

2023 Legislative Efforts Provide Opportunities for Missouri Agriculture

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Recently, Missouri Gov. Mike Parson signed [Senate Bill 138](#) and [House Bill 202](#) into law. These agriculture omnibus bills addressed several priority areas for the state's industry partners and farm operators. This brief will highlight key pieces of legislation that could impact Missouri's agriculture industry.

Preparing the Next Generation for Success

Missouri ranks 2nd nationally for the number of farms, and nearly 90% of the state's 95,000 farms are family owned. As the age of the average farm operator increases, succession planning and transitioning the farm to the next generation becomes an area of concern.

Included in the bills (see [Senate Bill 138](#) and [House Bill 202](#) for full details) is a **Beginning Farmers and Ranchers Program**, which creates a state income tax reduction for a percentage of capital gains (see table to the right) for landowners who sell, lease or crop-share their land to a qualified beginning farmer and/or family member. Landowners who opt into a lease or crop-share agreement can reduce their adjusted gross income equal to the amount of income received by the landowner for the agreement, up to \$25,000 annually. This legislation aims to reduce the barriers to entry for beginning farmers and incentivizes retiring farmers to keep land in production agriculture.

Aid to Encourage Large Animal Veterinary Practice

RaFF's [spring 2023 Missouri Farm Income Outlook](#) indicated that nearly 40% of the state's farm receipts come from livestock production, stressing the importance of accessible veterinary care. According to current [USDA NIFA](#) data, eight areas in Missouri are open for the Veterinary Medicine Loan Repayment Program. The American Veterinary Medical Association estimated that the average veterinary student graduated in 2022 with [nearly \\$150,000 in student loan debt](#). This information highlights the challenges in getting food animal veterinarians to practice in rural Missouri.

As an incentive for aspiring veterinarians to continue their education and find employment in the Show-Me State practicing large animal medicine, the Missouri Department of Agriculture offers the **Large Animal Veterinary Student Loan Program**. [This program](#) is open to students attending the state's only veterinary school, the University of Missouri College of Veterinary Medicine, and also offers loan forgiveness for years of service in designated areas of need. Provisions in the omnibus bills have doubled the number of loans awarded and have increased loan amounts, allowing each qualified applicant eligibility for up to \$120,000 in forgivable loans.

Key Takeaways

- ▶ The latest agriculture omnibus bills signed by Gov. Parson offer new opportunities for Missouri agriculture.
- ▶ These bills address concerns across various sectors of the agriculture industry, including forest products, generational farms, and transportation infrastructure.
- ▶ Investments in higher education could give Missouri's livestock producers a competitive advantage.

Land Sales and Capital Gains Subtraction

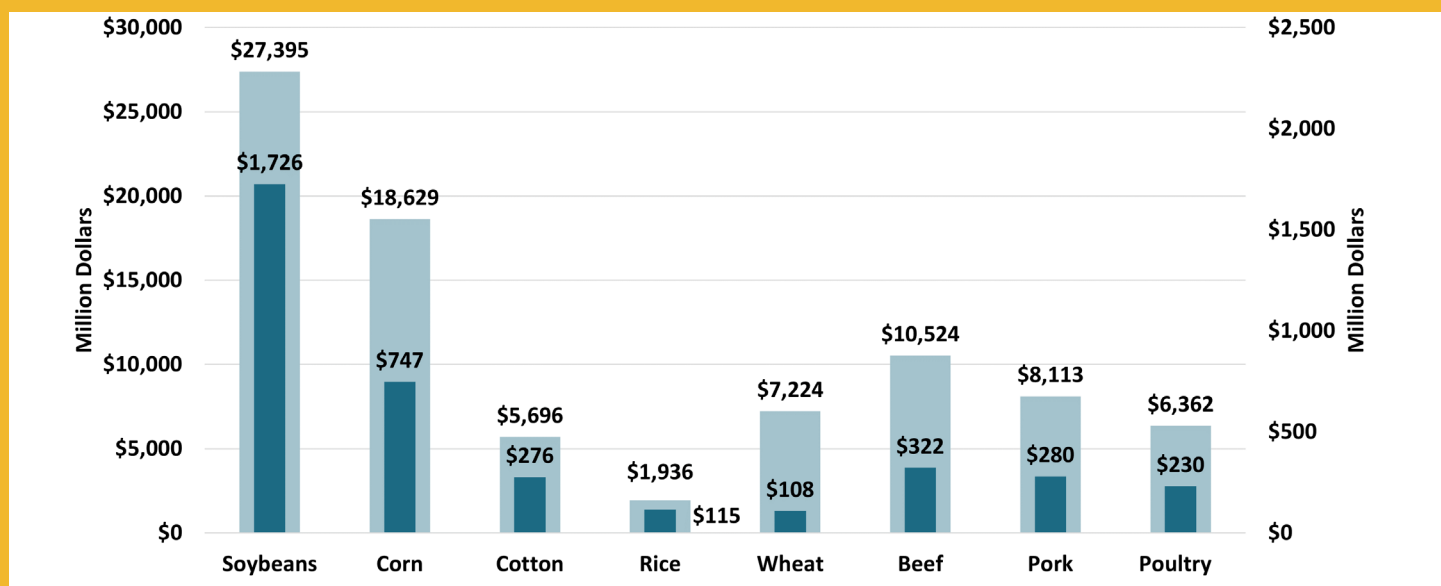
Sale Amount	Percentage of Capital Gains Subtraction
\$0 to \$2,000,000	100%
\$2,000,001 to \$3,000,000	80%
\$3,000,001 to \$4,000,000	60%
\$4,000,001 to \$5,000,000	40%
\$5,000,001 to \$6,000,000	20%

Support for State Waterways, Ports and Flood Mitigation

According to the [Missouri Department of Transportation](#), Missouri has more than 1,000 miles of navigable river and is home to the 2nd largest U.S. inland port. Agricultural products account for 22% of Missouri's port tonnage and the state's waterways are a significant piece of infrastructure for agribusiness and commerce; the chart below highlights the state's top agricultural commodities in terms of their export value and share of overall receipts. Included within the omnibus bills are two provisions to support state waterways.

The **Waterways and Ports Trust Fund** will assist public port projects by providing a reliable source of funding. Fiscal calendars and construction seasons are often misaligned with weather, and river conditions can limit availability for construction throughout the year. Additionally, the **Flood Resiliency Program** within the Missouri Department of Natural Resources will create and improve long-term flood mitigation plans for the Missouri and Mississippi Rivers and their tributaries; the program will also allow the agency to advance statewide flood forecasting and monitoring efforts.

Missouri Exports and Total U.S. Agricultural Exports, 2021



Source: USDA ERS State Agricultural Trade data for 2021. Note: Poultry includes broiler meat, turkey meat, eggs and other fowl products.

Other Investments to Support Missouri Agriculture

In addition to the omnibus bills, two investments in higher education should be highlighted for their potential impact on Missouri's agriculture industry. Through the appropriations process, the Legislature created a \$43 million line item to build a **veterinary medical diagnostic laboratory**, as well as a \$25 million line item for a new **meat laboratory**, at the University of Missouri. As a leader in livestock production, these resources will allow for training, education and research opportunities to benefit Missouri's farmers and ranchers.

Summary

Continued investment is important for Missouri's \$93.7 billion agriculture industry as it remains a critical economic driver for the state. Programs and provisions established by omnibus bills and appropriations will provide resources to Missouri's farmers, ranchers and agribusinesses through increased awareness efforts, incentives and dedicated funding.

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