

September 8, 2021

The Honorable Ron Wyden  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Crapo  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Richard Neal  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin Brady  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Wyden, Chairman Neal, Ranking Member Crapo, and Ranking Member Brady:

On behalf of our nation's farmers, ranchers, and family-owned agribusinesses, the undersigned organizations write to underscore that sound federal tax policy plays a critical role in supporting the viability of the family-owned entities that make up our respective industries. As you begin to draft legislation implementing President Biden's Build Back Better agenda as required under the recently adopted Fiscal Year 2022 Budget Resolution, we respectfully request you do not alter or eliminate long-standing tax code provisions that are fundamental to the financial health of production agriculture and the businesses that supply its inputs, transport its products, market its commodities, and support the vibrancy of U.S. livestock and crop production.

There are more than four times as many farmers and ranchers aged 65 and older as there are those under the age of 35, and these individuals own more than 40 percent of agricultural land in the United States. With more than 370 million acres expected to change hands in the next two decades, the policies Congress enacts now will determine agricultural producers' ability to secure affordable land to start or expand their operations. Regardless of whether a business has already been passed down through multiple generations or is just starting out, the key to its longevity is a continued ability to transition when a family member or business partner dies. *For this reason, we firmly believe the current federal estate tax code provisions must be maintained.*

Further, federal tax policy should help facilitate the transfer of agricultural land to family-owned operations, and especially those who face the greatest challenges in acquiring it: beginning, veteran and minority farmers and ranchers. Because assets in agriculture are typically held by one owner for several decades, resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation. Imposing a new capital gains tax at death would effectively establish a transfer tax with the potential to devastate our nation's family-owned agribusinesses.

While it's our understanding such changes may be accompanied by "protections so that family-owned businesses will not have to pay taxes when given to heirs who continue to run the business," this obligation could still discourage the sale of farmland depending on its implementation – potentially increasing the cost and further limiting the availability of farmland. The implication of this proposed safeguard is that the protections will only be provided if the heirs continue to run the family business, which could greatly limit any potential transitions. Such unintended consequences could result in greater barriers to access for new, expanding, and underserved producers alike. Additionally, it's important to note that due to the diverse

complexity of ownership structures across family-owned agricultural entities, combined with the current tax code's fairly restrictive definition of family, it would be virtually impossible to provide meaningful protections for those that need it most. Simply put, exemptions for family-owned farms, ranches, and agribusinesses are untenable. As such, we remain ardently opposed to repealing the step-up in basis and to imposing new capital gains taxes on family farms and ranches when there is a death in the family.

Farms and ranches, like all businesses, must constantly adapt and reinvest in their land, buildings, equipment, and animals to stay efficient and competitive in the marketplace. They must do this while dealing with cash flow challenges that come from thin profit margins and from having to pay ongoing operating expenses with uneven or seasonal income. These issues are compounded by a heavy tax burden that further reduces financial resources. Key to maintaining a reasonable level of taxation for pass-through businesses like farms and ranches is continuation of the Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it. Similarly, retaining like-kind exchanges, which allows businesses to buy and sell like assets without tax consequences, also helps farmers' and ranchers' cash flow and allows them to reinvest in their businesses.

As the economic backbone of nearly every county and rural community across the U.S., the importance of American agriculture and related industries cannot be overlooked. Farmers, ranchers, and family-owned agribusiness operators are responsible for producing the safe, affordable, and abundant food, fiber, and fuel supplies Americans enjoy every day. As the stewards of nearly 900 million acres of crop and rangeland, farmers, and ranchers play an important role in terms of natural resource and land conservation. For agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. It is with this in mind that we urge you to preserve the federal tax provisions that have long-supported American agriculture.

Sincerely,

AgriBusiness Association of Kentucky  
Agribusiness Council of Indiana  
Agricultural & Food Transporters Conference of  
ATA  
Agricultural Council of Arkansas  
Agricultural Retailers Association  
Alabama Cattlemen's Association  
Alabama Farmers Federation  
Alabama Nursery & Landscape Association  
Alabama Soybean and Corn Association  
Amcot  
American Beekeeping Federation  
American Cotton Producers  
American Farm Bureau Federation  
American Feed Industry Association  
American Horse Council  
American Livestock Markets & Dealers  
Association  
American Mushroom Institute  
American National CattleWomen, Inc.  
American Pulse Association  
American Quarter Horse Association  
American Seed Trade Association

American Sheep Industry Association  
American Soybean Association  
American Sugar Alliance  
American Sugar Cane League  
American Sugarbeet Growers Association  
American Veterinary Medical Association  
AmericanHort  
Arizona Cotton Ginners Association  
Arizona Cotton Growers  
Arizona Crop Protection Association  
Arizona Dairy Producers Trade Association  
Arizona Farm Bureau  
Arizona Nursery Association  
Arkansas Cattlemen's Association  
Arkansas Cotton Ginners Association  
Arkansas Cotton Warehouse Association  
Arkansas Farm Bureau Federation  
Arkansas Rice Federation  
Arkansas Soybean Association  
Associated Milk Producers Inc.  
California Association of Winegrape Growers  
California Bean Shippers Association  
California Cattlemen's Association

California Cotton Ginners and Growers Association  
California Farm Bureau  
California Rice Commission  
California Rice Industry Association  
Center for Dairy Excellence  
Colorado Cattlemen's Association  
Colorado Corn Growers Association  
Colorado Dairy Farmers  
Colorado Farm Bureau  
Colorado Livestock Association  
Colorado Nursery and Greenhouse Association  
Colorado Sorghum Association  
Colorado Wool Growers Association  
Connecticut Farm Bureau Association  
Connecticut Land Conservation Council  
Connecticut Nursery and Landscape Association  
Cotton Growers Warehouse Association  
Cotton Producers of Missouri  
Cotton Warehouse Association of America  
Crop Insurance Professionals Association  
Dairy Producers of New Mexico  
Delaware Farm Bureau  
Delta Council  
Edge Dairy Farmer Cooperative  
Far West Agribusiness Association  
Farm Credit Council  
FarmFirst Dairy Cooperative  
Florida Cattlemen's Association  
Florida Citrus Mutual  
Florida Farm Bureau Federation  
Florida Fertilizer & Agrichemical Association  
Florida Nursery, Growers and Landscape Association  
Food Producers of Idaho  
Georgia Agribusiness Council  
Georgia Cattlemen's Association  
Georgia Corn Growers Association  
Georgia Cotton Commission  
Georgia Farm Bureau Federation  
Georgia Green Industry Association  
Georgia Milk Producers, Inc.  
Georgia/Florida Soybean Association  
Hawaii Cattlemen's Council, Inc.  
Hawaii Farm Bureau Federation  
Idaho Barley Commission  
Idaho Dairymen's Association  
Idaho Farm Bureau Federation  
Idaho Grain Producers Association  
Idaho Hay and Forage Association  
Idaho Irrigation Equipment Association  
Idaho Nursery & Landscape Association  
Idaho Oilseed Commission  
Idaho Onion Growers Association  
Idaho Sugarbeet Growers Association  
Idaho-Oregon Fruit and Vegetable Association  
Illinois Beef Association  
Illinois Corn Growers Association  
Illinois Farm Bureau  
Illinois Fertilizer and Chemical Association  
Illinois Green Industry Association  
Illinois Milk Producers Association  
Illinois Soybean Growers  
Indiana Beef Cattle Association  
Indiana Corn Growers Association  
Indiana Dairy Producers  
Indiana Farm Bureau  
Indiana Soybean Alliance  
Iowa Cattlemen's Association  
Iowa Corn Growers Association  
Iowa Farm Bureau  
Iowa Soybean Association  
Iowa State Dairy Association  
Kansas Corn Growers Association  
Kansas Cotton Association Ginner Committee  
Kansas Dairy Association  
Kansas Farm Bureau  
Kansas Grain Sorghum Producers Association  
Kansas Livestock Association  
Kansas Sheep Association  
Kansas Soybean Association  
Kentucky Cattlemen's Association  
Kentucky Corn Growers Association  
Kentucky Farm Bureau  
Kentucky Soybean Association  
Land Trust Alliance  
Livestock Marketing Association  
Livestock Marketing Association of Texas  
Louisiana Cattlemen's Association  
Louisiana Cotton and Grain Association  
Louisiana Farm Bureau Federation  
Louisiana Rice Producer Group  
Maine Farm Bureau Association  
Maine Landscape and Nursery Association  
Maryland & Virginia Milk Producers Cooperative  
Maryland Cattlemen's Association, Inc.  
Maryland Farm Bureau  
Michigan Bean Commission  
Michigan Cattlemen's Association  
Michigan Corn Growers Association  
Michigan Farm Bureau  
Michigan Nursery & Landscape Association

Michigan Soybean Association  
 Mid Atlantic Soybean Association  
 Midwest Dairy Coalition  
 Milk Producers Council  
 Minnesota Corn Growers Association  
 Minnesota Farm Bureau  
 Minnesota Milk Producers Association  
 Minnesota Soybean Growers Association  
 Minnesota State Cattlemen's Association  
 Mississippi Cattlemen's Association  
 Mississippi Farm Bureau Federation  
 Mississippi Rice Council  
 Mississippi Soybean Association  
 Missouri Cattlemen's Association  
 Missouri Corn Growers Association  
 Missouri Farm Bureau  
 Missouri Rice Research and Merchandising  
 Council  
 Missouri Soybean Association  
 Montana Association of Land Trusts  
 Montana Farm Bureau Federation  
 Montana Stockgrowers Association  
 Montana Wool Growers Association  
 National All-Jersey  
 National Association of State Departments of  
 Agriculture  
 National Association of Wheat Growers  
 National Barley Growers Association  
 National Cattlemen's Beef Association  
 National Corn Growers Association  
 National Cotton Council  
 National Cotton Ginners Association  
 National Council of Farmer Cooperatives  
 National Grain and Feed Association  
 National Grange  
 National Milk Producers Federation  
 National Onion Association  
 National Peach Council  
 National Potato Council  
 National Sorghum Producers  
 National Sunflower Association  
 National Turkey Federation  
 Nebraska Agri-Business Association  
 Nebraska Cattlemen  
 Nebraska Corn Growers Association  
 Nebraska Farm Bureau Federation  
 Nebraska Sorghum Producers Association  
 Nebraska Soybean Association  
 Nebraska State Dairy Association  
 Nevada Cattlemen's Association  
 Nevada Farm Bureau Federation  
 Nevada Wool Growers  
 New Hampshire Farm Bureau Federation  
 New Jersey Farm Bureau  
 New Mexico Cattle Growers Association  
 New Mexico Cotton Ginners Association  
 New Mexico Farm and Livestock Bureau  
 New Mexico Pecos Valley Farmers Association  
 New Mexico Sorghum Association  
 New York Corn & Soybean Grower Association  
 New York Farm Bureau  
 New York State Flower Industries  
 North American Renderers Association  
 North Carolina Cattlemen's Association  
 North Carolina Cotton Producers Association  
 North Carolina Farm Bureau  
 North Carolina Soybean Producers Association  
 North Dakota Corn Growers Association  
 North Dakota Farm Bureau  
 North Dakota Grain Growers Association  
 North Dakota Lamb and Wool Producers  
 Association  
 North Dakota Soybean Growers Association  
 North Dakota Stockmen's Association  
 Northharvest Bean Growers Association  
 Northern Canola Growers Association  
 Northern Pulse Growers Association  
 Northwest Agricultural Cooperative Council  
 Ohio AgriBusiness Association  
 Ohio Cattlemen's Association  
 Ohio Corn & Wheat Growers Association  
 Ohio Dairy Producers Association  
 Ohio Farm Bureau Federation  
 Ohio Nursery & Landscape Association  
 Ohio Soybean Association  
 Oklahoma Cattlemen's Association  
 Oklahoma Cotton Council  
 Oklahoma Farm Bureau  
 Oklahoma Soybean Association  
 Oregon Association of Nurseries  
 Oregon Cattlemen's Association  
 Oregon Dairy Farmers Association  
 Oregon Farm Bureau  
 Owyhee Cattleman's Association  
 Panhandle Peanut Growers Association  
 Partnership of Rangeland Trusts  
 Pennsylvania Cattlemen's Association  
 Pennsylvania Farm Bureau  
 Pennsylvania Landscape & Nursery Association  
 Plains Cotton Growers, Inc.  
 Plant California Alliance  
 Professional Dairy Managers of Pennsylvania

Public Lands Council  
Red River Valley Sugarbeet Growers Association  
Rhode Island Farm Bureau Federation  
Rhode Island Land Trust Council  
Rolling Plains Cotton Growers  
Saint Lawrence Cotton Growers Association  
Select Milk Producers  
South Carolina Cattlemen's Association  
South Carolina Corn and Soybean Association  
South Carolina Farm Bureau Federation  
South Carolina Peach Council  
South Carolina Sheep Industries Association  
South Dakota Agri-Business Association  
South Dakota Association of Cooperatives  
South Dakota Cattlemen's Association  
South Dakota Corn Growers Association  
South Dakota Dairy Producers  
South Dakota Farm Bureau Federation  
South Dakota Sheep Growers Association  
South Dakota Soybean Association  
South Dakota Stockgrowers Association  
South East Dairy Farmers Association  
South Texas Cotton & Grain Association  
Southeast Cotton Ginners Association  
Southern Cotton Ginners Association  
Southern Cotton Growers, Inc.  
Southern Idaho Potato Cooperative  
Southern Kansas Cotton Growers Coop  
Southern Rolling Plains Cotton Growers Assn  
Southwest Council of Agribusiness  
Tennessee Cattlemen's Association  
Tennessee Farm Bureau Federation  
Tennessee Nursery & Landscape Association, Inc.  
Tennessee Soybean Association  
Texas & Southwestern Cattle Raisers Association  
Texas Ag Industries Association  
Texas Cattle Feeders Association  
Texas Citrus Mutual  
Texas Corn Producers Association  
Texas Cotton Ginners Association  
Texas Farm Bureau  
Texas Grain Sorghum Association  
Texas Nursery & Landscape Association

Texas Rice Producers Legislative Group  
Texas Soybean Association  
Texas Wheat Producers Association  
The Montana Land Reliance  
The Utah Wool Growers Association  
U.S. Apple Association  
U.S. Canola Association  
U.S. Pea & Lentil Trade Association  
United Dairymen of Arizona  
United Egg Producers  
United Fresh Produce Association  
US Rice Producers Association  
US Sweet Potato Council  
USA Dry Pea & Lentil Council  
USA Rice  
Utah Cattlemen's Association  
Vermont Farm Bureau  
Virginia Agribusiness Council  
Virginia Cattlemen's Association  
Virginia Farm Bureau  
Virginia Nursery & Landscape Association  
Virginia Soybean Association  
Virginia State Dairymen's Association  
Washington Cattle Feeders Association  
Washington Cattlemen's Association  
Washington Farm Bureau  
Washington State Dairy Federation  
Washington State Nursery & Landscape Association  
West Virginia Cattlemen's Association  
Western Agricultural Processors Association  
Western Growers  
Western Peanut Growers Association  
Western Plant Health Association  
Western States Dairy Producers Association  
Wisconsin Cattlemen's Association  
Wisconsin Corn Growers Association  
Wisconsin Farm Bureau Federation  
Wisconsin Soybean Association  
Wyoming Farm Bureau  
Wyoming Stock Growers Association  
Wyoming Wool Growers Association

CC: The Honorable Chuck Schumer, Majority Leader  
The Honorable Mitch McConnell, Minority Leader  
The Honorable Nancy Pelosi, Speaker of the House  
The Honorable Kevin McCarthy, Minority Leader