



## The Lake Erie Regional Grape Program



*happy new year*

**Crop Update January 12, 2018**

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Diversity and Inclusion are a part of Cornell University's heritage. We are a recognized employer and educator valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.



*Membership Enrollment is underway!  
Please contact your respective CCE  
office to enroll in LERGP.*

## *2018 Winter Grower Conference*

*Wednesday, March 14, 2018*

*William's Center*

*SUNY Fredonia Campus*

### **Register On-line!**

Use the registration form on page 3 or register on-line using the  
following link:

[https://lergp.cce.cornell.edu/event\\_preregistration.php?event=335](https://lergp.cce.cornell.edu/event_preregistration.php?event=335)

#### *Other dates of interest:*

*Wednesday, January 24- Farm Credit Meeting (see Tim's article in this issue for more  
information)*

*Location: CLEREL*

*Thursday, February 15- 9:00am- Reporting Session for Projects and Proposals*

*Location: CLEREL*

# LAKE ERIE REGIONAL GRAPE PROGRAM

## 2018 GRAPE GROWERS' CONFERENCE REGISTRATION FORM

SUNY Fredonia Williams Center

Wednesday, March 14, 2018

**Deadline for registration is Friday, March 2, 2018.**

Name (1<sup>st</sup> attendee) \_\_\_\_\_ \$ \_\_\_\_\_

Farm Name \_\_\_\_\_

Address, City, State, Zip Code \_\_\_\_\_

Phone \_\_\_\_\_ E-mail \_\_\_\_\_

Are you enrolled in Lake Erie Regional Grape Program (LERGP)? Yes \_\_\_\_\_ No \_\_\_\_\_

REGISTRATION FEES	
LERGP Member 1 <sup>st</sup> attendee	\$ 50.00
Additional attendee on same farm	\$ 40.00
Non- member	\$100.00

### Additional Attendees:

	\$
	\$
	\$
	\$
	\$

\*Please add a **\$25.00 late fee** for each reservation made after March 2, 2018

**TOTAL \$** \_\_\_\_\_

Please make check payable to **LERGP (Lake Erie Regional Grape Program)** and mail to: Kate Robinson  
*(US funds only)* LERGP  
 6592 W Main Rd  
 Portland NY 14769

Name \_\_\_\_\_ NY DEC/PA PDA NUMBER \_\_\_\_\_

Name \_\_\_\_\_ NY DEC/PA PDA NUMBER \_\_\_\_\_

Name \_\_\_\_\_ NY DEC/PA PDA NUMBER \_\_\_\_\_

<u>Date Ck. Rec'd</u>	<u>Amount</u>

Call Kate at 716-792-2800 ext 201 with any questions.

## *We have a new Viticulture Extension Specialist!*



LERGP is pleased to announce the addition of Jackie Dresser as the Viticulture Extension Specialist. Jackie is the newest member of a 4-person extension team, which assists area grape growers with the implementation of research-based information, in the areas of Integrated Pest Management (IPM), Business Management and Viticultural Production Practices in their vineyard operations. Jackie started on the research side of LERGP and brings her experience with spatial data analytics, GIS mapping and coordination of viticultural trials involving proximal sensing and variable rate management from her time spent as a research technician on the USDA/NIFA SCRI project “Efficient Vineyard”, a project headed up by Dr. Terry Bates, LERGP Research Viticulturalist.

Jackie was born and raised in the Finger Lakes region and apprenticed with a Land Surveying firm in Ithaca, NY from 2006 to 2012. She passed the first phase of NYS Professional Land Surveying Licensure exams after earning a Bachelor of Science Degree in Land Surveying Engineering Technology from Alfred State College. Working on surveying projects with Finger Lakes vineyard owners led to an opportunity to join the Finger Lakes wine industry, where she was involved in production and sales (both retail and wholesale). She also developed a vineyard-mapping program using proximal sensing to integrate Precision Viticulture technology into vineyard management. Jackie is delighted to be joining the LERGP extension team, and is looking forward to learning all she can about the Lake Erie juice and wine grape industry. Jackie sees crop estimation, at the vineyard level for growers and belt wide for processors, as a critical industry need that can provide the information necessary to make critical management decisions during the growing season.

# Business Management

Kevin Martin, Penn State University, LERGP, Business Management Educator

## Tax Reform for Grape Growers

Typically, we will leave the nitty gritty of taxes to the experts. Tax rates and specific deductions do not generally influence grape and agricultural strategy to a large degree. The recent tax reform was dramatic enough to warrant a look. At some stages during the process the reform looked to be even more dramatic, as far as the direct impact on grape growing was concerned. In particular, the focus on corporate tax rate deduction introduced the possibility of business organizations changing their tax status from pass-through to C-corp. For pass through entities grossing more than 250,000 in earned income, it might make sense to some income to pass through C-Corp tax treatment. As always, consult your tax advisor.

To begin with, a look at the corporate rate. There are a few growers operating as C-corps. If I had to wager a guess their taxes will increase. The corporate tax is now a flat 21%. While the maximum corporate tax rate used to be significantly higher, there were other rates for corporations with modest incomes. That has been replaced by a flat rate of 21%. The 15% marginal rate some farmers may have had has been eliminated.

Welch growers have heard a lot about DPAD. The deduction reduced taxable income by nearly \$8,000 per grower. A new deduction was passed to help replace DPAD for cooperative entities that will allow them to reduce their taxable income. This deduction will not pass through to growers and would not significantly benefit cooperatives that do not currently realize income.

The close of 2017 brought a flurry of tax related news. Many changes will impact all taxpayers in similar ways. A few provisions of tax reform will be unique to agriculture. Reform also impacted cooperatives and excise taxes, which result in both direct and indirect changes for grape growers. The 20% reduction in most pass-through income is the big headline change for the self-employed. This reduction impacts only earned income and the reduction does not apply to the amount paid on self-employment taxes.

Another important modification for individuals and pass-through entities is the restructuring of the individual tax brackets. Not all brackets were treated the same but overall, at least for a few years, most people will see a decrease in their marginal rate. It is not a sweeping reduction, so individual results will vary. See table 1 for details.

Rate	Individuals	Married Filing Jointly	Change from 2017
10%	Up to \$9,525	Up to \$19,050	Unchanged
12%	\$9,526 to \$38,700	\$19,051 to \$77,400	Reduced from 15%
22%	38,701 to \$82,500	\$77,401 to \$165,000	Reduced from 25%
24%	\$82,501 to \$157,500	\$165,001 to \$315,000	Reduced from 25% - 28%
32%	\$157,501 to \$200,000	\$315,001 to \$400,000	Changed from 28% - 33%
35%	\$200,001 to \$500,000	\$400,001 to \$600,000	Changed from 33% - 39.6%
37%	over \$500,000	over \$600,000	Reduced from 39.6%

Another big change is the standard deduction. The deduction available to taxpayers that do not itemize will nearly double as a result of tax reform. For many, this will be offset by cost of itemized deductions that have been reduced and eliminated. Again, individual results may vary. Many self-employed individuals, particularly in NY and PA, may find that the loss of deductions will more than offset the benefits of the standard deduction and rate reductions. This may be particularly true in moderate to high income situations.

For individuals that do not itemize, a typical grower might earn and pass-through \$125,000 of income from the farm to himself as personal income. The pass-through reduction would reduce that income to \$100,000. A standard deduction for a married couple would further reduce taxable income to \$76,000. Based on the new tax brackets the marginal rate for that grower would be 12%. The average tax rate, not counting self-employment taxes would be below 7%. Even with self-employment taxes, the tax rate for this individual will average less than 21%. For the large majority of grape growers (potentially all grape growers) it remains advantageous to continue to be taxed as a pass through entity rather than a C-Corp.

Since many of these changes are only temporary, perhaps we will revisit this in the years to come. In the meantime, enjoy (but do not abuse) even more accelerated depreciation.

## **NY Wine & Grape Foundation Wants Your Input On New Strategic Plan**

The New York Wine & Grape Foundation is collaborating with Farm Credit East consultants Nathan Rudgers and Gregg McConnell to complete a comprehensive strategic planning process for the organization. From these efforts, the Foundation hopes to learn more about critical issues facing the wine and grape community across WNYS, discover new and innovative ways to assist in dealing with them, and broaden outreach to the community and its supporters.

“The Wine & Grape Foundation is excited to partner with Farm Credit East because of their extensive background and credibility working with New York farmers, particularly the region’s wine and grape growers,” said Sam Filler, New York Wine & Grape Foundation. “The results of this effort will position us to best serve New York State’s growing wine and grape industry.”

The Farm Credit East consultant team tasked with this project will carry out 11 producer meetings across the state’s different grape growing regions to understand the strengths, weaknesses, opportunities and threats that New York’s wine and grape producers feel are facing their industry.

**Meetings in the Lake Erie Region will be held on January 24 in the CLEREL meeting room, 6592 West Main Road, Portland, NY 14769.**

**Juice Grape Grower session will be held from 9:00 – 11:30 AM**

**Winery session will be held from 1 – 3:30 PM.**

*Editor’s note: This is an excellent opportunity to come and provide input on what you feel the needs of the juice grape and wine industries in the Lake Erie region are. Do not pass up the chance to have your voice heard during this critical juncture of our industry.*

From the information garnered at these sessions, the Farm Credit East consultants will identify key elements to help refresh the mission and vision statements for the New York Wine & Grape Foundation going forward. The vision will position the Foundation to respond to the current research, policy and promotional needs of the wine, juice and grape industry. The consultants will also work with the New York Wine & Grape Foundation to develop goals and objectives that bring the vision to life.

“For more than 30 years, the New York Wine & Grape Foundation has done an effective job of promoting the interests of grape growers and wine production to drive growth in the state’s farm winery industry,” said Nathan Rudgers, Farm Credit East director of business development. “With new leadership in place, the board has wisely chosen to renew the Foundation’s commitment to the state’s grape growing and wine producing industry by engaging in this strategic planning effort.”

## **Your Opinion is Important!**

How many times have you heard that prior to someone asking you to participate in a survey? Well, I do not want to disappoint by not following up and offering you the chance to provide your input on the Network for Environment and Weather Applications (NEWA).

I know that surveys have become the bane of many people's existence but I will tell you that they are very important when it comes to writing grants and planning educational activities. A lot of the programming put on by the Lake Erie Regional Grape Program and the NYS IPM Program is possible due to funding through grants from external sources like the Lake Erie Processor group (National Grape, Constellation Brands and Walker's Fruit Basket) as well as, state and federal sources. These groups typically fund projects that address priorities developed by growers and members of the industry. That is why your input is so valuable. Please take a few minutes to fill out the 5-question survey found at the following link.

[NEWA Survey 2018](#)

I thank you in advance for your participation in the survey.

If you have any questions, please contact Tim Weigle at [thw4@cornell.edu](mailto:thw4@cornell.edu)





# INSURING GRAPES

NY, 2017

**Crop insurance** is a safety net for farmers that helps you **manage risk**. If you have a crop failure, crop insurance can help you farm again next year.

## Important Insurance Deadlines

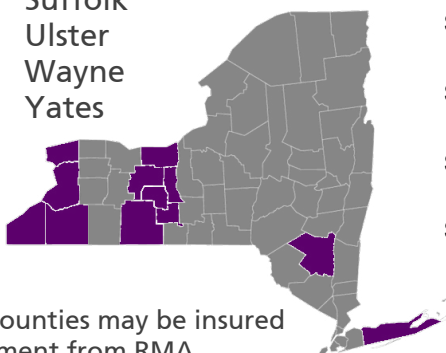
- **Aug. 15, 2017:** Premium Billing Date
- **Nov. 20, 2017:** Sales Closing, Policy Change, Cancellation, Termination Date
- **Nov. 20, 2017:** End of Insurance Period
- **Jan. 15, 2018:** Acreage / Production Report Date



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Erie  
Niagara  
Ontario  
Schuyler  
Seneca  
Steuben

Suffolk  
Ulster  
Wayne  
Yates



Grapes in other counties may be insured by written agreement from RMA

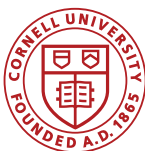
## NYS Grape Crop Insurance Performance



**for every \$1** grape producers spent on crop insurance premiums from 2012 to 2016, **they received \$2.07** in losses paid, on average

## Learn more & sign up:

Explore your personalized crop insurance costs and loss payments under different yield outcomes at [ag-analytics.org](http://ag-analytics.org). To sign up, contact a crop insurance agent. Find an agent using the Agent Locator tool at [rma.usda.gov/tools/agent.html](http://rma.usda.gov/tools/agent.html)



## PLEASE PARTICIPATE IN THE ONLINE NEWA SURVEY

**EDITORS NOTE:** NEWA provides weather and pest model information for a large number of commodities across an ever increasing number of states. It is important for grape growers in New York and Pennsylvania to provide your input into this survey so any improvements to the NEWA website are made with the grape industry in mind. While this is a busy time of year, I encourage you to take the 10 minutes out of your busy day to complete this survey.

The Network for Environment and Weather Applications (NEWA) wants you to take our online survey — it'll only take about 10 minutes of your time.

### Take the survey now:

[https://cornell.qualtrics.com/jfe/form/SV\\_0GRihOIDI5HwbR3](https://cornell.qualtrics.com/jfe/form/SV_0GRihOIDI5HwbR3)

Whether you've used NEWA's online pest forecast models for years or have never used NEWA at all, we will benefit from your responses. Why? Because we are building a new website at [newa.cornell.edu](http://newa.cornell.edu), one that'll be as easy to use on your smart phone as on your desktop, and we want to build it the way you want it to be.

NEWA is an online agricultural decision support system that uses real time weather data, streamed over the internet from 573 weather stations throughout the Northeast, Midwest and mid-Atlantic. NEWA provides insect and plant disease pest management tools, degree days, and weather information for growers, consultants, Extension educators, faculty, and others.

NEWA models and resources are available free of charge, and are used to make informed localized crop management decisions. The NEWA website will be upgraded soon and we want to know what users', new and old, want and need out of the new website.

All responses are anonymous and confidential and will not be shared with any outside group.

Thank you for participating!

### For more information:

Dan Olmstead  
315.787.2207  
[dlo6@cornell.edu](mailto:dlo6@cornell.edu)

NEWA Coordinator, New York State IPM Program  
Cornell University, NYSAES  
630 West North Street  
Geneva, NY 14456

NEWA is a Partnership of the New York State Integrated Pest Management Program and the Northeast Regional Climate Center.



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## LERGP Links of Interest:

Go to <http://lergp.cce.cornell.edu/> for a detailed calendar of events, registration, membership, and to view past and current Crop Updates and Newsletters.

LERGP Web-site:

<http://lergp.com/>

Cornell Lake Erie Research & Extension Laboratory Facebook page

<https://www.facebook.com/Cornell-Lake-Erie-Research-and-Extension-Laboratory-678754995584587/?fref=ts>

Efficient Vineyard Web-site:

<https://www.efficientvineyard.com/>

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](http://nygpadmin.cce.cornell.edu/pdf/submission/pdf65_pdf.pdf)

Appellation Cornell Newsletter Index:

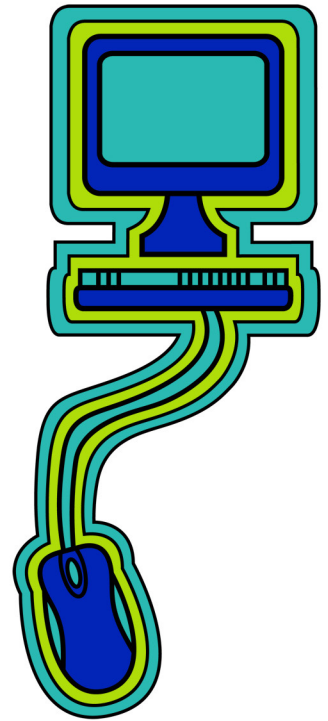
<http://grapesandwine.cals.cornell.edu/cals/grapesandwine/appellation-cornell/>

Veraison to Harvest newsletters:

<http://grapesandwine.cals.cornell.edu/cals/grapesandwine/veraison-to-harvest/index.cfm>

NEWA:

<http://newa.cornell.edu/>





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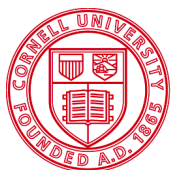
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Cornell University Cooperative Extension provides equal program and employment opportunities.

Contact the Lake Erie Regional Grape Program if you have any special needs such as visual, hearing or mobility impairments.

CCE does not endorse or recommend any specific product or service.

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