

FARMER CO-OPS PROVIDING FOR

MISSOURI

Farmer co-ops in Missouri 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.



2,531

Jobs in State

\$163,236,512

Wages in State

8,574

Farmer-Members in State

\$30,584,955

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

NATIONAL COUNCIL OF FARMER COOPERATIVES

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STATE SUCCESS STORIES

Randy Ridgway farms with his sons, Grant and Royce, in Centralia, Missouri, where they raise corn and soybeans and market grain through their local MFA Agri Services. Randy and his late wife, Angie, established the operation after they married in the early 1980s. In recent years, the Ridgways have transitioned to 100% no-till and are planting about one-third of their acreage in cover crops. The Section 199A(g) deduction has helped them purchase new 24-row planters equipped with precision technology and row cleaners to better take full advantage of these practices.

“The tax benefit we get from DPAD allows us to put money back in the operation that we wouldn’t have otherwise. We’ve been able to get newer, more advanced planters that do a better job with our no-till and cover-crop fields and have variable-rate capabilities, which has helped us tremendously. We’re not only saving time and keeping better records, but we’re also not using quite as much seed and putting it where it needs to be. With the amount of grain we handle through MFA, the DPAD adds up to some big tax savings, and it’s definitely an advantage for our operation.”

“From my perspective, DPAD has greatly benefited cooperatives and their member-owners. It has allowed farmers to invest in their operations, which puts them and their communities in a stronger economic position. MFA buys a lot of grain from members across Missouri. We pass the bulk of the benefit to our member-owners in the spirit of our cooperative partnership with them. In the past five years, we’ve returned more than 72% of allowed DPAD deductions to grain customers. With what we’ve retained in those years, we have focused on improving facilities like upgraded fertilizer plants and equipment—things that make us more efficient and help us achieve our stewardship goals. These assets will benefit MFA and our customers well into the future.”

Jason Weirich

MFA Incorporated



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“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.



Photo courtesy of Riceland Foods, Inc. farmer-owner Jennifer McMeans.

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.

“Fifer Farms LLC is a small 5th generation family farm located in Hardin, Missouri. Section 199A has helped our operation in several ways. One example is it has helped us invest in more technology for our equipment to be more efficient. With equipment cost, volatility in the market and the cost of inputs, losing the deduction will be an additional burden for farmers.”

Scott Fifer

Fifer Farms LLC



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