#### Ben and I Affirm.

### Our First Contention is Supporting the Middle Class

**Emily Badger of the Washington Post 16** reports that in the status quo, the middle class in America is declining due to declining industry, writing that a clear majority of American adults no longer live in the middle class. However, shrinking the middle class is detrimental as **Michael Ettlinger of the Center for American Progress 11** explains that a weakened middle class effects the economy because it can no longer consume as many goods, concluding that the rises in middle-class jobs have produced much of our nation’s wealth.

Fortunately, removing the capital gains tax would create middle class jobs in two key ways.

**First, because companies would bring back overseas jobs.**

**Diana Roth of Economics21** writes that capital gains taxes have sent jobs overseas because taxes within the U.S on capital gains have been higher than other countries. Removing the capital gains tax solves this, and **Al-Sadig 13** writes that a one percent decrease in overseas investment results in a 29% increase in domestic investment, meaning that the effect of decreasing overseas investment is multiplied once in America.

**Second, because companies produce more jobs.**

**Ike Brannon of Forbes 12** writes that lower capital gains tax causes more saving which inevitably causes more investment. They quantify that if a capital gains tax were removed, the amount of plant and equipment available for workers to use would be 50% larger.

For both of these reasons, Allen Sinai of the American Council for Capital Formation writes that a reduction of the Capital Gains tax to zero would create 1.3 million jobs per year.

### Our Second Contention is Saving the Farms

The capital gains tax makes it hard to be a farmer for two reasons.

First, farmers are always taxed at the highest capital gains rate.

The American Farm Bureau Federation reports that farmers are forced to pay the highest rate of taxes on capital gains because farms must sell their livestock within a year. This means farms always pay the highest capital gains tax on any sales as opposed to the average tax payer. That’s why the Western Farm Press 18 reports that farmers pay 50% higher capital gains than the average tax payer.

Second, is that taxes on capital gains make it more expensive to purchase land.

Gill 10 writes that in order to compete with industry trends, farmers have had to expand their operations. Unfortunately the Capital Gains tax makes it difficult to expand, as The American Farm Bureau Federation continues that due to the capital-intensive nature of agribusiness, the initial investment of land and buildings accounts for up to 79 percent of the cost of farming. They further that capital gains taxes make land sellers increase prices so that they can earn the same after-tax-income. As a result, costs for farming rise with the tax.

Ultimately, the increased costs that capital gains put on farmers have two impacts.

First, is making it difficult to upgrade Agricultural Equipment to combat climate change.

The American Farm Bureau Federation writes that in order to remain efficient and profitable, farmers must change their business to respond to market signals. They further that a capital gains tax makes this extremely hard because it makes it difficult for farmers to generate revenue to implement needed upgrades. That’s important, because Edgerton of the American Society of Plant Biologists finds that upgrading crop production is essential to combatting climate change’s effects on crop production over the next two decades. Unless this trend is combatted, Roberts of the National Bureau of Economic research writes that average crop yields are expected to drop by between 30 and 60% by the end of the century due to increases in temperature.

Second, pushing farmers to sell to commercial investors.

The Western Farm Press furthers that because of capital gains taxes, farmers are pushed to sell to commercial investors because they tend to pay more for land than family farmers. This is detrimental as Beyond Factory Farming emphasizes that industrial facilities contribute to numerous environmental issues such as damage to our air, water, and soil and that intensive livestock production contributes 80% of agriculture’s greenhouse gas emissions. Overall, Katy Keiffer 17 anticipates that in the next five years, some 92 million acres will change hands, with much of it passing to investors rather than traditional farmers, meaning that stopping this trend is needed right now.

For these reasons, we affirm.

## **Frontlines**

### A2 Automation

#### Tech Crunch writes that although automation may decrease jobs in the short-term, it has a long-term benefit. That’s because robots are cost effective meaning that companies have more money to invest. Ultimately, that extra revenue can be used to invest in innovation, resulting in more jobs.

Matthew Rendall, 10/9/16, “Industrial robots will replace manufacturing jobs — and that’s a good thing”, Tech Crunch, <https://techcrunch.com/2016/10/09/industrial-robots-will-replace-manufacturing-jobs-and-thats-a-good-thing/> //BB

Robots are safer. They are more reliable. They are more ethical than using exploited labor overseas. Plus, they’re incredibly cost-effective, often delivering return on investment (ROI) in 12 months or less. That is a game-changer in an industry relentlessly driven by cost reduction and plagued by slow-drip evolution. The subsequent cost savings produce a ripple effect. More jobs that are more desirable can remain in North America. Manufacturers can focus on and invest in innovation. As a result, new jobs are created that require and build a better educated, highly skilled workforce. There will be short-term job displacements, but long-term benefits to workers and society as a whole. This isn’t just some unproven utopian vision. Periods of technological displacement show a consistent pattern in history. In the last century, we moved from people manually building cars to robots assembling cars. As a result, manufacturers both produce more cars and employ more people per car than before. Instead of performing dangerous tasks, those workers now program the robots to do the dirty work for them — and get paid more for doing so. As long as we’ve had technology, we’ve had Luddites who sometimes literally destroy technological advancements — and yet, here we are, more productive, with a higher quality of living than ever.

### **Cards**

#### Badger 16

[Emily Badger, 5-11-2016. "The middle class is shrinking just about everywhere in America." Washington Post. https://www.washingtonpost.com/news/wonk/wp/2016/05/11/the-middle-class-is-shrinking-just-about-everywhere-in-america/] //BH

The great shrinking of the middle class that has captured the attention of the nation is not only playing out in troubled regions like the Rust Belt, Appalachia and the Deep South, but in just about every metropolitan area in America, according to a major new analysis by the Pew Research Center. **Pew reported in December that a clear majority of American adults no longer live in the middle class, a demographic reality shaped by decades of widening inequality, declining industry and the erosion of financial stability and family-wage jobs.** But while much of the attention has focused on communities hardest hit by economic declines, the new Pew data, based on metro-level income data since 2000, show that middle-class stagnation is a far broader phenomenon. The share of adults living in middle-income households has also dwindled in Washington, New York, San Francisco, Atlanta and Denver. It's fallen in smaller Midwestern metros where the middle class has long made up an overwhelming majority of the population. It's withering in coastal tech hubs, in military towns, in college communities, in Sun Belt cities.

#### Ettlinger 11

[Michael Ettlinger, 12-6-2011. "A Strong Middle Class Is Key to Getting Our Economy Moving." Center for American Progress. https://www.americanprogress.org/issues/economy/news/2011/12/06/10791/a-strong-middle-class-is-key-to-getting-our-economy-moving/] //BH

These homeowners are also stuck in “underwater” homes. That means fewer moves to bigger homes and less home construction. A big source of demand in our country used to be not just the home purchasing and construction itself, but all those appliances, furniture, and tchotchkes people put in their homes. A dearth of demand isn’t the only economic problem the country faces, however. We need more investment as well. But the lack of demand is at the root of our investment woes. It is **the middle-class consumer** that **creates the incentive to conceive, manufacture, and sell what the economy produces**. It is the middle-class consumer that creates the business opportunities that spur investment. The problem for our economy created by a weakened middle class is not just a weakened capacity to consume. The middle class is the heartbeat of the economy in other ways. For one, the middle class is the nation’s indispensable workforce. **It was, in fact, the rise in middle-class worker productivity that has generated much of our nation’s wealth.** Entrepreneurship and invention are also rooted in the middle class. A life devoid of deprivation allows the middle class the time and flexibility to become educated; to think, ponder, and explore—to invent and innovate. Those in the middle class can afford a modicum of risk: leaving the safe job to start a new business after accumulating the startup assets. The fortunes represented in the Forbes 400 list of the richest Americans began with a middle-class risk, a middle-class invention, a middle-class investment. Bill Gates, Thomas Edison, and the Wright brothers all came from middle-class families.A strong middle class is also key to our national stability. There is, of course, our social stability. But economic stability also depends on a large portion of Americans with stable finances and regular jobs.

#### Roth 15

Diana Furchtgott-Roth, 1/19/15, ” Raising Taxes on Capital Hurts the Middle Class”, Economics 21, <https://economics21.org/html/raising-taxes-capital-hurts-middle-class-1215.html> //BB

With the proceeds, Mr. Obama wants to provide an additional tax credit to two-earner couples; to reduce student loan payments; and to end tuition payments for attendance at community college. Some of these are worthy goals. But higher capital gains tax rates rarely result in more revenue, because capital gains realizations can be timed. When rates go up, people hold on to their assets rather than selling them, expecting that rates will go down at some point. In addition, higher rate would have negative effects on the economy by reducing U.S. investment or driving it overseas. If firms pay more in capital gains taxes in America, they would make fewer investments -- especially in the businesses or projects that most need capital -- and they would hire fewer workers, many of them middle-class. Higher capital gains taxes would reduce economic activity, especially financing for private companies, innovators, and small firms getting off the ground. Taxes on U.S. investment would be higher compared with taxes abroad, so some investment capital is likely to move offshore. There are good reasons for taxing capital gains and dividends at lower rates than earned income

#### Al-Sadig 13

[Ali J. Al-Sadig, February 2013. “Outward Foreign Direct Investment and Domestic Investment: the Case of Developing Countries.” International Monetaty Fund. <file:///Users/benhanson/Downloads/_wp1352.pdf>] //BH

This study provides new empirical evidence of the effects of outward FDI on the domestic investment rate in developing countries. While there are a considerable number of empirical studies on the effects of developed countries‟ outward FDI on their own domestic economic activity, to our knowledge, this is a first such study on the relationship between outward FDI and domestic investment in developing and transition economies. From a theoretical standpoint, the effect of outward FDI on the home country‟s domestic investment rate depends on the motives for investing abroad. Because different types of FDI cannot be distinguished by motive, the effects of FDI on the home country‟s domestic investment become an empirical question. Thus, the main objective of this study was to test empirically the link between outward FDI and the country's rate of domestic investment, using data from 121 developing home countries over the period 1990–2010. This relationship is modeled in a partial adjustment framework and estimated using the system-GMM estimator to cope with the possible endogeneity of the independent variables, especially outward and inward FDI. The empirical results show a robust negative relationship between outward FDI and the rate of domestic investment. **A one percentage point increase in outward FDI leads to a reduction of about 29 percent in domestic investment.** The results confirm to some extent those found by the empirical studies cited above. These results may be driven by the presence of distortions and domestic bottlenecks in the local economies, such as scarcity of capital and imperfect financial markets. The types of policy prescription needed to address these distortions could help to mitigate the negative impact of outward FDI, and, in some cases, to boost domestic saving and investment.

#### Brannon 12

[Ike Brannon, 4-5-2012. "The Cost of Increasing Tax Rates On Capital Gains and Dividends." Forbes. https://www.forbes.com/sites/realspin/2012/04/05/the-cost-of-increasing-tax-rates-on-capital-gains-and-dividends/#492d97bd24f0] //BH

There is a wealth of evidence suggesting that higher returns to saving — which a lower capital-gains tax rate engenders — ultimately result in more saving and investment. For example, former Treasury Secretary Larry Summers determined during his days as an academic economist that savings rates were extremely sensitive to the return on saving, and that high taxes on what our savings and investments earn significantly reduce how much we save. James Poterba, head of the National Bureau of Economic Research, has done research showing that increasing the return on saving via the tax code strongly affects how much we save. In his studies of how the introduction of tax-advantaged accounts such as 401ks and IRAs impacted savings rates, he found that these innovations increased savings by roughly 30-40%. More saving increases investment, which in turn increases productivity and future economic growth as well. Nobel Laureate Robert Lucas once said that eliminating the taxation on capital income was the closest thing to a free lunch that exists in this world. He estimated that **the capital stock in the U.S. (i.e., the amount of plant and equipment available for workers to use) would be 50% larger if we did not tax capital gains and dividends at all.** Our economy would be trillions of dollars larger in such a world, which, I submit, would make our current budget predicament much more tractable. Ultimately economic growth is the key ingredient to generating the revenue necessary to cure our budget ills. The two periods when revenue grew the fastest in recent history were 1997-2000 and 2004-2007. In neither occasion did tax rates increase at all — but both represent periods of strong, sustained economic growth. There is no doubt that there are wealthy people who take advantage of tax laws and manipulate their corporate form to exploit certain tax-rate differentials. Former presidential candidate John Edwards and his machinations with his corporate form to avoid paying self-employment taxes is just one example. We should strive to prevent this from happening as much as is possible, certainly, but devising a tax code that’s unfriendly to economic growth in the name of meting out justice to a small class of ne’er-do-wells is not an appealing trade-off to most people.

#### Sinai 2010

Allen Sinai, September 2010, “Capital Gains Taxes and the Economy”, <https://drive.google.com/file/d/1HQ8gLedDu7DEwZxOONr43erxPMT2k98D/view>, PDF IN DROPBOX, American Council for Capital Formation, //BB

Thus, a large hike in the capital gains tax rate proves counterproductive by weakening economic growth, reducing consumption and real consumption per capita, causing losses in jobs, a higher unemployment rate, less productivity growth, lower potential output, and an increase in the federal budget deficit. The only positive is a lower inflation rate, which may not help much if already low. Conversely, a reduction in the capital gains tax rate to zero from the current 15% increases growth in real GDP by over 0.2 percentage points per annum, lowers the unemployment rate by one-half percentage point, increases nonfarm payroll jobs 1.3 million a year, and ends up, net, ex-post, costing the federal government less than the initial ex-ante, or static, cost of the tax reductions. The economy is considerably improved, household financial conditions improve, and the U.S. standard-of-living rises.

#### American Farm Bureau Federation nd

American Farm Bureau Federation, “Capital Gains Taxes and Stepped-Up Basis”, <https://www.fb.org/issues/tax-reform/capital-gains-taxes-and-stepped-up-basis/> //BB

Capital gains taxes are due when farm or ranch land, buildings, breeding livestock and timber are sold. The tax is owed on the amount that the property increased in value since it was purchased. The current top capital gains tax is 20 percent. Farmers and ranchers often pay the top rate (which is assessed on high income taxpayers) because their capital gains can be realized in a single year, for example when a farm is sold. Capital gains taxes on inherited assets are owed only when they are sold and only on the stepped-up value. Step-up sets the starting basis (value) of land and buildings at what the property is worth when it is inherited. If capital gains taxes were imposed at death or if stepped-up basis were repealed, a new capital gains tax would be created and the tax code would become even more confusing and complex. Not only are land and buildings eligible for stepped- up basis at death, but so is equipment, livestock, stored grains and stored feed. The new basis assigned to these assets resets depreciation schedules, providing farmers and ranchers with an expanded depreciation deduction. Starting or expanding a farm or ranch requires a large investment because of the capital-intensive nature of agri-business, with land and buildings typically accounting for 79 percent of farm or ranch assets. The higher the capital gains tax rate, the greater the disincentive to sell property or alternatively to raise the asking price. If landowners are discouraged to sell, it can be harder for new farmers to acquire land and hurt agriculture producers who want to buy land to expand their business to include a son or daughter. To remain efficient and profitable, farmers and ranchers must have the flexibility to change their businesses to be responsive to market signals from American and overseas consumers. Because capital gains taxes are imposed when buildings, breeding livestock and farmland are sold, the higher the tax the more difficult it is for producers to shed unneeded assets to generate revenue to adapt and upgrade their operations.

#### **Western Farm Press 18**

[No Author, 1-18-2018. "Capital gains tax a burden to farmers." Western Farm Press. http://www.westernfarmpress.com/government/capital-gains-tax-burden-farmers] //BH

The capital gains tax especially hurts farmers because agriculture requires large investments in land and buildings that are held for long periods of time and account for 76 percent of farmers’ assets. Further, 40 percent of all farmers report some capital gains; nearly double the share for all taxpayers. And the average amount of capital gains reported by farmers is about 50 percent higher than the average capital gain reported by other taxpayers. “Because capital gains taxes are imposed when buildings, breeding livestock and land are sold, it is more costly for producers to shed unneeded assets to generate revenue to adapt, expand and upgrade their operations,” said the statement.

#### Gill 10

Hannah Gill, 2010, “The Latino Migration Experience in North Caroline”, <https://books.google.com/books?id=yLC0R_MwzGMC&pg=PA80&lpg=PA80&dq=to+compete+with+industry,+farmers+need+to+expand+their+operations&source=bl&ots=WbT7muBYWX&sig=YX_AYFuT6A_RORrWk-H0dnSukqQ&hl=en&sa=X&ved=0ahUKEwjAy72m-5HZAhVCmlkKHWeqAuoQ6AEILzAB#v=onepage&q=to%20compete%20with%20industry%2C%20farmers%20need%20to%20expand%20their%20operations&f=false> //BB

Again, consumers shopping for the lowest prices reward this system. To compete with industry trends that favor this economy of scale, farmers have had to expand their operations or go out of business. Small farmers, a declining segment of the population anyway, have been squeezed by their contracts with large corporations, many of which have a monopoly on the market and provide the only access to a larger market in their region. To surivie, many small farms have had to cut costs to maintain low wages of farmworkers.

#### American Farm Bureau Federation nd (2)

American Farm Bureau Federation, “Capital Gains Taxes and Stepped-Up Basis”, <https://www.fb.org/issues/tax-reform/capital-gains-taxes-and-stepped-up-basis/> //BB

Capital gains taxes are due when farm or ranch land, buildings, breeding livestock and timber are sold. The tax is owed on the amount that the property increased in value since it was purchased. The current top capital gains tax is 20 percent. Farmers and ranchers often pay the top rate (which is assessed on high income taxpayers) because their capital gains can be realized in a single year, for example when a farm is sold. Capital gains taxes on inherited assets are owed only when they are sold and only on the stepped-up value. Step-up sets the starting basis (value) of land and buildings at what the property is worth when it is inherited. If capital gains taxes were imposed at death or if stepped-up basis were repealed, a new capital gains tax would be created and the tax code would become even more confusing and complex. Not only are land and buildings eligible for stepped- up basis at death, but so is equipment, livestock, stored grains and stored feed. The new basis assigned to these assets resets depreciation schedules, providing farmers and ranchers with an expanded depreciation deduction. Starting or expanding a farm or ranch requires a large investment because of the capital-intensive nature of agri-business, with land and buildings typically accounting for 79 percent of farm or ranch assets. The higher the capital gains tax rate, the greater the disincentive to sell property or alternatively to raise the asking price. If landowners are discouraged to sell, it can be harder for new farmers to acquire land and hurt agriculture producers who want to buy land to expand their business to include a son or daughter. To remain efficient and profitable, farmers and ranchers must have the flexibility to change their businesses to be responsive to market signals from American and overseas consumers. Because capital gains taxes are imposed when buildings, breeding livestock and farmland are sold, the higher the tax the more difficult it is for producers to shed unneeded assets to generate revenue to adapt and upgrade their operations.

#### Roberts 08

Michael Roberts, February 2008, “Estimating the Impact of Climate Change on Crop Yields: The Importance of Nonlinear Temperature Effects”, National Bureau of Economic Resistance, <http://www.nber.org/papers/w13799> //BB

The United States produces 41% of the world's corn and 38% of the world's soybeans, so any impact on US crop yields will have implications for world food supply. We pair a panel of county-level crop yields in the US with a fine-scale weather data set that incorporates the whole distribution of temperatures between the minimum and maximum within each day and across all days in the growing season. Yields increase in temperature until about 29C for corn, 30C for soybeans, and 32C for cotton, but temperatures above these thresholds become very harmful. The slope of the decline above the optimum is significantly steeper than the incline below it. The same nonlinear and asymmetric relationship is found whether we consider time series or cross-sectional variation in weather and yields. This suggests limited potential for adaptation within crop species because the latter includes farmers' adaptations to warmer climates and the former does not. Area-weighted average yields given current growing regions are predicted to decrease by 31-43% under the slowest warming scenario and 67-79% under the most rapid warming scenario by the end of the century.

#### American Farm Bureau Federation nd (3)

American Farm Bureau Federation, “Capital Gains Taxes and Stepped-Up Basis”, <https://www.fb.org/issues/tax-reform/capital-gains-taxes-and-stepped-up-basis/> //BH

Starting or expanding a farm or ranch requires a large investment because of the capital-intensive nature of agri-business, with land and buildings typically accounting for 79 percent of farm or ranch assets. The higher the capital gains tax rate, the greater the disincentive to sell property or alternatively to raise the asking price. If landowners are discouraged to sell, it can be harder for new farmers to acquire land and hurt agriculture producers who want to buy land to expand their business to include a son or daughter. To remain efficient and profitable, farmers and ranchers must have the flexibility to change their businesses to be responsive to market signals from American and overseas consumers. Because capital gains taxes are imposed when buildings, breeding livestock and farmland are sold, the higher the tax the more difficult it is for producers to shed unneeded assets to generate revenue to adapt and upgrade their operations.

#### **Edgerton 09**

Michael D. Edgerton, January 2009, “Increasing Crop Productivity to Meet Global Needs for Feed, Food, and Fuel”, Plant Physiology: American Society of Plant Biologists, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2613695/#bib24> //BB

While breeders, agronomists, and farmers are working to increase yields, a number of factors that may reduce yields must be considered. Over the next two decades, climate change effects in the central United States are predicted to increase night air temperatures, the number and severity of adverse weather events, and increase the incidence of insect pests and disease. The result could be a drag on crop yields (Hatfield et al., 2008). Rapid adaptation of crops to changing climatic conditions may help mitigate these effects. Such rapid adaptation may occur for crops supported by strong breeding programs that continuously develop and introduce superior, locally adapted hybrids and varieties. New, higher-yielding hybrids produced from Monsanto's North American corn breeding program currently have a product half-life of approximately 4 years and are completely turned over about every 7 years, raising hopes that, for corn and possibly soybean, new varieties adapted to local conditions will be produced as a part of the ongoing breeding program. Nitrogen is another factor that may limit crop yields. Nitrogen may become less available as the cost of fertilizer rises and the continued growth of eutrophic dead zones and nitrous oxide emissions leads to changes in the way fertilizer is used ([Donner and Kucharik, 2008](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2613695/#bib6)). Nitrogen use efficiency, defined as the amount of crop produced per unit of input, has steadily improved in the United States since the 1980s ([Frink et al., 1999](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2613695/#bib10)). More precise nitrogen applications and genetic improvements in crops are likely to sustain improvements in nitrogen use efficiency although there is a limit to how far nitrogen application can be reduced. A 10 tonnes/ha corn crop contains around 100 kg nitrogen/ha as protein and at least this amount of nitrogen must be added back to the field to maintain fertility. Lastly, a sharp downturn in the global economy could restrict demand for both meat and fuel in ways that reduce the economic incentive to increase crop yields ([IMF, 2008](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2613695/#bib16)).

#### OECD 16

[No Author, 11-10-2016. "Innovation, Agricultural Productivity and Sustainability in the United States." OECD Food and Agriculture Reviews. http://www.oecd.org/publications/innovation-agricultural-productivity-and-sustainability-in-the-united-states-9789264264120-en.htm] //BH

The US food and agriculture sector is innovative, competitive and export-oriented. Changes in national and global demand offer further opportunities for US agri-food products, although climate change and other resource constraints could create additional challenges, in particular in some regions. Maintaining high productivity growth, while improving the sustainable use of resources will require further innovation. **In a policy environment generally favourable to investment and innovation, the strong US agricultural innovation system is expected to continue to create innovations that will be widely adopted, to the extent that these can be widely accepted.**

#### **Schechinger 16**

Anne Schechinger, 10/20/16, “Agricultural Sustainability is Key to Ending World Hunger”, Ag Mag, <https://www.ewg.org/agmag/2016/10/agricultural-sustainability-key-ending-world-hunger#.WnkBCqinFPZ> //BB

The only way to eliminate world hunger and poverty is to make agriculture more environmentally sustainable. That’s the conclusion of a new report released this week by the United Nations Food and Agriculture Organization. The FAO found that climate change will increase the number of people struggling with food insecurity by 2030 if agriculture does not adapt to the new climate conditions. The number of people living in poverty could increase by between 35 million and 122 million by 2030. The FAO said that's because population will grow fastest in developing countries that are the most vulnerable to more frequent droughts, floods and other extreme weather events caused by climate change.

#### **Western Farm Press 18**

[No Author, 1-18-2018. "Capital gains tax a burden to farmers." Western Farm Press. http://www.westernfarmpress.com/government/capital-gains-tax-burden-farmers] //BH

 “Capital gains tax liabilities encourage farmers to hold onto their land rather than sell it, creating a barrier for new and expanding farms and ranches to use that land for agricultural purposes.” This added cost also increases the likelihood that farm and ranch land will be sold outside of agriculture for commercial uses to investors who are willing to pay more, causing agricultural land and open space to be lost forever. The capital gains tax especially hurts farmers because agriculture requires large investments in land and buildings that are held for long periods of time and account for 76 percent of farmers’ assets. Further, 40 percent of all farmers report some capital gains; nearly double the share for all taxpayers. And the average amount of capital gains reported by farmers is about 50 percent higher than the average capital gain reported by other taxpayers. “Because capital gains taxes are imposed when buildings, breeding livestock and land are sold, it is more costly for producers to shed unneeded assets to generate revenue to adapt, expand and upgrade their operations,” said the statement.

#### **Beyond Factory Farming**

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#### **Keiffer 17**

[Katy Keiffer, 7-31-2017. "Who really owns American farmland?." New Food Economy. https://newfoodeconomy.org/who-really-owns-american-farmland/] //BH

That boom has resulted in more people and companies bidding on American farmland. And not just farmers. Financial investors, too. Institutional investors have long balanced their portfolios by putting part of their money in natural resources—goldmines and coal fields and forests. But farmland, which was largely held by small property owners and difficult for the financial industry to access, was largely off the table. That changed around 2007. In the wake of the stock market collapse, institutional investors were eager to find new places to park money that might prove more robust than the complex financial instruments that collapsed when the housing bubble burst. What they found was a market ready for change. The owners of farms were aging, and many were looking for a way to get cash out of the enterprises they’d built. And so the real estate investment trusts, pension funds, and investment banks made their move. Today, the United States Department of Agriculture (USDA) estimates that at least 30 percent of American farmland is owned by non-operators who lease it out to farmers. And with a median age for the American farmer of about 55, it is anticipated that in the next five years, some 92,000,000 acres will change hands, with much of it passing to investors rather than traditional farmers. But what about the people—often tenant farmers—who actually work the land being acquired? During the same period that farmland prices started gaining steam, many crop prices have stagnated or fallen. After hitting highs above $8 a bushel in 2012, corn prices today have fallen back to less than $4 a bushel—about what they were ten years ago, in 2007, when farmland prices first started to soar.