NextGen: A Tool for Beginning Farmers in Nebraska

For Jack and Austen Godbersen of Wisner, it was a "win-win" situation

For a beginning farmer planning to grow row crops in Nebraska, acquiring enough land to stay profitable can be quite challenging.

High sale prices, property taxes and finding enough capital to buy land make the purchase option an almost impossible choice. While renting is a more viable route to get started, the competition to obtain a contract for rental acres is very strong.

The Godbersen family in northeast Nebraska, created Godbersen Farms by attaining almost all of the land they farm though rental agreements. When brothers Jack and Austen decided to join dad Gary and brother Dixon they knew they would have to find more acres to farm in order to make the family operation successful. However, they soon found out securing additional rental acres was difficult.

"As beginning farmers, Austen and I were at a disadvantage when we were bidding for rental ground against someone who was well established," said Jack. "They could put in a higher bid because they already had all their equipment and the available capital they needed."

Jack soon remembered a program he had heard about from one of his professors at the University of Nebraska-Lincoln: NextGen.

Administered by the Nebraska Department of Agriculture (NDA), NextGen utilizes the Beginning Farmer Tax Credit Act to help new producers get a head start in farming and ranching, while giving back to the farmers and ranchers who own agricultural assets. NextGen presented the perfect tool Jack and Austen needed to "level the playing field" as they sought more rental ground.

First they had to find a landowner interested in entering into a three-year lease. One of the objectives of the NextGen program is to give the beginning farmer more than just a one-year opportunity, thus the landowner is given a tax credit for three years.

"We found a family that owned quite a bit of land in our area and believed in giving young farmers a real opportunity to be successful in agriculture," said Jack. "But they also needed it to be profitable for them, so NextGen was a real win-win situation for us."

After a conversation with the landlord, Jack contacted NDA and put the wheels in motion for Austen and him to enter into a three-year agreement under NextGen.

"It was a 50-50 proposition in that Jack and I would acquire equal amounts of land that we could farm and the land owner would get a tax credit for the entire number of acres," said Austen. "NextGen gave us the opportunity to rent ground in an environment where it was very hard for beginning farmers to compete against established farmers."

The program has certain requirements and criteria to meet in order for the parties involved to be eligible. Jack and Austen said working closely with NDA made the process go smoothly. They received assistance and had their questions answered from the start.

After it was all said and done, NextGen assisted Jack and Austen to meet their primary objective.

"It allowed Austen and me the opportunity to expand the family operation and come back home," said Jack.

And being back home was what it is all about for the Godbersen family.

CULTIVATE YOUR LEGACY

NEXT GEN

NextGen utilizes the Beginning Farmer Tax Credit Act to help new producers get a head start in farming and ranching, while giving back to the farmers and ranchers who own agricultural assets.

BEGINNING FARMER BENEFITS

- A three-year lease rather than a year-to-year lease to get started in farming or ranching.
- Up to a $500 tax credit reimbursement for the financial management class.
- The beginning farmer may apply for the Personal Property Tax Exemption.

PERSONAL CONNECTIONS & RELATIONSHIPS BUILT

ASSET OWNER BENEFITS

- An eligible asset owner will receive a refundable tax credit equal to 10% of the cash rent, or 15% of the value of the share crop rent received each year for three years.

NextGen is committed to assisting farmers and ranchers beginning a career in production agriculture. But what are the benefits to participating in the program? A 2015 survey of NextGen participants led to the following results:

99% of the 86 beginners surveyed were still farming.

85% were still farming the same ground enrolled in NextGen.

100% would recommend NextGen.

FOR MORE INFORMATION

Visit nextgen.nebraska.gov or call 402-471-4876.

To apply, access application online or request by mail. Complete application form and required supplemental documents and mail to:

NextGen
P.O. Box 94947
Lincoln, NE 68509-4947

NEBRASKA
DEPARTMENT OF AGRICULTURE

301 Centennial Mall South | P.O. Box 94947 | Lincoln, NE 68509-4947
402-471-4876 | agr.NextGen@nebraska.gov | www.nextgen.nebraska.gov