Health Insurance for Manure Applicators

At the annual meeting last January, a sign-up sheet was passed around, and enough interest was generated to start the process. The board will be deciding shortly whether to pursue this option—watch your mail for more information.

Manure Expo Trip/Level 2 Opportunity

www.manureexpo.com

Commercial manure applicators from Nebraska and Iowa have extended a special invitation to Wisconsin Applicators to attend this year’s Manure Expo in Nebraska July 20. PNAAW is organizing a group of applicators who are interested in attending. If you are interested in riding together, please contact President Abe Lemmenes by July 12 at (920) 375-0137. PNAAW Level 2 credits will be available for most of the educational sessions offered at this year’s event. In addition to field demonstrations of solid and liquid manure application, sessions are scheduled on:

- Using and Setting up a Center Pivot for Sprinkler Irrigation of Manure
- Is Manure Stockpiling an Environmental Risk?
- Manure Pit Foaming and Safety Demo
- Assessing your Operation for Air Quality
- Transporting Manure, How Far Can You Feasibly Go?
- Manure Scene Investigation
- Manure Runoff Infiltration Demonstration
- Manure Pump School
- Health Line—First Aid Refresher
- Estimating the Value of Manure: Consultant Panel
- Risk Management—Insurance Options for Applicator Business
- Manure Tanker and Spreader Compaction and Pavement Damage
- GPS Equipment for Manure Application
- Using the Purdue Manure Management Planner to Plan Manure Applications
- Why the P Index is Important?
- Tile Outlet Setbacks and Buffers, Are They Really Effective?
- Portable Sprinkler Systems for Manure and Vegetative Treatment Systems
- What's in my Nutrient Management Plan?
- Winter Application of Manure on Frozen Soils, Lessons Learned from Wisconsin Discovery Farms

Trade show exhibitors (as of 6/10/11) include:

- AgSense, LLC
- AgSource Laboratories
- Art's-Way Manufacturing Co., Inc
- Automated Waste Systems, LLC
- Bazooka Farmstar
- Bierman Sales LLC
- Cadman Power Equipment
- Cornell Pump Company
- Cornhusker Two Cylinder Club
- Degelman Industries
- Digi-Star LLC
- Dow AgroSciences
- Dutch Bunning Distribution Ltd.
- Essential Water Solutions, Inc.
- Firestone Specialty Products
- Greenfield Spreading
- H & S Manufacturing Company, Inc.
- HCC. Inc - US Custom Harvesters
Manure Expo Trip/Level 2 Opportunity, cont.

Trade show exhibitors, continued . . .

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On-Farm Manure Irrigation Field Day July 21

Manure Expo sponsors have organized a field tour event of manure irrigation (center pivot and small scale portable) systems on July 21, the day after Manure Expo. Many farms in Wisconsin have expressed an interest in using irrigation to apply manure post-digester or post-separator, and this is your opportunity to see systems in action and ask the hard questions. The event also includes a tour of the Lindsay Mfg. Center Pivot factory. [http://www.manureexpo.com/Sprinkler_Tour_Reg.html](http://www.manureexpo.com/Sprinkler_Tour_Reg.html)

Manure Spill Demos

PNAAW and UW-Extension are planning a number of manure spill response demonstrations later this summer. Watch your mail for dates and details.

Expansion of the 1099 Reporting Requirements Repealed by Congress

David Marrison, OSU Extension Educator

_Last May, the Ohio Ag Manager shared an article titled, The Impact of Section 9006 of the Patient Protection and Affordable Care Act on Agriculture_ (May, 2010) discussing the new 1099 reporting requirements in the Health Care Bill. At the time of the article, we promised to update subscribers of the Ohio Ag Manager, if a repeal happened. Thankfully for many agricultural businesses, President Obama signed into law the _Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011_ (H.R. 4) on April 14, 2011. This resolution repeals the expanded 1099 reporting provisions of the Patient Protection and Affordable Care Act (passed in March 2010) and Small Business Jobs Act (passed in September 2010).

Many of us are aware that the 1099-Misc tax form is used to report monies which are paid for services in excess of $600. These are usually for services rendered by an independent contractor. For instance, a farmer hires his neighbor to custom harvest his crops. If the cost of this service is higher than $600 than a 1099-Misc form is sent to the farmer who harvested the crop. The two bills passed by Congress in 2010 sought to expand when a 1099-Misc would have to be issued by both individuals and businesses.

_In March 2010, the Patient Protection and Affordable Care Act sought to expand the 1099 reporting requirements (beginning in 2012) to include all payments from businesses aggregating $600 or more in a calendar year to a single payee, including corporations (other than a payee that is a tax-exempt corporation) and to include payments made for property (was only for services not goods, previously). H.R. 4 signed by the President repeals this 1099 reporting expansion. Under the proposed rules, a 1099 would have to be issued by a farm business to any business or individual who the farm purchases tangible goods._

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For example, Farmer Jones purchases 25 tons of lime valued at $760 worth from XYZ Lime and Farmer Brown purchases $700 of baler twine from RU-Ready Farm Supply, both would Farmer Jones and Farmer Brown would be required to issue 1099s for these purchases. The new rules would have required the farm to issue 1099s to corporations as well. 1099s would have to be issued for purchases of goods or services from any source. This would have required millions of additional forms to be issued from the farm sector.

The Small Business Jobs Act (passed in September, 2010) enacted a requirement that individuals who receive rental income must issue Forms 1099 to service providers for payments of $600 or more. It required landlords to obtain proper taxpayer identification numbers from service providers such as plumbers, painters, roofers and accountants who were paid over $600. In the past, landowners of rentals were never required to issue 1099s for service providers. This provision was to apply to any payment made after December 31, 2010. H.R. 4 strikes this requirement in its entirety placing individuals who receive rental income in the same position as if the expanded information reporting requirements had never been enacted.

A reminder on what was not repealed

The expanded reporting requirements from the Patient Protection and Affordable Care Act and the Small Business Act have been repealed, but do not think that it repeals all Forms 1099-MISC. If you are in business, you still must issue a Form 1099 to anyone whom you pay $600 or more for services during the course of the year. Namely, under IRC § 6041(a), “All persons engaged in a trade or business and making payment in the course of such trade or business to another person” of $600 or more must report the amount and the name and address of the recipient to the IRS and to the recipient. The Code applies this requirement to payments of “rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income,” and the Treasury regulations add, “commissions, fees, and other forms of compensation for services rendered aggregating $600 or more” as well as interest (including original issue discount), royalties and pensions (Treas. Reg. § 1.6041-1(a)(1)(i)). This required information must be reported each calendar year for payments made during that calendar year.

H.R. 4 did not repeal the increase in the information reporting penalties that were mandated by the Small Business Jobs Act. The first-tier penalty under IRC § 6721 for failure to timely file an information return was increased from $15 to $30, and the calendar-year maximum from $75,000 to $250,000. The second-tier penalty was increased from $30 to $60, and the calendar-year maximum from $150,000 to $500,000. The third-tier penalty was increased from $50 to $100, and the calendar-year maximum from $250,000 to $1,500,000. For small business filers, the calendar-year maximum increased from $25,000 to $75,000 for the first-tier penalty; from $50,000 to $200,000 for the second-tier penalty; and from $100,000 to $500,000 for the third-tier penalty. The minimum penalty for each failure due to intentional disregard increased from $100 to $250. The increased penalties will be adjusted for inflation every five years. The increased penalty amounts were effective Jan. 1, 2011, and remain in effect after the repeal of the expanded 1099 reporting requirements.

Sources:
Marrison, D.L. The Impact of Section 9006 of the Patient Protection and Affordable Care Act on Agriculture (May, 2010).


Researchers Turn Swine Manure to Crude Oil

Published: Apr. 20, 2011

Research at the University of Illinois to convert swine manure into oil has expanded to include more efficient technologies that use a variety of materials to produce hydrocarbon fuels.

Now human, animal, and food processing waste, as well as algae, are being used in a process called hydrothermal liquefaction (HTL). During HTL, high moisture biowaste is subjected to elevated temperatures and pressures in order to break down and reform the biowaste into a crude oil. The conversion mimics the natural geological processes that produced our current fossil fuel reserves and allows for the conversion of a wide range of feedstocks.

Dr. Yuanhui Zhang, a professor in Agricultural and Biological Engineering, said after the biowaste is converted, the resultant waste-water still contains nutrients, such as nitrogen and phosphorus, that can be used to grow algae. The algae are then fed back into the HTL reactor, as a sole feedstock or as an additive, to be converted into additional crude oil.

"This synergistic process is extremely advantageous," said Zhang, "because it brings together two rivals, energy production and environment protection, to complement rather than compete with one another. We clean the waste water, we capture the carbon and we convert it into biomass and produce more crude oil. That's why our research theme is called E2 Energy - Environment Enhancing Energy. We can produce the energy, and at the same time, enhance the environment."

Zhang said they are also studying the chemistry of HTL. "We can convert biowaste into oil, but we want to better understand the fundamental mechanisms of HTL. What are the pathways of each reaction? We are looking deeper. At the same time, we are still engineers, so we are working on developing new types of continuing reactors.

"Biowaste and algae have the potential to completely replace petroleum," Zhang concluded. "Anyway, that is the grand goal."