

# Citrus Notes

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(813) 744-5519, Ext. 131**September  
2011****Inside this Issue:**

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Vol. 11-08

*Dear Growers,*

*We are back in full swing with multiple citrus education opportunities occurring over the next couple of months. Next week we will be holding our September Hillsborough County Citrus Roundtable meeting in Balm. Then, in October, our Polk County OJ Break meeting to be held here in Bartow. In November we will be holding our Annual Citrus Employee Safety Training and Tractor Rodeo on Thursday, November 10<sup>th</sup> and on Tuesday, November 15<sup>th</sup> there will be a Citrus Field Day at the Citrus Research and Education Center in Lake Alfred. We have a new "Tax Notes" article in this issue dealing with income averaging. The video presentations are now available online from the 2011 Florida Citrus Growers' Institute which was held in Avon Park last April, along with the "Pesticide News and Information" section.*

*Enjoy the issue,*Chris Oswalt  
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Polk/Hillsborough Counties  
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Bartow, FL 33831-9005



***Hillsborough  
County September  
Citrus Roundtable***

Our September Citrus Roundtable will be held at the Gulf Coast Research and Education Center at 14625 CR 672 in Balm on Wednesday, September 7, 2011. The Roundtable will begin at 10:00 a.m. and last about an hour. This month Dr. Ron Brlansky, Research Citrus Pathologist, from the Citrus Research and Education Center in Lake Alfred will be our speaker. Dr. Brlansky has been working with Dr. Bob Rouse on examining the phloem of citrus trees affected with Huanglongbing (HLB). They have seen some very interesting results within the phloem of symptomatic citrus trees on an enhanced nutrition program.

I'll bring a few donuts, some orange juice and a little coffee for the Roundtable. Hope to see you all on the 7<sup>th</sup>.

***Polk  
County  
October  
OJ  
Break***



Our October 2011 Polk County OJ Break will be held in Bartow at the Stuart Conference Center, 1710 Highway 17 South on Thursday October 13, 2011. We will begin at 9:00 a.m. and conclude with lunch.

The topics for this OJ Break will be on citrus nutrition and HLB. Speakers for the program will be Dr. Ron Brlansky, Dr. Tim Spann and Dr. Arnold Schumann from the Citrus research and Education Center in Lake Alfred and Dr. Bob Rouse from the Southwest Re-

search and Education Center in Immokalee. They will be covering the latest information related to the affect of enhanced foliar nutritional on HLB symptomatic trees.

Since we will be providing lunch, after the presentations, we need to have you preregister for the program. You can preregister by calling Gail at 863-519-8677 ext. 111 or you can email me with the with the names at [wcoswalt@ufl.edu](mailto:wcoswalt@ufl.edu).



***Citrus Field  
Day at the  
Citrus Research  
and Education  
Center***

Enclosed or attached you will find an announcement and registration form for a Citrus Research and Education Center Field Day to be begin in Lake Alfred. The Field Day will be held on Tuesday, November 15, 2011, and will include stops at an Advance Citrus Production System (ACPS) grove and then on to a New Citrus Rootstock Evaluation trial. The Field Day is limited to 200 participants, so don't delay registering if you plan to attend.

***Agricultural Tax Planning  
Income Averaging - A Tax Tool for  
Farmers***

*(Author: Thomas J. Bryant, CPA is Tax Partner, Beasley, Bryant & Company, CPA's, P.A., Lakeland, Florida)*

**General.** Individuals engaged in farming are permitted to elect **income averaging** under IRC, Section 1301. Current year income is averaged over the prior three years to obtain the benefit of lower income tax rates as a result of the farmer's lower income in the earlier years. Corporations, partnerships, S cor-

porations, estates and trusts are not permitted to use farm income averaging. Conversely, an individual engaged in farming as a partner in a partnership, or shareholder in an S corporation may use income averaging. Income from a fishing business is also eligible for averaging.

**Farming business.** Farming business includes the cultivating of land or raising of crops or animals. More specifically, this includes:

1. Operating a sod farm or nursery.
2. Raising or harvesting of trees bearing fruits, nuts, or other crops including vineyards.
3. Raising ornamental trees (but not evergreen trees that are more than six years old when cut).
4. The raising, shearing, feeding, caring for, training and managing of animals.
5. Leasing land to a tenant engaged in farming, but only if the lease payments are based on a share of the tenant's production.

Farming business does not include contract harvesting of crops grown or raised by another or merely buying and reselling plants and animals grown or raised by another. However, a person who purchases crop "on the stump" is treated as a farmer.

**Elected farm income.** Elected farm income (EFI) is the amount of taxable income attributable to any farming business that is specifically elected by the farmer to be subject to the three year income averaging. Any portion of farming income may be designated as elected farm income for averaging purposes.

**Taxable farm income.** Taxable income from farming includes all income, gains, losses and deductions attributable to any farm business.

- Gains from land sales are **not** eligible, gains from the sale of farm

equipment and other personal property are eligible.

- Gains or losses from the sale of development rights, grazing rights or similar rights are **not** includible in EFI.
- Structures affixed to the land such as barns, bin systems, etc. are eligible for income averaging.
- Wages are not usually included in farm income for averaging, but wages received as a shareholder in an S corporation engaged in farming are includible.

The final regulations state that income based on a share of production from a tenant's farming business is eligible for averaging on the landlord's return, whether or not the landlord materially participates in the tenants farming business. However, to be eligible, a written crop share lease agreement must be executed before the tenant begins significant activities on the land. Fixed rent payments are not eligible.

All income or loss from farming must be netted together to determine overall farm taxable income. This overall amount represents the limit on the amount available for averaging. In addition, electable farm income from net capital gains cannot exceed total net capital gains.

EFI may include both ordinary and capital gain income. If this occurs, an equal portion of each type of income must be carried to each of the prior three years. As the flat 15% capital gain rate has been in effect since 2003, in many cases there is no advantage in averaging net capital gains unless averaging allows a current 15% capital gain rate to drop to a prior year 5% or 0% rate.

**Calculating the income averaging tax.** The tax imposed for the year averaging is elected is the sum of the tax for that year on income reduced by the amount of elected farm income, plus the increase in tax which would

have occurred if taxable income for each of the three prior tax years was increased by an amount equal to one-third of elected farm income.

Any adjustment to taxable income for a previous year, because of the elected farm income amount carried back to that tax year, must be taken into account for any subsequent averaging involving that year.

**Clarification of income averaging.** It is important to clarify that income averaging **does not** alter the actual taxable income or tax of any of the three base years. Averaging is not a “carryback” of current income to any of the base years, but rather a reference to the base year’s marginal income tax rates for the sole purpose of applying those rates to a portion of the current year’s taxable income. Thus, income averaging does not change any phase-outs or percentage limitations of the base year tax returns.

**Conclusion.** Income averaging may not be advantageous in all situations, but if current year farm income is significantly greater than in prior years, it is worth investigating.

For more information on income averaging and other tax planning for farming please contact me at (863) 640-2008 or [Tom@beasleybryantcpa.com](mailto:Tom@beasleybryantcpa.com).

For information on other relevant topics visit our website at [www.beasleybryantcpa.com](http://www.beasleybryantcpa.com). We at Beasley, Bryant & Company, CPA’s, P. A. are experienced in agricultural business problems, tax issues or concerns and are here to help you.

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

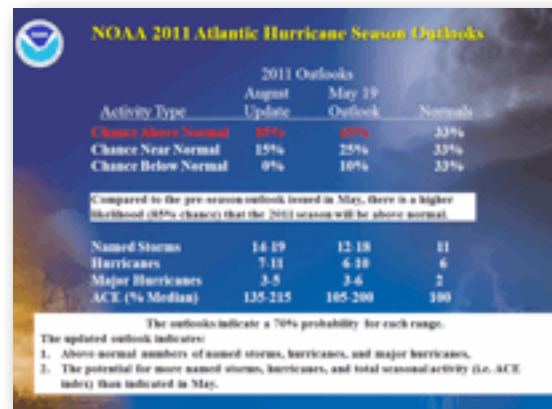
**2011 Florida  
Citrus Growers’  
Institute Now  
Available On-Line**



I have been remiss in not indicating that the presentations from the 2011 Florida Citrus Growers Institute are now available at the Citrus Agents website: <http://citrusagents.ifas.ufl.edu>

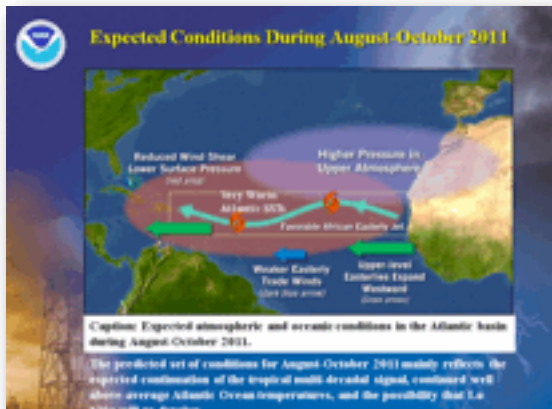
**2011 Updated Atlantic Hurricane Season Outlook: Summary**  
(From: National weather Service, Climate Prediction Center, August 4, 2011)

NOAA’s updated 2011 Atlantic Hurricane Season Outlook calls for an 85% chance of an above-normal season, and a 15% chance of a near-normal season. There is no expectation

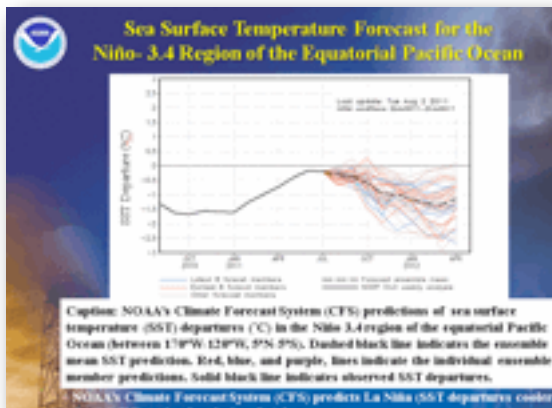


for a below-normal season. Therefore, 2011 is expected to become the twelfth above-normal season since 1995. This updated outlook reflects a higher likelihood of an above-normal season compared to the pre-season outlook issued in May, which indicated a 65% chance of an above-normal season. See NOAA definitions of above-, near-, and below-normal seasons. The Atlantic hurricane region includes the North Atlantic Ocean, the Caribbean Sea, and the Gulf of Mexico.

The higher confidence of an above-normal season is based on several factors. First, as predicted in May, conducive atmospheric and oceanic conditions are now in place over the tropical Atlantic Ocean and Caribbean Sea (called the Main Development Region-MDR). Second, these conditions are expected



to persist throughout the peak months (August-October) of the hurricane season in association with the tropical multi-decadal signal, which has contributed to the high activity era that began in 1995. Third sea-surface temperatures in the MDR are the third warmest on record, and models predict a con-



tinuation of very warm SSTs through the hurricane season. Fourth, there is a possibility of La Niña re-developing.

Historically, this combination of conditions produces an active Atlantic hurricane season.

In addition, several dynamical model forecasts of the number and strength of tropical cyclones indicate that an above normal season is likely.

The 2011 season is expected to be comparable to a number of active seasons since 1995. We estimate a 70% probability for each of the following ranges of activity during 2011:

- 14-19 Named Storms,
- 7-10 Hurricanes
- 3-5 Major Hurricanes
- An ACE range of 135%-215% of the 1981-2010 median.

The seasonal activity is expected to fall within these ranges in 7 out of 10 seasons with similar climate conditions and uncertainties to those expected this year. These ranges do not represent the total possible ranges of activity seen in past similar years.

The official NHC seasonal averages are 11 named storms, 6 hurricanes, and 2 major hurricanes.

Since the time of this update we have 11 named storms (9/1/11), so we have met the seasonal average for named storms.

### *Pesticide News and Information*



#### **Admire Pro Label for Foliar Applications**

The following comes from a Bayer CropScience press release regarding foliar application of Admire® Pro insecticide.

Dear Valued Customer,  
I am pleased to inform you of the latest step in the implementation of our Admire® Pro



brand strategy. Earlier this year we received EPA approval to incorporate the foliar uses of Provado® and Trimax® Pro to the Admire Pro label. We now have a published Admire Pro label that incorporates all of the soil and foliar uses that were once covered by three brands. With this accomplishment, it is our intention to phase out Provado this year once current BCS inventories are depleted. These actions should simplify your inventory management. Provado will continue to be included in our marketing programs until customer inventories are depleted. When ordering Admire Pro, 4 cases of Admire Pro is equivalent to 12 cases of Provado. I again thank you for your support of the Admire Pro and Provado brands and hope these changes to consolidate labeled uses will be beneficial to your business. Sincerely, Steve Olson  
Product Manager Bayer CropScience.

### **Rules for Single and Multiple Bulk Pesticide Tanks**

Pesticide applicators or buyers who purchase product in bulk tanks or containers should be aware of August 16, 2011, the effective date of changes to federal pesticide container regulations. Although this is a federal rule, the state agriculture departments will be responsible for inspections related to rule compliance. However, any enforcement actions will be handled by the EPA. End users of pesticides need to be aware of three major points: is the pesticide tank or container refillable or non-refillable? Who owns the tank? How should the empty pesticide tank or container be disposed of, handled, or recycled? Non-refillable tanks are also known as single-use tanks. Starting in August, the EPA will require this description to be listed on the pesticide label. Single-use or non-refillable tanks become the property of the pesticide purchaser who is responsible for the appropriate disposal of single-use containers. The side of the container will have a toll-free number for

recycling information. Refillable tanks or multiple-use tanks are not owned by the end user, but by the supplier. The refillable container is intended to be used and returned to the supplier. Again, the pesticide label will indicate if the product has been packaged into a refillable container and these will have one-way valves and/or tamper evident devices on all tank openings except for vents. The EPA requires these tamper evident devices or one-way valves to ensure the integrity of distributed pesticide products. (WisBusiness.com, 8/2/1).

### **Pesticide Labels from the EPA**

I could type a wisecrack right about now, but I'll leave this one alone. See below.....

EPA is releasing a new Pesticide Product Label System (PPLS) Web application. The PPLS is a collection of over 170,000 current and historical pesticide product labels that have been approved by EPA's Office of Pesticide Programs. This new version of PPLS contains many enhanced features to help users locate the labels they need. The new system will be able to search by product name, company name, and EPA registration number. Users can also view labels in PDF format, search label content, and see the history of products that have been transferred from one company to another <http://www.epa.gov/pesticides/ppls>. (EPA OPP Update, 7/29/11).

### **HLB in Jamaica**

A fast spreading outbreak of citrus greening disease (huanglongbing) on Jamaica has prompted its Ministry of Agriculture to close all citrus nurseries and ban sale of citrus plants until further notice. (IPMNet news #188, July-August, 2011).

# Citrus Research Field Day

## November 15, 2011

You are cordially invited to attend a field day hosted by the University of Florida-IFAS, Gapway Groves, and Oriee Lee



### PROGRAM HIGHLIGHTS

#### New Citrus Rootstock Evaluations

- Controlled release fertilizer
- Early fruit production/quality
- Tree size control



#### Advanced Citrus Production Systems with Open Hydroponics

- High Density planting
- Rootstocks
- Fertigation options and freeze protection
- Narrow tractor equipment, precision agriculture
- Economics

### SCHEDULE

Meet at the UF-IFAS-Citrus Research and Education Center, BHG Citrus Hall  
700 Experiment Station Road, Lake Alfred, Florida

Check-in begins at 7:30 am and buses will leave promptly at 8:15 am

A sponsored lunch will be provided at the conclusion of the field day.

Pre-  
registration  
required  
Limited to  
the first 200  
people



### REGISTRATION FORM

Please email, fax or mail the following information to : Jane Wilson, 700 Experiment Station Road, Lake Alfred, Florida 33850, [wilsonmj@ufl.edu](mailto:wilsonmj@ufl.edu), Phone: 863-956-8643 Fax: 863-956-4631

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

*Please register by Thursday, November 10<sup>th</sup>. Registration will be confirmed by email.*