Recent Agricultural Law Developments Every Farmer, Rancher and Agricultural Professional Should Know

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Overview

Agricultural law rarely produces a single headline that captures everything farmers and ranchers need to know. Instead, the most important developments often appear in seemingly unrelated areas such as farm-program eligibility, water rights, agricultural data, secured lending, and neighboring-land disputes.

Several recent developments illustrate an important common theme: farmers need to understand the legal rights and obligations that accompany the way they operate their businesses and manage their property. Here are five recent developments worth putting on the radar.

New USDA Filing Requirement for Entity-Owned Farms

If a farming operation is conducted through an LLC, partnership, corporation, or joint venture, there is an important USDA filing deadline approaching. As part of the Commodity Title provisions of the One Big Beautiful Bill Act, Congress made significant changes to farm-program payment limitations. The revised rules require the Farm Service Agency (FSA) to obtain updated information concerning entity ownership and structure.

To implement these changes, FSA is requiring entities to file Form CCC-902E, Farm Operating Plan for an Entity, by September 15, 2026. The form provides FSA with information concerning ownership and entity structure that the agency will use in determining payment eligibility and applying the revised payment limitations.

Importantly, producers should not assume that a previously filed operating plan automatically satisfies the new requirement. That is particularly true for operations involving multiple owners, related entities, complex ownership structures, or ownership changes.

The potential upside is significant. Some producers may qualify for additional farm-program payment limits under the revised rules. But the benefit can be lost - or at least delayed - if the required information is not timely provided to FSA.

Farmers operating through entities should contact their local FSA office now rather than waiting until September 15. Attorneys and agricultural tax professionals should also make this part of their 2026 year-end checklist for entity clients receiving farm-program payments.

Federal Environmental Law and Western Irrigation Water

A recent federal water-rights decision involving the Klamath Project illustrates the continuing tension between longstanding agricultural water expectations and federal environmental laws.[1]

The dispute involved a federal irrigation system serving farmers and ranchers in Oregon and California. During drought conditions, the Bureau of Reclamation restricted water deliveries in an effort to maintain Upper Klamath Lake levels and minimum flows in the Klamath River to protect endangered sucker species.

The court held that the Endangered Species Act applies to the Bureau's operation of the Project and that the restrictions did not constitute a judicial taking of the irrigation district's water rights. The majority emphasized the Bureau's continuing operational discretion under the ESA. The dissent, however, took a different view, concluding that the federal contracts did not give the Bureau sufficient discretion to trigger the consultation requirements at issue.

The case is important beyond the Klamath Basin. For agricultural producers, the practical lesson is that **a** federal water contract does not necessarily guarantee unrestricted water deliveries. When a federal agency controls the operation of the water system, other federal statutes can impose significant constraints on how that water is allocated. That creates an important due-diligence issue for producers, irrigation districts and their attorneys.

Before assuming that a longstanding water right or federal contract guarantees future deliveries, examine:

- the precise language of the water contract;
- the source and nature of the water right;
- the federal agency's statutory authority;
- applicable federal environmental statutes; and
- the degree of operational discretion retained by the federal agency.

In the West, a water right may be legally valuable but still vulnerable to restrictions imposed through federal regulatory authority.

Nebraska Gives Farmers a Property Right in Agricultural Data

Who owns the data generated by modern farming equipment? Nebraska has taken an unusually direct approach to the question by enacting its Agricultural Data Privacy Act.[2] Rather than treating agricultural data merely as information protected through privacy and consent requirements, the Nebraska law starts with a property-rights concept: agricultural data is owned by the producer who generates it.

The concept potentially covers a broad range of information, including GPS information, yield data, agronomic records, livestock genetics, land information, and data generated by farm machinery.

[1] Yurok Tribe v. United States Bureau of Reclamation, 179 F.4th 663 (9th Cir. 2026).
[2] **2026 Neb. Laws, LB 525**, codified at Neb. Rev. Stat. §§ 87-1401 to 87-1410 (2026).

Equipment manufacturers and agricultural technology companies can generally use agricultural data to provide authorized services. But the law places restrictions on selling raw agricultural data without the producer's express written consent.

The contractual implications become particularly important beginning January 1, 2027. New contracts involving the collection or processing of agricultural data must contain a provision prohibiting its sale without the producer's express written consent. That means the lengthy technology agreements that farmers routinely click through or sign deserve considerably more attention.

For agricultural lawyers and farm advisors, this is an area worth watching closely. Agricultural data is increasingly valuable. It can reveal productivity, input usage, management practices, livestock characteristics, land characteristics and other information that may have substantial economic value.

Nebraska's approach also raises an interesting broader question: Will other states begin treating farm data as a form of property rather than simply as protected information? If they do, agricultural data could become an increasingly important asset in farm business transactions—and an increasingly important issue in agricultural contracts.

When the Crop Check Isn't Yours

Farmers relying on operating loans also need to pay close attention to the scope of their lender's security interest. A recent Nebraska bankruptcy case,[3] provides a good illustration. The farmers had borrowed money from a bank under an operating line of credit and a consolidation loan. The loans were secured by a blanket agricultural security agreement covering crops and their proceeds. The farmers subsequently sold soybeans to a grain processor. The processor issued three checks totaling approximately $147,000.

The farmers refused to turn the checks over to the bank. They argued, among other things, that the bank had not financed the 2025 soybean crop and that agricultural-input creditors had superior rights.

The bankruptcy court rejected those arguments. Because the bank had a perfected security interest covering the farmers' crops and their proceeds, the court concluded that the bank had first priority under Nebraska's version of Article 9 of the Uniform Commercial Code. The farmers were ordered to endorse the checks and turn them over to the bank.

The lesson is important for both farmers and lenders. A blanket agricultural lien can extend to crops and crop proceeds even when the lender did not specifically finance the particular crop at issue. The scope and priority of the lender's lien depend on the security agreement, perfection and the applicable priority rules - not simply on which creditor paid for the seed, fertilizer or other inputs.

[3] In re Spilker, No. BK26-40426-TLS, 2026 Bankr. LEXIS 1422 (Bankr. D. Neb. Jun. 8, 2026).

> **Practice pointer:** Before signing or renewing an operating loan, farmers should understand exactly what property and proceeds are covered by the lender's security agreement. Agricultural lenders, meanwhile, need to make sure their financing statements and security agreements adequately protect the collateral they intend to cover.

When a farmer sells a crop, the resulting check may not be "free cash."

Proving Farm Damage Is Only Half the Case

An Iowa Court of Appeals decision demonstrates an important lesson for farmers involved in disputes with neighboring landowners. In *Lewis v. Jimenez,*[4] a farmer claimed that his neighbor's farming activities caused several forms of damage. The allegations included herbicide damage to crops as well as erosion allegedly caused by terracing, tile work and other changes to the neighboring property that supposedly increased water flowing onto the plaintiff's land. The plaintiff had evidence of damage. But that was not enough.

With respect to the herbicide claim, the evidence established crop damage but failed to sufficiently establish that the neighbor's spraying caused it. Yield maps were not sufficiently reliable to establish causation. The drainage claim presented a similar problem. The farmer had evidence of erosion and had spent more than $25,000 on remediation. But the evidence did not adequately establish that the neighboring farmer's land improvements caused the erosion.

The case illustrates a fundamental principle of agricultural tort litigation - proof of damage is not the same thing as proof of causation.

That distinction matters enormously in agricultural disputes. Crop damage can have numerous potential causes - weather, disease, insects, herbicide drift, fertility issues, soil conditions and management practices. Likewise, water movement can be affected by rainfall, topography, drainage systems, tile, terraces, land-use changes and numerous other factors.

Consequently, farmers contemplating litigation need to preserve evidence early and develop competent evidence establishing not merely what happened, but why it happened and who was responsible. That can require more than photographs and yield maps. Depending upon the circumstances, agronomic, engineering, hydrologic or other expert testimony may be necessary.

[4] No. 25-1813, 2026 Iowa App. LEXIS 716 (Iowa Ct. App. Aug. 19, 2026).

Conclusion

These five developments involve very different areas of agricultural law. Yet they share a common lesson. Farmers cannot afford to treat legal issues as an afterthought.

The entity through which a farm operates can affect farm-program payments. The language of a federal water contract can affect water deliveries. The terms of a technology agreement can determine who controls valuable farm data. A lender's security agreement can determine who receives the proceeds from a crop sale. And a farmer with a legitimate claim against a neighbor can still lose if the evidence does not establish causation.

For farmers and ranchers, that means paying attention to the legal documents that accompany the business of farming - not merely the agronomic and financial aspects of the operation. For attorneys, CPAs and other agricultural advisors, these developments provide a useful reminder as well: the legal details surrounding an agricultural operation can have very real economic consequences.