Tax credits for farmers, help for the hungry

By Miranda Hileman, Senior Extension Associate

A valuable tool in the fight against hunger in Kentucky, House Bill 141 was created to enable Kentucky food growers to receive tax credits for the donation of their edible agricultural products to nonprofit food programs serving Kentuckians. Kentucky taxpayers who donate these products are able to receive a credit against their state tax liability equal to 10 percent of the donated crop’s value.

House Bill 141 (HB 141) was signed by Governor Beshear under Senate Bill 1. Representative Tom McKee (D-Cynthiana), member of the General Assembly and Chairman of the House Agriculture Committee, introduced HB 141 in January 2013. The bill gained a lot of momentum during the 2013 legislative session, and 28 other representatives from both parties supported it. There is tremendous bipartisan support for the fight against hunger in Kentucky! HB 141 was combined with Senate Bill 1 during the last days of the 2013 legislative session.

Tina Garland, the Kentucky Department of Agriculture’s Farm to School coordinator, suggested the idea for this bill and brought Fred Nesler and Bill Wickliffe in to help. HB 141 was sponsored by the Kentucky Association of Food Banks and the Kentucky Horticulture Council, which began working on it during the summer of 2012. This tax credit provides an incentive for farmers to donate rather than disk under healthy food, and it will be a valuable tool in the fight against hunger in Kentucky.

A tax credit subtracts the value of the donated good directly.

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from the amount of taxes owed. It is different from a tax deduction, in that a deduction allows the taxpayer to subtract the value of the donated good from their income, thereby reducing the amount of income that is taxed. A tax credit results in greater savings to the taxpayer. If the credit allowed is greater than the amount of taxes owed, the excess can be carried over to reduce taxes owed for the following year, and for the next three years if necessary, until the credit has been exhausted. This edible agricultural product donation tax credit is separate from the deduction already allowed to taxpayers for general donations to charitable organizations. Growers can claim the tax credit for donations beginning in tax year 2014.

Example: a grower donates one truckload of 14-count broccoli to the local food bank. The wholesale value for broccoli is $12 per case, and a truckload contains 1,344 cases, making the value of the total donation $16,128. The grower receives a tax credit equal to 10 percent of the donation, which equals $1,612.80 (Figure 1). This means that the total amount of state taxes the grower owes for the year that the credit is claimed will be reduced by $1,612.80.

For more information, and to find out how you can help the Kentucky Association of Food Banks fight hunger, contact Tamara Sandberg at tamara@kafb.org or 859-358-6719. Schedule FD, the Kentucky State Tax Credit for Food Donations form, is available at: http://www.kafb.org/hunger/useful-links/

Figure 1.

<table>
<thead>
<tr>
<th>14-Count Broccoli Donated to Local Food Bank</th>
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<tbody>
<tr>
<td>Wholesale Value</td>
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<tr>
<td>Quantity Donated (1 truckload)</td>
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<tr>
<td>Total Value</td>
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<td>Tax Credit Allowed</td>
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Meet the specialist - John Strang

Dr. John Strang is an Extension Fruit and Vegetable Specialist, and a major portion of his program involves supplying county Extension agents and growers with current information and recommendations on the latest fruit and vegetable production and farmer-to-consumer marketing practices. He works closely with the Kentucky State Horticultural Society, the Kentucky Vegetable Growers Association, and the Kentucky Nut Growers Association. He spends a great deal of time making farm visits, conducting grower meetings, Master Gardener presentations, pruning and grafting workshops, writing Extension publications and producing the Fruit Facts newsletter. Dr. Strang cooperates closely with entomology and plant pathology specialists in planning commercial tree fruit programs that are held annually in grower orchards. He works with new fruit and vegetable growers, making site visits and providing production information to help them make informed decisions. His efforts also involve making arrangements and speaker contacts for the annual Kentucky Fruit and Vegetable Conference, which has grown to an attendance of more than 600.

Pest control is an essential part of fruit and vegetable production, and through a number of fruit listservs, timely insect and disease updates are emailed to growers. In cooperation with the Ag Weather Center, UK specialists have been adapting their apple, pear, peach and grape disease and insect predictive models to be more grower friendly, and to run on the automated Mesonet and National Weather Service weather stations across the state. This provides growers more localized pest predictive information, which enhances their disease and insect control. Dr. Strang coordinates the horticulture updates for the Midwest Tree Fruit Spray Guide, used by 10 Midwestern states, and cooperates in updating the Midwest Small Fruit and Grape Spray Guide.

Over the last several years, his applied research has focused on blackberry, blueberry, dwarf sour cherry, pea, eggplant, turnip, and bell pepper cultivar evaluations. Because direct marketing has become one of the primary outlets for Kentucky
growers, it is critical to have well-adapted, productive, excellent tasting, high-quality fruits and vegetables that encourage future consumer purchases.

**Center’s display makes its way to conferences in seven states**

*By Miranda Hileman and Christy Cassady*

We have been on the road in January and February, spreading the word about the Center for Crop Diversification and its resources throughout the region and beyond. Here’s a roundup of our travels:

**Kentucky Fruit & Vegetable Growers Meeting**
The ill-timed polar vortex kept attendance down, but 537 people still made their way to the annual meeting in Lexington. Last year, when the weather was more cooperative, attendance exceeded 600. Despite the lower numbers, the Center’s display drew a crowd. Numerous crop and marketing profiles were handed out to interested growers, many of whom added their names to our newsletter email list.

**Illinois Specialty Crops, Agritourism, and Organic Conference**
The 2014 Illinois Specialty Crops, Agritourism, and Organic Conference was held in Springfield January 8 – 10. The conference featured nearly 100 speakers on topics in agritourism, fruits, vegetables, herbs, organic foods, and emerging issues and opportunities. The trade show was full with 60 exhibitors! Miranda had a great time talking with Illinois folks and learning about their farming operations. The keynote speaker, Eliot Coleman, author, TV host and owner of a year-round market, kicked off the conference by speaking about how to create a thriving farm on a rocky peninsula. He was very inspirational!

**Southern SAWG Conference**
More than 1,000 enthusiastic producers, market managers, researchers, service providers and community food activists, representing 30 states and the Virgin Islands, joined together in Mobile, Alabama for the 23rd annual Southern Sustainable Agriculture Working Group’s (SSAWG) Conference. Topics covered ranged from food hubs to pastured poultry to Farm 2 School programming. The two-day trade show was full of great vendors, and we were busy both days. Put next year’s conference in Mobile on your calendar now: January 14 – 17, 2015.

**Ohio Produce Growers & Marketers Association Congress**
The Ohio Produce Growers and Marketers Association is an organization of produce growers and marketers whose goal is to produce exceptional quality crops, for consumers and processors, utilizing environmentally friendly practices. The 2014 OPGMA program, held in Sandusky, provided more than 40 educational sessions aimed at production problems and marketing challenges of Ohio’s fresh produce growers and marketers. The trade show was held over two days and featured approximately 80 vendors.

**Indiana Horticultural Congress**
Snow and sub-zero temperatures didn’t dampen the enthusiasm of Hoosier growers attending the Indiana Horticultural Congress January 21-23 in Indianapolis. The program featured presentations on agritourism, organic production, farmers markets and wine grapes, as well as numerous fruit and vegetable topics. It also included beginning apple grower and beginning vegetable grower workshops. The Center’s high tunnel and hops crop profiles were popular among visitors to the trade show.

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**Sampling at Kentucky Farmers Markets webinar set for Feb. 20**

The Center for Crop Diversification will host a webinar, Sampling at Kentucky Farmers Markets, on Thursday, February 20, from 2 – 3:15 p.m. Learn why sampling your food products at Kentucky farmers markets is increasingly important to your marketing plan. We’ll learn the basics of sampling safely, hear from a few producers, and talk about best practices to utilize while providing samples to your customers. To register, please contact Miranda Hileman at miranda.hileman@uky.edu or 859-218-4384. [Click here](#) for more information.
Tennessee Horticultural Expo
The Tennessee Horticultural Expo drew an enthusiastic group of growers to Nashville on January 30-February 1. The program included sessions on food safety, agritourism, wine and grapes, farmers markets, and a variety of fruit and vegetable topics. The keynote speaker was UK Agricultural Economics Extension Professor Steve Isaacs, a Tennessee native. Growers visiting the trade show were very interested in high tunnel production, sweet sorghum, cut flowers, and small fruits. The Center’s marketing profiles were also quite popular. Several Tennessee Extension agents who visited the trade show indicated they have already been using the Center’s resources in their programming.

Southern Region - ASHS Conference
Approximately 250 members of the Southern Region American Society of Horticultural Science met in Dallas, Texas to present posters and papers, attend commodity meetings, share presentations about new projects, and encourage networking. Two groups from the University of Kentucky were awarded with Extension Communication Awards: An IPM Scouting Guide for Common Problems of Cole Crops in Kentucky, by Tim Coolong (now with the University of Georgia), Ric Bessin and Kenneth Seebold; and The Midwest Blueberry Production Guide, collaborated on by 15 experts (seven from the University of Kentucky!). Miranda presented a poster outlining the Center’s activities and resources.

Coming up:
West Virginia Small Farm Conference
The 2014 Small Farm Conference is scheduled for February 27 – March 1 in Morgantown. This gathering of stakeholders in the future of local food and sustainable farming offers many types of trainings, production information and updates, and the opportunity to network and gather new ideas. Three pre-conference workshops include Better Process Control School, Good Agricultural Practices, and their Youth Entrepreneurship Competition. The conference officially begins on Friday, February 27th, with seven in-depth workshops. Friday and Saturday schedules feature almost 100 50-minute workshops on a wide variety of topics designed to address the nearly endless opportunities and associated challenges that farmers face. Visit http://smallfarmcenter.ext.wvu.edu/conference/schedule to see all the opportunities and to register.

Center’s first podcast online
The first of what will be many podcasts offered by the Center for Crop Diversification is now online. To hear Miranda Hileman interview Dr. Steve Isaacs about his experiences growing and marketing table grapes in Kentucky, go to http://video.ca.uky.edu/videos/video/999/

Links to additional podcasts will be added to the Center’s website in the near future.

Organic Association of KY Conference set for March 7-8
The Organic Association of Kentucky (OAK) will hold its 4th annual conference March 7-8 at the Berea College Alumni Building, 234 Scaffold Cane Road in Berea. Pre-conference tours will be held on March 6.

Program topics will include organic crops, pastured poultry, and organic livestock. The conference will feature registered dietician, writer and “Food Sleuth Radio” host Melinda Hemmelgarn. Conference registration is free with an OAK membership through Feb. 15. The cost is $25 for non-members, $10 for students and guests, and free for children under 18. Registrations postmarked after Feb. 15th will incur a $10 late registration fee, payable at the door. For more information, click here, or call or email Larry Brandenburg at (502) 640-0046 or ldblouisville@yahoo.com.

Organic Enterprise Budgets available for the Carolinas
Great new resource! The Carolina Farm Stewardship Association has just released 10 enterprise budgets for organic fruit and vegetable production specific to the Carolinas. These budgets are helpful tools for producers who are making decisions about what crops to grow, and how to al-
locate resources appropriately to reach their production goals. The budgets are for: watermelon, broccoli, tomato, sweetpotatoes, summer squash, spring greens, spring cucumber, spring cabbage, potatoes, and leaf lettuce. To access the budgets and instructions for using them, go to http://www.carolinafarmstewards.org/enterprise-budgets/

Vegetable Grafting Portal

Why would you graft a vegetable plant? It is important to graft vegetable plants in order to use genetics to overcome abiotic and biotic crop stress. In some systems and regions, grafted vegetable plants outperform their ungrafted counterparts in terms of vigor, stress tolerance and sometimes yield. The United States Department of Agriculture (USDA) and the National Institute of Food and Agriculture (NIFA) have created a Vegetable Grafting Portal to deliver current research-based information on the preparation, use, evaluation and purchase of grafted vegetable plants. Their goal is to assist the makers, distributors and users of grafted vegetable plants by providing current, research-based information that addresses specific obstacles to their success. Learn more about grafting and find out how to get grafted vegetable plants at http://www.vegetablegrafting.org/

Webinar for beginning farmer trainers

AgSquared and the National Incubator Farm Training Initiative invite you to participate in a webinar for beginning farmer trainers. This a great opportunity to learn about how AgSquared can help the farmers you work with develop their initial crop plans and keep better farm records, as well as the resources AgSquared can provide for teaching record keeping in your education programs or farm incubator program.

AgSquared (www.agsquared.com) is an online software package designed to help small farmers with their crop planning, farm management, and record keeping. AgSquared is based on the premise that better plans, streamlined management, and more complete records can help make farms more productive, more profitable, and more sustainable. The webinar will be held Tuesday, February 18, at 1 p.m. EST. To register, click here.

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Thanks for reading, and please contact Miranda at miranda.hileman@uky.edu if you are interested in subscribing to our online newsletter.

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