Sections 25 & 26





Why use contracts?

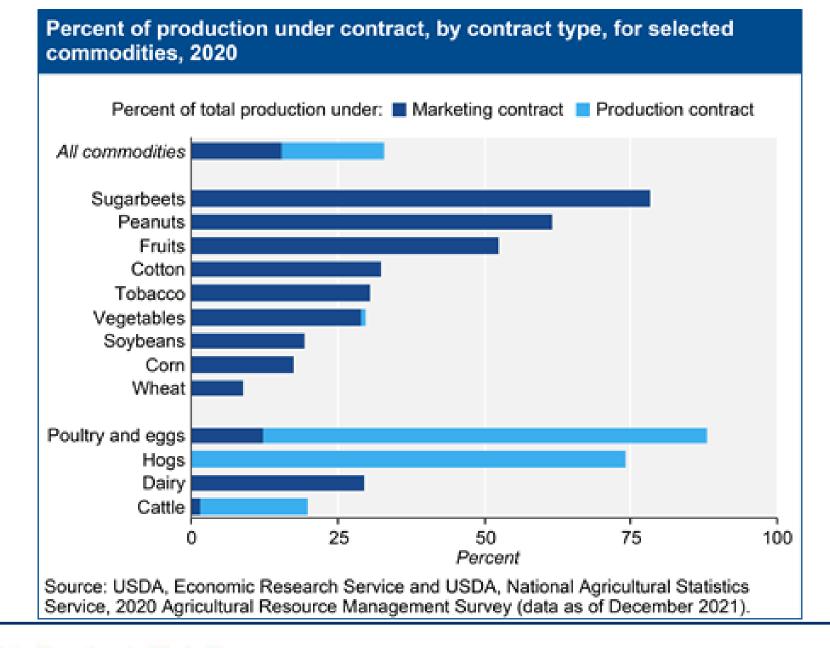
Farmers

- Manage risks
- Compensation for quality
- Outlet for products
- Assurance for financing

Processors

- Timely flow
- Control over attributes
- Consistency



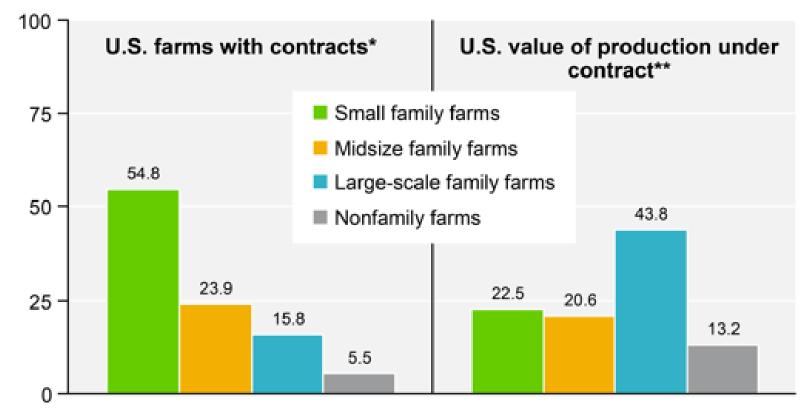






Distribution of farms with contracts and value of production under contract, by farm type, 2020

Percent of U.S. farms with contracts and percent of U.S. value of production under contract



^{*}Farms reporting production under production contracts, marketing contracts, or both.

Note: Small family farms have annual gross cash farm income (GCFI) less than \$350,000, measured before deducting expenses. Midsize family farms have GCFI of \$350,000–\$999,999. Large-scale family farms have GCFI of \$1,000,000 or more.





Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, 2020 Agricultural Resource Management Survey (data as of December 2021).



^{**}Includes commodities under production or marketing contracts.

Marketing vs. Production Contracts

- Marketing Contracts identify an outlet for a commodity and set pricing and delivery specifications.
 - Producer owns the commodity
 - Payment is like a "Price", because commodity changes hands
- Production Contracts specify responsibilities for the provision of inputs, payment of expenses, production practices, compensation, and removal
 - Producer does NOT own the commodity. They provide a service.
 - Payment is a "Fee for service"





Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and
the final price/fee received. (Include the quantity delivered or removed under contract. Exclude money received from contractors as
reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).)

For each item below, report the MARKET VALUE(S) of the assets owned by the operation on the dates specified. Beginning of Year End of Year What was the ESTIMATED MARKET VALUE for the farm. JAN. 1, 2022? DEC. 31, 2022? share of [item] on -Mark "X" (Dollars) (Dollars) if None a. crops owned and stored on or off this operation? (Include crops stored at co-op or gin warehouse, specialty 0888 crops, fruit storage, hay, silage, and nursery and greenhouse products not in the ground. Exclude trees and vines and \$.00 b. breeding livestock owned by and located on or off this operation? (Include aquaculture, bees, cattle, equine, 0863 hogs, mink, poultry, sheep, etc., kept for breeding purposes. Exclude livestock being produced under contract on another .00 operation (reported in Section 24).) c. non-breeding livestock owned by and located on or off this operation? (Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for non-breeding 0876 purposes. Include livestock products such as honey, mohair, and wool. Exclude livestock being produced under contract on another operation (reported in Section 24).) e. production inputs already used by this operation for cover crops or crops planted but not yet mature for 0880 harvest (also known as sunk costs), or the value of inputs used for production contracts that have yet to be delivered?

Marketing Contract undelivered, still on-hand

Production Contract still not delivered, but inputs used



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Section



91 1 Yes - Complete this section 3 No - Go to SECTION 26 "Delivered in 2022"

Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and
the final price/fee received. (Include the quantity delivered or removed under contract. Exclude money received from contractors as
reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).)

For each item below, report the MARKET VALUE(S) of the assets owned by the operation on the dates specified. Beginning of Year End of Year What was the ESTIMATED MARKET VALUE for the farm. JAN. 1, 2022? DEC. 31, 2022? share of [item] on -Mark "X" (Dollars) (Dollars) if None a. crops owned and stored on or off this operation? (Include crops stored at co-op or gin warehouse, specialty crops, fruit storage, hay, silage, and nursery and greenhouse products not in the ground. Exclude trees and vines and b. breeding livestock owned by and located on or off this operation? (Include aquaculture, bees, cattle, equine, 0863 0864 hogs, mink, poultry, sheep, etc., kept for breeding purposes. Exclude livestock being produced under contract on another .00 c. non-breeding livestock owned by and located on or off this operation? (Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for non-breeding 0877 0876 purposes. Include livestock products such as honey, mohair, and wool. Exclude livestock being produced under contract on another operation (reported in Section 24).) e. production inputs already used by this operation for cover crops or crops planted but not yet mature for

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Marketing Contract from prior year crop, delivered in 2022

Inputs for Production
Contract started in prior year



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Section



harvest (also known as sunk costs), or the value of

inputs used for production contracts that have yet to be delivered?

| SE | CTION 25 N | /AF | KET | INC | and | d P | RODU | СТІС | ON | СО | NTI | RA | CTS | | | | | | |
|---------------|---|-------|---------------------------------------|---------------------|---|---------------------|---|----------|-------|-----------------------|------------------------|-------|---|-------|---------------------------------------|-------|-------|--|-----|
| 1. | Did this operation is a verbal or written or pricing formula and by the contractor to the | d mai | rket for | the o | commo | lity. A | production | on cont | trac | t is an | agree | emei | | | | | | | |
| | ³⁹⁹¹ 1 Yes - | Com | plete t | his s | ection | | 3 | No - | Go | to Si | ECTI | ON | 26 | | | | | | |
| 2. | Report the commo the final price/fee r reimbursement for ex | ecei | /ed. (II | nclud | e the q | uantit | y delivered | d or ren | mov | ed und | ler co | ntrad | ct. Exclude i | mo | oney re | ceive | d fro | m contractors as | |
| opera or P | at commodities did this ation have MARKETING RODUCTION contracts for in 2022? | Offic | 2 imodity ode ce Use only | Prod Cor Mark | 3 eting or duction tract? eting=1 uction=2 | comn th contr | 4 uantity of thi nodity delive rrough this ract? (Excludiord's shar | ered (| (fron | Code n list ow) | Wh PRIC I com | modi | 6 as (will be) the EE RECEIVED s operation fo ty delivered u contract? | nd | FINAL per unit this ler this | | ount | was the total dollar received in 2022 fro this contract? | |
| [V | Vrite in commodities] | (C | ode) | | | | | | (Cc | ode) | | (Do | ollars & Cents |) | | | | (Total Dollars) | |
| Cor | mmodi example | 0000 | | 0000 | - 1 | 0000 | 1000 | 0 | 0000 | 04 | 0000 | \$ | 3 | | 75 | 0000 | \$ | 37500 | .00 |
| | • | 3927 | | 3550 | | 3928 | | 39 | 929 | | 3930 | \$ | | | | 3931 | \$ | | .00 |
| | | 3932 | | 3551 | | 3933 | | 39 | 934 | | 3935 | \$ | | | | 3936 | \$ | | .00 |

If more space is needed, please use a separate sheet of paper.

1/ "Delivered" includes commodities for which partial payment was made even if not physically delivered by December 31, 2022.

| Unit Code | Unit Code | Unit Code | Unit Code |
|------------|-----------|----------------|-----------------|
| Pound 01 | Bin | Dozen09 | Barrel 20 |
| CWT | Box06 | Flat10 | Acre |
| Ton | Bale 07 | Head / Bird 11 | Animal Space 39 |
| Bushels 04 | Carton | Plant / Pot13 | Kilogram 40 |





| SE | CTION 25 N | 1AF | KET | INC | 3 and | d P | RODUCT | ION | CO | NTI | RA | CTS | | | | | | |
|---------------|--|-------|--|---------------------|--|---------------------|---|--------|-----------------------------|--------|-------------------------|--|--------------------|--|--------------------------|---------------------|---|-----|
| 1. | Did this operation I is a verbal or written or pricing formula and by the contractor to the same of the contractor to the contractor | d mai | rket for peration | the o | he prod | dity. A ductio | production c | ontra | ct is an | agree | emei | ities deliver n of a livesto nt setting te | rec ock rm | d ¹ in 20 products, cond | 022? ction ditions | (A stag s, an | marketing contrac le, setting a price ld fees to be paid | t |
| | 1 Yes - | Com | plete t | his s | ection | | 3 N | • - G | o to SE | ECTI | ON | 26 | | | | | | |
| 2. | Report the commo the final price/fee i reimbursement for ex | ecei | /ed. (II | nclud | e the q | uantit | y delivered or | remov | ed und | ler co | ntra | ct. Exclude | mo | ney re | ceive | d fro | m contractors as | |
| opera or P | at commodities did this ation have MARKETING RODUCTION contracts for in 2022? Write in commodities] | Offic | 2 modity code ce Use only Code) | Prod Cor Mark | 3 duction ntract? eting=1 uction=2 | comn th contr | 4 nantity of this nodity delivered nrough this act? (Exclude dlord's share.) | (fro | 5 Code m list low) | PRIC | DE/FE by thi modi | as (will be) the EE RECEIVED is operation fo ity delivered u contract? ollars & Cents | D p or t und | er unit his | | ount | 7 was the total dollar received in 2022 from this contract? (Total Dollars) | m |
| Cor | mmodity example | 0000 | | 0000 | 1 | 0000 | 10000 | 0000 | 04 | 0000 | \$ | 3 | | 75 | 0000 | \$ | 37500 | .00 |
| | | 3927 | | 3550 | | 3928 | | 3929 | | 3930 | \$ | | | | 3931 | \$ | | .00 |
| | | 3932 | | 3551 | | 3933 | | 3934 | | 3935 | \$ | | | | 3936 | \$ | | .00 |
| | ore space is needed, p | | | | | | | nde ei | ven if n | ot nh | vsica | ally delivered | d h | v Dece | mhe | r 31 | 2022 | |

| Unit | Code | Unit | Code | Unit | Code | Unit | Code |
|---------|------|--------|------|-------------|------|--------------|------|
| Pound | 01 | Bin | 05 | Dozen | 09 | Barrel | 20 |
| CWT | 02 | Box | 06 | Flat | 10 | Acre | 22 |
| Ton | 03 | Bale | 07 | Head / Bird | 11 | Animal Space | 39 |
| Bushels | 04 | Carton | 08 | Plant / Pot | 13 | Kilogram | 40 |





| SECTION 25 N | IAR | KET | INC | and | l Pl | RODUCT | ION | CO | NTI | RA | стѕ | | | | | | |
|---|----------------------------|-------------------------------|-----------------|------------------------------|----------------------------|--|------------------------------|----------------------|-----------------|--------------------|----------------------------------|-----|---------|-------|------|---------------------|-----|
| Did this operation is a verbal or written or pricing formula and by the contractor to to 13991 Yes - | agreer d mark he ope | ment re ket for eration | the of for t | ed befo commod he prod | re ha lity. A luctio | rvest of a crop production co n of crops, live | o or to ontrace estoci | pefore d ct is an | agre aultry. | letioi eme) | n of a livesto nt setting tei |)ck | c produ | ction | stag | ge, setting a price | |
| 2. Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and the final price/fee received. (<i>Include</i> the quantity delivered or removed under contract. <i>Exclude</i> money received from contractors as reimbursement for expenses. <i>Exclude</i> landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) | | | | | | | | | | | | | | | | | |
| reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) 1 What commodities did this operation have MARKETING or PRODUCTION contracts for in 2022? [Write in commodities] 2 Commodity Code Office Use Only [Write in commodities] 4 Quantity of this commodity delivered (from list below) Contract? (Exclude landlord's share.) What was (will be) the FINAL What was the total dollar amount received in 2022 from this contract? (Exclude landlord's share.) (Code) (Code) | | | | | | | | | | | | | | | | | |
| Commodity example | 0000 | | 0000 | 1 | 0000 | 1000 | 0000 | * | 0000 | \$ | 3 | | 75 | 0000 | \$ | 37500 | .00 |
| | 3927 | | 3550 | | 3928 | | 3929 | | 3930 | \$ | | | | 3931 | \$ | | .00 |
| | 3932 | | 3551 | | 3933 | | 3934 | | 3935 | \$ | | | | 3936 | \$ | | .00 |
| If more space is needed, p. 1/ "Delivered" includes con | | | | | | | de e | ven if n | ot ph | ysic | ally delivered | d b | y Dece | embe | r 31 | , 2022. | |
| Hn# C | odo | | | Hei | 4 | Codo | | | 11. | n it | Codo | | | | | Unit Co | do |

| - Delivered include | es commodiae | o for writeri partiai pay | ment was mad | ae even ii not physican | y delivered by | December 31, 2022. | |
|---------------------|--------------|---------------------------|--------------|-------------------------|----------------|--------------------|------|
| Unit | Code | Unit | Code | Unit | Code | Unit | Code |
| Pound | 01 | Bin | 05 | Dozen | 09 | Barrel | 20 |
| CWT | 02 | Box | 06 | Flat | 10 | Acre | 22 |
| Ton | 03 | Bale | 07 | Head / Bird | 11 | Animal Space | 39 |
| Bushels | 04 | Carton | 08 | Plant / Pot | 13 | Kilogram | 40 |





| SE | CTION 25 N | 1AF | KET | INC | and | d Pl | RODU | СТІ | ON | CO | NTI | RA | CTS | | | | | | |
|--------------|--|-------|----------|-------|---------|---------|------------|-----------|-------|---------|--------|-------|---|------------------|--|--------------------------|---------------------|---|---------------|
| 1. | or pricing formula and | d mai | rket for | the o | commo | dity. A | producti | on co | ntrac | t is an | agree | emei | ties deliver of a livesto nt setting te | rec ock rm | d ¹ in 20 products, cond | 022? ction ditions | (A stag s, an | marketing contra ge, setting a pric nd fees to be pai | nct e d |
| | ³⁹⁹¹ 1 Yes - | Com | plete t | his s | ection | | 3 🗌 | No | - G | to SE | ECTI | ON | 26 | | | | | | |
| 2. | the final price/fee r | ecei | ved. (In | nclud | e the q | uantit | y delivere | d or r | emov | ed und | ler co | ntrac | t. Exclude | mc | ney re | ceive | d fro | m contractors as | ; |
| open or P | Did this operation have marketing or production contracts for any commodities delivered in 2022? (A marketing contract is a verbal or written agreement reached before harvest of a crop or before completion of a livestock production stage, setting a price or pricing formula and market for the commodity. A production contract is an agreement setting terms, conditions, and fees to be paid by the contractor to the operation for the production of crops, livestock, or poultry.) 3991 1 | | | | | | | | | | | | | | | | | | |
| Col | Did this operation have marketing or production contracts for any commodities delivered¹ in 2022? (A marketing contract is a verbal or written agreement reached before harvest of a crop or before completion of a livestock production stage, setting a price or pricing formula and market for the commodity. A production contract is an agreement setting terms, conditions, and fees to be paid by the contractor to the operation for the production of crops, livestock, or poultry.) 3991 1 | | | | | | | | | | | | | | | | | | |
| | | 3927 | | 3550 | | 3928 | | | 3929 | | 3930 | \$ | | | | 3931 | \$ | | .00 |
| | 1. Did this operation have marketing or production contracts for any commodities delivered in 2022? (A marketing contract is a verbal or written agreement reached before harvest of a crop or before completion of a livestock production stage, setting a price or pricing formula and market for the commodity. A production contract is an agreement setting terms, conditions, and fees to be paid by the contractor to the operation for the production of crops, livestock, or poultry.) 3991 Yes - Complete this section No - Go to SECTION 26 2. Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and the final price/fee received. (Include the quantity delivered under contract. Exclude money received from contractors as reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) What commodities did this peration have MARKETING Code Office Use Only (Code) What commodities) (Code) What commodities) What commodities) (Code) What was (will be the FINAL PRICE/FEE RECEIVED per unit by this operation for this contract? (Exclude landlord's share.) (Code) What was (will be the FINAL Below) What was (will be the FINAL Below) What was (will be the FINAL Below) What was the below) Sommodity delivered under this commodity delivered under this commodi | | | | | | | | | | | | | | | | | | |
| | 1. Did this operation have marketing or production contracts for any commodities delivered¹ in 2022? (A marketing contract is a verbal or written agreement reached before harvest of a crop or before completion of a livestock production stage, setting a price or pricing formula and market for the commodity. A production contract is an agreement setting terms, conditions, and fees to be paid by the contractor to the operation for the production of crops, livestock, or poultry.) 3991 1 | | | | | | | | | | | | | | | | | | |
| | Unit C | ode | | | Un | it | Cod | <u>le</u> | | | Uı | nit | Code | | _ | | | Unit C | ode |

| Unit Code | Unit Code | Unit Code | Unit Code |
|------------|-----------|----------------|-----------------|
| Pound 01 | Bin | Dozen09 | Barrel 20 |
| CWT | Box06 | Flat | Acre22 |
| Ton | Bale 07 | Head / Bird 11 | Animal Space 39 |
| Bushels 04 | Carton | Plant / Pot13 | Kilogram 40 |





| SECTION 25 N | //AF | KET | INC | and | d Pl | RODUC | TION | CO | NTI | RA | CTS | | | | | | | |
|---|--|---------------------------------|--------------|------------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------|-------------------|----------------------------------|-----|---------|-------|-------|-----------------|------|-----|
| Did this operation I is a verbal or written or pricing formula and by the contractor to to 13991 Yes - | agree d mai the op | ement r rket for peration | the of for t | ed befo commod he prod | re ha dity. A ductio | rvest of a cr production | op or l contra vestoc | before o ct is an k, or po | agre aultry. | letio eme) | n of a livesto Int setting te | ock | produ | ction | stag | ie, setting a p | rice | |
| Report the commo the final price/fee r reimbursement for ex | receiv | /ed. (Ir | nclud | e the qu | uantit | y delivered o | r remo | ved und | ler co | ntra | ct. Exclude | mo | oney re | ceive | d fro | m contractors | as | |
| What commodities did this operation have MARKETING or PRODUCTION contracts for in 2022? [Write in commodities] | operation have MARKETING or PRODUCTION contracts for in 2022? Office Use Only Office Use Only Office Use Only Production Commodity delivered through this contract? (Exclude landlord's share.) PRICE/FEE RECEIVED per unit by this operation for this commodity delivered under this contract? | | | | | | | | | | | | | | | | | |
| Commodity example | 0000 | | 0000 | 1 | 0000 | 10000 | 0000 | 04 | 0000 | \$ | 3 | | 75 | 0000 | \$ | 37500 |) . | .00 |
| | 3927 | | 3550 | | 3928 | | 3929 | | 3930 | \$ | | | | 3931 | \$ | | | .00 |
| | 3932 | | 3551 | | 3933 | | 3934 | | 3935 | \$ | | | | 3936 | \$ | | | .00 |
| If more space is needed, p 1/ "Delivered" includes con | | | | | | | nade e | ven if n | ot ph | ysic | ally delivered | d b | y Dece | embe | r 31, | 2022. | | |
| Unit C | ode | | | Uni | it | Code | | | Uı | nit | Code | | | | | Unit | Code | е |

| | | | | , |
|------------|--------|------|----------------|-----------------|
| Unit Code | Unit | Code | Unit Code | Unit Code |
| Pound | Bin | 05 | Dozen09 | Barrel |
| CWT | Box | 06 | Flat | Acre |
| Ton | Bale | 07 | Head / Bird 11 | Animal Space 39 |
| Bushels 04 | Carton | 08 | Plant / Pot | Kilogram 40 |





| | | | | | | | | | | | | | | | | | | | - |
|--------------|--|----------------|---|---------------------|--|-------------------|--|-------|-----------------------------|-------------------|-----------------------|---|--|---------------------------|-----------------------|--|-----------------------------|----------------------|-------------------------|
| SE | CTION 25 N | //AF | RKET | INC | 3 and | d P | RODUCT | 101 | CC | TNC | RA | CTS | | | | | | | |
| 1. | Did this operation I is a verbal or written or pricing formula and by the contractor to the same of the contractor to the cont | id ma the o | rket for peration | the o | commo the prod | dity. A ductio | A production c | estoc | ct is ar k, or p | n agre oultry. | eme) | ent setting tei | red ¹ in 2 ock produ rms, con | 2022? uction dition |) (A stag s, ai | marketing ge, setting nd fees to | contra a price be pai | ict e d | |
| 2. | Report the commo the final price/fee r reimbursement for ex | recei | ved. (I | nclud | le the q | uantit | ty delivered or | remo | ved un | der co | ontra | ct. Exclude | money re | eceive | d fro | om contract | ors as | ; | |
| open or P | at commodities did this ation have MARKETING RODUCTION contracts for in 2022? Write in commodities] | Offic | 2 nmodity code ce Use Only Code) | Prod Cor Mark | 3 keting or duction ntract? keting=1 uction=2 | comr | 4 uantity of this modity delivered hrough this ract? (Exclude dlord's share.) | (fro | 5 Code m list low) | I PRI | CE/F by th nmod | /as (will be) the EE RECEIVED is operation for dity delivered u contract? ollars & Cents | D per unit or this nder this | am | ount | t was the tot received in this contrac | 2022 fr t? | | |
| X | Calves | 3981 | 933 | 3560 | 1 | 3982 | 80 | 3983 | 11 | 3984 | \$ | 160 | . 00 | 3985 | \$ | 64 0 | 00 | .00 | 1 st Attempt |
| | | 3986 | | 3561 | | 3987 | | 3988 | | 3989 | \$ | | | 3990 | \$ | | | .00 | |
| | ore space is needed, p Delivered" includes con | | | | | | | ade e | ven if ı | not ph | ysic | ally delivered | by Dec | embe | r 31, | , 2022. | | | |
| | Unit C | ode | | | Un | it | Code | | | U | nit | Code | | | | Unit | Co | ode | |
| | nd | | | Box. | | | 05 | | Flat | | | 09 10 | | Acre. | | ace | | . 20 . 22 . 39 | |

<u>EXAMPLE</u>: The producer sold 80 calves under a marketing contract for \$160 per hundredweight, and was paid-in-full (\$64,000 total). The calves weighed 500 pounds each on average (40,000 pounds total).





| SE | CTION 25 N | /AF | RKET | TING | 3 an | d P | ROE | DUCT | 101 | I CO | NT | RA | CTS | | | | | | | | |
|---------------|--|---------------|----------------------|----------------|----------------------|-------------------|------------------|----------------------|-----------------|--------------------|--------------|----------------|----------------|----------------|--------|--------|------|--------|----------|---------|----------|
| 1. | Did this operation I is a verbal or written or pricing formula and by the contractor to the contractor | agree d ma | ement i rket foi | reach the o | ed befo | ore ha dity. A | irvest I prod | of a cro uction c | p or l ontra | before ct is an | comp agre | letioi emei | n of a livesto | ock | produ | ıction | stag | ge, se | etting a | a price | |
| | ³⁹⁹¹ 1 □ Yes - | Com | plete | this s | section | 1 | 3 | □ No | • - G | o to S | ECT | ION | 26 | | | | | | | | |
| 2. | the final price/fee received. (Include the quantity delivered or removed under contract. Exclude money received from contractors as reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) 1 2 3 4 5 6 7 | | | | | | | | | | | | | | | | | | | | |
| opera or P | reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) What commodities did this operation have MARKETING or Production Code of Production Contract? [Write in commodities] [Write in commodities] A Quantity of this commodity delivered through this contract? (Exclude landlord's share.) [Write in commodities] Commodity Code Only (Code) A Quantity of this commodity delivered through this contract? (Exclude landlord's share.) [Write in commodities] (Code) Code Only (Code) A Quantity of this commodity delivered through this contract? (Exclude landlord's share.) (Code) | | | | | | | | | | | | | | | | | | | | |
| • | | (- | | | | | | | (- | , | | (2) | | - / | | | | (10101 | 20 | -, | |
| * | Calves | 3981 | 933 | 3560 | 1 | 3982 | 40 | 000 | 3983 | 1 | 3984 | \$ | 160 | - | 00 | 3985 | \$ | 6 | 4 00 | 00 | .00 |
| | | 3986 | | 3561 | | 3987 | | | 3988 | | 3989 | \$ | | | | 3990 | \$ | | | | .00 |
| If m 1/"[| ore space is needed, p Delivered" includes con | oleas nmod | e use a lities fo | sepa r whic | arate si ch parti | heet o | of pape ment | er. was ma | ide e | ven if n | ot ph | ysica | ally delivere | d b | y Dece | embe | r 31 | , 2022 | 2. | | |
| | Unit C | ode | | | Un | it | (| Code | | | Uı | nit | Code | , | _ | | | Unit | | Co | de |
| CW | nd | . 01 | | Box. | | | | 06 | | Flat | | | 09 | | F | Acre. | | | | | 20 22 |
| Ton | hole | . 03 | | | | | | 07 | | Plant / | | | 11 |) | | Anıma | | ace. | | | 39 40 |

2nd Attempt

EXAMPLE: The producer sold 80 calves under a marketing contract for \$160 per hundredweight, and was paid-in-full (\$64,000 total). The calves weighed 500 pounds each on average (40,000 pounds total).





| SE | SECTION 25 MARKETING and PRODUCTION CONTRACTS | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-----|------|----|------|--|---------------|---|------|-----|----------|-----|---|-------|------|-------|------|----|-----------------|--|
| | Did this operation have marketing or production contracts for any commodities delivered¹ in 2022? (A marketing contract is a verbal or written agreement reached before harvest of a crop or before completion of a livestock production stage, setting a price or pricing formula and market for the commodity. A production contract is an agreement setting terms, conditions, and fees to be paid by the contractor to the operation for the production of crops, livestock, or poultry.) | | | | | | | | | | | | | | | | | | | | |
| ; | ³⁹⁹¹ 1 Yes - | - Complete this section ³ D No - Go to SECTION 26 | | | | | | | | | | | | | | | | | | | |
| Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and the final price/fee received. (Include the quantity delivered or removed under contract. Exclude money received from contractors as reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) | | | | | | | | | | | | | | | | | | | | | |
| operati or PR | What commodities did this operation have MARKETING or PRODUCTION contracts for in 2022? Office Use 3 Marketing or Production Contract? Commodity Office Use Marketing or Production Contract? Marketing or Production Contract? | | | | | | 4 uantity of this modity delivered hrough this ract? (Exclude dlord's share.) | (fro | Unit Code (from list below) (Code) What was (will be) the PRICE/FEE RECEIVED by this operation for commodity delivered uncontract? (Dollars & Cents | | | | | D per unit amount received in 2022 from this this contract? | | | | | | | |
| 1 | Calves | 3981 | 933 | 3560 | 1 | 3982 | 400 | 3983 | 2 | 3984 | \$ | 160 | . 0 | O 39 | 85 \$ | 6 | 4 000 | .00. | 3r | ^d At | |
| | | 3986 | | 3561 | | 3987 | | 3988 | | 3989 | \$ | | | 39 | 90 \$ | | | .00 | | | |
| | If more space is needed, please use a separate sheet of paper. 1/ "Delivered" includes commodities for which partial payment was made even if not physically delivered by December 31, 2022. | | | | | | | | | | | | | | | | | | | | |
| | Unit C | ode | | | Un | it | Code | | | U | nit | Code | | | | Unit | | Code | | | |
| Pound | | | | | | | | Dozen Flat | | | 09 |) Acre22 | | | | | | | | | |

<u>EXAMPLE</u>: The producer sold 80 calves under a marketing contract for \$160 per hundredweight, and was paid-in-full (\$64,000 total). The calves weighed 500 pounds each on average (40,000 pounds total).

Kilogram.

Plant / Pot.....



Bushels



Carton. . .

| | | | | | | | | | | | | | | | | | | • |
|--|--|--|---------------------|---------------|---|---------------------|---|-----------------|----------------------|---------------|-----------------------|--|--------------------------------|---------|--------|---------------------|-----|-------------------------|
| SECTION | N 25 | 1AF | KET | INC | 3 and | d P | RODUCT | 101 | I CO | NTI | RA | CTS | | | | | | |
| is a verb or pricing by the c | al or written g formula an | agree d mai | ement r rket for | each the o | ed befo commo | ore ha dity. A | arvest of a cro A production c | p or t ontra | before (ct is an | comp. agre | letio. eme | n of a livesto | ck pro | duction | stag | ge, setting a price | | |
| 3991 1 | ☐ Yes - | Com | plete t | his s | is section ³ No - Go to SECTION 26 | | | | | | | | | | | | | |
| Report the commodities delivered in 2022 through marketing or production contract(s). List the quantities delivered and the final price/fee received. (Include the quantity delivered or removed under contract. Exclude money received from contractors as reimbursement for expenses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) | | | | | | | | | | | | | | | | | | |
| operation have I or PRODUCTIO for in 20 | n have MARKETING DUCTION contracts for in 2022? Code Office Use Only Market | | | | | comr ti contr | noditý delivered hrough this ract? (Exclude | (fro be | m list low) | PRI | CE/F by th nmod | EE RECEIVED is operation for dity delivered u contract? |) per ur r this nder thi | it an | | | m | |
| ⋖ Calv | es | 3981 | 933 | 3560 | 1 | 3982 | 80 | 3983 | 11 | 3984 | \$ | 800 | 00 | 3985 | \$ | 64 000 | .00 | 4 th Attempt |
| | | 3986 | | 3561 | | 3987 | | 3988 | | 3989 | \$ | | | 3990 | \$ | | .00 | |
| | | | | | | | | ide ei | ven if n | ot ph | ysic | ally delivered | by De | cembe | er 31, | , 2022. | | |
| Unit | t C | dities delivered in 2022 through marketing or production contract(s). List the quantities delivered and eceived. (Include the quantity delivered or removed under contract. Exclude money received from contractors as penses. Exclude landlord shares (report in SECTION 27) and marketing charges (report in SECTION 32, Item 34).) Commodity | | | | | | | | | | | | | | | | |
| Pound | | | | | | | 06 | | Flat | | | 10 | | Acre. | | | 22 | |
| | | | | | | | 07 | | Head / Bird | | | | | | | | 40 | |

<u>EXAMPLE</u>: The producer sold 80 calves under a marketing contract for \$160 per hundredweight, and was paid-in-full (\$64,000 total). The calves weighed 500 pounds each on average (40,000 pounds total).





Accounts Receivable

- Deferred payments across calendar years
 - NOT the same as unsold crops
- Unsold vs. Money owed (do not duplicate)
 - Unsold commodities belong in E.O.Y. inventory (Assets Section), because they have not been sold yet
 - Accounts Receivable is what is owed for commodities that have already been sold (delivered), but not paid yet





EXAMPLE:

The producer delivered 1,000 cwt of milk @ \$17/cwt in December last year, and was paid in the first week of January.

At the end of this year, he delivered 1,000 cwt of milk @ \$20/cwt, and was paid the first week of next year.

| SECTION 26 ACCOUNTS RECEIVABLE & DEFERRED PAYMENTS | | | | | | | | | | | | |
|--|----|---------|-----|--|--|--|--|--|--|--|--|--|
| For each item below, report income received or the amount owed to the operation on the dates specified. (Include cash sales, marketing contract sales, and production contract removals. Exclude crops in storage and not yet sold.) | | | | | | | | | | | | |
| [NOTE: Crops in storage and not sold as of the reference date should be reported in Section 33, Item 5a.] | | | | | | | | | | | | |
| Mark "X" if None | | Dollars | | | | | | | | | | |
| a. On January 1, 2022, what was the total dollar amount owed to this operation for all commodities produced and sold (cash or contract) before January 1, 2022? 0885 | \$ | 17 000 | .00 | | | | | | | | | |
| (i) How much did this operation receive from Item 1a during 2022? | \$ | 17 000 | .00 | | | | | | | | | |
| b. What was the total dollar amount owed to this operation on December 31, 2022, | | | | | | | | | | | | |
| for all commodities produced, sold (cash or contract), delivered, or removed under contract in 2022 and earlier years? | \$ | 20 000 | .00 | | | | | | | | | |





| l | SECTION 25 | | | | | | | | | | | | | | |
|---|------------|---|-----|---------------------|--|------|---|------------|------------------------|------|-------|---|------------------|------|---|
| What commodities did this operation have MARKETING or PRODUCTION contracts for in 2022? [Write in commodities] | | Commodity Code Office Use Only (Code) | | Prod Cor Mark | 3 eting or duction ntract? eting=1 uction=2 | comr | uantity of this modity delivered hrough this ract? (Exclude dlord's share.) | (fro be | Code m list low) | PRIC | by th | as (will be) the EE RECEIVED is operation for ity delivered un contract? ollars & Cents) | per unit this | | 7 What was the total dollar ount received in 2022 from this contract? (Total Dollars) |
| ı | Milk | 3927 | 909 | 3550 | 1 | 3928 | 52 000 | 3929 | 2 | 3930 | \$ | 20 | 00 | 3931 | 1 020 000.00 |

 $(52,000 \text{ cwt}) \times (\$20/\text{cwt}) = \$1,040,000$ (\$1,040,000 - \$20,000) = \$1,020,000 received

SECTION 26 ACCOUNTS RECEIVABLE & DEFERRED PAYMENTS For each item below, report income received or the amount owed to the operation on the dates specified. (Include cash sales, marketing contract sales, and production contract removals. Exclude crops in storage and not yet sold.) [NOTE: Crops in storage and not sold as of the reference date should be reported in Section 33, Item 5a.] Mark "X" Dollars if None a. On January 1, 2022, what was the total dollar amount **owed** to this operation for 17 000 all commodities produced and sold (cash or contract) before January 1, 2022? 0885 17 000 (i) How much did this operation receive from Item 1a during 2022? b. What was the total dollar amount owed to this operation on December 31, 2022, for all commodities produced, sold (cash or contract), delivered, or removed 20 000 under contract in 2022 and earlier years? .00 0886



CECTION 25

| SECTION 25 | | | | | | | | | | | | | | | | | | | |
|---|------|-----------------------|---|---|---|-----|-----|-------|-----------------------------|------|---|---|---|----|------|--|--------|-----|--|
| What commodities did this operation have MARKETING or PRODUCTION contracts for in 2022? [Write in commodities] | | ode ce Use inly | 3 Marketing or Production Contract? Marketing=1 Production=2 | | commodity delivered through this contract? (Exclude | | | (from | 5 Code m list low) | PRIC | What was (will be) the FINAL PRICE/FEE RECEI/ED per unit by this operation for this commodity delivered under this contract? (Dollars & Cents) | | | | | What was the total dollar amount received in 2022 from this contract? (Total Dollars) | | | |
| Processed Cherries | 3927 | 6156 | 3550 | 1 | 3928 | 100 | 000 | 3929 | 1 | 3930 | \$ | 0 | - | 42 | 3931 | \$ | 21 000 | .00 | |

(100,000 lbs) x (42 cents/lb) = \$42,000

| SECTION 26 | ACCOUNTS RECEIVABLE & DEFERRED PAYMENTS | | | | | | | | | | | | |
|---|---|--------|---------|-----|--|--|--|--|--|--|--|--|--|
| For each item below, report income received or the amount owed to the operation on the dates specified. (Include cash sales, marketing contract sales, and production contract removals. Exclude crops in storage and not yet sold.) | | | | | | | | | | | | | |
| [NOTE: Crops in s | torage and not sold as of the reference date should be reported in Section 33, | Item (| 5a.] | | | | | | | | | | |
| | Mark " if Non | | Dollars | | | | | | | | | | |
| | 1, 2022, what was the total dollar amount owed to this operation for ities produced and sold <i>(cash or contract)</i> before January 1, 2022? 0885 | \$ | | .00 | | | | | | | | | |
| (i) How mu | uch did this operation receive from Item 1a during 2022? | \$ | | .00 | | | | | | | | | |
| | he total dollar amount owed to this operation on December 31, 2022, | | | | | | | | | | | | |
| | nodities produced, sold (cash or contract), delivered, or removed act in 2022 and earlier years? | \$ | 21 000 | .00 | | | | | | | | | |
| under conu | act in 2022 and earlier years? | Ф | 21 000 | .00 | | | | | | | | | |



Conclusion





