



# SAABB

POLICY BRIEF  
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## "One Big, Beautiful Bill": Unpacking Farm Policy Shifts for Small and Medium-Sized Farmers

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### Editor's Note

We at the State of African Americans in the Black Belt (SAABB) are grateful to Attorney Monica Rainge for preparing this brief; it is the result of confusion and uncertainty about the Big Beautiful Bill and is intended to serve as a guide for service providers and advocates for small farmers as they help their clients navigate this country's ever-evolving agricultural system.

### Introduction

On July 4, 2025, President Trump signed **H.R. 1, the One Big Beautiful Bill Act** ("OBBB") into law. While large farmers are the real winners in this bill, OBBB includes significant farm policy changes that directly impact small and medium-sized farmers. This farm policy brief breaks down what small and medium-sized farmers need to know now and in the years to come.

With new funding for commodity support programs, permanent tax provisions, and expanded disaster relief, small and medium-sized farmers will need to understand how these major shifts in farm policy will affect their short and long-term planning and operational decisions.

This farm policy brief includes a detailed side-by-side comparison chart that summarizes: 1) Core elements of the Agriculture Title of the OBBB, 2) Major policy shifts from the 2018 Farm Bill and its extensions, and 3) What small and medium-sized farmers need to know and understand about the OBBB.

### Background

The United States Department of Agriculture (USDA) administers food and farm programs. Its budget is usually determined by omnibus legislation known as the Farm Bill. OBBB is not a Farm Bill; it is a spending bill (AKA "budget reconciliation bill"). This budget reconciliation bill enacts many provisions typically authorized and funded through a Farm Bill. This bill is comprised of budgets across the entire government, including USDA.

The previous Farm Bill—the Agricultural Improvement Act of 2018—expired in 2023, and several of its key provisions were on their second temporary extension, set to expire in 2025. It is unclear whether Congress will pass a Farm Bill this year, given the sweeping policy changes included in this budget reconciliation bill. In addition to covering the major Farm Bill titles, this farm policy brief highlights several farm programs for small and medium-sized farmers that are "stranded" (no new funding) without a new Farm Bill.

# OBBE Policy Summary

## Commodities - Safety Net Programs

### Increased Reference Prices for Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) by 10-20%

- Increase in **benchmark price levels** for PLC and ARC. These new thresholds increase the likelihood of payments when prices dip.
- Guarantees payment on peanuts, cotton, rice (significant increases for these crops) - primarily in the deep south

### New Base Acres

- The bill authorizes up to 30 million new base acres for eligibility based on planting history from 2019 to 2023. Existing base acres cannot be moved or reallocated. If a farmer's acres are already enrolled, the structure of those allocations will remain as they are. Section 10302 maintains all current base acres and provides a one-time voluntary allocation of 30 million new base acres for farm owners who currently do not have base acres.

**Research Note: Small and medium-sized farmers growing fruits and vegetables are still not eligible for base acres or commodity program enrollment.**

### Eligibility for New Enrollment

- Commodity farmers should review base acre records from 2019 to 2023 and consult with their extension agent or other advisor to determine eligibility for new enrollment.

### Extends Base Acre Coverage

- The bill extends the PLC and ARC Programs through 2031. Section 10303 requires landowners to elect to obtain either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) on a commodity-by-commodity basis through crop year 2031.

### Expanded Entity Definition

- The bill expands the definition of "Qualified Pass-Through Entity." Section 10306 expands the definition of "qualified pass-through entity" to include a wider range of partnerships and joint ventures.

**Research Note: Many farmers operate their farms as either an LLC or S Corporation to save on self-employment taxes and to provide additional legal protection. However, a general partnership provides benefits for farm program payment purposes that an LLC or S Corporation does not. OBBB now treats LLCs, S Corporations, and partnerships equally. Some may also see this as an additional loophole for more program payments. For example, every individual owner actively participating in the farm operation under an LLC is able to receive an individual payment, not one payment for the LLC.**

### Payment Increase

- Section 10307 increases the payment limitation under Section 1001 of Title I of the Food Security Act of 1985 from \$125,000 to \$155,000.

### Adjusted Gross Income (AGI) Exemption

- The bill allows farmers who derive 75 percent or more of their average gross income from farming, ranching, or silviculture activities to be exempt from the general \$900,000 AGI limit.

<sup>1</sup> Learn more about PLC and ARC here: <https://www.fsa.usda.gov/resources/programs/arc-plc>.

# OBBE Policy Summary

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## Conservation

- Conservation programs maintain current structures from the 2018 Farm Bill.

### **OBBB rescinds unobligated Inflation Reduction Act (IRA) funds**

- The bill rescinds unobligated Inflation Reduction Act (IRA) funds for the Conservation Stewardship Program, the Environmental Quality Incentives Program, the Regional Conservation Partnership Program, and the Agricultural Conservation Easement Program, building them into the Farm Bill baseline.
- The bill removes targeting for popular practices that help farmers deal with the impacts of climate change,

### **Increases permanent baseline funding**

- The bill increases permanent baseline funding for these same conservation programs. Over the 10-year budget window used to score the bill, each program's budget authority will be:
  - CSP – \$13.6 billion, a 36% increase
  - EQIP – \$31.55 billion, a 55% increase
  - ACEP – \$6.85 billion, a 26% increase
  - RCPP – \$4.475 billion, a 49% increase

### **Access to Disaster and Conservation Programs**

- The bill expands access to disaster and conservation programs by expanding eligibility to producers who derive 75 percent or more of their income from farming, ranching, or forestry.

**Research Note: On July 10, 2025, the USDA published a rule that eliminated any programs for farmers or ranchers who had qualified as socially disadvantaged. Subsequently, this rule removed incentives and set-asides from conservation programs. The term "socially disadvantaged" is still recognized in federal statute.**

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## Trade

### **Trade Promotion**

- Funds the Supplemental Agricultural Trade Promotion Program. Section 10602 provides \$285 million for FY 2026 and each fiscal year thereafter for the Supplemental Agricultural Trade Promotion Program.
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## Nutrition - Safety Net Program

### **Supplemental Nutrition Assistance Program (SNAP)**

- Reduces federal SNAP funding by \$295 billion (nearly 30%) over 10 years
- Changes state administrative cost-sharing from a 50-50 split to a 75-25 split (states pay 75 percent)
- Requires states to pay 5-25 percent of benefit costs based on error rates.
- Restricts future updates to the Thrifty Food Plan used to calculate benefits
- Limits SNAP eligibility to US citizens and lawful permanent residents

### **Food Banks**

- Extends The Emergency Food Assistance Farm to Food Bank Projects. Section 10603 extends mandatory funding for Farm to Food Bank Projects under the Emergency Food Assistance Program (TEFAP) by \$4 million for FY 2025 through 2031.

## Rural Development

- Extends Farm Bill programs and trade promotion initiatives
- Expands rural energy programs while rescinding unobligated forestry program funding

### Extends Opportunity Zones

- The bill provides new incentives to drive \$100 billion in investments to rural and underserved communities through permanently extending Opportunity Zones (OZ). Further, the OBBS's OZ provisions create "rural qualified opportunity funds" (RQOF). Investments made into an RQOF will receive a 30% step-up in basis when held for at least five years, where they defer taxes on 30% of initially deferred capital gains.

With respect to its suitability as a model for the Black Belt Region, a 2003 proposal for a Black Belt Regional Commission from a coalition led by the Southern Organization for Food Systems and Education Consortium (SOFSEC) determined that due to the region's unique history of racial oppression, it should address issues of race and racism as well as have the following six priority areas: a) education, b) health care, c) transportation systems, d) housing, e) economic development, and f) infrastructure.<sup>10</sup> According to a SEAP report:<sup>11</sup>

## Research, Extension, and Related Matters

### 1890 Land Grant Universities/ Scholarships

- The Bill increases mandatory funding for scholarships for students at 1890 Land Universities from \$40,000,000 to \$60,000,000 to remain available until expended. This program is considered a "stranded" program in the Farm Bill and has not been issued any new funding since September 2024.

### Research

- The bill significantly increases mandatory funding for the Specialty Crops Research Initiative (SCRI), scaling up funding from \$80,000,000 in FY25 to \$175,000,000 in FY26. This increase in funding for SCRI is only for FY26, and would revert to \$80,000,000 in FY27 without a commensurate change in a new Farm Bill or a second reconciliation package.
- The bill extends Research Funding. Section 10604 provides millions in mandatory funding for the following research projects: • Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative (extends program until FY 2031) • Foundation for Food and Agriculture Research (\$37 million, until expended)
- Assistive Technology Program for Farmers With Disabilities (\$8 million for FY 2026) • Research Facilities Act (\$125 million for FY 2026)

## Education and Technical Assistance for Small and Medium Size Farms

- The bill does not increase funding for a variety of critical programs including the Sustainable Agriculture Research and Education Program (SARE) and the Organic Research and Extension Initiative (OREI) both of which provide direct funding for organic and sustainable agriculture research.

The bill does not address the many education and training programs – like the Food Safety Outreach Program or the Farming Opportunities Training and Outreach program – which provide critical education and technical assistance for small and mid-sized farms navigating new markets and regulatory requirements.

<sup>2</sup> Learn more about SCRI here: <https://www.nifa.usda.gov/grants/funding-opportunities/specialty-crop-research-initiative>.

## Crop Insurance

### Boosts Crop Insurance Support

- The bill sets aside more than \$6 billion over the next ten years to bolster **crop insurance subsidies**. That increase is expected to lead to lower premiums and improved coverage. This is especially valuable for farms managing diverse crops or operating in drought-prone and storm-prone regions.

### Premium Discount for Beginning Farmers

- The bill authorizes an expanded premium discount for beginning farmers. (Section 10501).

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## Tax Provisions

### Permanent Section 179 Expensing

- The bill permanently extends Section 179 Expensing. This provision allows farmers to deduct the full cost of eligible equipment (applies to both new and used assets) and infrastructure purchases without relying on annual legislative extensions.
- Small and medium-sized farms or specialty crop producers may need to work with advisors to identify lesser-known provisions or tax benefits.

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## Disaster Assistance Programs

### Livestock Disaster Assistance

- Livestock producers will benefit from expanded indemnity and emergency relief programs, especially in areas vulnerable to predator losses or extreme weather. The Livestock Indemnity Program (LIP) now offers:
  - 100% coverage for predator losses (wolves, coyotes, etc.)
  - 75% coverage for mass losses due to disease or weather events
  - An additional \$3 billion in disaster assistance ensures quicker payouts during emergencies
- Ensure documentation and reporting systems are updated to meet eligibility standards under the revised Livestock Indemnity Program.

### Supplemental Agricultural Disaster Assistance Programs

- Establishes and updates Supplemental Agricultural Disaster Assistance Programs. Section 10401 increases reimbursement rates for losses due to predation (100 percent) and adverse weather events (75 percent) of market value of the loss and updates eligibility and definitions in the following disaster assistance programs:

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## Estate Tax Relief & Succession Planning

- The bill doubles the estate-tax exemption and also makes the Section 199A pass-through deduction permanent for partnerships and sole proprietorships.
- Farmers should revisit ownership and estate documents to align with the new exemption thresholds and business structure rules.

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<sup>3</sup> Learn more about crop insurance subsidies here: <https://www.rma.usda.gov>.

<sup>4</sup> Learn more about LIP here: <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/livestock-indemnity>.

<sup>5</sup> Learn more about Section 199A pass-through deductions here: [https://www.congress.gov/crs\\_external\\_products/IF/PDF/IF11122/IF11122.4.pdf](https://www.congress.gov/crs_external_products/IF/PDF/IF11122/IF11122.4.pdf).

# 2025 Farm Policy Analysis

## A Look at Key Provisions in the Agricultural Title of the One Big Beautiful Act

### SIDE-BY-SIDE COMPARISON SUMMARY

<b>Background</b>	<p><b>ONE BIG BEAUTIFUL BILL</b></p> <p>On July 4, 2025, the President signed <u>H.R. 1, the One Big Beautiful Bill Act</u> (“OBBA”) into law. Passed using the budget reconciliation process—it could include only measures that directly affect federal spending or revenue.</p> <p>This bill is comprised of budgets across the entire government, including USDA. Its budget is usually determined by omnibus legislation known as the Farm Bill.</p> <p>The bill enacts many provisions typically authorized and funded through a Farm Bill. The bill continues crucial commodities programs and increases spending for agricultural programs by an estimated \$66 billion over 10 years. However, the Congressional Budget Office (CBO) estimates that the Agricultural Title as a whole will reduce spending by \$120 billion, primarily through cuts to the Nutrition subtitle.</p>	<p><b>2018 FARM BILL/ (2024 Extension)</b></p> <p>The American Relief Act, 2025, signed into law on December 21, 2024, extended the Agricultural Improvement Act of 2018 (also known as the 2018 Farm Bill)—which expired in 2023, and several of its key provisions were on their second, one-year extension, set to expire on September 30, 2025.</p>
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<sup>2</sup> Learn more about SCRI here: <https://www.nifa.usda.gov/grants/funding-opportunities/specialty-crop-research-initiative>.

**Nutrition**

**Section 10105.** The Act implements cost sharing between states and the federal government for Supplemental Nutrition Assistance Program (SNAP) benefits. The new cost sharing structure is based upon state payment error rate, defined as follows:

the sum of the point estimates of an overpayment error rate and an underpayment error rate determined by the Secretary from data collected in a probability sample of participating households

Beginning in fiscal year 2028, the federal government would continue to pay 100 percent of the cost of SNAP benefits for those states with error rates below six percent. Those states with error rates greater than six percent but less than eight percent would pay five percent of the costs, those with error rates equal to eight but less than 10 percent would pay 10 percent of the cost of the benefits, and those with error rates of 10 percent or more would bear 15 percent of the cost of the benefits. The Act also contains provisions that could delay the implementation of these cost-sharing requirements beyond 2028 as states seek to reduce error rates.

**Section 10106.** The Act reduces the federal share of the cost of administering SNAP from 50 percent to 25 percent, beginning in Fiscal Year 2027. The Act thus increases the state's administrative costs to 75 percent.

**Section 10102.** The Act requires able-bodied adults (those 18 and over) without dependents to continue to work (generally 20 hours per week) through age 64 to receive SNAP benefits. The Act also removes exceptions to work requirements for homeless individuals, veterans, and those under the age of 24 who had been in foster care until age 18.

Protected SNAP eligibility and benefit levels as well as the structure and funding of SNAP.

The federal government pays 100 percent of the cost of SNAP benefits.

Nutrition was roughly \$326 billion, or 76% of the farm bill baseline, when the 2018 Farm Bill was enacted. In 2024, the Congressional Budget Office projected that nutrition would be 82% of the farm bill baseline. The prior age ceiling for working SNAP recipients was 55 years old in 2025.

The definition of dependent was children under 18 years old.

Exceptions to work requirements for homeless individuals, veterans, and those under the age of 24 who had been in foster care until age 18.

There were major reforms or dramatic funding increases in commodity prices and crop insurance.

Statutory Reference Prices (Section 10301)

The Act increases statutory reference prices for all covered commodities, beginning with the 2025 crop year. The reference price increases are as follows.

Commodity	Pre-Act Price (\$)	Proposed Price (\$)
Wheat (bu)	5.50	6.35
Corn (bu)	3.70	4.10
Grain Sorghum (bu)	3.95	4.40
Barley (bu)	4.95	5.45
Oats (bu)	2.40	2.65
Long Grain Rice (cwt)	14.00	16.90
Medium Grain Rice (cwt)	14.00	16.90
Soybeans (bu)	8.40	10.00
Other Oilseeds (cwt)	20.15	23.75
Peanuts (ton)	535.00	630.00
Dry Peas (cwt)	11.00	13.10
Lentils	19.97	23.75

2018 Farm Bill was a status quo bill as it relates to the twin safety net – commodity programs and federal crop insurance. Despite relatively low commodity prices and declining farm income, there were surprisingly no major reforms or dramatic funding increases in either of these two areas.

Total Mandatory Outlay - \$31 Billion FY 2019 to FY 2023

Adjusted for inflation, annual federal outlays for FY2018 -FY2021 averaged \$5.7 billion for commodity support programs. Outlays for commodity support programs tend to increase with decreasing commodity prices.

Basic coverage has a payment limitation of \$125,000 per person and legal entity, while the payment limitation for buy-up coverage is a separate \$300,000.

**Commodity Programs**

Commodity	Pre-Act Price (\$)	Proposed Price (\$)
Small Chickpeas (cwt)	19.04	22.65
Large Chickpeas (cwt)	21.52	25.65
Seed Cotton (lb)	.367	.420

Beginning with the 2031 crop year, the stated reference prices will increase by 0.5 percent each year. At no time can the reference price exceed 113 percent of the proposed statutory reference price set forth above. Under the Act, the **effective reference price** (for PLC calculations) is the lesser of:

- An amount equal to 113 percent (down from 115 percent) of the reference price for such covered commodity OR
- An amount equal to the greater of—
  - the reference price for such covered commodity; or
  - Beginning with crop year 2025, 88 percent (up from 85 percent) of the Olympic average of the five most recent marketing year average crop prices

**Base Acres (Section 10302).** The Act provides farmers with a one-time voluntary opportunity for new base acres beginning with the 2026 crop year. The new base-acre allocations may not exceed 30 million acres across the country.

Generally, farms are eligible to receive an allocation of base acres if their five-year average for planted and prevented plant covered commodity acres (2019 through 2023) exceeded their current base acres.

## Quick Numbers

USDA paid \$279.4 billion in commodity subsidies in 2024. From 1995 through 2024, the top 10% of commodity farms received nearly 80% of commodity subsidy programs.

- The definition of “family member” for farming operation has expanded to include first cousin, niece, and nephew; (great-grandparent or grandparent, parent, child [including legally adopted children and stepchildren], grandchild, great-grandchild, sibling of the family members in the farming operation, and spouses of family members). This term is used to identify joint operations that are comprised entirely of family members, which are not subject to the restriction on the number of members who may qualify as actively engaged in farming.

The farmer can also include in this calculation acres planted to non-covered commodities, in an amount up to 15 percent of the total farm acres. If the number of allocated acres across the country exceeds 30 million acres, the USDA must reduce all allocations on a pro rata basis to stay within that limit.

**Producer Election (Section 10303).** The Act provides that the USDA will—for each covered commodity for the 2025 crop year—automatically pay farmers the higher of price loss coverage (PLC) or agricultural risk coverage - county (ARC-CO) for their commodity. Farmers will receive these payments in October of 2026.

The Act requires producers to elect the program in which they wish to participate for crop years 2026-2031. If producers cannot agree on an election, they will receive no payment for crop year 2026, and they will receive the same coverage for the 2027 through 2031 crop years that they received for the 2025 crop year.

The Act allows producers to elect the Crop Insurance Supplemental Coverage Option (SCO) if they elect PLC or ARC. The previous law did not allow SCO coverage for producers who elected ARC.

**Program Extensions and Expansion (Section 10304, 10305, 10313).** The Act extends the PLC, ARC, and Dairy Margin Coverage (DMC) programs through 2031. The Act increases the ARC coverage guarantee for a crop year to 90 percent of the benchmark revenue (up from 86 percent). It also increases the ARC-CO benchmark revenue cap to 12 percent (up from 10 percent). The Act increases the DMC coverage limit to the first 6 million pounds (up from 5 million pounds) for both Tier I and Tier II premiums.

### **Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs**

- Producers may make a new election to obtain either ARC or PLC for the 2019 crop year, which will also apply for the 2020 crop year.
- Producers may change elections annually during the 2021 through 2023 crop years.
- Producers on farms where the cropland was planted to grass or pasture (including cropland that was idle or fallow) from January 1, 2009, through December 31, 2017, are ineligible for ARC/PLC payments from 2019 through 2023.
- Owners can update the farm's PLC payment yield beginning with the 2020 crop year.

**Equitable Treatment of Certain Entities (Section 10306).** The Act, for the first time, allows “qualified pass-through entities,” including S corporations and LLCs not taxed as C corporations, to be treated in the same manner that general partnerships are currently treated under the payment limitation attribution rules. For example, S corporation shareholders or LLC members actively engaged in farming would each have their own payment limit, not capped by a separate entity payment limit.

**Payment Limitations (Section 10307).** The Act increases the general payment limitation for commodity programs from \$125,000 to \$155,000. This limit will be adjusted annually for inflation.

**Adjusted Gross Income Limitation (Section 10308).** The Act allows those who derive 75 percent or more of their average gross income from farming, ranching, or silviculture activities to be exempt from the general \$900,000 AGI limit.

It newly defines farming, ranching, or silviculture activities to include agritourism, direct-to-consumer marketing of agricultural products, the sale of agricultural equipment owned by the person or legal entity, and other agricultural activities as determined by the USDA Secretary.

**Marketing Loans (Section 10309).** The Act increases the marketing assistance loan rates for all covered commodities for crop years 2026 through 2031.

### **Dairy Margin Coverage (DMC) Program**

- Replaces the Margin Protection Program for Dairy (MPP).
- Operations making a one-time election to participate in DMC through 2023 are eligible to receive a 25 percent discount on the existing margin coverage rates.
- The maximum level for operations with a covered production history of less than five million pounds is increased to \$9.50.
- A dairy operation enrolled in MPP any year from 2014-2017 may be eligible to receive a refund of premiums if the premium paid exceeds the MPP payments received.
- Producers who enrolled in the Livestock Gross Margin for Dairy Cattle program (LGM) in 2018 may enroll in the 2018 MPP retroactively.

**Livestock Indemnity Payments (Section 10401).** The Act increases payment rates for losses due to predation to 100 percent of market value (up from 75 percent). The payment rate for weather-related losses remains at 75 percent. The Act creates coverage for the first time for losses of unborn livestock. The payment rate is no greater than 85 percent of the payment rate established for the lowest weight class of livestock. The number of payments will correspond to the type of livestock. For example, producers receive one payment for cattle and horses but 12 payments for swine.

Guarantees payment on peanuts, cotton, rice (significant increases for these crops) - primarily in the deep south.

**Marketing Assistance Loan Programs (Commodity Loans)**

- Extends loan authority through 2023 for wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple (ELS) cotton, rice, soybean, other oilseeds, dry peas, lentils, chickpeas, graded and nongraded wool, mohair, honey, peanuts, and sugars (beet and cane).

- Marketing loan gains (MLGs) and loan deficiency payments (LDPs) are no longer subject to payment limitations, actively engaged in farming and cash-rent tenant rules.

- Loan rates increased for all commodities except minor oilseeds, wool, mohair, honey, peanuts, and upland cotton.

## Crop Insurance

**Boosted Crop Insurance Support.** The bill sets aside more than \$6 billion over the next ten years to bolster crop insurance subsidies. That increase is expected to lead to lower premiums and improved coverage. This is especially valuable for farms managing diverse crops or operating in drought- and storm-prone regions.

**Beginning Farmer and Rancher Benefit (Section 10501).** The Act increases premium assistance available to beginning farmers and ranchers and extends their time to qualify as a beginning farmer from five years to 10 years. Specifically, for each first and second reinsurance years that a beginning farmer participates, they receive additional premium assistance of five percentage points, for the third reinsurance year their assistance equals three percentage points, and for the fourth reinsurance year it is set at one percentage point. This supplemental premium assistance is in addition to other premium assistance subsidies they receive.

**Crop Insurance Coverage (Section 10502).** The Act maintains the highest coverage level for individual farm coverage at 85 percent and area coverage at 95 percent with the enhanced coverage option. The Act adds a new top coverage level of 90 percent for coverage aggregated across multiple commodities.

The Act increases the premium subsidy from 65 to 80 percent for SCO coverage. It also increases the coverage level for SCO from 86 percent to 90 percent.

**Premium Support (Section 10504).** The Act increases crop insurance premium support subsidies by three to five percent, depending upon the coverage level.

Total Mandatory Outlay - \$38 Billion FY 2019 – FY 2023

- Adjusted for inflation, annual federal outlays for FY2018 -FY2021 averaged \$8.9 billion for the Federal Crop Insurance Program (FCIP).
- Crop Insurance is one of the programs that is permanently authorized and does not expire.
- Crop insurance is not impacted by the Farm Bill extension.

### **Noninsured Crop Disaster Assistance Program (NAP)**

- Buy-up NAP coverage is now part of permanent program authorization.
- Basic coverage has a payment limitation of \$125,000 per person and legal entity, while the payment limitation for buy-up coverage is a separate \$300,000.

**Poultry Insurance Pilot Program (Section 10507).** The Act creates a pilot program under which contract poultry growers can elect to receive index-based insurance to cover higher utility costs—like gas, electricity, and water—caused by extreme weather.

**Livestock Disaster Assistance Improvements**

Livestock producers will benefit from expanded indemnity and emergency relief programs, especially in areas vulnerable to predator losses or extreme weather. The Livestock Indemnity Program (LIP) now offers:

- 100% coverage for predator losses.

- Service fees for applications for coverage have increased, while the premium amounts for buy-up NAP coverage are unchanged.

- The Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish program (ELAP), the Livestock Forage Disaster Program (LFP), and the Tree Assistance Program (TAP) remain authorized and have minimal changes.

- “Cold” is now considered a LIP-covered eligible loss for unweaned livestock without regard to any management practice, vaccination protocol, or lack of vaccination.

		<ul style="list-style-type: none"> <li>• LIP now covers diseases that are caused or transmitted by a vector and are not controlled by vaccination or an acceptable management practice. These diseases were previously covered under ELAP.</li> <li>• ELAP payments are no longer subject to payment limitation.</li> <li>• For beginning or veteran farmers or ranchers, the reimbursement costs for TAP increased from 65 percent to 75 percent for replanting lost trees, bushes, and vines; and from 50 percent to 75 percent for the cost of pruning, removal, and other costs incurred for salvaging existing trees, bushes, and vines.</li> </ul>
<p><b>Conservation Programs</b></p>	<p>Rescinds unobligated Inflation Reduction Act (IRA) funds for the <b>Conservation Stewardship Program, the Environmental Quality Incentives Program, the Regional Conservation Partnership Program, and the Agricultural Conservation Easement Program</b>, building them into the farm bill baseline</p>	<p>Total Mandatory Outlay - \$29 Billion FY 2019 –FY 2023</p>

**Conservation (Section 10601).** The Act redirects unobligated Inflation Reduction Act conservation funds to the permanent farm bill baseline. Conservation funding is as follows:

*Agricultural Conservation Easement Program*

\$625,000,000 for fiscal year 2026;  
\$650,000,000 for fiscal year 2027;  
\$675,000,000 for fiscal year 2028;  
\$700,000,000 for fiscal year 2029;  
\$700,000,000 for fiscal year 2030; and  
\$700,000,000 for fiscal year 2031.

*Environmental Quality Incentives Program (EQIP)*

\$2,655,000,000 for fiscal year 2026;  
\$2,855,000,000 for fiscal year 2027;  
\$3,255,000,000 for fiscal year 2028;  
\$3,255,000,000 for fiscal year 2029;  
\$3,255,000,000 for fiscal year 2030; and  
\$3,255,000,000 for fiscal year 2031

*Conservation Stewardship Program*

\$1,300,000,000 for fiscal year 2026;  
\$1,325,000,000 for fiscal year 2027;  
\$1,350,000,000 for fiscal year 2028;  
\$1,375,000,000 for fiscal year 2029;  
\$1,375,000,000 for fiscal year 2030; and  
\$1,375,000,000 for fiscal year 2031.

*Regional Conservation Partnership Program*

\$425,000,000 for fiscal year 2026;  
\$450,000,000 for fiscal year 2027;  
\$450,000,000 for fiscal year 2028;  
\$450,000,000 for fiscal year 2029;  
\$450,000,000 for fiscal year 2030; and  
\$450,000,000 for fiscal year 2031.

**Conservation Reserve Program (CRP)**

- The CRP acreage cap gradually increases to 27 million acres by 2023.
- At least 8.6 million acres devoted to continuous practices and 2 million acres to grassland.

- Two pilot programs are authorized: Clean Lakes, Estuaries, and Rivers Initiative (CLEAR 30) and the Soil Health and Income Protection Pilot Program (SHIPP).

- The annual rental payment is limited to 85% of the estimated average county rental rate for general enrollment and 90% of the estimated county rental rate for continuous enrollment.

	<p>The use of these conservation funds is not restricted to climate-smart projects. Other funds are directed toward the Watershed Protection and Flood Prevention Operations account (\$150,000,000 per year), the Grassroots Source Water Protection Program (\$1,000,000), the Voluntary Public Access and Habitat Incentive Program (\$70,000,000), and the Feral Swine Eradication and Control Pilot Program (\$105,000,000).</p>	
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## Conclusion: Outlook for the next Farm Bill - The Good, The Bad, and The Ugly

What's next for the Farm Bill? Will there be a new farm bill by the end of the year or the third extension of the 2018 Farm Bill? Time is dwindling to pull together a "skinny" farm bill at the urging of farmers and powerful agriculture stakeholders before the end of the year.

Lawmakers need to pass critical farm and nutrition policies that were not included in the "Big, Beautiful Bill. However, the next Farm Bill will not be business as usual. The outlook for the next Farm Bill is pessimistic, given the few signs of real progress.

The good news - there is still time to reach out to lawmakers to address legislative priorities through advocacy and education.

The House Ag Committee has an outline for a farm bill based on the version it voted on last year, in May 2024 (never received a full floor vote), but many of the policies will need updating. Many of the controversial provisions that stalled talks last year were included in the mega-bill that President Donald Trump signed into law in July.

The bad news - key programs in the Farm Bill are set to expire on September 30, 2025. Farmers want the long-term certainty that comes with full reauthorization and improvement of the full Farm Bill. Severe cuts to the nutrition title of the farm bill may derail efforts to get Democratic support for a new Farm Bill. Finally, it is still unclear how the consequences of the big, beautiful bill will impact negotiations between the traditionally bipartisan farm bill coalition, which was heavily tested during the contentious reconciliation process.

The ugly is that most of the agriculture sector is bracing for talks to be pushed into next year. The Farm Bill process will be a game of wait-and-see. No one can say for sure what will happen next. This uncertainty will likely impact the overall economic stability of agricultural markets in the United States.