



### Crop Update for August 28, 2014



The harvest season is upon us.

The season of meetings and events has come to a close and the focus has shifted to preparing for the harvest.

Events will be posted as they arise in the coming months.

Enjoy the last few weeks of summer!

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**Cornell University** 

## Business Management

Kevin Martin Penn State University, LERGP, Business Management Educator

### **Accelerated Depreciation**

YEAR	MAXIMUM DEDUCTION	DOLLAR LIMITATION
2013	\$500,000	\$2,000,000
2014	\$25,000	\$200,000

With the expiration of stimulus plan programs, included accelerated depreciation and bonus depreciation, tax planning has become an accounting and business-planning debacle. Currently tax law will limit accelerated depreciation to its smallest limits in recent years. Bonus deprecation does not even exist.

Limits on accelerated depreciation began to impact tax bills for some growers in 2013. The maximum amount of Section 179 depreciation has been reduced from \$500,000 to \$25,000. Further the total dollar limitation was reduced from \$2,000,000 to \$200,000.

When capital investment exceeds the total dollar limitation, the excess reduces the amount of the deduction. If a grower purchased a \$225,000 pull-type grape harvester the maximum Section 179 deduction would be reduced to \$0. If, on the other hand, a grower purchased \$200,000 worth of equipment the accelerated deduction would be capped at \$25,000.

Traditional depreciation averaged out tax bills, most of the time, over multiple years. However, with generous accelerated depreciation on the books for more than a decade, most growers do not have any traditional depreciation from 2005 - 2015 to offset the lack of accelerated depreciation.

A grower purchasing a grape harvester now has to plan for some serious cash flow challenges. Not just because that grower purchased a \$500,000 grape harvester, but also because that investment does nothing to offset income. From a cash flow perspective the grower feels as though the year was not at all profitable. The IRS begs to differ. The grower could easily face a tax bill in excess of \$100,000.

Complicating matters further, nobody actually believes Congress will let this happen. The underlying message has been, we'll never actually charge you this tax but we won't commit to a fix before the middle of November. The grower purchasing the harvester is not sure if his tax bill will be \$100,000 or \$0.

# **Cultural Practices**

Veraison is here... Kind of

This past week of sunshine and heat have helped the grapes move along. Here at the Portland sight verasion was called on August 27<sup>th</sup>. Although most Concord blocks have full color the phenology block in Fredonia has still not developed enough color to call verasion. The below averge temperatures earlier this month may have delayed our predicted verasion date of August 24<sup>th</sup>.

Now that most vineyards are at veraison it's time to dust off the refractometer and start sampling. For berry sampling tips go to: <u>http://nygpadmin.cce.cornell.edu/pdf/newsletter\_notes/pdf33\_pdf.pdf</u>



From 70 to 100 days after bloom (August 24<sup>th</sup> –September 24<sup>th</sup>) is an ideal time to look for signs of nutrient deficiencies in the foliage. To fully understand what is causing a deficiency you can take a petiole sample and see exactly what the vines are pulling up from the soil or test the soil. This past week we've had several growers bring both soil and petiole samples for testing. If you see symptoms and would like your petioles or soil tested, bring samples into the Cornell Lake Erie Research and Extension Laboratory (CLEREL) at 6592 West Main Road Portland, NY 14769. For information on how to collect petiole and or soils for testing go to http://lergp.cce.cornell.edu/submission.php?id=23.

The cost per sample is \$30.00 for petiole sample (bring in 50-100 petioles) and \$17.00 for soil samples (bring in 1.5 cups of dry soil).

# Weather Data

La	ke Erie Grap	e Regi	on NEWA	Weather Data	L
Location	Date	High (F)	Low (F)	Precip.Past days (in)	7 Precip. Aug.Total
North East Lab, PA	8/27/14	75	67	0	2.38
Harborcreek, PA	8/27/14	75	66	0	3.10
North East Escarpment	8/27/14	75	64	0	1.96
Ripley	8/27/14	75	70	0	2.21
Portland Route 5	8/27/14	76	68	0	3.12
Portland CLEREL	8/27/14	75	67	0	2.25
Portland Escarpment	8/27/14	74	64	0	2.68
Dunkirk	8/27/14	76	67	0	2.28
Silver Creek	8/27/14	77	68	0	2.67
Sheridan	8/27/14	76	65	NA	NA
Versailles	8/27/14	75	60	NA	NA
Appleton	8/27/14	76	64	0	1.21
Somerset	8/27/14	75	64	0.01	1.12
Appleton South	8/27/14	76	62	0.12	1.13
Note: All Weather data	reported as	of 8/6	5/2014	NA=Sensor Ma	lfunction

Note: All Weath	er data re	eported as	of 8	8/6/2014.	NA=Sensor	Malfunction
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DATE/YEAR	HIGH	LOW	DAILY PRECIP	GDDs	TOTAL APRIL GDDs	TOTAL JAN GDDs
Week of 8/6/2014	76.3	62.10	0.14	134.5	1674.5	1674.5
Week of 8/13/2014	76.9	62.90	0.13	139	1813.5	1813.5
Week of 8/20/2014	79.3	58.10	0.03	106.5	1920	1920
Week of 8/27/2014	79	64.6	0	152.5	2072.5	2072.5
Average(from 1964)	80.5	62.90	0.10	151.9	1443.7	1468.6
Aug Precip- Wk 1=.99" Wk 2= .90" Wk 3=.24" Wk 4= 0.0"						
Total Precip: May = 5.5" June = 5.05" July = 4.47"						

\*\*Avg data from 1964 correlates to most recent week.



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#### For Immediate Release: August 18, 2014

#### DEPARTMENT OF AGRICULTURE AND MARKETS ANNOUNCES ACTIONS TO ASSIST FARM WINERIES AFFECTED BY HARSH WINTER CONDITIONS

State Agriculture Commissioner Richard A. Ball today announced that, due to harsh winter weather conditions, actions have been taken to protect the state's farm wineries that were potentially impacted. At the second Wine, Beer, Spirits and Cider Summit, Governor Andrew M. Cuomo directed the state Department of Agriculture and Markets to work with partners to assess the damages incurred by the state's wine industry, and, should grape yields dictate, allow farm wineries to purchase grapes grown outside of New York State. As a result of the damage assessed in surveys conducted by Cornell Cooperative Extension (CCE), Commissioner Ball has issued a determination, pursuant to state law, allowing farm wineries to manufacture or sell wine from grapes grown outside of New York, as well as juice produced outside the state.

"The state's grape harvest is fast approaching and due to freezing temperatures that severely damaged plants throughout the state, there will be more demand than supply for New York grapes," said Commissioner Ball. "We need to give New York's world class farm wineries every tool possible to succeed this year, and this is a strong tool that can provide the industry with immediate assistance. I thank our friends at Cornell for assessing the damage on behalf of the wine industry."

Commissioner Ball continued, "I've heard stories from owners of wineries across the state. Some vineyards received little to no damage this winter, while neighbors just down the road were devastated. This declaration gives wineries the flexibility to adjust to their own unique situations."

Scott Osborn, President of Fox Run Vineyards in Penn Yan, said, "We experienced as much as 75 percent bud damage over the winter, as did many other growers who grow the same grapes that we do. There are only so many grapes out there in our region, and right now there are more buyers than there are grapes. This declaration will help us keep our wine production up so we can meet our obligations to our customers, including wine lovers and restaurants across the world. I'd like to thank the Governor and Commissioner Ball for their leadership and quick action on this matter."

By law, all wine produced by a New York farm winery must be made completely from grapes, fruits or agricultural products grown in New York State. Due to the harsh winter conditions, 15 grape varieties the state experienced over a 40 percent loss, putting heavy demand on the surviving grapes. State law allows the Commissioner of Agriculture and Markets to give authorization to a farm winery to manufacture or sell wine produced from grapes grown outside of New York if an investigation

shows that adverse weather conditions have destroyed no less than forty percent of a specific grape varietal grown or produced in the state. This is the first time such a declaration has been made in New York State since 2005 and applies to farm wineries statewide.

The combination of harsh winter temperatures, sustained cold, lack of snow cover, as well as alternating warmer and colder temperatures killed critical fruiting buds, vastly reducing 2014's grape yield. Vineyards also saw trunk damage, which would necessitate the need for an entire plant to be replaced. Grape varieties covered under this declaration include: Riesling, Cabernet Franc, Pinot Noir, Chardonnay, Gewürztraminer, Merlot, Pinot Gris, Cabernet Sauvignon, Lemberger, Syrah, Gamay Noir, Brianna, Frontenac, La Crescent, and Noiret.

Jim Trezise, President of the New York Wine and Grape Foundation, said, "Wine is farming first and foremost, and when we are affected by a major weather event like this past winter that significantly reduces the amount of certain grape varieties, it is vital for wineries to source products from other regions in order to maintain their presence in the marketplace. We hope and expect that next year will be more normal and this action will not be needed. In the meantime, we greatly appreciate Governor Cuomo and Commissioner Ball's initiative to help the New York wine industry in a very unusual situation."

Kathryn Boor, the Ronald P. Lynch Dean of Cornell University's College of Agriculture & Life Sciences, said, "The success of our vineyards and wineries are central to the economy of New York, and on behalf of the College of Agriculture and Life Sciences, I congratulate the hard work contributed by those completing this survey. This assessment has provided our state leadership with the information needed to implement fast action towards a remedy, and this declaration positions our growers and beverage entrepreneurs with the flexibility needed this year to foster their continued prosperity."

Dean Norton, New York Farm Bureau President, said, "While New York's quality grapes are always preferable, sometimes Mother Nature has other plans. We thank Governor Cuomo and Commissioner Ball for understanding the needs of this thriving agricultural sector. This action will help the affected wineries weather this bump in the road and keep New York's wine industry on the path towards continued economic growth."

State Liquor Authority Chairman Dennis Rosen said, "Since taking office, Governor Cuomo has worked to dramatically improve the business climate for the New York wine industry by modernizing archaic provisions of the law, reducing burdensome regulations, and opening new markets where products can be sold and sampled. The results speak for themselves, with ninety-five new farm wineries and twenty-seven new farm winery branch offices opening across the state since 2011. By issuing this declaration to help our wineries and grape growers recover from this year's harsh winter, this Administration is once again demonstrating its commitment to this vital, homegrown industry."

Pursuant to federal law, all wines will be appropriately labeled relevant to the origin of their grapes. In order for New York wines to be labeled New York wines, at least 75 percent of grape contents must have been grown in New York. It is too soon to know for sure whether or not New York wines will meet these labeling requirements.

An application for farm wineries, including eligibility criteria, is available at the following link:

#### http://www.agriculture.ny.gov/AP/Farm\_Winery\_Application.pdf

New York ranks third in wine and grape production. According to a recent study commissioned by the New York Wine and Grape Foundation, the full economic impact of New York grapes, grape juice and wine in 2012 was \$4.8 billion for New York State.

Since 2011, the number of farm wineries has risen by nearly 50% from 195 to 291 today. In addition, the number of farm wineries opening branch offices, authorized by legislation signed by Governor Cuomo in 2011, has increased by 97%, from 29 to 57, and the number of wineries has also increased, from 52 in 2011 to 76 today, for a total 46% growth.





Tim is on vacation. We will hear from him when he returns.

# From Erie County PA.

Andy Muza, Extension Educator, Erie County, PA Cooperative Extension

In the Vineyard (8-28-14) – Andy Muza

#### Grape Berry Moth – Eggs, Eggs, and more Eggs

For the majority of the NEWA sites (<u>http://newa.cornell.edu/index.php?page=berry-moth</u>) in our region, comments in the GBM Degree Day Model say that egg-laying should be reduced at this time. However, scouting at sites I checked indicates that substantial egg-laying has continued this week.

This Monday a total of 25 clusters were examined for GBM eggs at each of 8 High-Severe risk sites. Again this week, GBM eggs were found in border rows at **ALL** of the 8 Concord sites in Erie County, PA. The percentage of clusters with eggs **increased** at every site. Increases from last week ranged from 12 - 52%. The percentage of **clusters with GBM eggs** in border areas at these sites were: 16% (4/25 clusters), 48%, 52%, 64%, 72%, 92%, 96%, and 100%.

This should emphasize the importance of weekly scouting in each vineyard block. Your scouting information should be used in conjunction with the GBM Model predictions for making management decisions. Since this is a high pressure season and egg-laying is continuing, additional insecticide applications may be required to avoid excessive crop loss.

### It is important that you check the pesticide label for maximum rates/acre allowed per season and for preharvest intervals before making any applications.

**Honeyvine Milkweed** – observed in the trellis, vines flowering and seed pods developing. Check vineyards for this weed before harvest begins and remove from the trellis (see <u>LERGP Vineyard Notes</u>, Newsletter #4 - July 2014).

### 2014 Lake Erie Regional Grape Program Enrollment

Fees:	**This forn	n is for NY Growers ONLY- PA Growers call 814-825-0	900 to register
\$70.00	\$	<b>GRAPE Program</b> -Chautauqua county landowner (\$45.00 program fee, \$25.00 Chautauqua County Base	e Fee)
\$65.00	\$	<b>GRAPE Program-</b> Cattaraugus, Erie, NY or Niagara (\$45.00 program fee, \$20.00 County base fee)	Program fees do not include 2014 Cornell Guidelines for
\$100.00	\$	GRAPE Program -Out of Program Region Resident	Grapes
\$25.00	\$	2014 Cornell Guidelines for Grapes	
\$25.00	\$	Hardcopy mailing of Newsletters***	
Total	\$	(Please make check payable to LERGP)	
		nal work of Cornell Cooperative Extension in Niagara, Chautauqua and e and older shall have voting and nominating privileges to hold office in	0 1 1
( ) I am 18 y	ears of age or olde	r and signed	
()New	() Renewal		

Farm Name:		
Name:	Spouse's Name:	
Address:	City:	
State:	Zip Code	
Home phone:	Cell Phone :	

\*\*\*Due to budget constraints, all correspondence will be conducted through e-mail. Please provide your e-mail address below. If you would like to receive hardcopies, mark the \$25.00 additional fee line above and include with payment.\*\*\*

#### EMAIL ADDRESS

Please return form and payment to:

LERGP

6592 West Main Rd.

Portland NY 14769

Attn: Katie



Feel free to call w/ questions:

716-792-2800 Ext 201





LERGP Website Links of Interest:

Table for: Insecticides for use in NY and PA: http://lergp.cce.cornell.edu/submission.php?id=69&crumb=ipm|ipm

Crop Estimation and Thinning Table: http://nygpadmin.cce.cornell.edu/pdf/submission/pdf65\_pdf.pdf

Appellation Cornell Newsletter Index: http://grapesandwine.cals.cornell.edu/cals/grapesandwine/appellation-cornell/

Veraison to Harvest newsletters: http://grapesandwine.cals.cornell.edu/cals/grapesandwine/veraison-to-harvest/index.cfm

Go to http://lergp.cce.cornell.edu/ for a detailed calendar of events. Please remember to RSVP for those events that require one!



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This publication may contain pesticide recommendations. Changes in pesticide regulations occur constantly, and human errors are still possible. Some materials mentioned may not be registered in all states, may no longer be available, and some uses may no longer be legal. Questions concerning the legality and/or registration status for pesticide use should be directed to the appropriate extension agent or state regulatory agency. Read the label before applying any pesticide. Cornell and Penn State Cooperative Extensions, and their employees, assume no liability for the effectiveness or results of any chemicals for pesticide usage. No endorsements of products are made or implied.

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> THE LAKE ERIE REGIONAL GRAPE PROGRAM at CLEREL 6592 West Main Road Portland, NY 14769 716-792-2800



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