



# Mountain Farms Update

Mitchell County Center

January 2019

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## Upcoming Events

**What:** Avery/Mitchell Christmas Tree Production Workshop  
**When:** January 25th  
**Where:** Sam's Center Auditorium  
 Mayland Community College  
 Spruce Pine, NC  
**Time:** 11:00 am— 4:00 pm

This year's workshop will include updates on Christmas Tree Herbicide Studies in 2018, 2018 Insect Pest Trials, What's New with Boxwood Blight in Nurseries and New Plant Varieties from N.C. State University. (3) hours of pesticide recertification credit will be available. To receive lunch you must call and register by January 22nd. Register by calling (828) 688-4811.

**What:** Avery/Mitchell Landscape Educational Workshop  
**When:** February 14th  
**Where:** Best Western Mountain Lodge  
 Banner Elk, NC  
**Time:** 8:30 am — 4:00 pm  
**Cost:** \$25.00

Four (4) hours of pesticide recertification credit will be available and seven (7) hours of certified landscape contractor recertification credits will be available. You can call and register at the Mitchell County Extension Center (828) 688-4811 or the Avery County Extension Center (828) 733-8270.

**What:** Livestock Production Kickoff Meeting  
**When:** February 14th  
**Where:** Mitchell County Senior Center  
 Bakersville, NC  
**Time:** 6 pm

Dr. Deidre Harmon, Extension Livestock Specialist, will be presenting on the benefits of improving pastures, along with steps on how to improve the pastures on your farm. To register for the meal, please contact the Mitchell County Extension Center at (828) 688-4811.

**What:** 2019 Business of Farming Conference  
**When:** February 23rd  
**Where:** AB Tech Conference Center  
Asheville, NC  
**Time:** 8 am– 4 pm

Spend the day learning and networking with farmers from across the region, and gain tools and strategies for improving your farm business. The Business of Farming Conference features business, marketing, and planning workshops led by regional professionals and innovative farmers, a Grower-Buyer Meeting, individual consulting, exhibitor hall and locally sourced meals. To register go to [asapconnections.org](http://asapconnections.org) or call (828) 236-1282.

**What:** Mountain Top Farm Business Summit  
**When:** March 8th  
**Where:** Mayland Community College Small Business Center  
Spruce Pine, NC  
**Time:** 9 am– 5 pm

Whether you are a seasoned farmer or a backyard gardener, the Mountain Top Farm Business Summit is sure to build your Ag business mindset. Choose from a variety of breakout sessions related to agribusiness marketing and small farm operations. Classes will explore topics such as wholesale vs. retail sales, social media for your farm, financing, grants, N.C. Department of Agriculture and Consumer Services regulations and much more. To register call the Mayland Community College Small Business Center, (828) 766-1295.

### Woodland Stewards Webinar Series:

Join other woodland landowners throughout the region to learn about how you can take better care of your woodlands. This is a regional Extension course being offered in 5 sessions. The first four sessions are webinars hosted by your local Extension center on Thursdays from 7-9 PM from February 21, 2019 to March 14, 2019.

**What:** Getting to know your woodlands  
**When:** February 21st  
**Time:** 7-9 PM

Learn how natural and human forests have shaped the forest in this region and the importance of this knowledge when developing management plans and practices on their forests.

**What:** Managing your woodlands  
**When:** February 28th  
**Time:** 7-9 PM

Learn about the basics of pine and hard wood management with tips on managing for the future.

**What:** Identifying and managing woodland threats  
**When:** March 7th  
**Time:** 7-9 PM

Learn about forest health with emphasis on a few basic pest principles, model example of each threat, and some simple practices to help ensure your woodland remains healthy and productive.

**What:** Wildlife and woodlands  
**When:** March 14th  
**Time:** 7-9 PM

Learn about wildlife and your woodlands with a focus on wildlife habitat requirements and enhancing habitat for game and non-game wildlife.

An optional fifth session maybe offered by the local Extension center. To participate in this course, contact the Mitchell County Extension Center at (828) 688-4811 or Jeff Vance at [Jeffery\\_vance@ncsu.edu](mailto:Jeffery_vance@ncsu.edu)



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## Tax Tips:

Lots of changes were made last year with the new tax plan that



came out. Here are a few of the changes that affect agriculture and farming. For more information you can refer to IRS Publication 225: Farmer's Tax Guide. This publication can be used when preparing your 2018 tax returns. You will also need to discuss these new changes with your tax preparer if you do not do your own tax returns.

### New for 2018:

- ◆ Standard Mileage Rate – For 2018, the standard mileage rate for the cost of operating car, van, pickup, or panel truck for each mile of business use is 54.5 cents.
- ◆ The Excess Farm Loss Rules – Noncorporate taxpayers may be subject to excess business loss limitations. Under transition rules, if you had an excess farm loss in 2017, you can deduct it in calculating your profits/loss for 2018 before applying the excess business loss rules.
- ◆ Increased Section 179 Expense Deduction Dollar Limits – the maximum amount you can elect to deduct for most section 179 property you placed in service in 2018 is \$1,000,000. This limit is reduced by the amount by which the cost of the property placed in service during the tax year exceeds \$2,500,000.
- ◆ Depreciation of Certain Farm Property – the recovery period for certain farm machinery and equipment placed in service in 2018 is 5 years instead of 7 years. Farming businesses are no longer required to use the 150% declining balance method for 3-, 5-, 7-, and 10-year property used in a farming business and placed in service in 2018.
- ◆ Net Operating Loss – Net operating loss rules have changed. A net farming net operating loss arising in 2018 must be carried back 2 years instead of 5 years. An election can be made to, instead carry over the loss to a subsequent year.
- ◆ Maximum Net Earnings – the maximum net self-employment earnings subject to the social security part (12.4%) of the self-employment tax is \$128,400 for 2018, up from \$127,200 for 2017. There is no maximum limit on earnings subject to the Medicare part (2.9%) or, if applicable, the additional Medicare Tax (0.9%).
- ◆ Special Depreciation Allowance for Certain Property – The special allowance will be phased down to 40% for certain property acquired before September 28, 2017, and placed in service in 2018. Also, you may be able to take a 100% special depreciation allowance for certain property and certain plants bearing fruits and nuts acquired or planted or grafted after September 27, 2017, and placed in service or planted or grafted before January 1, 2023. You may elect to apply a 50% special depreciation allowance instead of the 100% allowance for the first tax year ending September 27, 2017.

## Hemp Craze!

With the passage of the new farm bill and legalization of producing hemp as more than just a research project there have been many questions about opportunities to produce this crop. Just what is “Hemp”?

The term “industrial hemp” includes the plant *Cannabis sativa* L. and any part or derivative of such plant, including seeds of such plant, whether growing or not, that is used exclusively for industrial purposes (fiber and seed) with a tetrahydrocannabinols concentration of not more than 0.3 percent on a dry weight basis. The term “tetrahydrocannabinols” includes all isomers, acids, salts, and salts of isomers of tetrahydrocannabinols. The North Carolina Department of Agriculture and Consumer Services states that, “For centuries, industrial hemp (plant species *Cannabis sativa*) has been a source of fiber and oilseed used worldwide to produce a variety of industrial and consumer products. Currently, more than 30 nations grow industrial hemp as an agricultural commodity, which is sold on the world market. In the United States, however, production is strictly controlled under existing drug enforcement laws. Currently there is no large-scale commercial production in the United States and the U.S. market depends on imports.” The production of hemp will likely change now that the farm bill has made it legal to grow in many states under state and federal

The 2018 Farm Bill made the laws more expansive. It doesn't create a completely free system in which farmers can grow hemp whenever and wherever they want. There are still restrictions on what can be done.

The first restriction is that the hemp cannot contain more than 0.3 percent THC. Any cannabis plant containing more than this would be considered marijuana and would not be protected by the new legislation.

The second restriction is that states and federal agencies will still share regulatory authority over hemp cultivation and production. In North Carolina this means the grower will still need to fill out an application to grow hemp and submit it to the industrial hemp commission for approval before trying to grow hemp in 2018.

The new law details possible actions that might violate the federal hemp law. It will still be a highly regulated crop.

New farmers interested in the crop do not have a lot to go off of. The 2014 Farm Bill that allowed it to be

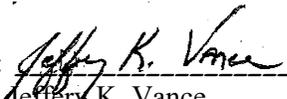
grown as a research crop has not allowed a lot of time for researchers to try the crop and have much production information available. Presently, only a few universities have much production information published. The University of Kentucky is leading the way on some of the early research. Also, because it has just become legal to produce there are no labeled pesticides available to control insects and diseases. To find more information about the production of hemp or to learn how to go about applying to grow hemp you can look on the two websites below. Madison County Cooperative Extension will be hosting a industrial hemp information on Friday, February 1st , from 9 AM – 12 PM. Below you will also find a link to register for that meeting.

<http://www.ncagr.gov/hemp/index.htm>

<https://industrialhemp.ces.ncsu.edu/>

<https://madison.ces.ncsu.edu/event/1299726781/industrial-hemp-info-meeting/>

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