Virginia Cooperative Extension

Farm Business Management Update
August – September 2003

To: Extension Unit Directors, Extension District Directors, Extension Program Directors, and Farm Management Agents, and ANR Specialists

Dear Co-Workers:

Farm Business Management Update is a joint effort of the Agricultural and Applied Economics faculty and the area farm management agents. Subject matter areas include timely information on farm management, marketing, tax management, finance, credit, labor, agricultural law, agri-business, estate planning, 4-H and economic education, natural resources, and CRD. Please use this information in your on-going Extension programs and circulate to all Extension staff. **Farm Business Management Update** is electronically accessible via the Virginia Cooperative Extension World Wide Web site (at http://www.ext.vt.edu/). To see the articles listed in the reverse chronological order, select "News," then select "Farm Business Management Update" listed under the heading "Periodicals."

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Editor's Note

Both universities and farm business managers face the challenge of limited personnel. Consequently, you will notice a few changes/improvements in this issue. Getting the "management word" to farm business managers requires that faculty and extension agents are daily involved in management and agricultural economics work. Over the last year, Virginia's farm business management faculty and extension agents have declined sharply. To keep the *Farm Business Management Update* relevant to the needs of our clients becomes increasingly difficult. Therefore, via the Southern Extension Farm Management Committee (SEFMC), we are working collaboratively to get timely management information into your hands. This month articles are from The *Quick Tips* newsletter edited by Damona Doye, Extension Economist, Okalahoma State and two timely articles from Geoff Benson, Extension Economist, North Carolina State University. If you have comments or questions, please contact me, Gordon Groover, by phone (540) 231-5850 or e-mail xgrover@vt.edu.

The Management Calendar

By Gordon Groover

Farm business managers should consider putting the following activities on their management calendar for August-September.

- Be sure to get your crop records in shape as harvest time approaches, include yields, machine times and equipment used (this will help with next year's budgeting), identify weed problems, and differences in hybrids. If you are looking for a listing of crop record keeping software, be sure to visit "Ropin' the Web," Alberta, Canada's Agriculture, Food, and Rural Development site at http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/econ4118?opendocument. This winter after harvest is completed make sure you allow time to review inputs, yields, and management of each field. If you are using yield monitors, they are a ready source of information to analyze using a spreadsheet. Nutrient management plans require that applied nutrients closely follow expected crop removals; however; if farm-level records of yields/removals are not kept then nutrient applications are driven by county or soil averages. Documentation of farm yields will allow silage and hay producers to profitable match nutrients with field specific potentials. Consider ways to weigh wagons: if you live near a site with truck scales, weigh a few sample loads and use the results to better estimate yields. Consider purchasing a set of portable scales (less $2,000) that could be used to weigh all silage and hay crops. The added knowledge about nutrient removal and yields will allow you to make more profitable decisions.
- Pay close attention to cash flow needs as generally low overall prices and higher costs of inputs will yield lower cash reserves. Almost all computerized recordkeeping software, e.g., Quicken® or Microsoft Money® and accounting software, e.g. QuickBooks® or FarmWorks, create cash flow reports that assist in managing cash available for debt service, family living, and paying cash expenses. Compare this year's cash flow to the budgeted amount and highlight deviations. If you did not develop a budget for this year,

compare your inflows and outflow to last year's August totals. Make sure you have a series of possible plans to address any projected cash short falls.

- The time to make tax management decisions is quickly approaching. Make sure that you have set aside a few days in October to summarize all farm and family financial records and make an appointment **now** with your accountant to work on end-of-year tax management strategies. To get an overview of the 2003 tax changes take a look at Daniel Osborn's article, *2003 Tax Changes*, in this issue and if possible, plan on attending one of the Farm Tax Session to get up to speed on changes effecting farmers (see the article titled "2003 Income Tax Conference - Ten Virginia Locations" in this issue for details).
- "Employees." The mere mention of the word strikes terror among many a farmer. There are all kinds of issues like state and federal labor laws and regulations, INS, IRS, FUTA, SS, FICA. SUTA., or just finding a good employee is a problem and then figuring out how to keep him/her. Then, what about when you have problems - how do you get problems resolved so that the work is done? Just thinking about all these issues makes some farmers wish for the good old days of 40 acres and a mule. If you have reached this point with your employees or maybe family members, a visit to the University of California Agricultural Labor Management web site may have a high payoff (http://www.cnr.berkeley.edu/ucce50/ag-labor/7article/articles.htm). The site has a wealth of information on hiring, training, farm family relations, compensation, discipline, conflict and mediation, dairy incentive programs, and more.
- Dairy producers considering retirement or exiting the dairy business should consider putting a bid in to the CWT program (Cooperatives Working Together). The window to get a biding in is narrow - just 22 days **starting August 1, 2003 and ending August 22, 2003**. Farmers can submit a **Herd Retirement** or a **Reduced Production Marketings** bid. Details about the CWT program are listed at the following site http://www.cwt.coop/.
- Having a hard time finding USDA forms or having to stop everything to hand deliver a CCC633LDP? Most of the frequently used FSA, NRCS, and Rural Development forms that farmers need to complete can be found at the following site: http://forms.sc.egov.usda.gov/eforms/mainservlet. The USDA Service Center eForms cover all bases from agricultural Conservation Program to Wildlife Habitat Incentive Program. If you registered with the eForms web site, some of the forms can be submitted electronically and might save you a trip to town.

2003 Tax Changes
By Daniel Osborne

Once again, new tax law is in effect for this year. The Job and Growth Tax Relief Reconciliation Act of 2003 was signed by President Bush in May this year. With its passage came several notable tax changes. Below is a brief summary of the effects of the 2003 Tax Act. Table 1 diagrams the 10-year tax outlook.

- **Rate Reduction –** The new law reduces the higher marginal tax rates. The tax brackets were 10, 15, 27, 30, 35, and 38.6%, but for the tax year 2003 through 2010 they are 10, 15, 25, 28, 33, and 35%.

- **Expanded 10% Tax Bracket –** For the years 2003, 2004, 2008, 2009, and 2010, the income threshold for the 10% tax bracket is increased from $6,000 to $7,000 for single filers and from $12,000 to $14,000 for married filers. During these specific years, the increased threshold will save single filers $50 and married filers $100 if they meet or exceed the income threshold.
- **Marriage Penalty Relief –** The marriage penalty is reduced because of two new changes. For the years 2003 and 2004, the 15% tax bracket is increased for married filers to twice the amount for single filers. Also for the years 2003 and 2004, the standard deduction for married filers is increased to twice the amount for single filers.
- **Child Tax Credit Increase –** The child tax credit is increased from the current amount of $600 to $1,000 for the years 2003 and 2004. This credit falls to $700 for the years 2005 through 2008, increases to $800 for 2009, and finally returns to $1,000 for 2010.
- **Capital Gains Rate Reduction –** The 20% capital gains rate is reduced to 15% for sales and exchanges between May 6, 2003 and December 31, 2008. For the same time period, the 10% capital gains rate for lower-income taxpayers is reduced to 5% through 2007 and 0% for 2008. The 8% and 8% capital gain rates for property held at least 5 years are effectively repealed until 2009.
- **Dividends Taxed as Capital Gains –** For the tax years 2003 through 2008, dividend income for most taxpayers will be taxed as capital gains at the rates discussed above instead of as ordinary income. There are several exceptions that will not apply to most taxpayers.
- **Increase in §179 Business Expensing –** Instead of depreciating capital purchases, Code Section 179 allows businesses to immediately deduct up to $25,000 of the cost of qualified property in the current year subject to a $200,000 threshold. For the tax years 2003 through 2005, the Section 179 allowance is increased to $100,000, and the threshold is increased to $400,000.
- **Bonus Depreciation –** Last year we saw the institution of the 30% Bonus Depreciation for certain qualified property. For purchases after May 5, 2003 and before January 1, 2005, the Bonus Depreciation amount is increased to 50%.
- **Other –** There are other provisions that do not apply to most taxpayers and, therefore, not discussed in this letter. These include Alternative Minimum Tax (AMT) Preference for Excluded Gain Adjusted, AMT Exemption Amount Increased, Regulated Investment Companies and Real Estate Investment Trusts Rules Coordinated with New Dividend Tax, Collapsible Corporation Rules Repealed, Personal Holding Company Tax Rate Reduced, Corporate Estimated Tax Payments Deferred, and States Receive Temporary Fiscal Relief.

Most people think little about their taxes until after the first of the year. However, the majority of tax strategies require action before the year's end. Therefore, considering these changes early and adjusting your tax plan accordingly is important.

Source: CCH Tax Briefing: Job and Growth Tax Relief Reconciliation Act of 2003, May 28, 2003.

Table 1: 10-Year Tax Outlook

The chart below provides important tax related amounts and percentages that generally apply for the years 2002 through 2011. Changes resulting from the 2003 Tax Act are reflected in the shaded areas.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Income Tax Rate Reductions										
Top Bracket	38.6%	35%	35%	35%	35%	35%	35%	35%	35%	39.6%
Fifth Bracket	35%	33%	33%	33%	33%	33%	33%	33%	33%	36%
Fourth Bracket	30%	28%	28%	28%	28%	28%	28%	28%	28%	31%
Third Bracket	27%	25%	25%	25%	25%	25%	25%	25%	25%	28%
Second Bracket	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
First Bracket	10%	10%	10%	10%	10%	10%	10%	10%	10%	No 10% bracket
Expansion Of 10% Bracket										
Threshold for Joint Filers	$12,000	$14,000	$14,000	$12,000	$12,000	$12,000	$14,000	$14,000	$14,000	No 10% bracket
Threshold for Single Filers	$6,000	$7,000	$7,000	$6,000	$6,000	$6,000	$7,000	$7,000	$7,000	No 10% bracket
Marriage Penalty Relief										
Standard Deduction for Joint Filers										
- Percentage of Single Amount	Did Not Apply	200%	200%	174%	184%	187%	190%	200%	200%	Will Not Apply
15% Bracket Size for Joint Filers										
Compared to Single Filers	Did Not Apply	200%	200%	180%	187%	193%	200%	200%	200%	Will Not Apply
Child Tax Credit										
Amount per Child	$600	$1,000	$1,000	$700	$700	$700	$700	$800	$1,000	$500
Capital Gains										
Capital Gains Rate	20	15%	15%	15%	15%	15%	15%	20%	20%	20%
Rate for Low Income Taxpayers	10	5%	5%	5%	5%	5%	0%	10%	10%	10%
Dividends (Taxed As Capital Gains)										
Dividend Rate	Did Not Apply	15%	15%	15%	15%	15%	15%	----------- Will Not Apply -----------		
ate for Low Income Taxpayers	Did Not Apply	5%	5%	5%	5%	5%	0%	----------- Will Not Apply -----------		
Code Sec. 179 Expensing										
Deduction Amount	$24,000	$100,000	$100,000	$100,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Investment Limitation	$200,000	$400,000	$400,000	$400,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
Bonus Depreciation										
Bonus Depreciation Percentage	30%	50%*	50%	--------------------------------------- Will Not Apply --------------------------------------						
* Increases to 50% for purchases after May 5, 2003										

Source: CCH Quick Tax Facts, 10-Year Tax Forecast

Crisis in Southeast Virginia Agriculture

By Jim Pease and Mike Roberts

Peanut production has been the foundation of the southeastern Virginia regional farm economy since colonial days. Virginia peanuts are grown in nine mostly rural southeastern counties and one independent city (Suffolk). Virginia-type peanuts are a recognized type of peanut mostly used in-shell or shelled as premium snack or 'ballpark' peanuts, and have traditionally constituted 5-7% of national production. A quota program based on acres or pounds of quota for a specific farm has been in place since 1937, with above-world-market prices guaranteed by USDA on peanuts produced under quota. In Virginia, approximately 80 percent of quota peanuts produced are rented from nonfarming landlords, many of whom are heirs living out of state or widows of peanut farmers. Agricultural land in peanut counties has been able to withstand urbanization pressures in the past several decades because of the profitability of peanut production.

The 2002 Farm Bill brought an unanticipated collapse of the southeastern Virginia farm economy by ending the quota program in mid-planting season 2002. Peanuts that were planted with the expectation of earning \$610/ton could be sold only at the loan rate of \$355/ton (production costs are in the range of \$450-\$500/ton). Peanut growers received compensation through fixed loan support rates (well below the cost of production), and the direct payment and counter-cyclical payment programs also put in place for other commodities such as corn and wheat. In 2002, the loss in peanut farm sales due to the new provisions was \$36.9 million, only partially compensated by \$12.7 million in commodity program payments. Quota holders received buy-out compensation for their lost quota with a payment of approximately \$52.7 million, equivalent in present value terms to approximately 15 years of quota rent. As can be expected, the value of peanut quota had been capitalized into land values and rents on farms holding quota, so Virginia producers had already been in a cost-price squeeze before the 2002 Farm Bill. Other field crops that could be grown in place of peanuts, such as cotton, corn, wheat, or soybeans, do not offer a profitable alternative under current or expected market conditions. The impacts of the dramatic change in the operating environment are apparent in planted acreage trends. Virginia peanut acreage fell from 75,000 acres in 2001 to 56,000 acres in 2002, and USDA projects plantings of 35,000 acres in 2003. We conclude on the basis of a phone survey of 70 farmers that only 15,000 to 20,000 acres of peanuts will be planted in 2003.

Lenders are unwilling to extend credit for the 2003 crop until 2002 operating loans are repaid or refinanced with other collateral. Realizing that registering profits from the peanut enterprise was highly uncertain and that collateral in the form of peanut quota had vanished, lenders have required many farm businesses to seek comprehensive financial analysis as a precondition of new operating loan applications. Farm business financial planning by the regional Extension farm economist has increased 20-fold in 2003. In more than one-half the cases analyzed, the farm business could not pay back 2002 crop operating loans, much less return a profit on the 2003 crop without using commodity program payments. Due to the extreme workload at local FSA offices, program payments have been delayed. In more than one-third of the cases analyzed, the farm business has no unencumbered collateral to back loan refinancing. Many farmers are considering equipment, land, or other asset sales as the only alternative to avoid bankruptcy or to save a portion of the farm. One in six of the farmers assisted will eventually be forced to declare bankruptcy, representing approximately 3,766 acres of owned and 9,598 acres of rented cropland.

Vendors supplying chemical, seed, fertilizer, and equipment inputs to farmers have inventories only one-third of last year's level. With the uncertainty surrounding peanut planting intentions, peanut shellers and processors find that forecasting production and purchases is difficult. A significant danger is that vendors, shellers, and processors will move their operations out of Virginia, further damaging the southeast Virginia economy.

From the perspective of landowners, the new peanut program has decreased the rental and resale value of their land for agricultural use. From the perspective of growers, the program has dropped them abruptly into national and international competition for the first time and presented them with a financial crisis. The farm enterprise that consistently returned profits to the farm has been eliminated. Many farmers and non-farming landowners are petitioning local tax assessors to reassess their land and are considering housing developments as an alternative land use to agricultural production. Bankers find themselves holding collateral (land based on quota values) and earning expectations (guaranteed quota prices) that are suddenly unrealistic and uncertain. Equipment and input dealers find themselves selling Virginia used equipment to farmers in other states as many farmers liquidate. Peanut shellers with their corporate offices in Virginia and North Carolina are concerned that peanut production acreages will not be sufficient to justify leaving processing facilities in the region. Local governments, facing a barrage of calls from farmers demanding lowered tax assessments for their farmland, are wondering how the local budget can be funded with decreased property taxes.

The core issue is one of market competitiveness, but the major implication for the region is associated with land use. Urbanization may be the only land use alternative for many counties in the region, and the rural peanut counties could soon resemble Chesapeake, Virginia Beach, or Hampton Roads. Some key questions that need to be addressed are Under what conditions will peanut shellers continue Virginia operations? What is the long term economic outlook for Virginia-type peanuts and for Virginia peanut farmers? What are economic consequences of reduced peanut acreage for agricultural and non-agricultural businesses, including farmers, input and output industries? What are the fiscal, economic, and social impacts on local governments and communities? What are the land use and urbanization implications? What can/should be done and by whom?

Selecting Alternative Enterprises for the Farm

By Bill Whittle

Farming is a tough business. High prices and yields allow the luxury of reaping the benefits of hard work without modifying the operation. However, low prices or poor yields often cause management to search for ways to bring in extra income.

The addition of an enterprise to the farm is one way to improve the farm's financial picture, either as an add-on to the current operation or as a stand-alone enterprise. Possibilities include such varied enterprises as fruits and vegetables for farmers market or Pick-your-own (PYO), agri-entertainment such as corn mazes or farm tours, and value added processing such as cheese, wreaths, and compost. The list is limited only by one's imagination.

Unfortunately, no system that a farmer can use guarantees success of a new enterprise. New enterprises are exciting. Too often farmers feel that planning just gets in the way of making money. However, there are steps to work through to identify good and bad points of an enterprise thus strengthening the opportunity for success. These steps may help identify dead-ends before the end has no turn-around available.

Step 1. Determine your goals for an alternative enterprise. Are you looking for a little extra income or are you looking for a major change in direction? How much money? What kind of lifestyle? How much time to you want to devote to the new enterprise?

Step 2. Brainstorm with all concerned parties. Where does your interest lie? What do you want to do? What can you do? Include both family and non-family employees when determining a new direction. Put all ideas on the table for discussion. Dissect the most promising. When the people who work directly with the enterprise have the opportunity to buy into a new program, the chance of success is greater. One disenfranchised person can kill an otherwise good idea. The brainstorming session is a good time to bring in outside advisors such as lenders, valued friends, and Extension Agents to get a broader perspective.

Step 3. Not every good idea is worth pursuing. How does the new enterprise fit into the current farming operation? Develop both financial budgets, a labor budget, and a time-line budget. You may have selected a solid enterprise; however, if un-reconcilable conflicts occur with the current operation, success may elude you.

Step 4. How will the product be marketed? No weekly fish auction or elevator will take raspberries. Alternative enterprises generally require high touch marketing with the manager spending as much time on marketing as production. Enterprises such as PYOs or agri-entertainment require a high level of interaction with the general public. Working with the public may sound like a disincentive to some farmers, but the public generally is willing to pay for the things it wants.

Step 5. Do you like working with people? If you had rather be around cows than people, be honest with yourself and search for the enterprise that works to your strengths.

Step 6. Visit farms that have incorporated the enterprise. Learn from their mistakes and successes. Farmers are often willing to talk about their operation, but you may be wiser to look outside your area so that you will not be considered competition. Determine if the ideas garnered from your visits will work in your locality. Will your locality support your operation or has the area been flooded with your "new" idea?

Step 7. Plan thoroughly. These steps are shown in a linear format but in practice they are circular with answers begatting new questions. Planning requires time and should be started well in advance of a potential start date. Proper planning may be the difference between a Money

Tree and a Money Pit, but at some point, you need to pull the trigger to proceed or shelve the idea.

Marketing the 2003 Soybean Crop
What's New That Might Help Shenandoah Valley Farmers

By Robert A. Clark, Tom Stanley, and Jonah Bowles

Many Shenandoah Valley farmers have planted soybeans and are now hoping for a good crop. If you haven't begun developing a marketing strategy, now is a good time! The following article has been developed to provide some tips that might help Shenandoah Valley farmers optimize their soybean crop revenue.

What is New for 2003?

Due to the wet spring the acreage of soybeans that has been planted in the Shenandoah Valley is expected to be far less than normal. For example in Shenandoah County, actual planted acreage is expected to be 40 to 60 percent below normal. Farmers who have traditionally been forced to haul their soybeans to faraway markets may find local markets more receptive to buying their soybeans.

More local feedmills are using roasted soybeans. Hopefully, this practice will mean an increase in local consumption of whole soybeans. In the long run, this change should translate into a good opportunity for Valley-grown soybeans to be marketed locally thus saving the transportation cost of shipping them to faraway markets. However, actual use of roasted soybeans for livestock feed will be affected by the cost of roasted soybeans compared to the cost of other protein and energy sources.

Something else new for 2003 is that a portable roaster has been purchased in the Shenandoah Valley. This roaster adds a new dynamic to soybean marketing. The technology of a portable roaster is not new. Some Valley farmers have used the services of portable roasters out of Pennsylvania. Hopefully, a local portable roaster will ultimately be less expensive and more convenient than the portable roasters from out of state. Livestock producers needing roasted soybeans may want to consider storing raw soybeans and having the portable roaster come to their farm on a routine basis. Also, soybean farmers could store soybeans, have the roaster come to their farm, and service a market. Potential consumers for roasted soybeans include dairy farms, swine farms, small feedmills, and creep feeding calves. Soybeans do not need to be roasted for finishing cattle, mature cattle, heifers, or stockers.

Faraway Markets or Markets Close to Home?

If you ask farmers what they think about a specific market for any crop or livestock most simply shrug and ask, "What's the price?" The problem that we face with growing soybeans in the Shenandoah Valley is that the faraway soybean markets offer more marketing tools (such as cash contracts, advance pricing, basis contracts, etc.) than the markets within the Shenandoah Valley.

Clearly, these marketing tools need to be offered for delivery of soybeans within the Shenandoah Valley.

Should Valley Farmers Sell at Harvest or Store?

If you are considering storing soybeans for the first time or if you want to reevaluate storage cost, contact one of the authors for information. We developed a document titled "Evaluation of Cost/Benefit of Owning Grain Storage for Shenandoah Valley Farmers." Highlights of this paper include the following:

- Most references indicate that handling and storage shrinkage (both moisture and non-moisture shrinkage) can range from 0.5% to 2.0%.
- The example grain storage costs within the paper ranged from $0.16 to $0.40 per bushel (details are given in the paper).
- Selling grain at less than market moisture sometimes involves extra drying costs ($0.01 to $0.03 per bushel per percentage point) and always involves loss of water weight that could have been sold at the price of grain.

How Do I Find a Buyer?

Did you know that at least 10 entities will buy soybeans within 200 miles of New Market, Virginia? A list of buyers relatively near the Northern Shenandoah Valley has been developed. Feel free to call 540-459-6140 or e-mail raclark@vt.edu if you would like a list. Some of these buyers only purchase on a cash basis while others offer cash contracts on future delivery, basis contracts, and other marketing programs. You will need to call each one for details. As with selling any agriculture product, all buyers need to be scrutinized to ensure their ability to pay.

Marketing Directly to Livestock Producers

What kind of livestock can eat soybeans? The answer is that it depends on whether the soybeans have been heat-treated. Most soybeans in the Shenandoah Valley will either be roasted or fed raw. Therefore, our discussion is limited to these two options.

Raw Soybeans: Raw soybeans can be fed to beef cows, finishing cattle, stockers, and developing heifers. However, because of the oil content, the rate must be limited. Also, *very limited quantities* of raw soybeans can be fed to swine and dairy. Raw soybeans should not be fed to developing bulls or baby calves. One disadvantage to feeding raw soybeans is that if the soybean are ground, they can go rancid quickly. Feeding raw soybeans to cattle will likely not be a major market outlet, but it might help someone get good value out of those last bushels of soybeans that cannot be marketed otherwise. Anyone who is not experienced with feeding raw soybeans is encouraged to contact his/her local livestock Extension Agent to get information.

Roasted Soybeans: Roasted soybeans can be fed to lactating dairy, swine, poultry, horses, and many other types of livestock. Information is available on how to properly roast and feed roasted soybeans to all of these livestock types. Feel free to contact one of the authors for information.

Practical Tips

Raw soybeans can be sold and purchased on a per bushel basis. However, roasted soybeans should be sold and purchased on a per ton basis. Mathematically, a ton of raw soybeans with a test weight of 60 pounds per bushel is equal to 33.33 bushels. However, the roasting process will cause both dry matter and moisture shrinkage. In general, it will take about 36 bushels of raw soybeans to equal a ton of roasted soybeans. Since the amount of moisture lost by roasting will vary for each situation, these numbers **should be calculated for each farm**. We have developed a sheet to help farmers make these calculations.

During the winter of 2003, prices quoted on roasting soybeans ranged from $0.50 to $0.90 per bushel of raw soybeans. The average appeared to be somewhere near $0.70 per bushel of raw soybeans.

Whole roasted soybeans can be stored; however, they must be properly cooled first. Although no specific data are available on storing roasted soybeans, most people suggest grinding only the amount of roasted soybeans needed for five to seven weeks. Please note, ground raw soybeans do not store very well. Most people suggest limiting the storage of ground, raw soybeans to no more than one week (maybe slightly longer if it is mixed in feed or if it is winter).

Based on a telephone survey that we conducted in August 2002, about 200,000 bushels of storage capacity were available in Shenandoah, Page, Clarke, Frederick, and Warren Counties that could have been used to store the 2002 soybean crop. Soybean farmers considering storage should look around to assess the availability of renting existing storage. Some of this storage, however, may be in an undesirable location and/or have high maintenance cost.

An Irreverent Source of Financial Planning Tips[1]

By Damona Doye

Financial planning fun? You've got to be kidding, right? No, really... The www.IhateFinancialPlanning.com website is one of my favorites as it offers valuable lessons and a variety of helpful tools in fun ways. A thought from the website: Why is the one who invests all your money called a broker?

Helpful forms available from the website include ones for personal contacts, financial inventory, insurance inventory, personal inventory, spending plan worksheet, spending record worksheets and wedding budget worksheets. Forms are available either on-line or in printable pdf files. You can sign on for a weekly e-mail that brings you such things as a humorous reminder about the value of budgeting or a calculator to help you determine your value if you really are worth your weight in gold.

[1] Published in Quick Tips, Oklahoma State University. Vol. 34, July 2003 (http://agecon.okstate.edu/quicken/Instructions&Newsletters.htm)

Menu choices on the website include Topics, Take Action, Calculators, Jargon, Fun and Games, Membership, and Forum. Topics range from Annuities, to Surviving Divorce, to Taking Care of Parents, to The Cost of Death. Each segment has brief, reader-friendly introductions along with succinct additional information and, where appropriate, checklists and links to other websites. The website is sponsored by ING North America Insurance Group, a member of a family of companies based in Amsterdam.

How to Be the Kind of Employer You Would Want to Work For[1]

-- *adapted by Lana Frazier from a presentation made by Sarah Fogleman, Extension Agricultural Economist, K-State Research and Extension, to Kansas State University's Risk and Profit Conference in August 2001*

If your businesses is expanding, you may be supervising family members or managing and hiring non-family workers. Here are a few guidelines that should help with that task:

Use Job Descriptions. A well-written job description should convey the requirements for the employee to be successful in the position. It ensures that the employer and the employee have the same perceptions of the position and performance expectations. A job description gives potential and current employees an accurate picture of the position and helps the employer communicate the performance standards for the position. The job description is not written in stone; it should change and evolve with the business, position, and employee.

Lay Out The Ground Rules. The best way to lay out the ground rules is through an employee handbook which will typically contain several sections:

- Statement of the organization's Mission, Vision, and Values which tell employees what the business is about—the framework around which all other things are built
- Detailed outline of the compensation elements (for example, how many days for vacation and when it may be used) that communicates the total value of the compensation package
- Statement of the business's protocols and safety procedures which highlights the dangers of your operation and the importance of safety
- Statement of expectations, standards, and consequences so that the employee knows before they learn the hard way

Provide Proper Training. Try to anticipate your needs well in advance so that you will have time to hire and train new employees. It takes thirty days for an employee to be fully oriented into a business and 365 days to be fully trained. Even new hires with experience need time to learn the specifics of your operation. Remember to be patient and thorough.

Meet the Employee's Needs. Non-monetary compensation such as job security and flexible hours, direct compensation such as wages and bonuses, and indirect compensation such as Social Security and housing should be as individual as the employees who receive them. For example, a working mother may take a lower-paying job with flexible hours so that she can be at home when her children get home from school, while another employee may be looking for stable work and an affordable place to live. In a tight labor market, businesses that cannot compete with high cash wages can certainly compete when offering individualized compensation packages.

Understand Satisfaction. Job satisfaction is difficult to quantify but hinges on four core dimensions: feedback such as a job evaluation, a sense of ownership of their work and the degree of authority they have over how they perform their tasks, a clear perception of where the employee fits into the larger scheme, and a high variety in tasks that tap a number of skills and stress the element of challenge rather than just difference in the tasks.

So, as you consider how to better be the kind of boss that you would like to work for, consider all of the above and the golden rule—do unto others as you would have them do unto you.

Making a CWT Whole-Herd Buyout Bid: Things to Consider

By Geoff Benson

1. First consider what is most important to you, to other family members as individuals, to you as a family?

   - ❑ Cash income to pay for …........
   - ❑ Leisure time for…..........
   - ❑ Occupation (dairy farmer, farmer, off-farm work)
   - ❑ Holding on to the family farm
   - ❑ Passing the farm along to children
   - ❑ Financial security in retirement
   - ❑ Pride and status in community

2. What financial shape is your business in? Can you survive? If so, is that what you want?

   - ❑ Net income for the last 3 years and projections for the next 3
   - ❑ Changes in debts and assets owned over the last 3 years from balance sheets and current statement of assets and liabilities
   - ❑ Cash flow summary for the last 3 years and projections for the next 3, including business operating income and expenses, capital purchases and sales, new loans and loan payments, family living and non-farm income.
   - ❑ Can the financial picture be improved by increased efficiency, sale of farm assets, debt restructuring, off-farm income, bankruptcy?

2. What are your alternatives if you stop producing milk? Which is the best alternative for you?

   - ❑ Expected net income from farming alternatives
   - ❑ What off-farm jobs are available? What jobs are you qualified for? What do they pay? What is available for other family members?
   - ❑ What farm assets can be sold for how much (net of sales commission and taxes)? Will this sale pay off the farm debt? Will money be left over to invest? Where will it be invested and at what rate of return?

4. What are you planning to do or likely to do if you do not participate in the buyout program? Continue dairy farming or sell out anyway? If you plan to sell out anyway, how soon would you sell?

5. What economic costs would you bear by participating in the herd buyout?

   - Loss of income if cattle are sold for slaughter not for dairy purposes and expected losses (or gains) from changes in cattle prices if you would otherwise sell at a different time.
   - Loss (or gain) in expected net income because net income from dairying is higher (or lower) than net income from the next best alternative, including cash income and non-cash earnings from land appreciation etc.
   - Start-up costs if you plan to re-enter dairying, including the cost of cattle and net income losses during the rebuilding period.

6. Bidding strategy.

   - What is the breakeven bid to cover the relevant economic costs of entering the program compared to the best alternative. Anything above the breakeven bid is financially beneficial.
   - There is very little information to help a producer guess the upper limit on a bid and still have it accepted—you are shooting in the dark.
   - Look at your circumstances and figure the effects of different bids. How large a bid would prevent bankruptcy? Save the family home and personal possessions? Clear the debt on the farm? etc. A clear understanding of the impact of different bids helps to focus on gains and losses from submitting a bid of a certain amount, which is a gamble.
   - Avoid even numbers. Stores use “odd pricing” such as $9.99 not $10.00, and the same approach might make a bid that is close to the maximum more competitive.

7. The tax consequences of participating in a buyout could be significant. Consult your tax counselor or accountant on the tax consequences of a successful bid and the choice of a payment option.

   - Discuss how the CWT payments will be taxed, i.e., ordinary income or compensation for the loss of value from the sale of cows (business property).
   - Income from the sale of raised cows and heifers over 2 years old is eligible for capital gain treatment.
   - Income from the sale of purchased cows, machinery, and equipment might be liable for depreciation recapture or capital gains treatment depending on the tax basis (cost).
   - If land is sold for more than the basis (cost), the difference is taxable as capital gains.
   - Sale of young stock, feed, and rent received are taxed as ordinary income.
   - Carryover of investment tax credit and net operating losses may be available to offset part or all of the tax liability.
   - Income averaging and installment sales of non-dairy assets might also reduce total tax liability.

8. Lien holders and major creditors.

- ❑ Consult lien holders and major creditors before submitting a bid if secured property will be sold.
- ❑ Discuss how the sale proceeds and program payments are to be used. Any remaining debts may need to be restructured and the payments rescheduled to fit a different income pattern.

Editor's Note: The next two articles discusses items dairy producers should consider before making a bid to the "Cooperatives Working Together" (CWT) program. Details of the program can be found at http://www.cwt.coop/.

Bidding Strategies for the CWT Herd Buyout Program

By Geoff Benson

The CWT Herd Reduction (buyout) program is a new industry initiative intended to reduce milk production by 540 million pounds by taking whole herds out of production. A producer can only participate by submitting a bid and having that bid accepted by the program administrators. There are regional limits to participation. Bids are stated on per hundredweight basis relative to milk sales in a base history period. Our only previous experience with this type of program occurred in the mid-1980s with the federal Milk Production Termination Program. Under that program, successful bid ranged from $3.40 per 100 lb. to over $1,000! The highest bid accepted was $22.50. However, this new program has a different production target and funding base; consequently that experience is an unreliable guide to submitting a bid under the CWT program. All that can be said with certainty is that the higher the bid, the lower the chance that it will be accepted. How then can a producer determine his bid?

The beginning point for a producer should be a thoughtful look at his or her goals and priorities, those of other family members as individuals, and those of the family. Goals may include family income targets, time for leisure or other non-farm activities, and lifestyle goals. However, all of these goals may not be achievable by remaining in dairy farming. A key question is "What are you planning to do or likely to do if you do not participate in the buyout program?" Will you continue dairy farming or sell out anyway? If you plan to sell out anyway how soon would you sell? Therefore, the second step is to assess the financial status and recent performance of the dairy farm business. It is a sad fact that over 40% of the nation's dairy farmers have sold their cows and left dairy farming over the past 10 years, and this trend is likely to continue. Can the farm survive? If so, will the farm allow you to achieve your most important goals? If the answer is no, it is time to consider all the alternatives, including submitting a bid under the CWT herd reduction program.

One approach to bidding is to try to determine the maximum bid that will be accepted. Clearly, interested producers would prefer to receive the largest possible payments, but since CWT is a new program, no reliable information is available about the number of likely bids or the range of bid prices. Therefore, producers seeking to identify that "maximum acceptable bid" must rely on intuition and guesswork: a high-risk approach, to say the least.

The second approach involves calculating a breakeven bid as the first part of any strategy in bidding. A breakeven bid is the amount necessary to offset the costs of participating in the program. This bid represents a minimum bid because a producer has no incentive to submit a bid that would leave him or her worse off than if he or she stayed out of the program. Therefore, calculating a breakeven bid is a defensive strategy designed to protect a producer from financial losses. However, it is a logical place to begin developing a bid because breakeven bids will vary widely from farm to farm.

1. The bid must compensate the producer for the difference between the slaughter value of the milking and dry cows and their value if sold as working dairy animals. One way to assess the dairy value of a herd is to use the services of a qualified auctioneer or cattle buyer. The value of the herd for slaughter will depend on the cull cow price. In either case, a producer would receive the sale value less the cost of the sale and any taxes due. The lump sum difference divided by the number of hundredweights of milk in the base period will give the bid amount needed to breakeven.

2. The bid must compensate the producer for any loss of income net of any cost savings. A producer may decide to retire, to switch to non-dairy farming enterprises, or to re-enter dairy farming. Each alternative will produce a different level of income. The producer will need to estimate the investment, income, and operating costs associated with a switch to non-dairy farming or re-establishing a dairy herd. If these projections show a reduction in income relative to the current dairy operation, the bid must offset this.

A third, more conservative, approach that producers may wish to consider involves a careful evaluation of the family goals and priorities and the clear identification of the distinct alternatives available to the family. Different bids, should they be accepted, may allow the family to achieve different alternatives and different goals. These distinct financial alternatives may involve different occupations, income levels, asset ownership, and debt load, or cash flow feasibility. Cash flow considerations may be important in addition to the economic costs discussed above. Debt load and family living needs may also factor into the bid calculation if the income projections are not sufficient to achieve important family goals, such as the survival of the farm.

The following examples illustrate this approach.

Example 1: A producer’s debts exceed the estimated market value of his assets, and he is unable to service his debts. The family members are distressed at the prospect of bankruptcy and the associated stigma. Also, they are strongly attached to their home. They define two alternatives:

1. They project that they could avoid bankruptcy if a bid of $4/100 lb. cwt above their breakeven bid were accepted and all property sold, including their home. Any lower bid is not attractive because they still would be forced to file bankruptcy.

2. A bid of $6/100 lb. cwt above breakeven would allow them to keep their home and avoid bankruptcy, but all remaining assets still would be sold. They are willing to forego any

higher bids to increase their chances of having a bid accepted. The family must still decide which of the two bids to submit, but this decision may well be manageable because it involves two clearly defined alternatives.

Example 2: A producer has two distinct nondairy alternatives: to take a better paying non-farm job or to remain on the farm with an inadequate and more variable net income. The producer has a strong preference for the farming option and estimates that a bid of $5/100 1b. cwt. Over his breakdown bid would make it financially feasible. He is willing to forego a higher bid to increase his chances of having his bid accepted.

Example 3: A producer estimates that a bid of $3/100 1b. cwt over his break- even bid is needed to retire the farm debt and prevent the sale of his farm because his nondairy income from barley can provide for family living needs but cannot service any farm debt. He is willing to gamble that he can keep the entire farm and will forego a higher bid to increase the chance that his bid will be accepted.

In each example the specific goals and alternatives provide break points in the range of possible bids. These may provide producers and their families with some more clearly defined choices that make the bidding decision more manageable. This approach has some similarities to forward contracting for a commodity such as corn or hogs to lock in a profit even though the chance for a higher profit is given up.

A bid might be fine-tuned by the use of a common strategy in retail marketing such that prices are set at "Odd Pricing," say, $9.95 not $10.00. Gasoline prices are typically set using this approach, e.g., $1.399 not $1.40 per gallon. If a producer expects a significant number of round figure bids, for example, bids in whole dollar or half – dollar amounts, he or she would increase the chance of having a bid accepted by submitting one that is slightly less than a round figure.

In conclusion, producers are advised to carefully evaluate their goals, financial condition, and alternatives. It is important that a breakeven bid be estimated as accurately as possible, partly to protect the producer from financial losses and partly as a base from which to estimate bids that are attractive to that producer.

Virginia Tech Hosts the National Institute on Cooperative Education

By Dixie Watts Reaves

Virginia Tech was the host site for the 75th annual National Institute on Cooperative Education (NICE), the largest youth conference in the country that is dedicated to educating its attendees about the cooperative form of business. Eighty students and their state counselors and chaperones from around the country were on the Virginia Tech campus from July 27-30, participating in activities about cooperatives and enhancing their business management skills in a fun and educational environment.

The 2003 Diamond Anniversary NICE centered around the theme *Cooperatives—A Gem of a Deal*. Attendees participated in a wide array of cooperative activities. Sunday began with ice breaker and teambuilding activities where the youth scholars from ten states had an opportunity to mingle and to compete in relay-style events. The states represented at the conference included Arkansas, Kansas, Kentucky, North Carolina, Oregon, Pennsylvania, South Dakota, Tennessee, Virginia, and Wisconsin. In a leadership development session on Monday, Judith Jones, assisted by Sheila Norman, presented insights into leadership styles utilizing the Myers-Briggs type indicator (MBTI). All participants had an opportunity to complete the MBTI test instrument and to learn how knowledge about different personality types can assist them in being better leaders and team members. Other activities on Monday included a tour of the Southern States distribution warehouse in Troutville, a Southern-style barbeque prepared by Albert and T.J. Watts of Rockbrook Farm (Keysville, Va.), and a night of relaxation and socializing at the Salem Avalanche minor league baseball game.

For most of the conference, participants were divided into nine teams where they worked together in a number of events. Each team was supported by a team leader, a youth who has participated in the conference in the past, and an assistant team leader, someone from industry, government, or education. Team leaders were Shane Delawder (Va.), Emily Grove (Pa.), Andrew Herr (Pa.), Amy Kneer (Md.), Meg Kyger (Va.), Anthony Seymore (Pa.), Aaron Shelor (Va.), Rachel Swortzel (Va.), and Luke Van Vuren (N.C.), Jim Barnett (Pa.), Stephanie Chick (Va.), Roger Garrett (Va.), Joe Jackson (Tn.), Wynn Mayfield (Or.), Lehman Metzler (Pa.), Craig Scroggs (Ga.), Jim Wadsworth (D.C.), and Brian Wolfe (Va.) served as assistant team leaders.

In the student-run cooperative (STUCO) component of the conference, each team formed its own cooperative. Member-owners paid a membership fee and elected a general manager. The cooperative could then buy items at wholesale from the cooperative distribution warehouse and either resell to its members or market its goods to non-members (participants from other teams and/or leaders and chaperones). Since a cooperative's main goal is not to make a profit, but rather to meet the needs of its members, students were able to obtain quality products at a much lower price than was available to them through normal retail channels. When cooperatives do make a profit, those dollars are distributed back to members on the basis of patronage, the amount of business that they conduct with the cooperative. Therefore, at the close of the conference, all cooperative teams were able to refund their members' initial membership fee and distribute their profits. While some teams divided a portion of that profit among the members, each and every team made a contribution to a scholarship fund created for next year's NICE conference. In total, the nine cooperative teams donated over $300 to the scholarship fund.

Teams also participated in a case study competition. Each of the nine teams was provided with two cooperative cases for analysis. Each team divided itself into two groups, with one group assessing each case. Groups were responsible for summarizing the situation, stating the problem, developing alternatives to solve the problem, assessing each alternative, choosing a course of action, and laying out an implementation plan for that action. Drs. Lionel Williamson and Patsy Whitehead from Kentucky judged the cases and moderated a session where the winning teams presented their assessment.

One of the primary activities of the conference was the business simulation conducted by Danny Adams of Southern States Cooperative. The nine teams were divided into three market areas of three teams each. They competed for market share and net worth. By making decisions about pricing, inventory, personnel, advertising, and borrowing, co-op teams had varying degrees of success in meeting the needs of their customers and increasing their net worth. The simulation allowed students to act as if they were the management team for their cooperative, making business decisions for two-month periods of operation. Over the course of the conference, the teams made four business decisions, and each team increased its overall net worth.

One of the highlights of the conference was the selection of the Outstanding Youth Scholars. Each state was given the opportunity to nominate one male and one female candidate for the contest. The students were judged on their written application (focusing on exhibited leadership skills and cooperative knowledge) and their interview before a panel of judges: Martha Arterburn (Ky.), David Erickson (Wi.), Diane Gruver (Ks.), Becky Hilburn (N.C.), Karen Kuhn (S.D.), and Bill Lantz (Pa.). Through the preliminary rounds, the judges chose four female and four male finalists: Lori Andrews (Ar.), Janice Keeley (Or.), Sarah Leonard (Va.), Michelle Rudolph (Wi.), Corey Davis (Ar.), Brian Nailor (Pa.), Daniel Nead (N.C.), and Adam Wolking (Ks.). During the Tuesday evening banquet, the 2003 Outstanding Youth Scholars and first runner-ups were announced. The first runner-ups, Lori Andrews and Daniel Nead, will serve if the winners are unable to complete their duties in the upcoming year. Janice Keeley and Adam Wolking were chosen as the 2003 Outstanding Youth Scholars. Adam and Janice will serve on the planning committee for next year's NICE conference and will participate as co-hosts of the 2004 event. Following the banquet and the announcement of the 2003 Outstanding Youth Scholars, participants enjoyed a student party with a D.J. and karaoke. Students from the 2003 Governor's School for Agriculture stopped by to socialize with the NICE youth scholars during the student party.

All in all, it was a fun-filled and information-packed four-day conference. The NICE conference has its roots in the American Institute on Cooperation (AIC), which was historically held on university campuses. Over time, the conference grew, changed its name to NICE, and was supported by the National Council of Farmer Cooperatives as one of its many educational conferences throughout the year. In addition to the youth scholar component, NICE has historically included a young cooperator element (young farmers), an education professional piece, and a general adult segment (cooperative CEO's, managers and employees). During the 2002 NICE conference in Chicago, NCFC announced its decision to discontinue NICE and to concentrate its educational efforts in other areas. A number of state cooperative councils indicated the desire to continue the youth component of NICE. At that time, Dixie Watts Reaves volunteered to host the youth component of the conference on the Virginia Tech campus in 2003.

Evaluations by the youth scholars, the state counselors, and chaperones deemed the 2003 conference a success. Respondents unanimously agreed that they would recommend the conference to a friend or to another state delegation. Sponsors of the successful 2003 conference included the Virginia Council of Farmer Cooperatives, CHS Cooperatives, the NCFC Education Foundation, Southern States Cooperative, Dairy Farmers of America, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Graves Mountain Lodge and Farms. Prizes were donated by Nationwide Insurance, Land O' Lakes, and the Virginia Tech Alumni Association. Space and photocopying access was provided by the Department of Agricultural and Applied Economics, the University Honors Program, and the Center for Excellence in Undergraduate Teaching.

Virginia Tech has been asked to consider hosting the conference again in 2004. Any individuals or cooperative businesses that would like to be involved in future National Institutes on Cooperative Education should contact Dixie Reaves (dixie@vt.edu, 540-231-6153).

2003 Income Tax Conference - Ten Virginia Locations

By L. Leon Geyer

This year is the forty-third year that Virginia Cooperative Extension, Virginia Tech's Department of Agricultural and Applied Economics, the Virginia Department of Taxation, and the US Internal Revenue Service (IRS) have cooperated in bringing the program to the people who assist taxpayers in preparing and filing federal and state income tax returns. This conference is Virginia's largest workshop for tax practitioners.

Faculty from Virginia Tech, staff from the IRS, private tax practitioners, and the Virginia Department of Taxation will examine new tax laws and their implications and will examine case studies to interpret new regulations.

The Virginia Tech Income Tax Conferences are scheduled at ten Virginia locations this year. The conferences will occur in November and December 2003. They feature an intensive study of tax law and regulations governing individual, farm, and small business taxes. They are designed for people with income tax experience who assist taxpayers in preparing and filing income tax returns. Preparation of both federal and state taxes will be covered. The topics for general sessions and special sessions on farm and forestry taxation follows.

New Legislation
2003 Legislation; 2001 Act; List of expiring provisions

Military Personnel
Combat pay exclusion; Delay in filing deadline; EIC and child care if one parent overseas; Durable power of attorney; Deductions; Divorce; Sailors and Soldiers Act

Rulings and Cases
Summary of selected cases and rulings from the past year on issues that affect taxpayers

Individual Taxpayer Issues
Divorce issues; Taxation of SS Benefits; Estate and gift tax issues; Education incentives; Birth date on January 1; Damages; Barter transactions; Sale of home in less than two years

Small Business Issues
Rental of personal property to the business; Self rental rules; Who can use cash method of accounting; Deadlines and fees for filing Form 3115; Involuntary conversions; Accountable plans; Per diem rates; Depreciation; Employee issues; Sale of home with an office; MSAs

Investment Issues
AMT; Annuities; Sale of a rental property that has been depreciated; I.R.C. §529 plan losses; Worthless stock; Wash sale rules; IRAs; Gift of development rights; Subdividing; Sale of mineral interests

Business Entities
How to bring family member in; Choice of entity: fact situation that compares LLCs, S-corps, C-corps, and partnerships; Balance sheet

Automobiles
Standard mileage rate; How much is recaptured on sale; Partial business use; Leasing; Likekind exchange; I.R.C. §179; Listed property; Use by employee; Clean fuel vehicles

Tax Issues for Churches
Ministerial issues; Other religious personnel; Church reporting; Charitable contributions to churches; Miscellaneous issues

Death of a Taxpayer
Income tax reporting issues on the death of a taxpayer

Loss and Deduction Limits
Net operating losses; Vacation homes; Hobby losses; Passive activity losses; Basis limitations for common entities; Sale of a closely held corp (I.R.C. §382)

Issues from the IRS
Issues that are of high interest to the IRS; Why; IRS position; IRS enforcement

Retirement
Distribution rules; Options for beneficiaries; SIMPLEs; Figuring compensation; Individual in more than one business; Losses on retirement plans; Table of the rules

Ethics
Summary of the new Circular 230; New financial statement information; Other topics

Tax Rates and Useful Tables
This chapter is a quick reference for the tax rates and limits for credits and deductions for the 2002, 2003, and (if available) 2004 tax years.

And much more…

The special farm tax workshops are available to registered participants. Farm sessions take place from 5 - 7 p.m. at selected locations (see schedule). Virginia Tech agricultural lawyer, Leon Geyer, teaches the farm tax workshops. He will address

- Death of a cow: old age, disease, lightening, insurance
- EQIP payments
- National tobacco settlement
- Peanut quota buyout: buying and selling basis
- New generation marketing contracts
- Market gain on CCC loans
- Government payments: participating and non-participating landowners; what is material participation?
- Like-kind exchange of farmland: I.R.C. §1245 recapture; machinery in the building
- Conservation expenses: I.R.C. §175 v. I.R.C. §126
- New generation coops
- Midstream incorporation
- Depreciation of chickens that are held for more than one molt
- Income averaging

The tax conference general sessions will run each day from 8:30 a.m. until 4:45 p.m. Pre-registration and pre-payment are required. The registration fee includes a textbook, reference material, refreshment breaks, two luncheons, the farm and forestry workshops, and the What's New tax update that is mailed in January. Lodging is not included. The 700+ page Income Tax textbook is a comprehensive study manual used in more than 45 states. It is written and reviewed by CPAs, tax attorneys, IRS agents, and tax practitioners.

Brochures for the conferences have been mailed to tax practitioners, CPAs, lawyers, Commissioners of the Revenue, and other past attendees. Brochures are also available in Extension Unit and District Offices. Registration forms can be duplicated, or you may contact the tax conference program assistant by phone: (540) 231-6301, or email: tax@vt.edu for further information. Our web site (http://www.tax.vt.edu) includes all conference information and an online registration form that can also be printed to mail or fax. Participants can complete the optional online registration using a credit card via our secure server at https://www.conted.vt.edu/ssl/tax.htm.

Please contact the Income Tax Conference Registrar, the Continuing Education Center, phone: (540) 231-2008, fax: (540) 231-3306 or e-mail: **vttax@vt.edu** for registration information.

For further information, please contact one of the following:

Tax Seminar Registrar:
(540) 231–2008 E–Mail: Vttax@Vt.Edu

Program Director:
(540) 231–4528 E–Mail: Geyer@Vt.Edu

2003 Virginia Tech Income Tax Conference Dates And Locations

General Sessions

November 10-11 **Richmond I**
**** NEW LOCATION****
Richmond Marriott West
4240 Dominion Blvd. (Innsbrook) (804) 965-9500

November 12-13 **Staunton**
Holiday Inn Golf & Conference Center
Woodrow Wilson Parkway (800) 932-9061

November 17-18 **Bristol**
****NOTE DATE/LOCATION CHANGE****
Holiday Inn Hotel and Suites - Convention Center
3005 Linden Drive (540) 466-4100

November 19-20 **Roanoke**
Clarion Hotel Roanoke Airport
3315 Ordway Drive, NW (540) 362-4500

November 24-25 **Lynchburg**
****NOTE DATE/LOCATION CHANGE****
Holiday Inn Select
601 Main Street (434) 528-2500

December 1-2 **Dulles**
Hyatt Dulles
2300 Dulles Corner Blvd. (703) 713-1234

December 3-4 **Fredericksburg**
Holiday Inn Select
2801 Plank Road (540) 786-8321

December 8-9 **Williamsburg**
Fort Magruder Inn (757) 220-2250 ext. 1160
Route 60 East (800) 582-1010

December 10-11 **Chesapeake**
Holiday Inn Greenbrier
725 Woodlake Drive (757) 523-1500

December 15-16 **Richmond II**
Richmond Marriott West
4240 Dominion Blvd. (Innsbrook) (804) 965-9500

Farm Sessions

5:00 pm to 7:00 pm at the following locations:

Nov 12 – Staunton

Nov 17 – Bristol

Nov 19 – Roanoke

Nov 24 – Lynchburg

Dec 3 – Fredericksburg

Dec 8 – Williamsburg

Dec 10 – Chesapeake

Dec 15 - Richmond II

Calendar of Events

August

6 Virginia Food Festival. Richmond Raceway Complex, Richmond, Va. Contact: Brenda B. Wilkinson at (804) 643-3555

28 Common Ground: A Forum on the Future of Southeast Virginia Agriculture, Wakefield 4-H Center, Wakefield, Va. Contact: Mike Roberts (804) 733-2686, e-mail: mrob@vt.edu

September

4-6 Farm & Family Showcase. Virginia Tech's Kentland Farm; Long Shop, Va. Contact: Dwight Paulette at (540) 731-1289, e-mail: kentland@vt.edu, or visit www.farmandfamily.vt.edu

November

10-11 2003 Virginia Tech Farm and Small Business Income Tax Conference, Richmond, Va. Richmond Marriott West. Contact: Tax Seminar Registrar at (540) 231–2008 or e–mail: vttax@vt.edu

12-13 2003 Virginia Tech Farm and Small Business Income Tax Conference, Staunton, Va. Holiday Inn Golf and Conference Center, Woodrow Wilson Parkway. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

17-18 2003 Virginia Tech Farm and Small Business Income Tax Conference, Bristol, Va. Holiday Inn Hotel and Suites – Convention Center; 3005 Linden Drive. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

19-20 2003 Virginia Tech Farm and Small Business Income Tax Conference, Roanoke, Va. Clarion Hotel, Roanoke Airport; 3315 Ordway Drive, NW. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

24-25 2003 Virginia Tech Farm and Small Business Income Tax Conference, Lynchburg, Va. Holiday Inn Select; 601 Main Street. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu (NOTE DATE AND LOCATION CHANGE!)

December

1-2 2003 Virginia Tech Farm and Small Business Income Tax Conference, Dulles, Va. Hyatt Dulles; 2300 Dulles Corner Boulevard. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

3-4 2003 Virginia Tech Farm and Small Business Income Tax Conference, Fredericksburg, Va. Holiday Inn Select; 2801 Plank Road. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

8-9 2003 Virginia Tech Farm and Small Business Income Tax Conference, Williamsburg, Va. Fort Magruder Inn; Route 60 East. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

10-11 2003 Virginia Tech Farm and Small Business Income Tax Conference, Chesapeake, Va. Holiday Inn Greenbriar; 725 Woodlake Drive. Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu

15-16 2003 Virginia Tech Farm and Small Business Income Tax Conference, Richmond, Va. II. Richmond Marriott West; 4240 Dominion Boulevard (Innsbrook). Contact: Tax Seminar Registrar at (540) 231-2008 or e-mail: vttax@vt.edu