From the second set of slides:

- **Sections I & J:**
  - Many of the recent concerns in agriculture have revolved around the balance sheet. There have been many articles asking if ag land values are in a bubble and more recently if lower income and rising interest rates may lead to debt repayment issues.
  - The idea with collecting as much detail as we do is to allow us to see something going on broadly in the ag sector that might otherwise be missed. “Patterns visible by plane are rarely discernable to a man or woman on foot.”
  - There are certainly farms that use assets across multiple operations. In both sections I and J we only want to capture the asset and debt for assets that belong to the operation that was sampled. If the operator uses vehicles or machinery on multiple operations, it should be accounted for on the operation that uses it the most. Otherwise, if it does not belong to the operation, the assets/debts are recorded in section L, which will be covered in a later presentation.
  - Debt table is broken down in slide 6. As a reminder, Column 7 in the debt table is used to exclude any debt that was for non-farm use.
  - If there is debt that has essentially on a revolving line of credit that may have been established 30 years ago, enter the year as the last year that the debt was refinanced or restructured.
  - Credit Card debt used to pay for farm expenses can be included here.

- **Section K - L:**
  - Farm Management and Farm Labor from the past were combined.
  - Most of the content is comparable to past years. Worth going through to take a look, but not a lot of time needs to be spent on each question I wouldn’t think. Some things are formatted a bit differently, but the kinds of things we need to account for haven’t really changed.
  - Remember that even CRP Only operations have to have some labor involved...even if it is only one hour in one quarter to fill out tax paperwork (or the ARMS survey)
  - Questions at the end of Section K are tracking why farmers need to work off-farm. Would have made more sense to say “Check YES to all that apply” but they put it on as a “YES/NO” question.
  - Worth reviewing the Value Codes in Section L because it’s counter-intuitive that a value of 01 stands for $0. Also, negative numbers can be keyed with a negative sign
  - Slide 25 is a matching exercise (Where does the income go)? Special notes:
    - Income from custom harvesting work? (If separate books are kept, it should go in net cash income from operating another business).
    - What about Income from operator driving a grain truck for another farmer occasionally and is paid based on his time?
  - Be careful how the Health Insurance questions are answered. Who is paying for the Health Insurance: the household or the farm? If the farm is paying for it, it should be recorded in Section H as a business expense (NOT under insurance, as that should be for business insurance, liability insurance, and perhaps crop insurance).

- **Section M:**
  - When HQ presented this information to us on what qualifies as a family farm, they added more confusion to this question than is necessary, but they were addressing the OWNED assets being at least 50 percent. Where the challenge came up was with farms that the land is almost entire rented from others. The land may not be owned, but there are sunk costs in that land that could be considered assets to the operation.

- **Soybean Version Specific Issues:**
  - Several subquestions in Section H tied specifically to the “soybean enterprise”
Go through Section N slide regarding drying.

1-Section N, Soybean Drying: It was a particularly wet harvest for 2018 soybeans in a lot of places, so we can expect more soybeans to be dried than usual. A question came up about situations in which a) the drying charge at the elevator was incurred as a deduction in the price received for the soybeans, and b) the drying charge at the elevator was incurred as a reduced number of bushels delivered, considered shrinkage from drying.

In both of these situations, consider the soybeans as being custom dried, with the amount reported in item 3a. The more difficult issue is what to report in item 4 as the cost of custom drying. In situation a), a cost estimate would be to determine how much per bushel the soybean price decreased because of the high moisture content. I would consider the per bushel price deduction to be roughly the cost of drying, and would report that amount item 4. In situation b) a cost estimate would be the value of the bushels of shrinkage. You can use a shrinkage factor of 1.2% for every percentage point of moisture above 13. For example, drying soybeans from 16 to 13%, at an average soybean price of $9/bushel, would cost \((16-13)*0.012)*9\%=$0.32/bu. I think that $9 is a reasonable soybean price to use, so all you need to know is the percentage points of moisture at harvest.

Have enumerators make notes about either the price reduction due to high moisture, or the moisture at harvest so that you can compute the shrinkage. If these are not possible, you can enter a -1 in item 4.