

Agriculture Aid in the “Big, Beautiful, Bill”

When the 2018 farm bill expired in 2023, Congress chose to extend the bill for crop years 2024 and 2025, rather than writing a new five-year bill. Now, legislators plan to address key farm bill provisions through the budget reconciliation process, further delaying the creation of a new farm bill.

Budget reconciliation is a legislative procedure created by the Congressional Budget and Impoundment Control Act of 1974. It allows Congress a fast-track process to align spending, revenue and the debt limit with agreed-upon budget targets. A reconciliation bill is considered under similar procedures as a regular budget resolution, with limited time for debate and with limited amendments, and requires only a simple majority vote for passage. This means a bill subject to this process could not be blocked by a filibuster in the Senate.

The process begins with a concurrent budget resolution that includes direct instructions to specified committees to make changes to laws within their jurisdiction to reach a budget target. Only mandatory spending can be changed through reconciliation; discretionary spending must be subject to the standard appropriations process.

House Ag Committee Budget Reconciliation Package

The 2025 process began on April 5 when the Senate passed its budget amendment, followed by the House on April 10. The Senate bill requires only \$4 billion in gross deficit reductions and allows for a \$5.8 trillion net deficit increase, while the house instructions require \$2 trillion in gross deficit reductions and allow a \$2.8 trillion net deficit increase. The Senate bill directed the agriculture committee to reduce deficit spending by \$1 billion, while the House bill required a reduction of \$230 billion.

The House agriculture committee released its draft budget reconciliation package on the afternoon of May 12. The committee approved the bill on May 14 and markup began on May 16. The House budget committee approved the full “Big, Beautiful Bill” on Sunday, May 18, advancing the bill to the House rules committee for an expected vote on May 21. If the bill passes out of committee, it would go for vote on the House floor.

Nutrition Programs

The required savings have been achieved mostly through amendments to the Supplemental Nutrition Assistance Program (SNAP). The bill makes changes to work requirements, internet, and energy expenses allowed, and transfers significant costs to the states. All states will be required to contribute 5% of the cost of SNAP allotments beginning in 2028. States with higher SNAP error rates will be required to contribute more, up to 25% based upon their error rate. Currently, all states cover 50% of SNAP administrative costs, but this bill would increase that percentage to 75%.

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. 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 115% 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	\$610/ton	13.8%
Wheat	\$5.50/bu	\$6.35/bu	15.4%
Grain Sorghum	\$3.95/bu	\$4.40/bu	11.2%

Crop Insurance

The House agriculture reconciliation bill 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, which the Congressional Budget Office estimates could cost \$2 billion over 10 years. The bill also extends beginning farmer status from five to ten years and raises Administrative & Operating subsidies for insurers in high-risk states, a provision previously estimated to cost \$1.5 billion.

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	65%	80%	23.08%

Other provisions of note:

Commodity Programs

- 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 indexed to inflation and provides an exemption from AGI means testing for the purposes of determining eligibility for disaster and conservation programs if the person or entity derives more than 75% of their average gross income from farming and ranching activities.
- 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.

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:

- Provides 100% market value payments for livestock losses due to predation by federally protected species.
- Provides 75% market value payments for livestock losses caused by adverse weather or disease.
- Authorizes supplemental payments for unborn livestock losses incurred since January 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 \$30 million annually through 2025 for animal disease prevention and the National Animal Disease Preparedness Response Program.
- Provides \$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 Programs

- Provides payments of not less than \$600 per acre to producers of farm-raised fish for losses caused by piscivorous birds.
- Decreases 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 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 may be the best hope to achieve meaningful improvement to the farm safety net as soon as possible. The bill achieves many of Farm Bureau's policy priorities for the next farm bill and could eliminate the need for additional ad hoc assistance for farmers in 2025.



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