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One more look at the 'big, beautiful bill'

Legislation now called the One Big Beautiful Bill Act brings major wins for agriculture, but uncertainty for the farm bill.



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OBBBA: President Donald Trump signs the One Big Beautiful Bill Act into law during a ceremony on the South Lawn of the White House on July 4. GETTY IMAGES / SAMUEL CORUM / STRINGER

It's technically not a farm bill, but it will likely impact agriculture more than any other legislation. That is the One Big Beautiful Bill Act, which President Donald Trump signed into law July 4. The massive budget bill contains a slew of provisions normally included in a farm bill.

Chief among those are updates to the commodity title programs through 2031. Those changes will be implemented retroactively to the 2025 commodity year. Notably, farmers will not have to choose between Price Loss Coverage and Agricultural Risk Coverage this year. Instead, farmers will automatically receive payments for the higher of PLC or ARC at the county level. Beginning in crop year 2026, farmers will once again need to choose which program they wish to receive.

The budget bill includes high statutory reference prices for all commodity program crops, though the amounts vary from crop to crop. For example, the corn reference price increases 11% to \$4.10 per bushel, while the soybean level increases about 19% to \$10 per bushel.

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“At a time of great uncertainty for the agriculture economy, [the support of Congress](#) to enhance key programs and vital domestic markets for our farmers is critical,” said Caleb Ragland, American Soybean Association president, following the bill’s passage in the House and Senate.

Ragland said ASA was pleased by revisions to the [Section 45Z Clean Fuel Production Credit](#), as well as additional funding for research and market expansion. Out of the \$65.6 billion allocated to agriculture in the bill, more than \$59 billion will go toward commodity programs and crop insurance. An additional \$2.1 billion and \$1.6 billion will support agriculture trade and research programs, respectively.

Crop insurance updates

The \$5.98 billion allocated to crop insurance will increase premium support by 3% to 5% across all coverage levels. Farmers enrolled in ARC will also be able to enroll in the Supplemental Coverage Option. Previously, only those enrolled in PLC were able to do so.

Beginning farmers and ranchers will now be eligible for additional premium support of up to 10 years. Before, they could only receive support for five.

Concern over nutrition cuts

Much of the additional ag funding was procured by cutting about \$186 billion from the Supplemental Nutrition Assistance Program, which was fiercely opposed by Democrats. Funding for SNAP is typically a part of the farm bill. Opponents of the cuts say this will cause millions of families to go hungry.

According to the nonpartisan Center on Budget and Policy Priorities, up to 5.3 million families could lose benefits or see them reduced. House Ag Committee Ranking Member Angie Craig, D-Minn., said those cuts could also potentially torpedo future farm bill negotiations.

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While much of the major spending normally in the farm bill is included in the new law, the legislation only covers certain permanently funded government programs. Other agriculture-related issues still need to be considered separately, potentially leading to contentious debates.

“Today, marks a grave turning point for our country, one which leaves rural communities and farmers behind, and places us on the road toward increased hunger, less prosperity and fewer opportunities for working families,” Craig said on July 3 shortly after Congress finalized the legislation. “This bill takes food away from millions of children, seniors, veterans and people with disabilities. Congressional Republicans have sold out ordinary Americans to pay for tax breaks for the ultra-rich and large corporations.”

Supporters of the bill counter nutrition funding cuts do not harm families. They argue some funds were being wasted, and others were going to “able-bodied” recipients who should be able to earn money on their own. House Ag Committee Chair Glenn “GT” Thompson, R-Pa., called the budget bill a “game-changer for America.”

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“The One Big Beautiful Bill is a victory for rural America, making the largest investment in agriculture in decades, restoring integrity to SNAP, and saving millions of family farms from the death tax,” Thompson said in his own statement July 3. “This bill gives President Trump the tools he needs to keep America safe, strong and free.”

New tax rules stand to benefit farmers

Outside of the specific agriculture provisions in the budget bill, congressional efforts to ensure lower taxes were widely cheered by farm groups. The budget bill makes many tax cuts enacted in 2017 permanent. That includes the 20% qualified business income deduction, or Section 199A, as well as the \$15 million estate tax exemption.

The bill also allows farmers to write off more expenses and depreciation costs. Eligibility for Section 45Z clean fuel production credits is now limited to fuels utilizing feedstock from the U.S., Canada and Mexico.

While the debate over passing the “big, beautiful bill” has ended, questions regarding its long-term impact will almost certainly drag on. The 870-page bill contains countless provisions that have received scant attention.

In farm country, there is general satisfaction that many of farmers’ key priorities have been addressed. Still, not even a bill this “big” and “beautiful” is perfect. Already [some lawmakers are calling](#) for additional spending, rule revisions and more commodity support in a now scaled-down farm bill. Get ready for the next big debate.

About the Author



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