INHERITANCE TAX BILL PASSES

From now on farmers who inherit the farm can have all the farmland appraised as farmland rather than the full and fair market value. For the average size farm this means there will be no inheritance tax due. Larger farms will still have to pay an inheritance tax, but it will be substantially less than it would be if the land were appraised as house lots rather than farmland. You must have farmed the land for at least the last five years and must agree to keep it in farming for at least ten more years and you must materially participate in the management of the farm.

It should also be pointed out that with proper estate planning the inheritance tax can be completely avoided. One method that can be used is everyone is allowed to give a once in life time gift of up to $5 million to one person. Thus, if you know you want your children to inherit the farm, you can give them the farm before you die and there is no tax due. However, in this situation there is no “stepped up” basis and which means that the children also inherit the basis of the property which can be quite low. But this is not a problem unless the children want to sell the land. Then a capital gains tax will apply.

FARMERS HAVE GOOD YEAR AT THE GENERAL ASSEMBLY

It was a good year for farmers at the RI General Assembly. Not only did the inheritance tax bill pass but other legislation beneficial to farmers also passed. A bill encouraging schools and institutions to purchase local food passed. A bill to allow animal agriculture in all zones was withdrawn when DEM ruled that the Right to Farm Law already protected animal farms in all zones. A bill to increase animal feed fees was withdrawn. Bills to regulate outdoor water boilers went no where.

There were 1,331 bills introduced in the House and 1,053 in the Senate. Farm Bureau looked at each of these bills. RI Farm Bureau tracked 47 bills. None of the bills we opposed passed. We supported 12 bills and two of them became law.
WACKY LAWS

The following RI state laws are still on the books. One might question why they were made a law in the first place.

You can’t sell berries by the pound. We had this law changed for farmers several years ago but it is still technically illegal to sell strawberries by the pound at Stop & Shop and other grocery stores.

Greasy Pig contests are illegal in RI.

Movement of poultry in RI is against the law.

Can’t call eggs “fresh” unless they are Grade A.

Have to use block letters on apple boxes.

You can’t get drunk at a tavern.

Taverns cannot allow you to waste your money.

Can’t sell imported shoes at a yard sale.

Adultery is illegal, $500 fine.

No sale of liquor within a mile of a church.

No gambling within a mile of a church.

No theaters within a mile of a church.

Swearing is illegal. If a cop hears you, $5.00 fine.

Can’t wrap fish in newspaper.

Can’t test the speed of a horse on the highway.

Can’t throw stones off the Pawtucket Falls Bridge.

Wear your grandfathers VFW jacket—$100 fine.

Can’t build a windmill within 25 rods of highway.

Can’t tie your boat to the Apponaug Bridge.

Can’t tie a canoe to the Pawtucket Falls Bridge.

Can’t display guns in windows.

Can’t sell a used mattress to your neighbor, $500 fine.

If the US is at war it is illegal not to have a job.

Can’t rebuild a car without a license.

So technically, if you do any of the above, you could still be fined. They are all still against the law.

FARM MARKETS? FESTIVALS? LOCAL PRODUCTS? HARVEST TO HAND™ IS THE APP FOR THAT!

Harvest to Hand™ gives consumers a convenient way to support a sustainable way of life for local agriculture across America. Through an iPhone®, iPod Touch and Android™ smart phones this free app connects you to farmers markets, local festivals, locally made products, family-friendly farms, local wineries and eateries, and agritourism venues wherever the road takes you.

Try it out yourself! If you’d like to list an event, agritourism venue or farmers market, simply go to www.HarvestToHand.com, select “Enter Your Information” and fill out the online form. If you don’t have a smart phone, the Harvest to Hand website has all the functionality of the app.

The app is open to everyone*: the main criteria are that the venue, event or farm must be accessible to the general public and feature locally grown or produced products.

Share Harvest to Hand with friends and colleagues: it’s Farm Family and American National’s way of helping to support a community that has given so much to us.

* Subject to terms of use at www.harvesttohand.com.

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“My partners and I let Farm Credit East handle our record-keeping.”

Dan Osborn

“As co-owner and manager of three farms, Dan Osborn needs reliable financial records to make sound business decisions. However, managing three farm businesses doesn’t allow Dan and his partners the time to regularly reconcile records and prepare weekly payroll. For those tasks, they turn to Farm Credit East. We keep their records up-to-date and accurate, and with our CenterPoint software, they always have access to key financial reports to make strategic choices.”

Jamie Purdy

For more information, watch our video on record-keeping services at youtube.com/FarmCreditEast.
Greenhouse Growers

The RI Farm Bureau Greenhouse Growers Committee will be having a twilight meeting on August 28 at 5:30 pm at Confreda’s Farm in Cranston. A light meal will be served and pesticide credits will be available.

Call the RI Farm Bureau if you plan on attending the meeting.

Equipment Insurance

It Could Happen to You: The Need for Equipment Breakdown Coverage

A circuit board failure caused controls for automatic dispensing pumps to fail and release more than 483,000 lbs. of liquid cattle feed

- Total paid loss: $31,506

A fruit farmer lost 825 lbs. of refrigerant when a failed piston rod caused a compressor breakdown.

- Total paid loss: $14,548

A farmer’s co-op had to replace a utility transformer shorted out by a power surge. A rental generator also was needed.

- Total paid loss: $78,234

Businesses Have Changed. So Have the Risks.

Today, farmers and ranchers rely on expensive equipment and increasingly sophisticated technology to meet growing demand for greater efficiency and output. New business directions such as precision farming and vertical integration also have intensified dependence on equipment.

Yet while technology has become critical to profitable operations, it’s getting harder to repair and more expensive to replace. And all it takes is a power surge to cause a serious breakdown that can cost thousands and be compounded by the loss of income. That’s why equipment breakdown coverage has become an essential part of farm and ranch protection.

Increased Technology. Greater Exposure. Better Protection. Equipment Breakdown insurance protects your operation against financial loss when accidental breakdown occurs and it covers you for physical damage caused by those risks. Plus, it applies to a wide range of equipment, including:

- Mechanical equipment such as deep well pumps, pivot irrigation systems, grain elevators and milking carousels;
- Electrical systems including transformers, electrical panels, generators and cable structures;
- Refrigeration system components like compressors, condensers, air handlers and the pumps and motors associated with them;
- Computers and electronically controlled equipment including automated feed systems, computerized milking machines, office computers and alarm systems;
- Boilers and pressure vessels such as hot water heaters, sterilizers and air tanks.

You know how much your equipment is worth and how costly it can be to repair or replace it. So you can appreciate the value of this insurance protection. But there’s more. Equipment Breakdown insurance also includes these important coverage extensions:

- Business Income protection that pays you for income lost as a result of a covered equipment breakdown;
- Spoilage of products and materials if your refrigeration system, pasteurization equipment or other food processing equipment breaks down;
- Extra expenses you incur, such as renting equipment needed to maintain operations following a breakdown;
- Expediting expenses you pay to rush repair service or replacement parts.

Today more than ever, the risk of equipment breakdown is real. As a separate policy or part of your insurance package, equipment breakdown coverage protects the equipment you depend on every day.

This article was provided by Farm Family Casualty Insurance Company for informational purposes only.

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Greenhouse Growers

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PESTICIDE COLLECTION

Beginning this October, the Rhode Island Division of Agriculture will be providing yet one more service to the agricultural community. A new program called the Obsolete Pesticide Collection Program (OPCP) will provide farmers with a no cost alternative to dispose of obsolete pesticides. The program will consist of three collection events during which time applicators will be able to drop off obsolete or unusable pesticides. This program is a “no questions asked” event—any pesticide products may be disposed of—whether it’s simply a bottle of dried out insecticide or that pressurized canister of agent orange you have stashed under the barn; all will be accepted. This program is being offered as both a benefit to the environment and to the farmer who would otherwise be faced with costly disposal.

The three collections—one in the northern, one in the southern and one in the eastern part of the state will be conducted by Clean Harbors. As a nationally recognized leader in hazardous waste transport and disposal, Clean Harbors has been selected to operate these events.

During the program’s pilot year, the emphasis will be on collecting materials from Rhode Island’s Farming community. Information will be made available via letters, press releases and other means of public outreach explaining the program, including the dates and locations of the collection events. Additional information on how to package and safely transport the pesticides will also be made available. Once onsite the materials will be collected by Clean harbors who will then sort, pack and transport the materials for disposal.

RAFFLE

Remember, the RI Farm Bureau Land Trust is conducting a raffle to raise funds for the Annual Meeting which will feature the Ocean State Follies. First Prize is $2,000, Second Prize is $1,000 and Third Prize is $500. The cost of the tickets is $25 and only 200 tickets will be printed. Thus, you chances of winning any prize is 67 to 1 compared to Power Ball where the odds of winning $100 is 12,000 to 1. Call the RI Farm Bureau office to get your tickets. We accept credit cards. The raffle will be drawn at the Annual Meeting on November 21.

SOCIAL MEDIA

We continue to look for farmers who want to be on our FaceBook page (Twitter and YouTube too). We received a grant from USDA to do the project. Call the RI Farm Bureau office or Melody Reynolds, 749-9520, if you would like to be on Social Media. We have done over 30 videos so far and we prefer farmers who have not been on yet, but we will do updates too.

COOKBOOKS

To raise funds, we are selling autographed cookbooks by Barbara Sherman (The Island Cookbook) that feature local fare. Call the RI Farm Bureau for details. The books are $10.00.

The author states in the preambles: “This is not really a cookbook, but a saga of what my friends and family have listened to for over 40 years...” When I write my cookbook.” The Island Cookbook is a reflection of past and present recipes not only from my forefathers but also from family, friends, teachers, tourist finds, and locals.

There is a brief history of the Islands which are: Rhode Island (Aquidneck) Martha’s Vineyard, Block Island, Jamestown, Prudence, Nantucket and Patience.

History example:

Each recipe has a brief history of where it came from. For instance: Hunter Stew: “Years ago, 20 or so, a very delightful luncheon place operated in downtown Providence called Julienne’s. One of the pleasures was how simple the recipes were. Actually this is not <her> recipe. Her method of scrubbing and not peeling her vegetables made for easy preparation...This really is Hunt-her Stew. Her (is me) using what I hunted for in my refrigerator and freezer.”

Examples of recipes you will find are:

Vineyard Haven Planter’s Punch, Chepachet Chowder, Nantucket Portuguese Bread, Block Island Doughnuts, Virginia’s Kettle Bake, Quahog Cakes, Island Devil Crab, plus numerous “regular” recipes.
BRYAN SALISBURY ELECTED YF&R CHAIRMAN

Bryan Salisbury was recently selected as the Young Farmer and Rancher Chairman for RI Farm Bureau. He will be organizing events for young farmers such as a Discussion Meet, Achievement Award contest and Excellence in Agriculture Award contest. All the above contests carry a $500 reward for the winner and a chance to go to the American Farm Bureau Annual Meeting to compete nationally where they can win a new Chevrolet or GMC truck.

Bryan Salisbury is a full-time student at the University of Rhode Island, studying Mechanical Engineering. He spends his spare hours working at Salisbury Farm in Johnston, RI providing assistance with equipment repairs, cultivation, haying, among other farm tasks. Bryan additionally works at URI as a Student Assistant Network Administrator for the Department of Housing and Residential Life. At URI he is responsible for managing computer servers, and providing end user support. In high school Bryan was involved in his school’s FFA chapter where he held the position of Treasurer for two years. In addition to agriculture Bryan is interested in electronics, computer programming, fabrication, trucks, and building anything he can make better than he can buy.

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Our relationship with the Rhode Island Farm Bureau has evolved since 1954, when a farsighted group of farmers decided to form an insurance company by farmers, for farmers. Our leaders continue to work together to address the needs of farmers in the state. Locally, our agents support Farm Bureau members, learning the issues in their farming communities first-hand.

Thank you for making Farm Family your insurer of choice. Together, we will work to protect your farms, business, family and homes. For more information, visit our website at www.farmfamily.com or contact your local Farm Family office today!

Richard Brock, General Agent
(860) 329-0103
We’re on TV
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Thank a farmer 3 times per day.

INHERITANCE

TAX

PASSES

SEE PAGE ONE
Food Safety and Modernization Act

The most far reaching legislation regarding food safety was signed into law in 2011. Enforcement of this law has been given to the Food and Drug Administration (FDA) which is in the rule making process as we write this flyer. Citizens have until Sept 16 of 2013 to make comments about the proposed rulemaking. RI Farm Bureau urges all farmers to make comments to the FDA about these proposed rules. We will have specific comments for you to write prior to when the comment period ends. There are over 500 pages of proposed legislation for the 66 page law.

Here is a summary of what the new law provides according to the FDA:

The historic legislation the President has signed directs the Food and Drug Administration, working with a wide range of public and private partners, to build a new system of food safety oversight – one focused on applying, more comprehensively than ever, the best available science and good common sense to prevent the problems that can make people sick.

The idea of prevention is not new. FDA has established prevention-oriented standards and rules for seafood, juice, and eggs, as has the U.S. Department of Agriculture for meat and poultry, and many in the food industry have pioneered “best practices” for prevention. What’s new is the recognition that, for all the strengths of the American food system, a breakdown at any point on the farm-to-table spectrum can cause catastrophic harm to the health of consumers and great disruption and economic loss to the food industry.

So, we need to look at the food system as a whole, be clear about the food safety responsibility of all of its participants, and strengthen accountability for prevention throughout the entire food system – domestically and internationally. The new law meets these needs in numerous ways.

For example, processors of all types of food will now be required to evaluate the hazards in their operations, implement and monitor effective measures to prevent contamination, and have a plan in place to take any corrective actions that are necessary. Also, FDA will have much more effective enforcement tools for ensuring those plans are adequate and properly implemented, including mandatory recall authority when needed to swiftly remove contaminated food from the market.

We will, in accordance with the law, establish science-based standards for the safe production and harvesting of fruits and vegetables to minimize the risk of serious illnesses or death, and we will set standards for the safe transportation of food.

Moreover, with the signing of the law, FDA will for the first time have a congressional mandate for risk-based inspection of food processing facilities. For example, all high-risk domestic facilities must be inspected within five years of enactment and no less than every three years thereafter.

The legislation significantly enhances FDA’s ability to oversee the millions of food products coming into the United States from other countries each year.

Our Concerns on the Rule Making

Farms that earn less than $25,000 gross income are exempt. Farms that earn less than $500,000 and sell most of their produce directly to the consumer are exempt. But in certain circumstances even they must comply such as with labeling rules.

Agricultural Water. Water used for produce production presents different microbial quality demands depending on its use. Water can be a carrier of many different microorganisms of public health concern.
The proposed rule would require that all agricultural water be safe and of adequate sanitary quality for its intended use. “Agricultural water” would be defined in part as water that is intended to, or likely to, contact covered produce or food-contact surfaces. The proposed rule would require that, at the beginning of the growing season, the agricultural water system components under a farm’s control be inspected to identify conditions that are reasonably likely to introduce pathogens to produce or food-contact surfaces. FDA is proposing that specific criteria for the quality of agricultural water be established for water that is used for certain purposes, with proposed requirements for periodic analytical testing.

**Our Interpretation: Farm ponds may be banned for certain foods.**

Biological Soil Amendments of Animal Origin. Biological soil amendments of animal origin, such as composted manure, may contain pathogens of public health concern. To address this, the rule proposes three types of measures to reduce the risk: types of treatment, methods of application, and time intervals between the application of a biological soil amendment of animal origin and crop harvest. The proposed rule also has provisions pertaining to the handling and storage of biological soil amendments of animal origin.

**Our Concern: The rule will require spreading manure 9 months before harvesting.**

Health and Hygiene. Bacteria, viruses, and parasites are frequently transmitted from person to person and from person to food, particularly through the fecal-oral route. The proposed rule would require that farm personnel use hygienic practices, including hand washing and maintaining adequate personal cleanliness.

**Our Interpretation: May require full bathrooms near the fields.**

Domesticated and Wild Animals. Pathogens can be introduced into fruit and vegetable production systems via animal feces. Where there is a reasonable probability that animals will contaminate produce, the rule proposes certain requirements, such as an adequate waiting period between grazing of domesticated animals and harvesting produce from that growing area. Similarly, for working animals used where a produce crop has been planted, farms would be required to take measures to prevent pathogens from being introduced onto the produce. In addition, farms would be required to monitor for significant wild animal intrusion events both immediately before harvest, and, as needed during the growing season, and not harvest produce that is visibly contaminated with animal excreta.

**Our Interpretation: We may be responsible for wild animals.**

Equipment, tools and buildings. Among other things, the proposed rule also would set standards for certain equipment and tools, buildings, and sanitation used for produce operations on farms.

**Our Interpretation: Equipment must be super clean.**

Trace Back: And there is more such as the Trace Back rules which will require farmers to label specifically where the food came from so that if there is a virus outbreak the source of the virus can be traced. This may be the most expensive part of the process.

**What can you do?**

As stated earlier, there are over 500 pages of proposed regulations. RI Farm Bureau along with the Ag Partnership, RINLA and other farms organizations are working on a unified statement and positions to submit to the FDA and our local congressional delegation. At the appropriate time, we will ask all farmers to write to the FDA and the local congressional delegation: Stay tuned.