

# Northern Michigan FruitNet 2013

## Northwest Michigan Horticultural Research Center

### Weekly Update

January 29, 2013

#### CALENDAR OF EVENTS

##### **TREE FRUIT IRRIGATION/FERTIGATION/FROST 2013 WORKSHOPS**

Sponsors: Michigan Pomesters, Michigan State Horticulture Society, Trickl-Eez, MSUE

**Dates:** Feb. 4, 5, and 6

**Locations:**

Monday, 4th Trickl-Eez, 4266 Hollywood Road, St Joseph

Tuesday, 5th NWMHRC, 6686 S. Center Highway, Traverse City

Wednesday, 6th Mamrelund Lutheran Church, 4085 Lutheran Church Rd., Kent City

\*Local meetings may have slightly different speakers (see dates after speaker names).

**RSVP: By Feb 1st to**

Trickl-Eez,  
(269)429-8200  
[info@trickl-eez.com](mailto:info@trickl-eez.com)

Philip Schwallier  
(616) 490-7917  
[schwalli@msu.edu](mailto:schwalli@msu.edu)

9:00 a.m. Registration and Coffee

Welcome and Introduction

Climate Changes & Trends, Growth Stages Changes, Enviroweather

Ridge: Amy Irish-Brown, Philip Schwallier, SW: Bill Shane, Mark Longstroth, NW: Nikki Rothwell

9:45 Combining irrigation and frost control using under-the-tree micro sprinklers.

Engineering information, water requirements, orchard layout, etc.

John Nye, Trickl-Eez Company, Saint Joseph, MI (*Feb. 4, 5, 6*)

10:15 Break

10:30 Netafim's pressure compensating micro sprinklers for frost control

Johan Oostenbrink, Netafim Irrigation, Fresno, CA (*Feb. 4, 5, 6*)

11:00 How Nelson Irrigation's under-the tree sprinklers have helped Washington growers with a return crop every year

John Rowley, Director of Rotator Division, Nelson Irrigation,  
Walla Walla, WA (*Feb. 4, 5, 6*)

11:40 My 8 years of experience with under-the-tree micro sprinklers for frost control  
Mike Wittenbach, Belding, MI (*Feb 4 & 6; Information presented on Feb. 5 by P. Schwallier*)

11:55 How under-the-tree micro sprinkling gave me a crop in 2012 but soaked my ground after 14 nights of sprinkling Tom Heffron, Belding, MI (*Feb 6 only*)

12:05 Meal (Courtesy of Trickl-Eez, Nelson, Netafim)

1:00 New technologies and methods in tree crop irrigation and fertigation  
John Rowley, Director of Rotator Division, Nelson Irrigation,  
Walla Walla, WA (Feb. 4, 5, 6)

1:45 The principles of fertilizing tree fruit through our irrigation systems  
John Nye, Trickl-Eez Company, Saint Joseph, MI (Feb. 4, 5, 6)

2:15 Irrigation field trial result in cherry at the NW Research Center  
Nikki Rothwell, District Extension Horticulturist and NWMHRC Coordinator (Feb 5 only)

2:40 How I have increased fruit color and firmness by injecting potash through my trickle  
irrigation system  
Ron Rasch, Grand Rapids, MI (Feb 5 & 6)

3:00 Adjourn

### **QUALITY DEER MANAGEMENT (QDM) PANEL AT LAST WEEK'S ORCHARD SHOW**

For those growers that attended the panel discussion on the Leelanau County QDM Program, Ashley Autenrieth, Deer Biologist, Dept. Of Natural Resources out of the Gaylord office, would like to express her sincere apology for missing this meeting. Ashley was unable to make this important discussion due to bad road conditions, and unfortunately Ashley went off the road in her travels to the Grand Traverse Resort last Tuesday. Ashley made efforts to contact us at the resort but was unable to reach us before the start of the panel. However, Ashley has followed up and would like to further this discussion with regional growers in the coming weeks. We wanted to pass along this information as to why Ms. Autenreith was unable to make the 2013 Orchard Show.

### **CONGRATULATIONS TO NW FOUNDATION IFTA SCHOLARSHIP WINNERS**

The Northwest Michigan Horticultural Research Foundation (NWMHRF) Board is pleased to announce that six area fruit growers are recipients of \$1,000 scholarships to attend the upcoming 56th Annual International Fruit Tree Association (IFTA) conference in Boston, MA, Feb. 23 – March 1. Growers were asked to submit a letter as to why they would like to attend IFTA and from the letters submitted, Stacie Nelson, Crop Protection Services; Mark Schiller and Jack King, King Orchards; Francis Otto and Mark Miezio, Cherry Bay Orchards, and Mark Evans, Evans Brothers Orchard were selected as scholarship recipients.

We wish them the best as they expand their knowledge of fruit production as it applies to new technology and products and look forward to hearing about the lessons they have learned from the IFTA conference at the NWMHRC strategic planning session in mid-March.

### **2013 MSU TREE FRUIT SCHOOL TO FEATURE PETER SHEARER AND KERIK COX**

**Hear national experts Shearer and Cox on the impact of spotted wing *Drosophila* and brown marmorated stink bug, and fungicide resistance and disease management in orchards.**

Posted on **January 25, 2013, MSUE North** by **Julianna Wilson**, Michigan State University Extension, Department of Entomology

Dr. [Peter Shearer](#), an entomologist from [Oregon State University](#), and Dr. [Kerik Cox](#), a plant pathologist from [Cornell University](#), will be featured instructors at the [2013 MSU Tree Fruit School](#) in Grand Rapids, Mich., **Feb. 13-15**.

On the first day of the two and a half day course, Shearer will share his experiences with two important new tree fruit pests in North America expected to have an impact in cherry and apple

orchards in Michigan and the surrounding region: [spotted wing Drosophila](#) and [brown marmorated stink bug](#). Participants in the course will learn about the experiences of cherry growers in the Pacific Northwest and how industry groups and a team of entomologists came together to develop management plans for dealing with spotted wing Drosophila in sweet cherries.

Shearer will also share his first-hand experience with brown marmorated stink bugs in apple and peach production areas of the east and west coasts. In addition, participants will be instructed on how to identify spotted wing Drosophila and brown marmorated stink bugs, distinguishing them from similar-looking insects, and will learn techniques for monitoring for these pests during two back-to-back, hands-on workshops led by [Steve Van Timmeren](#) and [Peter McGhee](#) of [Michigan State University](#). Drs. [Larry Gut](#), [John Wise](#) and [Matt Grieshop](#) of MSU's [Department of Entomology](#) will put all of this into perspective in terms of the expected impact of these pests on current insect pest management programs for leaf rollers and other major and minor insect pests in conventional and organic orchards.

On the morning of the second day of the [Tree Fruit School](#), Cox will share his knowledge about fungicide resistance management for controlling apple scab disease and managing apple powdery mildew on susceptible varieties. Cox will be joined by [George Sundin](#), MSU's tree fruit pathologist, and Nikki Rothwell, Director of the [Michigan State University Extension Northwest Michigan Horticultural Research Center](#). Sundin will talk about how new SDHI fungicides registered for use in Michigan may be incorporated into disease resistance management plans for apple scab management and will cover concepts and strategies for controlling cherry leaf spot. Rothwell will round out the plant pathology sessions with an update on critical disease issues to keep in mind for 2013.

Participants will be able to earn up to 16 [MDARD](#) pesticide applicator recertification credits for category 1C, commercial CORE or private CORE by attending all three days of the School. Meeting times will be 8 a.m. to 5 p.m. on Wednesday, Feb. 13, 7:30 a.m. to 4:30 p.m. on Thursday, Feb. 14, and 7:30 a.m. to 12:30 p.m. on Friday, Feb. 15. For more details about the entire program, please visit the [event webpage](#) to download a copy of the schedule.

**Deadline for early [registration](#) is Tuesday, Jan. 29.** Registration is \$210 per person or \$310 after Jan. 29, which includes breakfast, lunch and snack breaks on Wednesday and Thursday, breakfast and snack break on Friday, a binder with all course materials, classroom facilities at the [Eberhard Center](#) and speaker expenses. Dinner is on your own.

Lodging is separate – please call the [Holiday Inn Downtown Grand Rapids](#) directly at 616-235-7611 to **make your hotel reservation by Jan. 29** and be sure to ask for the MSU Tree Fruit School room rate. Room rates are \$100/night for a double or \$110/night for a triple quad plus applicable taxes.

To pay by check or money order, please download and complete the [registration form](#) and be sure to send it with your payment post-marked by Jan. 29. To pay by credit card over the phone, please call Carolyn Devereaux at 517-884-0392.

For more information about the program, please contact [Julianna Wilson](#) at 517-432-4766 or visit the [program webpage](#).

This article was published by **Michigan State University Extension**. For more information, visit <http://www.msue.msu.edu>. To contact an expert in your area, visit <http://expert.msue.msu.edu>, or call 888-MSUE4MI (888-678-3464).

## **MCDONALD'S USA CROWNS 2012 U.S. SUPPLIER OF THE YEAR**

McDonald's USA recently announced that it has selected Peterson Farms, a leading fruit supplier for many of McDonald's restaurants, as the 2012 U.S. Supplier of the Year.

McDonald's revealed the U.S. Supplier of the Year Award at the recent U.S. Supplier Summit, an annual gathering of key U.S. McDonald's suppliers and distributors, held in Schaumburg, Illinois, near its Oak Brook headquarters.

As a trusted McDonald's supplier of apples, cherries, and blueberries, Peterson Farms won the Supplier of the Year Award for being a leader and strategic partner that has helped McDonald's become one of the largest apple purchasers in the U.S.

It also shares best practices and collaborates with other fruit suppliers to create cost savings, enhance product quality, and develop more efficient processes for the benefit of the company's system. Among other examples, when a McDonald's apple supplier on the East Coast lost power in the aftermath of Hurricane Sandy, Peterson Farms jumped in to distribute apples and ensure a seamless supply for the restaurants.

It also achieved 100 percent zero waste to landfill two years ahead of schedule, and were recognized for significant cost savings in sustainability-related costs this year. This is the first time Peterson Farms has been honored as McDonald's Supplier of the Year.

"Peterson Farms' leadership, strategic vision, and commitment to McDonald's system and values make them the best of the best among our many distinguished suppliers," says Dan Gorsky, senior vice president of McDonald's North America Supply Chain. "Their continuous efforts to optimize their productivity, their proactive approach to problem-solving, and their flexibility in meeting business needs demonstrate their dedication to our brand, our franchisees, and our customers."

Earl Peterson, chairman of Peterson Farms, says, "The entire Peterson Farms team is both thankful and truly honored to be recognized for this prestigious award. We value our longstanding relationship with McDonald's and we will continue to work hard every day to support the McDonald's system."

The McDonald's U.S. Supplier of the Year Award is presented annually to the food, paper, or product supplier that makes the most significant impact on, and contribution to, McDonald's U.S. business results from the previous year.

The award criteria includes demonstration of leadership, commitment to quality and sustainable systems, efficient supply processes, optimized pricing, and innovation.

## **NEW TAX LAW INCREASES DIRECT EXPENSE DEDUCTION FOR 2012 and 2013**

**The recently passed American Taxpayer Relief Act (ATRA) of 2012 increased direct expensing for certain depreciable assets to \$500,000.**

Posted on **January 25, 2013, MSUE News**, by **Warren Schauer**, Michigan State University Extension

First-year Direct Expensing (Section 179) is an election in IRS code that allows businesses like farms to deduct the cost of capital purchases as a tax deductible expense. Farmers can elect to treat the cost of up to \$500,000 of qualifying property purchased during 2012 as an expense (rather than as a depreciable capital expenditure). Before the recent ATRA legislation passed direct expensing was scheduled to be \$139,000.

The election for using the direct expensing can be made after the tax year closes before filing your

taxes. This allows a farmer some flexibility to manage their deductions and taxable income after the end of the tax year.

Only certain kinds of capital purchases qualify for this direct expensing: farm machinery, breeding livestock, grain bins and other single purpose agriculture or horticultural structures or similar tangible personal property used in the farm business. Field tile also qualifies for Section 179 expensing. General-purpose farm buildings, such as machinery sheds or hay barns, are not eligible. Land is not depreciable so it is not eligible for Section 179 expensing.

If you trade in a piece of machinery when purchasing new equipment then only the amount paid to boot is eligible. The capital item must be purchased and new or used property can be deducted as a Section 179 expense. If you inherited the property or purchased it from your spouse or parent or any lineal descendant then it does not qualify.

There are several limitations that apply for direct expensing. If the farm business purchases and places into service over \$2 million dollars worth of qualifying property then the \$500,000 limit is reduced dollar for dollar. For example if a farm buys \$2,125,000 worth of equipment then the amount of First-year Direct Expensing (Section 179) allowed is limited to \$375,000. If the business purchases \$2,500,000 or more in 2012 then no direct expensing is allowed.

The amount is also limited to the combined taxable income before the deduction derived from the active conduct of all trades or businesses. Section 1231 gains and losses reported on form 4797 such as sales of breeding livestock and machinery are taxable income as well as wages. So for example, if a farm bought \$300,000 of farm machinery and the net farm income is \$125,000 the First-year Direct Expensing is limited to \$125,000. The amount disallowed by this business taxable income limitation can be carried forward against future capital purchases.

As always, it is a good idea to review any elections with your tax advisor.

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## **ALTERNATIVE MINIMUM TAX IMPACTED BY NEW LAW**

**Posted The recent passage of the American Taxpayer Relief Act of 2012 by the federal government made Alternative Minimum Tax exemption amounts permanent.**

**January 25, 2013, MSUE News, by Warren Schauer, Michigan State University Extension**

Changes were made to the [Alternative Minimum Tax](#) (AMT) to permanently index it to inflation. In the past several years, the federal government passed legislation each year to raise the exemption from the original amount. Without this change, many more taxpayers would be paying AMT.

The Alternative Minimum Tax is a separate way to figure federal income taxes. It is designed to keep higher income taxpayers from using certain deductions from paying very little or no taxes.

AMT is a somewhat complicated calculation. Essentially, there are two tax calculations that should be done on each tax return. There is the calculation for regular federal income tax. Then there is a calculation for alternative minimum tax. The taxpayer is required to pay the higher of the two calculations. Different regulations are used for AMT.

There are special adjustments that are involved in the calculation of AMT. Some items that were deductions in figuring regular tax are added back into the calculation for AMT. Some examples include: state income taxes, property taxes, personal and dependent exemption deductions. Also the

amount of depreciation taken on capital items that is in excess of what would be claimed using straight-line depreciation would be added back in.

Farmers who pay two years of property taxes on their principal residence to maximize the use of the standard deduction the following year may trigger an AMT liability that reduces the tax benefit.

Other items that are treated differently in AMT include: hobby farm activity deductions, tax free interest, employee business expenses, certain kinds of home mortgage interest expenses, and medical and dental expense deductions.

If you have large amounts of capital gains income, it could trigger AMT. In some cases, if you spread the capital gains over more than one year AMT may be avoided.

So if you have high income, large numbers of dependents, considerable capital gains and/or large miscellaneous itemized deductions you may have to pay Alternative Minimum Tax.

It is a very good idea in working with your tax advisor to have them always check for Alternative Minimum Tax.

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## **THE CHANGING LABOR LANDSCAPE – HOW WILL FARMS SURVIVE?**

**As labor supplies tighten and change, farmers are looking for ways to “think outside of the box” when it comes to labor and labor management.**

By Stan Moore, MSU Extension Dairy and Ag Human Resource Management Educator

Following the 2012 disaster in tree fruit crops that required far fewer migrant laborers, and the continued wait on immigration reform at the federal level, farmers in Michigan are concerned about a changing labor landscape. Growers depend on a reliable labor pool of workers that normally come back to a specific farm year after year, and after last season, growers are wondering if workers will return following a year with no crop.

On the immigration front, in 2010 immigrants made up 13% of the U.S. population, but 16% of the labor force, [immigrants includes naturalized citizens, legal permanent residents, temporary migrants (including H-1B workers and students), refugees, asylum seekers, and, to the extent to which they are counted, unauthorized immigrants] (Audrey Singer, Brookings Institution, 2013). In 1970, the proportion of immigrants in both the general population as well as the labor force was 5%. Since that time, there has been a substantial overall growth in immigrants, but since 2000, most of the growth in immigrant contribution to the workforce came in the first half of the decade when immigrants represented 67.7% of the labor force. From 2005-2010, the immigrant contribution to labor force growth shrunk to 41.5%.

Industries, such as agriculture, that are reliant on immigrant labor (over 20% of the workforce employed in agriculture is immigrant labor) are certainly affected by decreased growth in the immigrant workforce. This decreased growth coupled with the lack of need for immigrant labor in 2012 have resulted in area growers facing a changing labor landscape and the need to reposition agriculture in the current labor market.

Growers are looking at how they can more efficiently work with Michigan agencies that help them

connect with migrant labor, how they might better use more local labor, how they can improve the way they manage labor, and how they can position their farms to be attractive to migrant labor. Growers also face all of these challenges with the need to be efficient with their resources on the farm as well as remain in compliance with all the legal requirements.

MSU Extension is working with growers in this important area of their business. The 2013 efforts began with the Growing Michigan Agriculture Conference on January 24th which included a talk by Dr. Bernie Erven, Professor Emeritus of the Ohio State University. Dr. Erven's presentation on "Recruiting, Hiring and Keeping Topnotch Labor" is available on the Michigan State University Extension website, [www.msue.msu.edu](http://www.msue.msu.edu). Click on "Agriculture" and look for "Growing Michigan Agriculture Proceedings" in the Resource channel in the lower right section of the site.

MSU Extension is also conducting a number of Agriculture Labor Programs across the state in the coming months. The first of those programs is being held at the Northwest Michigan Horticulture Research Station on February 20th, 2013 from 8:00 a.m. to 3:30 p.m. At this program, growers will be challenged by MSU Extension, Farm Bureau, Michigan Workforce Development Agency, Immigration and Citizenship Enforcement, and local grower speakers to "Think Outside the Box" in the labor management area, while assuring labor law compliance.

For more information on the February 20th program and to register, please contact the Northwest Michigan Horticulture Research Station at 231-946-1510. Registration cost of the program is \$10 and will include lunch. This program is also being financially supported by a donation from Cherry Republic to the Northwest Michigan Horticulture Research Foundation.

Look for information on additional MSU Extension agriculture labor programs in Michigan in the weeks to come, or contact Stan Moore at [moorest@msu.edu](mailto:moorest@msu.edu).

## **DECEMBER 2012 LANDOWNER OIL AND GAS NEWSLETTER AVAILABLE**

**The most recent issue (Dec. 2012) of the landowner Oil and Gas newsletter is now available online through Michigan State University Extension.**

Posted on **January 23, 2013, MSUE North**, by **Curtis Talley Jr.**, Michigan State University Extension

[Article topics](#) in this issue are:

1. [Michigan State University Extension](#) oil and gas information website has a new address.
2. [Department of Environmental Quality](#) list of laboratories that do water testing.
3. Land ownership type affects who can negotiate an oil and gas lease.
4. Highlights from the Oct. 24, 2012 State of Michigan oil and gas lease auction.
5. Southern lower Michigan continues lead in oil and gas drilling activity.
6. Compulsory pooling: how the un-leased mineral owner gets paid.

Prior Oil and Gas newsletters and additional information for landowners in negotiating the oil and gas lease, a schedule of upcoming educational meetings, hydraulic fracturing, horizontal drilling, rights of way guidelines and other related information is also [available online](#).

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## WEBSITES OF INTEREST

Insect and disease predictive information is available at:

<http://enviroweather.msu.edu/homeMap.php>

60 Hour Forecast

<http://www.agweather.geo.msu.edu/agwx/forecasts/fcst.asp?fileid=fous46ktvc>

Information on cherries is available at the new cherry website:

<http://www.cherries.msu.edu/>

Fruit CAT Alert Reports have moved to MSU News

<http://news.msue.msu.edu>