

FARMER CO-OPS PROVIDING FOR

ARKANSAS

Farmer co-ops in Arkansas and around the country give individual farmers the opportunity to truly participate in the agricultural and food system, all the way from farm to retail.

Farmer co-ops are taxed differently than other types of companies. Section 199A was passed to put co-ops and small businesses on even footing with big corporations. It has been a success and was critical in seeing farmer co-ops and their members thrive through a pandemic, unrest around the globe, and the highest inflation in a generation. Congress should stand up for agriculture and extend this important tax provision.



2,369

Jobs in State

\$84,462,087

Wages in State

5,114

Farmer-Members in State

\$16,311,996

Total Annual Section 199A Deductions Passed Through to Farmer-Members in State

NATIONAL COUNCIL OF FARMER COOPERATIVES

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STATE SUCCESS STORY

“The IRC Section 199A deduction is a major benefit to members of Riceland Foods. As a farmer-owned cooperative, Section 199A gives Riceland the ability to pass through significant tax savings to our members in the form of tax deductions, freeing up essential funds for our farmer-members to invest in their operations and communities. Being a farmer-owned cooperative, net revenues and profits are passed to the farmer-members and are taxed at the individual level. The lowering of the corporate rate does not significantly benefit the farmer-member or the cooperative and that is why Section 199A was created.

For the 2022-23 crop year, Riceland Foods passed through \$15.6 million dollars in tax benefits to eligible farmer-members in Arkansas. Portions of 199A that are not eligible for pass through (based on member entity type, etc.) are retained and realized within Riceland’s operations, typically in the form of capital investments to enhance our facilities and overall ability to service the needs of our farmer-members.

When you consider the competitive landscape that farmers and agricultural cooperatives are up against today, it’s easy to see the importance of tools such as the Section 199A deduction. As we look to the future, we will continue to advocate for programs that not only benefit Riceland but also create and sustain a more promising future for all of the communities in which we serve.”

Kevin McGilton

Riceland Foods, Inc.



Photo courtesy of Riceland Foods, Inc. farmer-owner Jordan Maier.

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