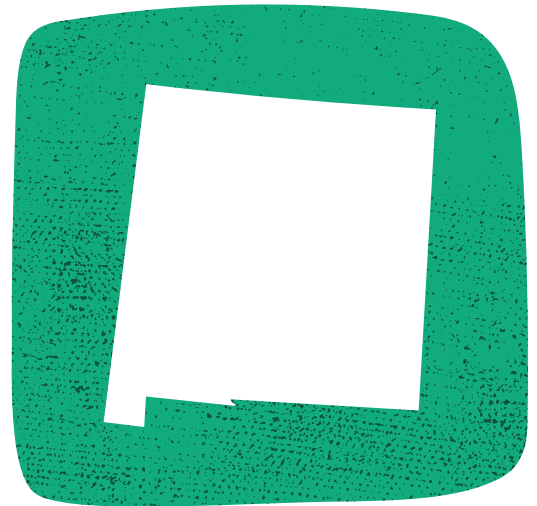


FARMER CO-OPS PROVIDING FOR

# NEW MEXICO

Farmer co-ops in New Mexico 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.



138

Jobs in State

\$1,704,975

Wages in State

237

Farmer-Members in State

\$47,377,914

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

**NATIONAL COUNCIL OF FARMER COOPERATIVES**

50 F Street NW, Suite 900 Washington, DC 20001 | (202) 626-8700

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FARMER CO-OPS PROVIDING FOR

# NEW MEXICO

## STATE SUCCESS STORY

“The IRC Section 199A deduction offers a range of benefits to growers who are members of the Plains Cotton Cooperative Association (PCCA). This deduction allows eligible growers to deduct up to 20% of their qualified business income, potentially providing significant tax savings that can be reinvested into their farming operations. For PCCA growers, these savings can be channeled towards essential capital investments such as upgrading equipment, implementing advanced conservation technologies, improving infrastructure, and expanding production capacity per acre. For example, for the 2022-23 crop year, PCCA passed through \$6.2 million dollars in tax benefits to its growers.

By leveraging the Section 199A deduction to make strategic investments, PCCA growers can enhance efficiency, productivity, and competitiveness, thereby ensuring long-term sustainability and profitability in an increasingly competitive agricultural landscape. Additionally, these investments are multiplied by contributing to the growth and prosperity of rural communities supported by PCCA, fostering economic development and resilience across Texas, Oklahoma, Kansas, and New Mexico.”

**Kevin Brinkley**

Plains Cotton Cooperative Association



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