



January 24, 2011

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

On behalf of the U.S. meat, poultry and food processing companies we represent, the undersigned associations urge you to extend the 100 percent bonus depreciation provision through 2012 when considering the extension of the payroll tax provisions. As you are aware, 100 percent bonus depreciation expired on December 31, 2011, and current law now limits bonus depreciation to 50 percent.

The 100 percent bonus depreciation allowance provides a significant incentive for companies to invest in new capital equipment and promotes meaningful job growth. A 2010 Department of Treasury report concluded that providing 100 percent bonus depreciation in 2011 would accelerate \$150 billion in tax cuts to 2 million businesses, lower the average cost of capital for business investment by more than 75 percent, and produce \$50 billion in new investment.

We believe that extension of bonus depreciation into 2012 would produce similar benefits. The economy is still weak and unemployment is still unacceptably high. This is not the time to let a key business investment incentive lapse.

It is also crucial that Congress take up the extension of 100 percent bonus depreciation as quickly as possible. Our member companies tell us that without an extension on the books, they are postponing substantial capital equipment investments that they might otherwise make this year.

We look forward to working with you to ensure that this necessary 2012 investment incentive is restored as quickly as possible.

Sincerely,

Kraig R. Naasz  
AFFI

J. Patrick Boyle  
AMI

Michael J. Brown  
NCC

Barry L. Carpenter  
NMA