

FARMER CO-OPS PROVIDING FOR

# MICHIGAN

Farmer co-ops in Michigan 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.



520

Jobs in State

\$27,357,740

Wages in State

3,336

Farmer-Members in State

\$37,094,306

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

**NATIONAL COUNCIL OF FARMER COOPERATIVES**

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## STATE SUCCESS STORY

“Cherries have pleased the palates of food lovers for centuries. Their ruby-red color and tangy taste won cherries a place on the tables of Roman conquerors, Greek citizens and Chinese noblemen. Cherries were brought to America by ship with early settlers in the 1600’s.

This is a quote from the National Cherry Festival in Traverse City, Michigan, also the home of Cherry Central Cooperative, Inc’s corporate headquarters. Cherries have a long history not only in Michigan, but also for Cherry Central members in Washington State and Utah. In fact, in Utah there is a cherry tree, still producing fruit today, that our member’s grandfather planted in 1927 when establishing his farm in Utah. Our historical roots run deep.

But that history is at risk. Like all farmers, our members have had to bear the brunt of high inflationary costs in components such as diesel fuel, fertilizers, packaging, freight, labor, and labor shortages. But unlike other commodities, cherries have not been able pass along these costs due to foreign competition and other factors driving market prices down. The result is our independent, family-owned farms are hurting. The last five to ten years have been a struggle at the bottom line and have required focus on anything and everything that can help. Passing along the Section 199A(g) deductions to our farmers has been one of the keys in helping. This last year, our members were able to share \$4.8M in deductions. Without these deductions, the cherry industry could be lost. Smaller orchards are already being torn down. American farms are at risk of disappearing. Building this history may stop for the next generation. Keeping the Section 199A(g) deductions could help prevent that.”

### Catherine Collins

Cherry Central Cooperative, Inc.



*Photos courtesy of Cherry Central Cooperative Inc members McMullin Orchards and Hackert Family Farms*

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