

News Sales Tax Exemption Registration for Ag Producers

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TEXAS AGRILIFE EXTENSION SERVICE

Parker County Ag News

Farmers, ranchers and timber operators who produce agricultural and timber products for sale will need a special registration number to claim sales tax exemption on purchased taxable products used for their operations beginning Jan. 1.

The registration number was made a requirement by House Bill 268, which passed in the recent legislative session. The new registration process has implications for agricultural producers. "While purchases of feed and seed are not subject to sales tax, it is important that agricultural producers obtain an identification number because many of the inputs required for production of crops and livestock are subject to sales tax," said Dr. Larry Falconer, Texas AgriLife Extension Service economist in Corpus Christi. "Being ineligible for the sales tax exemption would cause a sizable increase in cost of production.

Producers can get a registration number through either a mail-in application or an online application. "Beginning Jan. 1, anyone who wants to claim the agriculture or timber sales tax exemptions for qualifying products will need a registration number to show retailers instead of simply signing an exemption certificate at the time of purchase," comptrol-

ler Susan Combs said in a statement. "The new registration process takes the burden off retailers to verify whether a purchaser is eligible for exemption. And it narrows the pool of purchasers claiming the sales tax exemption to those actually involved in production of agriculture and timber products for sale." For agricultural producers, the new legislation will affect many purchases of particular items used in production of commodities. The new legislation requires a registration number to claim tax exemptions when buying items such as machinery and equipment, fertilizers, insecticides, irrigation equipment, and off-road motor vehicles used for farming and timber production. Those entitled to make tax-free purchases of taxable qualifying products include groups such as:

- Farmers and ranchers who raise agricultural products to sell to others;
- Fish farmers and beekeepers who sell the products they raise;
- Custom harvesters;
- Crop dusters;
- Commercial nurseries engaged in fostering



growth of plants for sale;

- Timber producers, including contract lumberjacks.

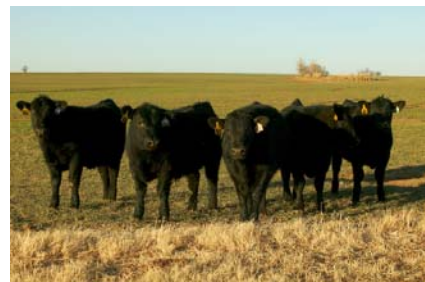
The primary owner or operator of a farm, ranch or timber operation may receive one registration number that can be used by anyone authorized by the registrant—including family members or employees—to make tax exempt purchases of qualifying products for the business.

The application for a registration number should take less than 10 minutes to complete, according to the comptroller's office. Online registration is available at www.GetReadyTexas.org

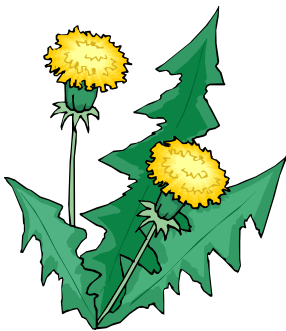
Online applicants will receive a registration number immediately. A paper application may be downloaded from the website or call 800-252-5555 to receive a form by mail.

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Weed Growth After Drought



COLLEGE STATION – “A weed is simply a plant growing out of place or growing in a site where it is not desired.”

Those are the thoughts of

Dr. Barron Rector, Texas AgriLife Extension Service range specialist. **And he said following this year’s drought, wildfires and tons of imported hay, there may be a lot more weeds for landowners to deal with, and some could be invasive species or even toxic.**

Rector recently presented a webinar, “Invasive Plants of Texas Rangelands,” as a part of the AgriLife Extension ecosystem science and management department’s Texas Range Webinar Series. This webinar, as well as others in the series, can be accessed at <http://naturalresourcewebinars.tamu.edu/>

“The soundest way to control weeds is to prevent the invasion, which means we must understand the biology, limit the movement, understand the human behavior and actions that can cause the spread, and understand the pathways for its introduction,” he said.

“Our major problem with land management today is our inability to recognize an invasive plant species and deal with it accordingly,” Rector said. And following the recent influx of hay from other regions of the U.S. and even

abroad, landowners should expect more invasive plants, he said.

“Invasive plants are often best defined as plants that do not stay where they are planted.”

“This sets up a potential problem because interstate commerce of hay is not regulated for the most part. There’s no one at the state line to inspect the hay for foreign and invasive plants. “We want to alert landowners who feed hay from another state that it could carry with it viable seed that could come up on their land,” Rector said. “It’s a Catch 22. We bought the emergency hay to feed and hold on to our herds, but there is the potential that we can introduce an unwanted plant that will cost more management dollars in the future trying to get rid of it.”

Producers need to start now learning what plants they should be on the lookout for, Rector said. **If the hay was purchased from Nebraska, Kansas, Montana, Wyoming, Utah and Idaho, producers should watch for an invasive plant called leafy spurge. If they purchased hay from Florida to Louisiana, that zone is known for the invasive tropical soda apples weed. Other plants of concern include Canada thistle, spotted knapweed, blessed milk thistle, Russian knapweed and yellow star thistle, he said.** Because of their aggressiveness, these will often be the plants that come up on the disturbed areas.

Rector said there are several things a landowner needs to do now to prevent problems later. “The first thing to do is be aware of what invasive plants occur in the area you bought the

hay,” he said. “Know what they look like.” Each state has an invasive plant website or every state can be found on the U.S. Department of Agriculture’s invasive and noxious weeds list at <http://plants.usda.gov/java/noxiousDriver>

“Make sure you know what they look like and then be on the lookout for them, starting in March,” Rector said. “If they are a warm-season annual, they will be germinating then.” In general, annual weeds are treated with chemicals when the plant is 3-6 inches tall, he said. It is important to know what the plant looks like in the seedling, rosette and the early vegetative stages because that is when the chemicals and management practices are the cheapest.

Once a landowner can identify the plant, they need to know the recommendations for management to reduce the impact or eliminate it from the land, he said. Rector said landowners can go to <http://essmextension.tamu.edu/plants>

and there is a choice of plant identification links that will help a landowner not only identify a plant, but also learn about its habitat, toxicity to livestock and management strategies.

“Try to limit the areas where you feed the hay and not spread it all over your ranch. And then make sure you continually go back and look at pastures where you fed hay in future years,” he said. “With the weather prognosis of continued drought, those seeds may sit in the soil for several years before they emerge.”

Environment vs. Beef Production: 1977 to 2007

A recent study compared the environmental impact (defined as resource use and waste output per unit of beef) in 2007 compared to 1977. Included were the cropping system, feed system, animal system, and product system. To produce the same amount of beef, 2007 systems, compared to 1977, reduced the number

of animals by 30%, feed by 19%, water by 12%, and land by 33%. Also, per pound of beef produced there was a reduction of 18% in manure, 18% in methane, and 12% in nitrous oxide. The author related the reductions to such things as higher energy density of finishing rations, more finishing of calf-feds (beef

and dairy), less time from birth to slaughter, and less feed needed for body maintenance relative to weight gain. NOTE: These factors, to at least some extent, require greater use of grains and less of forages. The price of grains could well affect this situation. (J. Animal Sci. 89:4249; Washington State Univ.)

Cattle Trails Cow-Calf Conference—Jan. 6

The Cattle Trails Cow-Calf Conference, a joint effort between Texas AgriLife Extension Service and the Oklahoma Cooperative Extension Service, will be held January 6, in Wichita Falls, Texas.

The vision of the conference planners is to create an annual conference that will provide cow-calf producers the most up-to-date information on topics that influence cattle profits, said Stan Bevers, AgriLife Extension economist in Vernon.

The conference will alternate between Texas and Oklahoma each year, Bevers said.

In Texas this year, it is scheduled from 8:00 a.m. to 2:00 p.m. at the MPEC Center, 1000 5th Street. Regis-

tration is \$25 per person and includes educational materials, a copy of the Cattle Trails Cow-Calf Conference proceedings, a noon meal and refreshments. Additional information can be obtained at <http://agrisk.tamu.edu>.

This year's program will focus on the affects of the 2011 drought. While nobody knows what the 2012 weather will be, ranchers should start preparing their response to improving weather. The keynote speaker for the event will be Bryan Rupp, KFDX TV3 meteorologist from Wichita Falls. Rupp will provide his forecasts well as what to expect from changing weather patterns in this area.

Additional speakers include faculty from both Oklahoma and Texas. Important topics of drought related effects on the area's cow herd, reinvesting after the drought, and the droughts impact on our natural resources and how our herd dynamics can and should change will be discussed. Industry sponsors also will have their products on display during the event.

Producers are encourage to pre-register by contacting Karen Thompson at 940-552-9941, ext. 217 or by email at kethompson@ag.tamu.edu

or come by the Parker County Extension office for a registration form.

Another Market for Choice Beef



The world's largest retailer, Wal-Mart, will now sell USDA Choice grade beef in all of its 3,800 U.S. stores. Since grocer-

ies comprise more than half of the value of Wal-Mart's sales, this could amount to a significant increase in the potential market for Choice beef. Wal-Mart has generally sold only USDA Select grade beef.

NOTE: It remains to be seen if this change increases Wal-Mart's total beef

sales, if some customers merely switch from Select to Choice, or if some combination of those actions occurs. Also not certain is how this change might affect, if at all, the price spread between Select and Choice. (Texas Cattle Feeders Assoc. Newsletter, 11/11/11)

Fewer Cows & Calves Will Lead to Strong Cattle Market in 2012

A classic case of supply and demand is predicted for the cattle market in 2012, according to a Texas AgriLife Extension Service economist.

Declining cow numbers due to drought will lead to fewer calves, causing tighter supplies across the U.S., said Dr. David Anderson, AgriLife Extension livestock economist.

Dr. Anderson forecasts strong cattle prices for 2012. The historic drought in Texas has caused a decline of more than 600,000 cows, which will lead to fewer calves marketed next year. "I think we will continue to maintain historically high prices," Anderson said.

Anderson said his 2012 target prices for 600 pound steers are \$131-

\$138 per hundredweight during the first quarter, \$136-\$144 in the second quarter, \$137-\$147 in the third quarter and \$133-\$143 in the fourth quarter.

The historic drought this year marked the biggest one-year decline in Texas cow numbers ever with more than 600,000 sold by cattle producers, Anderson said.

Nationally, a 12 percent decline in 2011 in beef cow inventory is the second largest decline in history since 1934-1935 (18 percent), as 550,000 head of cows were sold off during that time. In 1996, a decline of approximately 400,000 cows was recorded during that drought year, Anderson said.

In 2012, beef production is

predicted to be down 4 percent," he said. The choice-select spread has choice beef selling for "huge amounts" more than select because exports are booming, Anderson said. "We have a growing demand for choice beef," he said.

Trends of consumer buying patterns indicate during the beginning of the recession in 2008 consumers were trying to "stretch their dollar by buying more hamburger," he said. "As a result, hamburger, chuck and rounds have reached record prices."

However, there's been growing demand for steaks, Anderson said, so "perhaps the economy is not as bad as some might think since there is some willingness to buy more steaks."

Winterizing Sprayers

By David Annis / dcannis@noble.org

Finalizing the winter livestock feeding program (hay and supplement) is a priority for producers at the end of each year. It's also a good time to look at another important winter activity: winterizing equipment, especially sprayers.

Even though our sprayers may not have received much use in the spring of 2011 due to the drought, expect them to get a good workout in 2012. Whenever introduced grasses do not grow and forage resources are over-used, expect weeds to be a problem the following year. Being prepared for spring means beginning during the winter. Before it gets too cold, thoroughly clean the sprayer to remove any chemical residues (follow the label directions for cleaning the sprayer) and remove any part(s) that could be damaged by freezing.

Start by removing the strainers and washing them by hand (wearing chemical-resistant gloves) with soapy water. Rinse them and either store or place them back in the sprayer where you can

find them next season. Next, look closely at the nozzles, nozzle bodies and check valves. If you don't thoroughly clean nozzles and related hardware, chemical residue can build up over the winter and harden. This residue buildup can dramatically reduce the sprayer's performance. Are there old nozzles on the sprayer that haven't been changed out in a few years? If this is the case, you should budget for new nozzles. For what the new nozzles cost, they'll save in herbicide use and aggravation next year.

Store the parts in a well marked container where you can readily find them next season. A tackle box or small toolbox makes a great storage unit for sprayer parts; just be sure to label the box "sprayer parts."

Store check valves at room temperature over the winter to avoid damaging them by freezing temperatures. Remove all pressure gauges, and cap the openings on the sprayer. Find a safe place to store the gauges where they will not be knocked around or freeze. Finally,

circulate antifreeze through the sprayer and all lines. Loosen the caps on the nozzles' bodies so the antifreeze can completely fill the boom line. Tighten the caps when the boomline is full. This helps to reduce cracking and drying out of the hoses and reduces the amount of moist air trapped in the sprayer. Let the antifreeze sit in the valves and pump to avoid freeze damage and reduce rusting.

If possible, store your sprayer in the barn or out of the weather to reduce the amount of damage from sunlight hitting the hoses. If you have to store it outside, consider purchasing a tarp to cover it. The tarp may not last multiple years, but it will reduce the effects of ultraviolet radiation on your tank and hoses.

Winter preparation will ensure the equipment can be ready when we need it in the spring. In closing, it is a good idea to tag your sprayer with a note indicating where the sprayer parts are stored.



The Texas AgriLife Extension Service educates Texans in the areas of agriculture, environmental stewardship, youth and adult life skills, human capital and leadership, and community economic development. Extension offers the knowledge resources of the land-grant university system to educate Texans for self-improvement, individual action and community problem solving. The AgriLife Extension Service is a statewide educational agency and a member of the Texas A&M University System linked in a unique partnership with the nationwide Cooperative Extension System and Texas County Commissioners Courts.

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