

FARMER CO-OPS PROVIDING FOR

TEXAS

Farmer co-ops in Texas 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.



2,861

Jobs in State

\$173,711,663

Wages in State

49,155

Farmer-Members in State

\$144,125,872

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

NATIONAL COUNCIL OF FARMER COOPERATIVES

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STATE SUCCESS STORIES

“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



“As a rural Cooperative, the Section 199A deduction has been a game-changer for us. This provision allows us to deduct up to 20% of our qualified business income, significantly reducing our taxable income and freeing up essential funds that we can reinvest directly into our operations. With these savings, we’re able to upgrade our equipment, improve our facilities, and even expand our workforce, driving both growth and innovation.

In an industry where market fluctuations can create financial uncertainty, this deduction provides a vital buffer, helping us stabilize our finances and plan for the future with greater confidence. By championing the Section 199A deduction, we’re advocating for a stronger, more resilient agricultural sector that benefits not just our business, but the entire community we serve.”

Seth Stephens

Producers Cooperative Elevator

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