



Annual Report
July 1, 2023 – June 30, 2024

Nebraska Department of Agriculture
Beginning Farmer Tax Credit Act

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NextGen Annual Report

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

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NextGen Board of Directors

FY 2023 – 2024
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Name	Representing
Sherry Vinton	Director Nebraska Department of Agriculture
Samantha Smith (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture
Jim Kamm	Tax Commissioner Nebraska Department of Revenue
Garrett Nedved (Designee)	Policy Section Nebraska Department of Revenue
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln
Wade Thornburg	Agricultural Lender
Britt Anderson	Producer Representative
Lisa Lunz	Producer Representative
John Walvoord	Producer Representative

Staff Members

Joline Gordon	Administrative Technician
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NextGen Board Meeting Dates and Attendees

FY 2023 – 2024
July 1, 2023 – June 30, 2024

Meeting Date	Members Attending	Guests Attending	Staff Attending
November 29, 2023	Britt Anderson Brad Lubben Garrett Nedved Dave Nielsen Samantha Smith Wade Thornburg John Walvoord	James Cronin, Crystal Land Company, LLC; asset owner applicant Joshua Dethlefsen, Nebraska Attorney General's Office Hilary Maricle, Deputy Director, Nebraska Department of Agriculture (NDA)	Joline Gordon
January 10, 2024	Britt Anderson Brad Lubben Garrett Nedved Samantha Smith Wade Thornburg John Walvoord	Joshua Dethlefsen, Nebraska Attorney General's Office Jeff Kanger, Polar Properties, LLC; asset owner applicant Hilary Maricle, Deputy Director, NDA Sherry Vinton, Director, NDA	Joline Gordon
June 4, 2024	Britt Anderson Brad Lubben Lisa Lenz Garrett Nedved Samantha Smith Wade Thornburg John Walvoord	Hilary Maricle, Deputy Director, NDA Nick Swenson, Legislative Coordinator, NDA Sherry Vinton, Director, NDA	Joline Gordon

NextGen Administrative Notes

FY 2023 – 2024
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The Beginning Farmer Tax Credit Act was enacted into law in August of 1999. The intent of the Act is to help beginning farmers and ranchers gain access to agricultural assets by providing an incentive to a landlord who will enter into a three-year lease with a beginning farmer. The incentive is a refundable Nebraska income tax credit. This program has become a good tool for the beginning farmer to use while trying to gain access to agricultural assets. Other benefits for the beginning farmer are a Personal Property Tax Exemption on farm equipment and machinery and reimbursement of an approved finance management course.

A seven-member Board of Directors is charged with reviewing applications and approving applicants in accordance with the Act. Members representing the board consist of the Director of Agriculture, State Tax Commissioner, an academia representative, an agricultural lending community representative and three agricultural producers. Board members serve a four-year term. All members' terms expired on July 16, 2023.

The following board member chose not to reapply, was thanked for their service and ended their term.

Dave Nielsen	Agricultural Producer	Served 4 years
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The following four-year appointments were made by Governor Pillen and confirmed by the legislature. Terms will expire July 16, 2027.

Britt Anderson	Agricultural Producer	Vice Chair; Reappointment
Bradley Lubben	Academia Representative	Chair; Reappointment
Lisa Lunz	Agricultural Producer	New Appointment
Wade Thornburg	Agricultural Lender	Reappointment
John Walvoord	Agricultural Producer	Reappointment

NDA is a participant in a community of practice group as part of a USDA Agriculture and Food Research Initiative grant project, administered by Indiana University and American Farmland Trust, to study land access policy incentive programs. The grant is a three-year project and quarterly meetings began in 2021. Nebraska was the first state to implement a land access incentive program. There are currently five states with land access incentive programs. The program administrator for NextGen attends the meetings. The goals of the project are to compare and contrast programs; highlight successes, wins and best practices; address weaknesses and challenges; and talk shop. A survey of program participants in all five states was conducted in the spring of 2022. Results of the survey are currently being analyzed.

NextGen Program Assistant, Joline Gordon, retired from the State of Nebraska on June 30, 2024. Joline was thanked for her service to the Department of Agriculture and the Beginning Farmer Tax Credit program.

Participant Statistics As Reported for the Tax Year

Tax Year Participation	2019	2020	2021	2022	2023	2019 - 2023	Totals - 2001 to 2023
						Last 5 Yrs Total & Avg	Since the Beginning
# of Owners Receiving Tax Credit	250	260	228	204	144	942	3429
Total Tax Credits Paid to Owners	\$ 1,266,626	\$ 1,412,692	\$ 1,279,174	\$ 1,791,418	\$ 1,622,732	\$ 5,749,911	\$ 19,634,700
Average Tax Credit per Owner	\$ 5,067	\$ 5,433	\$ 5,610	\$ 8,781	\$ 11,269	\$ 6,104	\$ 5,726
# of Beg. Farmers Paying Rent	235	209	174	157	124	775	2811
Total Rent Paid by Beg. Farmers	\$ 11,125,488	\$ 12,054,169	\$ 11,044,829	\$ 14,976,807	\$ 13,828,643	\$ 49,201,292	\$ 165,700,195
Average Rent Paid per Beg. Farmer	\$ 47,343	\$ 57,675	\$ 63,476	\$ 95,394	\$ 111,521	\$ 63,486	\$ 58,947
Applications Received	57	62	73	29	32	221	1219

NextGen Financial Report

FY 2023 - 2024
July 1, 2023 - June 30, 2024

Account Code Description	Budgeted Amount	Year-To-Date	% of Budget	Variance-Favorable (Unfavorable)
<u>510000 Personal Services</u>				
511100 Permanent Salaries-Wages	\$49,158.20	\$53,799.14	109.44%	(\$4,640.94)
512100 Vacation Leave Expense	\$0.00	\$5,580.23	0.00%	(\$5,580.23)
512200 Sick Leave Expense	\$25.01	\$2,193.05	0.00%	(\$2,168.04)
512300 Holiday Leave Expense	\$207.32	\$3,291.44	0.00%	(\$3,084.12)
515100 Retirement Plans Expense	\$3,704.25	\$4,857.72	131.14%	(\$1,153.47)
515200 FICA Expense	\$3,758.59	\$4,469.55	118.92%	(\$710.96)
515500 Health Insurance Expense	\$17,655.00	\$19,057.29	107.94%	(\$1,402.29)
516500 Workers Comp Premiums	\$0.00	\$594.73	0.00%	(\$594.73)
<u>510000 Personal Services Total</u>	<u>\$74,508.37</u>	<u>\$93,843.15</u>	<u>125.95%</u>	<u>(\$19,334.78)</u>
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$425.41	\$372.38	87.53%	\$53.03
521400 Data Processing Expense	\$3,849.21	\$3,202.71	83.20%	\$646.50
521401 NDA Data Center	\$556.02	\$555.90	99.98%	\$0.12
521412 OCIO-Voice Expense	\$400.00	\$307.65	76.91%	\$92.35
521500 Publication & Print Expense	\$355.29	\$699.67	0.00%	(\$344.38)
522200 Conference Registration	\$0.00	\$23.00	0.00%	(\$23.00)
523900 Teammate Recognition	\$0.00	\$0.00	0.00%	\$0.00
524600 Rent Expense-Buildings	\$200.00	\$2,106.75	1053.38%	(\$1,906.75)
524744 Exhibit Space	\$0.00	\$350.00	0.00%	(\$350.00)
531100 Office Supplies Expense	\$25.00	\$1.37	5.48%	\$23.63
534946 Promotional Supplies	\$100.00	\$41.09	0.00%	\$58.91
538182 Gas Expense	\$0.00	\$2.18	0.00%	(\$2.18)
541100 Accounting & Auditing Services	\$200.00	\$103.65	51.83%	\$96.35
541400 HRMS Assessment	\$100.00	\$17.77	17.77%	\$82.23
559100 Other Operating Expense	\$0.00	\$20.00	0.00%	(\$20.00)
559122 Nonstate Meals & Food	\$81.30	\$247.94	0.00%	(\$166.64)
<u>520000 Operating Expenses Total</u>	<u>\$6,292.23</u>	<u>\$8,052.06</u>	<u>127.97%</u>	<u>(\$1,759.83)</u>
<u>570000 Travel Expenses</u>				
571100 Board & Lodging	\$400.00	\$22.49	5.62%	\$377.51
571600 Meals-Not Travel Status	\$69.69	\$213.01	0.00%	(\$143.32)
571800 Taxable Travel Expenses	\$0.00	\$8.97	0.00%	(\$8.97)
573100 State-Owned Transport	\$0.00	\$23.28	0.00%	(\$23.28)
574500 Personal Vehicle Mileage	\$1,500.00	\$1,775.25	0.00%	(\$275.25)
574600 Contractual Serv-Travel Exp	\$0.00	\$22.49	0.00%	(\$22.49)
575100 Misc Travel Expenses	\$0.00	\$0.00	0.00%	\$0.00
<u>570000 Travel Expenses Total</u>	<u>\$1,969.69</u>	<u>\$2,065.49</u>	<u>104.86%</u>	<u>(\$95.80)</u>
Budgeted Expenditures Total	\$82,770.29	\$103,960.70	125.60%	(\$21,190.41)

NextGen Outreach Activities

**FY 2023 – 2024
July 1, 2023 – June 30, 2024**

- NAYI Booth College/Career Fair, UNL – July 13, 2023
- Rural Response Council Meeting, Farmers Union – July 25, 2023
- Beginning Farmer/Rancher Network Meeting, FSA State Office – August 15, 2023
- LAPI Community of Practice Quarterly Meeting, virtual – August 17, 2023
- Husker Harvest Days, Grand Island – September 12-14, 2023
- Beginning Farmer/Rancher Network Meeting, FSA State Office – November 14, 2023
- AgCeptional Women’s Conference, Norfolk – November 17, 2023
- Rural Response Council Meeting, Lincoln – January 16, 2024
- UNL NextGen Interview, Lincoln – February 13, 2024
- AgrAbility Advisory Council Meeting, Kearney – February 21, 2024
- Women in Agriculture, Kearney – February 22-23, 2024
- Beginning Farmer/Rancher Network Meeting, FSA State Office – April 10, 2024
- Rural Response Council Meeting, Lincoln – April 16, 2024
- LAPI Community of Practice Quarterly Meeting, virtual – May 16, 2024
- Women in Agriculture Webinar Series, virtual – June 20, 2024