

ANALYSIS

JULY/AUGUST 2017

WESTERN GROWER SHIPPER



AGTECH TAKES CENTER STAGE

WESTERN GROWERS 92nd ANNUAL MEETING **Las Vegas Event Focuses on Adding Value**
ANNUAL MEETING AWARD OF HONOR **David Gill Triumphs Over Adversity to**
Become Distinguished Ag Pioneer
Protecting Seed Technology
WGCIT SPONSOR **Hayashi Wayland: Accounting Experts for Agriculture**

Hayashi Wayland: Accounting Experts for Agriculture

By Tim Linden

In 1976, a couple of accountants—Douglas Hayashi and Warren Wayland - launched their firm in Salinas, California, and naturally matriculated to the agricultural industry as the number one industry in town. Forty-one years later they are still serving that constituency and have become ag accounting experts. So much so that they are a sponsor of the Western Growers Center for Innovation and Technology (WGCIT).

Gina Cochetti, partner in charge of the tax department for the firm, said the ag connection is not by accident as the firm nurtures the relationship. She personally received her undergraduate degree in agricultural business management, which is not rare for the firm's employees. Cochetti and Business Development Manager Lynn Schrock recently sat down with *Western Grower & Shipper* to discuss the advantage of dealing with ag-centric accounting professionals and also explore the firm's interest in ag innovation and technology.

The company has 80 employees, including 36 CPAs (certified public accountants) and three offices in Monterey County with another in Paso Robles. Schrock said that agriculture is unique and farmers have distinct needs that only an ag specialist knows.

"We can talk their lingo," Cochetti added, noting that when growers talk about their businesses, there are nuances that a non-ag tax advisor won't understand. For example, she said very few industries have different entities intertwined like they are in agriculture. Many companies and their principals have multiple partnerships and multi-tiered entities under one roof. "That's unique to agriculture and we understand it. We can unravel it

because we deal with it all the time."

She said there are other aspects of tax law where the firm's accountants can bring information to the table that some agriculturalists might not know. She said research and development credits are a great example. Under tax law, R&D, in many instances, can be taken as a credit as opposed to a business expense, which is less beneficial. "Many people think R&D credits are only available for new technology but that's not true," Cochetti said. "Ag can use these credits for many different R&D projects. If you are experimenting with different size beds or planting an experimental crop, you can potentially get an R&D credit for both your federal and state return."

She said the credit has been in existence for many years, but just recently the regulations were loosened making it available to more firms with R&D projects. It is this type of knowledge that Cochetti believes makes her company a perfect fit for any ag firm.

Schrock said Hayashi Wayland got involved in the WGCIT sponsorship as a way to help innovators launch their ideas and form business entities to capitalize on the technology being developed. Often, she said these innovators are tech-savvy but do not have the same expertise in creating a business. "We can help them from the start," said Cochetti. "It's a lot easier to set up a company correctly at the outset than to unravel the business later."

Schrock noted that some of these tech wizards get deeply involved in development and forget to file their taxes or take care of the business end of the new entity.

She also pointed out that Hayashi Wayland has an alliance with RSM, the fifth largest accounting firm in the country. The alliance allows the Salinas firm to have access to expertise that may go beyond the skill set of the local company. "That gives our clients the benefits of a small local firm with access to national resources. Our back office is enormous," she added.

Working in agriculture, Hayashi Wayland has also had to work closely with the satellite operations of their clients. Every year, teams from the firm go to the desert and Mexico to make physical observation of their clients' other facilities.

With regard to WGCIT, Schrock said the company is on tap to make a presentation to the tenants with regard to their business obligations but had not scheduled that as of this interview. It's a value-added opportunity for tenants and sponsors alike. 

