

Therefore, be it resolved that the Wisconsin Turkey Federation recommends the study of and the implementation of laws that would prohibit the use of farm production losses as deductions from nonfarm production operations in tax calculations.

It is our feeling that we cannot prevent any individual or company from entering or expanding agricultural enterprises. However, we feel that the farming operations should stand on their own merits. Inability to use farming losses as tax deductions from profits of other business operations may not prevent overexpansion, but it will make diversified corporations take a closer look at their farming activities, since any losses would be actual losses, not tax hedges. As stated in the resolution, we feel that such revision of the tax laws would afford some protection to the individual farmer by removing the incentive to expand except when prices and markets indicate such expansion would result in a profit. This, we feel, would be a step in the right direction.

Senator Metcalf of Montana introduced a bill, I believe you mentioned it this morning in your comments, the Senate bill 2613. I believe you said this has come out of the committee now.

Senator NELSON. I joined with Senator Metcalf in introducing that bill. It has not come out of the committee, but the U.S. Treasury Department has endorsed the bill and so has the Department of Agriculture. This gives us good support. I don't know that we can get it out this year in view of the approaching recess or adjournment, but with that kind of support we may have a fair chance of getting it passed next year.

Mr. TYLER. The Wisconsin Turkey Federation urges its consideration by Congress.

Delayed pricing on intracompany transfers, leading to nonuniform pricing policies when comparing the intracompany transfers with their retail sales, and consolidation of net worth to gain credit advantages are other advantages of large business organizations. We feel that an equalization of opportunities would permit all producers, regardless of size, to compete on a fair basis.

We realize that there are many individual situations and overlapping of operations which will complicate the writing of legislation to accomplish our goals. Rather than try to specify how it could be accomplished, we asked that trained personnel study the matter and make recommendations.

Thank you for hearing us.

Senator NELSON. Thank you very much, we appreciate your coming here today and giving your testimony.

(The complete prepared statement submitted by Mr. Tyler follows:)

STATEMENT OF ROBERT TYLER, VICE PRESIDENT, WISCONSIN TURKEY FEDERATION

The Wisconsin Turkey Federation feels that the information sought by this committee could benefit the agriculture of America. Farming has traditionally benefited from and been a victim of economic cycles. Recent years have not been favorable to agriculture. The few good years have not offset the bad ones. As a result, many good family farmers have sought employment elsewhere. The turkey industry has seen this just as other agricultural industries have.

The trends in the past are illustrated by the following data from the U.S. Census, listing the number of turkey farms in the U.S. and in Wisconsin.