

From the Capital to the Combine: 2025 Farm Policy Changes Unpacked



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Interesting times

- Where we were a year ago and where we are now
- Current policy updates
- What to watch over the next year

1 Year Ago

- Farm Economy
 - Tight crop margins for the foreseeable future
 - Fed and feeder steer prices were increasing
- Status quo trade and market access
- Farm bill negotiations stalled
 - D: No decrease in climate funding, nutrition programs
 - R: Increase in farm safety net with tightening of nutrition programs

Today

- Farm Economy
 - Tight crop margins for the foreseeable future, financial stress mitigated—to some degree—by an ad hoc payment infusion
 - Record-setting beef cattle prices

Policy:

- Evolving trade situation
- #OBBBA or #OB3
- Ad Hoc payments continue?



Topics

Ad Hoc Payments

ECAP

SDRP

One Big Beautiful Bill

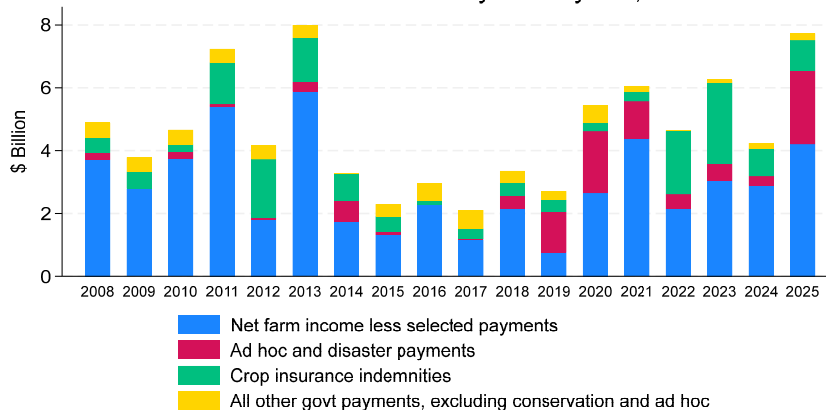
ARC/PLC

Crop Insurance

Tariffs/Trade, Labor, Skinny Farm Bill,
USDA Reorganization

The Ad Hoc Era continues

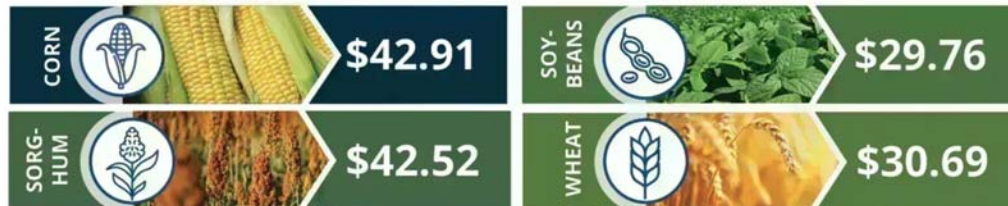
Net Farm Income and Safety Net Payouts, Kansas



Data source: USDA Economic Research Service Farm Income and Wealth Statistics, Feb. 2025; 2024 and 2025 are forecasts estimated by the Rural and Farm Finance Policy Analysis Center (RAFF) at the University of Missouri

Emergency Commodity Assistance Program (ECAP)

- \$10 Billion authorized through American Relief Act (Dec. 2024)
- One-time economic assistance payment based on 2024 acres planted (or 50% of prevent plant)



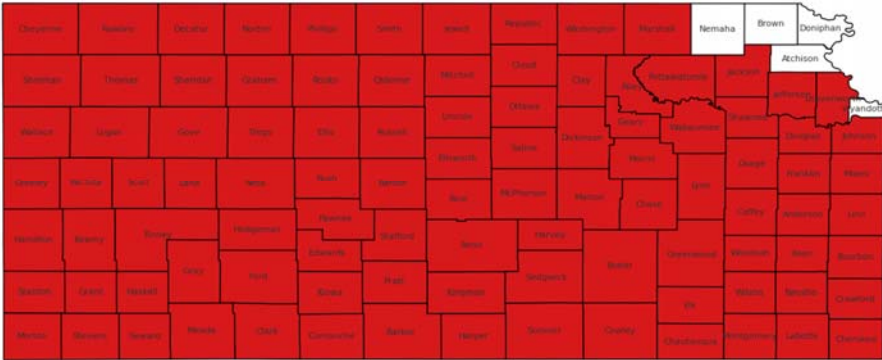
ECAP

- Original payment factored by 85% to stay under \$10 Billion
- Second payment (14%) announced 9/25 by Sec. Brooke Rollins to be paid “within the week”
- Essentially the total payment will be 99% of the original calculated rates

Supplemental Disaster Relief Program (SDRP)

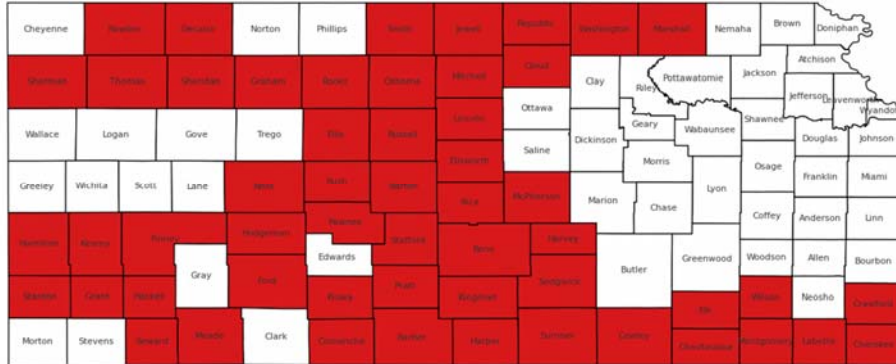
- \$20+ billion authorized for 2023 and 2024 crop years
- Emergency Livestock Relief Program (ELRP)
 - “Top-up” to Livestock Forage Disaster Program (LFP) for 2023 and 2024 of 35%
 - To date for Kansas: \$89.6 M for 2023 and \$15.6 M for 2024
- SDRP Stage 1
 - Paid to producers with a qualifying loss and insurance payout
 - Factored by 35%, could be a second payment if funds allow
- SDRP Stage 2
 - Shallow losses not triggering an insurance indemnity, quality losses, uncovered losses
 - October start date anticipated for sign-up

SDRP Extreme Heat Counties 2023



Extreme heat will likely be the most common eligible cause of loss under SDRP, but several other types of natural disasters are eligible

SDRP Extreme Heat Counties 2024



Extreme heat will likely be the most common eligible cause of loss under SDRP, but several other types of natural disasters are eligible

SDRP

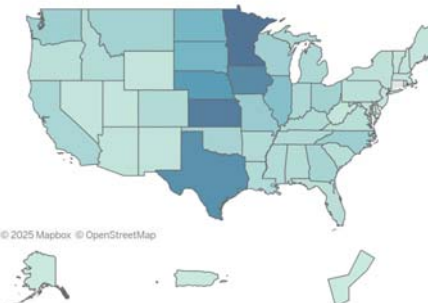
TOTAL PAYMENTS DISBURSED

\$5,545,083,517

TOTAL APPROVED APPLICATIONS PAID

368,446

Minnesota	\$661 M
Kansas	\$612 M
Iowa	\$534 M
Texas	\$503 M
Nebraska	\$423 M



Ad hoc era: management

- Help is on the way, but when?
- Will more “emergency” payments be authorized?
- Opportunity
 - Cash flow planning for an uncertain farm economy
 - What investments make sense?

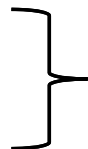
Farm Programs in 2024

No PLC, ARC for some drought-affected counties

ARC for the 2024 crop will be paid in Oct. 2025

<https://www.agmanager.info/ag-policy/arc-co-actual-payment-maps/kansas-20242025-arc-co-wheat-payment-rates-and-fall-crop>

ECAP – 632 M
SDRP – 612 M
ELRP – 105 M



Total to date: 1.35 Billion in Kansas

#OBBBA or #OB3

“One Big Beautiful Bill Act”

- Strengthen ARC and PLC
- Strengthen Crop Insurance
- Add base acres
- Change payment limits and eligibility
- Tax changes, including provisions affecting farmland transfer

Farm Programs (ARC/PLC)

- New changes will take effect with the 2025 harvested crop
 - Remember those payments will not come until October 2026 (after the completion of the 2025/2026 Marketing Year)
- For the 2025 harvested crop **ONLY**, farmers will receive the higher of the calculated ARC or PLC payment, regardless of what they elected last spring
 - Annual elections will resume for the 2026 crop and beyond
- Base Acres potentially can be added to the farm in 2026 if planted acres exceed base acres in 2019-2023. The formula is a bit ambiguous, but more clarity is expected closer to 2026. **Existing base acres will not change.**

Ag Risk Coverage (ARC)

- ARC guarantee is now 90% of the calculated benchmark (previously 86%)
 - Still pays on 85% of the producer's base acres in each crop
- Maximum payments are now 12% of the benchmark revenue instead of 10%
 - 20% effective increase (minimum, benchmark price increases for wheat and some other crops)
- You now can purchase a Supplemental Coverage Option (SCO) endorsement for your crop insurance, regardless whether you select ARC or PLC

Ag Risk Coverage (ARC)

Crop	2018 Farm Bill Calculated 2025 Benchmark Price	New Calculated 2025 Benchmark Price*	2025/2026 MYA Sept WASDE Estimate	New Max. County Yield to Trigger ARC payment (% of Benchmark Yield)
Corn	\$5.03	\$5.03	\$3.90	116%
Soybeans	\$12.15	\$12.17	\$10.00	110%
Wheat	\$6.72	\$6.98	\$5.10	123%
Grain Sorghum	\$5.30	\$5.30	\$3.70	129%

* 2025 Benchmark ARC Price changes because of Effective Reference Price substitutions before the Olympic Average calculation

Reference Prices - PLC

Statutory Reference Price – prices set in the language of the bill

Effective Reference Price – formula that can potentially raise reference prices above statutory prices based on previous marketing years

Marketing Year	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
Corn Price	\$3.56	\$4.53	\$6.00	\$6.54	\$4.55

Olympic Average $= (\$4.53 + \$6.00 + \$4.55) / 3$

Effective Reference Price (ERP) $= \$5.02 * 88\% = \4.42

Cannot be lower than new Statutory Reference Price (\$4.10)

Cannot be higher than 113% of \$4.10 (\$4.63)

Reference Prices - PLC

Crop	2018 Farm Bill Statutory Reference Price	Old 2025 ERP	New Statutory Reference Price	New ERP for 2025 Crop	2025/2026 MYA Forecasted Price*	2025/2026 PLC Payment Rate based on MYA forecast** (per bushel)
Corn	\$3.70	\$4.26	\$4.10	\$4.42	\$3.90	\$0.52
Soybeans	\$8.40	\$9.66	\$10.00	\$10.71	\$10.00	\$0.71
Wheat	\$5.50	\$5.56	\$6.35	\$6.35	\$5.10	\$1.25
Grain Sorghum	\$3.95	\$4.51	\$4.40	\$4.67	\$3.70	\$0.97

Reference Prices - PLC

Marketing Year	2025/2026	2026/2027*	2027/2028*	2028/2029*	2029/2030*
Wheat	\$6.35	\$6.35	\$6.35	\$6.35	\$6.35
Corn	\$4.42	\$4.42	\$4.35	\$4.10	\$4.10
Grain Sorghum	\$4.67	\$4.67	\$4.40	\$4.40	\$4.40
Soybeans	\$10.71	\$10.71	\$10.48	\$10.00	\$10.00

* Based on USDA baseline projections for MYA prices

0.5% Annual Escalator starts in 2031, capped at 113% of Statutory Reference Prices

Example Payouts: 2025 Finney Dryland Crops**

Crop	New ERP for 2025 Crop	2025/2026 MYA Forecast Price*	ARC – Average*** Yield	ARC – High Yield (15% above average)	PLC
Corn	\$4.42	\$3.90	\$0	\$0	\$66
Soybeans	\$10.71	\$10.00	n/a	n/a	n/a
Wheat	\$6.35	\$5.10	\$28	\$20	\$45
Grain Sorghum	\$4.67	\$3.70	\$11	\$0	\$58

*Forecast price based on Sept WASDE report

**Per acre payments based on Farm Program Yield and 85% of base acres in that crop, 5.7% sequester

***Average yields based on RMA data (not ARC benchmark yield)

<https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool>

Example Payouts: 2025 Finney Irrigated Crops**

Crop	New ERP for 2025 Crop	2025/2026 MYA Forecast Price*	ARC – Average*** Yield	ARC – High Yield (15% above average)	PLC
Corn	\$4.42	\$3.90	\$80	\$0	\$66
Soybeans	\$10.71	\$10.00	\$23	\$0	\$29
Wheat	\$6.35	\$5.10	\$41****	\$19****	\$45
Grain Sorghum	\$4.67	\$3.70	\$51	\$18	\$58

*Forecast price based on Sept WASDE report

**Per acre payments based on Farm Program Yield and 85% of base acres in that crop, 5.7% sequester

***Average yields based on RMA data (not ARC benchmark yield)

****Irrigated expected wheat yields from RMA are equivalent to non-irrigated, so here we assume average = ARC benchmark
<https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool>

Example Payouts: 2025 Riley Dryland Crops**

Crop	New ERP for 2025 Crop	2025/2026 MYA Forecast Price*	ARC – Average*** Yield	ARC – High Yield (15% above average)	PLC
Corn	\$4.42	\$3.90	\$71	\$69	\$46
Soybeans	\$10.71	\$10.00	\$39	\$0	\$20
Wheat	\$6.35	\$5.10	\$33	\$30	\$39
Grain Sorghum	\$4.67	\$3.70	\$49	\$33	\$62

*Forecast price based on Sept WASDE report

**Per acre payments based on Farm Program Yield and 85% of base acres in that crop, 5.7% sequester

***Average yields based on RMA data (not ARC benchmark yield)

<https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool>

2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas	Crop:	Wheat	Type:	All
County:	Riley				
5 Yr. Olympic Avg. County Yield		ARC	49.86 Bushels	Program Yield	PLC 39.4 Bushels
5 Yr. Olympic Avg. MYA Price			\$6.98	Eff. Reference Price	\$6.35
Benchmark Revenue			\$348.02		
Guaranteed Revenue			\$313.22	PLC > ARC-CO max @	\$5.47
			Yield		
			42 44 46 48 50 53 56 59		
MYA Price	PLC Payment			ARC Payment	
\$6.86	\$0.00	\$25.10	\$11.38	\$0.00	\$0.00
\$6.60	\$0.00	\$36.02	\$22.82	\$9.62	\$0.00
\$6.35	\$0.00	\$41.76	\$33.82	\$21.12	\$8.42
\$5.91	\$17.32	\$41.76	\$41.76	\$41.36	\$29.54
\$5.50	\$33.47	\$41.76	\$41.76	\$41.76	\$38.22
\$5.12	\$48.43	\$41.76	\$41.76	\$41.76	\$41.76
\$4.76	\$62.61	\$41.76	\$41.76	\$41.76	\$41.76
\$4.43	\$75.60	\$41.76	\$41.76	\$41.76	\$41.76
\$4.12	\$87.81	\$41.76	\$41.76	\$41.76	\$41.76

- \$41.76 per acre ARC payment at 50-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$48.43 with a 39.4-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas	Crop:	Corn	Type:	Nonirrigated
County:	Riley				
5 Yr. Olympic Avg. County Yield		ARC	147.70 Bushels	Program Yield	PLC 109.4 Bushels
5 Yr. Olympic Avg. MYA Price			\$5.03	Eff. Reference Price	\$4.42
Benchmark Revenue			\$742.93		
Guaranteed Revenue			\$668.64	PLC > ARC-CO max @	\$3.74
			Yield		
			121 127 134 141 148 155 163 171		
MYA Price	PLC Payment			ARC Payment	
\$4.78	\$0.00	\$89.15	\$61.58	\$28.12	\$0.00
\$4.60	\$0.00	\$89.15	\$84.44	\$52.24	\$20.04
\$4.42	\$0.00	\$89.15	\$89.15	\$76.36	\$45.42
\$4.24	\$19.69	\$89.15	\$89.15	\$89.15	\$70.80
\$4.07	\$38.28	\$89.15	\$89.15	\$89.15	\$66.28
\$3.91	\$55.78	\$89.15	\$89.15	\$89.15	\$62.59
\$3.75	\$73.27	\$89.15	\$89.15	\$89.15	\$57.39
\$3.60	\$89.68	\$89.15	\$89.15	\$89.15	\$53.04
\$3.46	\$104.99	\$89.15	\$89.15	\$89.15	\$48.69

- \$89.15 per acre ARC payment at 148-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$55.78 with a 109-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas	Crop:	Soybeans	Type:	Nonirrigated
County:	Riley				
5 Yr. Olympic Avg. County Yield		ARC		Program Yield	PLC
5 Yr. Olympic Avg. MYA Price		43.75 Bushels			35.6 Bushels
Benchmark Revenue		\$12.17		Eff. Reference Price	\$10.71
Guaranteed Revenue		\$532.44			
		\$479.20		PLC > ARC-CO max @	\$9.22
		Yield			
		29	32	36	40
					44
					48
					53
					58
MYA Price	PLC	ARC Payment			
	Payment				
\$11.59	\$0.00	\$63.89	\$63.89	\$61.96	\$15.60
\$11.14	\$0.00	\$63.89	\$63.89	\$63.89	\$33.60
\$10.71	\$0.00	\$63.89	\$63.89	\$63.89	\$50.80
\$10.39	\$11.40	\$63.89	\$63.89	\$63.89	\$63.60
\$10.08	\$22.44	\$63.89	\$63.89	\$63.89	\$35.68
\$9.78	\$33.13	\$63.89	\$63.89	\$63.89	\$48.88
\$9.49	\$43.46	\$63.89	\$63.89	\$63.89	\$61.64
\$9.21	\$53.44	\$63.89	\$63.89	\$63.89	\$37.12
\$8.93	\$63.41	\$63.89	\$63.89	\$63.89	\$50.56

- \$35.68 per acre ARC payment at 44-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$22.44 with a 35.6-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas	Crop:	Wheat	Type:	Nonirrigated
County:	Finney				
5 Yr. Olympic Avg. County Yield		ARC		Program Yield	PLC
5 Yr. Olympic Avg. MYA Price		42.35 Bushels			44.5 Bushels
Benchmark Revenue		\$6.98		Eff. Reference Price	\$6.35
Guaranteed Revenue		\$295.60			
		\$266.04		PLC > ARC-CO max @	\$5.69
		Yield			
		34	36	38	40
					42
					44
					46
					48
MYA Price	PLC	ARC Payment			
	Payment				
\$6.86	\$0.00	\$32.80	\$19.08	\$5.36	\$0.00
\$6.60	\$0.00	\$35.47	\$28.44	\$15.24	\$2.04
\$6.35	\$0.00	\$35.47	\$35.47	\$24.74	\$12.04
\$5.91	\$19.60	\$35.47	\$35.47	\$35.47	\$29.64
\$5.50	\$37.86	\$35.47	\$35.47	\$35.47	\$35.04
\$5.12	\$54.78	\$35.47	\$35.47	\$35.47	\$35.47
\$4.76	\$70.81	\$35.47	\$35.47	\$35.47	\$35.47
\$4.43	\$85.51	\$35.47	\$35.47	\$35.47	\$35.47
\$4.12	\$99.32	\$35.47	\$35.47	\$35.47	\$35.47

- \$35.47 per acre ARC payment at 42-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$54.78 with a 44.5-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas		Crop:	Grain Sorghum		Type:	Nonirrigated	
County:	Finney							
5 Yr. Olympic Avg. County Yield			ARC		Bushels	Program Yield	PLC	
5 Yr. Olympic Avg. MYA Price			60.26				74.4	
Benchmark Revenue			\$5.30			Eff. Reference Price	\$4.67	
Guaranteed Revenue			\$319.38					
			\$287.44			PLC> ARC-CO max @ \$4.24		
					Yield			
					48	51	54	57
					60	63	66	69
PLC			ARC Payment					
MYA Price	Payment							
\$5.05	\$0.00	\$38.33	\$29.89	\$14.74	\$0.00	\$0.00	\$0.00	\$0.00
\$4.86	\$0.00	\$38.33	\$38.33	\$25.00	\$10.42	\$0.00	\$0.00	\$0.00
\$4.67	\$0.00	\$38.33	\$38.33	\$35.26	\$21.25	\$7.24	\$0.00	\$0.00
\$4.34	\$24.54	\$38.33	\$38.33	\$38.33	\$38.33	\$27.04	\$14.02	\$1.00
\$4.04	\$46.85	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$32.92	\$20.80
\$3.76	\$67.67	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$28.00
\$3.50	\$87.01	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33
\$3.26	\$104.86	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33
\$3.03	\$121.96	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33	\$38.33

- \$38.33 per acre ARC payment at 60-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$67.67 with a 74.4-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



2025/2026 ARC and PLC Example Payouts

Tool available at: <https://www.agmanager.info/ag-policy/farm-bill-0/20252026-arcplc-payment-levels>

State:	Kansas		Crop:	Corn		Type:	Irrigated			
County:	Finney									
			ARC					PLC		
5 Yr. Olympic Avg. County Yield			191.66		Bushels	Program Yield		159.1		Bushels
5 Yr. Olympic Avg. MYA Price			\$5.03			Eff. Reference Price		\$4.42		
Benchmark Revenue			\$964.05							
Guaranteed Revenue			\$867.65			PLC> ARC-CO max @		\$3.81		
					Yield					
			156	164	173	192	202	212	223	
PLC										
MYA Price	Payment				ARC Payment					
\$4.78	\$0.00	\$115.69	\$83.73	\$40.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.60	\$0.00	\$115.69	\$113.25	\$71.85	\$30.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.42	\$0.00	\$115.69	\$115.69	\$102.99	\$63.21	\$19.01	\$0.00	\$0.00	\$0.00	\$0.00
\$4.24	\$28.63	\$115.69	\$115.69	\$115.69	\$95.97	\$53.57	\$11.17	\$0.00	\$0.00	\$0.00
\$4.07	\$55.68	\$115.69	\$115.69	\$115.69	\$115.69	\$86.21	\$45.51	\$4.81	\$0.00	\$0.00
\$3.91	\$81.13	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$77.83	\$38.73	\$0.00	\$0.00
\$3.75	\$106.58	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$110.15	\$72.65	\$31.40	\$31.40
\$3.60	\$130.44	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$104.45	\$64.85	\$64.85
\$3.46	\$152.72	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$115.69	\$96.07	\$96.07

- \$115.69 per acre ARC payment at 192-bushel County Yield
ARC payments are very sensitive to County Yield

- PLC would pay \$81.13 with a 159.1-bushel Program Yield

- Higher of ARC or PLC Payment will be made on 85% of base acres in that commodity in Oct. 2026



Payment Limitations

- Payment limit is increased from \$125,000 to \$155,000 effective with the 2025 crop year and is adjusted annually for inflation
- Payment limits based on the number of owners and entity structures have changed (previously pass-through entities that limit liability were limited to a single payment limit)
- AGI limitations changed to include income from agri-tourism activities, direct-to-consumer marketing of agricultural products, and gain from the sale of agricultural equipment when determining if 75% of average gross income is derived from farming

Crop Insurance Provisions

- Premium subsidy increase for basic and optional units
 - Led to a similar increase in enterprise unit subsidy
- Supplemental Coverage Option (SCO) strengthened
 - Led to an increase in subsidy rates for other high coverage policies
- Definition of beginning farmer increased to 10 years, increase in premium subsidies
- ARPI goes up to 95%, higher premium subsidy
- No SCO-ARC restriction

Premium subsidy changes

Basic and Optional Units

	50%	55%	60%	65%	70%	75%	80%	85%
Pre OB3	67%	64%	64%	59%	59%	55%	48%	38%
Post OB3	67%	69%	69%	64%	64%	60%	51%	41%

Enterprise Units

	70%	75%	80%	85%
Pre OB3	80%	77%	68%	53%
Post OB3	80%	80%	71%	56%

SCO Changes

- Increases underlying coverage from 86% to 90%
 - Increases sizes and likelihood of payouts
 - Which will **increase** premium cost
- Premium subsidy increases from 65% to 80%
 - Which will **decrease** premiums
- 2026 only: 86% SCO with new premium subsidy, 90% ECO with new premium subsidy

Example

- Dryland wheat in McPherson County in 2026
- 50 bushel APH
- Projected price \$5.61
- Expected revenue: \$281/acre

Producer Premiums (unofficial)

	65%	70%	75%	80%	85%
Old OU	\$6	\$8	\$12	\$17	\$26
New OU	\$5	\$6	\$9	\$14	\$22
Old EU	\$2	\$3	\$4*	\$7*	\$17
New EU	\$2	\$3	\$4*	\$7*	\$13
Old SCO	\$8	\$7	\$5	\$3	\$0
2026 SCO 86%	\$4	\$3	\$2	\$1	\$0

Note: "Old" and "new" estimates are unofficial estimates calculated using the RMA cost estimator, but the old estimates use prior, higher subsidy rates. Premiums are rounded to the nearest \$. In crop year 2027, SCO will be offered at 90% instead of 86%.

*Payments marked with are meaningfully different (i.e. about \$0.70 for 75% old and new EU) but round to the same number.

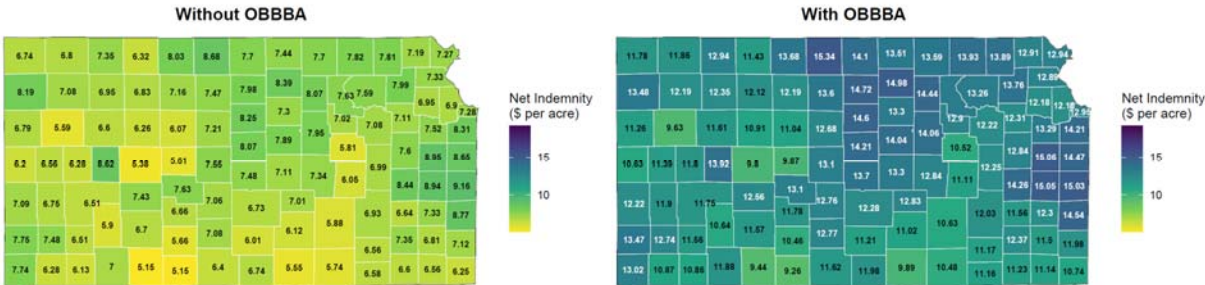
ECO premiums (unofficial)

	95%	90%
Old ECO	\$6	\$3
New ECO	\$3	\$1

Note: "Old" and "new" estimates are official based on the RMA cost estimator, but the old estimates apply pre-OB3 subsidy rates.

Expected 2025 SCO Net Indemnity Payments for Wheat: Non-Irrigated (Without OBBBA vs With OBBBA)

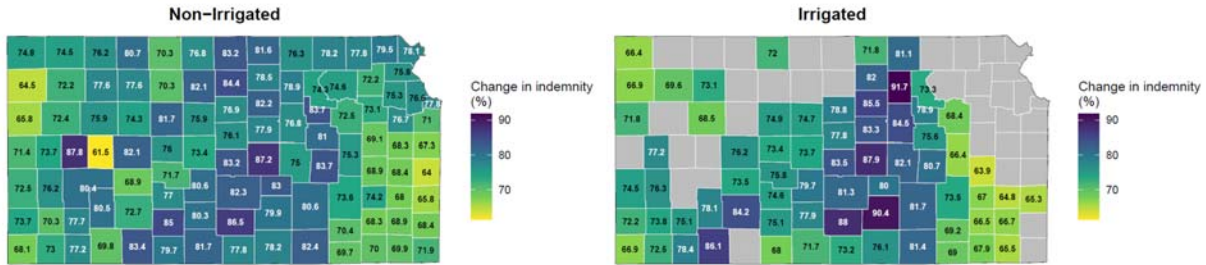
Prepared by: Chandan Bhattarai, Jennifer Ifft (jiff@ksu.edu), Anup Paudel and Delide Joseph



Note: These maps follow RMA reporting and treat published yields as representative for both irrigated and non-irrigated practices. Expected indemnities are calculated using county yields modeled with Weibull distributions estimated from 1994–2024 RMA data. For the OBBBA scenario, SCO premiums for the 86%–90% band are approximated with ECO 90% base rates scaled to SCO liability, since official 90% SCO rates are not yet available. This estimation is based on the projected price (\$5.94/bu) and the harvest price (\$5.41/bu). All SCO coverage is assumed to be purchased on top of a 75% RP policy.

Percent Increase in Expected 2025 SCO Net Indemnity Payments for Wheat (Without OBBBA vs With OBBBA)

Prepared by: Chandan Bhattarai, Jennifer Ifft (jiff@ksu.edu), Anup Paudel and Delide Joseph



Note: These maps follow RMA reporting and treat published yields as representative for both irrigated and non-irrigated practices. Expected indemnities are calculated using county yields modeled with Weibull distributions estimated from 1994–2024 RMA data. For the OBBBA scenario, SCO premiums for the 86%–90% band are approximated with ECO 90% base rates scaled to SCO liability, since official 90% SCO rates are not yet available. This estimation is based on the projected price (\$5.94/bu) and the harvest price (\$5.41/bu). All SCO coverage is assumed to be purchased on top of a 75% RP policy.

Beginning Farmer/Rancher Benefit

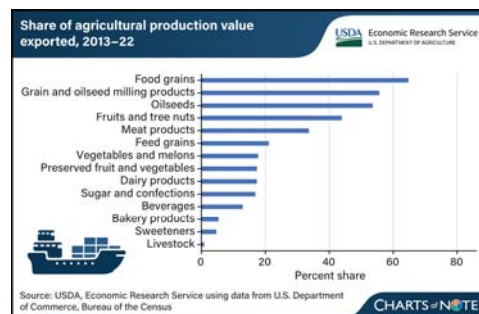
- Definition expanded from 5 to 10 years
- Additional 15% premium subsidy in Year 1, gradually declines to 10% for years 5-10
- Example: 75% Wheat RP
 - Optional Units: \$9/acre for a regular policy, \$7 for a beginning farmer in years 5-10, \$6 in years 1 and 2
 - Enterprise Units: \$4/acre for a regular policy, \$2 for a beginning farmer in years 5-10, \$1 in years 1 and 2
- Also lowers LRP, PRF, high coverage policy costs

Crop Insurance: the bottom line

- What has not changed
 - 80-85% coverage levels much more expensive
 - OU much more expensive than EU
 - High coverage policy tradeoffs
- What has changed
 - MPCl (RP) policies cost less
 - High coverage policies cost *much* less
- Analysis of using OU may be merited for some producers
 - 75% EU + SCO costs ~\$3/acre less than 75% OU
 - 75% EU + SCO +ECO approximately the same cost as 75% OU

What to watch over the next year

- TRADE
 - Sec Rollins touted new trade deals in the works, but no mention of China
- More Emergency Ad Hoc payments?
 - Supposedly announcements coming soon
- Labor
 - Lowering H2A wage rates and streamlining of the process
- Purchase of U.S. Commodities for McGovern-Dole Good for Education Program
- Increase of Biofuel demand
- Skinny Farm Bill?
- Screwworm
- USDA Reorganization



Conclusion

- Safety net has been strengthened
 - ARC and PLC will trigger more easily and pay out more, but not until Oct. 2026
 - Base acre additions will benefit under-based farms
 - High coverage policies are a better value (SCO, ECO, MCO), other crop insurance changes similar across policy choices
- For many producers, some analysis may be warranted
- Opportunity to prepare for potential extended period of low crop margins

Resources

- www.AgManager.info
 - <https://www.agmanager.info/ag-policy/arc-co-actual-payment-maps>
 - <https://www.agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool>
 - <https://www.agmanager.info/ag-law-and-human-resources/ag-law-issues/one-big-beautiful-bill-act-commodities-subtitle>
- Tax Changes Articles:
<https://www.calt.iastate.edu/post/one-big-beautiful-bill-act-implements-significant-tax-package>
- Tracking Ad Hoc Payments made is KS:
 - ECAP: <https://www.fsa.usda.gov/resources/programs/emergency-commodity-assistance-program/dashboard>
 - ELRP: <https://www.fsa.usda.gov/resources/programs/emergency-livestock-relief-program-elrp/dashboard>
 - SDRP: <https://www.fsa.usda.gov/resources/programs/emergency-livestock-relief-program-elrp/dashboard>