

Citrus Notes



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 for
 Polk &
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 Counties

IMPORTANT DATES

AUGUST 17 - 18, 2016

CITRUS EXPO

Lee Civic Center
 11831 Bayshore Rd
 North Ft. Myers, FL 33917

SEPTEMBER 13, 2016

CITRUS OJ BREAK

10:00 a.m. to Noon
 Stuart Conference Center
 1710 US Hwy 17 S.
 Bartow, FL 33830

OCTOBER 11, 2016

CITRUS NUTRITION DAY

UF/IFAS Citrus Research and
 Education Center
 Lake Alfred, FL 33850

CONTACT INFO

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 Bartow, FL 33831
 (863) 519-1052
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25th Anniversary of Citrus Expo



This year will mark the 25th anniversary of Citrus Expo.

This year the Expo will be held August 17-18, 2016, at the Lee Civic Center in North Ft. Myers. The Civic Center is located at 11831 Bayshore Road, North Ft. Myers. Online registration can be accessed at the following link: <http://citrusexpo.net/registration/grower-registration/>. This registration link can be used through August 10, 2016.

A copy of the Expo program can be found at the following web site: <http://citrusexpo.net/program/>. As in the past the UF/IFAS, Citrus Research and Education Center will have a booth where you can find all of the latest citrus research and extension information. If you get the chance, stop by and check us out.

Cost of Citrus Production Survey

In the last issue of "Citrus Notes", in one of the side bars was a listing of new citrus economic publications. Dr. Ariel Singerman, Extension Economist, has asked that growers please take a few minutes to fill out the attached cost of production survey. The survey can be returned to Dr. Singerman by email at: singerman@ufl.edu or by USPS to Dr. Ariel Singerman, 700 Experiment Station Road, Lake Alfred, FL 33850.

Polk County

Citrus OJ Break

We will be holding a Grower OJ Break on Tuesday, September 13, 2016, from 10:00 a.m. through lunch at the Stuart Conference Center in Bartow. The Conference Center is located at 1710 US Hwy 17 S in Bartow. We will have more specifics, along with speaker information, in our September issue of "Citrus Notes".

Annual

Citrus Nutrition Day

The Annual UF/IFAS Citrus Nutrition Day will be held at the Citrus Research and Education Center on Tuesday, October 11, 2016. This will also mark the beginning of the Ridge Citrus Production School. The finer details about both programs will be forthcoming in future issues of the "Citrus Notes".

The Production School will be held every Tuesday morning beginning October 18th running through November 29, 2016. The sessions will be held at the UF/IFAS Citrus Research and Education Center. General topic areas include: citrus pathology, handling and processing, economics, entomology, horticulture, varieties, rootstocks alternative crops and soil and water science.

The Foundation for the Gator Nation

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LIGHTNING:

LIVING IN CENTRAL FLORIDA

The following information comes from the National Weather Service (NWS) Melbourne, FL. It is estimated that there is one lightning casualty for every 86,000 lightning flashes in the United States using data from the National Lightning Detection Network. The casualty rate for the entire United States was 7.7 per million people, per 100 million lightning flashes. In lightning alley, a corridor from Tampa Bay to Titusville, FL receives the most lightning on an annual basis of any place in the United States with 27 to over 33 flashes per square mile, per year.

Data collected by Vaisala Inc. as measured by the National Lightning Detection Network ranks Florida as the number one state in cloud to ground lightning flash density. From 2006 to 2015 on average there were 1,192,724 lightning flashes per year. Flash density per square mile over this period was a nation leading 20.8 flashes. The top 5 states in flash density were Louisiana, Mississippi, Arkansas and Oklahoma.



Lightning Safety

When Working Outdoors

The following information is taken from the OSHA FactSheet titled “Lightning Safety When Working Outdoors”. It is an excerpt dealing with the undesirable situation of being caught outside during a thunderstorm.

“If you find yourself caught outside during a thunderstorm, there may be nothing you can do to prevent being struck by lightning. There simply is no safe place outside in a thunderstorm. This is why it is very important to get to a safe place at the first signs of a thunderstorm. If you are caught outside follow NOAA’s recommendations to decrease the risk of being struck.

- ◆ Lightning is likely to strike the tallest objects in a given area - you should not be the tallest object.

- ◆ Avoid isolated tall trees, hilltops, utility poles, cell phone towers, cranes, large equipment, ladders, scaffolding, or rooftops.

- ◆ Avoid open areas, such as fields. Never lie flat on the ground.

- ◆ Retreat to dense areas of smaller trees that are surrounded by larger trees, or retreat to low-lying areas (e.g., valleys, ditches) but watch for flooding.

- ◆ Avoid water, and immediately get out of and away from bodies of water (e.g., pools, lakes). Water does not

attract lightning, but it is an excellent conductor of electricity. For boating safety see [NOAA PA 200252](#).

- ◆ Avoid wiring, plumbing, and fencing. Lightning can travel long distances through metal, which is an excellent conductor of electricity. Stay away from all metal objects, equipment, and surfaces that can conduct electricity.

- ◆ Do not shelter in sheds, pavilions, tents, or covered porches as they do not provide adequate protection from lightning.

- ◆ Seek fully-enclosed, substantial buildings with wiring and plumbing. In modern buildings, the *interior* wiring and plumbing will act as an earth ground. A building is a safe shelter as long as you are not in contact with anything that can conduct electricity (e.g., electrical equipment or cords, plumbing fixtures, corded phones). Do not lean against concrete walls or floors (which may have metal bars inside).”

The document in its entirety can be viewed at the following website: http://www.lightningsafety.noaa.gov/resources/OSHA_FS-3863_Lightning_Safety_05-2016.pdf. The FactSheet contains additional information on lightning safety, reducing lightning hazards, emergency action plans, lightning safety training and warning systems.

Myths & Facts

About Lightning

Myth: If you're caught outside during a thunderstorm, you should crouch down to reduce your risk of being struck.

Fact: Crouching doesn't make you any safer outdoors. Run to a substantial building or hard topped vehicle. If you are too far to run to one of these options, you have no good alternative. You are NOT safe anywhere outdoors. See our [safety page](#) for tips that may slightly reduce your risk.

Myth: Lightning never strikes the same place twice.

Fact: Lightning often strikes the same place repeatedly, especially if it's a tall, pointy, isolated object. The Empire State Building is hit nearly 100 times a year.

Myth: If it's not raining or there aren't clouds overhead, you're safe from lightning.

Fact: Lightning often strikes more than three miles from the center of the thunderstorm, far outside the rain or thunderstorm cloud. "Bolts from the blue" can strike 10-15 miles from the thunderstorm.

Myth: Rubber tires on a car protect you from lightning by insulating you from the ground.

Fact: Most cars are safe from lightning, but it is the metal roof and metal sides that protect you, NOT the rubber tires. Remember, convertibles, motorcycles, bicycles, open-shelled outdoor recreational vehicles and cars with fiberglass shells offer no protection from lightning. When lightning strikes a vehicle, it goes through the metal frame into the ground. Don't lean on doors during a thunderstorm.

Myth: A lightning victim is electrified. If you touch them, you'll be electrocuted.

Fact: The human body does not store electricity. It is perfectly safe to touch a lightning victim to give them first aid. This is the most chilling of lightning Myths. Imagine if someone died because people were afraid to give CPR!

Myth: If outside in a thunderstorm, you should seek shelter under a tree to stay dry.

Fact: Being underneath a tree is the second leading cause of lightning casualties. Better to get wet than fried!

Myth: If you are in a house, you are 100% safe from lightning.

Fact: A house is a safe place to be during a thunderstorm as long as you avoid anything that conducts electricity. This means staying off corded phones, electrical appliances, wires, TV cables, computers, plumbing, metal doors and windows. Windows are hazardous for two reasons: wind generated during a thunderstorm can blow objects into the window, breaking it and causing glass to shatter and second, in older homes, in rare instances, lightning can come in cracks in the sides of windows.

Myth: If thunderstorms threaten while you are outside playing a game, it is okay to finish it before seeking shelter.

Fact: Many lightning casualties occur because people do not seek shelter soon enough. No game is worth death or life-long injuries. Seek proper shelter immediately if you hear thunder. Adults are responsible for the safety of children.

Myth: Structures with metal, or metal on the body (jewelry, cell phones, Mp3 players, watches, etc), attract lightning.

Fact: Height, pointy shape, and isolation are the dominant factors controlling where a lightning bolt will strike. The presence of metal makes absolutely no difference on where lightning strikes. Mountains are made of stone but get struck by lightning many times a year. When lightning threatens, take proper protective action immediately by seeking a safe shelter don't waste time removing metal. While metal does not attract lightning, it does conduct it so stay away from metal fences, railing, bleachers, etc.

This information is taken from the National Weather Service, National Oceanic and Atmospheric Administration website: <http://www.lightningsafety.noaa.gov/myths.shtml>

Agricultural Tax Planning

Family Members Employed in Agricultural Businesses (By Thomas J. Bryant CPA & Ryan Beasley CPA)

This month's article will discuss the tax benefits related to hiring family members to work on the family farm or grove. Some of these benefits are only available to those operating as single proprietors. This fact highlights that the legal form you choose for your operations makes a tax difference. We will cover some of the other types of entities in future articles.

Groves and farms are generally passed on from generation to generation. Many are family owned and operated as single proprietorships. Children stay on the farm; take over operations, and finally ownership. There is a period of time however, when the parents are running the grove or farm, but the children are old enough to work and contribute to its success. Farmers and grove operators can turn high-taxed income into tax-free income or lower-taxed income by employing their children. Additionally, there are certain payroll tax benefits available to parents employing children in a family business if operating as a single proprietor.

Income Taxes - Employed Children

The child's work must be legitimate and the amount of compensation must be reasonable and customary for the wages paid to be deductible. The "kiddie tax" does not apply to earned income and is briefly discussed later in this article.

As an example, consider a grove owner whose taxable income puts him in the 28% tax bracket. He can save \$1,764 ($\$6,300 \times 28\%$) in federal income taxes by hiring his 16 year old son to work part time during the school year and fulltime in the summer, at no tax cost to his son. The \$6,300 the grove owner pays his son is the standard deduction for a single person (for 2016) and if his son has no other income, there is no tax. The father

can save even more tax overall (total tax paid by all family members) by paying his son a greater amount as long as the child's earnings above \$6,300 are subject to tax at a lower rate than his. In addition, if the owner in the above example operates as a proprietorship, the child's earned income is exempt from FICA, Medicare and FUTA (employment taxes) if the child is under age 18. This would result in additional tax savings on the total family's income. If you are operating the grove as a corporation or partnership, employment taxes will apply to wages paid to your child. However, you still have the benefit of a deduction and the money paid to your child will most likely be taxed at an overall lower rate.

Additionally, in some high income situations it may be beneficial for the parent to decline the dependency deduction of a student-child so that the child is eligible to claim either the American Opportunity Tax Credit (AOTC), maximum tax credit of \$2,500; or the Lifetime Learning Credit. The election to forgo the child's dependency exemption may not be detrimental to parents who face the phase-out of personal exemptions. The Personal Exemption Phase-Out for 2016 for married filing jointly is estimated to begin at \$311,300. Parents and grandparents can also sponsor a child participating in a 4H or FFA project.

The Kiddie Tax

I have mentioned the kiddie tax in this article. In very general terms the kiddie tax rules prevent parents and grandparents from transferring funds and other passive income producing property to their children or grandchildren to save tax dollars. Interest, dividends and capital gains on a child's return over \$2,100 are generally taxed at the parent's tax rate. The Kiddie tax rule now applies to children under the age of 19 and full-time college students under the age of 24.

(continued on page 5)

GROWER REMINDER: NOW IS THE TIME TO TAKE THE BACTERICIDE SURVEY!

Citrus grower participation is still needed for the bactericide survey developed by the Citrus Research and Development Foundation and administered by AgNet Media. Even if you are a citrus grower who is *not* using bactericide products at this time, your participation is requested.

The purpose of the survey is to collect data and gain a better understanding of how growers are using streptomycin and oxytetracycline to manage HLB. Survey results will be shared during the [Citrus Expo](#) seminar program, "Now Is the Time," on August 17-18 at the Lee Civic Center in North Fort Myers.

The survey is brief and completely anonymous. It can be found online at <http://citrusexpo.net/2016-survey/>. Completed surveys are due by **August 5, 2016**.

For growers who do not have internet access, a printed copy of the survey is available in the June 2016 and July 2016 issues of *Citrus Industry* magazine. Call 352-671-1909 if you need a copy. The surveys should be completed and returned to AgNet Media by fax (888-957-2226) or mail (5700 SW 34th Street, Suite 1307A, Gainesville, FL 32608).

NATIONAL WEATHER SERVICE: CLIMATE PREDICTION CENTER

The official climate forecasts are available from the National Weather Service. The three month outlooks predict the following conditions for our area:

For July/August/September there is a greater than 50% probability that air temperatures will average above normal. During the same period there is a 33% probability that rainfall will be above normal.

This same trend in probabilities for air temperature and rainfall continue for the following three month period of August/September/October.

During September/October/November there is a 40 to 50% probability that temperatures will be above normal. Rainfall is predicted to be near normal.

In the October/November/December period, the probability of air temperature being above normal is 40 to 50% and the probability of rainfall being below normal is 33 to 40%.

In November/December/January the probability of air temperature being above normal is 33 to 40% and the probability of below average rainfall is 40%.

Looks to be warm and dry into the late fall and winter.

Family Members Employed in Agricultural Businesses (from page 4) Spousal Employment

Proprietors of family groves and farms may also employ spouses in addition to children. Some advantages of employing spouses are:

1. The employment of a spouse can allow the employer-proprietorship to provide tax free fringe benefits, such as medical insurance etc. that are fully deductible for income tax and SE tax purposes.
2. Also, wages paid to a spouse, combined with an optional SE election, can create earned income and qualify taxpayers with a loss on Schedule F for the earned income credit (EIC).

Agricultural Noncash Wages

FICA wages by regulation do not include remunerations paid in any form other than cash for agricultural employees. As an example, the compensation via the transfer of ownership of fruits or vegetables is not subject to employment taxes. Hence, spouses as well as children can be paid in a medium other than cash. There are potential negative impacts such as limitations on the deductibility of any carrying or storage cost of the fruits or vegetables and the potential of producing capital losses since some form of risk of loss is always present. The IRS has issued guidelines for the proper reporting and treatment of noncash wages to be exempt from FICA tax which are complicated. However, with careful planning some payroll tax reduction may be realized using noncash wages for agricultural employees.

Summary

The IRS has specific rules and regulations in place for reporting and treatment of wages paid to family

employees. This should not be confused with a simple allowance paid to a child for household or minor farm chores where there is no tax consequence. When family members are hired as employees the proper rules must be followed in order to realize tax benefits. This article reviewed some of the major guidelines for reporting and treatment of employing family members, but it is not to be considered as an explanation or interpretation of the IRS rules and regulations on this subject. If you are employing family members to work on the family farm, be sure your tax professional is fully aware that you as a proprietor are doing so.

For 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. Please visit our website at www.beasleybryantcpa.com for information on other relevant topics.

We at Beasley, Bryant & Company, CPAs, P. A. are experienced in agricultural business problems, tax issues or concerns, and are here to help you. Thomas J. Bryant, CPA is Senior Tax Partner, and Ryan Beasley, CPA is Tax & Business Management Partner; Beasley, Bryant & Company, CPAs, P. A., Lakeland, Florida (863) 646-1373.

BASF Receives Approval for Priaxor Fungicide

BASF recently received (7/7/16) State of Florida registration for the use of Priaxor fungicide for use on citrus. The fungicide is a combination of Headline and fluxapyroxad and has a label for all citrus fruit for control of all of our major foliar and fruit fungal diseases. It contains Headline and as strobilurin the amount of active ingredient applied in any calendar year is limited by the label.

2015/16 Central Florida (Ridge) Processed Oranges Cost of Production Survey

Please enter all estimates below on a **per acre** basis for a “*typical*” irrigated mature grove (10+ years old).

Tree density per acre: _____ Total acres your operation manages: _____

Program	Annual Materials Cost per Acre	Single Application Cost per Acre		Annual Number of Applications per Acre*	
		Ground	Aerial	Ground	Aerial
Mechanical Mowing					
Chemical Mowing					
Herbicide					
Fungicide		Ground	Aerial	Ground	Aerial
Foliar Nutritional					
Insecticide					
CHMAs sprays		Ground	Aerial	Ground	Aerial
Ground/dry Fertilizer					
Fertigation/liquid fertilizer					
Hedging and Topping					
Chop/Mow Brush					

*If applicable, this refers to spraying every middle (as opposed to every other middle)

Irrigation. Include all of the following:	Annual Cost per Acre
Fuel/electricity for pump	
Travel set-up cost (Start/Stop pump) Maintenance and repairs (pump and emitters)	

Item	Annual Cost per Acre
Management Costs (office staff, supervising, etc.)	

Tree replacement	Trees Per Acre
Annual number of trees removed	
Annual number of trees reset	
For resetting:	Cost per Tree
Tree removal (Clip-shear; use front-end loader)	
Site preparation (disk; rotovate)	
Planting (cost of tree + plant and watering)	
Young tree care years 1 thru 3 (e.g.: neonicotinoids, fertilizer, labor)	
For HLB:	Cost per Tree
Thermotherapy	
Specify any other treatment:	