

August 30, 2010

Honorable members of Georgia Tax Council,

I appreciated the opportunity afforded to me to address the members of the Georgia Tax Council in Augusta, GA today.

As a cattle producer and a member of the great farming industry in Georgia, I would ask the Council to consider the impact agriculture has on the overall economy of Georgia as you go about your task of looking at the tax structure and the exemptions currently in place. The agriculture industry is the number one industry in the state with over \$50 billion in revenue. Agriculture has been one of the few industries that have helped pull Georgia forward through the current economic downturn.

As I stated at the forum, the roughly 20,000 cattle operations in Georgia export the vast majority of the calves produced each year. The proceeds from the sale of calves and milk brings the state valuable revenue which is turned over many times in the rural communities. Most of the inputs into beef and dairy operations are sourced locally which generates employment and income taxes. Our local suppliers of tractors and equipment, feed, fertilizer, chemicals, fencing supplies, animal health supplies and services, marketing services, trucks, trailers, and fuel to name a few all depend heavily on a strong agricultural economy.

The inputs we buy locally to produce our product, beef or milk, are somewhat like the parts a car manufacturer sources to assemble a vehicle. We are manufacturers.

Unlike other manufactures we are suppliers of perishable products in a commodity market. We do not set the prices we receive and we cannot quickly turn on or off the production process. The added cost of taxes on inputs would put Georgia cattle and milk producers at a significant disadvantage to our fellow producers across the country.

If you are seeking to grow the tax base and economy of Georgia, tax exemptions on inputs for agriculture is a proven step in the right direction.

I would like to again express my thanks to each of you for your service and time on the Tax Council. If I can be of assistance to you in the future please call upon me.

Kindest Regards,

Steve Blackburn, President Elect

Georgia Cattlemen's Association.

Waynesboro, GA