

## What's New?

- Market Facilitation Program – USDA FSA program for commodities directly impacted by foreign retaliatory tariffs. This payment received by producers will be entered in the whole farm analysis as “Other Government Payments”.
  - Crop Enterprise Analysis: This payment is to be entered as “Other Income” within crop enterprise data entry for all eligible commodities. This will keep the payment “above the line” for cost of production calculations. *This payment **should not** be co-mingled with any ARC/PLC payments received.*
    - Eligible Crops: corn, soybeans, wheat, alfalfa hay, barley, canola, crambe, dry peas, extra-long staple cotton, flaxseed, lentils, long grain rice, medium grain rice, mustard seed, dried beans, oats, peanuts, rapeseed, rye safflower, sesame seed, small chickpeas, large chickpeas, sorghum, sunflower seed, triticale, temperate japonica rice, and upland cotton. *Note: sugarbeets are not an eligible crop.*
  - Livestock Enterprise Analysis: This payment is to be entered as “Government Payments” on the Product Sales and Other Income table for the hog and dairy enterprises receiving a payment.
    - Dairy payment: dairy producers in business on June 1, 2019 are eligible. Payment is \$0.20/cwt based on production history.
    - Hog payment: hog producers payment is \$11 per head. This is based on hogs owned on a day selected by the producer between April 1 and May 15, 2019.
  - Potential Round 3 payment or those payments not received by year-end will be entered as an account receivable on the balance sheet and will then be assigned to the correct enterprise(s) within enterprise analysis.
- Prevented plant and related cover crop issues – use Prevented Planting crop type for prevent plant acres in the crop enterprise analysis.
  - Any insurance indemnity payments are entered as income, either as crop insurance income or as the yield with a value of \$1. (Only gross revenue will be displayed in summary reports.) MFP payments received should be included as other crop income. Additionally, the additional 10 or 15% prevented planting refund received under the producer’s multi-peril policy is entered as crop insurance income.
  - If a cover crop is harvested off prevented plant acres, the production can be included as a second harvested product in detailed entry. Production should be converted to dry equivalents if applicable. An alternative approach is to enter this production as a separate double crop.
  - Include the total crop insurance expense related to these acres as a direct crop expense. Include the full crop insurance expense and related crop insurance income independently. Do not “net” these items out.
- Sugarbeet liquidation damage charge – this pertains to producers incurring liquidated damages (fixed cost assessment) for unharvested sugarbeet acres in 2019. On the whole farm analysis, the cash portion of liquidated damages paid should be entered as a direct crop miscellaneous expenses, using detailed entry. For the sugarbeet crop enterprise analysis, the liquidated damages need to be allocated to unharvested acres in each field as a direct miscellaneous expense. Other considerations include:

- The whole amount owed should be included for the 2019 FINAN. Many grower checks/statements from Nov. 2019 only assessed 65% of the liquidated damages. The remaining 35% should be entered on the balance sheet as an account payable. This will assess the total liquidation damage to the 2019 crop with the accrual adjustments.
- Consider adjusting the default allocation factor down on fields where no harvest or limited harvest occurred for 2019. *Recommendation is to decrease the factor by 50% to 120.* Consider increasing the default allocation for harvested acres requiring beyond normal effort and practices to harvest this year. Discuss an appropriate level with the producer.
  - Crop insurance income for unharvested or destroyed beets should be included as crop insurance income.
  - For analysis purposes, the recommendation is to not split acres harvested from the unharvested acres for the final analysis. However, your producer may want these acres split. To see the combined sugarbeet crop enterprise analysis, combine enterprises.
- Standing (unharvested) corn – corn still standing in the field and unharvested at year end should be considered harvested and included as crop inventory for analysis purposes. Bushels should be included as crop inventory on the balance sheet (and not as growing crop). Bushels should be estimated based on the crop insurance evaluation, less a 30% to 50% bushel loss, based on conditions. For the crop enterprise analysis, consider the standing/unharvested acres as normal production that has been harvested. This treatment evaluates the crop for the correct production year and allows bushels to be sold or fed within cash flow projections.
- Crop inventory numbers should be adjusted for quality – consider the impact of low test weight, high moisture, and poor quality on crop inventory levels. Production should reflect adjusted yields to correctly depict the crop and its quality for the analysis year.
- Truck Expenses ~ the type of truck expense dictates the expense handling in the analysis.
  - Farm Trucks – split out expenses related to repairs, fuel, and tabs (included as a miscellaneous expense) accordingly, if possible. If this isn't possible, use judgment and include farm truck expenses as repair or miscellaneous expenses.
  - Semi/Grain Trucks – fuel, repairs, etc. considered Hauling & Trucking expenses.
  - Non-Farm/Over the Road Trucking – income and expenses related to non-farm trucking operations should not be included in the farm analysis. These are personal business income and expenses. (Include the net income as Personal Business income. Use detailed entry to list gross income and individual expenses as deductions to arrive at net income if preferred.) If desired, include a Value-Added enterprise to analyze such enterprises.
- Energy Corrected Milk is an additional Other Information output item for the dairy enterprise analysis. Labeled, “Energy corrected milk per cow”, this calculation requires the entry of total annual pounds of fat and total annual pounds of protein produced by the farm. Enter this data in the Other Information tab of the Livestock Table. FINAN output will also include “Lbs of protein & fat per cow” in the Other Information section.
- Number of Milking units is another dairy enterprise analysis addition. Entering the number of milking units for the farm is required in the Other Information tab of the Livestock Table. A milking unit is one milking machine or one robotic milker. Output displays “Cows per milking unit”. This replaces barn capacity in FINBIN summary and benchmark reports.

- Dairy enterprise analysis – Hauling and Trucking expenses should *only* include milk hauling. Use the marketing expense category for milk marketing costs and related cull cow marketing. Reminder to combine dairy and dairy replacement heifer enterprises.
- Use the specific hay crop type in the crop enterprise analysis. “Hay” should not be used in FINAN. (It’s acceptable to use “Hay” on the balance sheet and in cash flow projections.) Within FINAN Crop and Feed Check, all hays are combined. Recommended hay types for the crop enterprise analysis include Alfalfa, Mixed, Grass, Small Grain, and Clover.
- Custom work enterprises (included in Crop Enterprise Analysis) **should not** have real estate taxes or long term interest expenses allocated to them. Updated recommendation is to enter custom work acres as rented acres in the analysis.
- Crop list – updated to include *Hemp, Fiber* (tons) and *Hemp, Seed* (lbs). Organic crop list has been updated to include edible beans and sweetcorn.
- Peas, Field have a production unit of bushels. Convert pounds/cwts. to bushels if needed. Edible bean crops must have a production unit of hundredweights.
- Like other hays, recommend converting baleage to dry equivalents and enter it as a hay crop (Hay, alfalfa, Hay, mixed, etc.).
- Corn snaplage / earlage value = estimated bu. per ton x corn price. Guideline 36.6 bu./ton.
- *Cover Crop, Agronomic* removed from the crop list. Expenses related to cover crops used for soil enhancement and agronomic purposes should be accumulated and allocated to the benefitting crop. (Expenses accumulated on the balance sheet as *cover crop expense* in prepaid expenses if needed.) Also, select the “Grown with Cover Crop” special sort for the benefitting crop. Lastly, consider increasing overhead allocations for crops that include cover crop expense.
- Cover crops for feed/sale/grazing should be entered in the crop enterprise analysis using the specific crop production type, like any other crop. Designate these as *double crop* acres. On the balance sheet, enter expenses invested in this crop as a growing crop or prepaid expense. Expenses will then be allocated to the appropriate enterprise in the analysis. Expense should be distributed to this crop as seed, fertilizer, etc (and not *cover crop expense*). Also, select the “Cover Crop” special sort for this crop.
- *Cover Crop, Forage* will be renamed *Cover Crop, Grazing*. This is an acceptable crop type for analysis purposes. The production unit is aum.
- When crop production is in conjunction with cover crops use “Grown with cover crop” special sort. The special sort is used for the crop benefitting from the planted cover crop.
- EQIP and Other Cost Share Programs – payment handling depends on use of funds.
  - If funds are used for **capital investments** (i.e. depreciable, multi-year assets), continue to follow the current recommendation of treating the cost-share income as a capital sale, used to purchase the capital asset. (More detail on page 41.)
  - If funds are received as an annual payment for **production practices** and used towards operating expenses, include this as income in the whole farm analysis as “Conservation government payments” and allocate to the appropriate enterprise(s) as “Other income.”

- Government payment types in the chart of accounts include:
  - Crop government payments
  - Conservation government payments
  - Livestock government payments
  - Other government payments
  - CRP Payments
  - CCC market loan gain\* (This combines LDP and Market Loan Gain.)
- Default allocation factors have some modifications. These include:
  - Corn Silage – increased to 70 (previously 60).
  - Hay, Grass – increased to 40 (previously 30).
  - Peas, Field – 30 (previously no default, now comparable to soybean allocation).
  - Processing, Peas – 30 (previously no default, now comparable to soybeans).
  - Sweetcorn – decrease to 35 (previously 50, now comparable to custom harvested corn silage recommendation).
  - Prevented Planting – decrease to 20 (previously 30).
  - Hay, Alfalfa; Haylage, Alfalfa; Hay, Mixed; Haylage, Mixed; and Hay all default allocation of 60. Assumes 3 cuttings for the year. *Adjust allocation factor based on actual number of cuttings for the production year.*
  - Hay, Grass and Haylage, Grass have default allocation of 40. Assumes 2 cuttings for the year. *Adjust allocation factor if needed, based on actual number of cuttings for the production year.*
- When a crop enterprise is produced using custom hired operations, for either a portion or all operations, adjust allocation factor accordingly. Use judgment when making this change - consider how specific expenses are handled, if needed. For example, is the farm providing fuel or is that included with custom hire operations? *For crop enterprises that are custom harvested, the recommendation is to reduce the default allocation by 50%.*
- Labor Hours – updated recommendation is 2,000 labor hours for crop operations (increased from 1,500). Make sure all labor hours are included for the farm operation, especially unpaid family labor. This increases accuracy and consistency for all operations.
- Special sort updates, found on page 83.
 

**Additions include:**

  - Whole Farm –
    - MN Water Quality Certified Farm
  - Crop Enterprise Analysis –
    - Grown with cover crop
    - Cover crop
    - CSP/EQIP/Conservations Practices used
    - Ethanol corn variety (Ex. Enogen brand)
  - Livestock Enterprise Analysis –
    - DMC – 1 year sign-up (Dairy Margin Coverage Program for dairy)
    - DMC – 5 year sign-up (Dairy Margin Coverage Program for dairy)

**Removals/Changes include:**

- Crop Enterprise Analysis –
  - Glyphosate resistant weeds
  - Flexible cash rent
  - 3<sup>rd</sup> and 4<sup>th</sup> year continuous crop - combined to 3+ years continuous crop
- Livestock Enterprise Analysis –
  - BST
  - Feeding DDG's
  - TMR
- Setup File Download - There is no longer a separate download of Uniform Setup files as a separate installation step to FINPACK. As a part of the FINPACK Installation, you will be asked if you want to “*Install setup for FINBIN benchmarking state or region?*” After selecting the checkbox, you will also have to use the dropdown to select the benchmarking state or region you are affiliated with. This process replaces the need to download set files from the CFFM website. Furthermore, when you download an update during the year the setup file configuration will remain.
- If two 2019 FINAN's exist in the same file, make sure that the FINAN to be added to the database is previewed or printed last.