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Northeast Missouri
# Ag Connection

*Your local link to MU for ag extension and research information*
http://agebb.missouri.edu/agconnection

## One Big Beautiful Bill Act - Part 3

The October and November 2025 newsletters contained articles about tax provisions in the One Big Beautiful Bill Act (OB3). This article will focus on ag provisions authorized and funded, which in the past have been in farm bills. The OB3 continues important commodities programs and increases spending for agriculture programs by an estimated $66 billion over ten years. The Congressional Budget Office estimates the Agricultural title will reduce spending by $120 billion mainly through cuts to the nutrition subtitle.

The commodities subtitle covers a variety of agricultural programs.

Statutory Reference Prices

OB3 increases statutory reference prices for all covered commodities, beginning with 2025 crop year. Reference prices are utilized in the USDA agricultural risk coverage (ARC) and price loss coverage (PLC) program. The table below is just a partial list of crops.

| Commodity | Pre-OB3 Price | Proposed Price |
|---|---|---|
| | $ per bu. | $ per bu. |
| Wheat | 5.50 | 6.35 |
| Corn | 3.70 | 4.10 |
| Grain Sorghum | 3.95 | 4.40 |
| Oats | 2.40 | 2.65 |
| Soybeans | 8.40 | 10.00 |

Beginning with the 2031 crop year, the state reference prices will increase each year by 0.5%. At no time can the reference price exceed 113% of the proposed statutory reference price set forth above. Under OB3, the effective reference price (for PLC calculations) is the lesser of:

- An amount equal to 113% (down from 115%) of the reference price for such covered commodity OR
- An amount equal to the great of –
  - The reference price for such covered commodity or
  - Beginning with crop year 2025, 88% (up from 85%) of the five most recent marketing year average crop prices known as the Olympic average.

Base Acres

OB3 provides farmers with a one-time voluntary opportunity for new base acres beginning with the 2026 crop year. The additional base acre allocations may not exceed 30 million across throughout the U.S. Missouri's current base acre allocation is 10.1 million acres.

Generally, farms are eligible to receive an allocation of base acres if their five-year average for planted and prevented plant covered commodity acres (2019 through 2023) exceeded their current base acres. The farmer can also include in the calculation acres planted to non-covered commodities, in an amount up to 15% of the total farm acres. If the number of allocated acres across the country exceeds 30 million acres, USDA must reduce all allocations on a pro rata basis to stay within the limit (30 million acres).

Producer Election

OB3 provides that USDA will – for each covered commodity for the 2025 crop year -

automatically pay farmers the higher of PLC or ARC – county (ARC-CO) for the commodity. Farmers will receive these payments in October of 2026.

OB3 requires producers to make an election for years 2026 -2031. Producers will not be eligible to receive a payment for the 2026 crop year if an election is not agreed upon and will receive the 2025 election for crop years 2027-2031.

OB3 allows producers to elect the Crop Insurance Supplemental Coverage Option (SCO) when PLC or ARC is elected. Previous law did not allow SCO coverage for producers who elected ARC.

Program Extensions and Expansion

OB3 extends the PLC, ARC, and Dairy Margin Coverage (DMC) programs through 2031. It also increases the ARC coverage guarantee for a crop year to 90% of the benchmark revenue (up from 86%). In addition, it increases the ARC-CO benchmark revenue cap to 12% (up from 10%).

Equitable Treatment of Certain Entities

OB3 for the first time allows "qualified pass-through entities," including S corporations, and LLCs not taxed as C corporations, to be treated in the same manner that general partnerships are currently treated under the payment limitation attribution rules. For example, S corporation shareholders or LLC members actively engaged in farming would each have a payment limit, not capped by a separate entity payment limit.

Payment Limitations

OB3 increases the general payment limitation for commodity programs from $125,000 to $155,000. This limit will be adjusted annually for inflation.

Adjust Gross Income Limitation

OB3 allows for those who derive 75% or more of average gross income (AGI) from farming, ranching or silviculture (forestry) activities to be exempt from the general $900,000 AGI limit for certain conservation and disaster payment programs.

OB3 newly defines farming, ranching or silviculture activities to include agritourism, direct-to-consumer marketing of agricultural products, the sale of agricultural equipment owned by the person or legal entity, and other agricultural activities as determined by the USDA Secretary.

**Source:** *This article contains information written by Kristine Tidgren, Iowa State University, Center for Ag Law and Taxation*

**Source:** *Mary Sobba, field specialist in ag business*

## Late Winter/Early Spring Nitrogen Management in Winter Wheat

Nitrogen fertility management is the most intensive nutrient management strategy in wheat but has the highest potential for return on fertilizer investment. Management begins at planting in the fall and carries into late winter/ early spring. Consider fall nitrogen application rates of 20-40 pounds per acre at planting. Fall nitrogen drives early tillering which is a crucial component of yield.

In particular, fall nitrogen applications can be beneficial to wheat following corn that has exceeded its yield expectations to account for increased nitrogen utilization and corn residue. This is also true for late planted wheat (after the first week of November) in wet falls with low (fewer than 25 plants per square foot) initial stand emergence. It should be noted that nitrogen application is not a fix for untimely planting, but it can help with developing more tillers, to some extent. The most effective and efficient nitrogen application timing occurs in late winter/early spring (Feekes 2-5/Zadoks 21-30), depending on stand and tiller counts. Total spring nitrogen ranges between 80 to 110 pounds, depending on variety, soil, and environmental factors. Nitrogen rates exceeding this range require more intensive management and increase potential risks of negatively impacting yield. *See Table next page*.

When evaluating nitrogen application timing and amounts, tiller counts should be conducted at greenup (Feekes 2-3, Zadoks 21-29). Stand counts counting whole plants should have already occurred by this point at one to two weeks after emergence and just prior to greenup. Tiller counts include both the main shoot and tillers off that main shoot, and only factor in plants with three or more leaves. To conduct a tiller count, factor in row spacing to calculate how many linear row feet of plants need to be counted to determine tillers per square feet. To determine tillers per square foot, divide 144 by the row spacing in inches and then count the number of tillers (stems) in that calculated length of row. Tiller counts at 70 stems per square foot at Feekes 3/Zadoks 26 are considered adequate.

Typically, with adequate tillering, a singular nitrogen application timing at Feekes 4-5/Zadoks 30 which is just before jointing (Feekes 6/Zadoks 31) is ideal. Tiller counts falling below 70 stems per square foot could potentially benefit from a split application of nitrogen with 30-to-50-units of the total spring nitrogen applied at greenup. Avoid the temptation of applying all spring nitrogen as a singular early application at Feekes 2-3/Zadoks 21-29, even when low tiller or stand density counts are observed.

Singular, earlier nitrogen applications increase risks of denitrification loss, spring freeze damage because of earlier heading, and lush canopies susceptible to diseases like powdery mildew. If an early spring single application is made, it is wise to utilize a controlled release nitrogen source like an encapsulated urea. This timing of application will require an immediate release and slow-release blend of nitrogen fertilizer. If spring nitrogen application is delayed until after the appearance of the first joint on the main stem (Feekes 6/Zadoks 31), yield reductions and nitrogen response declines will likely be observed. A plant tissue test at Feekes 5/Zadoks 30 can help determine a nitrogen rate specific to plant needs, especially when split applying nitrogen.

**Source:** *Nick Wesslak, field specialist in agronomy*

Table 2-1. Wheat Growth Stages

| Stage | General Description | Scale: Feekes | Scale: Zadoks | Additional Comments |
|---|---|---|---|---|
| Germination | Dry seed | | 00 | |
| | Start of imbibition | | 01 | |
| | Imbibition complete | | 03 | Seed typically at 35 to 40% moisture. |
| | Radicle emerged from seed (caryopsis) | | 05 | |
| | Coleoptile emerged from seed (caryopsis) | | 07 | |
| | Leaf just at coleoptile tip | | 09 | |
| Seedling Growth | First leaf through coleoptile | 1 | 10 | |
| | First leaf unfolded | | 11 | |
| | 2 leaves unfolded | | 12 | |
| | 3 leaves unfolded | | 13 | |
| | 4 leaves unfolded | | 14 | |
| | 5 leaves unfolded | | 15 | |
| | 6 leaves unfolded | | 16 | |
| | 7 leaves unfolded | | 17 | |
| | 8 leaves unfolded | | 18 | |
| | 9 or more leaves unfolded | | 19 | |
| Tillering | Main shoot only | | 20 | |
| | Main shoot and 1 tiller | 2 | 21 | |
| | Main shoot and 2 tillers | | 22 | |
| | Main shoot and 3 tillers | | 23 | Many plants will only have 2 or 3 tillers per plant at recommended populations. |
| | Main shoot and 4 tillers | | 24 | |
| | Main shoot and 5 tillers | | 25 | |
| | Main shoot and 6 tillers | 3 | 26 | Leaves often twisting spirally. |
| | Main shoot and 7 tillers | | 27 | |
| | Main shoot and 8 tillers | | 28 | |
| | Main shoot and 9 tillers | | 29 | |
| Stem Elongation | Pseudostem erection | 4-5 | 30 | |
| | 1st detectable node | 6 | 31 | Jointing stage |
| | 2nd detectable node | 7 | 32 | |
| | 3rd detectable node | | 33 | |
| | 4th detectable node | | 34 | Only 4 nodes may develop in modern varieties. |
| | 5th detectable node | | 35 | |
| | 6th detectable node | | 36 | |
| | Flag leaf visible | 8 | 37 | |
| | Flag leaf ligule and collar visible | 9 | 39 | |
| Booting | Flag leaf sheath extending | | 41 | Early boot stage. |
| | Boot swollen | 10 | 45 | |
| | Flag leaf sheath opening | | 47 | |
| | First visible awns | | 49 | In awned varieties only. |
| Head (Inflorescence) Emergence | First spikelet of head visible | 10.1 | 50 | |
| | ¼ of head visible | 10.2 | 52 | |
| | ½ of head visible | 10.3 | 54 | |
| | ¾ of head visible | 10.4 | 56 | |
| | Head completely emerged | 10.5 | 58 | |
| Pollination (Anthesis) | Beginning of flowering | 10.51 | 60 | Flowering usually begins in middle of head. |
| | | 10.52 | | Flowering completed at top of head. |
| | | 10.53 | | Flowering completed at bottom of head. |
| | ½ of flowering complete | | 64 | |
| | Flowering completed | | 68 | |
| Milk Development | Kernel (caryopsis) watery ripe | 10.54 | 71 | |
| | Early milk | | 73 | |
| | Medium milk | 11.1 | 75 | Milky ripe. |
| | Late milk | | 77 | Noticeable increase in solids of liquid endosperm when crushing the kernel between fingers |
| Dough Development | Early dough | | 83 | |
| | Soft dough | 11.2 | 85 | Mealy ripe: kernels soft but dry. |
| | Hard dough | | 87 | |
| Ripening | Kernel hard (hard to split by thumbnail) | 11.3 | 91 | Physiological maturity. No more dry matter accumulation. |
| | Kernel hard (cannot split by thumbnail) | 11.4 | 92 | Ripe for harvest. Straw dead. |
| | Kernel loosening in daytime | | 93 | |
| | Overripe | | 94 | |
| | Seed dormant | | 95 | |
| | Viable seed has 50% germination | | 96 | |
| | Seed not dormant | | 97 | |
| | Secondary dormancy | | 98 | |
| | Secondary dormancy lost | | 99 | |

Sources: Conley, et al. 2003. Management of Soft Red Winter Wheat. IPM1022. Univ. of Missouri. Alley, et al. 1993. Intensive Soft Red Winter Wheat Production: A Management Guide. Pub. 424-803. Virginia Coop. Extension. Johnson, Jr., et al. Arkansas Wheat Production and Management. MP404. Univ. of Arkansas. Coop. Ext. Serv.

**Feekes / Zadoks Growth Stages**

## Private Pesticide Applicator Training (PPAT)

To register call the number listed with **name**, **phone #, email** *(if available)* and **location** you plan to attend. Leave a message if no one answers.

**Audrain County** - Jan. 5 @ 6 p.m. Courthouse Basement, 101 N. Jefferson St., Mexico (573) 581-3231

**Linn County** - Jan. 21 @ 1 p.m. MU Cornett Farm, 21262 Genoa Rd., Linneus (660) 895-5123

**Pike County** - Jan. 22 @ 6 p.m. Extension Center, 210 W. Main St., Bowling Green (573) 324-5464

**Sullivan County** - Jan. 22 @ 1 p.m. City Hall Community Bldg., 4 S. Green St., Green City (660) 895-5123

**Randolph County** - Jan. 28 @ 10 a.m. MU Extension Office, 509 W. Reed St., Moberly (660) 895-5123

**Howard County** - Jan. 30 @ 1 p.m. MU Extension Office, 600 W. Morrison Ste. 17, Fayette (573) 248-2272

**Morgan County** - Feb. 3 @ 1 p.m. Morgan County Seed, 18761 Kelsay Rd., Barnett (573) 378-5358

**Morgan County** - Feb. 4 @ 1 p.m. Extension Center, 100 E. Newton St., #4, Versailles (573) 378-5358

**Macon County** - Feb. 4 @ 10 a.m. MU Extension Office, 111 N. Rollins St., Macon (660) 895-5123

**Putnam County** - Feb. 11 @ 1 p.m. 4-H Bldg at the Park, 615 N. 22nd St. Unionville (660) 895-5123

**Callaway County** - Feb. 11 @ 6 p.m. Callaway Health Dept., 4950 CR 304, Fulton (573) 642-0755

**Boone County** - Feb. 16 @ 1 p.m. Extension Center, 1012 N. Hwy UU, Columbia (573) 445-9792

**2026 Missouri Custom Rates Survey** is open for responses. The data will be used to update the *MU Custom Rates* guidesheet, which is a highly used publication.

In addition to data collected in the past, there are new activities: cattle services, machinery rental, aerial application, horticulture services.

To participate: 1) online at muext.us/customagrates or 2) request a paper copy from your local extension center.

Your participation is appreciated!

**Linn County** - Feb. 17 @ 6 p.m. MU Cornett Farm, 21262 Genoa Rd., Linneus (660) 895-5123

**Schuyler County** - Feb. 18 @ 1 p.m. Courthouse Assembly Room, 110 W. Washington St., Lancaster (660) 895-5123

**Monroe County** - Feb. 19 @ 12:30 p.m. Monroe Extension Center, 229 N. Washington St., Paris (888) 577-4158

**Adair County** - Feb. 26 @ 1 p.m. MU Extension Office, 503 E. Northtown Rd., Kirksville (660) 895-5123

**Marion / Shelby Counties** - Mar. 5 @ 12:30 p.m. Sesquicentennial Bldg., 621 Johnston Ave., Palmyra (573) 767-5273

**Scotland / Knox Counties** - Mar. 12 @ 12:30 p.m. Rutledge Community Center, 23615 Main St., Rutledge (660) 465-7255

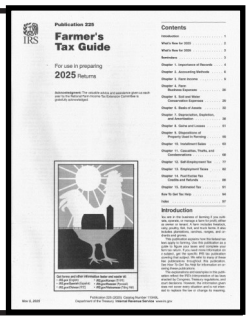
**Moniteau County** - Mar. 12 @ 6 p.m. California H.S. Vo. Ag. Bldg., 1501 W. Buchanan, California (573) 378-5358

**Lewis / Clark Counties** - Mar. 19 @ 12:30 p.m. St. Patrick Catholic Church, 2 Erin Circle St., St. Patrick, (660) 465-7255

**Ralls / Monroe Counties** - Mar. 30 @ 12:30 p.m. Mark Twain H.S. Ag Bldg, 21622 MO-19, Center (573) 767-5273

## Farmers Tax Guides

IRS publication 225 is available at Extension Centers throughout Missouri. These are the new 2025 edition. Stop by and pick up a copy to help with tax planning/preparation.




*Happy New Year to all*