



Connecticut Department of Agriculture

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Marketing & Technology Bureau, (860) 713-2503

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Wednesday, March 18, 2009

NOTES from the DEPARTMENT . . .

HOW 1031 EXCHANGES MAY BENEFIT FARM OWNERS

Submitted by: Department of Agriculture, Farmland Preservation

In recent years, the "1031 exchange" has become an increasingly popular financial planning tool and estate planning tool. It can be especially beneficial for farm owners unable to generate enough income on their land to warrant continued expenses, because it allows the farm owner to "exchange" the current land for more suitable, income generating property, while ensuring the farm land will be preserved regardless of ownership.

The following is a brief explanation of what a 1031 exchange is and how the owner of farmland will benefit from completing an exchange:

WHAT IS A 1031 EXCHANGE?

Generally speaking, when a property owner sells business or investment property, the owner must pay federal and state capital gains tax on any profits made. Section 1031 of the Internal Revenue Code provides a way for owners of business or investment property to postpone or, in some instances, avoid paying capital gains tax if the untaxed profit is used to purchase new, "like-kind" investment or business real estate. This process of selling relinquished property to fund the purchase of replacement property is known as a 1031 exchange. Many different forms of investment or business property are considered "like-kind", and farmland and forestland often qualify.

FINANCIAL BENEFITS OF A 1031 EXCHANGE

The primary financial benefit will be the farm owner's ability to use funds otherwise paid as taxes towards the purchase of property of equal or greater value instead. He or she may purchase new farmland, forestland or unimproved land, but may also purchase retail, residential or manufacturing properties, too, so long as they are held for business or investment purposes. There are few geographic limitations on where the replacement property must be located, so the farm owner also has the option to purchase replacement property in any state.

ESTATE PLANNING BENEFITS OF A 1031 EXCHANGE

So long as a farm owner retains ownership of the replacement property, or makes subsequent 1031 exchanges into new investment properties, his or her heirs will ultimately inherit these properties without owing the gains tax. Instead, heirs take ownership with a "stepped-up basis", meaning the tax basis of each property becomes the date-of-death fair market property value. Families could potentially save hundreds of thousands of dollars in tax liability by avoiding the capital gains tax.

THE 1031 EXCHANGE AS A LAND PRESERVATION TOOL

Because a farm owner can also exchange real estate for easements, long-term leases, and development rights, the 1031 exchange plays a very important role in land preservation. For instance, a farm owner may wish to wind up his or her business but is concerned about finances after the farm stops production, especially if the farm owner also lives on the land. Understandably, a farm owner could be tempted to sell the land to a developer in order to generate income. However, through the use of a 1031 exchange, the farm owner could alternatively grant a conservation easement to a land trust or similar organization which would restrict development on the farm without requiring the farm owner to relinquish ownership altogether. He or she could then use the profit from the easement to exchange into additional income producing real estate, including additional farmland if desired. So, by completing the exchange, the farm owner would retain possession of the farm, protect the land from future development, defer the gains tax generated by the sale of the easement, and would now own a separate income producing property.

A 1031 exchange may not be the proper investment choice for every farm owner; that will ultimately depend on whether the farm owner can live off the anticipated monthly income while maintaining equity in the properties owned. It's an interesting alternative, however, especially given the ability to preserve land, and it is certainly worth analyzing with a real estate attorney, financial advisor and the Dept of Agriculture.

SIMPLE DEVICE CAN ENSURE FOOD GETS TO THE STORE BACTERIA FREE - FROM PURDUE UNIVERSITY NEWS

WEST LAFAYETTE, Ind. - A Purdue University researcher has found a way to eliminate bacteria in packaged foods such as spinach and tomatoes, a process that could eliminate worries concerning some food-borne illnesses.

Kevin Keener designed a device consisting of a set of high-voltage coils attached to a small transformer that generates a room-temperature plasma field inside a package, ionizing the gases inside. The process kills harmful bacteria such as E. coli and salmonella, which have caused major public health concerns.

Keener's process is outlined in an article released online early in LWT - Food Science and Technology, a journal for the Swiss Society of

MORE SIMPLE DEVICE ON PAGE 4

NORTHEAST EGG PRICES U.S.D.A.

March 16, 2009

Prices To Retailers, Sales To Volume Buyers,
USDA Grade A and Grade A, White Eggs In
Cartons, Warehouse, Cents Per Dozen

EXTRA LARGE	88-92
LARGE	87-91
MEDIUM	79-81

MIDDLESEX LIVESTOCK AUCTION

Middlefield, Conn., March 16, 2009

Live animals brought the following average
prices per cwt.:

Bob Calves:	Low	High
45-60 lbs.	20.00	24.00
61-75 lbs.	26.00	36.00
76-90 lbs.	38.00	42.00
91-105 lbs.	44.00	55.00
106 lbs. & up	57.50	62.50
Farm Calves	70.00	85.00
Started Calves	22.00	30.00
Veal Calves	67.50	102.50
Open Heifers	55.00	82.50
Beef Heifers	42.00	54.00
Feeder Steers	48.00	75.00
Beef Steers	55.00	60.00
Stock Bulls	60.00	95.00
Beef Bulls	55.00	59.00
Replacement Heifers	1 @	660.00
Feeder Pigs each	53.00	57.50
Sheep each	60.00	80.00
Lambs each	87.50	100.00
Goats each	47.50	120.00
Kid Goats each	55.00	87.50
Canners	Up to	43.00
Cutters	44.00	47.00
Utility Grade Cows	48.00	50.00
Rabbits each	6.00	21.00
Chickens each	4.00	19.00
Ducks each	10.00	24.00

Provided by Middlesex Livestock Auction.

**NEW HOLLAND LIVESTOCK AUCTION
MONDAY, MARCH 16, 2009**

Bulk/High/Low Dressing

SLAUGHTER COWS:

Breakers	75-80% lean		
46.00-48.00	48.50-50.00	43.00-45.00	
Boners	80-85% lean		
43.00-46.00	46.50-47.50	40.50-43.00	
Lean	85-90% lean		
39.50-43.00	43.00-45.50	33.00-38.00	

SLAUGHTER BULLS: Yield Grade 1

1190-1445 lbs	59.00-63.50
1565-2275 lbs	54.00-57.00

Yield Grade 2 1030-1405 lbs 55.00-57.50

Bullocks: 940-1260 lbs 70.00-74.00

SLAUGHTER LAMBS: Woolled & Shorn

Choice and Prime 2-3

40-50 lbs	184.00-200.00
50-60 lbs	177.00-194.00
60-70 lbs	164.00-174.00
70-80 lbs	158.00-170.00
80-90 lbs	148.00-162.00
90-110 lbs	130.00-152.00
110-130 lbs	128.00-146.00

FRESH FRUITS & VEGETABLES

NEW ENGLAND GROWN

ALFALFA SPROUTS, 5lb	9.00	11.00
APPLE CIDER, 4/1 gallon	15.00	15.00
APPLES, McIntosh 100ct fancy	18.00	19.00
BEAN SPROUTS, 10lb bag	5.00	6.00
CELERY ROOT, 20lb organic	20.00	20.00
POTATOES, Round white 10lb	2.00	2.00
SQUASH, Acorn organic 35lb	32.00	32.00
SQUASH, Butternut 1-1/9 bu lge	25.00	25.00
SQUASH, Delicata organic 35lb	37.50	37.50
TOMATOES, 11lbs greenhouse	22.00	23.00

SHIPPED IN

ARRUGULA, Baby 3lb bag FL	12.00	14.00
ASPARAGUS, 28lb lge CA	42.00	42.00
BLUEBERRIES, 12/1pt lge CHILE	28.00	34.00
BRUSSELS SPROUTS, 25lb CA	16.00	18.00
CABBAGE, Green 50lb med/lge NY	10.00	11.00
CANTALOUPS, 12ct GUAT	14.00	16.00
CARROTS, 48/1lb med/lge CAN	15.00	17.00
CARROTS, 48/1lb organic, med/lge CAN	30.00	30.00
CAULIFLOWER, Organic 12ct CA	34.00	34.00
CLEMENTINES, 5lb CA	5.50	6.00
COLLAR GREENS, 12-16's GA	11.00	13.00
CORN, 4-1/2 dz FL	32.00	32.00
CUCUMBERS, 1-1/9bu med MEX	34.00	38.00
GRAPES, Thompson 18lb lge CHILE	20.00	24.00
LETTUCE, Green Leaf 24's CA	13.00	14.00
LETTUCE, Iceberg 24's FL	13.00	16.00
ONION, Red 10lb med NY	3.50	3.50
ORANGES, Navel 88 ct CA	17.00	21.00
MESCULIN, Mix 3lb CA	5.00	6.50
PEACHES, 40ct CHILE	14.00	16.00
PEPPER, Green lge 1-1/9bu FL	19.00	20.00
PEPPER, Jalapeno 1/2 bu FL	12.00	14.00
RADISHES, 14/1lb bag	7.00	7.00
RADISHES, Daikon 45lb Organic GA	39.00	39.00
SWISS CHARD, colored 12's CA	12.00	14.00

Above quotations are based on Boston Terminal Prices

SLAUGHTER EWES: Good and Choice 1-3

120-160 lbs	54.00-68.00
160-200 lbs	50.00-64.00

SLAUGHTER GOATS: All goats are sold by
the head, on estimated weights.

Nannies/Does:	50-80 lbs	62.00-78.00
	80-130 lbs	76.00-92.00
	130-180 lbs	90.00-104.00
Bucks/Billies:	100-150 lbs	138.00-156.00
	150-250 lbs	166.00-186.00

NEW HOLLAND, PA HOG AUCTION

MON MARCH 16, 2009

Hogs sold by actual weights, prices quoted
by hundred weight.

Percent Lean	Weight	Price
49-54	220-270 lbs	42.00-46.00
	270-300 lbs	40.50-42.00
	300-350 lbs	38.00-40.00
45-49	220-270 lbs	41.00-43.00
	270-300 lbs	39.00-40.50
	300-350 lbs	36.50-38.00
40-45	220-270 lbs	37.00-40.00
Sows: US 1-3	300-500 lbs	47.00-51.00
	500-700 lbs	53.00-55.00
Boars:	300-700 lbs	10.00-12.00

**METROPOLITAN AREA
U.S.D.A.**

NEW YORK PRICES

WHITE EGGS

TO RETAILERS

For 1 dozen,

Grade A eggs on:

March 16, 2009

EXTRA LARGE	96-100
LARGE	94-98
MEDIUM	86-90

Above quotations based on
CARTON sales to retailers.

BOSTON, MASS.

NEW ENGLAND FISH

EXCHANGE AUCTION

FISH LANDINGS AND PRICES

IN 1,000 LBS & \$/CWT

DATE 3/16/09

SPECIES	LBS/PRICE
HADDOCK	0.2 236
HADD SCRD	0.1 200
COD LGE	0.1 225
MKT	0.3 170
SCRD 1/	0.0 140
POLLOCK	3.3 90
POLL MED & SML	5.3 89
SOW HAKE	0.4 86
HAKE LGE	0.6 81
MED	0.4 81
SML	0.0 60
DABS LGE	1.5 244
SML	1.7 145
GREYSOLE LGE	0.0 405
MED	0.2 301
SML	2.0 125
OCN PRCH	6.1 39

NEW BEDFORD

WHALING CITY SEAFOOD

DISPLAY AUCTION

FISH LANDINGS & PRICES IN 1,000 LBS &
\$/CWT, DATE 3/17/09

PRICES INCLUDE DEALERS' FEES

SPECIES	LBS	MIN	HIGH
HADDOCK	0.5	227	232
HADD SCRD	2.9	202	212
GILLNET LGE COD 1/	0.0	257	257
GILLNET MKT COD	0.9	184	185
GILLNET SCRD COD	0.2	169	176
COD LGE	0.9	211	221
COD MKT	10.3	163	212
COD SCRD	5.2	149	168
MIXED COD	0.0	127	127
POLLOCK	0.3	112	112
MED	1.3	97	104
SCRD	0.5	79	79
CUSK	0.2	64	72
HAKE LGE	0.4	132	190
MED	0.1	111	115
SML	0.0	67	67
HLBT	0.0	680	680
OCN PRCH	3.4	45	93
YT LGE	8.2	212	218
SML	5.2	158	182
DABS LGE	0.0	212	212

ADVERTISEMENTS

FOR SALE

1-R. CT. Christmas Tree Growers, CT. Sheep Breeders and CT. Beekeepers Associations Special Insurance Packages available through Blumenthal/Donahue Insurance Agency--Toll Free 1-800-554-8049, 1-877-267-8323 or ddonahue01@comcast.net. Farm Commercial Auto Coverage now available.

2-R. Farm Insurance for all types of farming at very competitive rates. 1-800-554-8049, 1-877-267-8323 or ddonahue01@comcast.net, Blumenthal/Donahue Insurance Agency. Farm Commercial Auto Coverage now available.

4-R. Gallagher High Tensile and portable electric fencing for farms, deer control, gardens. Sonpal's Power Fence (860) 491-2290.

6-R. Packaging for egg sales. New egg cartons, flats, egg cases, 30 doz and 15 doz. Polinsky Farm (860) 376-2227.

9-R. Rough sawn lumber, fence boards, trailer planks, stakes, custom and portable sawing available. (203) 788-2430.

21-R. Round bales 4x5, 1st cut, unwrapped, stored inside. \$60 p.u. Square bales 1st and 2nd cut. Chicken manure available. (860) 537-1974.

24-R. Sempervivum – Hens and chicks, perennial 15 vars offered as assorted 4000 available, 48 tray, \$22 delivery possible, pickup Somers (860) 749-5535.

27-R. Hay- Excellent 2nd cut wrapped round bales. \$50 PU we load. (860) 886-0716.

31-R. Ear corn ground top quality any quantity. \$7 per hundred. (860) 623-9018.

32-R. 2007 John Deere 5103, excellent condition, 550 one owner hours, shed kept. 2007 Athens Model 62 disc harrow, like new condition. 2007 Kuhn Model EL 62 5 foot rototiller, like new. 2007 RainFlo Model 1600 Series 2 water wheel transplanter, extra plant flat tray, two wheels setup with adjustable spikes, 2 special onion/garlic/flower wheels, cup holders, like new. 2005 RainFlo Model 1800 Challenger Mulch Lifter, like new. 2001 RainFlo Model 2550 rebuilt raised bed mulch layer with RoTrak. John Deere Model 45 7 foot grader blade. Lilliston 2 row spider wheel cultivator. Kongskilde adjustable width vineyard Danish S-tine harrow. Ford Ferguson disc harrow 5 foot. Ford Ferguson Spring Tooth Harrow. 5' and 4' black plastic mulch for mulch layer. 5000 Tomato stakes. Certified Organic Potting Soil and Plant trays. (860) 633-6601.

33-R. Special: New Holland baler with thrower, low wear, like new \$16,000. JD 5320 1,500 hrs, JD 5420 \$15,500 each. Case IH 4230, 72hp \$12,500. IH 784 cab tractor \$10,500. JD 4020 power shift side console \$11,500. JD 2-row 3pt cultivator \$600. NH 311 baler with thrower \$6,500. JD 336 baler \$3,500. JD bottom reset plow \$3,000. IH 710 4 bottom reset plow. IH 3 bottom, 3pt hitch reset plow \$1,500. IH and JD front and rear wheel weights. 1-row Cole 3pt planter, new and used kicker wagons, new 4-star Pequea tedder \$6,000. New 11ft Pequea rotary rake \$6,000. New Morra 4-star tedder \$4,500. Massey Ferguson 385 tractor \$6,500. (203) 530-4953.

34-R. Pequea 9-ft hay tedder, rotary mower 3ph 6ft heavy duty, Vermont casting wood stove. Hay mower conveyor, 4-ton fertilizer spreader. (860) 354-4659.

35-R. Frozen Blueberries for sale. Available In 15 Lb. Bags. \$30/ Bag. Contact Rosesblues@Cox..Net Or 860-633-6001.

36-R. Belted Galloway cow/calf pair. Halter broken and gentle. Calf is steered. \$1250 firm. (860) 642-9992.

37-R. 1969 Farmall Cub with cultivators and mid-mounted planter \$3,500. 1952 Farmall Super "C" with loader, 3pt hitch, wide front end, new tires. \$2,800. (203) 265-6012.

38-R. Firewood: Seasoned Oak: 16"-20" length. Cut and split. \$225. Feeder steers-heifers-bulls, 400-700 lbs - .90/lb. (860) 657-0325.

39-R. Krone and Massey Ferguson haying equipment, rakes, tedders, balers easy 0% financing. Big Boy's Toys, LLC, Pomfret Center, CT 860-928-9778 www.bigboystoyLLC.net

40-R. Hedge rows, drainage ditches, fence lines or any other hard to reach areas getting overgrown? We have the solution. An excavator mounted tree/brush mower capable of mowing 8"-12" diameters flush to the ground. Call for brochure or machine location to observe working or possible free demonstration on your site. (860) 875-0280 or visit Burkeridge.com Commercial Mowing Division.

41-R. Brillion 5' sure stand 3-pt seeder, handles both small and large seeds - \$3,500. John Deere 10' AW disk harrow - \$900. Portable 4'x5' lambing pens. Fenceline feed bunks for sheep/goats. Call Howard at (860) 489-3736 after 6:00 pm.

42-R. 1979 Masey Ferguson Model 2705 for sale. Full cab w/ heat & AC. New hydraulic pump. Runs great! \$10,000 or best offer! Kawasaki Mole Model 500, runs great! \$3200. Call 203-272-1662.

43-R. Rye straw for sale - clean and bright. For more information, call (203) 484-0664.

WANTED

1-R. Producers Wanted: Connecticut Farm-to-Chef is a free program that helps connect local culinary professionals with producers and distributors of CT Grown products. Informational newsletters, workshops, networking, promotions and other opportunities are provided to members as part of the program. Additional Connecticut producers and distributors are needed for this popular and expanding program. Please help us get your product into the hands of local chefs! Contact Linda at the CT Department of Agriculture, Linda.Piotrowicz@ct.gov or 860-713-2558, for more information.

16-R. Wanted: Farmers for the CT Farm-to-School

The Farm-to-School Program is a statewide effort designed to incorporate CT Grown fresh fruits and vegetables into local schools cafeteria meals and snacks. This project is intended to be twofold: to support local farms and to offer more nutritious school meals as a result of buying local, fresh, produce. If you are interested in selling to one, several, or to a whole school district of schools (through a wholesaler or direct), call Jane Slupecki at (860) 713-2588 or at Jane.Slupecki@ct.gov

20-R. Wanted: Land to Lease/ Rent - Small, outdoor recreational club seeks lease of land. Possible long term arrangements. References available. Leave message 860-303-5252.

30-R. One friendly donkey to run with cattle. (860) 623-9018. Dave, after five.

44-R. Patz barn cleaner chain clockwise - wanted. Call with information at (203) 484-0664.

MISCELLANEOUS

7-R. Farm/Land Specializing in land, farms, and all types of Real Estate. Established Broker with a lifetime of agricultural experience and 40 years of finance. Representing both Buyers and Sellers. Call Clint Charter of Wallace-Tustin Realty (860) 644-5667.

8-R. Horse properties, Farms and Land. Ralph's the man specializing in all types of Real Estate. With a lifetime of agricultural and business experience he is the best choice to represent both buyers and sellers and make your dreams come true. Call Ralph Winn, Century 21 Alaimo & Corrado at (860) 648-6902 or www.winwithWINN.com.

A GREAT DEAL!

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SIMPLE DEVICE FROM PAGE 1

Food and Technology and the International Union of Food Science and Technology.

"Conceptually, we can put any kind of packaged food we want in there," said Keener, an associate professor in the Department of Food Science. "So far, it has worked on spinach and tomatoes, but it could work on any type of produce or other food."

By placing two high-voltage, low-watt coils on the outside of a sealed food package, a plasma field is formed. In the plasma field, which is a charged cloud of gas, oxygen has been ionized and turned into ozone. Ozone kills bacteria such as E. coli and salmonella. The longer the gas in the package remains ionized, the more bacteria that are killed. Eventually, the ionized gas will revert back to its original composition. The process uses only 30-40 watts of electricity, less than most incandescent light bulbs. The outside of the container only increases a few degrees in temperature, so its contents are not cooked or otherwise altered. Other methods of ozone treatment require adding devices to bags before sealing them to create ozone or pumping ozone into a bag and then sealing it. Keener's method creates the ozone in the already sealed package, eliminating any opportunity for contaminants to enter while ozone is created.

Keener said testing has worked with glass containers, flexible plastic-like food-storage bags and rigid plastics, such as strawberry cartons and pill bottles. He said the technology also could work to ensure pharmaceuticals are free from bacteria.

According to the Centers for Disease Control and Prevention, about 40,000 cases of Salmonellosis, an infection caused by salmonella, are reported each year in the United States, causing 400 deaths. The CDC reports that about 70,000 E. coli infections are reported each year, causing dozens of deaths.

Funding for Keener's research came from Purdue Agriculture. A patent on the technology is pending.

Keener said the next step is to develop a commercial prototype of the device that could work on large quantities of food.

EASTERN REGION MILK REVIEW

MADISON, WI. March 11, 2009 - NORTHEAST milk production increased slightly last week. Regional ice cream manufacturing has been strong, as has cream cheese. Manufacturing of these products coupled with butter has kept very active demand for cream and helped to increase multiples. Plants have recently been able to move some spots of condensed buttermilk but the bulk of buttermilk continues to be dried and handled as powder. MIDDLE ATLANTIC milk production is also up this week. Production is expected to increase into May. Balancing plants have heavy intakes to handle and are very actively making nonfat dry milk. Strong demand for cream has moved multiples higher. Active sales of spot cream are occurring. SOUTHEAST plants are back to more normal conditions following the disruptions caused by the recent storm. Operations are more constant and retail sales, recently considered sluggish, are now considered to be up. There has been a slight seasonal increase in milk production and weather has been very pleasant. FLORIDA temperatures have been in the 80's but field conditions are dryer than desirable although, not problematic. Milk production is described as steady to slightly higher. Class I sales are "surprisingly" strong. The seasonal exodus of part year residents is still several weeks away from reaching full strength. While students on college break in Florida are increasing in significant numbers each day, they generally are not heavy consumers of fluid milk while on break and little impact has been noted. Milk shipments out of the state remained nearly identical as last week.



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