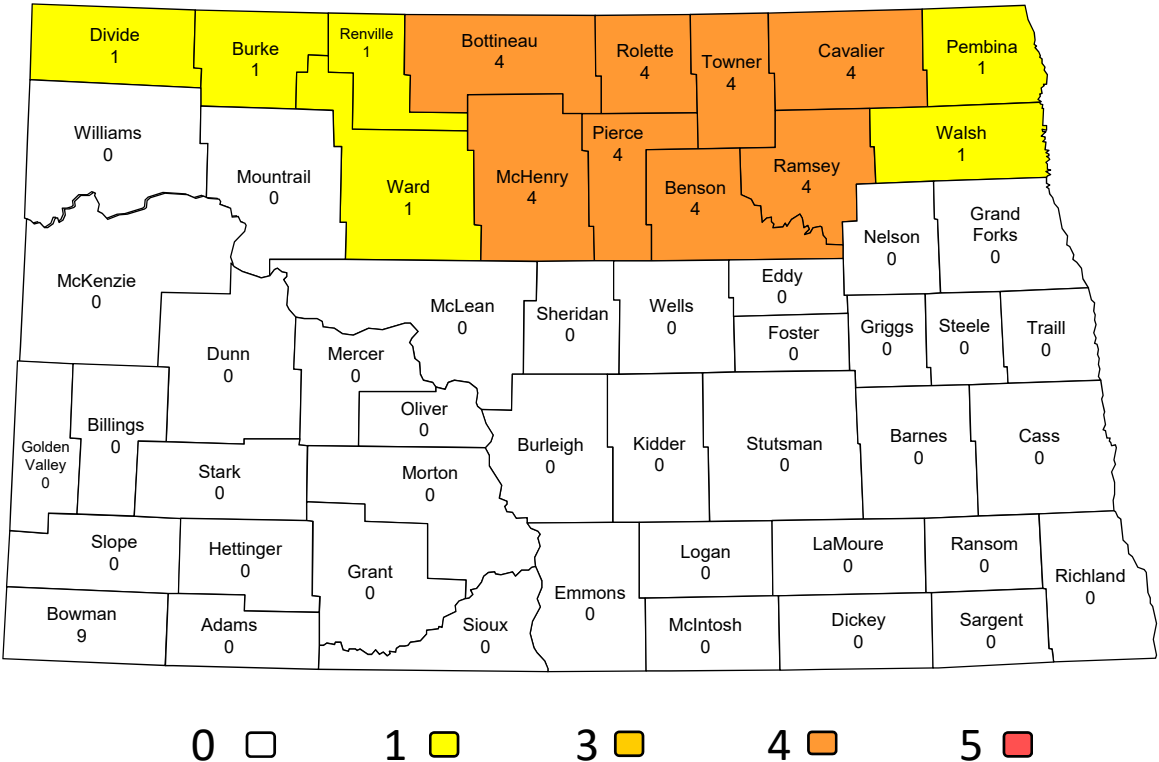
3/ The ARC-CO benchmark price (column K) equals the 5-year average of the 2017/18-2021/22 annual benchmark prices, excluding the high and low prices (noted with a strikeout line through the prices). The ARC-CO benchmark revenue equals the ARC-CO benchmark price multiplied by the ARC-CO county yield (5-year average of county yields, excluding the high and low yields). The ARC-CO revenue guarantee equals 86% of the ARC-CO benchmark revenue.

4/ The ARC-CO price (column N) equals the higher of the: (a) 2023/24 MYA price (column L), or (b) 2023 national average loan rate (column M). The actual ARC revenue equals the actual ARC-CO price multiplied by the actual ARC-CO county yield. The ARC-CO payment rate is the lesser of: (a) 10% of the ARC-CO benchmark revenue, or (b) the ARC-CO revenue guarantee minus the actual ARC-CO revenue.

5/ Seed cotton price is a weighted average of national upland cotton and cottonseed prices. The 2023/24 marketing year for upland cotton is August 1, 2023 to July 31, 2024. Marketing year for cottonseed is August 1, 2023 to February 28, 2024.

6/ Medium/short grain excludes temperate japonica rice.

# NORTH DAKOTA LFP MONTHLY PAYMENTS 10-09-23



## Other FSA Payments made in October 2023

CRP payments

ERP phase 2 (Emergency Relief Program)  
payments (just announced)

ELRP phase 2 (Emergency Livestock Relief Program)  
payments (just announced)  
20% of phase 1

# 2024 PLC/ARC Elections

NDSU Farm Bill Calculator will be online for producers help determine the election provided the farm bill is extended in the same form.

# NEW FARM BILL ISSUES

## Farm Bill

Like crop insurance program

ARC/PLC difficult decision

Payment limits of large farms

More FSA staff

Base update

Reference price update

Permanent disaster program

Conservation incentives

Current Farm Bill has expired as of Sept. 30, 2023

Will it be extended??

# Next Farm Bill

## Most Talked About Changes

- Higher Reference Prices
- Some Type of Base Update
- Margin Coverage
- Permanent Disaster Program
- Cost of Production

# 2018 Farm Bill Effective Reference Prices

- Statutory Reference Prices Set By Congress
- Effective Reference Price Can Move Up If Prices Move Up
- 85% of the Olympic average price for the 5 most recent completed crop years but capped at 115% of the statutory reference price
- Given the 85% factor in the escalator calculation, average market price during the calculation window must exceed the statutory reference price by more than 15% for the escalator to increase the reference price.

# Summary of All Commodities and Wheat

| Reference Price Adjustment | Seven Major Crops Total Cost (FY2024-32) | % Change From Baseline |
|----------------------------|--|------------------------|
| Baseline                   | \$36.485 billion                         |                        |
| 5%                         | \$8.918 billion                          | 24.4                   |
| 10%                        | \$20.021 billion                         | 54.9                   |
| 15%                        | \$33.783 billion                         | 92.6                   |
| 20%                        | \$50.176 billion                         | 137.5                  |

Corn, Sorghum, Soybeans, Rice, Seed cotton, wheat and Peanuts

| Reference Price Adjustment | Wheat Total Cost (FY2024-32) | Reference Price |
|----------------------------|------------------------------|-----------------|
| Baseline                   | 5.44 billion                 | \$5.50          |
| 5%                         | \$2.355 billion              | \$5.775         |
| 10%                        | \$5.263 billion              | \$6.05          |
| 15%                        | \$8.517 billion              | \$6.325         |
| 20%                        | \$11.93 billion              | \$6.60          |

# Base Updating

- There are a lot of ways to do this
  - In the past default was old base
  - 2002, 2014 and for seed cotton 2018
- But a forced base update is different
  - No option to not keep old bases
- The middle ground is base update to current plantings not to exceed original base
- FSA has the data to analyze this right

## NEW HOUSE MAJORITY

- **??Speaker of the House??**
- Split party rule
- Rules changes
- Budget resolution
- Regular order on legislation
- Robust amendment process
- Committee membership composition
- Freedom Caucus

Speaker Pro Tempore  
Patrick McHenry, NC

Government  
shutdown date:  
November 17, 2023

**25% OF THE SENATE AND MORE THAN HALF OF THE HOUSE  
HAVE NEVER VOTED ON A FARM BILL BEFORE**

# AG COMMITTEES



**Ranking Member John Boozman R AR**  
**Chairwoman Debbie Stabenow D MI**



**Ranking Member David Scott D GA**  
**Chairman "GT" Thompson R PA**

# SENATE AGRICULTURE COMMITTEE

## Democrat

Debbie Stabenow, Michigan, Chairwoman  
~~Patrick Leahy, Vermont~~  
Sherrod Brown, Ohio  
Amy Klobuchar, Minnesota  
Michael Bennet, Colorado  
Kirsten Gillibrand, New York  
Tina Smith, Minnesota  
Dick Durbin, Illinois  
Cory Booker, New Jersey  
Ben Ray Lujan, New Mexico  
Raphael Warnock, Georgia

## Republican

John Boozman, Arkansas, Ranking Member  
Mitch McConnell, Kentucky  
John Hoeven, North Dakota  
Joni Ernst, Iowa  
Cindy Hyde-Smith, Mississippi  
Mike Braun, Indiana  
Chuck Grassley, Iowa  
John Thune, South Dakota  
Deb Fischer, Nebraska  
Roger Marshall, Kansas  
Tommy Tuberville, Alabama

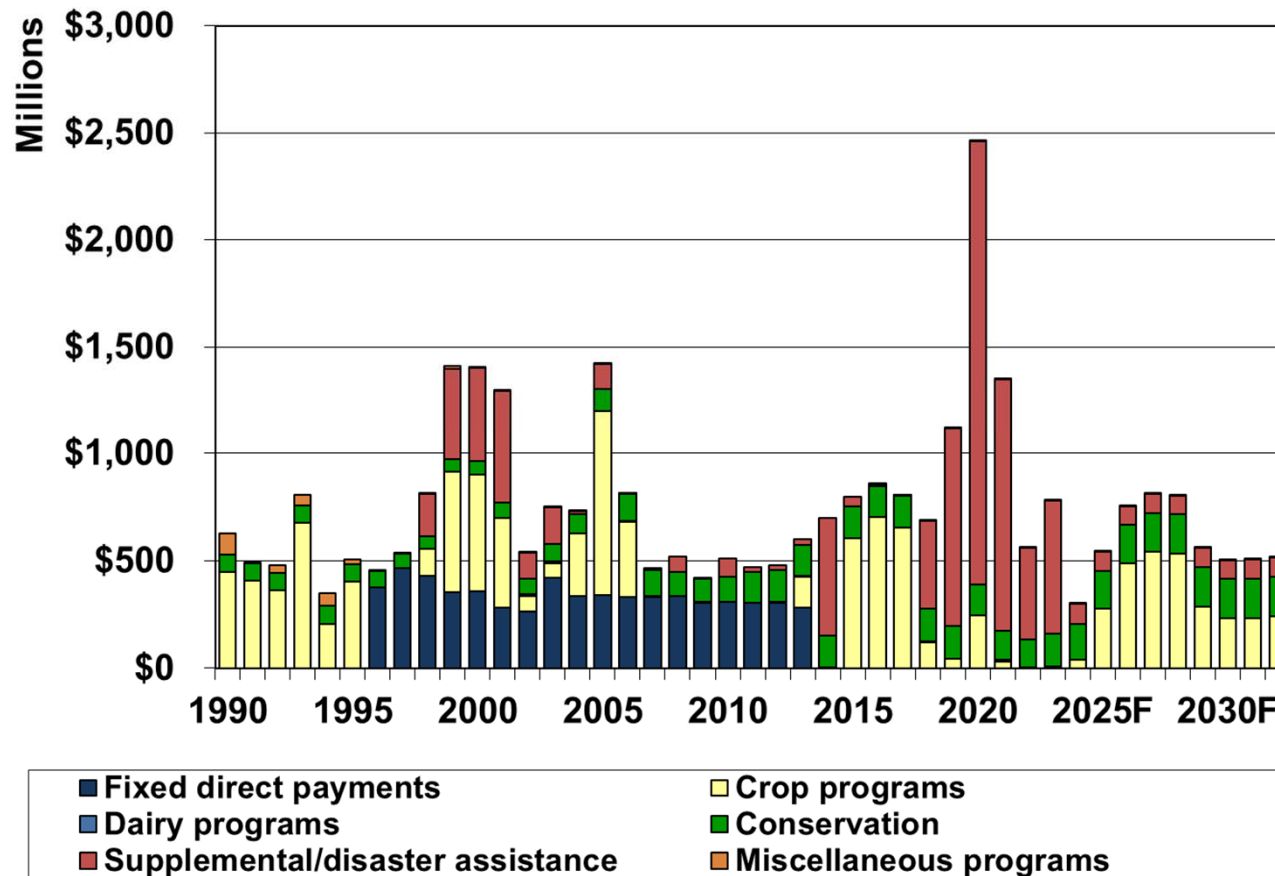
# APPROPRIATIONS COMMITTEE

**Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies**

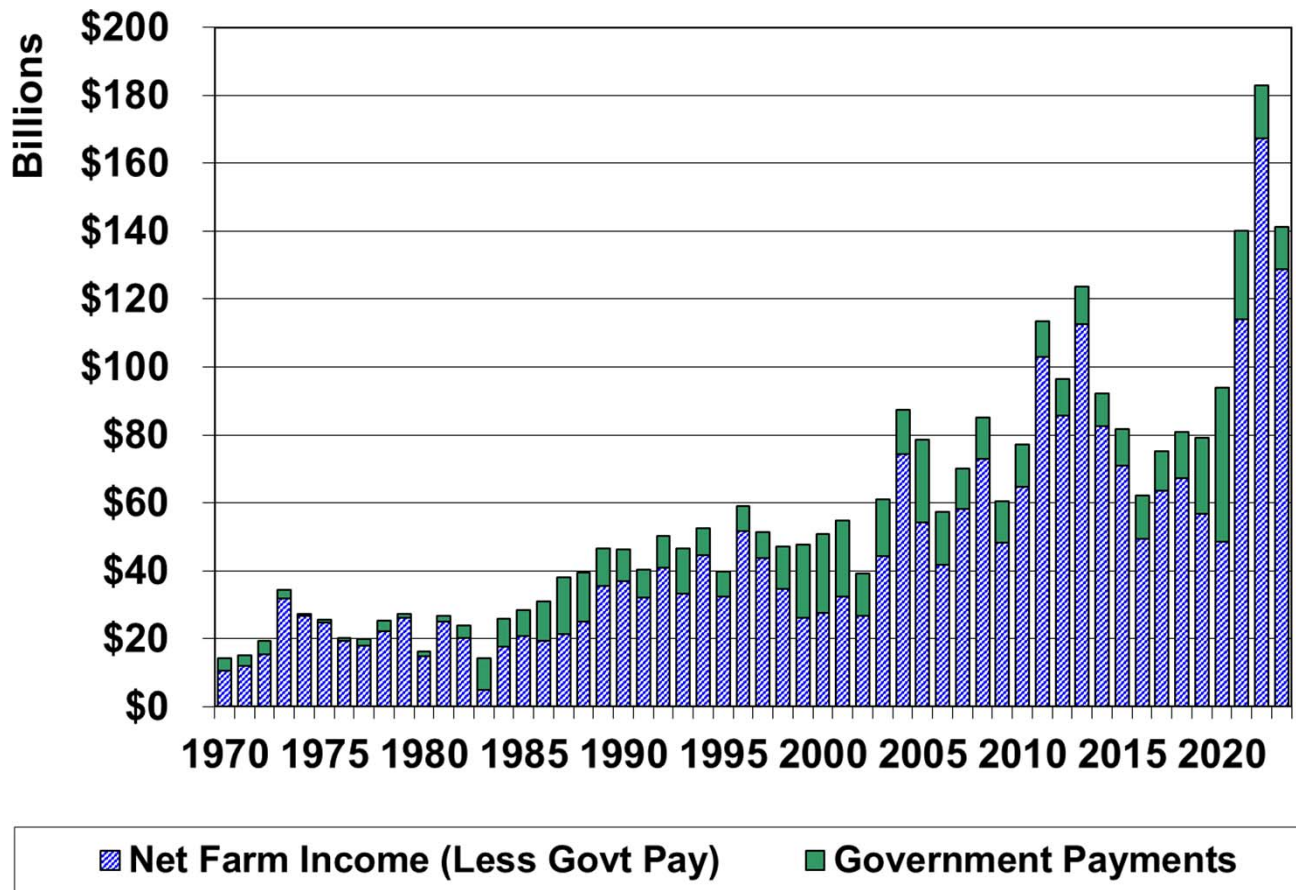
## **Senate**

**Chairman, Martin Heinrich (D-NM)**

**Ranking Member. John Hoeven (R-ND)**

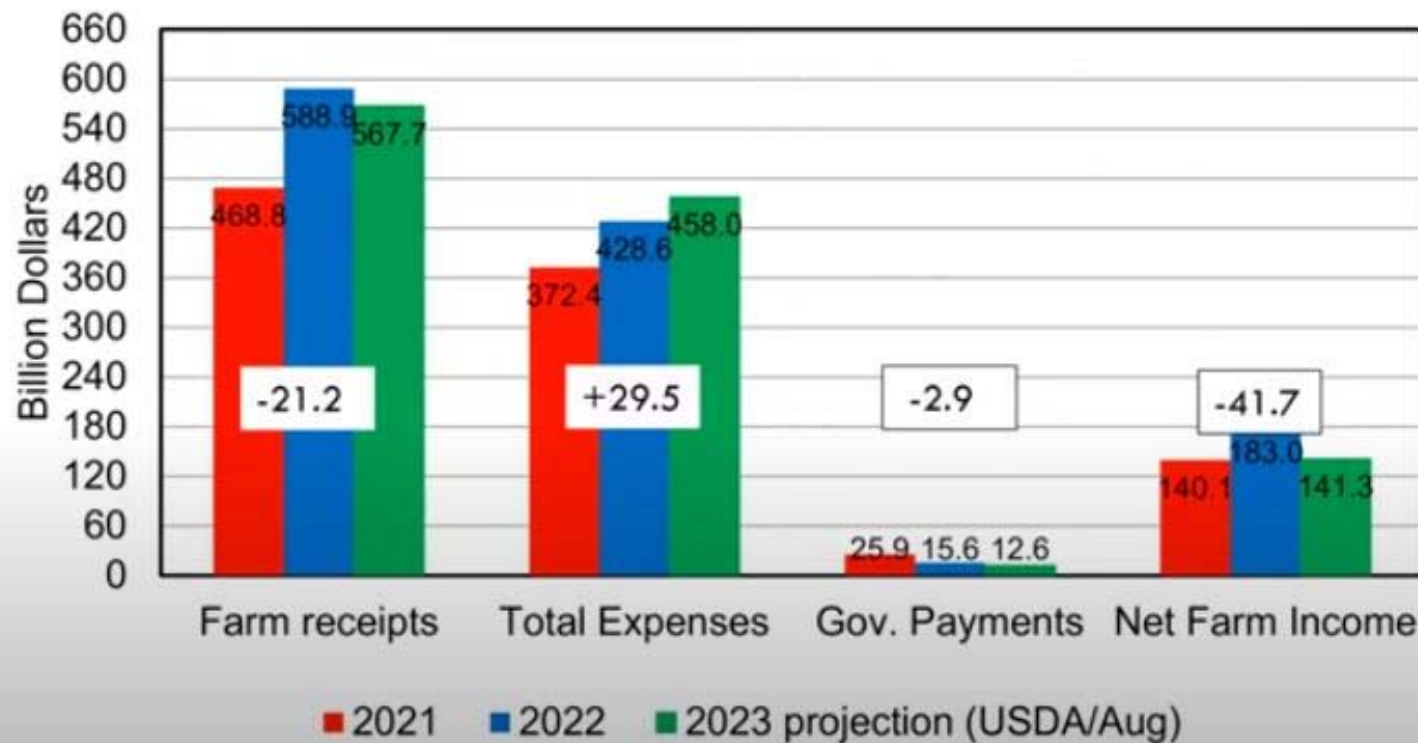


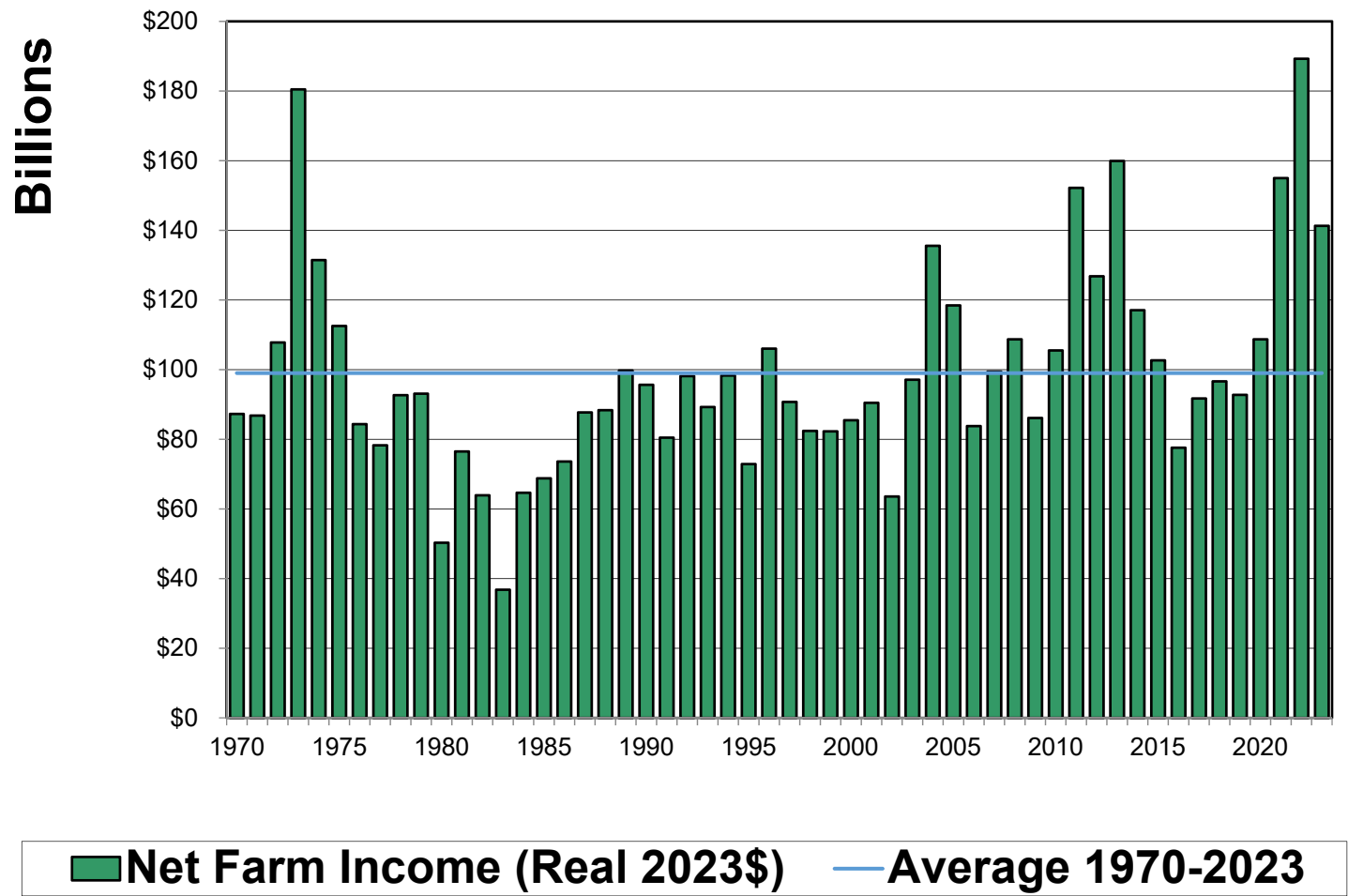
Source: USDA-ERS data as of August, 2023



Source: USDA-ERS data as of August, 2023

## 2023 Farm Income Changes by Component



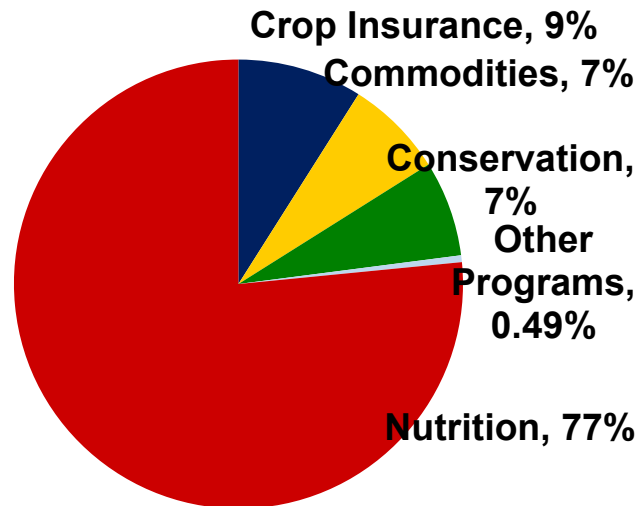


Source: USDA-ERS data as of August, 2023

# Farm Bill Budget

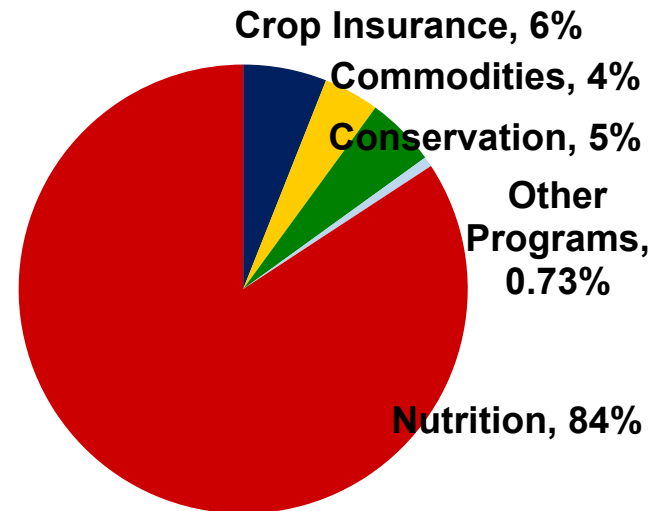
Projected Outlays

### 2018 Farm Bill at Enactment, FY2019-2028



Total 10-Year Baseline: \$663,828 Million

### 2022 Baseline Projection, FY2023-2032



Total 10-Year Baseline: \$1,295,154 Million

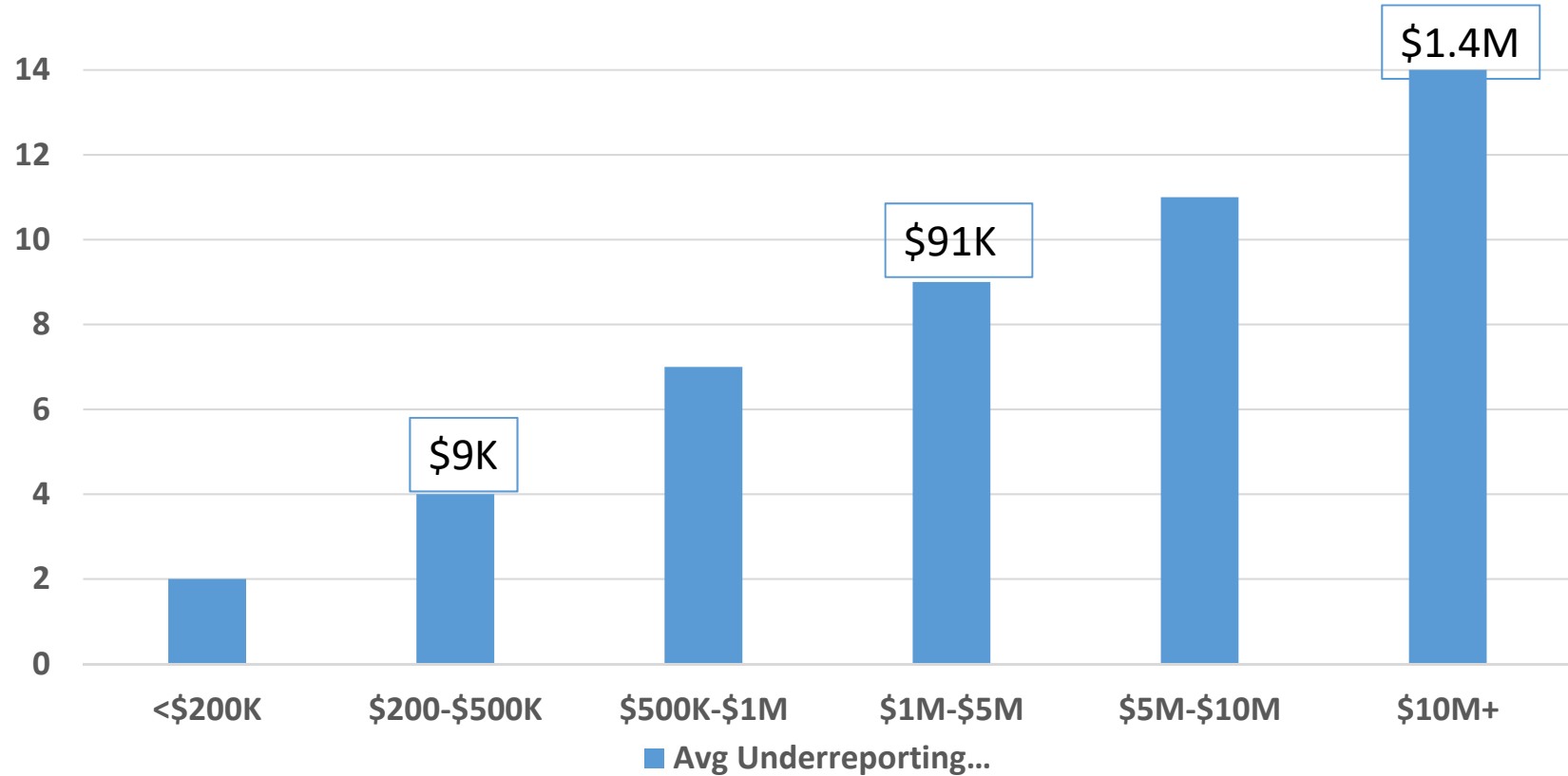
Sources: Congressional Research Service and Congressional Budget Office, May 2022

# Farm Income Tax

Only two and a half months to do planning

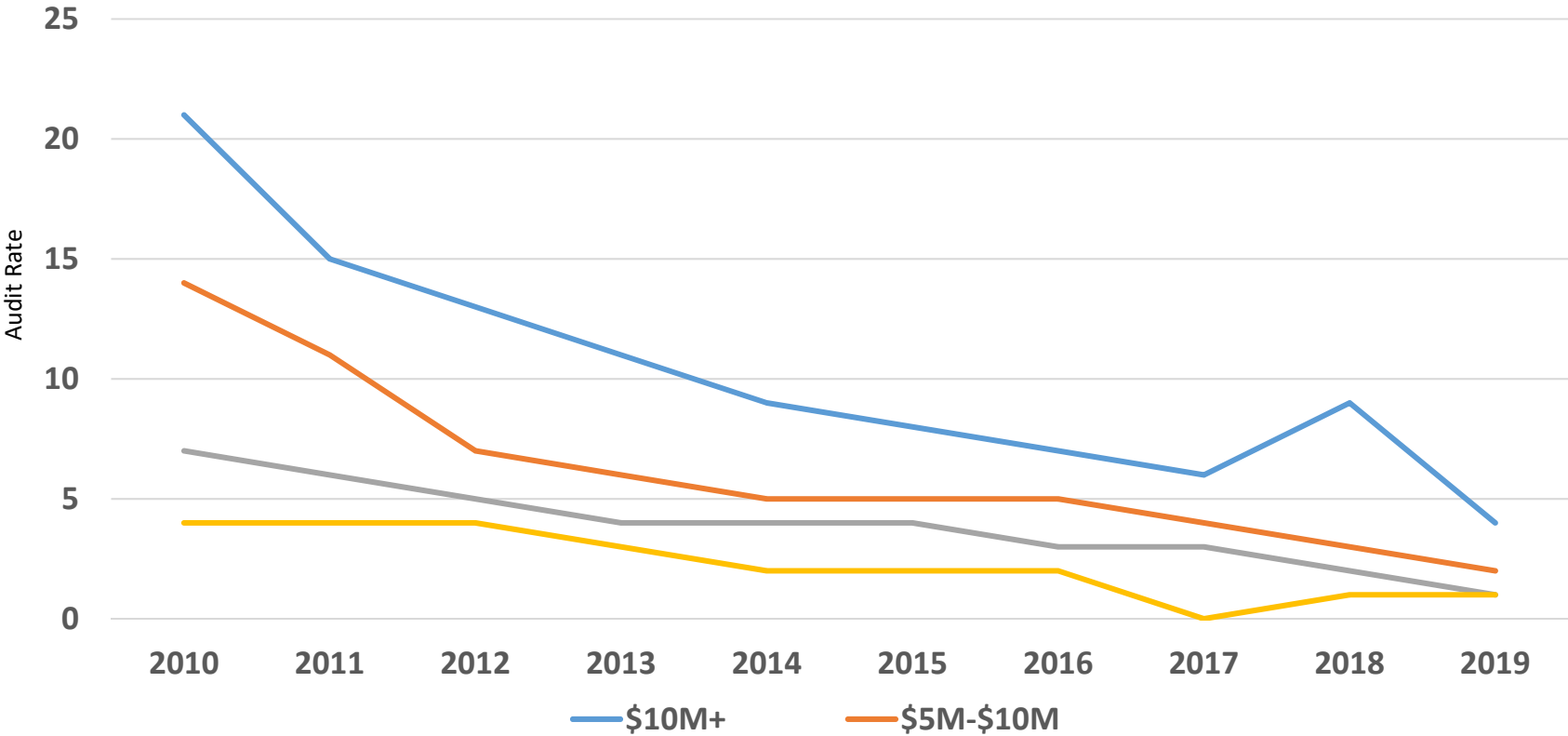
# IRS

## “MISREPORTING” RISES WITH INCOME



Boxed numbers = taxable income misreported  
Source: Sarin and Summers (NBER)

# IRS AUDIT RATES HAVE PLUMMETED



Source: Government Accountability Office

# March 1 Farmer/Fisherman Filing Date

Can make deposit by Jan 15 and then pay by April 15

Must pay in 100% of last year tax liability or 2/3 of this years tax liability to avoid penalty

Can file on April 15 and pay interest penalty from March 1 to April 15 (Form 2210F)

2022 Last year for 100% bonus depreciation

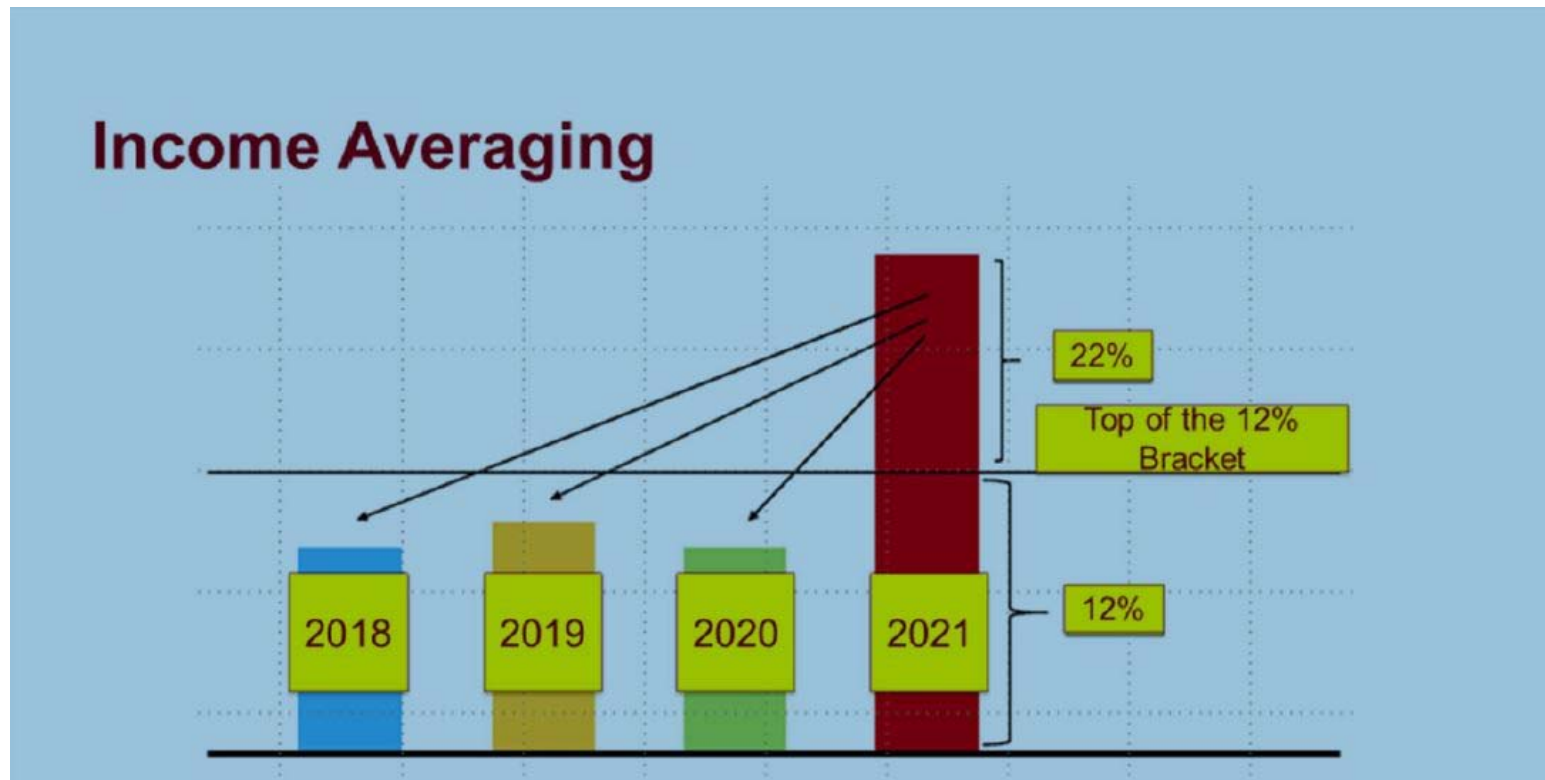
Phases to 80% in 2023...

Phases to 60% in 2024...

Phases to 40% in 2025...

# Income Averaging (Schedule J) Underutilized

IRS study: could have saved 23% on taxes on average if used income averaging




# Self-Employment Tax

Social Security tax (.124) part is maxed at \$160,200 for 2023  
(up from 147,000 for 2022)

The Medicare tax (.029) part is on all income

# Estates and Social Security

- Estates
  - \$12.92 to \$13.44M goes to \$5M in 2026
  - USDA-ERS 2020 study only 0.16% of farmers pay estate tax
- Social Security payments  3.2%? for 2024

# Reporting Crop Insurance Proceeds

Only the physical crop loss proceeds **can** be deferred

Revenue proceeds from revenue policies **cannot** be deferred

# Forced Livestock Sales

Two IRS provisions for deferral:

IRC 1033(e)

IRC 451(g)

# Involuntary Conversion of Draft or Breeding Animal

## IRC Sec 1033(e)

- A livestock producer who sells more draft, breeding, or dairy animals than normal due to weather-related conditions may defer recognition of the gains for up to two years.
- The animals must be replaced within two years with other animals used for identical purposes.
- This applies only to the number of animals sold in excess of normal business practices.
- Declaration of a disaster area is not necessary, but the producer must be able to show that weather-related conditions forced the sale of more livestock than would normally be sold.
- If there is a federal disaster declaration the replacement period is four years.
- The Secretary of the Treasury can extend the period further if the drought persists three years or more.
- Tax basis of the replacement livestock is equal to the basis in the livestock sold plus any additional amount invested in the replacement livestock that exceeds the proceeds from the sale.
- If the animals are not replaced, or if replacement cost is less than the gain from their sale, the difference must be reported as a gain for the sale year by amending the tax return. The return will be subject to additional tax and interest.
- It is a dollar for dollar replacement not head for head.

## **Deferral of Income for One Year of Sale of Market Animals IRC Sec 451(g)**

- Livestock producers using the cash method of accounting can elect to defer for one tax year the income of any qualified livestock sold due to weather-related conditions.
- The area must be federally recognized and declared as eligible to receive federal assistance.
- It is not necessary for the animals to be raised or sold in the declared disaster area, just that a weather-related event caused the area to receive federal disaster designation and caused the sale of the animals.
- Only livestock sales in excess of normal business practice qualify for deferral.
- The animals are not replaced and the elected gain is simply put off to the next year.

# Tax Strategy

Use section 1033(e) for cows  
(breeding livestock)

Use section 451(g) for calves

# Deferred Payments to the Next Tax Year

Can defer crop and livestock sales into future tax years.

At risk if grain elevator or sales barn goes bankrupt, you are at the bottom of the list of creditors.

North Dakota has a credit-sale contract indemnity fund.

# Deferred Payments to the Next Tax Year

Tax Strategy:

When doing tax planning, can opt out of deferring on a contract by contract basis

May be advantages to have several contracts

# North Dakota Income Tax Rates Reduced

House Bill 1158

North Dakota had low rates 1.1% to 2.9%  
Now 1.95% to 2.50%. with exemption amounts

Single (taxable income)

\$0 to \$44,725: tax is \$0.00

\$44,725 to \$225,975: tax is 1.95% of amount over \$44,725

over \$225,975: tax is \$3,534.38 + 2.50% of amount over \$225,975

Married filing jointly (taxable income)

\$0 to \$74,750: tax is \$0.00

\$74,750 to \$275,100: tax is 1.95% of amount over \$74,750

over \$275,100: tax is \$3,906.83 + 2.50% of amount over \$275,100

# **New North Dakota Property Tax Credit of \$500**

House Bill 1158

- for an individual's primary residence
- credit may not exceed the amount of property tax due
- a tax exempt farm structure used as primary residence is not eligible

# **IRS Publication 225 “Farmers Tax Guide”**

**Contact your tax professional!**

# Questions?