

Citrus Notes



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Dear Growers,

Don't forget to check out our additional weather stations located around Polk County. We still are in the process of getting a couple more out this winter. The article on these stations will provide you with information on how to access the realtime weather data online. In addition to our stations, the FAWN weather website is now displaying the grower FDACS cost-shared weather stations. We have begun running our citrus leaf freezing point temperatures for this winter and their web location is listed in the article. There are a couple of courses being offered this spring. The first is a UF graduate level Advanced Citraculture I class and the other a "Certified Pile Burner" course. The Citraculture I class will be held in Lake Alfred and the Pile Burner course will be held in Immokalee. Both of these courses require registration and fees. There is also another Brazil citrus tour planned for the middle of next year. Please see the article for more information. This month our agricultural tax planning article looks at federal ag taxes - a 2013 update.

Enjoy,

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Polk County Winter Weather Watch Stations

Thanks to the Polk County Extension Citrus Advisory Committee we have 7 additional citrus weather stations located in Polk County (5 operating at this time). These stations will help improve the resolution of weather data across Polk County. While we are developing the website to display this additional data, the real time measurements are readily available on the following webpage: <http://www.weatherlink.com/>. Once you are on the page, look to the top upper right of the page and select “WeatherLink Station Map”. This will take you to a world map of weather stations on this site. Zoom in on central Florida, specifically Polk County, and you will see a number of stations located on the map. The stations that are part of our network located near/in citrus groves are linked as follows:



Peace River Packing, Lake Henry (<http://www.weatherlink.com/user/fm33841/>),

Udike Citrus, Alturas (<http://www.weatherlink.com/user/alt33820/>),

Mountain Lake, Lake Wales (<http://www.weatherlink.com/user/ml33898/>),

Tree-O Groves, Green Swamp (<http://www.weatherlink.com/user/bar33830/>) and

Prine, Haines City (<http://www.weatherlink.com/user/hc33844/>).

Clicking on these links will display the real time weather conditions at each of these locations. When at this page, if you click on the “map” link on the top right of the page the station will appear in the center of the map display. At this point you can zoom in and use the satellite view to see the station location and terrain. We have 2 additional stations to set up in the next couple of weeks and when completed we can provide these additional links.

FAWN Now Displaying Grower Weather Stations

On the homepage of the Florida Automated Weather Network (FAWN) website (<http://fawn.ifas.ufl.edu/>) you will find a link to “My Florida Farm Weather”. This link will pull up a map displaying grower weather stations in addition to the FAWN stations. These weather stations are the ones that the Florida Department of Agriculture and Consumer Services provided cost sharing with growers interested in having farm weather stations.

If you are interested in potentially having cost share dollars for purchasing your own weather station you can contact Susie Bishop, sbishop@highlandsswd.org or by phone at 863-402-7020. Ms. Bishop is located at the Highlands Soil and Water Conservation District Office, 4505 George Blvd, Sebring, FL.

2013-14 Citrus Leaf Freezing Point Temperatures Now Available

This winter we will again be providing weekly citrus leaf freeze point temperatures. The samples are collected from selected groves from around central Florida. The locations are Balm, Ft. Meade, Frostproof, Green Swamp, Lake Alfred, Avalon and Umatilla. We started running the first set of samples the week of November 18, 2013. We will be providing this information weekly until about March 15, 2014. The information can be found at the FAWN website using the following link: http://fawn.ifas.ufl.edu/tools/coldp/crit_temp_select_guide_citrus.php. This information is provided with support from the Southwest Florida Water Management District.



HOS 6545 Advanced Citraculture I Offered this Spring Semester

Course description: 3 credits. This course is designed to provide an overview of the physiological processes essential to biomass and fruit production in

citrus and how the biotic and abiotic environment facilitates or impedes productivity. We will address many of these issues by focusing on specific problems growers face on daily and seasonal cycles and how research has led to new management or breeding practices to overcome those problems.

This course will be taught at the UF Citrus Research & Education Center in Lake Alfred, FL. The course can be taken via Polycom video conferencing with the permission of the instructor. Each online distance learning program has a process for, and will make every attempt to resolve, student complaints within its academic and administrative departments at the program level. See <http://distance.ufl.edu/student-complaints> for more details.

Class meetings will be a combination of lectures by Dr. Brodersen and other citrus experts at CREC and student led discussion sessions aimed at providing a comprehensive understanding of the pertinent scientific literature from the rich history of citrus research. Each meeting we will discuss 2 – 4 papers related to that week's topic. Starting 2/26/13 (or earlier depending on course enrollment) individual students or groups will lead the discussion and are responsible for selecting the papers (to be approved one week in advance).

Prerequisite: FRC 3212 and 4223 or equivalent. Students that haven't taken the above courses and would like to enroll should contact the instructor. Dr. Craig Brodersen will be the course instructor and he can be reached by phone at 863-956-8846 or by email at: brodersen@ufl.edu.

Brazil Citrus Tour

Dr. Steve Futch, Multi-County Citrus Agent is arranging another grower tour to Brazil. Steve provided the following information about the tour.



We are in the process of developing another tour to Brazil to visit their citrus groves. The tentative dates are July 19-26, 2014. The group departs Miami on

Saturday evening (July 19) on a direct flight to Sao Paulo. Upon arrival to Sao Paulo, we travel north to Araraquara where we will spend 3 nights and visit citrus in that area. Later in the week we travel to Limeira area where we spend 2 nights and visit groves in that area. Departure from Brazil will be on Friday evening (July 25) with arrival back to Miami on Saturday morning, July 26. Anticipated cost is approximately \$4,000 per person which includes airfare, hotel, ground transportation and some meals. Locations visited and cost will be determined in April 2014.

If you are interested in traveling to Brazil to see some of their citrus groves or want more information on the proposed trip, please contact me by phone (863-956-8644) or by email (shf@ufl.edu). The group will be limited to 15 participants.

Certified Pile Burners Course

Dr. Mongi Zekri asked if we could circulate the following information about his next Certified Pile Burners Course. The course will be held on Tuesday, February 4, 2014 from 8:00 a.m. to 5:00 p.m. at the Southwest Florida Research and Education Center in Immokalee. This course requires that you preregister and pay the course fee in advance.



Additional information and registration materials can be obtained by contacting Dr. Zekri by phone at 863-674-4092 or by email at maz@ufl.edu.

Agricultural Tax Planning - Federal Ag Taxes - 2013 Update

(Author: Thomas J. Bryant, CPA is Senior Tax Partner, Beasley, Bryant & Company, CPA's, P.A., Lakeland, Florida (863) 646-1373).

Beginning in 2013 there are new taxes, new rates, and new phase-outs that will complicate your taxes for 2013 and future years. Tax planning is now more complex and your tax advisor will need to spend more time and possibly become more familiar with your business

and activities. Tax planning and preparation will now require greater use of sophisticated tax software.

New for 2013

- A simplified method for computing the office in home expense deduction is available beginning in 2013.
- The standard mileage rate for business use of a vehicle in 2013 is 56.5 cents per mile.
- The social security portion of self-employment tax has returned to 12.4%, increasing the total self-employment tax to 15.3%. The self-employment social security earnings limit and social security wage base limit for 2013 is \$113,700. The new limit for 2014 is \$117,000.
- The new 3.8% Medicare surtax on investment income over certain thresholds and the new 0.9% Medicare surtax on earnings over the same thresholds became effective on January 1, 2013.
- Personal exemptions and itemized deductions begin to phase out at incomes over \$250,000 and there is a new higher income tax rate (39.6%) beginning with incomes exceeding \$400,000.
- There is also a new capital gain rate of 20% for higher income taxpayers.

Estimated Tax Payments for 2013

Special rules apply to the payment of estimated taxes by qualified orchard growers and farmers. If estimated payments are required, farmers and orchard growers may make just one payment for 2013 by January 15, 2014. In addition, only two-thirds of farmer's 2013 total tax liability or 100% of the prior year's tax must be paid to avoid underpayment of estimated tax penalties. Farmers can also file their returns by March 3, 2014 and pay any tax due by that date to avoid any underpayment of estimated tax penalties. **If you are subject to the 3.8% or 0.9% Medicare surtax in 2013 you need to include these surtaxes in calculating your required estimated tax payment for 2013.**

Income Averaging

Farmers and orchard growers can reduce their 2013 federal taxes by use of income averaging, a tax benefit that is not available to most other taxpayers. This technique deserves special attention in 2013 due to the higher regular and capital gain tax rates in effect for 2013 on upper income taxpayers. Also, prior elections such as income deferral and prepaid expense deductions may have pushed additional income into 2013. Income averaging can be applied to almost any farm related income except gain from the sale of land. However, averaging will not avoid the 3.8% or 0.9% surtaxes or the personal exemption or itemized deduction phase-outs. Income averaging involves the use of the prior three years marginal tax rates. Thus, if any of the prior year's marginal rates are at their highest, you may be able to lower these rates by amending prior year returns to claim additional Section 179 deductions or using averaging on one or more of the prior year returns. Discuss amended returns and any other possible adjustments with your tax advisor.

Section 179 Expensing

Farmers should take a hard look at Section 179 expensing in 2013 as the expense limitation and phase-out range drastically reduce in 2014. The 2013 expense limitation is \$500,000, but reduces to \$25,000 in 2014. The phase-out range in 2013 is \$2 million to \$2.5 million, and in 2014 the limit reduces to \$125,000 to \$150,000. The possibility exists that Congress could amend the law in 2014, but there is no guarantee that it will happen.

Section 179 permits taxpayers to expense the cost of qualifying property placed in service during the year, subject to the limitations, in lieu of claiming depreciation. The limits apply on a fiscal year basis, thus a taxpayer with a year ending November 30, 2013 is eligible for \$500,000 of expensing for the fiscal year beginning December 1, 2013 and ending November 30, 2014. As mentioned earlier, retroactive adjustments can be made through the process of amended returns. Section 179 expensing cannot exceed aggregate business taxable income. There are several limitations to the amount of Section 179 expense that can be claimed on certain vehicles. However, the deduction is unlimited for a large pickup truck with a weight rating of over

6,000 pounds and an open cargo area of at least six feet in interior length.

Some examples of farm assets eligible for Section 179 deduction are:

- Farm machinery, equipment, and fences
- Water wells and drainage facilities
- Single purpose ag structures and grain bins
- Dairy or breeding cattle
- Tractors
- Refrigerated storage units and controlled atmosphere storage
- Office furniture and fixtures including computers and copiers
- Vines and orchards
- Milking parlors

50% Bonus Depreciation

50% Bonus Depreciation will sunset on December 31, 2013, unless Congress acts to retain it. To qualify, the property must be new and have a recovery period of 20-years or less, which includes general purpose farm buildings such as sheds and machine shops as well as most other farm equipment.

- For new assets acquired by trade, both the boot and any additional tax basis of the trade-in asset qualify for 50 % Bonus Depreciation.
- Consider using Section 179 deductions on assets ineligible for Bonus Depreciation such as used equipment. If more depreciation can be claimed than needed, 50% Bonus Depreciation should be claimed first, as Section 179 deductions can be claimed later by use of amended returns, bonus depreciation is a “use it or lose it” deduction.
- A taxpayer can elect to decline the use of the 50% Bonus Depreciation provision.

Summary

This article summarizes the new taxes, new rates and other changes affecting your 2013 taxes. Tax planning and tax return preparation for 2013 will be more complex and more time consuming due to the new taxes and changes. The sooner you get your information to your tax advisor, the better the end result. Remember, if you need more time and file an extension, the extension is for filing only and all taxes due must be paid in full by April 15, 2014 to avoid late payment penalties.

For more information on this topic and other tax planning for farming, please contact me at (863) 640-2008 or Tom@beasleybryantcpa.com and /or Ryan Beasley at (863) 646-1373 or Ryan@beasleybryantcpa.com.