

Gregg County Extension Office
405 East Marshall Ave. Longview, Texas ★ 75601 ★ (903) 236-8429
<http://gregg.agrilife.org/>

Oil Belt Farm & Ranch Club Newsletter... ***Electronic Version***

January - 2019

TO: Oil Belt Farm & Ranch Club Members

BY: Randy Reeves, Gregg County Extension Agent – Agriculture

Is Your Agribusiness Ready for 2019?

(Article courtesy of Progressive Cattleman Magazine, December 2018)

As the end of the year approaches, don't miss the opportunity to prepare your agribusiness for the upcoming year and for the tax season. Whether you want to diversify or grow your operation in the new year, taking a step back and assessing your operation and its long-term financial health is a critical step in planning for 2019. The tax filing deadline for Federal Income Tax Returns is Monday, April 15, 2019, so now is the perfect time to begin organizing your receipts and financial paperwork to kick-start the new year on the right foot. In this article we discuss three key steps to prepare your agribusiness for year-end, as well as tax tips to keep in mind during filing season.

3 Steps to Prepare Your Agribusiness for 2019

1. Compile documents and records of your operation. As the year wraps up, begin compiling documents and records of your operation from the past year. This will include balance sheets, accrual income statements, schedules such as accounts receivable, accounts payable, and inventory and equipment lists. Your financial advisor, CPA, and ag lender (if you are looking for financing or refinancing) will need to review these documents to analyze your financial posture.

2. Create goals and a business plan. Take the time to step back and analyze what did and did not work for your operation this past year – and in previous years – to assist you in creating new goals and

strategies for the upcoming year. Having a business plan in place for your operation that contains [key metrics](#) related to productivity, inventory, finance, and administration will position your operation for success in the long-term. Moreover, utilizing data and insights such as commodity pricing and the market outlook, will help you set a realistic budget and attainable goals to prepare your agribusiness for the new year.

Learn more: [How Farms Make Decisions](#)

3. Prepare for change and measure progress. If there are any planned changes for your operation you can make in advance of the new year, begin those now, in order to stay ahead. As the year progresses, maintaining detailed, accurate records of your operation, staying-up-to-date on trending topics and issues in the market, and addressing the financial health of your operation will be important for success in 2019.

Pressing issues such as trade uncertainty, the future of the Farm Bill, and budget cuts to USDA programs are likely to remain top-of-mind for the agricultural industry. Farmers and ranchers will need to conduct consistent evaluations of their operation, to look for ways to reduce expenses and increase efficiencies. Your success will be dependent on your ability to assess and streamline your operation and create efficiencies throughout the year.

[Year-End Tax Tips](#)

Not sure where to start when it comes to tax preparation? Here are three tips that may help reduce your stress, save money, and feel financially secure going into the new year.

1. **Report all income and resale of livestock.** This includes sales of livestock, produce, grains, and other products you raised, distributions from a cooperative, agricultural program payments, crop insurance proceeds, federal crop disaster payments, income you received for custom hire or machine work, and gasoline or fuel tax credit or refunds. Additionally, according to the [IRS](#), if you sold livestock or items that you bought for resale, you must also report the sale when filing your taxes.
2. **Consider deductions wisely.** You can deduct ordinary and necessary business expenses - an ordinary expense is one that is common and accepted in your trade or business, and a necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary. Moreover, you can deduct your employee wages – or wages you paid to your operation’s full- and part-time workers - keeping in mind that you must withhold Social Security, Medicare and income taxes from their wages.

Other common tax deductions include maintenance of your operation, claiming deductions on items such as, veterinary costs for livestock, feed, depreciation, seeds and plants, chemicals, fertilizers, and insurances (other than health), mortgage interest, and storage and warehousing.

3. **Benefit off a net operating loss.** If your expenses are more than your income for the year, you may have a [net operating loss](#). You can carry that loss over to other years and deduct it. You may get a refund of part or all the income tax you paid in prior years, and you may be able to lower your tax in future years.

Happening This month...

International Trade – Oil Belt Farm & Ranch Club January Program

Dr. Lois Ribera, Associate Professor and Extension Economist, was one of our featured speakers for the 2018 East Texas Beef & Forage Conference that was held here in Longview. We wanted to invite him back for more detailed information on international trade and how these markets really affect our cattle producers, as well as markets here in East Texas. The program will be held on January 22nd, at 6:00 pm at the Gregg County Extension office in Longview. The evening meal will be sponsored by A&M Farm Supply here in Longview. Please call the Extension office at 903-236-8429 by January 18th and let us know you will be attending! For more information and program flyer, go to; <http://counties.agrilife.org/gregg/files/2018/10/trade.pdf>

Annual Fall Private Applicators Pesticide License Course Set...

Gregg and Harrison Counties have teamed up once again to sponsor the 2019 Credit Hour Program that will be held on Friday, January 25th at the Gold Hall Community Center in Hallsville, Texas. The annual program will feature **5 CEU's** toward any TDA pesticide license. For more detailed information, including the registration form to attend, go to; <http://counties.agrilife.org/gregg/files/2018/10/19CEU.pdf>
Registration is due back by January 18th!!!

2019 Master Gardener “Tree-Give-Away” Program

Time for the Annual Master Gardener “Tree-Give-Away” that will be held on Saturday, January 26th from 9:00 am till 12 Noon. The annual event is co-sponsored by the Gregg Master Gardener Association and the Texas Forest Service. Participants will be able to receive ten (10) seedlings to take home and plant. Seedlings should be immediately planted or at least “heeled in” for planting later so the roots will not dry out prior to planting.

Be sure to park in back parking lot and enter the building through the west end door! For more information, go to; <http://counties.agrilife.org/gregg/files/2018/10/tree.pdf>

Sneak a peek at Next Month...

Value of Land Seminar – Landowner Liability, Water Law, Oil & Gas Law, Fence Law & AG Leases...

A seminar will be held on issues affecting landowners. The focus is to make landowners aware of issues that could be affecting them in the near future with regards to; Texas Water Law, Landowner Liability, Water Issues and Estate Planning, to name a few. The seminar will be held on February 1st from 9:00 am till 3:00 pm at the Meadowbrook Golf & Event Center in Kilgore, Texas.

Speakers:

Tiffany Dowell Lashmet—Agriculture Law Specialist, Texas A&M Agrilife Extension Service, Amarillo, Texas.

Jim Bradbury—Property Rights Attorney, James D. Bradbury, PLLC, Fort Worth, Texas.

Jordan Hayes— Associate Attorney, Searle & Searle, PC, Marshall, Texas.

Please Pre-Register by Contacting;

Sabine-Neches RC&D
202 East Pilar, Room 129
Nacogdoches, TX. 75961
936-568-0414

Please Pre-Register by 1-28-19

\$50 per person or \$75 per couple

After Registration deadline;

\$60 per person or \$85 per couple

Registration fee also includes lunch at Noon!! ***Space is limited, so get your registration in early...***

For more information and a copy of the program flyer, go to;

<http://counties.agrilife.org/gregg/files/2018/11/land-1.pdf>

AG Policy & Marketing – Oil Belt Farm & Ranch Club February Program

Dr. David Anderson, Professor & Extension Economist will be our special guest and will discuss AG Policy, Markets & how these strongly effect cattle prices in today's fast-moving world-based economy. Dr. Anderson will also offer his views and opinions on future cattle markets "down the road". The evening meal will be courtesy of Jake's Feed of Longview.



February 26, 2019, 6:00 pm

Gregg County Extension Office
405 East Marshall Ave. Longview, TX 75601

For more detailed information, go to; <http://counties.agrilife.org/gregg/files/2018/10/agpolicy.pdf>

Randy Reeves

Randy Reeves
County Extension Agent-AG/NR
Gregg County
903-236-8429
dr-reeves@tamu.edu



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