



FINGER LAKES VINEYARD NOTES

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**REDUCE UTILITY BILLS BY
PARTICIPATION IN THE FARM AND FOOD
PROCESSOR PILOT PROGRAM**
Carl A. Crispell
Area Extension Specialist
*Central Southern Tier Dairy/Field Crops
Program*

Farms with at least \$10,000 in gross annual sales may now purchase electric energy from suppliers other than the local utility company. The local utility will still provide transmission and distribution of the electricity including reading the meter.

During the two-year pilot (November 1, 1997-October 31, 1999) the utility companies will reduce the delivery charge to participating farm customers by 1 cent per kilowatt-hour. In

addition the utilities will subtract their cost of power from your bill. This might be in the range of 2.5 cents per kwh. In most cases the alternative supplier of electric power will bill you separately for the power. If you do not take any action, your local utility company will continue to provide the power and the delivery of the power at the same price you are presently paying.

On November 6 there were eight Energy Supply Companies called ESCOs which had been found eligible by the Public Service Commission (PSC). By the time you read this there may be several more. These marketers, who are essentially brokers of electric power, must also be approved by your utility company. Your utility company can supply you with a list, or you may call the New York State Public Service Commission. The NYSEG number for

Helping You Put Knowledge to Work

information on the pilot is 1-800-366-7677 and operates from 8:00 a.m. - 4:30 p.m.

It may be difficult to determine which of the ESCO's will save you the most, but if you make no change you will surely not save anything from your present rate. Before you sign a contract, find out how much notice you need to provide to change to another ESCO or back to buying power directly from your utility. There is no charge to switch to an ESCO or back to the utility, but there is a \$8.00 charge to switch to a different ESCO. Of course the meter must be read before a change really occurs, so there is likely to be at least a 15-day lag from the time you decide until the decision is implemented.

There should be no concern about reliability since your utility is required by the PSC to be the supplier of last resort if for any reason the ESCO does not put enough power into the system. Even though the power is being deregulated, transmission and distribution is still regulated by the PSC. In other words, if a storm knocks down the lines, the utility will repair them on the same schedule regardless of where you are buying your power.

The savings are not likely to be great during this pilot program, perhaps in the 5-10% range. Therefore you may not be able to justify spending several hours shopping for the very best deal. However, the pilot gives you, the utilities, the NYSPSC, and the ESCO's the opportunity to learn about deregulation of electric power during the next two years after which it is expected all users of electricity will be free to shop for power.

**SOME GOOD NEWS IN THE TAXPAYER
RELIEF ACT OF 1997**

Barry Shaffer

*Area Specialist - Farm Business Management
Lake Erie Regional Grape Program*

The new tax bill has complicated the tax code, but there is some good news for many farmers.

We'll start with **capital gains**, for sales occurring after May 7, 1997.

If you're in the 15% tax bracket, the maximum tax rate on net capital gain drops from 28% to 20% in all but the 15% tax bracket. If you're in the 15% bracket, the maximum capital gain rate will be 10%.

The holding period for long-term capital gain treatment is "more than 18 months" up from "more than one year". That change is effective for sales after July 28, 1997.

Increases in the federal gift and estate tax unified credit from the current \$600,000 to \$1 million by 2006.

Beginning in 1998, certain family farms and small businesses will receive a combined unified credit exemption and family business exemption of \$1.3 million. This \$1.3 million in death tax relief will remain constant. To be eligible for the exclusion, the business must make up more than half the estate.

Individual Retirement Accounts (IRAs) are more complicated with the addition of two new IRAs and changes to existing deductibility. This is one area you should ask your tax professionals about.

Increases in the deduction for health insurance for self-employed individuals:

40% for 1997
45% for 1998 and 1999
50% for 2000 and 2001
60% in 2002
80% in 2003-2005
90% in 2006
100% in 2007 and beyond

Be sure to consult your tax professionals about taking advantage of some these opportunities.

1998 HORTICULTURE SHOW GRAPE
PROGRAM

Rick Dunst

*E. F. Taschenberg Vineyard Laboratory
Fredonia, NY*

The Board of Directors of the New York State Horticultural Society has put together an outstanding grape program to be held at the annual Horticulture Show on **January 15, 1998**, at the Rochester Thruway Marriott. The morning session will include discussions of "Concord" grape quality from the point of view of research and industry, and a look at the 'Concord' industry in Washington State. The afternoon session will focus on wine grape production in Texas, Virginia, and Canada. Other activities at the show include sessions on tree fruit production and computer training in addition to the trade show. Information on registration will be included in December's newsletter.

JUICE GRAPE SESSION

9:00 - 9:15 A.M. Introduction.

9:15 - 10:15 A.M. "The Flavor Chemistry of Concord Grape Quality" - Dr. Terry Acree, Professor of Biochemistry, Food Science Department, New York State Agricultural Experiment Station, Geneva.

10:15 - 10:30 A.M. Break.

10:30 - 11:15 A.M. "Concord Grape: The Marketplace and the Customer" - Mr. John Strouse, Director of Industry and Military Sales, Welch's, Concord, Massachusetts.

11:15 - noon. "Washington Concord Grape Production - Past, Present, and Future" - Dr.

Robert Wample, Viticulturist, Washington State University, Prosser, Washington.

12:00 - 1:15 P.M. Lunch

WINE GRAPE SESSION

1:15 - 2:00 P.M. "An Emerging Texas Wine Industry?" - Mr. James Kamas, Extension Fruit

Specialist, Texas A & M University, Fredericksburg, Texas.

2:00 - 3:00 P.M. "The Virginia Wine Industry: Situation and Current Research" - Dr. Tony Wolf, Associate Professor of Viticulture, Virginia Tech University, Winchester, Virginia.

3:00 - 4:00 P.M. "Overview of the Canadian Wine Industry" - Dr. Andrew Reynolds Associate Professor of Viticulture, Brock University, St. Catherines, Ontario.

UPCOMING MEETINGS

January - April. Pesticide Training and Recertification Series. A comprehensive series of 4 sessions for anyone seeking to obtain a pesticide certification license, private or commercial. Certified applicators seeking additional pesticide training and review may also attend any or all classes, and obtain **Recertification Credits**. Classes offered in Romulus, Penn Yan, Rochester, and Canandaigua. See attached brochure and registration form included in this mailing.

Jan. 15, 1998. Grape Program, 1998 New York State Horticultural Society Annual Horticultural Show. Rochester Thruway Marriott, Rochester, New York. See accompanying article for topics and speakers. For information on registration, contact the NY State Horticultural Society, 315-787-2404.

January 21-22, 1998. Unified Wine & Grape Symposium, Convention Center, Sacramento, CA. Sponsored by American Society for Enology and Viticulture and the California Association of Winegrape Growers. Theme of the meeting will be 'Vineyard & Vintners - a Global Perspective'. If you are curious about projections of the California and world grape supply through 2000, and how the industry will cope with the increased supply, this is the meeting for you. This meeting includes a large trade show, focused on both winery and vineyard equipment. Registration information is available through our office (315)-536-5134, or call 530-753-3142 (fax 530-753-3318) for more

information. Deadline for pre-registration is January 5, 1998.

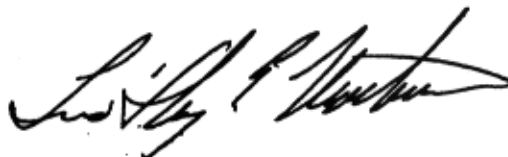
February 4-6. Ohio Grape-Wine Short Course, Toledo, OH. Contact Hart Wineburg (330-666-9285) or Roland Riesen (330-263-3814) for details.

Feb. 16, 1998. 1998 Lake Erie Grape Growers' Conference, Westfield Central Academy, Westfield, New York. Contact The Lake Erie Regional Grape Extension Program at (716)-672-6464 for more information

Mar. 7, 1998. 1998 Finger Lakes Grape Growers' Conference, Holiday Inn, Waterloo, NY. Planning is in the early stages. Look for complete information and registration in the next *Finger Lakes Vineyard Notes* in mid-December. Meanwhile, Hold the date!

March 14 & 15, 1998 Annual Conference of the Northeast Organic Farming Association-NY, "Biological Balance: Growing Healthy Farms, Folks, and Foods" at Tompkins-Cortland Community College in Dryden, NY. Over 40

workshops for advanced as well as beginner growers on building soil, plant disease management, marketing, and strengthening agricultural communities. Featured speaker is Russell Libby, executive director of the Maine Organic Farmers and Gardeners Association. Children's program and child care. Discount for registration by 2/13/98. NOFA-NY, PO Box 21, South Butler, NY 13154-0021; phone: 315-365-2299; fax 315-365-3299.



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Finger Lakes Grape Program

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