

November 30, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Minority Leader Boehner,

We, the undersigned organizations, write to express our continued support for estate tax reform. We seek your assistance in providing relief to preserve family farms and ranches as well as family forestlands across the U.S.

For years, we have shared with Members of Congress the personal stories of farmers, ranchers and forest owners whose livelihood has been greatly impaired by the estate tax. Of all estates, farms, ranches, and forests are up to 20 times more likely to owe the estate tax. Farm equity has more than doubled in recent years, primarily due to increased value of farm real estate - value that does nothing for agricultural production. By 2011, 1 in 10 farm estates would owe the tax.

Over the last decade, we have supported solutions by advocating for increased exemption amounts and a decreased tax rate. However, current proposals to extend the 2009 provisions of the law are simply not adequate for our nation's farmers, ranchers and forest owners. Though we continue to strongly support the highest exemption levels possible while maintaining the stepped-up basis, we believe it is essential that Congress additionally deal with the unique problems that farmers and forest owners face with generational family transition.

To address this issue and help protect family farms and forests and the lands over which they have stewardship, we are supporting the Family Farm Preservation and Conservation Estate Tax Act, H.R. 3524, sponsored by Congressman Mike Thompson, and encourage passage of the bill as soon as possible.

H.R. 3524 would exclude farm assets from estate taxes for as long as the property remains as a family agricultural operation. The bill also would protect the environment by exempting properties that are protected by a qualified conservation easement. This would strengthen agriculture in the U.S. by providing certainty in estate planning for farmers, ranchers and forest owners who pass their operations to the next generation. These hardworking farmers, ranchers and forest owners would be saved from fragmenting their operations to pay the estate tax, especially during tough economic times.

Reforming estate tax policy will improve the business climate for family farmers, ranchers and forest owners while ensuring their businesses may be passed to future generations. As part of a tax extenders package or other suitable legislation, we urge the House of Representatives to support H.R. 3524 and the highest exemption level possible.

Sincerely,

AgFirst Farm Credit Bank
Agricultural Council of California
Agricultural Retailers Association
Allied Grape Growers
American AgCredit
American Farmland Trust
American Forest Foundation
American Nursery & Landscape Association
American Sheep Industry Association
American Sugar Alliance
Apricot Producers California
Association of California Egg Farmers
Blue Diamond Growers
California Agricultural Irrigation Association
California Alfalfa & Forage Association
California Association of Wheat Growers
California Association of Winegrape Growers
California Bean Shippers Association
California Canning Peach Association
California Cattlemen's Association
California Grain and Feed Association
California Grape and Tree Fruit League
California Farm Bureau Federation
California Pear Growers
California Poultry Federation
California Rangeland Trust
California Rice Commission
California Rice Industry Association
California Seed Association
California State Floral Association
California Tomato Growers Association
California Warehouse Association
California Wool Growers Association
Colusa Glenn Farm Credit
Dairy Farmers of America
Empire State Forest Products Association
Farm Credit Council
Farm Credit Services Southwest
Farm Credit Services of Southwest Kansas
Farm Credit of Ness City
Farm Credit West
Greenville County Forestry and Wildlife Society
GROWMARK, Inc.
Idaho ACA
Kingsburg Federal Land Bank Credit Association
Louisiana Forestry Association
Maryland and Virginia Milk Producers Cooperative Association, Inc.
Massachusetts Forest Landowners Association

Massachusetts Woodlands Cooperative
Minnesota Timber Producers Association
Mississippi Forestry Association
Montana Farm Bureau Federation
National Association of Conservation Districts
National Association of Wheat Growers
National Cattlemen's Beef Association
National Christmas Tree Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Milk Producers Federation
National Pork Producers Council
National Sorghum Producers
National Turkey Federation
National Wild Turkey Federation
Nisei Farmers League
Northern California Farm Credit
Oregon Association of Nurseries
Oregon Small Woodlands Association
Pacific Egg and Poultry Association
Partnership of Rangeland Trusts
Public Lands Council
Raisin Bargaining Association
South Dakota Association of Cooperatives
South East Dairy Farmers Association
Sunkist Growers
Tennessee Farmers Cooperative
United Egg Association
United Egg Producers
United Fresh Produce Association
United Producers Inc.
U.S. Apple Association
US Rice Producers Association
USA Rice Federation
USAgBank
Ventura County Agricultural Association
Virginia Forestry Association
Washington Farm Forestry Association
Western Growers
Western Pistachio Association
WineAmerica
Wine Institute

cc: U.S. House of Representatives