

# IN THE FIELD

## Grain Storage Management Resources

For valuable information on grain storage management visit:  
<https://cropwatch.unl.edu/grain-storage-management>

Topics include:

1. [General Grain Quality and Storage Information](#)
2. [Engineering Grain Storage and Aeration Systems](#)
3. [Aeration Management](#)
4. [Stored Grain Pest Management](#)
5. [Grain Storage Articles in Crop Watch Newsletter](#)
6. [Temporary/Emergency Grain Storage](#)
7. [Other Sources of Grain Storage Information](#)
8. [Grain Storage Articles in CropWatch 2009-2016](#)

## 5 Things To Do for Your Year-End Tax Planning

Tina Barrett - Executive Director of Nebraska Farm Business Inc.

2018 was anything but a normal year. We saw tariffs, price declines, and a long, hard harvest for many farmers, as well as significant tax changes. These changes have led to uncertainty that you may not be able to control, but one thing you can do is be prepared for some year-end tax planning that will likely be different than what you are used to.

Here are some things you can do to make your tax planning go smoothly:

1. **Actually do tax planning.** Many times I find producers who believe that in low-income years, tax planning is not important. In reality, it is often more important. Avoiding losses takes on even more significance with the Tax Cuts and Jobs Act (TCJA), which was passed in December 2017. If we can find ways to generate income in order to avoid losses, such as rolling traditional IRAs to Roth IRAs and liquidating excess machinery, it could be in your best interest.
2. **Bring your trade documents.** In the past, we have not needed to worry about anything but the boot difference paid on a trade. However, another change from the TCJA is that we must “sell” the old asset for the trade-in value and put the new asset on the depreciation schedule with the full fair market value (FMV). This can generate significant taxable income, so you will want to make sure you have planned on the recognition of this sale. For many operations that trade equipment regularly, this could be hundreds of thousands of dollars in new gain you may not be used to.
3. **Bring a split on the grain you sold to a cooperative versus a private grain company.** One of the provisions of the new 199a deduction is a separate calculation for income from cooperatives. The impact to your deduction will vary depending on 1) your income level, 2) whether you pay wages, and 3) what percentage of your sales are made to a cooperative.
4. **Review your records.** I often see reports printed at 4 a.m. on the morning I meet with a producer and I know that the likelihood of information being “dumped” into the computer without another look is pretty good! No matter how current you stay on your bookwork, it’s important to review the information you put in there. Look at the detailed reports and make sure the information makes sense and is accurate. For example, principle payments need to be separated from interest and the principle should not be included in your expenses. These types of errors can be costly if found after the first of the year. Mistakes are easy for anyone to make, but if you’re running on just a few hours of sleep, they may be even more likely!
5. **Compare your inventory change.** One thing that we try to do to help guide where taxable income should be, is to review inventory change. This allows us to see if you are pushing significantly more income into the next year (or pulling more expenses from the next year into this year). If your inventory change is significant, consider moving up a tax bracket in order to recognize more income.

## Tax Strategy Adjustments May be Needed

Also consider that tax strategies of the past may no longer apply.

- For C corporations used to keeping taxable income at \$50,000, the new flat tax has changed the plan entirely. The only real consideration is how much tax you want to pay. Whether you recognize the income this year or next year, it's going to cost you 21%.
- The new 199a deduction and lower tax brackets are allowing many producers to recognize more income for the same amount of tax as last year.
- The higher standard deduction has significantly reduced the number of people who will be itemizing deductions. You may want to consider giving grain to charitable organizations instead of cash.
- It may be a good time to reduce inventories and debt by recognizing more income. Utilizing the lower brackets and 20% "free" (199a deduction) may prove to lower your deferred tax liability in the future.
- A lot of focus has been placed on potentially changing entities and or fiscal years to fully utilize the 199a deduction. I would be cautious in making a major change to your business structure, especially if there is a significant cost associated with the change. The 199a deduction is currently only in law until 2025, so weigh the short-term benefits with the long-term consequences.

Most of these tax laws are not permanent, so taking advantage of them while they are here may be important. It will be imperative to spend more time with your tax advisor to discuss how these changes impact your own operation, as they vary greatly from one tax return to another.

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## Confronting Crop Challenges and Update Applicator Recertification

A series of meetings this December in northeast Nebraska will focus on information growers need to address crop and pest issues in 2019. The series, Confronting Crop Challenges, also will offer training for private pesticide applicator recertification. The series does not replace, but is an alternative to the traditional private pesticide applicator training sessions that will be held in early 2019.

### Program Schedule

- **West Point** – Nielsen Community Center, Monday, Dec. 17, 9 a.m. - noon
- **Pender** – Community Center, Monday, Dec. 17, 1-4 p.m.
- **Columbus** – Club Room at Ag Park, Tuesday, Dec. 18, 1-4 p.m.
- **Norfolk** – Nebraska Extension Office in Madison County (new office at the southeast corner of the junction of Highways 275 and 81), Wednesday, Dec. 19, 1-4 p.m.
- **Blair** – Public Library, Thursday, Dec. 20, 1-4 p.m.

### Program Topics

1. Crop Insect Update (soybean gall midge, western bean cutworm, and decetes stem borer)
2. Crop Disease Update (gray leaf spot, soybean cyst nematodes, frog-eye leaf spot, and Cercospora purple seed stain and blight)
3. [Hail Know](#) Resources (things to know and places to go after a hail storm)
4. Cover Crops 101 (an introduction to cover crops)
5. Resistant Weeds Update and Herbicide Carryover
6. Private Pesticide Applicator Recertification

Anyone wanting just the crops information can attend the first five sessions and leave. Those needing to renew their private pesticide applicator license (recertification only, not initial certification) will need to also attend the final session to be recertified. Even though this training is being offered in 2018, the recertification period will begin in 2019.

The cost for the program is \$10 for the first five sessions. If you need to be recertified, the total cost is \$50. The additional \$40 is the same fee you would pay to be recertified at a traditional private pesticide applicator training. Preregistration is appreciated but not required. Register online at [croptechcafe.org/cc](http://croptechcafe.org/cc) or call the Nebraska Extension office in Burt County at (402) 374-2929.

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