

## 2009 Schedule F (Form 1040), Profit or Loss From Farming

**Purpose:** This is the first circulated draft of the 2009 Schedule F (Form 1040), for your review and comments.

**TPCC Meeting:** None, but one can be arranged if requested.

**Prior Revisions:** The 2008 Schedule F (Form 1040) can be viewed by clicking on the following link: <http://www.irs.gov/pub/irs-pdf/f1040sf.pdf>

**Instructions:** The 2009 Instructions for Schedule F will be circulated at a later date. The 2008 instructions can be viewed by clicking on the following link: <http://www.irs.gov/pub/irs-pdf/i1040sf.pdf>

**Other Products:** Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

**Comments:** Please email, fax, call, or mail any comments by **June 5, 2009**.

### Changes to 2009 Schedule F (Form 1040)

All years were updated appropriately

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**SCHEDULE F  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Farming**

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.

▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

**2009**

Attachment  
Sequence No. **14**

Name of proprietor

Social security number (SSN)

**A** Principal product. Describe in one or two words your principal crop or activity for the current tax year.

**B** Enter code from Part IV

**D** Employer ID number (EIN), if any

**C** Accounting method: (1)  Cash (2)  Accrual

**E** Did you "materially participate" in the operation of this business during 2009? If "No," see page F-3 for limit on passive losses.  Yes  No

**Part I Farm Income—Cash Method.** Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 11.)  
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1			
2	Cost or other basis of livestock and other items reported on line 1	2			
3	Subtract line 2 from line 1	3			
4	Sales of livestock, produce, grains, and other products you raised	4			
5a	Cooperative distributions (Form(s) 1099-PATR)	5a		5b Taxable amount	5b
6a	Agricultural program payments (see page F-3)	6a		6b Taxable amount	6b
7	Commodity Credit Corporation (CCC) loans (see page F-3):				
a	CCC loans reported under election	7a			
b	CCC loans forfeited	7b		7c Taxable amount	7c
8	Crop insurance proceeds and federal crop disaster payments (see page F-3):				
a	Amount received in 2009	8a		8b Taxable amount	8b
c	If election to defer to 2010 is attached, check here <input type="checkbox"/>	8d		Amount deferred from 2008	8d
9	Custom hire (machine work) income	9			
10	Other income, including federal and state gasoline or fuel tax credit or refund (see page F-4)	10			
11	<b>Gross income.</b> Add amounts in the right column for lines 3 through 10. If you use the accrual method to figure your income, enter the amount from Part III, line 51	11			

**Part II Farm Expenses—Cash and Accrual Method.**

Do not include personal or living expenses such as taxes, insurance, or repairs on your home.

12	Car and truck expenses (see page F-5). Also attach Form 4562	12		25	Pension and profit-sharing plans	25
13	Chemicals	13		26	Rent or lease (see page F-6):	
14	Conservation expenses (see page F-5)	14		a	Vehicles, machinery, and equipment	26a
15	Custom hire (machine work)	15		b	Other (land, animals, etc.)	26b
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-5)	16		27	Repairs and maintenance	27
17	Employee benefit programs other than on line 25	17		28	Seeds and plants	28
18	Feed	18		29	Storage and warehousing	29
19	Fertilizers and lime	19		30	Supplies	30
20	Freight and trucking	20		31	Taxes	31
21	Gasoline, fuel, and oil	21		32	Utilities	32
22	Insurance (other than health)	22		33	Veterinary, breeding, and medicine	33
23	Interest:			34	Other expenses (specify):	
a	Mortgage (paid to banks, etc.)	23a		a	-----	34a
b	Other	23b		b	-----	34b
24	Labor hired (less employment credits)	24		c	-----	34c
				d	-----	34d
				e	-----	34e
				f	-----	34f

35	<b>Total expenses.</b> Add lines 12 through 34f. If line 34f is negative, see instructions	35	
36	<b>Net farm profit or (loss).</b> Subtract line 35 from line 11. Partnerships, see page F-7. • If a profit, enter the profit on both Form 1040, line 18, and Schedule SE, line 1a; on Form 1040NR, line 19; or on Form 1041, line 6. • If a loss, you must go to line 37.	36	
37	If you have a loss, you must check the box that describes your investment in this activity (see page F-7). • If you checked 37a, enter the loss on both Form 1040, line 18, and Schedule SE, line 1a; on Form 1040NR, line 19; or on Form 1041, line 6. • If you checked 37b, you must attach Form 6198. Your loss may be limited.	37a	<input type="checkbox"/> All investment is at risk.
		37b	<input type="checkbox"/> Some investment is not at risk.

**Part III Farm Income—Accrual Method** (see page F-7).

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797 and do not include this livestock on line 46 below.

<b>38</b>	Sales of livestock, produce, grains, and other products . . . . .			<b>38</b>		
<b>39a</b>	Cooperative distributions (Form(s) 1099-PATR) . . . . .	<b>39a</b>		<b>39b</b>	Taxable amount	<b>39b</b>
<b>40a</b>	Agricultural program payments . . . . .	<b>40a</b>		<b>40b</b>	Taxable amount	<b>40b</b>
<b>41</b>	Commodity Credit Corporation (CCC) loans:					
<b>a</b>	CCC loans reported under election . . . . .			<b>41a</b>		
<b>b</b>	CCC loans forfeited . . . . .	<b>41b</b>		<b>41c</b>	Taxable amount	<b>41c</b>
<b>42</b>	Crop insurance proceeds . . . . .			<b>42</b>		
<b>43</b>	Custom hire (machine work) income . . . . .			<b>43</b>		
<b>44</b>	Other income, including federal and state gasoline or fuel tax credit or refund . . . . .			<b>44</b>		
<b>45</b>	Add amounts in the right column for lines 38 through 44 . . . . .			<b>45</b>		
<b>46</b>	Inventory of livestock, produce, grains, and other products at beginning of the year . . . . .		<b>46</b>			
<b>47</b>	Cost of livestock, produce, grains, and other products purchased during the year . . . . .		<b>47</b>			
<b>48</b>	Add lines 46 and 47 . . . . .		<b>48</b>			
<b>49</b>	Inventory of livestock, produce, grains, and other products at end of year . . . . .		<b>49</b>			
<b>50</b>	Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48* . . . . .			<b>50</b>		
<b>51</b>	<b>Gross income.</b> Subtract line 50 from line 45. Enter the result here and on Part I, line 11 . . . . . ▶			<b>51</b>		

\*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51 and on Part I, line 11.

**Part IV Principal Agricultural Activity Codes**



File Schedule C (Form 1040) or Schedule C-EZ (Form 1040) instead of Schedule F if **(a)** your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, or **(b)** you are engaged in the business of breeding, raising, and caring for dogs, cats, or other pet animals.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six digit number on page 1, line B.

**Crop Production**

- 111100 Oilseed and grain farming
- 111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

**Animal Production**

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

**Forestry and Logging**

- 113000 Forestry and logging (including forest nurseries and timber tracts)