

Minority Landowner



Fall 2012

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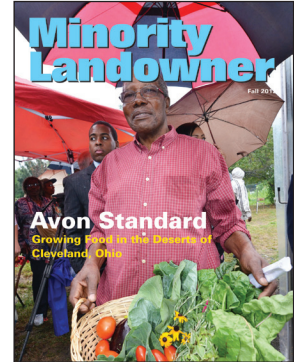
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Cover photo courtesy NRCS Ohio

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Minority Landowner Magazine is published quarterly by Cierra Publishing Company. Address all inquires to:

Cierra Publishing Company
P.O. Box 97033
Raleigh, North Carolina 27624

Phone: 919.215.1632

Email: ccpublishing@earthlink.net
www.minoritylandowner.com

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Victor L. Harris
Registered Forester

Each year at this time we look back on the year that's passed, with great anticipation for the year ahead. I guess some call that reflection.

As I reflect, we began the year with another successful conference where we introduced the North Carolina Farm Turnaround Team. We made the Farm Turnaround Team operational in June. We published our 4th annual Farmers of the Year issue in the summer. Somewhere along

the way we launched a presence on Twitter (@minorityland). We created the Minority Landowner Board Development Program, designed for minority farm co-ops to help strengthen their operational capacity. More to come on that in 2013. We hosted our 2nd annual Black Tie Benefit to support the Mrs. Bobbie Nell Barnes Memorial Scholarship Fund, which provides scholarships to students in the College of Agriculture, Environment and Nutrition Sciences at Tuskegee University.

We received a special recognition award from Alcorn State University. Partnered with Lincoln University in Missouri to sponsor and help kick off their new Missouri Minority and Limited Resource Farmer's Conference.

We established a partnership with the American Forest Foundation by hosting and facilitating a meeting to improve outreach to minority forest landowners. And although I missed their annual Grassroots Gathering in 2012, we have established a relationship with and do support the Children and Nature Network.

Minority Landowner Magazine sealed a Memorandum of Understanding with the National Organization of Professional Black NRCS Employees, to work together to address the needs of minority farmers across the country. We have a cooperative agreement with NRCS in South Carolina to develop workshops to improve outreach to underserved farmers and landowners (see the article on page 14).

That's just some of what we've accomplished in 2012. We got a lot done. With the partnerships we've built over the years, we can expect to continue to get a lot done for minority and underserved farmers, ranchers and forest landowners.

Our newest partnership is with Attorney Monica Moncrieffe. Attorney Moncrieffe will provide a regular column, "Moncrieffe's Law," beginning with this issue. She will address legal issues relevant to farmers and landowners and you'll find her column on page 6. I'm excited to have Attorney Moncrieffe join, us, and I'm certain you'll find her columns informative and very useful.

I treasure all of our partnerships, but I must single out our work with the US Forest Service. Longtime subscribers may recall that I am a graduate forester and worked in the forestry profession for 20 years. So, my heart is fond of forestry, forest management and the forestry profession. And I know how important it is for farmers to take a look at their forestland and manage it as a part of their total land management operation.

From the Southern Region in Atlanta, to the Southern Research Station in Asheville, North Carolina, to the Cooperative Forestry and State and Private Forestry and Urban and Community Forestry units in Washington, DC, to the National Agroforestry Center in Nebraska, I am proud of how the US Forest Service has shown time and again their commitment to reaching, informing and serving minority and underserved farmers and forest landowners. They're helping to ensure that forest management is a part of a landowner's comprehensive management planning.

We got a lot done in 2012 for farmers, ranchers and forest landowners. With our partners across the nation, we'll get a lot done in the year ahead.

All the best,

A handwritten signature in black ink that reads "V. Harris". The signature is stylized and cursive.

Victor L. Harris
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Southern Research Station Webinars



Invasive plant: Chinese tallowtree

Southern Research Station webinars cover a wide range of topics, including the Southern Forest Futures Project (www.srs.fs.usda.gov/futures), invasive plants, southern pine beetle, timber tax, silvopasture, and climate change.

Recent webinars include:

- Income Tax on Timber for Your 2012 Tax Return Filing
- The Restoration of the American chestnut
- Forest Farming Non-Timber Products: Opportunities and Challenges
- The Most Prevalent Invasive Plants in Southern Forests



Non-timber product: ramps

Visit the Forestry Webinar Portal to search archived webinars and register to receive notification for upcoming webinars,

<http://www.forestrywebinars.net/>

Sustain Your Family's Legacy

By **Monica Moncrieffe**

Seventh generation sustainability is a philosophy attributed to the Great Law of the Iroquois, a Native American tribal nation. Seventh generation sustainability is the idea that decision making should take into consideration the impact on descendants as far into the future as the seventh generation. The Iroquois wanted to ensure that the natural resources that sustained their people would be there to sustain future generations. Undoubtedly, many small farmers share in that aspiration; but the idea of planning for the benefit of the next generation, let alone the seventh generation, can seem overwhelming.



Creating an estate plan with the help of a licensed professional allows the minority landowner to protect his family and leave a legacy for his children and grandchildren. At first blush, the estate planning process may seem too expensive; and, if the plan is to sell or gift property during life, creating an estate plan may seem unnecessary. In fact, basic estate planning documents are less expensive than one might think. The cost of legal and financial planning services varies from one community to another. However, in many states, legal aid, bar associations, or farm assistance organizations provide free or low cost estate planning services for farm owners who qualify. Even in the absence of pro bono or discounted services, basic estate planning documents can usually be prepared by a qualified attorney for less than a thousand dollars. The investment in the family's security is well worth the cost.

As for the estate plan being unnecessary for those who plan to sell or gift the property during their lifetime, well, "the best laid plans of mice and men often go awry." No one likes to think that they will die before they have finished doing all the things they

plan to do in life. No one likes to think that they will buy the farm before they get the chance to give it away. But life happens, and so does death. Preparing a will and other estate planning documents does not prevent a landowner from selling or gifting property named in the will during his lifetime. What it does is provide peace of mind and instructions in the event that a landowner dies before making an inter vivos (during life) transfer to his or her chosen heirs.

Basic estate planning tools to consider include wills, trusts, and powers of attorney. A will dictates who should get your real property and other assets upon your death. Dying without a will is called dying intestate. When one dies without a will, his property will be distributed according to his state's laws of intestate succession. The process can be lengthy, and may result in property being passed to undesirable beneficiaries.

A trust sets aside assets for the benefit of a designated individual and/or purpose, such as paying taxes. A trust can be an effective means of tax and financial planning. A trust can even be listed as a beneficiary of a life insurance policy.

Finally, a power of attorney grants another person the authority to make financial and/or healthcare decisions in the event the landowner becomes unable to manage his own affairs. A power of attorney expires at death.

Spending the time and money to create an estate plan may protect your family's interest for several generations. Contact an attorney or legal organization in your area to learn about the specific laws in your state. In doing so, you will be taking the first step toward ensuring that your land will sustain your loved ones for many generations.

Monica Moncrieffe is the owner of The Moncrieffe Law Firm based in Raleigh, North Carolina. She is licensed to practice law in the states of North Carolina and Connecticut. She is a graduate of Tuskegee University ('98) and Howard University School of Law ('01). Attorney Moncrieffe is also a certified mediator. You can learn more about The Moncrieffe Law Firm by visiting www.moncrieffelaw.com or by sending an e-mail to info@moncrieffelaw.com.

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By The National Network of Forest Practitioners

Braving early morning rain in Jasper County, Mississippi, a diverse group of almost 100 souls gathered on the Thigpen Farm to learn from the “First Family” of forestry in Mississippi. Three generations of the Thigpen family hosted, educated, and inspired visitors from across the state on their beautifully maintained tree farm.

While “Tree Farmer” may call to mind images of large white landowners in the South, the Thigpen family is a beacon of inspiration for all landowners.



Chester and Rosett Thigpen

The late Chester Thigpen, and his wife Rosett, established the tree farm over half a century ago, and in 1996 Chester was recognized as the Outstanding Tree Farmer of the Year in the whole United States! On the December 8th field day, Lonnie Thigpen, Roy Thigpen, and Roy Thigpen, Jr. graciously hosted visitors on the family land they continue to maintain to this day.

The land is blanketed with open park-like stands of pine trees, at different stages of growth, maintained by thinning and prescribed fire. “It is one of the best-managed loblolly pine stands I’ve ever seen!” proclaimed one visitor from the American Forest Foundation.

But there was not always such enthusiasm about the tree farm. When Chester Thigpen used money he saved working on the railroad to buy beat-up land in Jasper County, nobody knew the importance of the legacy he would leave. His neighbors thought he was crazy to be planting trees on open land at the time, but Mr. Chester had an inspiration, and a vision for the future that exceeded theirs.

Today his family land stands as a testament to his vision, and the hard work of his and future generations. The open park-like stands are maintained by fire, which was natural in the Southern Pinelands. The controlled fire helps clear out the underbrush and makes the woodlands more appealing for recreation, better



Descendants of Chester and Rosett Thigpen, front row: A. J. Griffin, William ‘Will’ Griffin, Julia Thigpen, Roy Thigpen, Jr., and Lonnie Thigpen, Jr. Back row: Daniel Thigpen, Iris Thigpen Griffin, Roy Thigpen, Sr. and Anthony Griffin

Southeast Forest Landowner Outreach Initiative

The Thigpen Family Farm field-day was one of 26 outreach events, reaching over 900 landowners, in 2011-12, held as part of the SEFLO Initiative. These workshops were held with partners including the Limited Resource Landowner Education and Assistance Network, Alabama A&M University, the Southwest Tennessee Woodland Interest Group, and many more. The goal of SEFLO is to support grassroots organizations and leaders in the South to educate and assist underserved landowners in making more from their woodlands, and accessing USDA programs they have not accessed before.

Additional information about SEFLO can be gained by calling Regional Director John Fenderson or Outreach Specialist James Ford at (877) 913-8733 or (740) 593-8733.



Daniel Dawson, a 5th grader, loves the outdoors.

for native wildlife, and also more productive for timber. This, combined with regular thinning, helps produce highly productive woodlands, with regular timber harvests. Burning also allows for harvest of “pine straw” (needles) which is sold to landscapers and highly prized as mulch.

The field day combined the Thigpen family’s experience with experts from across the state. Visitors toured four stops on the farm to learn about different topics, ask questions of the experts and gain ideas for their own lands. A gathering over the mid-day meal gave further inspiration and information on heirs’ property, and options for gaining additional information and financial assistance.

The in-the woods stops included:

- Recommended procedures for thinning and prescribed burning to produce high quality timber,
- Environmental Quality Incentives Program (EQIP) cost share for forestry,
- Natural stands for profit, and
- The importance of a timber management plan

The trees planted by Chester and Rosett Thigpen stand as a testament to their foresight, and the continued work of the current generations of the family. The land and story are also an inspiration to other families who work to create a legacy for future generations. While tomorrow is not promised, as Dr. King once said *“Even if I knew that tomorrow the world would go to pieces, I would still plant my apple tree.”*

The seeds the Thigpen family have planted will bear fruit for their heirs, but with their generosity of spirit and sharing they also have planted seeds that will grow and blossom across Mississippi and beyond.

A short video showcasing the field day can be seen at www.tinyurl.com/FIELDDAYTHIGPEN.

The field day was a team effort, with Vickie Roberts (NNFP Outreach Specialist), Allen McReynolds (from Winston County Self-Help Cooperative) and Perry Brumfield (NNFP Outreach Specialist) working with the Thigpen family to showcase their farm to educate and inspire diverse landowners across Mississippi.

Got Woods?



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A Resource for Landowners
to Help You Protect and Enjoy Your Forest

Photo by Michael Gajda

Protecting and Providing



Javier Mancha has been farming since his return from Vietnam in 1969.

Photo courtesy of USDA-NRCS

By Jaime Tankersley

Ten. To some it is a perfect score, to others just another even number. But for Javier Mancha it was the acreage he obtained and worked by hand every day since he returned from the Vietnam War in 1969.

For the U.S. Army 1st Logistical Command veteran it was a cherished portion of God's green Earth and that sliver of Maverick County land on the Mexico border was all he needed to raise and provide for a family over the next four decades.

Humble Beginnings

Mancha's Rosita Valley farm is known for growing some of the hottest peppers and sweetest melons. It is in this fertile valley that Mancha raised and sold enough produce to put four daughters through college, and eventually obtain additional land that now allows him to raise cattle.

"I have always loved to farm," Mancha says. "I married my wife in 1967 and began my career as a farmer in 1970. Together we have raised cantaloupe, watermelon, peppers, squash, hay grazer and alfalfa."

Mancha has a sense of family pride that is depicted simply by listening to his story and letting his eyes tell you of his challenges in the agriculture arena.

"Mancha is a rare family name," he explains. "When my father was 10 years old he came to the U.S. (from Mexico) and he was soon responsible for helping his mother raise a family and provide

for his siblings. In 1946, he opened a grocery store in Eagle Pass and worked as a butcher and baker."

That work ethic is still held in the heart of Mancha's grandchildren, as they can be seen in the summer months selling their grandfather's produce at roadside stands.

In 1983 those original 10 acres turned into 40 and Mancha grew to be respected and known for the same high quality and dependability as his crops.

"We struggled as farmers at times, but I learned not to fight nature but work with it and I tried to learn something new every day that would make it easier for the next generation," Mancha notes.

Mancha does not apply herbicide to his produce, and when mechanical weed removal will not do the trick you will see him with nothing more than a garden hoe and his own two hands taking care of his crops.

"It is an enormous sense of pride to not only farm, but to know that it is what has provided for my family," he says. "I could not have done it alone, I had good people support me and help me along the way."

Conservation Ethics

In 1975, Mancha entered into a Long Term Agreement (LTA) with what was known as the USDA-Soil Conservation Service, now the Natural Resources Conservation Service (NRCS). Through this agreement a variety of conservation practices were applied to his Rosita Valley farm. He started and completed critical land treatment, land leveling, irrigation water manage-

After working with the Natural Resources Conservation Service, Javier Mancha (right) reviews pasture conditions with Natural Resources Conservation Service District Conservationist, Serafin Aguirre.



ment and irrigation canal lining.

“USDA-NRCS is part of the reason I can have such satisfaction as a farmer and rancher today,” Mancha relates. “They helped me to learn about the business. I diversified my crops so that each year I would have something to sell.”

Mancha didn't stop at his 40 acres of farmland. He bought 500 acres of irrigated pastureland in El Indio that had been abandoned, abused and overgrown with mesquite and other undesirable brush. Trusting his partners in conservation he turned yet again to NRCS for guidance and put together a conservation plan that would help to achieve his goals to heal the land.

“I have enough land to support my family, I do not want anymore,” Mancha says. “I just want to work on what I have and make it better.”

As a brush removal method, a root plow was put in the ground and a test plot was put into place to see how the land would react. Shortly after, success was seen, and this opened the door for a variety of practices that now lets the land support a cow/calf operation.

Mancha worked through the NRCS-Environmental Quality Incentives Program (EQIP) to root plow and remove the undesirable trees and brush growing in his pastureland, build cross-fences and used NRCS technical assistance to improve the existing irrigation system. The ranch is located about a half mile from the Rio Grande River, and through the intricate irrigation system in place, Mancha receives the tail water off the over 90 miles of canal structure. This is used to water livestock and irrigate his thick stand of Tifton 85 and coastal Bermuda.

“The Maverick County Water District #1 is responsible for the irrigation system,” Mancha explains. “The main canal broke five weeks ago and you see how quickly our farming and ranching community relies on that water.”

Crops can be seen wilting on the roadside and for some resident's drinking water is at an all time low without that water source. Mancha, who serves as a director on the Maverick County Water District #1, worked with his fellow chairmen to repair the structure and return water to the land as fast as they could. Mancha is currently in his fourth year as a Maverick County Soil and Water Conservation District chairman where he continues to pursue his own conservation education and share with others.

“Mr. Mancha has done so much in the last four years for our district,” says Serafin Aguirre, NRCS district conservationist in Eagle Pass. “The Board has sent five high school students to Junction for the Youth Range Workshop, held district fund raisers and overall been more active within the community.”



Photo courtesy of USDA-NRCS

Javier Mancha has been able to increase his stocking rates after working with the Natural Resources Conservation Service to improve pasture conditions outside of Eagle Pass, Texas.

Battling Fever Ticks

As the fever tick became a major concern, Aguirre and NRCS were present to help Mancha as he found himself in the middle of the quarantine zone.

Even though the tick was eradicated in 1943, with due time the *Boophilus annulatus* and *Boophilus microplus* have made a comeback. Both are capable of carrying the protozoa that can transmit the disease *Babesia* or tick fever, which kills cattle.

Mancha, with aid from NRCS, built the cross-fences needed to set up a rotational grazing system that allows tick riders to work a smaller area. Once a month the cattle are penned and treated. Partnerships like this are what will close the book on the invasive species and allow livestock and wildlife to flourish in South Texas once again.

In it for the Long Haul

Even though cattle are the only livestock on his operation, Mancha also manages for the improvement of his turkey, deer and dove populations.

“Drought has had a major impact on our vegetation,” Mancha notes, “but nevertheless I was not forced to sell. I kept replacement heifers because of the good grass. It produces a lot of feed and has kept me in business in the worst drought in 50 years.

“Being a farmer and rancher has meant so many things to me,” he continues. “When I was young I just wanted to see my crops grow; now I know that I am part of the contribution that feeds America.

“I could easily retire, but I am not ready to give this up,” he says with a smile and deep sense of satisfaction.

Seeds, soil and water were the foundation for Javier Mancha to begin his lifetime career of farming after returning from Vietnam, and those are the same three things he still strives to conserve today.

Early in his life, Mancha served his country to protect lives and provided a living for his family. Now Mancha continues those same ethics protecting the resources on his land so he can continue providing food for Americans.

Mancha uses the saying “*Arrimate al Árbol que da buena sombra*” which when translated is “*Get close to the tree that provides good shade.*” He said this sums up his lifetime full of enjoyable and grateful experiences in the farming community and his partnership with the NRCS.

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NRCS Leads Outreach Workshops in South Carolina

USDA Natural Resources Conservation Service-South Carolina partnered with Minority Landowner Magazine through a cooperative agreement to develop and host a series of farmer and landowner workshops across the state. The outreach workshops provided an opportunity for underserved farmers, ranchers and landowners to learn more about NRCS programs and services, meet NRCS representatives and open the door to increased participation in NRCS programs.

Four workshops were held during the fall, and two more are planned for 2013. Two-day workshops have been held in Sumter County, Williamsburg County and Orangeburg County. The format for the two-day sessions has been one day of classroom presentations, and one day in the field.

The fourth workshop was a one-day classroom session held in conjunction with Penn Center's 150th anniversary and 30th annual Heritage Days celebration. Penn Center, located on St. Helena Island, is "the site of one of the country's first schools for freed slaves and one of the most significant African American historical and cultural institutions in existence today."

Presentation topics during the classroom sessions have included eligibility requirements, conservation easements, Environmental Quality Incentives Program, high tunnels, soil health,

agricultural marketing, estate planning and agroforestry. The field sessions have included installation of black plastic, pest management, irrigation, vegetable production, hay and cattle operations, and the one day erection from the ground up of a 600 square foot demonstration high tunnel.

A construction crew from Puckett Greenhouses in Ararat, Virginia led farmers in the construction on the high tunnel, including squaring the base, framing the sides, installing the door and enveloping the frame with its plastic covering. The demonstration gave farmers a unique opportunity to learn from NRCS staff what the eligibility requirements are for participating in the high tunnel program, and at the same time, to work side by side with an expert supplier and construction crew, to better understand the process involved in erecting a high tunnel.

South Carolina State University's 1890 Extension Program and community-based organizations Carolina Vegetable Cooperative, People's Farmers Cooperative, and Orangeburg Young Farmers Cooperative have been partners in support of the workshops.

NRCS presenters have included State Conservationist Ann English, Assistant State Conservationist Kellee Melton, Public Affairs Specialist and Outreach Coordinator Amy Overstreet, and Natural Resources Outreach Specialist Elyse Benson.



Farmers in Williamsburg County helped construct a high tunnel. One of the first steps was squaring the base.



This photo shows wood and metal framing going up.



Installation of the plastic covering is almost complete.



Construction of the 600 square foot demonstration high tunnel was completed in eight hours.



NRCS staff Diane Leone and Tria Yang greeted participants during the farmers and landowners workshop at Penn Center on St. Helena Island.



Willie Ulmer (right) discusses work on his farm with District Conservationist Emily Bonilla and his fellow farmers.



Jim McClain (2nd from left) hosted farmers on his Flying Leatherneck Ranch.



Pamela Mack (2nd from left) describes work on her farm during the second day of the 2-day workshop.

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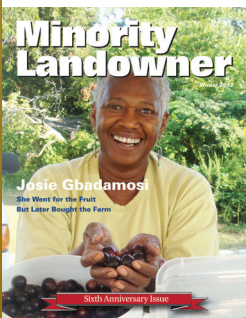
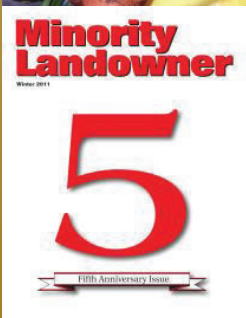
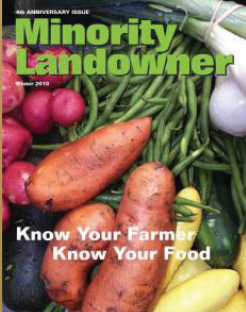
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Sowing Seeds to Feed a Community

By Beverly Moseley

*Ohio Acting Public Affairs Specialist
USDA NRCS*

For years, Avon Standard has tilled the soil, planted the seeds and harvested the produce from his community garden with one purpose in mind – feed the people.

He recently took it one step further. Standard is the first urban farmer in Cleveland, which lies in Cuyahoga County, to build a high tunnel or hoop house as part of the Cleveland Seasonal High Tunnel Pilot Project administered through the USDA Natural Resources Conservation Service (NRCS).

“My passion is to give and grow,” said Standard of the fruits and vegetables that he provides free to family, friends and the surrounding community.

The Cleveland Seasonal High Tunnel Pilot Project is part of the USDA’s Know Your Farmer, Know Your Food national initiative. This initiative works to strengthen food systems and promote locally grown foods, while expanding an urban community’s access to affordable fresh foods.

To Standard, the large high tunnel structure offered a way to extend his growing season; in turn, likely making it possible to feed more people. The project also should help determine a high tunnel’s effectiveness in keeping vital nutrients in the soil and reducing pesticide use.

Sharing success

The community garden where Standard grows his fruits and vegetables is located alongside Regency Park in an older, inner city neighborhood of Cleveland. These inner city locations are sometimes referred to as “food deserts,” due to the community’s



Avon Standard is the first urban farmer in Cleveland, Ohio to build a high tunnel as part of the Cleveland Seasonal High Tunnel Pilot Project administered through NRCS.



The community garden where Avon Standard grows his fruits and vegetables is located alongside Regency Park in an older, inner city neighborhood of Cleveland. These inner city locations are sometimes referred to as “food deserts,” due to the community’s limited access and availability of affordable, healthy foods.

limited access and availability of affordable, healthy foods.

The City of Cleveland and individuals such as Congresswoman Marcia Fudge, Ohio-Dist. 11, have taken steps to shrink these deserts. They have rezoned areas such as vacant city lots for agricultural use and are working with partners such as NRCS through the Cleveland Seasonal High Tunnel Pilot Project.

The success of these efforts was the focus of a recent news conference held in front of Standard’s high tunnel, surrounded by vegetable plants. Despite the morning rains, a large crowd gathered under tents and umbrellas. Standard and other farmers from the community garden were also in attendance and neighbors could be seen on their front porches watching from afar.

“This really is reinventing a community. It’s feeding people. They don’t sell food here -they give it to people. This is the Victory Garden of our time,” said Congresswoman Fudge during the news conference.

The Congresswoman has long been an advocate of improving the quality of life of people in her district, which includes improving access to food, along with promoting better nutrition and healthy living.

Dave White, Chief of NRCS, traveled to Cleveland to attend the press conference, tour the garden and share with attendees about NRCS’ role in the pilot project.



Dave White, Chief of NRCS, shares with attendees during the news conference NRCS’ role in the pilot project. Congresswoman Marcia Fudge, Ohio-Dist. 11, (right of podium), has long been an advocate of improving the quality of life of people in her district.

“The interest and participation from the Greater Cleveland area’s community members, urban farmers and partners in the Cleveland Seasonal High Tunnel Pilot Project have been tremendous. This project exemplifies NRCS’ commitment to increasing the availability of locally grown produce in urban areas in



High tunnel installation begins over Avon Standard's vegetable garden.



The City of Cleveland has rezoned areas such as vacant city lots for agricultural use and is working with partners such as NRCS through the Cleveland Seasonal High Tunnel Pilot Project.

a conservation-friendly manner, while stimulating economic opportunities for urban farmers,” Chief White said.

He shared that NRCS has provided more than \$132,000 in federal financial assistance to Cuyahoga County urban farmers for high tunnel installations. To date, 22 contracts for high tunnels have been approved by NRCS through the agency’s Environmental Quality Incentives Program (EQIP).

Through the pilot project, urban farmers receive financial assistance for tunnel installation based off an established NRCS EQIP program rate. Farmers will work with NRCS staff on conservation planning and practices that protect the area’s natural resources, such as soil and water. They will also receive on-site technical assistance from NRCS staff.

The spirit of giving

At the garden is where Standard, who is retired, spends the majority of his time tending to his vegetables. That’s where he was found the day after the news conference answering his phone.

He reported that the rains had stopped and the morning was sunny with a slight breeze blowing. Weather made for gardening with his friends who he considers family.

“Yesterday was great. It rained, but it was real nice yesterday,” Standard said about the news conference and the garden’s visitors.

He said he’s already planning on how he’ll utilize the high tun-

nel this fall. He’d like to grow collard greens and turnip greens. He said he’s looking forward to an extended growing season and seeing vegetables in the high tunnel after the first frost.

“I’ve seen them around. When it came to me about the hoop house, I was thinking that’s a great idea. I’ll do that. Once I get it, I’ll figure everything I’ll do with it. In the winter and spring time - I can start planting earlier,” Standard said.

And, the neighboring community will once again benefit from the fruits of his labors as the days shorten and grow colder and Standard still has vegetables to give away.

“I feel like I’m getting some blessings by giving - not receiving,” Standard said.

Since 1935, NRCS’ nationwide conservation delivery system works with private landowners to put conservation on the ground based on specific, local conservation needs, while accommodating state and national interests. To learn more about NRCS’ programs and how they can benefit you and your natural resources, visit us on the web at www.oh.nrcs.usda.gov.

Tax Tips for Forest Landowners for the 2012 Tax Year

By Linda Wang and John Greene

Federal income tax law contains provisions to encourage stewardship and management of private forest land. The primary goal of this bulletin is to assist forest landowners and their advisors with timber tax information they can use to file their 2012 income tax returns. The information presented here is current as of September 15, 2012.

Personal Use, Investment, or Business Property

Different tax rules apply, depending on whether you hold your forest land as personal use, investment, or business property. If you do not own your forest land at least partly to grow timber for profit, it may be personal use property, which provides few opportunities for tax deductions. Profit motive is determined by factors including the time and effort you put into activities directly related to producing income; it also includes the expectation of future profit from appreciation in value of your timber due to growth and enhanced quality. An investment might rely mostly on such appreciation in value, while a business would conduct timber management activities on a more regular and continuous basis. It is a good idea to document your profit motive in a written forest management plan.

You must *materially participate* in the management of forest land held for business use in order to avoid the *passive loss rules*, which restrict the deduction of business costs. Investment property is not subject to the passive loss rules.

Example: You grow timber for profit from appreciation in value but do not actively manage it. Your forest land may be investment property.

Timber Basis and Timber Depletion Deductions

Timber basis. If you purchase forest land, its basis is the total amount you paid for it (purchase price, survey, legal fees, etc.).

The basis of forest land that you inherit generally is its fair market value (FMV) on the donor's date of death, while the basis of forest land you receive as a gift generally is the lower of its FMV or the donor's basis. You should allocate the basis of land, timber, and other assets (e.g., a bridge) that you acquire together in proportion to their FMV at that time and post them to separate accounts. If you didn't do this a consulting forester can determine basis retroactively, but you should weigh the cost of doing so against the potential tax savings.

Example: You bought forest land for a total cost of \$30,000. The FMV of the bare land is 64% of total FMV and the timber (300 thousand board feet (MBF)) is 36%. The basis of the land is \$19,200 (64% x \$30,000) and the basis of the timber is \$10,800 (36% x \$30,000).

Timber depletion deduction. Depletion is a deduction against timber sale proceeds. It is calculated by dividing your timber basis by the total volume of timber (the depletion unit), then multiplying by the units of timber sold. This is why you need to have a separate timber basis account.

Example: Continuing with example 2, say you sold 200 MBF of the timber. Your depletion unit is \$36/MBF ($\$10,800 \div 300$ MBF) and your depletion deduction is \$7,200 ($\$36/\text{MBF} \times 200$ MBF).

Timber Sales

Sale of standing timber. Only the net gain from a timber sale, after deducting timber depletion and sale expenses, is taxed. Report the sale of standing timber held as an investment on Form 8949 and Schedule D. Report the sale of standing timber held for business use under IRC sec. 631(b) on Form 4797 and Schedule D, whether you sell it outright (lump-sum) or pay-ascut. If you sell timber outright under sec. 631(b) you also must file Form T, Part II.

Example: You sold standing timber held as an investment for over 1 year for \$8,000, incurring \$950 in sale expenses. Assuming a depletion deduction of \$1,330, your net long-term capital gain is \$5,720 ($\$8,000 - \$950 - \$1,330$).

Sale of cut timber. If you cut your own timber or have it

cut by a contractor working at your direction, either for sale or for use in your business, the gains are ordinary income unless you elect to use sec. 631(a) on Form T, Part II. If you so elect, the difference between the FMV of the standing timber on the first day of your tax year and its basis is a capital gain, and the difference between the proceeds from sale of the cut products and the sum of the FMV of the standing timber and the costs of converting it into products for sale (cutting, hauling, etc.) is ordinary income.

Example: You paid a contractor \$2,000 to cut standing timber held for business use for over 1 year into logs and sold the cut logs to a mill for \$30,000. The FMV of the standing timber was \$23,000 on Jan. 1 and your basis in it was \$1,000. If you elect to use sec. 631(a) on Form T, Part II, report a \$22,000 long-term capital gain (\$23,000 – \$1,000) on Form 4797 and Schedule D, and \$5,000 of ordinary income (\$30,000 – \$23,000 – \$2,000) on Schedule C. If you don't make the election, all \$27,000 is ordinary income.

For 2012, the maximum rate for long-term capital gains is 15% (0% for amounts which, if added to your ordinary income, fit under the ceiling for the 15% tax bracket: \$35,350 for single taxpayers, \$70,700 for married taxpayers filing jointly).

Timber Management Expenses

If you hold your forest land to grow timber for profit, you can deduct ordinary and necessary timber management expenses, such as the cost to protect the woodland from insects, disease or fire, control brush, do a precommercial thinning or mid-rotation fertilization, or maintain firebreaks. If you qualify as an investor, deduct these expenses on Schedule A, where they are subject to a 2% of adjusted gross income reduction; if you qualify as a material participant in a business, deduct them on Schedule C.

Cost-share Payments on Form 1099-G

If you receive a cost-share payment from a qualified government program, you may exclude part or all of the payment from your income. Qualified federal programs include the Forest Health Protection Program (for southern pine beetle and mountain pine beetle), Conservation Reserve Program, Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, and Wetlands Reserve Program. Several state programs also qualify for exclusion. The excludable amount is the present value of the greater of \$250 per acre or 10% of the average annual income from the affected acres over the last 3 years. You cannot exclude part or all of a cost-share payment from your income and also claim a deduction for the expense reimbursed by the payment. Neither can you exclude part or all of a payment that reimburses a deductible forest management expense.

Example: You received a \$4,000 cost-share payment from the Conservation Reserve Program and used it as capital expenditure for your 100-acre woodland. If you had no income

from the property in the last 3 years, you could exclude \$3,275 $((\$250 \times 100 \text{ acres}) \div 7.63\%)$. The interest rate is from the Farm Credit System Bank. If you had \$9,600 of income from the property, you could exclude the entire payment: $(10\% \times (\$9,600 \div 3)) \div 7.63\% = \$4,194 > \$4,000$. Attach a statement to your tax return describing the program and your calculations.

Reforestation Costs

All taxpayers except trusts may deduct up to \$10,000 (\$5,000 for married couples filing separately) per year of reforestation costs per qualified timber property (QTP). Qualifying costs include the direct costs to establish or reestablish a stand of timber by planting, seeding, or natural regeneration. Any amount over \$10,000 per year per QTP may be deducted over 84 months (amortized).

Example: You spent \$17,000 to reforest after a harvest. Deduct \$10,000, plus 1/14th of the remaining \$7,000 (\$500) on your 2012 tax return. Deduct 1/7th of the \$7,000 (\$1,000) on your returns for 2013–2018 and the last 1/14th (\$500) on your 2019 return. If you qualify as an investor, take the \$10,000 deduction as an adjustment to gross income on the front of Form 1040; if you hold your forest land for business use, take it on Schedule C. Elect to amortize and take amortization deductions on Form 4562, Part VI.

Timber Casualty and Theft Losses

Loss of timber from a casualty—a sudden, unexpected, and unusual event such as a fire or severe storm—may be deductible from your taxes. The deduction is the lesser of the decrease in FMV caused by the casualty or your basis in the timber block (the area you use to keep track of your basis). Similarly, a theft loss deduction is limited to the lesser of the decrease in FMV or your basis in the stolen timber. A competent appraisal usually is required.

Example: A fire caused \$5,000 in damage to your timber (\$9,000 before-fire FMV – \$4,000 after-fire FMV). Your basis in the affected block is \$2,000. Your loss deduction is the lesser amount, or \$2,000. Report the loss on Form 4684, Section B, and adjust your timber basis to zero on Form T, Part II.

Filing Form T (Timber)

You must file Form T (Timber), Forest Activities Schedule, if you claim a timber depletion deduction, sell cut products under sec. 631(a), or sell timber held for business use lump-sum. There is an exception for owners who only have an occasional timber sale, defined as one or two sales every 3 or 4 years. You must maintain adequate records, however, and if you hold your forest land for business use, it is prudent to file Form T.

Editor's note: This article is provided as information that you may use when consulting your personal tax preparer. Linda Wang is National Timber Tax Specialist with the US Forest Service, John Green is Research Forester, Southern Research Station.

Looking Back- Moving Forward

By Jerry Pennick

We have come to the time when we begin to assess and evaluate the past year and make good intentions but rarely achieved resolutions for the coming year. For those of us who are concerned about the fate of rural America, 2012 gave us a lot to reflect on as we continue to strive for a fair and equitable rural policy agenda; it also confirmed that we still have a long way to go. There were high hopes for a 2012 farm bill that would build on the progress achieved in the 2008 bill. Unfortunately not only was there not a farm bill, those proposed by both houses of congress offered very little toward the advancement of rural farmers and communities of color. Successful programs such as outreach and technical assistance saw dramatic cuts in both versions. There were also proposed cuts in food and nutrition as well as less targeting of resources to socially disadvantaged farmers and communities. It appears that the USDA budget will be balanced on the backs of those who can least afford it- small farmers, farmers of color and rural communities of color; they are being thrown under the bus by friends and foe alike.

2012 brought an end to all major discrimination lawsuits against the USDA and funds will be distributed to successful claimants sometime in 2013. This will mark the end of a nearly two decade old legal struggle that saw both unbelievable resistances from USDA as well as cooperation- depending on the politics of the moment. It also saw the continuation of a cottage industry of unsavory characters intent on fleecing vulnerable farmers who only wanted restitution and vindication. These charlatans will be around in 2013 and beyond as long as there is even a faint scent of money and it is incumbent upon us to call them out at every opportunity. The larger question however is – have these lawsuits



made a discernable difference in the way USDA conducts business. The department is in the process of implementing well over one hundred recommendations from an assessment conducted by an outside company. The purpose of the assessment was to determine the effectiveness of the delivery of USDA programs to a diverse population and whether these programs are being delivered in a non discriminatory manner. This was an expensive assessment that only confirmed the findings and recommendations of similar studies conducted over the years but are gathering dust on the department's shelves. In fact a more in-depth and relevant study entitled "A Time to ACT" was requested by USDA prior to the one mentioned above and conducted by a group of NGOs at no cost to USDA. It was never acted on. We can only hope that 2013 and beyond will find the USDA seriously looking at all of the reports, studies and assessments to develop a comprehensive and realistic strategy to once and for all end all vestiges of discrimination at all levels. The problem has been studied enough and no more recommendations are needed.

2012, as in prior years, found that farmers and communities of color did not fully realize or exercise their strength in the ongoing debate around food, agriculture and rural development in general; therefore, their needs and concerns were for the most part put on the back burner by most policy makers as well as the larger non governmental sector and only considered when they advance someone's agenda. 2013 should be the year when farmers and communities of color come together around a common agenda that they develop. There is a critical need for more independent voices of color in the debate around what policies and programs are best for building a sustainable and inclusive rural America, especially in the agricultural sector. It is also much easier to build and benefit from coalitions and partnerships when one is negotiating from a position of strength.

This coming together offers the best hope not only for USDA to finally shed its designation as "the last plantation" but also for an agricultural system and rural America that is more reflective of the rapidly changing demographics of America in general.

HAPPY NEW YEAR!

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