

## Key Agriculture Provisions Included in One Big Beautiful Bill Act

On July 4, President Donald Trump signed the budget reconciliation bill known as the One Big Beautiful Bill Act into law. The act contains important changes to farm programs after Congress has been unable to pass a new farm bill and has instead extended the 2018 bill for both the 2024 and 2025 crops.

### Commodity Programs

The bill extends the Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC) programs through 2031 and increases statutory reference prices (SRP) for covered commodities, effective for crop year 2025 and beyond. Payments reflecting the new reference prices will be made after November 2026, when the 2025 marketing year has concluded and a new fiscal year has begun. Beginning with the 2031 crop, the reference price for all covered commodities will equal the previous year's reference price multiplied by 1.005 and cannot exceed 113% of the statutory reference price. The ARC guarantee is increased to 90% of the benchmark revenue for crop years 2025-2031. For more information on how ARC and PLC work, refer to the [Ag Insider Farm Bill Funding](#).

Crop	Current SRP	Proposed SRP	Change
Rice	\$14.00/cwt	\$16.90/cwt	20.7%
Soybeans	\$8.40/bu	\$10.00/bu	19%
Seed Cotton	\$0.367/lb	\$0.42/lb	14.4%
Corn	\$3.70/bu	\$4.10/bu	10.8%
Peanuts	\$536/ton	\$630/ton	13.8%
Wheat	\$5.50/bu	\$6.35/bu	15.4%
Grain Sorghum	\$3.95/bu	\$4.40/bu	11.2%

The act also:

- Maintains all current base acres while providing a one-time allocation of new base, creating up to 30 million acres of new base for producers who do not have base on their farm or whose average planted and prevented planted acres from 2019-2023 exceed the current base acres on the farm.
- Increases payment limits from \$125,000 to \$155,000 with an escalator clause that allows for expanded limits based on the Consumer Price Index beginning in 2025.
- Provides exemption from Adjusted Gross Income means testing for persons or entities that derive more than 75% of their income from farming, ranching, and silviculture activities for the purposes of determining eligibility for disaster and conservation programs.
- Allows certain entities like S-Corps and LLCs to be treated the same as general partnerships with regards to the structure of payment limits.
- Extends Dairy Margin Coverage through 2031 and allows for an update of production history to the highest

annual milk marketings during any one of the 2021, 2022 or 2023 calendar years. Tier 1 coverage is expanded to the first 6 million pounds.

### Crop Insurance

The act increases crop insurance support by introducing a new 90% coverage level for aggregated multi-commodity policies and raising the Supplemental Coverage Option (SCO) coverage level from 86% to 90%. Premium subsidies are increased across all coverage levels, with the largest boost for SCO. It also allows acres enrolled in either PLC or ARC to also be covered through SCO.

Insurance Policy Coverage Levels	Existing Premium Subsidy Level	Proposed Premium Subsidy Level	Increase in Subsidy Level
From 55% to 65%	64%	69%	7.81%
From 65% to 75%	59%	64%	8.47%
From 75% to 80%	55%	60%	9.09%
From 80% to 85%	48%	51%	6.25%
Above 85%	38%	41%	7.89%
Supplemental Coverage Option (SCO)	65%	80%	23.08%

### Conservation Programs

- Extends the Conservation Stewardship Program (CSP) through 2031 and incrementally increases funding from \$1.3 billion per year to \$1.375 billion by 2031.
- Extends the Environmental Quality Incentives Program (EQIP) through 2031 and incrementally increases funding from \$2.655 billion per year to \$3.255 billion per year by 2031.
- Extends the Agriculture Conservation Easement Program through 2031 and incrementally increases funding from \$625 million per year to \$700 million by 2031.
- Provides \$425 million to \$450 million per year for the continuation of the Rural Conservation Partnership Program (RCPP).

### Trade Programs

- Provides mandatory funding of \$489.5 million to agriculture trade promotion and facilitation to be allocated through the Market Access Program (MAP), the Foreign Market Development Cooperator Program (FMD), the E de la Garza Emerging Marketing Program, the Technical Assistance for Specialty Crops Program and the Priority Trade Fund.

### Livestock Programs:

- Amends the Livestock Indemnity Program (LIP) by providing 100% market value payments for livestock losses due to predation by federally protected species.
- Amends LIP by Providing 75% market value payments for livestock losses caused by adverse weather or disease.
- Amends LIP by adding supplemental payments for unborn livestock losses due to predation, weather, or disease at 85% of the lowest weight class rate. This will be retroactive to Jan. 1, 2024.

- Allows producers with grazing land in counties experiencing D2 drought for at least four consecutive weeks to receive one monthly payment under the Livestock Forage Disaster Program; two monthly payments if drought persists for seven out of eight consecutive weeks.
- Establishes a Poultry Insurance Pilot Program to offer index-based insurance to contract poultry growers (broilers and laying hens) for extreme weather-related utility cost increases, including gas, propane, electricity and water.

### Animal Health Programs

- Provides funding of \$30 million annually through 2025 for animal disease prevention and the National Animal Disease Preparedness Response Program.
- Provides funding of \$233 million annually through 2030 for the National Animal Health Laboratory Network, National Animal Disease Preparedness and Response Program, and the National Animal Vaccine and Veterinary Countermeasure Bank.

### Other Provisions of note:

- Permanently increases the federal estate and gift tax exemption to \$15 million per individual, indexed for inflation.
- Provides payments of not less than \$600 per acre to producers of farm-raised fish for losses caused by piscivorous birds.
- Amends the Tree Assistance Program (TAP) by decreasing the eligibility threshold for orchard and nursery tree loss programs and increases reimbursement rate from 50% to 65% for tree pruning, removal and land preparation for replanting.
- Provides \$15 million annually through FY 2031, using Commodity Credit Corporation funds, to carry out the Federal Feral Swine Eradication and Control Pilot Program.

### Summary

While a complete, five-year farm bill is the best way to address the current agricultural crisis, the budget reconciliation process was considered the best hope to achieve meaningful improvement to the farm safety net as soon as possible. Congress is expected to consider additional farm bill provisions in the coming months.



*Analysis by Brandy Carroll and Tyler Oxner.*

*For more information, contact:*

*Brandy at (501) 228-1268, [brandy.carroll@arfb.com](mailto:brandy.carroll@arfb.com)*

*Tyler at (501) 228-1311, [tyler.oxner@arfb.com](mailto:tyler.oxner@arfb.com).*