



## MONTANA LIVESTOCK AUCTION BELIEVES PRODUCER PROFITABILITY IS INDUSTRY SUSTAINABILITY

Livestock producers face challenges with access to land, labor, over-regulation and input costs. As your livestock auction market and cattle producers ourselves, we have had a front row seat to see the continued loss of livestock producers in our region. This trend seen across the U.S. is a critical threat to the livestock industry and our nation's food supply. Now is the time to take action.

### POTENTIAL SOLUTIONS

We are ready to work with you to seek out solutions and take action.

#### ★ TAX ISSUES

Eliminating the estate tax, also known as the death tax, for agriculture helps family operations pass onto the next generation. At a minimum, the industry should fight to maintain the current estate tax cap, which is scheduled to sunset in 2025 to a much lower level. Other tax provisions benefiting livestock production, such as use value appraisal and fast methods of depreciation, must also be protected.

#### ★ CREATE INCENTIVES FOR KEEPING LAND IN LIVESTOCK PRODUCTION

Addressing estate tax does not help people who do not belong to an existing family operation. Consider incentives for keeping land in livestock and forage production including incentives for a producer selling or leasing land with the commitment that it remains in livestock or forage production for a specified length of time.

#### ★ CREATE OPPORTUNITY TO COMPETE FOR LAND AND MARGIN

Existing programs should be adjusted to allow livestock and forage producers to better compete for land. This could include new programs as well as adjustments to existing programs such as Livestock Risk Protection (LRP), Conservation Reserve Program (CRP), Pasture Rangeland Forage (PRF) insurance program and programs providing capital.

#### ★ GUARD AGAINST UNFUNDED MANDATES

USDA is finalizing a rule requiring electronic ear tags for sexually intact beef cattle 18 months of age or older and dairy cattle of any age crossing state lines. The new electronic tags are nine times as expensive as the existing ones. At the same time they are requiring this change, USDA is abandoning its longstanding practice of paying for tags. This means livestock auctions will have to shoulder this expense or be forced to pass it on to their producer customers. If the rule is to be finalized, it cannot be an unfunded mandate. Congress should fix this by providing USDA with funds and clear direction to provide all required tags and infrastructure necessary under the Animal Disease Traceability program.

### CALL TO ACTION

Every producer's voice matters. Join us in this effort by sharing your ideas and starting conversations with those in your network. For more information contact us at Montana Livestock Auction at **406-782-1884** or **mlauction100@gmail.com** and visit **PRODUCERPROFITABILITY.COM** to learn more about this industry wide effort.

★ ★ **OUR INDUSTRY, BUSINESSES AND RURAL COMMUNITIES ARE COUNTING ON ALL OF US!** ★ ★