

From: Brandon Avent <brandona@fb.org>

Sent: Tuesday, September 7, 2021 12:37 PM

Subject: AFBF writes you deeply concerned about the reconciliation package that Congress will begin considering this month

September 7, 2021

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, and Leaders Schumer, McCarthy and McConnell,

On behalf of the Farm Bureau's nearly 6-million member families, I am writing you today deeply concerned about the reconciliation package that Congress will begin considering this month. The overall price tag, the proposed tax increases, and the limited ability for stakeholders to engage with lawmakers is troubling.

The federal government's budget for FY21 is over \$4.8 trillion dollars. The partisan American Rescue Plan, passed on party-line votes in both chambers in March, spent \$1.9 trillion. The bipartisan Infrastructure Investment and Jobs Act, which passed the Senate and awaits a vote in the House, contains over \$500 billion in new spending. And now Congress is considering another massive partisan spending bill, this one set to be paid for by massive tax hikes on the farmers and ranchers who ensured that Americans could be confident that grocery stores wouldn't stay empty during the pandemic.

Whether it is the multiple changes proposed to the treatment of capital gains (capital gains imposed at death, capital gains as normal income, raising top rate to 39.6, etc.) the elimination of the 199A small business deduction that 98% of farms and ranches are eligible to take, the proposal to cap deferral of gains from 1031 like-kind exchanges, a methane tax or a carbon border adjustment tax, many in Congress seem less eager to tax actual billionaires and more eager to tax hard working, middle class Americans who can least afford the bill. Despite all claims to the contrary, these tax increases will have a disproportionately large impact on American family farms, stifle economic growth and rural prosperity and could lead to further consolidation across the agricultural sector putting multi-generational family farms in jeopardy.

While Farm Bureau recognizes that there might be an opportunity to increase funding for voluntary, incentive-based climate and conservation programs, agricultural research, and other important farm policy programs, this should be done in a transparent and bipartisan

fashion. Without the proper process, impacts to existing farm bill programs can be profound and public hearings should be utilized to identify future challenges for the next farm bill. The agriculture industry and the committees of jurisdiction have held to a long tradition of bipartisanship. Farm Bureau believes that widespread support and significant input from a variety of stakeholders strengthens any legislation.

Many of these proposals, if implemented, could set back American agriculture for generations to come. Our farmers and ranchers persevered through many years of low commodity prices and more recent market shifts and challenges to keep food on the shelves during the COVID-19 pandemic. As the country and economy begin to regain their footing, we should not be undermining the long-term risk management tools agriculture depends on or raise taxes on the backs of the farmers and ranchers who grow the safe, sustainable food supply we all rely on.

Respectfully,

A handwritten signature in black ink, reading "Zippy Duvall". The signature is written in a cursive, flowing style with a large initial "Z".

Zippy Duvall
President

cc: Members of the House of Representatives
Members of the Senate